



## **2020 Full-Year Results Q1 2021 Revenue**

26th April 2021





**WILLIAM GOUESBET - CO-FONDATEUR** *(on the left)*

EXECUTIVE OFFICER

***Chairman and Chief Executive Officer***

*IT and Telecommunications Engineer*(IFSIC - Rennes)

Mitsubishi Electric, Nortel Networks, Wavecom

**YANNICK DELIBIE - CO-FONDATEUR** *(on the right)*

TECHNOLOGY & INNOVATION OFFICER

***Managing Director of Kerlink Inc.***

*Telecommunications and Industrial IT*

*(Polytech Paris Sud & Sherbrooke)*

French MoD, Mitsubishi Electric, Wavecom

# IOT NETWORKS GLOBAL SOLUTIONS & SERVICES

**IoT network** design,  
deployment & scaling



Network operations  
**management**



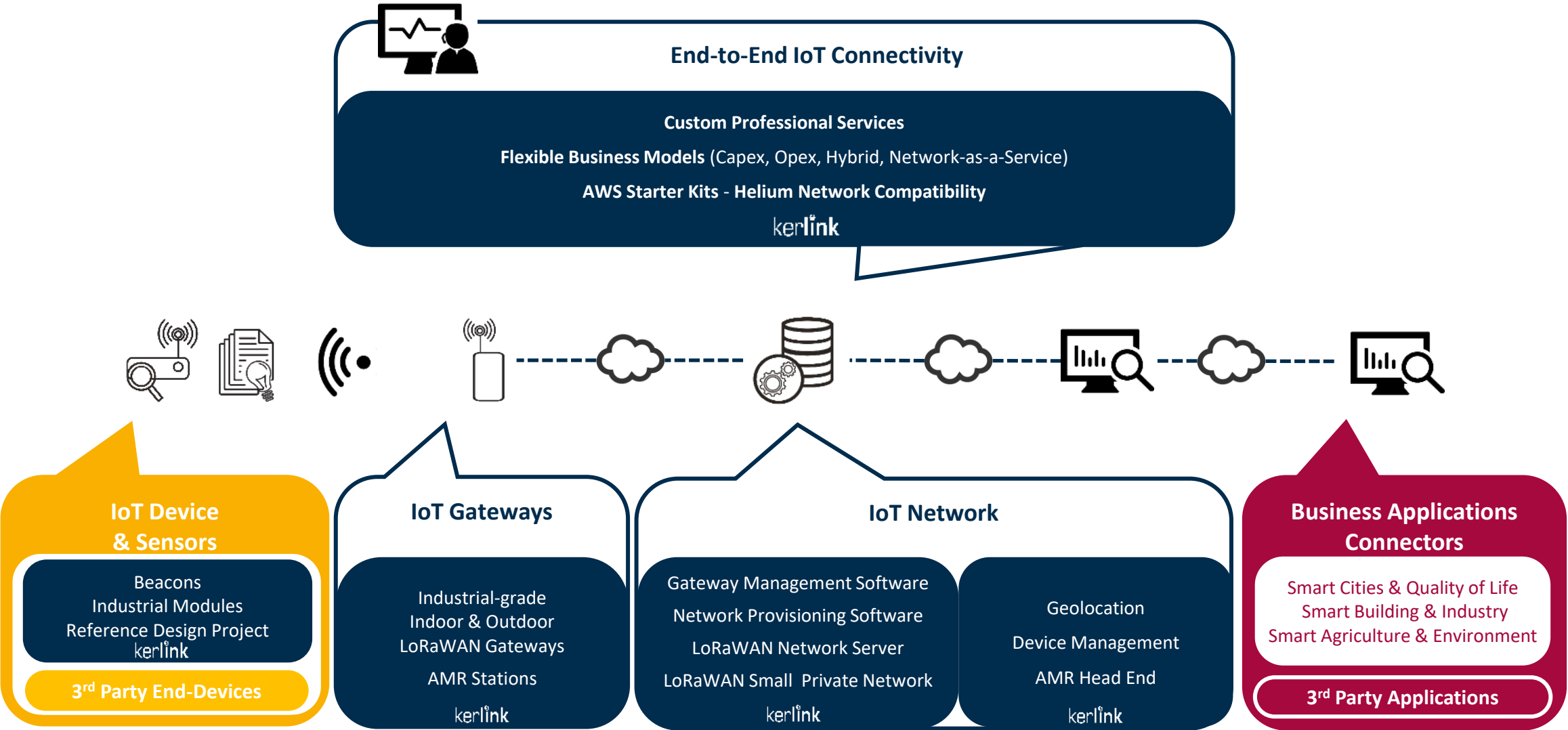
IoT device  
**design &  
management**



Create new services  
**for new sources of income**



# IoT CONNECTIVITY PORTFOLIO



*KERLINK IoT LPWAN global value chain*





## A WORLD LEADER IN THE IOT

- 140 000+ KERLINK INSTALLATIONS WORLDWIDE
- 70 000+ LORAWAN® GATEWAYS SOLD ALL OVER THE WORLD
- PRESENT IN 75+ COUNTRIES FOR 350+ CUSTOMERS
- POWERS 90% OF EU LORAWAN® NETWORKS
- POWERS 58% OF WORLDWIDE LORAWAN DEPLOYMENTS<sup>1</sup>
- POWERS TATA COMMUNICATIONS INDIAN LORAWAN® NETWORK WITH 10 000 GATEWAYS
- WANESY™ MANAGEMENT CENTER SHOWS TODAY THE FASTEST MARKET GROWTH (X8) FOR NETWORK & OPS MANAGEMENT

