

A nighttime photograph of a city skyline, likely New York City, with numerous skyscrapers illuminated against a dark blue sky. The image is overlaid with a semi-transparent dark grey rectangle. The text '2024 HALF-YEAR REPORT' is centered in a light green, sans-serif font. The overall design is framed by orange and teal geometric shapes and lines.

# 2024 HALF-YEAR REPORT

 **kerlink**  
communication is everything

KERLINK Group is a leading global provider of connectivity solutions for designing, launching, and operating public & private Internet of Things networks.

Its broad portfolio of solutions includes network equipment and industrial quality management software, all supported by value-added services, and backed by strong R&D capabilities.

KERLINK specializes in enabling future-proof intelligent IoT connectivity for key verticals such as fleet management, transportation & logistics, retail, asset tracking, and smart metering, as well as smart agriculture & environment, and smart cities, buildings, and factories.

More than 250,000 KERLINK installations have been rolled out with more than 550 clients in 75 countries.

Based in France, with subsidiaries in the US, Singapore, India, and Japan, KERLINK is a founding and board member of the LoRa Alliance® and the uCIFI Alliance™.

KERLINK is listed on Euronext Growth Paris under the symbol **ALKLK**.

# HALF-YEAR REPORT until 30 June 2024



Limited liability company (Société Anonyme) with capital of €2.017.474.29

Head office: 1 Rue Jacqueline Auriol, 35235 Thorigné-Fouillard  
477 840 441 RCS RENNES

Legal Entity Identifier: 969500SCFBLZQTVIG483



PROFILE	5
MANAGEMENT REPORT	15
IFRS FINANCIAL STATEMENTS	23
STATUTORY AUDITOR'S REVIEW REPORT	48
DECLARATION OF THE PERSON IN CHARGE	51

# OUR

## 2004 - 2005

- Kerlink founded to offer network solutions for the M2M (Machine to Machine) market
- No. 1 vendor of SAEIV solutions in the public transport sector

## 2006

- Launch of Wanesy, a supervision and remote maintenance software platform for managing remote 'Device Management' equipment

## 2008

- First private equity fundraising of €650K from local investors
- Deployment of tracking for the SNCF's D12 fleet with Wirtrack Kerlink

## 2010 - 2013

- Second fund-raising round of €1.5m to finance growth and international business development.
- Switch from M2M to IoT with the launch of Wirgrid Collect (1st local IoT radio solution for sub-metering).
- GrDF's Gazpar project for remote reading of 11 million gas meters in France
- Implementation of the E17Z standard as a solution for remote reading of water meters (SAUR, Lyonnaise de Eaux)
- 1st LoRa® station developed

## 2014 - 2015

- Launch of the world's first LoRaWAN® station, available for different geographical areas.
- In 2015, Kerlink co-founded the LoRa Alliance®. Since then, Yannick DELIBIE has been a member of its Management Committee and actively contributes to each of its operational committees.

## 2016

- Initial public offering on the EURONEXT GROWTH market and fundraising of over €10m.
- ISO 9001-2008 certification obtained the same year for the design, development and sales process of network solutions for the Internet of Things.

## 2017

- Kerlink signs a contract with TATA COMMUNICATIONS to deploy the world's largest LoRaWAN® network.
- Deployment of national IoT networks with Orange in France, Proximus in Belgium, KPN in the Netherlands,...
- Second capital increase, raising over €20m.

## 2018

- ISO 9001-2015 certification obtained
- In September, Kerlink unveils its Wirnet iStation range product at Mobile World Congress Americas.

# STORY

2019

- Launch of the Wirnet iFemtoCell Evolution, a new industrial quality benchmark in the iSeries, for deployment in buildings.

2020

- Kerlink launches the Wanasy Wave, a low-cost multi-technology LoRaWAN® tracking anchor for commercial, tertiary and industrial applications.

2021

- Successful capital increase in favour of a category of beneficiaries for €11m.
- Kerlink IoT stations are compatible with the Helium network, one of the world's first LoRaWAN® peer-to-peer networks.

2022

- Gaia-Index, a subsidiary of Ethifinance and a major player in the ESG rating of listed French SMEs and SMIs, has awarded Kerlink a rating of 67/100 for the Gaia 2022 campaign.
- Kerlink has completed its financing by taking out new loans with its banking partners as part of its recovery plan (€8.5m).

2023

- Launch of new commercial offers, redesigned to respond to the diversity of players involved in IoT network deployment projects.

2024

- Kerlink and Europorte are revolutionising freight by launching TRACK VALUE, the first logistics application to use Kinéis IoT spatial connectivity.

TODAY, THE GROUP CELEBRATES ITS 20TH ANNIVERSARY AND CONTINUES TO CONQUER THE MARKET WITH DETERMINATION AND CONVICTION

WITH ITS 100% IOT SOFTWARE AND EQUIPMENT SOLUTIONS, KERLINK DEVELOPS ITS CUSTOMERS' OPERATIONAL PERFORMANCE AND CONTRIBUTES ON A DAILY BASIS TO OPTIMISE THEIR RESOURCES:  
FOOD, WATER, ENERGY,  
EQUIPMENT AND INFRASTRUCTURE



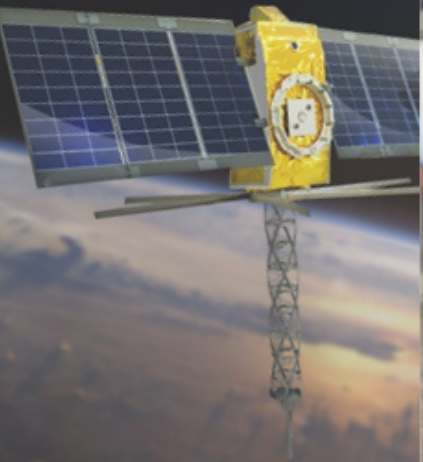
**kerlink**  
communication is everything

# Did you know?

At Kerlink,  
**71%** of  
managers  
are women.

[Download our CSR Report](#)

FOCUS ON



**TV**  
**Track Value**  
Everywhere connected





### **A global, efficient, and secure solution**

Track Value offers a reliable technological response to the main problems faced by logistics and freight transport operators:

- Real-time tracking of wagons
- Predictive maintenance of wheel locks
- Detection of temperature variations
- Monitoring of container security

The result of an innovative consortium formed by Europorte, a subsidiary of Getlink Group, and Kerlink, Track Value offers unprecedented traceability and monitoring functionalities for all freight activities (road, rail, air and sea).

### **Real-time global coverage based on the Kinéis IoT satellite constellation**

Track Value is the first industrial application dedicated to the freight and logistics sector to incorporate data transmission via the space connectivity of Kinéis, a satellite operator and global connectivity provider for the IoT, and is currently being used by industrial players.

Track Value relies in real time on the Kinéis low-orbit satellite constellation, guaranteeing global coverage. Designed with a low-carbon approach, Track Value is an intelligent solution that sends back only relevant data for efficiency and reliability.

*« By using the technological innovations of the latest generation of IoT systems based on terrestrial and satellite connectivity, Track Value enables the digitization of freight with optimum quality of service and the smallest possible digital and energy footprint. »*

Yannick Delibie,  
Kerlink CTIO

### **An affordable, low-carbon solution**

Data transfer is ensured thanks to our partnership with Kinéis, the French expert in spatial IoT connectivity; and LoRaWAN, the expert in low-power wide-area networks.

Track Value is a proven solution developed to consume less energy.



« Track Value is the first operational solution that covers the majority of needs within the freight and logistics industry. It is based on proven technologies and expertise that meet the needs of the market. The added value of the solution is further enhanced by its partnership with Kinéis, which provides real-time global coverage.»

Raphael Doutrebente,  
Europorte CEO, subsidiary of Getlink Group

[More information](#)

## A multifunctional solution

The Mobile Hub Track Value is connected to sensors whose role is to measure data in real time: geolocation, temperature, vibration, etc. This data is then transmitted via the Kinéis satellite network, which covers the entire planet.

This data is then transmitted via the Kinéis satellite network, which covers the entire planet. Track Value can also connect via terrestrial LoRaWAN™ or Sigfox™ networks. So you can be sure of having access to all your data at all times.

## Application universes

Track Value enables you to track containers or goods in transit across several countries and modes of transport, whatever the environment: rail freight, air freight, sea freight, road freight.




