

Record business in Q4 2017: €9.9m (x2) Nearly €25m in revenue for FY 2017: +75%

PRESS RELEASE

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Thorigné-Fouillard, France, 30 January 2018 – **Kerlink** (AKLK - FR0013156007), a global specialist in network solutions for the internet of things, has published its revenue for financial year 2017. Revenue shot up 75.4% over the period to €24.8m, in line with financial market guidance. All-organic growth kept up the already solid pace set in FY 2016 (+90%).

Full-year performance got a strong boost from Q4 2017 business, with revenue of €9.9m, more than doubling the performance recorded in Q4 2017 like-for-like.

Revenue by business (€K)	Q4 2017	Q4 2016	Change	2017	2016	Change
Public operators	6,492	1,778	x 3.7	14,714	5,164	x 2.8
Private operators	3,330	2,897	+14.9%	9,907	8,800	+12.6%
Reference design	46	20	NS	147	153	NS
Total	9,868	4,695	x 2.1	24,767	14,117	+75.4%

IFRS – Unaudited figures

Kerlink posted a 2.8-fold increase in revenue generated with public operators

As expected, the big contributors to this 2.8-fold increase in full-year revenue were public operators as they began rolling out their networks. Acceleration was particularly strong in the fourth quarter, with revenue of nearly €6.5m, i.e. 3.7x compared to the same period in 2016.

Drawing on the brand recognition gained by the Group with the launch of the world's largest LoRa™ network by Tata Communications in India, the business earned several new client references among top-tier public network operators.

The corporates and local authorities market also recorded robust growth, with revenue up 12.6% to almost €10m.

The Group markets solutions for leading industry players such as Digimondo (Germany), Netemera (Poland), Proximus (Belgium), Libatel (Lebanon), Spark (New Zealand) and Yeap! (Argentina). Even after the infrastructure facilities are installed, these contracts offer a multitude of opportunities for the Group to highlight the advantages of its high value-added service range.

The Reference Design offer generated its first license revenues over the period. Reference Design provides manufacturers with a network connectivity solution that quickly and easily incorporates their products into the Internet of Things.

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Over 50% of business generated abroad

Revenue by geographic area (€K)	2017	2016	Change
NCSA (Americas)	561	171	x 3.3
APAC (Asia-Pacific)	8,697	450	x 19.3
EMEA, excl. France	3,507	2,918	+20.2%
FRANCE	12,001	10,578	+13.4%
Total	24,767	14,117	+75.4%

IFRS – Unaudited figures

The lion's share of business momentum was generated on the International market, with nearly €12.8m in revenue, up 3.6x versus 2016. Its contribution to total business activity came to 52%, versus 25% in 2016, illustrating the Group's solid penetration of all markets investing heavily in IoT.

In the Asia-Pacific region, revenue posted over 19-fold increase to almost €8.7m, driven predominantly by the performance of the Tata Communications contract in India.

Europe (excluding France) delivered a very satisfactory performance as well, with revenue topping €3.5m, up by more than 20%.

The Americas also made a respectable contribution to performance, tripling business revenue to €560k. The Group's Chicago location, established in summer 2017, promises to be a major source of leverage for expanding on this high-potential market.

Finally, the Group did well in France with revenue of €12m, up by more than 13% compared to 2016.

Earnings expected to show a strong improvement in the second half

The end of the financial year was a rousing success, which should reflect positively on earnings. In line with financial market guidance, year-end business is expected to generate significantly positive EBITDA in the second half.

More growth on the horizon in 2018

In 2017, the Group proved that it was capable of implementing large-scale projects and winning over top-shelf clients. Building on this success, Kerlink now enjoys strong brand recognition and greater visibility, both of which should further strengthen sales momentum with public and private operators alike.

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In 2018 as well, business will be driven by the execution of orders recorded in recent months and the projected increase in service revenues. Finally, the new structure established in the second half of 2017 will play a decisive role in furthering the Group's development.

With such a bright outlook ahead, Kerlink is heading into 2018 with confidence and renewed determination to earn more than €70m in revenue by 2020.

About Kerlink

Kerlink specialises in network solutions for the Internet of Things (IoT). Its mission is to provide its clients – telecom operators, businesses and public authorities – with network solutions (equipment, software and services) dedicated to the Internet of Things. Over the past three years, Kerlink has invested more than €10 million in R&D. In just over 10 years, more than 100,000 Kerlink installations have already been rolled out for more than 330 clients, including GrDF, Suez, Saur and Médiamétrie. Kerlink's solutions equip IoT networks worldwide, with major roll-outs in Europe, South Asia and South America. In 2018, Kerlink generated revenue of nearly €25 million, over 50% of which internationally. Since 2013, it has posted average annual growth of more than 62%. Kerlink has been listed on the Euronext Growth market since May 2016 and joined the Enternext PEA PME 150 index in October 2017.

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