(1) Source: LoRa Alliance®, Semtech and internal sources – excluding China

# OUR STRATEGIC PRIORITY: PRIVATE OPERATORS



~85% of 2020 annual revenue

## KERLINK value proposition



An end-to-end business solution that respects the challenges in terms of security, reliability and quality of network coverage by offering the customer:

- *A reference prescriber*
- *By defining a Return On Investment*

## Few customers examples



## Structuring partnerships on 3 major domains



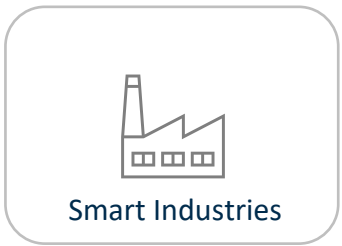
Smart Cities



Remote management of LoRa® public lighting



Flows optimization: traffic, ressources (water, gas, electricity), waste...



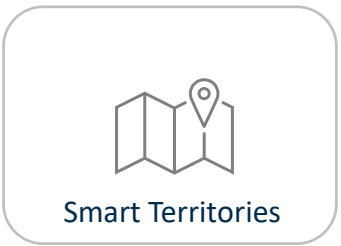
Smart Industries



Real-time management and processing of industrial data



Amsterdam airport flows optimisation



Smart Territories



Smart Agriculture : Lebanese vineyard, the first to take advantage of the IoT



Water measurement in the agricultural sector

# A HISTORICAL STRONG POSITION AMONG TELCO & ALTERNATIVE OPERATORS



~15% of 2020 annual revenue

## KERLINK value proposition



Kerlink has developed a full range of **carrier grade** network equipment and solutions. This range of products and solutions is aimed at network operators wishing to set up or complete a quality public network to support the growth of the IoT and offer their customers and partners a sustainable data collection network.

## A business model that is progressively reinventing itself

### SOME BRAKES TO DEVELOPMENT...

- Final cost of connectivity based on the teleco operators classic model (€/device/year) too expensive for the expected use cases  
Ex : Smart lighting / trackers ...
- Investments primarily directed to the mobile (average ARPU of the mobile user > ARPU IoT)

### ...THAT ARE GRADUALLY LIFTED

- Infrastructure investments already made and operational
- Promotional campaigns that are launched

## A REBOUND TO 2023...







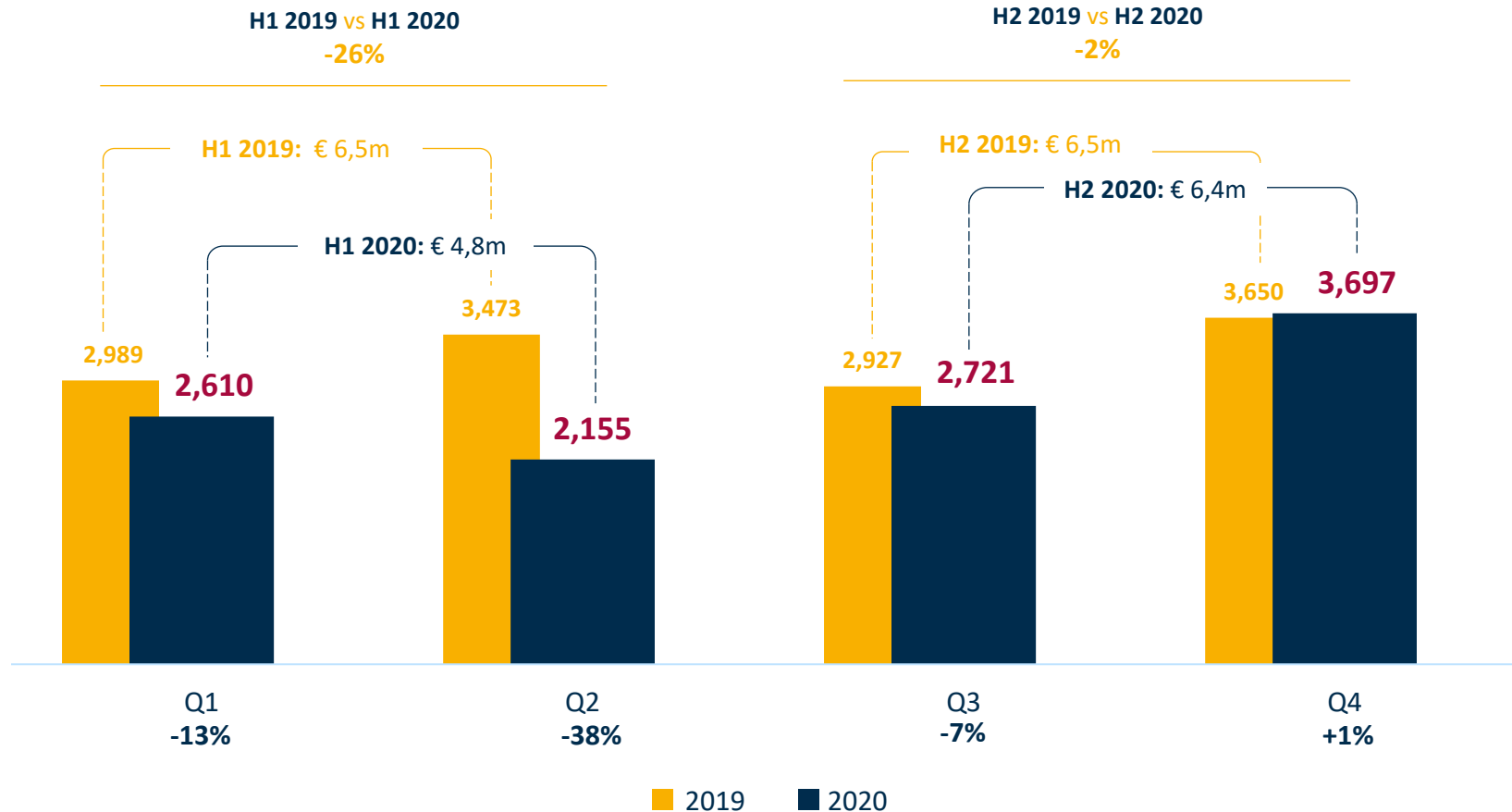
**A RESISTANCE CAPACITY  
IN AN EXCEPTIONAL CONTEXT**