Rail freight



Air freight



Sea freight

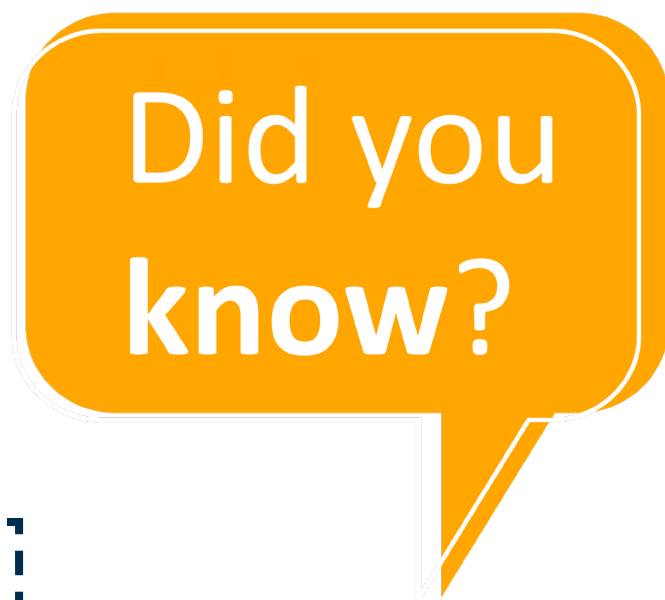


Road freight

## OFFERS REDESIGNED TO BEST RESPOND TO THE DIVERSE RANGE OF PLAYERS INVOLVED IN IOT NETWORK DEPLOYMENT PROJECTS

In 2023, the Group has refocused on its core IoT business: design, ease of implementation, remote maintenance and operation of IoT products for players looking to deploy a network for a particular business need. Kerlink has also renewed its sales catalogue to propose offers that best match all deployment needs and the diverse range of companies seeking to deploy a network. To this end, Kerlink drew on the attributes that helped to establish its reputation and the trust of its customers: :

### A VERY LOW RATE OF ISSUES IN AFTER-SALES SERVICE AND EFFICIENT CUSTOMER SERVICE.



- Kerlink's **Access** offering provides customers with gateways that are **guaranteed for life**.
- The **Maintain** offering includes added-on equipment maintenance and network management services through the provision of access to an **advanced monitoring and administration platform**. Through these services customers benefit from a **service quality commitment**.
- **Operate** is Kerlink's most comprehensive offering, through which it manages the **entire network service** on behalf of companies that prefer to focus on their business. They benefit from **experts dedicated to the monitoring and administration** of their IoT network and from a tailored best-in-class LNS offering.

The implementation of these offers was consolidated by an overhaul of the Group's business model. This notably resulted in a review of its pricing catalogue, enabling Kerlink's customers to benefit from more competitive offers that, crucially, remain stable over time. In return, customers are happy to commit to a long-term relationship. Today, **customer feedback is unanimous: the Kerlink gateways combined with premier services offer the best value on the market in terms of quality and security.**

## **A LEADER IN TECHNOLOGICAL INNOVATION IN THE IOT MARKET TO EFFECTIVELY SERVE THE NEEDS OF BUSINESS OPERATIONS**

Innovation is in the Group's DNA and is central to its strategy. Kerlink launched the world's first LoRa® gateway in 2013 and is co-founder of the LoRa and UCIFI™ alliances, dedicated to IoT and smart city applications. Its latest achievements confirm its long-standing leadership in innovation:

- **Kerlink offers the first truly comprehensive plug & play gateways**

With "Zero-Touch Provisioning" (ZTP), each gateway, as soon as it is received, installed and supplied by the customer, spontaneously retrieves its configuration on the Kerlink servers. The configuration data transmitted to the gateway are prepared in advance, taking into account the customer's needs. The gateway also automatically retrieves its reporting procedures via the network management systems. All deployed gateways are automatically configured, connected and supervised. They are immediately usable for the client's operational objectives.

- **Kerlink integrates EDGE technology into its gateways**

The computing power and memory capacity of the gateways means they can now onboard an EDGE solution, i.e. software for processing data from the sensors connected to the gateway to meet customers' application needs. This technology offers several advantages: it reduces information processing time in the gateway and the bandwidth used between the gateway and the remote server, thus making it possible to reduce the volume of data to be transferred and stored in the cloud and therefore the environmental weight of the data collected. Thanks to significant economic gains with this solution, there is growing interest from companies in this type of network architecture, illustrating the relevance of Kerlink's investments in this technology. In building management, for example, this approach allows installations at a lower cost, while retaining the acquired benefits of pre-existing business protocols, such as Modbus or BACnet. The Group is now working closely on these subjects with leading market specialists.

- **Kerlink launches new IoT solutions to meet connectivity operators' needs in vertical markets**

The Wirnet™ iZeptoCell series serves the network extension needs of MNOs (mobile network operators) and ISPs (Internet service providers). This range of products enables them to quickly offer on-demand coverage solutions, taking advantage of unlicensed frequency bands for applications that are difficult to address using cellular technologies. Their network access points can thus capture new IoT data traffic emitted by LoRa sensors and power their LTE-M or NB-IOT networks. These new solutions, presented at the 2024 Mobile World Congress in Barcelona at the end of February, will, for example, be particularly useful in use cases such as energy efficiency management, energy sub-metering in buildings or the detection of water leaks.

# OFFER AN END-TO-END SOLUTION TO OUR CUSTOMERS IN THREE PRIORITY AREAS



SMART CITY & QUALITY OF LIFE



SMART BUILDING & INDUSTRY



SMART AGRICULTURE & ENVIRONMENT

## WITH ITS IOT SOLUTIONS, KERLINK PROVIDES ANSWERS IN TERMS OF:

### ENERGY SOBRIETY

Management of production and monitoring of energy consumption

### GREENHOUSE GAS EMISSION REDUCTION

Monitoring energy performance and contributing to the reduction of greenhouse gas emissions  
in our customers' activities

### FIGHT AGAINST THE EFFECTS OF GLOBAL WARMING

Monitoring and protection of resources (water, soil, vegetation cover, wildlife...)



# DISCOVER ALL OUR EBOOKS

[kerlink.com](https://kerlink.com)



2024

## PRESS

**28.02.2024:** Kerlink and Actility, pioneers of the LoRaWAN® ecosystem propose a new paradigm for IoT connectivity: ThingPark® All-In-One (TAO), Actility's embedded network server is now integrated into Kerlink products.

**13.06.2024:** Kerlink and Europorte revolutionise freight by launching Track Value, the first logistics application using Kinéis' spatial IoT connectivity.

## HIGHLIGHTS OF THE PERIOD

NONE

## WORLDWIDE ACTIVITY



- In the EMEA region, the second quarter was marked by delays in orders for infrastructure solutions and postponements of tender decisions, impacting the Smart City segment.

- Sales for the first half of 2024 were down 6% at €6.2m, compared with €6.6m for the same period last year. After a first-quarter decline of 3% to €3.2m, sales for the second quarter fell by 8% to €3m.
- This fall in sales was mainly due to a decline in sales of services, with the Group having terminated two Network as a Service (NaaS) contracts signed with players experiencing economic difficulties.

BY ACTIVITY

Revenue (in €k)	H1 2024	H1 2023	Change in %
Historic and alternative telecom operators	458	612	-25%
Private operators	5,783	6,004	-4%
<i>Smart Cities &amp; Quality of life</i>	1,876	2,722	-31%
<i>Smart Building &amp; Industry</i>	3,061	2,399	+28%
<i>Smart Agriculture &amp; Environment</i>	846	883	-4%
<b>TOTAL - IOT SOLUTIONS</b>	<b>6,241</b>	<b>6,616</b>	<b>-6%</b>
HNT Cryptocurrency Revenue	1	7	
<b>TOTAL</b>	<b>6,242</b>	<b>6,623</b>	<b>-6%</b>

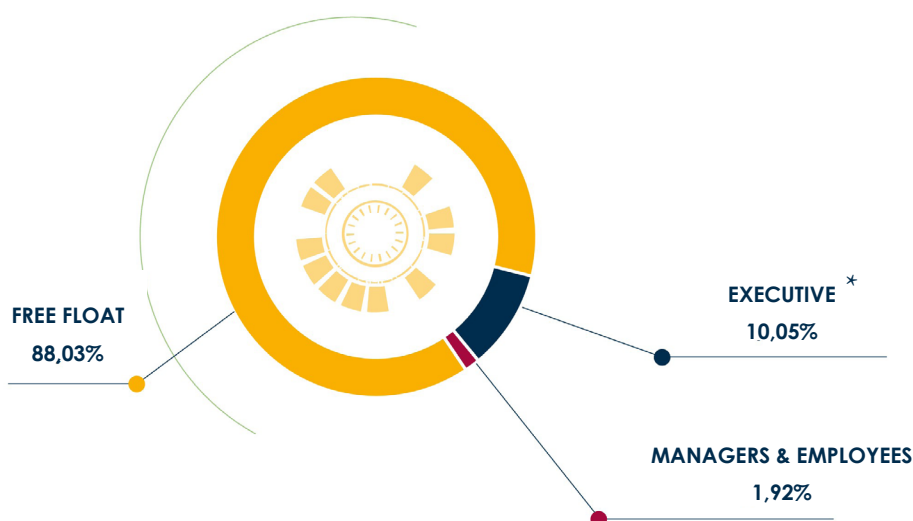
BY TYPE OF SALES

Revenue (in €k)	H1 2024	H1 2023	Change in %
Equipment	4,779	4,567	+5%
Services	1,462	2,049	-29%
<b>TOTAL - IOT SOLUTIONS</b>	<b>6,241</b>	<b>6,616</b>	<b>-34%</b>
HNT Cryptocurrency Revenue	1	7	
<b>TOTAL</b>	<b>6,242</b>	<b>6,623</b>	<b>-34%</b>

Sales of network infrastructure equipment accounted for 77% of sales of IoT solutions in the first half of 2024, compared with 69% in the first half of 2023. They totalled €4.8m, up 5% on a like-for-like basis. The Group points out that the integration of value-added solutions directly at the heart of infrastructure products, making them totally Plug & Play, favours the sale of equipment to the detriment of services, which fell by 29% to €1.5m. Despite the fall in sales of services, the Group has managed to maintain a healthy gross margin over the first half of 2024.



