

CHANGE OF DIMENSION CONFIRMED IN 2022: RECORD TURNOVER EXCEEDS TARGET FINANCIAL STRUCTURE LARGELY STRENGTHENED AND OBJECTIVES CONFIRMED

- Combined revenues¹ of €22.5 million, above the target of €20 million;
- Very strong growth in consolidated revenues² (€16.4 million, multiplied by 11 compared to 2021);
- Significant strengthening of the cash position (€32.2 million as of December 31, 2022) thanks to the very large success of the latest fundraising;
- First revenues recognized under the major contract announced in November 2022;
- Continued investment and recruitment
- Confirmation of the financial objectives of improving EBITDA in 2022 and revenue objective of €40 million in 2023.

Grenoble - France, January 17, 2023 – Kalray (Euronext Growth Paris : ALKAL), a leading provider of hardware and software technologies and solutions for high-performance, data centric computing markets, from cloud to edge, reviews its business for 2022 and confirms its growth perspectives.

Éric Baissus, Kalray CEO, declares: *“The year 2022 marks a major milestone for Kalray. On the commercial front, we are posting double-digit consolidated revenues for the first time in Kalray's history, and we have exceeded our combined revenue target of €20 million. In addition to this very strong growth, we signed our first major contract with a major industry player, another strong sign of the change in dimension of our company.*

¹ Alternative performance indicator. Consolidated revenues as if the Arcapix acquisition had been completed on January 1, 2022, excluding other restatements. Exchange rate EUR/GBP 1.16. Unaudited data

² Exchange rate EUR/GBP 1.16. Unaudited data

On the financial front, we have significantly strengthened our cash position thanks to the very successful completion of our latest fundraising of €24.4 million, which gives us the resources we need for our projects and ambitions. We are all mobilized for the success of this year 2023 which, I am sure, will be up to our expectations."

RECORD-BREAKING SALES, MAINLY IN THE STORAGE MARKET

At the end of this fiscal year 2022, Kalray reports record consolidated revenues of 16.4 M€³ compared to 1.5 M€ at December 31, 2021 (+1 025%). Kalray's combined revenue⁴ also reaches a historical level at €22.5M on December 31, 2022, above the announced target of €20M.

This very strong growth comes mainly from the storage market, where Kalray has been able to deploy its historical hardware offering based on its DPU processors, its software offering from the acquisition of Arcapix Holdings Ltd ("Arcapix") and the combination of these two offerings.

Kalray's combined 2022 revenue breaks down as follows:

- 63% on the "Software" part (mainly software offer, completed by support activities and related services);
- 37% on the "Hardware" part (processors, cards and complete hardware solutions for storage).

This revenue is evenly split between Europe (excluding the UK), the UK and the US. The markets covered are those with data-intensive applications, such as the media, AI, finance and research sectors, which are experiencing strong growth.

SIGNING AND IMPLEMENTATION OF THE MAJOR CONTRACT SIGNED AT THE END OF 2022

Kalray has signed a major contract⁵ with a key US industry player in November 2022 to develop and supply acceleration boards based on Kalray's DPU processors, on which the customer intends to build a next generation of products and services. This contract represents a business opportunity for Kalray worth tens of millions of euros per year. Kalray and the customer's teams have started the first phase of this project. For Kalray, it involves the development of a high performance card including 4 Kalray MPPA® DPU processors. This step corresponds to a first part of revenues of \$1M expected in fiscal year 2023. It should be noted that the 2022 consolidated revenue does not take into account any significant amount from this contract (\$150K has been accounted for out of the \$1M contracted).

³ Exchange rate EUR/GBP 1.16. Unaudited data

⁴ Alternative performance indicator. Consolidated revenues as if the Arcapix acquisition had been completed on January 1, 2022, excluding other restatements. Exchange rate EUR/GBP 1.16. Unaudited data

⁵ See press release of November 14, 2022

CONTINUED PROMISING PROGRESS IN THE FAST-GROWING MARKETS OF SERVICE PROVIDERS, EDGE COMPUTING AND 5G

Kalray is also continuing its development in its target markets.