# STRONG IMPACT ON Q2 ACTIVITY – A PENDING RECOVERY

Quarterly Revenue evolution  
2020 vs 2019 (in €k)



## Yearly evolution of sales

- Revenue: -14% vs 2019 à 11,2 M€
- H1 activity impacted by the health context
- H2 revenue: +35% vs H1 2020
- Gradual improvement with a good level in Q4 (+ 1%) despite the second wave of the Covid-19 pandemic

# GROWTH IN NCSA AND EMEA ZONES, SIGNIFICANT DECREASE IN FRANCE



# SIMPLIFIED INCOME STATEMENT

IFRS (€k)	December 31,2020	December 31,2019
<b>Income from ordinary operations</b>	<b>11,184</b>	<b>13,038</b>
Cost of sales	- 6,355	-7,082
<b>Gross margin (amount)</b>	<b>4,829</b>	<b>5,956</b>
<i>Gross margin (%)</i>	<i>43,2%</i>	<i>45,7%</i>
Other operating costs	- 8,025	-10,982
<b>EBITDA</b>	<b>-3,196</b>	<b>-5,027</b>
Depreciation and amortisation	- 3,075	-3,636
<b>Operating income</b>	<b>-6,271</b>	<b>-8,663</b>
Financial income	554	-79
Income tax	-9	-1,817
<b>Net income, Group share</b>	<b>-5,726</b>	<b>-9,843</b>

## GROSS MARGIN EVOLUTION:

- The gross margin rate stood at 43.2% in 2020 compared to 45.7% in 2019. This is explained by more complex commercial negotiations due to the global health crisis but also by the purchases level due to more uncertain supply conditions.

## POSITIVE IMPACT OF 2019 PAYROLL REDUCTION

## R&D COSTS ACTIVATION: € 300k vs € 800k IN 2019

## FINANCIAL INCOME INCREASED €633K, INCLUDING THE REVALUATION OF THE EARNOUT ON THE PURCHASE OF THE REMAINING WYRES SHARES.

# SIMPLIFIED BALANCE SHEET

IFRS (€k)	December 31,2020	December 31,2019
Net assets and other non-current assets	5,327	7,568
Current assets	8,816	10,019
Cash and cash equivalents	6,463	6,315
<b>Total assets</b>	<b>20,606</b>	<b>23,902</b>
Shareholder's equity	6,634	12,489
Long and medium-term financial liabilities	5,958	2,730
Other non-current liabilities	562	1,315
Current financial liabilities	2,687	2,117
Other current liabilities	4,765	5,251
<b>Total liabilities</b>	<b>20,606</b>	<b>23,902</b>

