



STRONG REVENUE GROWTH IN 2019 AND PROMISING OUTLOOK

- Coolidge™ on the launch pad:
 - Enthusiastic industry response to initial demonstrations during CES 2020;
 - Advanced negotiations with storage server and automotive industry leaders;
 - H2 2020 mass production launch confirmed;
- Multiple partnerships and joint programs with top-tier players, including distribution agreement with Intron Technology for the Chinese market;
- 63% revenue growth in 2019 - €15.7 million cash position at 2019 year-end confirming capacity of company to deliver its roadmap as planned;
- €100 million revenue target by 2022 confirmed.

Grenoble, France, January, 22, 2020 – Kalray (Euronext Growth Paris : ALKAL), a pioneer in processors for new intelligent systems, reviews its business in the second half of 2019 (from July 1 to December 31, 2019) and looks back over the highlights of the period.

Eric Baissus, President of Kalray's Executive Board, commented as follows: *"2019 was a pivotal year for Kalray marked by the achievement of a number of key milestones. First of all, we finished developing our 3rd generation Coolidge™ processor and presented it for the first time in early January at CES. Mass production is scheduled to start second semester of 2020. Furthermore, strategic agreements were signed with top-tier players including NXP, Wistron, 2CRSI and Intron Technology, which will boost our credibility and accelerate time to market for Coolidge™.*

Our target of achieving revenues of €100 million by 2022 have been confirmed by the initial performances of Coolidge™, the industry enthusiasm which we were able to measure at CES and the numerous negotiations underway. The initial signs of a growth upswing already visible in H2 2019 are expected to intensify in 2020. Given this outlook, we are continuing our structuring initiatives, particularly through hiring, and we keep reviewing a number of potential partnerships geared to support our development.

The recent market concentration and discussions with our partners demonstrate how crucial acceleration and artificial intelligence technologies are for the future, and how they occupy a core position in a market with huge potential. They confirm the relevance of our positioning and technology and confirm our ambitions of becoming a leading supplier on this market."





SUCCESSFUL INITIAL DEMONSTRATIONS OF COOLIDGE™ ALONGSIDE NXP AT CES 2020

Kalray gave the first technical demonstration of its Coolidge™ third-generation MPPA® (Massively Parallel Processor Array) processor at the **CES 2020 international trade show in Las Vegas** held from January 7-10, 2020.

Just a few weeks after receiving the first samples, Kalray gave the first public demonstration of its Coolidge™ processor in conjunction with **NXP Semiconductors**, a leading global semiconductor manufacturer and year-long partner of Kalray, as part of an AI application. As announced earlier, the strategic partnership with NXP is designed to produce a secure and reliable solution for autonomous vehicles. The partnership will combine the computing power and reliability of Kalray's processors with the decision-making power and automotive know-how of NXP processors within NXP's Bluebox on-board autonomous driving platform.

So far, the performances achieved with Coolidge™ are fully in line with Kalray's expectations. This 3rd generation processor offers major improvements in the use of MPPA® technology: **performances multiplied 25-fold¹** compared to the 2nd generation MPPA®, extension of artificial intelligence capabilities, easier programming, high-speed interfaces, etc.

Coolidge™ will play a key role in Kalray's plans on both the **data center market**, by meeting the growing need for data center acceleration, and the **automotive market**, by allowing the integration of multiple critical functionalities on a single processor while supporting ultra high-level performances.

Coolidge™ samples are due to be **generally available** from **April 2020** before the planned launch of **mass production in H2 2020**. Kalray has already received **initial product development requests** from a number of customers and prospects in both the data center and automotive sectors.

STRATEGIC AGREEMENTS WITH TOP-TIER PLAYERS

In 2019, Kalray continued to seal strategic partnerships with top-tier players, thereby enhancing its visibility and once again confirming the quality of its technical expertise and appropriateness of its positioning.

In October, Kalray announced a new distribution partnership with leading automotive electronics distributor **Intron Technology** for the Chinese market, in order to accelerate its access to this strategic market for Coolidge™.

The Company also announced a collaboration with **2CRSi**, a leading French designer-manufacturer of high-performance servers. 2CRSi is using Kalray's programmable acceleration boards to build an offering of easily configurable servers designed to meet the growing demand for flexibility, modularity and diversity of application.

