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GRENOBLE, MAY 17, 2018

KALRAY ANNOUNCES ITS IPO ON PARIS EURONEXT GROWTH STOCK MARKET

FILING OF ITS PROSPECTUS ("DOCUMENT DE BASE") WITH THE AMF

Kalray, a pioneer in processors for new intelligent systems, has announced the filing of its prospectus ("Document de Base") by the French Financial Markets Authority (AMF) under number I.18-042 on May 16, 2018. The registration of the prospectus is the first step toward the initial public offering of Kalray on the Euronext Growth market in Paris, subject to market conditions and the approval (Visa) of the AMF on the prospectus relating to this operation.

The decision to proceed with an IPO is consistent with the company's strategy to acquire the means necessary to implement its development strategy. The IPO will also strengthen Kalray's credibility with its clients, among which major industrial groups, in terms of its ability to supply large volumes of its products to global markets whose growth should be sustained in the future.

THE PIONEER OF INTELLIGENT PROCESSORS

Founded in 2008, as a spin-off of the leading French national lab CEA ("Commissariat à l'Énergie Atomique", the French Alternative Energies and Atomic Energy Commission) and the outcome of nearly 10 years of R&D and significant investment in the order of €60M, Kalray designs and markets¹ a new generation of "intelligent" processors. "Intelligent" processors, firmly protected by 23 patent families², have the capability to analyze on the fly, and in an intelligent manner, a very large flow of information, and to react and make decisions in real time.

¹ Kalray has begun to market its processors so that its customers and prospects may validate the technology and design their own products.

² Including 2 families with an exclusive global patent granted by the CEA until December 31, 2026, bearing in mind that if the list of licensed components remains compliant, and short of substantial modifications to the business plan, the parties are committed to maintaining the application of the financial conditions as they exist on the date of expiry. When the cumulative amount of royalties paid by the company reaches €1.5M, KALRAY will have an option to purchase all, or part of the specific patents granted, exercisable at any time. The Parties shall meet as early as possible to agree on a cost price that cannot be superior to the amount of royalties that would have been paid out to the CEA had no purchase been carried out in the years following the exercise of the purchase option until the expiry of the current license, for the relevant patents, based on a realistic business plan, and having deducted the maintaining costs in effect which the CEA should have covered for the period in question.





These intelligent processors are being extensively deployed in fast-growing sectors such as next-generation computer networks, autonomous vehicles, healthcare equipment, as well as drones and robots.

Based on its “MPPA®” (Massively Parallel Processor Array) architecture, which is unique and patented, and which allows for the miniaturization of a supercomputer on a single chip, the Kalray intelligent processors offer a set of performance criteria that address the challenges raised by the new generation of intelligent systems, namely:

- considerable computing power, equivalent to 2,000 mainstream computers
- very low energy consumption hence energy efficiency and integration into confined embedded systems, such as autonomous vehicles
- data analysis on the fly and in a deterministic manner
- the capacity to process a large number of critical functions simultaneously
- upstream integration of security in the design process thanks to technical partnerships with a number of leaders in the aerospace and defense sectors
- an open and easily programmable system

DISRUPTIVE TECHNOLOGY KEY FOR INTELLIGENT DATA CENTERS AND INTELLIGENT CARS

The company’s evolution has unfolded in two stages. The first stage was the development and refining of the technology, which was carried out until 2014. In a second stage, from 2015 onwards, the company has been focusing on two high-potential growing markets, intelligent data centers and intelligent cars, in order to build a competitive offering for each one.

These two high-growth markets (forecast to grow over 50% per year for the next five years) open up business opportunities in the very short term (as early as 2019 for data centers) and in the medium term (starting in 2021/2022 for intelligent vehicles). For the latter, major technological choices will be made by both manufacturers and component suppliers over the next 18 months.

An indicator that these goals are achievable is the fact that the intelligent Kalray processor has already been integrated into the Symbioz^{®3} concept car⁴, released by Renault at the end of 2017 and designed to process several critical algorithms related to autonomous driving.

PRODUCTS ENDORSED AND SUPPORTED BY LEADING MANUFACTURERS

Kalray has already made significant headway in these two target markets, each with a potential of over €1b by 2022.

