

**H1 2021 EARNINGS,  
LAUNCH OF THE KALRAY FLASHBOX™ AND  
BEGINNING OF THE COMMERCIAL RAMP-UP**

- **Product launch:** KALRAY positions itself as a future leader in the new storage technologies market:
  - KALRAY launches its "turnkey" FLASHBOX™ solution, developed in partnership with US based Viking Enterprise Solutions (a division of Sanmina Corporation), a new generation of hyper-fast storage solution targeting the enterprise market and Cloud Service Providers;
  - KALRAY brings together the biggest players in the storage industry around an event focusing on the technologies behind the next storage revolution;
  - Discussions underway with many players in the field
- **Half-year accounts:** good cost control, in line with projections;
- **Available cash:** 18.8 million € at the end of June 2021;
- **Impending commercial ramp-up**

Grenoble - France, October 5, 2021 – Kalray (Euronext Growth Paris: ALKAL), a leading provider of a new generation of processor specialized in Intelligent Data Processing from Cloud to Edge, has published its first half 2021 earnings (from January 1 to June 30, 2021)

Éric Baissus, President of Kalray's Executive Board, declared: " *This first half was marked by the continued development of our acceleration solutions around our MPPA® COOLIDGE™ processor and the work with our strategic partners and our customers in our target markets, be it data centers, 5G or automotive.*

*We also wanted to go further and faster to support the adoption of our storage solutions as quickly as possible in the market. This has been realized with the commercial launch, at the end of September of our own storage appliance, co-developed with Viking Enterprise Solutions: the FLASHBOX™. The FLASHBOX™ is an all-in-one, easy to adopt and deploy solution that meets our customers' expectation to be able to access the benefits of new storage technology in the simplest way possible.*

*The KALRAY FLASHBOX™ storage All-Flash-Array is available directly through KALRAY or through our partner network and will allow us to generate revenue faster and more significantly through high added value. We are already in discussions with the main stakeholders in the storage and data center markets who have expressed their interest in this new product. With the FLASHBOX™, KALRAY is positioning itself as a key player in the*

*new technologies and solutions that will revolutionize the world of storage and a leader of a new class of data-centric processor: The DPU<sup>1</sup>."*

## HALF-YEAR RESULTS 2021

### EFFECTIVE COST CONTROL

In the first half of 2021, sales of electronic cards and development stations, as well as related licenses and services, generated sales of 415K€ which is almost stable compared to the first half of 2020 (489K€ as of 30 June 2020), as expected until volume sales kick in.

Current expenses increased by + 19% to 8,974K€ against 7,523K€ as of June 30, 2020, perfectly in line with forecasts (+ 20% announced<sup>2</sup>). This increase is mainly due to external charges (+1 221K€) linked to one-off subcontracting expenses (in particular for customer projects). Staff costs increased slightly by 229K€: most of the recruitment scheduled for this fiscal year was done in the first half of 2021 and will be visible on the expenses of the second half.

EBITDA<sup>3</sup> came to -3,439K€ compared to -2,612K€ as of June 30, 2020.

Depreciation and provisions increased by 1,845K€ compared to June 30, 2020, to -5,829K€. These increases reflect the investments made on the latest generation of KALRAY processors, Coolidge™ (immobilized production, manufacturing masks, test equipment).

After taking into account the research tax credit (+ 28% to 1,709K€), the adjusted operating result<sup>4</sup> came to -7,559K€ compared to -5,260K€. The half-year net result is -7,631K€ as of June 30, 2021 compared to -5,301K€ as of June 30, 2020.

### REINFORCED AVAILABLE CASH FLOW AS OF JUNE 30, 2021

As of June 30, 2021, KALRAY's available cash amounted to 18,821K€ compared to 20,238K€ as of December 31, 2020, for 11,887K€ in financial debts (including 6,498K€ in conditional advances) and 28,275K€ of equity.

---

<sup>1</sup> DPU : Data Processing Unit

<sup>2</sup> See Press release as of 19th April, 2021

<sup>3</sup> Ebitda: operating result without Depreciation and Amortization

<sup>4</sup> Adjusted operating income: operating result + Research tax credit

As a reminder, available cash was strengthened by the establishment in January 2021 of an equity financing line with Kepler Cheuvreux<sup>5</sup>, used for an amount of 7.0 million € at June 30, 2021 and 9.1 million € as of September 30 (out of a total of 12 million €, issue premium included, over a maximum period of 24 months).

