

ACTIVITY IN THE 1ST HALF OF 2023:
CONSOLIDATED REVENUE MULTIPLIED BY 3.2x
IN THE FIRST HALF OF THE YEAR: €15.3M
CONFIRMATION OF FINANCIAL OBJECTIVES

- Consolidated revenue of €15.3M, representing significant year over year growth
- Major media contract signed and partnership with Dell Technologies strengthened
- Two product launches with the release of ngenea®2 and Coolidge™2
- Ongoing successful and on-schedule implementation of the "jumbo contract"
- Selection for the IP-CUBE and France 2030 European sovereignty programs which support the furthering of innovative technologies such as AI
- Confirmation that the company is on track to achieve revenue of €40M in 2023 and to improve EBITDA

Grenoble - France, July 11, 2023 – Kalray (Euronext Growth Paris: ALKAL), a leading provider of hardware and software technologies for high-performance, data-centric computing markets, from cloud to edge, announces earnings results for the first half of 2023 and confirms outlook for the 2023 financial year.

"Kalray had a particularly dynamic first half of the year," said **Éric Baissus**, chief executive officer of Kalray. "In terms of sales, our revenue grew sharply, demonstrating the relevance of our products and market strategy. In terms of technology offerings, we announced two new products: our new data management platform, ngenea®2, which fully enhances the power of our processors; and the next generation of our DPU processor, Coolidge™2.

We're at a time of increasing awareness of the importance of technologies like AI, and a recognition of the huge market potential for processors such as ours that make implementing these technologies possible. With these headwinds, Kalray continues to strive to become the European leader in data intensive processing solutions. For 2023, we confirm our growth target and our objective to improve results, while continuing to invest for the future."

CONSOLIDATED REVENUE UP 219% AS A RESULT OF STRONG SALES MOMENTUM

In the first half of 2023, Kalray posted consolidated revenue of €15.3M, as compared to €4.8M a year earlier¹, a sharp increase of 219% that demonstrates strong sales momentum in storage markets (media, artificial intelligence, health and scientific research).

Consolidated revenue can be broken down as follows: United States (52%), Europe including the United Kingdom (46%), and other countries (2%). The hardware/software breakdown remains relatively constant with 2/3 of revenue coming from software and 1/3 coming from hardware.

MAJOR MEDIA CONTRACT

Kalray continues to roll out its storage and data management solutions, which combine its "historical" hardware offering based on DPU processors with software offerings. This puts Kalray in a strong position to respond to the storage and data intensive processing needs of today's enterprises and large organizations.

As such, Kalray signed its first major contract with a US leader in the entertainment industry for the newly announced ngenea®2. This new solution simplifies and accelerates extremely complex workflows across the organization and provides a single high-performance access point for all multimedia content distributed across multiple sites.

The contract covers both Kalray's software solutions and its fast DPU-based storage offering and represents several million euros in revenue for the year 2023.

STRENGTHENED PARTNERSHIP WITH DELL TECHNOLOGIES

Similarly, Kalray's partnership with Dell Technologies, entered into as part of the Extended Technologies Complete (ETC) program and offering end user customers combined Dell/Kalray solutions, has been strengthened.

In the first six months of the year, Kalray booked several million euros in revenue from this partnership and expects sales activity to ramp up in the second half of the year as a result of sales cycles. Orders which have, to date, principally been made in the United States could represent several hundreds of thousands of euros per client.

¹ In the first half of 2022, Kalray consolidated Arcapix's revenue between April 15 and June 30, 2022.

NEW PRODUCT OFFERINGS MEET MARKET DEMAND TO SUPPORT INCREASINGLY COMPLEX DATA INTENSIVE STORAGE AND ARTIFICIAL INTELLIGENCE SOLUTIONS

Several new products were launched in the first half of 2023.

In April, Kalray announced its second generation data management platform, **ngenea®2**, which further extends its offering and opens up new sales opportunities. The **ngenea®2** platform, which has already enjoyed its first major commercial success (see above), can be used with the performance of Kalray's DPUs to offer optimally efficient storage solutions.

In parallel, Kalray showcased its new **high-performance NVMe Tier-0 solution**, based on Kalray's DPU acceleration boards and Dell Technologies' servers, at Dell Technologies World (DTW). Designed for data-intensive workloads and applications, this solution offers unique benefits in terms of performance per watt and performance per euro.

Kalray also recently announced the production launch of its **Coolidge™2** DPU processor, which will deliver computing performance up to 10 times better than the previous version². Coolidge™2 has been specifically optimized to supplement Kalray's current range of NVMe storage solutions and to meet the needs of new edge computing and AI applications.

Coolidge™2 will be included in Kalray's existing "jumbo contract"³. This previously announced contract is proceeding as planned. The qualification phase for the high-performance board that includes four Kalray MPPA® DPU Coolidge™2 processors is scheduled to be complete by the end of fiscal year 2023 and represents an initial tranche of \$1M (\$500K of which is to be booked in the second half of 2023). As has been communicated in prior updates, this contract offers Kalray potential sales of several tens of millions of euros per year beginning in 2025.

Discussions are being held in parallel with other major customers about contracts with similar potential levels of revenue and that could accelerate growth over the coming years.

RECOGNITION OF KALRAY'S SOVEREIGN TECHNOLOGY AND PUBLIC FINANCIAL SUPPORT FOR THE NEXT GENERATION OF PROCESSORS FOR THE FAST-GROWING AI AND EDGE COMPUTING MARKETS

In May 2023, Kalray announced that it had secured support from the French government as a result of the IP-CUBE⁴ project, led by Kalray, and was selected for the "France Relance 2030 - Future Investments" plan related to the artificial intelligence acceleration strategy. This project seeks to meet new technological challenges (high performance, low power consumption, low latency, and security) and aims to create the foundations of a French semiconductor ecosystem in the fields of edge computing and embedded AI, based on the national leaders in the field, namely Arteris, Kalray, Secure-IC, and Thales. Kalray will receive funding of €10M to support its next-generation Dolomites™ DPU processor.

² See the press release dated June 6, 2023

³ See the press release dated November 14, 2022, 'Signing of a large contract with an industry leader for Kalray's DPU processor'.

⁴ [See the press release dated May 11, 2023.](#)

In parallel, Kalray announced that it had been selected for the French Tech 2030⁵ program, aimed at encouraging the development of breakthrough innovations that meet the challenges of society and sovereignty. Kalray's innovative MPPA[®] DPU⁶ high-performance, low-power processor optimized for artificial intelligence, next-generation data centers and 5G will benefit from this initiative. The winners also benefit from enhanced support for France 2030 public financing in conjunction with Bpifrance.

ONGOING INVESTMENT - 2023 TARGETS CONFIRMED: REVENUE OF €40M AND IMPROVEMENT IN EBITDA

In fiscal year 2023, Kalray continues to build its management, sales, and sales support teams as part of its ongoing commitment to structure the company for future growth. Kalray is also continuing recruitment and investment in its new "Dolomites" generation of processors (partly funded by the IP-Cube project), which is expected to be released at the end of 2025.

From a financial perspective, Kalray confirms its 2023 revenue target of €40M with expected strong acceleration in the second half of the year, as announced at the start of the financial year, and an improvement in EBITDA.

[Next financial meeting: 2023 half-year results, September 21, 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 solutions. Separated or in combination, Kalray's high-performance solutions allow its customers to improve the efficiency of data centers and to design the best solutions in fast-growing sectors such as AI, Media & Entertainment, Life Science, 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

⁵ See the press release dated June 15, 2023

⁶ DPU: Data Processing Unit

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