REVENUES UP 63% IN 2019

Kalray posted H2 2019 revenues of €810,000, up 78% from €455,000 in H1 2019, in line with management forecasts. This performance brought full-year revenues to €1,265,000, up 63% from €775,000 in 2018. These revenues are generated from **sales of boards, development stations and licenses** as well as **evaluation, development and service contracts** with customers for the evaluation and qualification phases.

¹ 25 TOPS (Tera Operations Per Second) performance for Coolidge versus 1 TOPS for previous generation Bostan





15 NEW HIRES IN 2019 AND NEW INDEPENDENT SUPERVISORY BOARD MEMBER APPOINTED

As announced, in order to support its expected increase in business, Kalray has continued to invest, particularly in the area of recruitment. Accordingly, the Company hired 15 new employees in 2019, **9 in H1 and 6 in H2**, mainly in the R&D and sales departments. Total headcount at 2019 year-end stood at 81.

Kalray also recently appointed **Erwan Menard**, currently Director of Infrastructure and Applications Modernization Solutions at **Google Cloud**, as an **independent Supervisory Board member**. Based in California, Erwan will bring Kalray his expertise in storage and network infrastructure technology for cloud computing and data centers, and will help drive the Company's ambitions on these markets.

€15.7 MILLION CASH AND CASH EQUIVALENTS AS OF DECEMBER 31, 2019

As of December 31, 2019, **cash and cash equivalents** stood at **€15.7 million** (versus €23.3 million as of June 30, 2019), after investments expenditures in H2 on the Coolidge™ launch (including \$4 million on the tape-out mask) offset by an improvement in working capital (research tax credit). In line with management forecasts, FY 2019 cash outflow was similar to that of 2018.

This cash position will allow Kalray to pursue its tech roadmap and sales roll-out program in 2020 and thereafter.

Furthermore, on the recommendation of the compensation committee and under the authorization granted by the Supervisory Board on January 16, 2020, the Executive Board, on its meeting on January 20, 2020, exercised the authorization granted by the shareholders' general meeting on May 29, 2019 (20th resolution) to issue and allot 134,299 bonus shares to Executive Board members and Kalray Group employees out of which 105,599 shares have been allotted in exchange for waiving the right to exercise 105,599 warrants (BSPCE) previously allotted to employees & founders. This authorization is designed to encourage key personnel to stay with the Company while limiting the dilutive impact for shareholders. The Supervisory Board also approved the allotment and vesting terms applicable to the bonus shares, which shall be vested in tranches of one-third, the first tranche one year after the date of allotment by the Executive Board, subject to a further lock-in period of one year from vesting, the second tranche two years after allotment and the third tranche three years after allotment by the Executive Board.

SALES RAMP-UP EXPECTED FROM H2 2020

Mass sale of Coolidge™-based acceleration boards remains Kalray's main target for 2020. A period of strong **sales ramp-up** is expected to kick in during the **second half**.

In light of the multiple negotiations and commercial evaluations currently underway, Kalray is maintaining its **2022 revenue target of €100 million**.

Furthermore, Kalray constantly evaluates opportunities to support its long term development. These opportunities can involve discussions with industrial or financial partners.

Next publication:

Monday April 20, 2020 (after market close): 2019 annual results





ABOUT KALRAY

Kalray (Euronext Growth Paris - FR0010722819 - ALKAL) is the pioneer in processors for new intelligent systems. A genuine technological breakthrough, "intelligent" processors are able to intelligently analyze a vast quantity of data on the fly and to make decisions and interact in real time with the outside world. These intelligent processors will be largely deployed in fast-growing sectors such as new-generation networks (intelligent data centers) and autonomous vehicles, as well as in healthcare equipment, drones and robots. Kalray's offering spans both processors and global solutions (electronic boards and software). Created in 2008 as a spin-off of CEA ("Commissariat à l'Énergie Atomique", the French Alternative Energies and Atomic Energy Commission), Kalray addresses a broad spectrum of customers including server manufacturers, intelligent system integrators and consumer product manufacturers such as car makers. Read more at: www.kalrayinc.com

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