**WITHOUT FACTORING:**  
€ 5,3m END OF 2019, € 5,7m END OF 2020

**NEW LOANS SIGNED IN 2020: € 5m**  
**(INCLUDING A € 2,25m FRENCH PGE)**





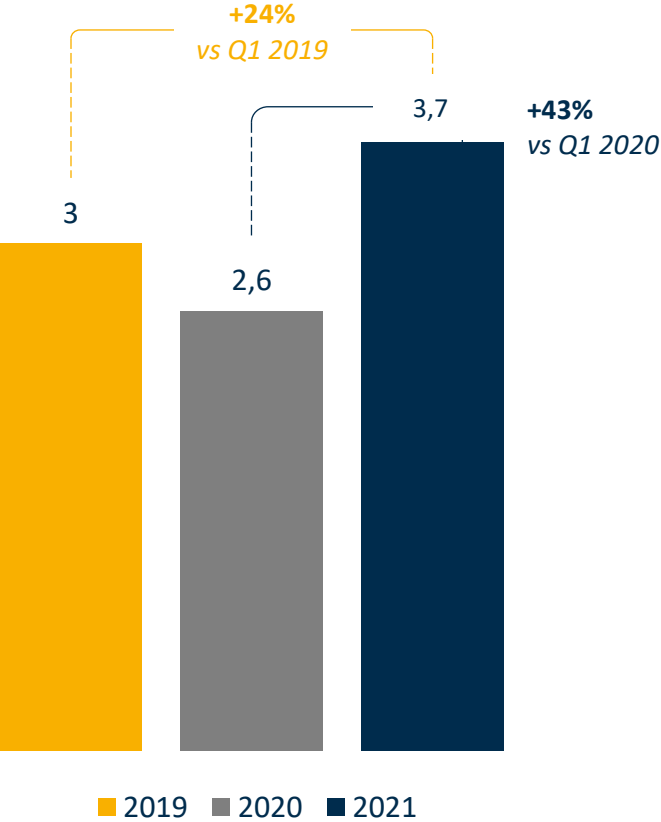
**A EXCELLENT FIRST QUARTER**

**PROGRESS IN THE  
DEPLOYMENT OF THE STRATEGY**

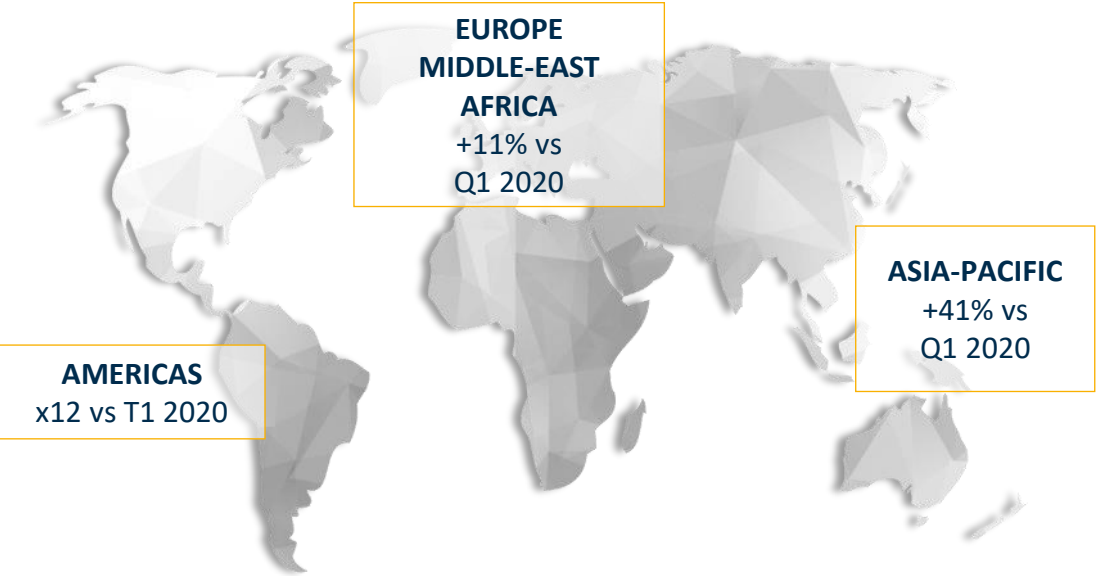


# AN EXCELLENT Q1 2021

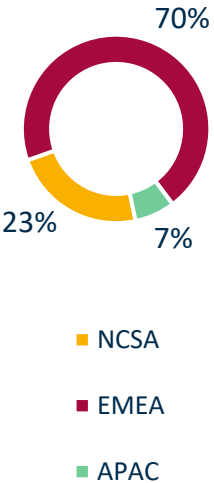
Q1 Revenue evolution  
2019 to 2021 (in €m)