### **FIRST HALF-YEAR ACTIVITIES: KALRAY CONTINUES TO DEPLOY ITS ACCELERATION CARDS FOR THE DATA CENTER AND 5G MARKET WITH ITS K200-LP™**

In the first half of 2021, KALRAY also announced its latest generation of data-centric acceleration cards, the K200-LP™, the first KALRAY card designed to be produced in very high volumes. The first commercial availability of the K200-LP™ card is integrated within the KALRAY FLASHBOX™. This acceleration card is also targeting other markets with very high potential.

Thus, KALRAY announced the development of an optimization solution for virtualized environments, a market with the potential of several hundreds of thousands of cards per year, with a first project, announced at the beginning of July, with VATES and SCALEWAY in progress.

In addition, KALRAY intends to market its acceleration cards on the 5G telecom market and has announced a partnership within the framework of an innovative project with notably Orange and ATOS, with a market with the potential of several hundred cards per year. KALRAY is pursuing its strategy of deploying its acceleration cards based on its MPPA® processor, and intends to become a leading player in the years to come in this very strong growth market which should represent several billion by 2025<sup>6</sup>.

### **... AND LAUNCHES THE MARKETING OF THE KALRAY FLASHBOX™**

KALRAY has developed an all-in-one turnkey solution for its customers, the FLASHBOX™, as part of a co-development announced last July with Viking Enterprise Solutions<sup>7</sup>, a division of Sanmina Corporation (Nasdaq: SANM), a major manufacturer of electronic equipment.

FLASHBOX™ is a new generation of storage array to leverage the performance of a new memory technology known as NVMe while maintaining the ease of use and adoption similar to legacy technologies.

FLASHBOX™ was unveiled at a global event organized by KALRAY and BrightTALK on September 28<sup>th</sup> to a large community of storage market players, marking the start of its commercial launch. On this occasion,

---

<sup>5</sup> See press release as of 21th January, 2021

<sup>6</sup> OMDIA Presentation « Data Center Compute Quarterly Analyst Presentation – 2Q21 », « 4.8 million co-processor servers in CY25 »

<sup>7</sup> See press release as of 19th July 2021

KALRAY brought together major market players such as OMDIA, Viking Enterprise Solutions, Clever Cloud, VATES or Western Digital who shared their vision on the future of the storage industry.

With this event, KALRAY positions itself as a key player in this rapidly changing storage market, able to offer an all-in-one turnkey solution with the best of its MPPA® Coolidge™ technology to meet the major challenges of data centers such as the multiplicity of data, increased storage capacity requirements and reduced latency times.

As a reminder, based on the K200-LP™ smart acceleration cards and KALRAY's MPPA® Coolidge™ DPU processor, the FLASHBOX™ addresses the problem of NVMe performance bottlenecks, while delivering substantial performance improvement, more services and ease of use compared with traditional storage arrays, at a very competitive price point.

### **STRONG ACCELERATION EXPECTED IN 2022 AND GUIDANCE CONFIRMED FOR 2023**

With the global shortage affecting the semiconductor market, major contractors are currently mobilizing their resources on the availability of existing technologies in the shorter term. In this troubled context, KALRAY nonetheless anticipates a turnover of around 2 million € for the 2021 financial year.

With the commercial availability of the FLASHBOX™, KALRAY is accelerating its strategy with an all-in-one turnkey packaged offer where sales cycles are faster and added value more significant. With this in mind, KALRAY will continue to mobilize its commercial actions on its products under development but also on this new product with high potential and strengthen its go-to-market on the acceleration card market, both on the market. storage, 5G and "Smart Vision" market. KALRAY intends to reach a turnover of ten of million in 2022 and confirms its target of 100 million € in revenue in 2023.

### **PUBLICATION OF THE 2021 HALF-YEAR FINANCIAL REPORT**

The consolidated financial statements were approved by the Management Board and examined by the Supervisory Board on October 4, 2021. The half-year financial report, including the accounts as at June 30, 2021 and their appendices, is available in the "Financial documents" section at the company website [www.kalray-bourse.com](http://www.kalray-bourse.com).

### About KALRAY

Kalray (Euronext Growth Paris – FR0010722819 – ALKAL) is a fabless semiconductor company, leading provider in a new generation of processors specialized in Intelligent Data Processing from Cloud to Edge. Kalray MPPA® Intelligent Processors are able to capture and analyze on the fly massive data flows, 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 intensive mathematical algorithms, signal processing, network or storage software stacks. Kalray's Intelligent Processors can be deployed in fast-growing sectors from Cloud to Edge: modern data centers, 5G telecom networks, autonomous vehicles, healthcare equipment, industry 4.0, drones and robots... Kalray's offering includes processors, acceleration cards and a software suite, for a broad spectrum of customers such as next generation data center equipment manufacturers and service providers, 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](http://www.kalrayinc.com).