## CHANGE IN CAPITAL AS AT 30 JUNE 2024



\* - SAS ARVALLON: **4.45%**  
 50% held by Mr William GOUESBET  
 50% held by Mr Yannick DELIBIE)  
 - Direct holding:  
**3.01%** by Mr William GOUESBET  
**2.59%** by Mr Yannick DELIBIE

## SIMPLIFIED INCOME STATEMENT

IFRS (€k) Limited accounts review	H1 2024	H1 2023
<b>Income from ordinary activities</b>	<b>6,242</b>	<b>6,623</b>
Cost of sales	-4,257	-3,970
<b>Gross Margin</b>	<b>1,985</b>	<b>2,653</b>
Gross Margin (%)	31.8%	40.1%
Other operating costs	-3,265	-4 025
Provision for receivable considered to be at risk		-211
<b>EBITDA</b>	<b>-1,280</b>	<b>-1,583</b>
Depreciation & Amortisation	-513	-777
<b>Operating income</b>	<b>-1,793</b>	<b>-2,361</b>
Financial income	-137	-259
Income tax	-9	-5
<b>Net income Group share</b>	<b>-1,938</b>	<b>-2,624</b>

In addition to the decline in service revenue impacting the product mix and overall profitability, the half-year financial statements include a €0.4m impairment of inventories of finished products, which also impacted the gross margin. It stood at 31.8%, versus 40.1% in H1 2023.

The Group states that sales prices have been generally held up well. Thus, without this impairment, the gross margin rate would have been 38.7% of revenue during H1 2024.

At 30 June 2024, EBITDA came to -€1.3m, versus -€1.6m in H1 2023. This slight improvement does not fully reflect the benefit of the strict management measures implemented in mid-2023. The deterioration in the gross margin masks, over the period, the significant efforts made to reduce operating costs, which fell by €730k over the half-year.

Operating income total -€1.8m compared with -€2.4m in H1 2023, after taking into account the decrease in depreciation and amortisation charges of around €250k relative to the year-earlier period.

Financial income came to -€0.1m, versus -€0.3m in H1 2023.

Net income (Group share) came to -€1.9m versus -€2.6m on a like-for-like basis.

## SIMPLIFIED BALANCE SHEET

IFRS (€k) Limited accounts review	H1 2024	31 December 2023
Net assets and other non-current assets	4,654	5,590
Current assets	14,629	18,640
Cash & Cash equivalents	5,297	3,994
<b>Total assets</b>	<b>24,581</b>	<b>28,224</b>
Shareholder's equity	5,916	7,848
Long & medium-term financial liabilities	10,312	12,047
Other non-current liabilities	699	691
Current financial liabilities	2,832	2,148
Other current liabilities	4,821	5,490
<b>Total liabilities</b>	<b>24,581</b>	<b>28,224</b>

At 30 June 2024, Group shareholders' equity stood at €5.9m, compared with €7.9m at 31 December 2023. Inventories stood at €11.4m at 30 June 2024, compared with €11.7m at 31 December 2023. Cash and cash equivalents came to €5.3m, compared with €4.0m at 31 December 2023. The implementation of debt rescheduling agreements with the Group's banking partners has enabled this positive trend to be achieved.

As a reminder, in 2023 the Group obtained an extension of the maturity of its loans and a capital exemption on loan repayments for a period of 18 months from May.

At the end of the period, borrowings (excluding rental debt under IFRS16) totalled €12.4m (of which €0.6m was factored), compared with €13.3m (of which €1.4m was factored) at 31 December 2023. In accordance with the agreements reached with its banking partners, the Group will resume repayment of its loan instalments from November onwards, with an amount due at the end of 2024 of €366k, corresponding to capital repayments for November and December.

## SIMPLIFIED STATEMENT OF CASH FLOW

IFRS (K€) Limited accounts review	H1 2024	H1 2023
Cash generated from operations	2 811	8
<i>Including change WCR</i>	3 096	1 720
<b>Net cash used in investing activities</b>	<b>-310</b>	<b>-497</b>
<b>Net cash from financing activities</b>	<b>-1 195</b>	<b>-1 481</b>
Impact of changes in exchange rates	-2	-14
<b>Free cash flows</b>	<b>1 304</b>	<b>-1 984</b>
Cash at the beginning of the year	3 994	5 746
Cash at June 30, 2024	<b>5 297</b>	<b>3 763</b>

# POST CLOSURE EVENTS

- **APPLICATION OF RETENTION OF TITLE CLAUSE DUE TO UNPAID CUSTOMERS INVOICES**

Goods were voluntarily repossessed from a customer whose payments were significantly overdue in September 2024. This decision illustrates the strengthening of control processes and the adjustment of contractual conditions, particularly in terms of transfer of ownership, following the collection difficulties encountered in 2022. This return to inventories resulted in a credit note of €513k, booked in the second half of the year.

- **TECHNOLOGY SOURCE CODE OBTAINED FOLLOWING CANCELLATION OF KALIMA'S INITIAL COIN OFFERING (ICO)**

In 2022, the Group took part in a pre-sale of the Initial Coin Offering (ICO) of Kalima, a French company specialising in industrial blockchain, for €500k. Historically, these assets had been written down by €162k. In September 2024, Kalima announced to the Group the cancellation of the ICO and, in accordance with the initial contract, handed over to Kerlink the source code of the underlying technology.

## PRESS REVIEW

25.09.2024 : Launch of Track Value, an innovative solution for logistics and transport, in partnership with Europorte and Kinéis.

## RISK FACTORS

The main risk factors specific to the Group are grouped into seven categories below. The attention of shareholders is drawn to the fact that other risks may exist or arise which have not been identified at the date of this document or which are not considered likely to have a material adverse effect on the Group, its business, prospects, financial position or results.

### 1 - Risks relating to the company's business and markets

Development risks

Risks relating to the Internet of Things market

Risks of products not meeting the expectations of network operators

Risks associated with competition

Risks associated with competing innovations

Reputation risk

Risks associated with interoperability

Risks associated with technological developments in cryptography

Risk of a market that is difficult to convert and penetrate

Risks relating to changes in product prices

Risks associated with changes in raw material prices

Risks of technological breakthrough

Risks related to the level of maturity of the business

Risks associated with the Russian-Ukrainian conflict

## **2 - Risks associated with the manufacturing process and dependence on third parties**

Risks associated with suppliers and subcontractors

Production automation risks

Product quality and failure risks

Risks relating to the guarantee given on products sold by the Company

Risks of lower margins

Risks relating to distributors and integrators

Risks relating to the Company's dependence on its distribution network

Risk of dependence on the electronic components market and product obsolescence

Risks relating to the use of LoRa® technology in products

Risks relating to the termination of licensing and collaboration agreements

Risks relating to customers

Risks relating to inventories

Risks relating to the transport of goods

Risks relating to the current geopolitical context

## **3 - Risks relating to the Company's organisation**

Risks of dependence on key personnel

Risks relating to the management of information systems

Risks associated with managing internal growth

Risks relating to external growth operations

## **4 - Legal risks**

Risks associated with legislative and regulatory developments

Risks relating to the health effects of electromagnetic waves

Risks relating to the emergence of one or more standards that would reduce the scope, in terms of technology and/or the market, of the Internet of Things

Risks relating to intellectual property

Tax and customs risks

Product liability risks

Risks associated with managing the confidentiality of personal data

## **5 - Industrial and environmental risks**

## 6 - Financial risks

Risks relating to financing requirements

Risks relating to historical and future losses

Credit risk

Liquidity risk

Risks relating to the pledging of the Company's assets

Research tax credit risks

Risks relating to access to public advances

Dilution risk

Country risk

## 7- Market risks

Interest rate risk

Foreign exchange risk

Equity risk

For further details, readers are referred to the risk factors developed by the Company in the Registration Document registered by the AMF on 30 March 2017 under number R.17-011, and to the following development with regard to the risk associated with the transport of goods & to the risk relating to the current geopolitical context:

### Freight transport risk

The recent events in the Red Sea have very quickly led to major upheavals in the current organisation of the world's shipping companies. In addition to the flows naturally affected when passing through this zone, many other flows are affected through a chain reaction. As a result, shipping lines believe they will have to adjust their commercial and pricing policies. Since January 2024, there has been a steady stream of announcements of increases in the form of various surcharges.

### Risks relating to the current geopolitical context

The Russian-Ukrainian conflict and the Israeli-Palestinian conflict are generating great instability on the current geopolitical scene and are likely to have indirect impacts on the Group's business, particularly on its production chain (higher raw material and energy costs, delays, shortages, exchange rate volatility). These conflicts did not have a material impact on the Group's financial position, assets and liabilities or results at 30 June 2024.

The Group closely monitors developments in these conflicts and tries to limit its exposure to geopolitically sensitive areas, in particular by diversifying its suppliers.

