



Crolles, July 10, 2018

2017/2018 results: Implementation of the development plan presented during the IPO

- Revenues up 19% in the group's strategic businesses: IoT Data (adeunis®) and pro audio (VOKKERO®)
- Step-up in investments as part of the strategic plan, specifically in human resources
- Strengthened financial structure thanks to the initial public offering
- Confirmed objective to further drive growth in 2018/2019

Adeunis, specializing in connected sensors and wireless solutions for the operational performance of professionals, announced its annual results for the 2017/2018 fiscal year (from April 1, 2017 to March 31, 2018).

The consolidated financial statements for the year ending 31 March 2018 were approved by the Board of Directors, which met today. The financial statement audit procedures were carried out. The certification report will be issued after finalization of the procedures required for publication of the annual financial report. The Group consolidated financial statements for the year ending March 31, 2018 will be made available on the Adeunis website (www.adeunis-bourse.com) no later than July 31, 2018.

Pascal Saguin, Chairman and Chief Executive Officer of Adeunis, commenting on the results, said: *"We have achieved our main objective, generating double digit revenue growth in 2017-2018, even though most of our new products and services were launched at the end of the fiscal year and could only bring a small contribution to this year's commercial performance."*

The funds raised by the initial public offering in October 2017 enabled us to step up investments in our offerings and expand our technological, corporate and sales teams. This enabled Adeunis to fully leverage the tremendous potential of our connectivity technology on rapidly expanding markets.

Today, we have the foundations needed to write the next chapter in our company story, with a clear roadmap over the next four years and the goal of driving up growth from this coming year onwards. "



Consolidated audited data (€000) French accounting standards	2016-2017	2017-2018
Revenues	9,321	10,667
Margin on purchase and subcontracting costs	4,692	4,920
<i>Gross margin rate</i>	<i>50.3%</i>	<i>46.1%</i>
Staff costs	(3,578)	(4,415)
External expenses ¹	(2,195)	(3,412)
Non-recurring income and expenses ²	619	628
EBITDA ³	(462)	(2,279)
Depreciation, amortization and provisions	(543)	(690)
Operating profit/(loss)	(1,005)	(2,969)
Net financial income	17	40
Non-recurring items	(157)	157
Tax	61	(17)
Net income/(expense)	(1,084)	(2,789)

Revenues up 19% in core businesses

The Group's business increased 19% in its strategic businesses (IoT Data and VOKKERO®) and 14% including its "core" business of M2M modules (currently being phased out), compared to the previous year.

IoT Data⁴ segment revenues grew 30% during the year, representing almost 40% of 2017/2018 Group revenues (€4.2m). This strong momentum mainly reflects the commercial roll-out of connected sensors, before the arrival of additional service offerings.

Revenues posted by **VOKKERO**® professional audio systems increased almost 11% during the year to €4.7 million, despite the wait-and-see attitude of football federations (historic Group customers) due to the process for introducing video assistant referee (VAR) technology. The recent validation of VAR by international bodies presents promising prospects for VOKKERO® SQUADRA.

The gross margin remained high despite increased activity and indirect sales.

Solid investment in offers and the sales network

During the 2017/2018 financial year, the Group greatly enhanced its **IoT Data** offering with nearly twenty new products on the LoRa, Sigfox and WMBus networks, specifically those dedicated to the Building Management sector and process & service optimization. Adeunis also expanded its bundle catalogue to include third-party products, enabling it to respond to larger calls for tenders, in particular in the Smart Building sector. The Group is thus increasing the number of customers, that could over time generate over €1 million in revenue annually.

¹ Excl. subcontracting costs

² Including research tax credit (CIR)

³ EBITDA: earnings before interest, tax, depreciation and amortization

⁴ Internet Of Things: data exchange and processing network between identified physical objects, using different communication technologies, via radio networks.



During the last fiscal year, Adeunis also stepped up the expansion of its **VOKKERO®** offering with **GUARDIAN**, intended for industry, **SQUADRA VARSITY**, dedicated to college and amateur sports, and **GUARDIAN C2C**, on the American football coaching market.

As product launches were mainly scheduled for the end of the financial year, the contribution of these new offers was limited to around 15% of 2017/2018 revenue. It nevertheless offers extremely promising commercial prospects in the short and medium term.

At the same time, Adeunis increased its share of indirect sales in IoT Data and **VOKKERO®**. This strategy enabled the company to extend its international reach, mainly in Europe, thanks to sales partners.

Indirect sales and the integration of third-party products in offers linked to the implementation of global infrastructures in the Building Management sector present major sales opportunities for the Group, and explain the limited growth of the gross margin, which increased 5% to €4.9 million over the year, i.e. 46.1% of revenues.