International Revenue evolution vs Q1 2020

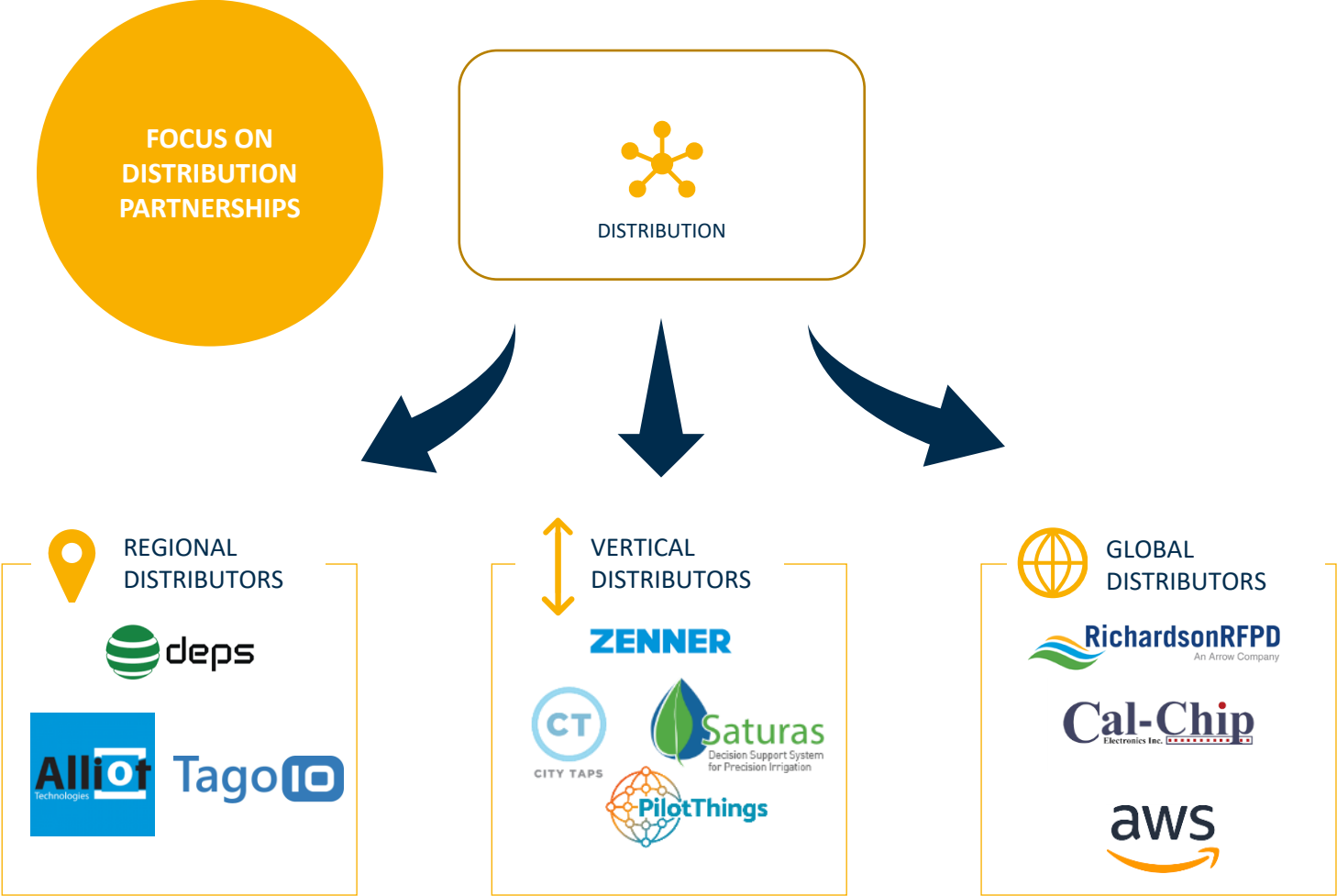


By sales areas



BUT A VIGILANCE CONCERNING  
The supply of electronic components

# CONTINUATION OF THE STRATEGY TOWARDS PRIVATE NETWORK OPERATORS



# GLOBAL STRENGTHENING OF THE DISTRIBUTORS ECOSYSTEM

## »» PARTNERS PROGRAM

- » Ensures a greater cross-collaboration between KERLINK & Channels,
- » Ensures a Channel cross-collaboration areas (refer to "one-stop-shop"),
- » Rewards our partners according to the level they deserved,
- » Keeps our investments in this strategic channel and our means for business development

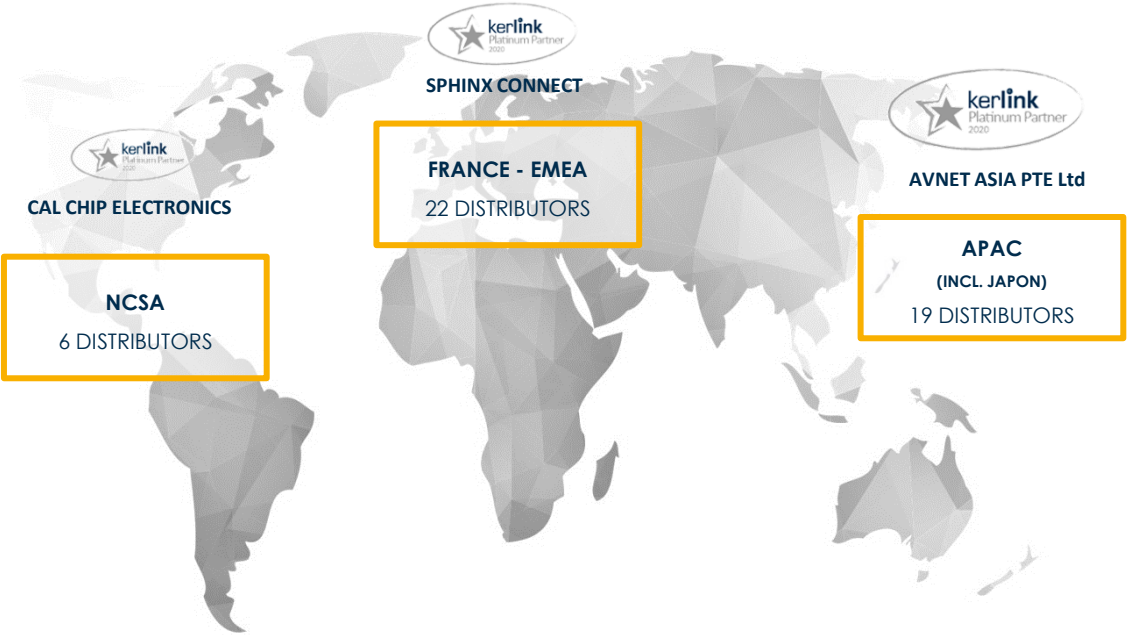
## »» YEARLY PERFORMANCE & REWARDS

- » Criteria table to evaluate partner yearly performance

IN 2020...



## »» KERLINK GLOBAL DISTRIBUTION NETWORK



47 PARTNERS AS AT 31 DECEMBER 2020  
(x2 vs JANUARY 2020)



## Amazon Web Services : *Cloud Computing Services* leader

- Data and Application hosting for Enterprise

## AWS IoT Core for LoRaWAN™ : Connected Objects connectivity add-on for Enterprise

- Direct link from sensor to cloud, using LoRa radio protocol
- Plug & Play solution, using standards for the best customer experience
- Qualified device program, AWS Market place



qualified  
device  

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internet of things

### Connected Objects



LoRa® radio protocol

### Gateway



Bridge to AWS IoT Core

### AWS IoT Core for LoRaWAN™



Sensors are directly and easily  
connected to the Cloud

### AWS Cloud Services

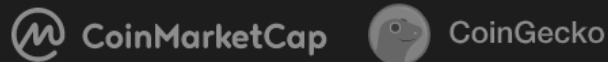


Data to the Application

# The New Wireless Economy.

The People's Network creates an entirely new wireless economy that flips the traditional telecom model of building wireless infrastructure on its head.