## TRANSACTIONS BETWEEN RELATED PARTIES

There were no related party transactions during the first six months of the current fiscal year that had a material impact on the Group's financial position or results of operations.

In addition, there have been no changes in the related party transactions described in the last annual report that could have a material impact on the Group's financial position or results of operations during the first six months of the current fiscal year.



# IFRS FINANCIAL STATEMENTS

## CONTENT

CONSOLIDATED INCOME STATEMENT	24
OPERATING PERFORMANCE INDICATOR	24
STATEMENT OF COMPREHENSIVE GAINS AND LOSSES	25
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	26
CONSOLIDATED CASH FLOW STATEMENT	27
STATEMENT OF CHANGES IN EQUITY	28
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS	
1. COMPANY OVERVIEW, HIGHLIGHTS OF THE YEAR AND SUBSEQUENT EVENTS	29
2. ACCOUNTING PRINCIPLES AND VALUATION METHODS	30
3. NOTES RELATED TO SEGMENT REPORTING	34
4. NOTES TO THE INCOME STATEMENT	36
5. NOTES TO THE STATEMENT OF FINANCIAL POSITION	39
6. OTHER INFORMATION	45

## CONSOLIDATED INCOME STATEMENT

In €k	Note	06.2024	06.2023
<b>Revenue</b>	4.1	<b>6,242</b>	<b>6,623</b>
Costs of purchased materials and subcontracting		(4,257)	(3,970)
<b>Margin on cost of materials and subcontracting</b>		<b>1,985</b>	<b>2,653</b>
Customer and subcontractor management expenses	4.2	(677)	(982)
Research & Development expenses	4.2	(1,273)	(1,249)
Selling expenses	4.2	(669)	(1,367)
Administrative expenses	4.2	(1,159)	(1,416)
<b>Operating margin</b>		<b>(1,793)</b>	<b>(2,361)</b>
Cost of net financial debt		(127)	(121)
Other financial income and expenses		(9)	(138)
<b>Net financial costs</b>	4.4	<b>(137)</b>	<b>(259)</b>
Income taxes		(9)	(5)
<b>Net profit/(loss) of the Group</b>		<b>(1,938)</b>	<b>(2,624)</b>
<b>Attributable to :</b>			
<b>Equity owners of the Group</b>		<b>(1,938)</b>	<b>(2,624)</b>
Basic earnings per share (euro)	6.2	(0,26)	(0,35)
Diluted earnings per share (euro)	6.2	N/A	N/A
Weighted average shares outstanding (basic)	6.2	7,472,127	7,468,670
Weighted average shares outstanding (diluted)	6.2	7,489,627	7,531,927

## OPERATING PERFORMANCE INDICATOR

In €k	Note	06.2024	06.2023
<b>EBITDA <sup>1</sup></b>	3.2	<b>(1,280)</b>	<b>(1,583)</b>
<i>As a % of revenue</i>		<i>(21%)</i>	<i>(24%)</i>

<sup>1</sup> EBITDA : earnings before interest, taxes, depreciation, and amortization.

Notes 1 to 6 are an integral part of these IFRS financial statements.



## STATEMENT OF COMPREHENSIVE GAINS AND LOSSES

In €k	Note	06.2024	06.2023
<b>Net profit/(loss) for the year</b>		<b>(1,938)</b>	<b>(2,624)</b>
Actuarial gains (losses) on defined benefit plans		0	0
<b>Items that will not be recycled to profit or loss</b>		<b>0</b>	<b>0</b>
Deferred taxes on retirement benefit obligations			
<b>Items that will be recycled to profit or loss</b>			
<b>Gains and losses recognized in equity, not transferable to income statement</b>		<b>0</b>	
<b>Total comprehensive income for the year</b>		<b>(1,938)</b>	<b>(2,624)</b>
Equity owners of the Group		(1,938)	(2,624)

Notes 1 to 6 are an integral part of these IFRS financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In €k	Note	06.2024	12.2023
Goodwill	5.1	0	0
Property, plant and equipment	5.2	1,028	1,596
Intangible assets	5.3	2,956	3,336
Investments in subsidiaries		0	0
Other non-current assets	5.4	584	573
Deferred tax assets	5.5	86	86
<b>Total non-current assets</b>		<b>4,654</b>	<b>5,590</b>
Inventories	5.6	11,381	11,654
Trade accounts receivable		2,740	4,887
Prepaid expenses and other current assets		452	1,793
Current income tax assets		55	306
Cash and cash equivalents	5.7	5,297	3,994
<b>Total current assets</b>		<b>19,926</b>	<b>22,634</b>
<b>Total assets</b>		<b>24,581</b>	<b>28,224</b>

In €k	Note	06.2024	12.2023
Share capital		2,017	2,017
Other reserves		15,731	15,732
Translation difference		(104)	(112)
Retained earnings		(11,728)	(9,790)
<b>Equity attributable to equity owners of the Group</b>		<b>5,916</b>	<b>7,848</b>
Minority interests		0	0
<b>Total equity</b>	5.8	<b>5,916</b>	<b>7,848</b>
Long-term borrowings	5.9	10,312	12,047
Deferred tax liabilities	5.5	0	0
Retirement benefit obligations		330	322
Provisions for other liabilities		369	369
<b>Total non-current liabilities</b>		<b>11,011</b>	<b>12,738</b>
Short-term borrowings	5.9	2,832	2,148
Trade accounts payables		2,181	2,609
Income tax to pay		0	1
Other current liabilities		2,640	2,881
<b>Total current liabilities</b>		<b>7,653</b>	<b>7,639</b>
<b>Total liabilities and equity</b>		<b>24,581</b>	<b>28,224</b>

Notes 1 to 6 are an integral part of these IFRS financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

In €k	Note	06.2024	06.2023
<b>Profit/(loss) before income taxes</b>	3.2	<b>(1,929)</b>	(2,620)
Depreciation and amortisation		886	908
Tax credits – CIR & CICE		(49)	(88)
Gains and losses related to changes in fair value			
Non-cash stock option charge			(32)
Gains and losses on sales		41	
Other non-cash changes		339	
Change in net working capital	5.10	3,096	1,720
<b>Cash generated from operations before taxes and cost of net debt</b>		<b>2,383</b>	<b>(112)</b>
Income taxes paid		300	(1)
Cost of net debt	4.4	127	121
<b>Cash generated from operations</b>		<b>2,811</b>	<b>8</b>
Purchase of property, plant and equipment	5.2	(61)	(118)
Purchase, capitalization of intangible assets	5.3	(311)	(468)
Variation of financial fixed assets			
Net cash change in scope		(11)	90
Proceeds from sale of property, plant & equipment & intangible assets		73	
<b>Net cash used in investing activities</b>		<b>(310)</b>	<b>(497)</b>
Proceeds from issue of share capital	5.8		
Sale (purchase) of treasury shares		(4)	(8)
Variation in subsidies and grants	5.9	(808)	(80)
Proceeds from loans and borrowings	5.9		1
Repayment of borrowings	5.9	(224)	(1,277)
Interest paid on borrowing		(159)	(117)
<b>Net cash from financing activities</b>		<b>(1,195)</b>	<b>(1,481)</b>
Impact of changes in exchange rates		(2)	(14)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>1,304</b>	<b>(1,984)</b>
Cash and cash equivalents at the beginning of the year	5.7	3,994	5,746
<b>Cash and cash equivalents at the end of the year</b>	5.7	<b>5,297</b>	<b>3,763</b>

Notes 1 to 6 are an integral part of these IFRS financial statements.

## STATEMENT OF CHANGES IN EQUITY

In €k	Note	Share capital	Other reserves	Retained earnings	Revaluation reserves	Total Equity
<b>At January 1<sup>st</sup>, 2023</b>		<b>2,008</b>	<b>15,752</b>	<b>(5,085)</b>	<b>(89)</b>	<b>12,586</b>
Net profit / loss				(2,624)		(2,624)
Gains and losses recognized in equity						
Others gains and losses on global result after tax						
<b>Total comprehensive income</b>				<b>(2,624)</b>		<b>(2,624)</b>
Stock option plan and similar expenses				(32)		(32)
Issue of ordinary shares		9	(9)			0
Translation difference					(12)	(12)
Treasury shares			(8)			(8)
Reclassification						
Others						
<b>At June 30, 2023</b>		<b>2,017</b>	<b>15,735</b>	<b>(7,742)</b>	<b>(101)</b>	<b>9,910</b>
<b>At January 1<sup>st</sup>, 2024</b>		<b>2,017</b>	<b>15,732</b>	<b>(9,790)</b>	<b>(112)</b>	<b>7,848</b>
Net profit / loss				(1,938)		(1,938)
Gains and losses recognized in equity						
Others gains and losses on global result after tax			3			3
<b>Total comprehensive income</b>			<b>3</b>	<b>(1,938)</b>		<b>(1,935)</b>
Stock option plan and similar expenses						
Issue of ordinary shares						
Translation difference					8	8
Treasury shares			(4)			(4)
Reclassification						
Others						
<b>At June 30, 2024</b>		<b>2,017</b>	<b>15,731</b>	<b>(11,728)</b>	<b>(104)</b>	<b>5,916</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

In these financial statements and notes, amounts are shown in thousands of Euros (€k) and differences of ± €1k are due to rounding.