### INVESTOR CONTACTS

Eric BAISSUS

[contactinvestisseurs@kalrayinc.com](mailto:contactinvestisseurs@kalrayinc.com)

Tel. 04 76 18 90 71

ACTUS Finance & Communication

Anne-Pauline PETUREAUX

[kalray@actus.fr](mailto:kalray@actus.fr)

+ 33 1 53 67 36 72

### PRESS CONTACTS

Loic HAMON

[communication@kalrayinc.com](mailto:communication@kalrayinc.com)

Tel. 04 76 18 90 71

ACTUS Finance & Communication

Serena BONI

[sboni@actus.fr](mailto:sboni@actus.fr)

Tel. 04 72 18 04 92

**ANNEXES**
**PROFIT & LOSS**

In K€ - audited data	30 june 2021	30 june 2020
Net Sales	415	489
Subsidies	1,154	980
R&D capitalization	4,007	3,548
Other revenue	70	38
<b>TOTAL REVENUE</b>	<b>5,646</b>	<b>5,055</b>
Cost of sales	(111)	(144)
Operating expenses	(8,974)	(7,523)
including Salaries & contributions	(4,799)	(4,570)
including other expenses	(4,175)	(2,954)
<b>EBITDA</b>	<b>(3,439)</b>	<b>(2,612)</b>
Amortization & Depreciation	(5,829)	(3,984)
<b>OPERATING RESULT</b>	<b>(9,268)</b>	<b>(6,595)</b>
Research Tax Credit	1,709	10,335
<b>NET OPERATING RESULT</b>	<b>(7,559)</b>	<b>(5,260)</b>
FINANCIAL RESULT	(78)	(41)
EXCEPTIONNAL RESULT	6	-
<b>NET RESULT</b>	<b>(7,631)</b>	<b>(5,301)</b>

**BALANCE SHEET**

In K€ ASSETS - audited data	30 june 2021	31 december 2020
Intangible assets	19,640	19,115
Tangible assets	4,558	4,286
Financial assets	499	620
<b>NON CURRENT ASSETS</b>	<b>24,697</b>	<b>24,020</b>
Inventories	226	134
Accounts Receivable	285	526
Other receivable (CIR, CICE, Subsidies)	2,987	2,165
CASH	18,821	20,238
<b>CURRENT ASSETS</b>	<b>22,319</b>	<b>23,063</b>
Accrued expenses	528	420
<b>TOTAL ASSETS</b>	<b>47,544</b>	<b>47,503</b>

In K€ LIABILITIES – audited data	30 juin 2021	31 décembre 2020
<b>EQUITY</b>	<b>28,275</b>	28 434
Provisions	87	112
R&D refundable advances	6,498	6,306
Bank loans	5,389	5,531
Accounts Payable	2,995	2,776
Taxes & contributions payable	1,475	1,487
Other debts	96	124
<b>DEBTS &amp; LIABILITIES</b>	<b>16,540</b>	16,336
Deferred revenue (Subsidies)	2,729	2,734
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>47,544</b>	47,504

#### CASH FLOW STATEMENT

CASH FLOW in K€	30 juin 2021	31 décembre 2020
Operating CF before Capex & WC variation	(4,663)	(5,092)
Change in working capital (incl. R&D tax credit)	1,382	(528)
<b>OPERATING CASH FLOW</b>	<b>(3,281)</b>	(5,620)
Capex	(2,563)	(2,920)
R&D capitalization	(4,007)	(7,579)
Investment subsidies	636	1,065
<b>INVESTMENT CASH FLOW</b>	<b>(5,934)</b>	(9,434)
<b>FREE CASH-FLOW</b>	<b>(9,215)</b>	(15,054)
Net Cash from investors	7,532	13,551
Bank Debt (net)	(184)	4,756
R&D conditionnal advances and prepaid subsidies (net)	7,798	19,567
<b>FINANCING CASH FLOW</b>	<b>7,798</b>	19,567
<b>Annual Cash in (Cash out)</b>	<b>(1,417)</b>	4,513
<i>Cash beginning of period</i>	20,238	15,725
<b>CASH END OF PERIOD</b>	<b>18,821</b>	20,238