



KALRAY LAUNCHES A CAPITAL INCREASE TO FUND ITS NEXT GENERATION INTELLIGENT PROCESSOR

Grenoble, November 18, 2020, 5:35 p.m. - Kalray (Euronext Growth Paris: ALKAL - the “Company”), a pioneer in processors dedicated to new intelligent systems, today announces the launch of a capital increase to fund its next Intelligent Processor, with cancellation of the preferential right of subscription, of at least € 5 M exclusively reserved for the category of investors defined below, by accelerated bookbuild (the “Reserved Offer”).

During the presentation of its 2020 half-year results, Kalray confirmed its main objectives and roadmap, in particular:

1. The objective of achieving a monthly EBITDA breakeven starting mid-2021, mainly thanks to the expected take-off in sales in the data center market on which the company has just obtained the certification of its solution, a crucial step towards commercialization;
2. The ambition to achieve net sales of € 100 million over a 1-year period between mid-2022 and mid-2023, with sales of complete solutions and of technology licenses;
3. Ongoing discussions with leading players in growing Edge Computing markets leveraging its automotive solutions developed for similar needs, such as 5G (Open Radio Access Network) and Industry 4.0 (Machine Vision).

In 2021, the Company will continue to invest, in particular to fund development and prepare the commercialization of the second version of Coolidge™ (Coolidge2™), which is planned for end of 2022. The improvements of Coolidge2™ should in particular strengthen the position of Kalray in its current markets (Data Centers and Automotive) and meet the needs of the growing Edge Computing markets.

Completion of the fundraising launched today will enable Kalray to acquire the additional financial resources necessary for the implementation of these investments for Coolidge2™ and to prepare for its next development cycle.





TERMS OF THE OFFER

The Reserved Offer will be carried out with cancellation of the preferential subscription right of the existing shareholders of the Company, on the basis of Article L. 225-138 of the Commercial Code, in accordance with the 19th resolution of the combined general meeting of the Company dated June 11, 2020 (the "General Meeting") and the decisions of today's management board taken with the authorization of the supervisory board of November 18, 2020.

The Reserved Offer will be open to the following category of beneficiaries: natural or legal persons (including companies), trusts, and investment funds, or other investment vehicles, whatever their form (including, without limitation, any investment fund or venture capital company, in particular any FPCI, FCPI or FIP), under French or foreign law, shareholders or not of the Company, investing on a regular basis in the technology sector (in accordance with the 19th resolution of the General Assembly).

The gross proceeds of the Offer are expected to be at least € 5 Million. The issue price of each ordinary share as well as the final number of ordinary shares issued will be decided by the management board of the Company following the accelerated bookbuild which starts immediately and will close on November 19, 2020 before the opening of the Euronext Growth market in Paris, subject to any early closing or extension, in accordance with the 19th resolution of the General Meeting. The Company will announce the results of the Reserved Offer as soon as possible after the close of the order book, by means of a press release.

The Reserved Offer will be offered to investors belonging to the category of investors defined above in France and in certain other countries, but with the exception in particular of the United States by virtue of Regulation S and the US Securities Act of 1933. (the "Securities Act").

The settlement-delivery of the new shares and their admission to trading on the Euronext Growth market in Paris are scheduled for November 23, 2020. The new shares will be subject to all statutory provisions and will be assimilated to old shares upon the final completion of the increase in capital, they will carry current dividend rights and will be admitted to trading on the Euronext Growth Paris market on the same listing line as the Company's shares already listed under the same ISIN code FR0010722819 - ALKAL.

The Reserved Offer does not give rise to the preparation of a prospectus subject to the approval of the Autorité des marchés financiers.

ABSTENTION AND CONSERVATION COMMITMENTS

As part of the Reserved Offer, the Company has entered into a 90-day abstention commitment from the date of settlement-delivery of the Reserved Offer, subject to usual exceptions, thus limiting the ability of the Company to issue new shares during the said period.





The members of the management board, certain members of the supervisory board and certain shareholders with a significant stake in the Company, together holding 45.5% of the Company's capital, have also entered into retention commitments taking effect from the date of the said commitments and continuing for 360 days following the date of settlement-delivery of the Reserved Offer in respect of the Company's shares they hold, subject to certain customary exceptions and, concerning each member of the management board, the possibility to transfer, for the first 6 months, up to 10% of its shares then, for the following 6 months, an additional 10%.