In addition to these structural elements, the gross margin was also impacted during the year by pre-series costs associated with the launch of new offers, and by the transfer of production to new high value-added EMS⁵ partners. The new industrial organization is expected to be finalized by the end of the 2018/2019 fiscal year.

Expansion of the workforce to support the development plan

In order to lay the solid foundation required for its continued development, Adeunis has stepped up its investments in technology (R&D teams and increased use of technical assistance services as part of the program of new product launches), sales (sales force and network management initiatives), and has strengthened its organization (supply chain and financial management, in particular). The Group's workforce has thus increased to 62 employees at March 31, 2018, up from 46 a year earlier.

The Group intends to bring an end to its recruitment drive at the end of the year, aiming to stabilize the Group's workforce in France and the United States at 75 to 80 people.

This strategy resulted in a 23% increase in payroll over the year and a 55% increase in external expenses. In addition to technological and commercial expenses, these items also include costs relating to the stock listing and generated by the recruitment drive.

As a result of these initiatives, the operating loss amounted to €3.0 million, compared to €1.0 million a year earlier. The net expense for the period amounted to €2.8 million, compared to €1.1 million in 2016/2017.

Strengthened financial structure thanks to the IPO

Adeunis' balance sheet has been significantly bolstered by the share capital increase (net proceeds of €6.3 million) carried out during the initial public offering on Euronext Growth in October 2017. This additional means enable the company to step up its development plan.

⁵ Electronic Manufacturing Services: electronic product subcontractor



ASSETS	03/17	03/18	LIABILITIES	03/17	03/18
Fixed assets	1,258	1,528	Equity	1,651	6,144
Current assets ⁶	4,927	5,948	Provisions	371	362
<i>o/w inventories</i>	<i>1,639</i>	<i>1,931</i>	Payables	4,794	5,060
<i>o/w trade receivables</i>	<i>2,125</i>	<i>2,167</i>	<i>o/w borrowings</i>	<i>1,596</i>	<i>1,286</i>
Cash and cash equivalents	631	4,091	<i>o/w operating payables</i>	<i>3,198</i>	<i>3,774</i>
Total Assets	6,816	11,566	Total Liabilities	6,816	11,566

At March 31, 2018, shareholders' equity amounted to €6.1 million, with cash and cash equivalents of €4.1 million and borrowings of €1.3 million.

Confirmed goals in the short and medium-term

As part of its 2022 development plan, and thanks to new offers currently being launched and a strengthened organization, Adeunis confirms its goal to step up its sales momentum in 2018/2019.

Adeunis intends to continue to drive up growth in the **IoT Data** segment, with a strong focus on key accounts and the most mature business verticals. The Group intends to take advantage of its offers, now enhanced with connected sensors and additional high value-added solutions, such as the repeater (extension of the existing network to guarantee connection with all objects) developed with Sigfox, or the "**Device Management**" platform (operational maintenance) launched in partnership with Thales.

In the professional audio sector, **Vokkero**[®] will continue its commercial ramp-up in the industrial and service sectors (specifically nuclear and security, thanks to the ATEX⁷ range launched last September), in amateur sports (Squadra Varsity) and coaching equipment (C2C). The Group should also benefit from the expected equipment upgrade as part of the roll-out of VAR in the realm of professional sports.

The Group is also preparing for the launch of new offers that will combine connected objects and high value-added services, in order to meet growing demand for "turn-key" solutions. Adeunis will thus position itself as the preferred partner for key accounts.

Upcoming meetings: the company will discuss its annual results during a conference call this Tuesday, July 10, 2018 at 6.00 pm, and will present its development outlook during a financial meeting on Tuesday, September 25, 2018 at 4.00 pm.

⁶ Excluding cash and cash equivalents

⁷ Explosive atmospheres



About Adeunis

In today's connected world, Adeunis designs, produces (*fabless*) and markets sensors and wireless solutions for the operational performance of professionals. These devices are used to receive, transmit and secure electronic data.

Adeunis' offering fulfils specific needs and applications in the building management, industrial optimization, sports and services markets, and has attracted international companies and institutions such as Areva, EDF, Enedis, Legrand, the Ligue de Football Professionnel, OCEA Smart Building, SARP, Saur, SNCF, Suez and Veolia Environnement.

With an agnostic and targeted technological approach, which has been recognised for nearly 20 years, a large-scale industrialization capacity and an international distribution network, Adeunis plans to take advantage of the corporate digital transformation and the remarkable growth of the Internet of Things in the professional sphere.

Adeunis has 62 employees at two sites in France (near Grenoble) and the United States. Classified as an "Innovative Company" (*Entreprise Innovante*) by Bpifrance, the company posted 2017/2018 revenues of almost €11 million.

Find out more at www.adeunis-bourse.com

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