



## STRATEGIC INVESTMENT OF NXP IN KALRAY

*€8 million equity investment to strengthen partnership to co-develop, jointly promote and deploy safe autonomous driving solutions on the market*

**Grenoble, France, April 2nd, 2020** – Kalray (Euronext Growth Paris : ALKAL – the “Company”), a pioneer in processors for new intelligent systems, today announces a strategic investment from **NXP Semiconductors N.V.** (NASDAQ: NXPI) for €8 million (approximately US\$9 million), to enable the companies to develop together safe, reliable and scalable solutions for autonomous driving, combining NXP Automotive solutions and Kalray MPPA® (Massively Parallel Processor Array) Intelligent Processors.

The investment will be carried out through the reserved issuance to NXP BV, a company of the NXP Group, of 503,461 ordinary shares without pre-emptive rights for the existing shareholders of the Company. Upon settlement-delivery of the new shares, the NXP Group will hold ca. 9.95% of Kalray’s share capital and voting rights. The settlement-delivery of the new shares is scheduled for April 7, 2020 and their admission to the Euronext Growth Paris multilateral trading system is scheduled for April 8, 2020.

### STRATEGIC NATURE OF THE TRANSACTION

This transaction will strengthen the partnership between NXP and Kalray that has been announced one year ago at CES 2019 which is targeting the development and deployment of a L2 (Partial Driving Automation) to L5 (Full Vehicle Automation) common hardware and software platform, for a safe, reliable and scalable autonomous driving solutions.

The funds raised will be used to both finance Kalray’s resources and investments required by the implementation of the strategic partnership with NXP, and fund Kalray’s roadmap in support of Kalray’s automotive and embedded strategy.

NXP and Kalray intend to bring an integrated, scalable solution to the automotive market, including CPU processing, neural network computing, functional safety capabilities, and an optimized tool chain – together providing the necessary requirements for next-generation ADAS and automated driving systems. The partners will also respond together to business opportunities and NXP will support Kalray in term of sales, marketing, automotive expertise and global technical support.

The next generation of the NXP BlueBox autonomous driving reference platform with NXP’s S32 family of safe automotive processors and automotive grade Layerscape® processors is set to integrate Kalray’s MPPA® Intelligent Processors and provide it to both automotive customers and NXP BlueBox eco-system.

*“Delivering a platform for autonomous driving, integrating the required AI and safe compute performance, requires high levels of collaboration,”* said **Henri Ardevol, senior vice president and general manager Automotive Processing at NXP**. *“Kalray’s scalable, open platform and heritage in the industry is a complement to NXP’s deep experience, dedication to safety and portfolio in the automotive space. We are very happy to combine our expertise with Kalray to help our customers deliver increasingly automated vehicles.”*

*“We are honored to announce NXP is now one of our strategic investors”,* said **Éric Baissus, CEO, Kalray**. *“NXP is one of the most well-established and expert company in the automotive semi-conductor industry. This investment will further strengthen the collaboration of our teams and participate to the funding of our automotive roadmap.”*





*Together, I am convinced we have a unique solution to provide to the market for reliable autonomous driving, combining performance, openness and functional safety needs.”*

## DETAILS OF THE TRANSACTION

### Main terms and conditions of the transaction

The investment will be carried out through the reserved issuance to NXP BV, a company of the NXP Group, of 503,461 ordinary shares of the Company (the “New Shares”) without pre-emptive rights for the existing shareholders of the Company, on the basis of article L. 225-138 of the French commercial code, in accordance with the 14th resolution of the Company’s combined general shareholders’ meeting held on May 29th , 2019 and the decisions adopted by the supervisory board and management board of the Company today (the “Reserved Share Capital Increase”).

### Governance

Kalray will submit to its next shareholders’ meeting a resolution to appoint Sean Pitonak, Senior Vice President, Corporate Development and M&A of NXP as member of its supervisory board.

### Details of the financial transaction

The price per New Share of the Reserved Share Capital Increase will be EUR 15.89, which represents 100,9% of the volume-weighted average closing share price of Kalray over the 20 trading days preceding the price setting date and which represents 99,0% of the volume-weighted average price of the shares of the Company during the 3-trading day period prior to the date hereof.

As an indication, a shareholder with a 1% stake in the Company prior to the launch of the Reserved Share Capital Increase will now have a stake of 0.90%.