For data centers, the Kalray solution has been certified by an independent industry body in April 2018 and three server manufacturers are currently in the qualification phase of products that will integrate the Kalray solution for a launch in early 2019. The Kalray solution is also being evaluated by other very large storage server and data

³ Video available online: (<http://www.youtube.com/watch?v=cMRLiAgONKO>)

⁴ Experimental car produced in limited numbers to demonstrate a technology, elements of design or usage





center manufacturers and global leaders, which may design in Kalray's technology over the next few months for very high-volume production from 2010 onwards.

For the market of intelligent cars, the Kalray processor is currently in the evaluation phase with five major car manufacturers out of the top 10 worldwide. It is also integrated into a project aimed at defining a new electronic architecture for all vehicles of one the top-3 global automobile manufacturers.

This momentum is reflected in the strong financial and strategic backing of industry leaders. The leading venture capital funds who have committed to supporting Kalray (ACE Management, CEA Investissement, EUREKAP! and Inocap Gestion) were joined in 2017 by the Safran investment fund, MBDA (the joint-venture between Airbus, BAE Systems and Leonardo), the Asian investment fund Pengpai and, more recently, the Renault-Nissan-Mitsubishi Alliance Ventures and the Definvest fund managed by Bpifrance on behalf of the French Ministry of the Armed Forces. These endorsements not only firmly validate the Kalray technology; they also vouch for its strategic interest for these key players.

THE STOCK EXCHANGE MARKET WITH A €100M REVENUE TARGET FOR 2022

The company has begun to market its processors so that its customers and prospects may validate the Kalray technology and later design it into their own products. It is now ready to enter a new development phase: the commercial ramp-up, on a large scale, of products fitted with Kalray processors. The company target for 2022 is revenue in excess of €100M⁵.

In particular, Kalray relies on an agile organization and the ability to easily switch to large-scale production thanks to a fabless business model, allowing the outsourcing of its production, namely to world-leader TSMC.

The proposed IPO is consistent with the company's ambition of acquiring the means necessary to implement its development strategy, and to reach a breakeven operating income⁶ by 2020⁷. It will also strengthen Kalray's credibility with its potential customers, among which major industrial groups, in terms of its ability to supply large volumes to global markets whose growth should be sustained in the future.

AVAILABILITY OF THE PROSPECTUS

The Kalray prospectus is available on the Kalray (www.kalray-bourse.com) and AMF (www.amf-france.org) websites, and is also available free of charge, and on request, from the company headquarters, 180, avenue de l'Europe, 38330 Montbonnot-Saint-Martin, France. The company draws the attention of the public to Chapter 4 ("Risk Factors"), especially those related to dependent patents (section 4.5.1) as described in the prospectus registered by the AMF.

Find out more on www.kalray-bourse.com

⁵ €7.4M of operating revenue in 2017, including €0.8M in board and development platform sales

⁶ Operating income + Tax Research Credit (CIR)

⁷ -€4.7M in 2017





ABOUT KALRAY

Kalray is the pioneer of processors for new intelligent systems. A disruptive technology, "intelligent" processors have the capability to analyze on the fly, and in an intelligent manner, a very large flow of information, and to react and make decisions in real time. These intelligent processors are being extensively deployed in fast-growing sectors such as new-generation computer networks, autonomous vehicles, healthcare equipment, as well as drones and robots. The Kalray offering encompasses processors as well as complete solutions (electronic boards and software). Created in 2008, as a spin-off of the CEA, Kalray addresses a broad spectrum of clients, among which server manufacturers, intelligent system integrators and consumer product manufacturers, such as car manufacturers.

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This press release is not a prospectus in the sense of EC Directive 2003/71 of the European Parliament and of the Council of November 4, 2003, as amended, in particular by Directive 2010/73/UE of the European Parliament and of the Council of November 24, 2010, as amended, as transposed into the law of each member state of the European Economic Area (the "Prospectus Directive").

The offer will be made to the public in France only after the granting of the "visa" by the AMF on the prospectus.

With respect to the member States of the European Economic Area other than France (the "Members states"), which have implemented the Prospectus Directive, no action has been or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any relevant member State. The Shares can, therefore, be offered only in Member states: (a) to legal persons deemed qualified investors in the Directive Prospectus; or (b) in other cases that do not require the publication by Kalray of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

For the purpose of the present paragraph, the notion of a "public offer of Shares" is defined, in each of the Member States, as any communication sent to persons, in any form whatsoever and by any means whatsoever, which presents sufficient information on the terms of the offer and the Shares to be offered, that might enable an investor to decide to purchase or subscribe to these Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive.

This selling restriction is in addition to any other selling restriction applicable in those Relevant Member States.

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