Using a Burn-and-Mint Equilibrium token model, The People's Network utilizes two units of exchange: HNT and Data Credits.



**Kerlink IoT Gateways Compatible with Helium Network,  
One of the World's 1st Peer-to-Peer Wireless LoRaWAN® Networks**

*'The People's Network' Is Powered by Thousands of Individual Hotspots Providing Extensive IoT Coverage and Mining the Cryptocurrency, HNT Token (HNT)*

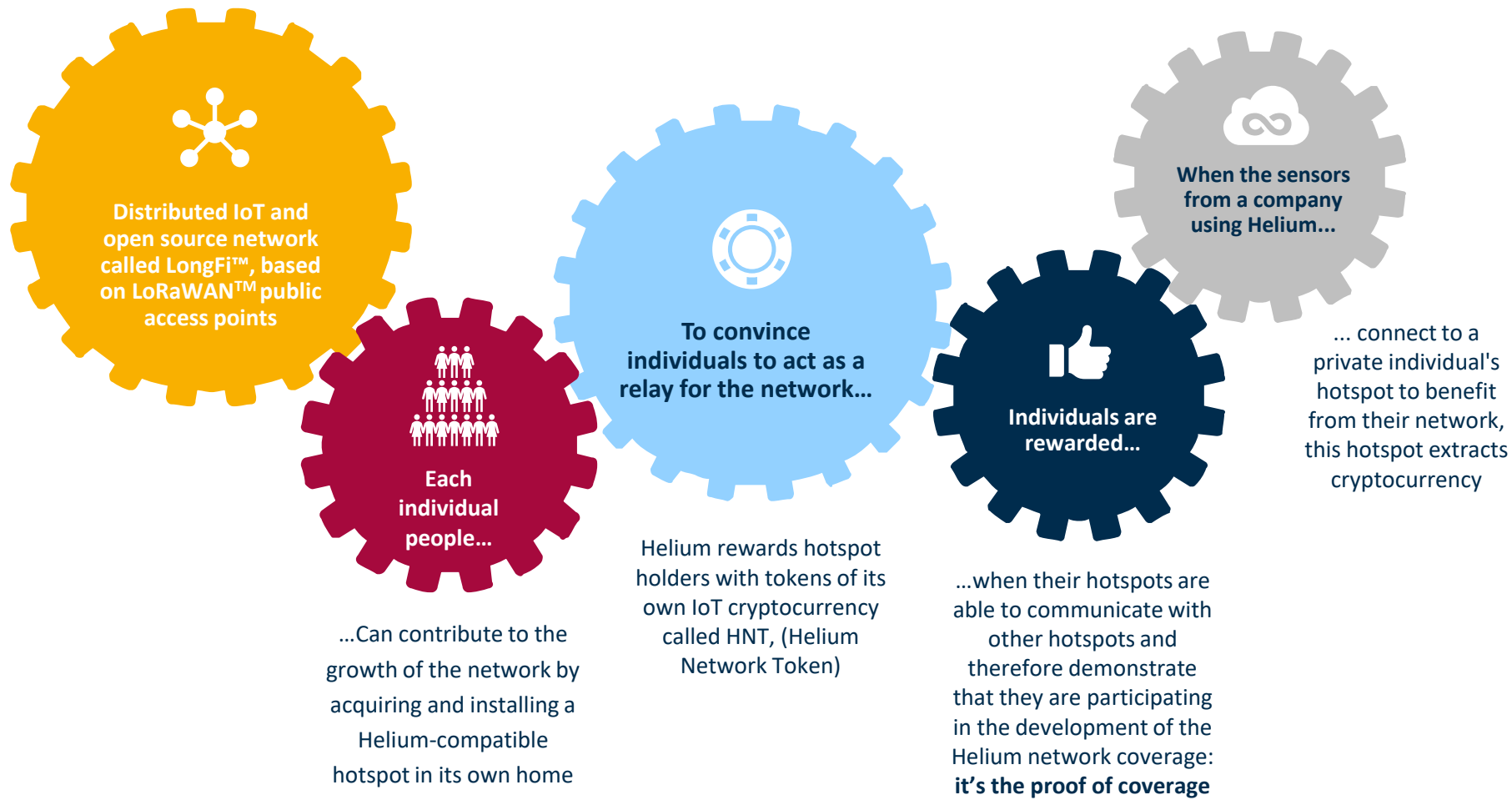


## PRESS RELEASE

**Thoirgné-Fouillard, France** – April 8, 2021, 8:30 a.m. CEST – **Kerlink** (AKLK – FR0013156007), a specialist in solutions dedicated to the Internet of Things (IoT), today announced its industrial-grade indoor Wirnet™ iFemtoCell, indoor Wirnet iFemtoCell-evolution and outdoor Wirnet iStation IoT gateways are enabling HNT cryptocurrency mining, while supporting one of the world's first peer-to-peer wireless IoT networks based on the LoRaWAN® protocol.

Called 'The People's Network' and launched by the U.S. company, [Helium](#), the global, distributed network of Hotspots provides public, long-range and low-power wireless coverage for LoRaWAN-enabled IoT sensors and devices. This capability leverages Helium's LongFi™ architecture that combines the LoRaWAN wireless protocol with the Helium Blockchain so that any LoRaWAN device can transfer data on the Helium Network. LongFi delivers roaming capabilities and supports micropayment transactions so customers only pay based on network usage without needing to deploy gateways or network servers.