Kalray has teamed up with Clever Cloud, a European provider of automation and optimization solutions for web and application hosting, and Vates, an open source software company specializing in secure virtualization, in the ReNESENS project led by Vates, which won the France 2030 Investment Plan - "Supporting solutions for the industry of the future"⁶. The objective of ReNESENS is to develop solutions for equipping Cloud and Edge data center infrastructures with sovereign and innovative hardware, based on a new type of processor called DPU (Data Processing Unit), as well as innovative virtualization and software technologies.

Meanwhile, Kalray recalls that pixitmedia, a Kalray subsidiary, and Lenovo, a Fortune Global 500 technology leader, have partnered to deliver a cost-effective, ultra-scalable, cloud-based hyperconverged solution for the media and entertainment industry⁷.

Kalray also continues to develop its offering with its strategic customers around Edge Computing (Smart Vision, 5G and Automotive).

A VERY STRONG CLOSING CASH POSITION

Cash on hand as of December 31, 2022 was €32.2 million (compared to €12.2 million as of December 31, 2021), largely reinforced by the very successful fund raising in December 2022⁸. Kalray has raised a total amount of approximately €24.4M from qualified and individual investors. This significant fundraising will allow Kalray to hire new staff and continue its investments in its next generation of processors to maintain its technological lead and meet the major challenges of its markets.

The cash position as of December 31, 2022 also takes into account the balance of the fully paid-up convertible bond issue for a gross amount of 4,160 K€⁹.

NEW HIRES AND CONTINUED INVESTMENTS

With the integration of the former Arcapix, the total number of employees at December 31, 2022 is 188 in France, the United Kingdom and the United States, compared with 103 at December 31, 2021.

⁶ See press release of October 17, 2022

⁷ See press release of November 17, 2022

⁸ See press release of December 2, 2022

⁹ See press release of April 21, 2022 - As of December 31, 2022, 551,488 shares (cumulative) from the convertible bonds had been issued.

To support its strong growth ambitions, and thanks to the very large success of its fundraising at the end of 2022, Kalray intends to recruit around 40 people in key positions, particularly internationally (sales, sales support, management team), and will start developing its next generation of processors, called "Dolomites", expected by the end of 2025.

Note that the first samples of the Coolidge™ 2 processor will be available in the first half of 2023.

CONFIRMED FINANCIAL OBJECTIVES

In view of these very positive elements, Kalray is perfectly in line with its business plan and confirms its objective of combined EBITDA improvement in fiscal year 2022 compared to fiscal year 2021 (consolidated EBITDA was -5.8 M€ in 2021).

In parallel, Kalray still confirms a 2023 revenue objective of around €40 million.

[Next financial meeting: Annual results 2022, March 28, 2023](#)

About KALRAY

Kalray is a leading provider of hardware and software technologies and solutions for high-performance, data centric computing markets, from cloud to edge. Kalray provides a full range of products to enable smarter, more efficient, and energy-wise data-intensive applications and infrastructures.

Its offers include its unique patented DPU (Data Processing Unit) processors and acceleration cards as well as its leading-edge software-defined storage and data management offers. Separated or in combination, Kalray's high-performance solutions allow its customers to improve the efficiency of data centers or design the best solutions in fast-growing sectors such as AI, Media & Entertainment, Life Sciences, Scientific Research, Edge Computing, Automotive and others.

Founded in 2008 as a spin-off of the well-known French CEA research lab, with corporate and financial investors such as Alliance Venture (Renault-Nissan-Mitsubishi), NXP Semiconductors or Bpifrance, Kalray is dedicated through technology, expertise, and passion to offer more: more for a smart world, more for the planet, more for customers and developers. www.kalrayinc.com

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