The financial statements cover a period of 6 months for the years ended June 30, 2024. These financial statements were approved for issue by the Board of Directors on October 8, 2024. The financial statement was subject to a limited review by the Group's statutory auditors.

The consolidated statements include the parent company KERLINK SA, as well as its four subsidiaries: KERLINK SINGAPORE PTE LTD, KERLINK INC, KERLINK IoT SOLUTIONS INDIA PRIVATE LIMITED, KERLINK JAPAN KK.

### 1. COMPANY OVERVIEW, HIGHLIGHTS OF THE YEAR AND SUBSEQUENT EVENTS

#### Company overview

Kerlink, founded in 2004, is a global expert in providing network infrastructure solutions for the Internet of Things (IoT). The offering includes solutions (software, hardware, and services) for public operators, businesses, and utilities. Kerlink's products are known to be robust, easy to integrate into all kinds of networks and fleets, compatible with most global standards, and inexpensive to operate and deploy. The services Kerlink offers cover client needs including network planning, network performance optimization, remote network management, and GPS-free location.

In 2023, 248 customers were billed in France and abroad including Techem, GrDF, Dolce O Service, Saur, Médiamétrie, British Telecom...

#### Highlights of the year

There were no significant events in the first half of 2024.

#### Subsequent events

- **Application of retention of title clause due to unpaid customer invoices**

A voluntary repossession of goods from a customer whose payments were significantly overdue was carried out in September 2024. This decision illustrates the strengthening of control processes and the adjustment of contractual conditions, particularly in terms of transfer of ownership, following the collection difficulties encountered in 2022. This return to inventory resulted in a credit note of €513k, booked in the second half of the year.

- **Technology source code obtained following cancellation of Kalima's Initial Coin Offering (ICO)**

In 2022, the Group had participated in a pre-sale of the Initial Coin Offering (ICO) of Kalima, a French company specialized in industrial blockchain, for €500k. Historically, these assets had been written down to €162k. In September 2024, Kalima announced to the Group the cancellation of the ICO and, in accordance with the initial contract, handed over to Kerlink the source code of the underlying technology.

## 2. ACCOUNTING PRINCIPLES AND VALUATION METHODS

### 2.1. PUBLICATION ENVIRONMENT

The condensed interim financial statements for the half-year ended June 30, 2024, are prepared in accordance with IAS 34 - Interim Financial Reporting, as adopted by the European Union, which permits the presentation of selected notes.

The accompanying notes do not contain all the information required for the complete annual financial statements and must therefore be read in conjunction with the financial statements of December 31<sup>st</sup>, 2023. The accounting principles applied are consistent with those applied in the IFRS accounts as at December 31<sup>st</sup>, 2023.

As part of its initial public offering on May 19, 2016, the Company voluntarily prepared the company's financial statements in accordance with IFRS.

### 2.2. BASIS OF PREPARATION

The main accounting methods applied when preparing the IFRS financial statements are set out hereinafter. Unless otherwise indicated, these methods have been permanently applied to all the financial years presented.

#### Statement of Compliance

The IFRS financial statements have been prepared in accordance with the IFRS as adopted by the European Union at June 30, 2024, and their application is mandatory at that date, with a comparison to June 30, 2023.

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and endorsed by the European Union. The IFRS as adopted by the European Union can be consulted on the European Commission's website: [http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index\\_en.htm](http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm).

In addition, the financial statements include the information deemed material as required by the French accounting standards-setter (Autorité des Normes Comptables – ANC) in Standard no. 2016-09.

#### Principle of preparing financial statements

IFRS financial statements were prepared according to the historical cost convention, except as regards certain assets and financial instruments that have been measured at their fair value at the end of each reporting period. Generally, historical cost is based on the fair value of the counterparty given in exchange for goods and services.

#### Business Continuity

The financial statements were approved according to the business continuity principle.

### 2.4. CHANGES TO STANDARDS, AMENDMENTS, AND INTERPRETATIONS

The Group applies the standards and amendments published in the Official Journal of the European Union that are mandatory from January 1, 2024.

#### Standards, amendments and interpretations mandatory for annual periods beginning after January 1<sup>st</sup>, 2024:

- IAS 1: Presentation of financial statements
- IFRS 16: Leases

The application of these standards and amendments as of January 1<sup>st</sup>, 2024 has no material effect on the Group's interim financial statements.

## 2.5. SCOPE OF CONSOLIDATION

### Subsidiaries

Companies in which the Group directly or indirectly controls more than half of the voting rights or has the power to exercise control over transactions are fully consolidated.

Subsidiaries are consolidated from the date the control is transferred to the Group. They are no longer consolidated from the date the control ceases. The acquisition method is used to account for the purchase of companies by the Group.

All significant transactions between consolidated companies are eliminated, including receivables, payables, income and expenses between Group companies as well as internal profits included in inventories and capital gains or losses realized on disposal of fixed assets between the Group companies.

The list of the Group's main companies is given in Note 6.4. The annual closing date for the individual financial statements is 31 December, except for Kerlink India which closes its accounts as of 31<sup>st</sup> March of each year. For the needs of consolidation, accounts were issued on June 30, 2024.

## 2.6. CONSOLIDATION

The main accounting policies used in the preparation of the consolidated financial statements are set out below. Unless otherwise indicated, these methods have been applied on a permanent basis to all financial years presented.

### Consolidation method

The method used by the Group is full consolidation, with the parent company having exclusive control over its four subsidiaries.

### Conversion method

Items included in the financial statements of each of the Group's companies are valued using the currency of the principal economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Euros, which is the Group's functional and presentation currency.

The accounts of foreign companies, whose functional currency is different from the euro, are converted according to the following principles:

- Balance sheet items are translated at the closing rate except for shareholders' equity for which historical rates are applied.
- Income statement items are translated at the average rate for the year.
- Translation differences are recognized directly in shareholders' equity under "Translation differences"

Goodwill of a foreign company is translated at the closing rate.

Foreign currency transactions are recorded at the exchange rate on the transaction date.

Gains or losses resulting from the settlement of these transactions and the translation of foreign currency receivables and payables at rates in force at the balance sheet date are recognized in the income statement under the heading "financial income".

The prices used are shown in the table below:

	Trading as of 30/06/2024	Average rate during the period
EUR/SGD	1.4513	1.4560
EUR/USD	1.0705	1.0812
EUR/INR	89.2495	89.9804
EUR/JPY	171.94	164.4983

Exchange differences relating to a monetary item that is essentially an integral part of a company's net investment in a consolidated foreign enterprise are recorded in consolidated shareholders' equity, net of income tax if applicable, up to the disposal or liquidation of such net investment.

## Goodwill

In accordance with the provisions of revised IFRS3 - Business Combinations, goodwill represents the difference between the sum of the following items:

- The acquisition price for the acquisition of control;
- The amount of minority interests in the acquiree determined is at fair value at the date (full goodwill method);
- And the net amount of assets acquired, and liabilities assumed, measured at fair value at the date of acquisition.

The Group has a period of twelve months after the acquisition date to identify the assets acquired and liabilities assumed that were not recognized when the combination was initially recognized and to retrospectively modify the values initially attributed, in particular:

- The identifiable assets acquired, and liabilities assumed of the acquired entity,
- To minority interests,
- Elements of the acquisition price paid by the acquirer in respect of the combination.

Expenses directly attributable to business combinations are recognized as expenses in the income statement under "Other operating income and expenses".

Where there is a commitment to buy out minority interests, this commitment is measured at fair value and recognized under financial debt on buyout of minority interests in balance sheet liabilities. In accordance with IFRS 9, the Group has elected to recognize subsequent changes in value in profit or loss.

## 2.7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

With a view to the preparation of the financial statements, Management may make estimates and assumptions that have an impact on the application of accounting methods and the amounts of assets and liabilities, income and expenses, and the information provided in the notes.

The underlying estimates and assumptions are based on experience and other factors considered reasonable in view of the circumstances.

They are also used as a basis for exercising judgement required to determine the carrying amounts of assets and liabilities, which cannot be obtained directly from other sources.

The use of estimates and assumptions is particularly important for:

- The measurement of the progress-based profit of construction contracts;
- The recoverable value of property, plant & equipment and intangible assets, as well as their useful life;
- Measuring the value in use of goodwill;
- Measuring the fair value of financial assets;
- Measurement of inventory write-downs;
- Measurement of credit risk on trade receivables;
- Measuring provisions and social commitments;
- The Research tax credit (CIR);
- The tax liabilities and recognition of deferred taxes.

## 2.8. IMPAIRMENT TESTING OF FIXED ASSETS

Impairment testing is carried out on property, plant & equipment and intangible fixed assets at the end of their useful life or as soon as an indication of impairment appears. Impairment testing consists of comparing the asset's carrying amount to its recoverable value. An asset's recoverable value is the higher of the two: fair value less selling costs, or value in use. The value in use is based on the discounted future cash flows that will be generated by those assets.