# THE PEOPLE'S NETWORK : FIRST « CROWDFUNDED » IOT NETWORK



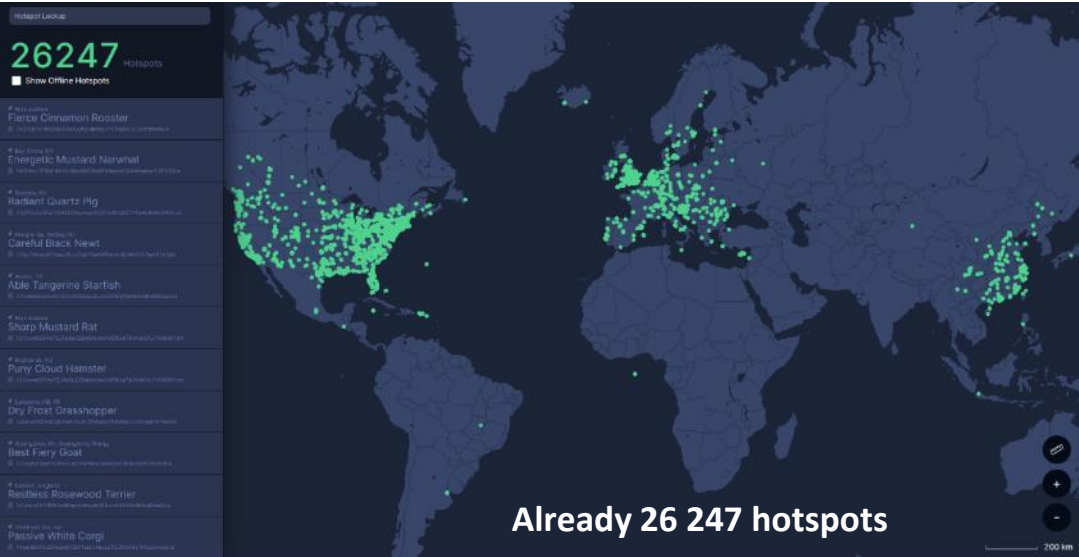
Adding cryptocurrency brings a disruptive approach of the IoT, relying on individuals

Helium The network is intended for companies developing use cases in smart home, asset and animals tracking data collection infrastructure sensors

Very fast roll out :  
Launch in Europe in July 2020, more than 26,000 access points in nearly 3,500 cities

# Helium, THE CROSSROADS OF IOT AND CRYPTOCURRENCY

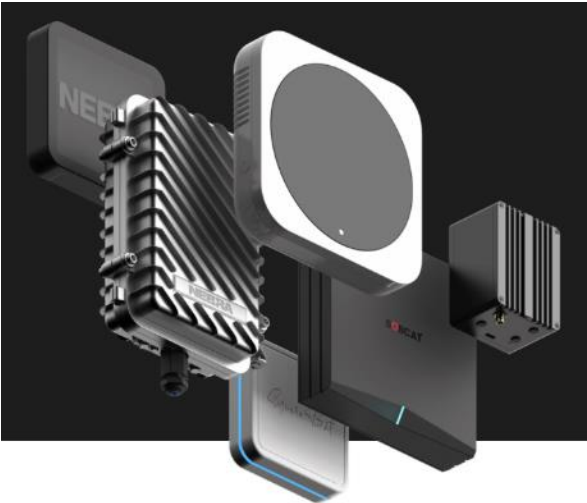
Launched in 2019, Helium is the world's first peer-to-peer wireless IoT network based on the LoRaWAN® protocol and built from a blockchain that allows people and Enterprise to be remunerated with cryptocurrency tokens as they participate in the creation of the network (deployment of hotspots).



## Helium B to B customers



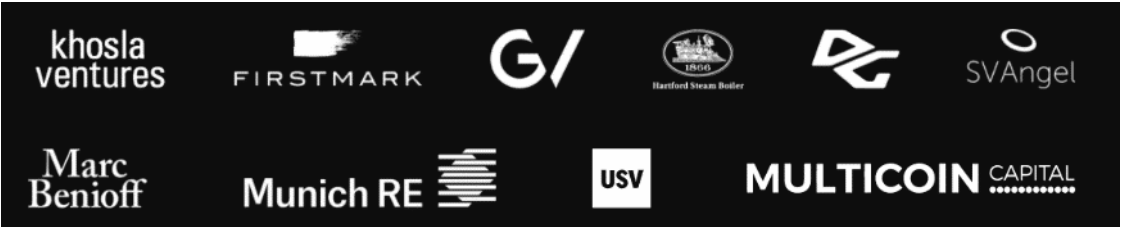
## How to mine Helium Tokens?



