



THE PROCESSOR AT THE HEART OF INTELLIGENT SYSTEMS



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SUCCESSFUL CAPITAL INCREASE OF 5,2 M€ IN ORDER TO FUND KALRAY'S NEXT INTELLIGENT PROCESSOR

Grenoble, November 19, 2020, 7h30 - Kalray (Euronext Growth Paris: ALKAL - the "Company"), a pioneer in processors dedicated to new intelligent systems, today announces the success of a capital increase to fund its next Intelligent Processor with cancellation of preferential subscription rights of an amount of 5,2M€ exclusively reserved for the category of investors defined below, by accelerated book building (the "Reserved Offer").

The order book was covered by some twenty orders from French and foreign investors. The issue price of the new shares was set at 18,12 € per share, i.e a discount of 15 % on the last quoted price preceding its fixing and within the limit of the authorization given by the combined general meeting of the Company of June 11, 2020, pursuant to its 19th resolution.

The funds raised under this Reserved Offer will give to Kalray additional financial resources required for its next development cycle, in particular for the development and preparation of the commercialization of a second version of Coolidge™ (Coolidge2™), to be introduced on the market at the end of 2022.

Eric Baissus, President and CEO of Kalray, commented: "I would like to thank the investors who continue to trust Kalray and greatly contributed to the success of this transaction. Thanks to the funds raised, we will be able to actively prepare our next development cycle and the evolution of our Intelligent Processor with Coolidge2™, planned for commercialization by the end of 2022. Our willingness is to strengthen our position in our two main markets, Data Centers and Automotive, while addressing the needs of growing edge computing markets. "

TERMS OF THE OFFER

The management board of today, following an authorization from the supervisory board of November 18, 2020, decided to issue a total number of 288 881 new ordinary shares, with a unit par value of 10€ and has reserved the subscription for investors falling within the category of persons defined in the 19th resolution of the combined general meeting of the Company on June 11, 2020.

The capital increase, representing approximately 6% of the Company's share capital, on an undiluted basis, prior to the completion of the Reserved Offer, was carried out with cancellation of the preferential subscription right of existing shareholders of the Company. , on the basis of Article L. 225-138 of the Commercial Code, in accordance with the 19th resolution of the Combined General Meeting of the Company on June 11, 2020.

The issue price of the new shares was set at 18,12 € per share, representing a discount of 15% compared to the average price weighted by volumes of the Kalray share on the Euronext Growth market in Paris for the last 3 trading days preceding its fixing (i.e. from November 16 to 18, 2020 inclusive), in accordance with the 19th resolution of the Combined General Meeting of the Company on June 11, 2020.





The settlement-delivery of the new shares and their admission to trading on the Euronext Growth market in Paris are scheduled for November 23, 2020. The new shares will be subject to all statutory provisions and will be assimilated to old shares upon the final completion of the increase of capital, they will carry current dividend rights and will be admitted to trading on the Euronext Growth Paris market on the same listing line as the Company's shares already listed under the same ISIN code FR0010722819 - ALKAL.

The placement of the New Shares was carried out by GILBERT DUPONT and PORTZAMPARC BNP PARIBAS acting as Global Coordinators, Lead Partners and Associate Bookrunners.

The Reserved Offer did not and will not give rise to a prospectus subject to the approval of the Autorité des Marchés Financiers.

CAPITAL DISTRIBUTION

By way of illustration, a shareholder holding 1.00% of the Company's capital before the launch of the Offer will henceforth hold a participation of 0,95%.

Following this capital increase and on the basis of the information available to the Company, the distribution of capital is as follows:

Shareholders	Before operation		After operation	
	Number of shares	% capital & voting rights	Number of shares	% capital & voting rights
CEA investissement	315.416	6.23%	315.416	5.90%
Actionnaires agissant de concert	762.821	15.08%	762.821	14.26%
Financière ARBEVEL	351.689	6.95%	371.689	6.95%
Financial investors (>5%)	1.429.926	28.27%	1.429.926	26.74%
MBDA	111.016	2.19%	111.016	2.08%
SAFRAN Corporate Ventures	318.383	6.29%	318.383	5.95%
PENGPAL	357.142	7.06%	357.142	6.68%
ALLIANCE Ventures	241.467	4.77%	241.467	4.52%
Definvest / Bpifrance	155.549	3.07%	155.549	2.91%
NXP Semiconductors	503.461	9.95%	503.461	9.41%
Industrial investors / Others	1.687.018	33.35%	1.687.018	31.55%
Free float	1.941.927	38.39%	2.210.808	41.34%
Total	5.058.871	100.00%	5.347.752	100.00%

ABSTENTION AND CONSERVATION COMMITMENTS

As part of the Reserved Offer, the Company has entered into a 90-day abstention commitment from the date of settlement-delivery of the Reserved Offer, subject to usual exceptions, thus limiting the ability of the Company to issue new shares during the said period.

The members of the management board, certain members of the supervisory board and certain shareholders with a significant stake in the Company, together holding 45.5% of the Company's capital, have also entered into retention commitments taking effect from the date of the said commitments and continuing for 360 days





following the date of settlement-delivery of the Reserved Offer in respect of the Company's shares they hold, subject to certain customary exceptions and, concerning each member of the management board, the possibility to transfer, for the first 6 months, up to 10% of its shares then, for the following 6 months, an additional 10%.

RISK FACTORS

The public's attention is drawn to the risk factors relating to the Company and its activity appearing in the 2020 annual financial report published by the Company on April 20, 2020 as well as to the impact of the current health crisis on the Company activity described in its press release dated April 20, 2020. These documents are available free of charge on its website (www.kalray-bourse.com). The materialization of all or part of these risks is likely to have an unfavorable effect on the activity, financial situation, results, development or prospects of the Company.

ABOUT KALRAY

Kalray (Euronext Growth Paris - FR0010722819 - ALKAL) is a fabless semiconductor company, pioneer in a new generation of processors for intelligent systems. MPPA® Intelligent processors are able to capture and analyze on the fly massive data flows, close to where they are generated, and interact in real time with the outside world. These processors are capable of running demanding AI algorithms and simultaneously a wide set of different processing and control tasks such as mathematical algorithms, signal processing, network or storage software stacks. Kalray's Intelligent Processors can be deployed in fast-growing sectors of Edge Computing and AI: Modern data centers, networks (5G), autonomous vehicles, healthcare equipment, industry 4.0, drones and robots... Kalray's offering includes processors, system boards and a software suite, for a broad spectrum of customers such as data storage systems and compute server manufacturers, intelligent system integrators and consumer product manufacturers such as car makers. Founded in 2008 as a spin-off of CEA French lab, Kalray counts among its investors: Alliance Venture (Renault-Nissan-Mitsubishi), Safran, NXP Semiconductors, CEA and Bpifrance. Read more at : www.kalrayinc.com

INVESTOR CONTACTS

Eric BAISSUS

contactinvestisseurs@kalray.eu

Tel. +33 (0)4 76 18 90 71

ACTUS finance & communication

Jérôme FABREGUETTES-LEIB

kalray@actus.fr

+ 33 1 53 67 36 78

MEDIA CONTACTS

Loic HAMON

communication@kalray.eu

Tel. +33 (0)4 76 18 90 71

ACTUS finance & communication

Serena BONI

sboni@actus.fr

Tel. +33 (0)4 72 18 04 92

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No guarantee can be given as to any of the events anticipated by the forward-looking statements, which are subject to inherent risks, including those described in its 2020 financial annual report published on April 20, 2020, as well as changes in economic conditions, the financial markets or the markets in which Kalray operates.

