Confidence in the business outlook for 2024

Target around 20% revenue growth and positive EBITDA[1]

A leading IoT player powering company transformations

PRESS RELEASE

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Kerlink (AKLK FR0013156007), a specialist network and Internet of Things (IoT) solutions provider, gives an update on its outlook for 2024.

In a growing market driven by **private network rollouts** Kerlink provides tailored solutions for companies and local authorities**: energy transition**, **digitalisation** of assets and processes, efficiency and simplicity of **operation**.

Kerlink has a positive outlook for 2024, expecting to **achieve revenue growth of around 20% and positive EBITDA**.

This momentum stems from the **business expansion** strategy initiated in the second half of 2023, which draws on its many strengths: new offers based on differentiating, high-performance and secure solutions, efficient and beneficial collaboration with its ecosystem, confirmation of its status as a leader in technological innovation.

Industrial-grade equipment with the best-performing security features on the market

Kerlink gateways stand out from the competition through embedded SecureBoot and SecureStorage features that are **the most advanced on the market**. **Kerlink also has 100% control over security certificates** for marketed gateways (PKI). These solutions have already been qualified and adopted by many groups for which security is a major issue (mobile operators, for example).

Kerlink has always designed **carrier grade** gateways in accordance with the Group's ISO processes. They are industrialised in France, **certified in more than 75 countries and guaranteed for life. Their failure rate is less than 0.1%.**

After the "Covid" years and widespread shortages of electronic components in 2022, the Group strengthened its supply chain and secured its supplies to strengthen its ability to supply customers under the highest standards.

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[1] EBITDA = Earnings before interest, taxes, depreciation and amortisation

A considered strategy of collaboration with other reputable players in the ecosystem to capture more business

Over the past few months, **Kerlink has ensured that its gateways are compatible with the offers of the main LoRa Network Server (LNS) suppliers.** LNS is the server software that centralises, processes and transmits data from the various network sensors to the final application.

The Group observed that its initial strategy of offering its own LNS in competition with these suppliers prevented it from accessing part of the market. **This strategic pivot** as part of a desire for openness and commercial development has **boosted the number of new commercial opportunities addressed by Kerlink**, in collaboration with these new partners. Drawing on its expertise, the Group always offers the LNS solution that is best suited to the customer's vertical needs and target architecture, while operating the network efficiently on their behalf.

Offers redesigned to best respond to the diverse range of players involved in IoT network deployment projects

As announced 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.**

An Internet of Things market that is expanding in the busy verticals market

According to the [Research and Markets](#) institute, the LoRa® market was worth around USD5.6 billion in 2023 and is expected to grow five-fold to USD25.5 billion in 2028.

This **average annual growth of 35%** will continue to be largely driven by **private network rollouts**. Bear in mind that in 2019 the Kerlink Group took the pioneering decision to make a strategic shift into this type of network, demonstrating its ability to rebound.

LoRaWAN® technology is now recognised as an industrial last mile, IoT-access technology, serving the mass deployment of local **IoT solutions**. It is no longer considered a cellular telecommunications technology

focused on geographic coverage and connectivity. As such, it is not positioned in competition with NB-IoT or LTE-M technologies but rather complementary to them, because it addresses use cases efficiently and economically (remote water/gas meter reading, energy efficiency, air quality, etc.) and brings traffic to cellular networks.

IoT solutions respond to the **challenges of the energy transition** by digitising the assets and processes of companies and local authorities. The vertical-market segments and applications perceived by Kerlink as **the most dynamic for 2024** are:

- **Smart Cities,** driven in particular by remote meter reading, smart public lighting, disinfection applications and rodent control systems,

- **Smart Industry**, which is deploying more and more predictive maintenance solutions,

- **Smart Agriculture**, which meets farmers' expectations, particularly in terms of livestock monitoring, and

- **Smart Buildings**, which in addition to managing energy efficiency constraints addresses issues related to the management of working conditions in companies, and the well-being and health of seniors, particularly in retirement homes.

In these growing vertical markets, the **Kerlink Group has the capacity and scalability to address both emerging business and the most significant rollouts on the market** involving several thousand gateways.

Kerlink has seen tangible benefits from its commercial strategy: it has signed or is at the negotiation stage on many projects that previously were difficult to address. Since the beginning of 2024, the pipeline of orders recorded for the year has grown by more than 20%.

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**.

- **Kerlink is preparing to launch a satellite IoT offering**

The Group takes into account emerging needs requiring **new IoT connectivity solutions via low Earth orbit satellite constellations (LEOs).** These technologies are paving the way for the deployment of new applications for inter-regional tracking and the creation of local LoRaWAN networks in restricted environments: mines, oil platforms and wells, agriculture, etc. These solutions will come on the market beginning in the second half of 2024.

Targets for sustained growth and positive EBITDA

The initial results of the business expansion strategy are starting to show: positioning in new projects, an increase in the number of consultations and opportunities detected.

These factors combined with a well-filled order book enable Kerlink to **anticipate revenue growth of around 20%** in the 2024 financial year.

Additionally, the Group adjusted its expense structure in 2023, which will enable a reduction in the breakeven point and significantly improve its profitability, for which it has set a **positive EBITDA target** for 2024.

All of this confirms Kerlink's status as a **key player in the IoT space**. Its unprecedented positioning with its partners and among customers puts the Group **at the centre of the company transformation process,** with solutions that offer speed of implementation, management ergonomics, personalised control, security, reliability and rapid ROI.

About Kerlink

Kerlink Group is one of the world's leading providers of connectivity solutions for the design, rollout and operation of public and private networks dedicated to the Internet of Things (IoT). Its comprehensive portfolio of solutions includes industrial-grade network equipment, best-of-breed network core, network operations and management software, value-added applications and expert professional services, backed by strong R&D capabilities. More than 200,000 Kerlink installations have been deployed at more than 350 customers in 70 countries. Kerlink is a founding member and board member of the LoRa® Alliance and the uCIFI™ Alliance. It is listed on Euronext Growth Paris under the symbol ALKLK.

For more information, please visit our website at www.kerlink.com.

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