Hotspot from 5 manufacturers

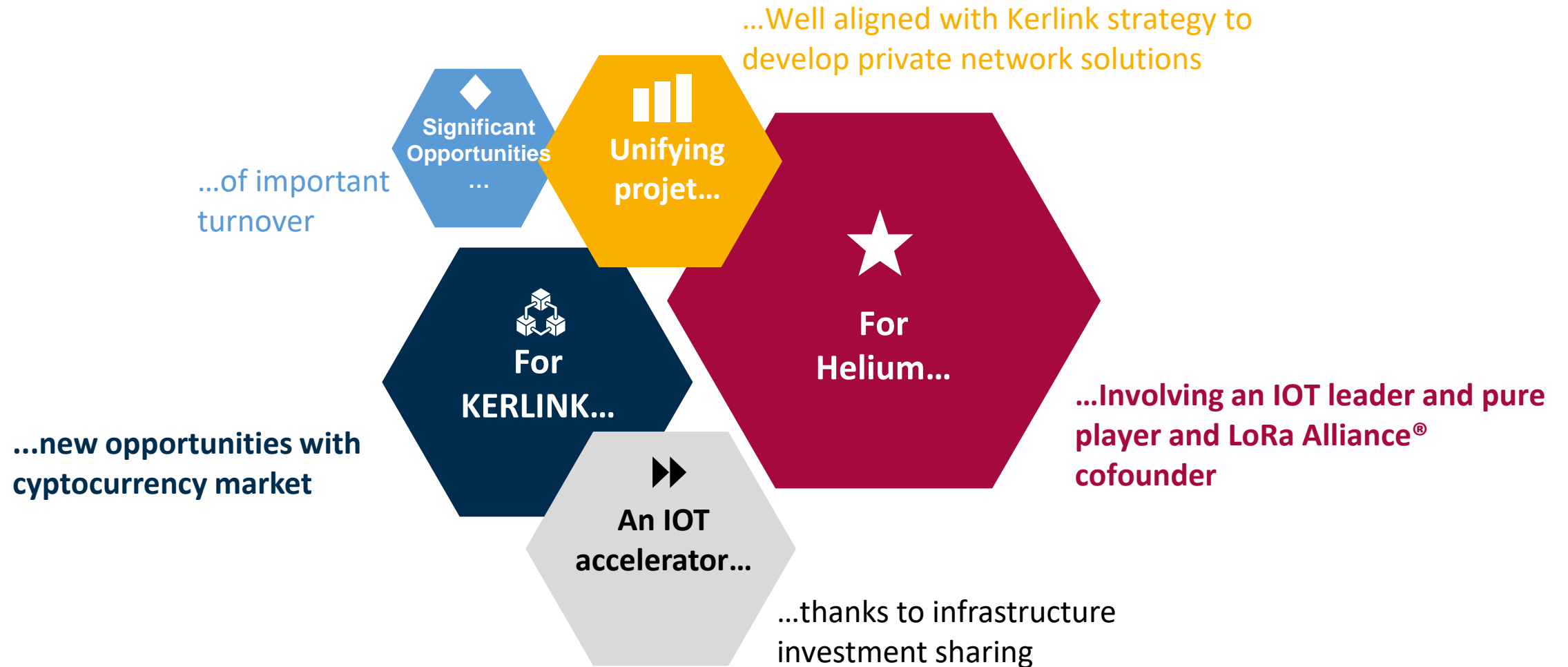


## Helium Investors > 50 M\$ levés





# In brief...

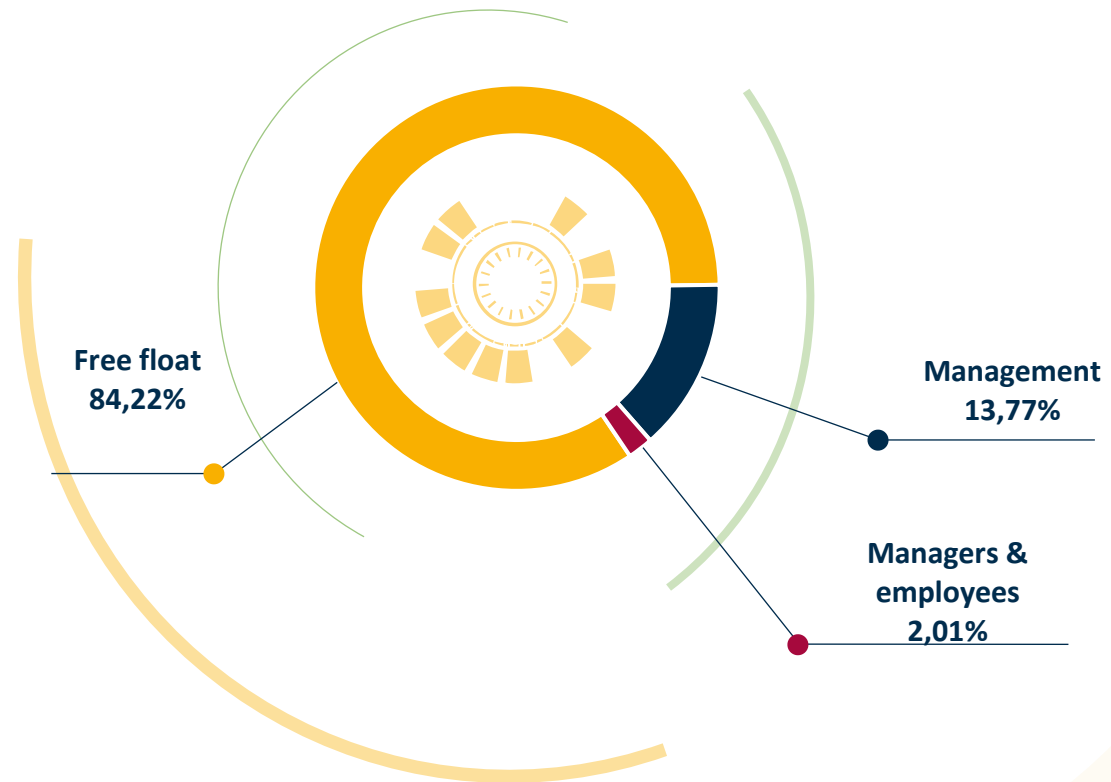


kerlink  
communication is everything

**ANNEX**



*AS OF MARCH 31<sup>st</sup> 2021*



# Q & A

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