Intangible assets that are not yet ready for start-up undergo impairment testing at least once a year and any time there is an indication that the asset may have been impaired.

Goodwill recognized is subject to at least an annual impairment test to determine whether an impairment loss should be recognized. For impairment testing purposes, goodwill is allocated to Cash Generating Units (CGUs): a CGU is the smallest identifiable group of assets whose continued use generates cash inflows that are independent of the cash inflows generated by other assets or groups of assets. The Group tests for impairment at the end of each year or whenever an indication of impairment is identified in order to estimate the recoverable amount of the CGU. The recoverable amount corresponds to the higher of the asset's net fair value and its value in use (discounted value of the cash flows expected from the use of the CGU). An impairment loss is recognized for a CGU if the



recoverable amount is less than the carrying amount. This impairment loss must first be allocated to the goodwill of the CGU.

The data used under the discounted projected cash flow method are taken from annual budgets and multi-year plans prepared by Management. The plans consist of five-year projections. As for value in use, it is calculated on the basis of the discounted value of future flows over the residual life of the development costs. The discount rate of projected cash flows reflects the expected rate of return for an investor in the Group's line of business and the risk premium specific to our Group.

The sensitivity analysis on the key assumptions (projected revenue, discount rate, change in projected cash flows) used to determine fair value is presented in Note 5.3.

## **2.9. TAXES**

The income tax expense is comprised of current tax and deferred tax. Deferred taxes are stated for all temporary differences resulting from the difference between the tax base and accounting base for assets and liabilities disclosed in the financial statements. The main temporary differences are related to tax loss carryforwards.

For the reporting period ended 31 December 2023 and 30 June 2024, the rate used is 25% due to article 41 of the French Finance Law for 2018.

Deferred tax assets are recognized if there is a high probability that tax expenses will be offset against future positive tax results. In assessing the group's ability to recover these assets, account is taken in particular of forecasts of future taxable profits and the history of taxable income in previous years. Deferred tax assets are only recognized to the extent that it is probable that future profits will be sufficient to absorb the losses carried forward. The assumptions used are identical to those used for asset impairment tests.

### 3. NOTES RELATED TO SEGMENT REPORTING

#### 3.1. INFORMATION BY OPERATING SEGMENT

##### Revenue

€k	06.2024	06.2023	Var. en %
<b>Private Networks</b>	<b>5,784</b>	<b>6,011</b>	<b>(4%)</b>
Smart Cities & Quality of life	1,876	2,722	(31%)
Smart Building & Industry	3,061	2,399	28%
Smart Agriculture & Environment	846	883	(4%)
<b>Historic and alternative telecom operators</b>	<b>458</b>	<b>612</b>	<b>(25%)</b>
<b>Total Revenue</b>	<b>6,242</b>	<b>6,623</b>	<b>(6%)</b>

H1 2024 sales were down 6% to €6.2m, compared with €6.6m in H1 2023.

This trend in revenue resulted primarily from a decline in services sales, the Group having terminated two Network as a Service (NaaS) contracts signed with players in economic difficulties.

Sales to private operators represent 93% of the Group's business, compared with 91% at June 30, 2023. Smart Building and Smart Cities are the main sectors for the 1st half of 2024.

Second-quarter business in the EMEA region was adversely affected by delays in infrastructure orders and by postponed decisions on calls for tenders, impacting the Smart City segment.

#### 3.2 RECONCILIATION WITH COMPANY DATA

The table below reconciles EBITDA with consolidated operating margin:

In €k	06.2024	06.2023
<b>EBITDA <sup>1</sup></b>	<b>(1,280)</b>	<b>(1,583)</b>
Depreciation and amortization of property, plant and equipment and intangible assets	(513)	(777)
<b>Operating margin</b>	<b>(1,793)</b>	<b>(2,361)</b>

<sup>1</sup> EBITDA: Earnings before interest, taxes, depreciation and amortization.

The net income before tax in the cash flow is calculated as follows:

In €k	06.2024	06.2023
<b>Net profit/(loss) of the year</b>	<b>(1,938)</b>	<b>(2,624)</b>
Income taxes	9	5
<b>Profit/(loss) before income taxes</b>	<b>(1,929)</b>	<b>(2,620)</b>

### 3.3. REPORTING BY GEOGRAPHIC AREA

Information by geographic area

In €k	06.2024	06.2023	Change %
EMEA (Europe, Middle East and Africa)	5,473	5,979	(8%)
APAC (Asia-Pacific)	412	251	64%
NCSA (Americas)	356	387	(8%)
<b>Sub-total IOT Solutions (Internet Of Things)</b>	<b>6,241</b>	<b>6,616</b>	<b>(6%)</b>
HNT cryptocurrency revenue	1	7	(92%)
<b>Total Revenue</b>	<b>6,242</b>	<b>6,623</b>	<b>(6%)</b>

### 3.4. NON-CURRENT ASSETS BY GEOGRAPHIC AREA

In €k	06.2024	12.2023
France	4,652	5,806
Rest of the world	2	23
<b>Total non-current assets</b>	<b>4,654</b>	<b>5,829</b>

The non-current assets in the rest of the world correspond to investments in the Group's subsidiaries.

## 4. NOTES TO THE INCOME STATEMENT

### 4.1. REVENUE

Revenue includes sales of products and services. They are measured at the fair value of the consideration receivable, net of any trade discounts and volume rebates and excluding any VAT or other taxes.

#### Revenue by type of sale

In €k	06.2024	06.2023	Change %
Equipment	4,779	4,566	5%
Services	1,462	2,049	(29%)
<b>Sub-total IOT Solutions (Internet Of Things)</b>	<b>6,241</b>	<b>6,616</b>	<b>(6%)</b>
HNT cryptocurrency revenue	1	7	(92%)
<b>Total Revenue</b>	<b>6,242</b>	<b>6,623</b>	<b>(6%)</b>

Sales of network infrastructure equipment accounted for 77% of IoT solution sales in H1 2024, compared with 69% in H1 2023, up 5% from that period to €4.8m.

This trend in revenue resulted primarily from a decline in services sales, the Group having terminated two Network as a Service (NaaS) contracts signed with players in economic difficulties.

### 4.2. EXPENSES BY NATURE ALLOCATED PER FUNCTION

#### Customer and subcontractor management expenses

The costs of the network monitoring / customer support services and management of the relationship with the subcontractors are broken down as follows:

In €k	06.2024	06.2023
Salaries and social charges	543	786
Travelling expenses	1	5
Amortization	61	79
Other expenses	72	112
<b>Total</b>	<b>677</b>	<b>982</b>

### Research & Development expenses

R&D expenses break down as follows:

In €k	06.2024	06.2023
Salaries and social charges	1,052	1,177
Prototypes costs	68	27
External personnel costs	0	0
Amortization of R&D costs	415	447
Other R&D expenses	150	167
<b>Total Research and Development costs</b>	<b>1,685</b>	<b>1,818</b>
Capitalized development expenditure	(372)	(465)
Research tax credit (CIR)	(40)	(104)
Grants and subsidies	0	0
<b>Total Research and Development income</b>	<b>(412)</b>	<b>(569)</b>
<b>Total</b>	<b>1,273</b>	<b>1,249</b>

### Selling expenses

Marketing and commercial costs breakdown as follows:

In €k	06.2024	06.2023
Salaries and social charges	516	1,105
Travelling expenses	36	58
Consultancy & advisory fees	12	44
Trade shows and marketing	26	34
Amortization	18	24
Other commercial expenses	61	107
Grants	0	(5)
<b>Total</b>	<b>669</b>	<b>1,367</b>

### Administrative expenses

Administrative and overhead costs break down as follows:

In €k	06.2024	06.2023
Salaries and social charges	518	419
External personnel costs	0	0
Consultancy & advisory fees	223	337
Seminars and travelling expenses	4	3
Accruals	0	0
Provisions	(189)	211
Amortizations	19	228
Other expenses	584	218
<b>Total</b>	<b>1,159</b>	<b>1,416</b>

### 4.3. PERSONNEL COSTS AND HEADCOUNT

The workforce is 73 employees on June 30, 2024, compared to 82 at June 30, 2023.