OFFER GUARANTEE

GILBERT DUPONT and PORTZAMPARC BNP PARIBAS act as Global Coordinators, Lead Partners and Associate Bookrunners.

The Reserved Offer is not subject to a guarantee. However, the Reserved Offer is the subject of a placement contract between Kalray and the Global Coordinators, Lead Partners and Associate Bookrunners.

RISK FACTORS

The public's attention is drawn to the risk factors relating to the Company and its activity appearing in the 2020 annual financial report published by the Company on April 20, 2020 as well as to the impact of the current health crisis on the Company activity described in its press release dated April 20, 2020 which are still valid. These documents are available free of charge on its website (www.kalray-bourse.com). The materialization of all or part of these risks is likely to have an unfavorable effect on the activity, financial situation, results, development or prospects of the Company.

Investors are also invited to take into consideration the following risks specific to the Reserved Offer: (i) the market price of the Company's shares could fluctuate and fall below the subscription price of the shares issued under the " Reserved Offer, (ii) the volatility and liquidity of the Company's shares could fluctuate significantly, (iii) sales of Company shares could occur on the market and have an unfavorable impact on the share price of the Company, (iv) the Company's shareholders could suffer a potentially significant dilution resulting from any future capital increases made necessary by the search for financing by the Company, and (v) since securities will not be listed on a regulated market, investors will not benefit from the guarantees associated with regulated markets.

ABOUT KALRAY

Kalray (Euronext Growth Paris - FR0010722819 - ALKAL) is a fabless semiconductor company, pioneer in a new generation of processors for intelligent systems. MPPA® Intelligent processors are able to capture and analyze on the fly massive data flows, close to where they are generated, and interact in real time with the outside world. These processors are capable of running demanding AI algorithms and simultaneously a wide set of different processing and control tasks such as mathematical algorithms, signal processing, network or storage software stacks. Kalray's Intelligent Processors can be deployed in fast-growing sectors of Edge Computing and AI: Modern data centers, networks (5G), autonomous vehicles, healthcare equipment, industry 4.0, drones and robots... Kalray's offering includes processors, system boards and a software suite, for a broad spectrum of customers such as data storage systems and compute server manufacturers, intelligent system integrators and consumer product manufacturers such as car makers. Founded in 2008 as a spin-off of CEA French lab, Kalray counts among its investors: Alliance Venture (Renault-Nissan-Mitsubishi), Safran, NXP Semiconductors, CEA and Bpifrance. Read more at: www.kalrayinc.com



**INVESTOR CONTACTS****Eric BAISSUS**contactinvestisseurs@kalray.eu

Tel. +33 (0)4 76 18 90 71

ACTUS finance & communication

Jérôme FABREGUETTES-LEIBkalray@actus.fr

Tel. + 33 1 53 67 36 78

MEDIA CONTACTS**Loic HAMON**communication@kalray.eu

Tel. +33 (0)4 76 18 90 71

ACTUS finance & communication

Serena BONIsboni@actus.fr

Tel. +33 (0)4 72 18 04 92

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This announcement is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the “**Prospectus Regulation**”).

With respect to Member States of the European Economic Area (including France), no action has been taken or will be taken to permit a public offering of the securities referred to in this press release requiring the publication of a prospectus in any Member State. Therefore, such securities may not be and shall not be offered in any Member State other than in accordance with the exemptions of Article 1(4) of the Prospectus Regulation or, otherwise, in cases not requiring the publication of a prospectus under Article 3 of the Prospectus Regulation and/or the applicable regulations in such Member State.

This press release and the information it contains are being distributed to and are only intended for persons who are (x) outside the United Kingdom or (y) in the United Kingdom and are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), (ii) high net worth entities and other such persons falling within Article 49(2)(a) to (d) of the Order (“high net worth companies”, “unincorporated associations”, etc.) or (iii) other persons to whom an invitation or inducement to participate in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000) may otherwise lawfully be communicated or caused to be communicated (all such persons in (y)(i), (y)(ii) and (y)(iii) together being referred to as “**Relevant Persons**”). Any invitation, offer or agreement to subscribe, purchase or otherwise acquire securities to which this press release relates will only be engaged with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this press release or any of its contents.

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No guarantee can be given as to any of the events anticipated by the forward-looking statements, which are subject to inherent risks, including those described in its 2020 financial annual report published on April 20, 2020, as well as changes in economic conditions, the financial markets or the markets in which Kalray operates.