Upon settlement-delivery of the New Shares, the NXP Group will hold ca. 9.95% of Kalray’s share capital and voting rights. To the Company’s knowledge, the breakdown in share ownership before and after the Reserved Share Capital Increase is the following:





Shareholder	Before transaction	After transaction
	% of capital / voting rights	% of capital / voting rights
CEA Investissement	6,92%	6,23%
ACE	6,55%	5,90%
Shareholders acting together	16,75%	15,08%
Financière ARBEVEL	6,55%	5,90%
<b>Financial shareholders (&gt;5%)</b>	<b>36,78%</b>	<b>33,12%</b>
MBDA	2,44%	2,19%
SAFRAN Corporate Ventures	6,99%	6,29%
PENGPAL	7,84%	7,06%
ALLIANCE Ventures	5,30%	4,77%
DEFINVEST / BPI	3,41%	3,07%
NXP	--	9,95%
<b>Corporate shareholders</b>	<b>25,98%</b>	<b>33,35%</b>
<b>Free float / other</b>	<b>37,24%</b>	<b>33,54%</b>

### Admission of New Shares

Settlement-delivery of the New Shares is scheduled for April 7th, 2020 and their admission to the Euronext Growth Paris multilateral trading system is scheduled for April 8th, 2020. The New Shares will be listed on the same line as Kalray's existing ordinary shares, will carry dividend rights and will be immediately fungible with Kalray's existing shares.

This Reserved Share Capital Increase is not subject to a prospectus requiring a visa from the AMF (*Autorité des marchés financiers*, the French financial market authority).

### Lock-up commitment

In the context of the Reserved Share Capital Increase, NXP BV signed a 12-month lock-up commitment with respect to the New Shares taking effect on the date of their settlement-delivery, subject to certain customary exceptions.

### Advisors in connection with the transaction

#### Advisors to Kalray

- Legal counsel : Jones Day
- Financial advisor: Rothschild & Co
- Communication advisor: ACTUS finance & communication

#### Advisor to NXP

- Legal counsel : Hogan Lovells

## COVID-19 AND RISK FACTORS





Attention is drawn to the status shared by the Company, in another press release today, on the activity and continuation of its activity in the context of the Covid-19 epidemic and the various health measures taken by the government (cf: press release published today). Based on the information the company owns, Kalray confirms that its current cash position, including the NXP investment just announced, should allow the Company to develop its technology roadmap, including developments related to the NXP strategic partnership, as well as the commercial deployment, beyond the next twelve months. The Company will comment its 2019 results on April 20 as previously announced. By this timeframe, Kalray hopes to be in a position to provide more details on the impact of Covid-19 epidemic crisis on its business.

Attention is drawn as well to the risk factors associated with the Company and its activity presented in the Company's annual report which is available free of charge on the Company's website ([www.kalray-bourse.com](http://www.kalray-bourse.com)). The occurrence of all or part of these risks could have a negative impact on the Company's activity, financial situation, results, development or outlook. Subject to what is mentioned in this press release, and in particular the uncertainties related to the Covid-19 epidemic, the risk factors presented in that document are the same today.

Additionally, investors are invited to consider the following risks specific to this Reserved Share Capital Increase: (i) the market price of the Company's shares may fluctuate and fall below the subscription price of the shares issued within the framework of the Reserved Share Capital Increase, (ii) the volatility and liquidity of the Company's shares may fluctuate significantly, (iii) divestments of the Company's shares may take place on the market and have a negative effect on its share price, (iv) the Company's shareholders could suffer potentially significant dilution resulting from any future capital increases required to provide the Company with additional financing, and (v) as these shares are not intended to be listed on a regulated market, investors will not benefit from the guarantees associated with regulated markets.

**Next publication:**

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





## ABOUT NXP SEMICONDUCTORS

NXP Semiconductors N.V. (NASDAQ: NXPI) enables secure connections for a smarter world, advancing solutions that make lives easier, better, and safer. As the world leader in secure connectivity solutions for embedded applications, NXP is driving innovation in the automotive, industrial & IoT, mobile, and communication infrastructure markets. Built on more than 60 years of combined experience and expertise, the company has approximately 30,000 employees in more than 30 countries and posted revenue of \$8.88 billion in 2019. Find out more at [www.nxp.com](http://www.nxp.com).

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## 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](http://www.kalrayinc.com)

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