Headcount at the end of the period	06.2024	06.2023
Customer service activities and subcontractors management	21	25
Research & Development	26	29
Sales and marketing	15	17
Administrative	11	11
<b>Total headcount</b>	<b>73</b>	<b>82</b>

Headcount at the end of the period by Company	06.2024	06.2023
Kerlink SA	66	74
Kerlink Singapore Pte Ltd.	1	2
Kerlink Inc.	2	2
Kerlink IOT Solutions India Pvt Ltd	2	2
Kerlink Japan	2	2
<b>Total headcount</b>	<b>73</b>	<b>82</b>

In €k	06.2024	06.2023
Customer service activities and subcontractors management	543	786
Research & Development	1,052	1,177
Sales and marketing	506	1,105
Administrative	518	419
<b>Staff costs</b>	<b>2,629</b>	<b>3,487</b>

In €k	06.2024	06.2023
Wages and salaries	1,854	2,466
Social security charges	720	822
Temporary staff	0	2
Non-cash expenses related to share-based payments	0	(32)
Pension expenses under defined contribution plans	8	19
Other staff costs	47	211
Profit sharing	0	0
<b>Staff costs</b>	<b>2,629</b>	<b>3,487</b>

### 4.4. NET FINANCIAL COSTS

In €k	06.2024	06.2023
Borrowing costs	(123)	(119)
Amortization of borrowing costs	(4)	(2)
<b>Cost of net financial debt</b>	<b>(127)</b>	<b>(121)</b>
Income from financial investments	0	0
Net interest cost arising on provisions	0	0
Other financial income and expenses	(15)	(21)
Gains and losses on foreign exchange transactions	6	(117)
<b>Net financial costs</b>	<b>(136)</b>	<b>(259)</b>

## 5. NOTES TO THE STATEMENT OF FINANCIAL POSITION

### 5.1. GOODWILL

The goodwill recognized in Kerlink SA accounts corresponds to the acquisition of Wyres. The acquisition resulted in an early buyout, on February 20, 2020 and after termination of the partnership agreement signed in January 2019, of the balance of the Wyres shares held by the founders and their investors for a total amount of €80k. The Wyres assets and liabilities were transferred to Kerlink SA in 2020.

#### Impairment of goodwill

Given the health and economic context, which led to a review of the Group's priorities and a delay in the development of Wyres' business, the goodwill was written down to 100% in 2020.

### 5.2. PROPERTY, PLANT AND EQUIPMENT

In €k	Constructions	Equipment and technical installations	Other property, plant and equipment	Total
Cost or valuation	1,432	3,030	546	5,008
Cumulative depreciation & impairment	(584)	(2,341)	(486)	(3,412)
<b>Net carrying amount at December 31, 2023</b>	<b>848</b>	<b>688</b>	<b>60</b>	<b>1,596</b>
Opening net carrying amount (January 2024)	848	688	60	1,596
Foreign exchange	0	0	0	0
Change in scope	0	0	0	0
Additions/ reclassification	0	65	1	66
Disposals	0	(388)	(1)	(389)
Leases – IFRS 16	(103)	0	0	(103)
Depreciation and impairment	(58)	(69)	(17)	(143)
<b>Net carrying amount at June 30, 2024</b>	<b>687</b>	<b>297</b>	<b>44</b>	<b>(1,028)</b>
Cost or valuation	1,329	2,564	545	4,441
Cumulative depreciation & impairment	(642)	(2,270)	(501)	(3,413)
<b>Net carrying amount at June 30, 2023</b>	<b>687</b>	<b>297</b>	<b>44</b>	<b>1,028</b>

The Group does not own the premises it occupies, which are therefore restated as fixed assets in accordance with IFRS 16.

In €k	Net carrying amount of rights of use at the opening	Increase in user fees	Amortization of rights of use	Reversal of rights of use	Net carrying amount of rights of use at closing
Constructions	848	0	(94)	(67)	687
Other tangible fixed assets	8	0	(2)	0	6
<b>Total</b>	<b>856</b>	<b>0</b>	<b>(96)</b>	<b>(67)</b>	<b>693</b>

### 5.3. INTANGIBLE ASSETS

In €k	Assets in progress	Research and development expenses	Other intangible assets	Total
Cost or valuation	726	8,323	2,126	11,175
Cumulative depreciation & impairment	0	(6,753)	(1,087)	(7,839)
<b>Net carrying amount at December 31, 2023</b>	<b>726</b>	<b>1,571</b>	<b>1,039</b>	<b>3,336</b>
Opening net carrying amount	726	1,571	1,039	3,336
Foreign exchange	0	0	0	0
Change in scope	0	0	0	0
Additions/reclassification	114	173	24	311
Disposals	0	0	(339)	(339)
Depreciation and impairment	0	(321)	(30)	(351)
<b>Net carrying amount at June 30, 2024</b>	<b>840</b>	<b>1,423</b>	<b>694</b>	<b>2,956</b>
Cost or valuation	840	8,521	1,787	11,147
Cumulative depreciation & impairment	0	(7,098)	(1,093)	(8,191)
<b>Closing net carrying amount at June 30, 2024</b>	<b>840</b>	<b>1,423</b>	<b>694</b>	<b>2,956</b>

#### Impairment of development costs

The level of activity in the 1st half of 2024 was impacted by cyclical events and led to order postponements. However, these delays do not call into question the main assumptions concerning the trend in business, given the marked improvement in order intake since the beginning of July. No impairment test was deemed necessary at June 30, 2024.

### 5.4. FINANCIAL ASSETS

The Group also holds non-consolidated investments in one company which are not accounted for by the equity method, amounting to €715k. An impairment loss of €282k was recognized on this company, based on the value of a new capital increase that took place in early 2024.

### 5.5. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method using an enacted tax rate of 25%. The movement on the deferred income tax account is as follows:

In €k	06.2024	12.2023
At beginning of year	86	86
Consolidated entry	0	0
Taxes recognized on other comprehensive income	0	0
Tax expense recognized in income statement	0	0
<b>At end of the period</b>	<b>86</b>	<b>86</b>



The amounts of deferred taxes are shown in the balance sheet as follows:

In €k	06.2024	12.2023
Deferred tax assets	86	86
Deferred tax liabilities	0	0
<b>Total</b>	<b>86</b>	<b>86</b>

Non-activated tax losses carried forward amount to €46,100k.

## 5.6. INVENTORIES

In €k	06.2024	12.2023
Raw materials and supplies	8,335	7,493
Semi-finished goods and finished goods	6,016	6,704
Less: Provision for impairment of inventories	(2,970)	(2,543)
<b>Total</b>	<b>11,381</b>	<b>11,654</b>

## 5.7. CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS

In €k	06.2024	12.2023
Securities	0	0
Cash in hand	4,391	2,998
Term deposits and investments	904	986
Liquidity agreement funds	2	10
<b>Cash &amp; cash equivalents</b>	<b>5,297</b>	<b>3,994</b>
Overdraft	0	0
<b>Cash and cash equivalents less bank overdrafts</b>	<b>5,297</b>	<b>3,994</b>

## 5.8. EQUITY

The share capital changed as follows between December 31<sup>st</sup>, 2023 and June 30, 2024:

Period	Opening	Capital decrease	Bonds conversion	Capital increase	Exercise of options	Closing	Per value	Share capital
30/06/2024	7,472,127					7,472,127	0.27	2,017,474

### Characteristics of BSPCE

	<b>BSPCE 2018</b>
Date of the Shareholders' Meeting	20 June 2018
Date of the Chairman's decision	21 June 2018
No. of options authorized initially	255,000
No. of options granted	37,000
First BSPCE option exercise date	21 June 2021
Last BSPCE option exercise date	21 June 2028
Subscription price in €	15,77 €
Terms and conditions of exercise	(1)
Number of options	0
Cumulative number of BSPCE cancelled or lost	19,500
Number of remaining BSPCE	17,500
Number of potential shares issued from BSPCE after 1/4 split	N/A

#### **(1) Terms and conditions of BSPCE 2018 exercise:**

Issue and free allocation, in 2018, of 37,000 BSPCE to Group employees.

The BSPCEs may only be exercised by their beneficiaries on condition that the said beneficiaries are still present in the Group on the exercise date.

As some beneficiaries left the Group in 2019, 13,000 2018 BSPCE have lapsed and have therefore been cancelled.

The General Shareholders' Meeting had delegated to the Board of Directors all powers to decide to issue a maximum number of 255,000 warrants within 18 months of the said meeting. The balance of the potential 218,000 warrants may therefore no longer be issued under this authorization of the General Meeting of June 20, 2018.

The BSPCE 2018 warrants granted may be exercised at any time from June 21, 2021 until June 21, 2028.

The exercise price of the BSPCE 2018 is set at 15.77 euros.

The BSPCE 2018 BSPCEs may be exercised in full in the event of the completion of a transaction resulting in a change of control of the Company within the meaning of Article L.233-3 of the French Commercial Code, and subject to the beneficiary's effective and continuous presence within the Group until the completion of the relevant transaction.

### Liquidity agreement

Following its initial public offering on the Euronext Growth Paris market, on 19 May 2016, the Company signed a liquidity agreement with Louis Capital Market LLP (LCM) to promote the liquidity of Kerlink's shares.

On March 6, 2019, a new liquidity agreement was set up with Louis Capital Market LLP. On this occasion, the following resources were made available:

- 14,153 shares
- €27k in cash

As of June 30, 2024, the status of the liquidity contract was as follows:

- Number of shares: 30,677 shares;
- Cash balance of the liquidity account: €2k;
- Gross value: €23k.

The cash reserve related to the liquidity contract is presented in cash (see note 5.7).

## 5.9. BORROWINGS

In €k	06.2024	12.2023
Borrowings	11,797	11,876
Factor	631	1,439
Leases - IFRS 16	714	879
Cash & cash equivalents	(5,297)	(3,994)
<b>Net financial debt</b>	<b>7,845</b>	<b>10,200</b>
Cash in hand	5,296	3,984
Liquidity agreement cash balance	2	10
<b>Total borrowings</b>	<b>13,142</b>	<b>14,193</b>
More than one year	10,312	12,047
Less than one year	2,832	2,148
<b>Total borrowings</b>	<b>13,144</b>	<b>14,195</b>

The table below shows the change in current and non-current borrowings:

In €k	06.2024	12.2023
At beginning of year	12,718	13,674
Consolidation entry	0	0
Undiscounting impact	0	1
Loan renegotiation - IFRS 9	0	413
Leasing contracts – IFRS 16	(164)	(188)
New borrowings	0	0
Repayment of borrowings	(60)	(1,182)
<b>At end of the period</b>	<b>12,494</b>	<b>12,718</b>
Factor	631	1,439
Bank overdrafts	0	0
Accrued interest	19	38
<b>Total borrowings</b>	<b>13,144</b>	<b>14,195</b>

## Leases – IFRS 16

In €k	Opening net carrying amount	Decrease in rental debt	Increase in rental debt	Closing net carrying amount
Constructions	871	(162)	0	708
Other tangible fixed assets	8	(2)	0	6
<b>Total</b>	<b>879</b>	<b>(164)</b>	<b>0</b>	<b>715</b>

## 5.10. CHANGES IN NET WORKING CAPITAL

In €k	06.2024	06.2023	12.2023
Inventories	279	687	2,538
Trade accounts receivable	2,148	1,318	428
Prepaid expenses and other current assets	1,343	176	670
Trade accounts payable	(428)	(1,167)	(1,324)
Other current liabilities	(245)	706	552
Change in net working capital	3,096	1,720	2,865

## 5.11. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

In €k	Carrying amount (IFRS 9)		Fair value through income	06.2024	12.2023
	Amortized cost	Fair value through equity			
<b>Assets</b>					
Investments in subsidiaries				0	0
Deposit and security	144			144	133
Other non-current financial assets	440			440	440
Trade accounts receivables	2,740			2,740	4,887
Cash and cash equivalents			5,297	5,297	3,994
<b>Liabilities</b>					
Bank loans	6,441			6,441	6,784
BPI France loans	4,966		(1)	4,965	4,985
Other loans					0
Repayable advance	113			112	109
IAS16- Leases	714			714	879
Factor	631			631	1,439
Overdrafts					
Accrued interest					
<b>Borrowing</b>	<b>12,865</b>		<b>(1)</b>	<b>12,863</b>	<b>14,195</b>
Trade accounts payable	2,181			2,181	2,609
Tax and social liabilities	1,434			1,434	1,824
Suppliers of fixed assets	5			5	0
Other liabilities	133			133	109
Deferred revenue	1,068			1,068	947

## 6. OTHER INFORMATION

### 6.1. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

#### Financial guarantees given and received on borrowing

The liabilities and borrowings listed below are already included in the Group's balance sheet. The following table only repeats these amounts when these borrowings are secured by securities.

The commitments received correspond to the guarantees of BPI France Financement on borrowings secured by the Group up to a certain quota.

In €k	06.2024	12.2023
Guarantees given (guarantee, deposits, pledge of ("Fond de commerce"))	2,893	2,893
Guarantees received – guarantee BPI France Financement	2,854	2,854

Under certain financings agreements, the Group pledged as collateral its business value (goodwill and customer base – "Fonds de commerce") to the lending institutions to guarantee the repayment of the said loans.

#### Other commitments:

To the Company's knowledge, no other significant off-balance sheet commitments are in existence at the end of the financial year.

### 6.2. EARNINGS PER SHARE

	06.2024	06.2023
Net profit / loss (in €k)	(1,938)	(2,624)
<b>Basic</b>		
Weighted average shares outstanding	7,472,127	7,468,670
Net income per share (in €)	(0.26)	(0.35)
<b>Diluted</b>		
Weighted average shares outstanding	7,489,627	7,531,927
Net income per share (in €)	N/A	N/A

Since the Group reported a loss, instruments are regarded as accretive. As a result, diluted earnings per share are identical to basic earnings per share.

### 6.3. RELATED PARTY INFORMATION

The Group considers as related parties:

- Key leaders of the Management Committee
- Members of the Board of Directors
- Vice-Presidents of the subsidiaries

Transactions with companies in which some members of the Group's top management have significant influence, are the following:

In €k	06.2024	06.2023
<b>Income statement</b>		
Rent	56	52
Management services provided by the related party		
Travelling expenses		
Attendance fees	9	9
<b>Balance sheet</b>		
Trade accounts payable due to a related party		

### 6.4 SCOPE OF CONSOLIDATION

Group's scope of consolidation is as follows:

Group	Country	Status	% of interest by the Group		Date of entry
			06.2024	06.2023	
Kerlink SA	France	Parent company			
		<i>Subsidiaries</i>			
Kerlink Singapore Pte Ltd	Singapore	Kerlink SA	100	100	Dec-2015
Kerlink Inc.	United States	Kerlink SA	100	100	Jan-2017
Kerlink India Pte Ltd	India	Kerlink SA	100	100	July-2017
Kerlink Japan	Japan	Kerlink SA	100	100	Oct-2018



# KERLINK

Société anonyme

1 Rue Jacqueline Auriol  
35325 Thorigné-Fouillard

---

## **Rapport d'examen limité du commissaire aux comptes sur les comptes consolidés semestriels résumés**

Période du 1<sup>er</sup> janvier 2024 au 30 juin 2024



## KERLINK

Société anonyme

1 Rue Jacqueline Auriol  
35325 Thorigné-Fouillard

---

### Rapport d'examen limité du commissaire aux comptes sur les comptes consolidés semestriels résumés

Période du 1<sup>er</sup> janvier 2024 au 30 juin 2024

---

Au Président Directeur Général,

En notre qualité de commissaire aux comptes de KERLINK et en réponse à votre demande, nous avons effectué un examen limité des comptes consolidés semestriels résumés relatifs à la période du 1<sup>er</sup> janvier 2024 au 30 juin 2024, tels qu'ils sont joints au présent rapport.

Ces comptes consolidés semestriels résumés ont été établis sous la responsabilité du Conseil d'administration. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes

Nous avons effectué notre examen limité selon les normes d'exercice professionnel applicables en France et la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette intervention. Un examen limité consiste essentiellement à s'entretenir avec les membres de la direction en charge des aspects comptables et financiers et à mettre en œuvre des procédures analytiques. Ces travaux sont moins étendus que ceux requis pour un audit effectué selon les normes d'exercice professionnel applicables en France. En conséquence, l'assurance que les comptes consolidés semestriels résumés, pris dans leur ensemble, ne comportent pas d'anomalies significatives obtenue dans le cadre d'un examen limité est une assurance modérée, moins élevée que celle obtenue dans le cadre d'un audit.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la conformité des comptes semestriels consolidés résumés avec la norme IAS 34 – norme du référentiel IFRS tel qu'adopté dans l'Union européenne relative à l'information financière intermédiaire.

Ce rapport est régi par la loi française. Les juridictions françaises ont compétence exclusive pour connaître de tout litige, réclamation ou différend pouvant résulter de notre lettre de mission ou du présent rapport, ou de toute question s'y rapportant.

Rennes, le 18 octobre 2024

Le commissaire aux comptes

Deloitte & Associés



Jérôme QUERO

'I hereby certify that, to the best of my knowledge, the condensed interim financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all the companies included in the consolidation, and that the above management report presents a true and fair view of the significant events that occurred during the first six months of the financial year and their impact on the financial statements, and that it describes the main risks and uncertainties for the remaining six months of the financial year.'

Thorné-Fouillard, October 22, 2024



**William GOUESBET**  
**CEO**

**NAME AND HEAD OFFICE****KERLINK SA**

1 Rue Jacqueline AURIOL  
35235 THORIGNE FOUILLARD

TEL : +33 2 99 12 29 00

**FORM & LEGISLATION**

Société Anonyme (Limited Liability Company) with a Board of Directors

**COMPANY AND TRADE REGISTRY & APE**

RCS Rennes 477 840 441 - APE : **2630Z**

**CONSULTATION OF THE DOCUMENTATION**

All documents can be consulted at the Head Office of the Company :

**KERLINK SA**

1 Rue Jacqueline AURIOL  
35235 THORIGNE FOUILLARD

Also on our Website : [www.kerlink.com](http://www.kerlink.com)

**FINANCIAL YEAR**

From January 1 to December 31 of each year

**SHARE CAPITAL & VOTING RIGHTS**

The share capital of Kerlink at 30 June 2024 stands at **€2,017.474.29** divided into 7,472,127 shares each with a par value of €0.27, and into 8,288,573 theoretical voting rights (including own shares)

**STATUTORY AUDITORS****Deloitte & Associés**

185 Avenue Charles de Gaulle  
92200 Neuilly Sur Seine

Represented by M. Jérôme QUERO

Date appointed : General Shareholders' Meeting on  
27 June 2022, for a duration of six financial periods

End of mandates : General Shareholders' Meeting that will  
meet in 2028, to approve the financial statements for the  
period ending 31 December 2027.

**PRODUCTION OF THE REPORT & CONTACTS****Constance CHAPLET**

Financial Communication Manager

**William GOUESBET**

CEO

Contact : [investors@kerlink.com](mailto:investors@kerlink.com)



  
**kerlink**  
communication is everything