

KALRAY ENTERS INTO EXCLUSIVE NEGOTIATIONS FOR THE ACQUISITION OF ARCAPIX HOLDINGS LTD, A LEADING PROVIDER OF SOFTWARE-DEFINED STORAGE SOLUTIONS FOR DATA-INTENSIVE APPLICATIONS

- A strategic transaction that would:
 - Strengthen Kalray's position as a key player in the fast-growing storage and intelligent data processing market;
 - Accelerate the market penetration of Kalray's acceleration cards and storage solutions;
 - Give Kalray access to a broad customer base, world's leading organizations and strategic resellers such as Dell Technologies – operating within Kalray's core markets (Media & Entertainment, HPC, AI, life sciences, and others);
 - Complement Kalray's customer propositions and skillset and produce cross-selling opportunities for Kalray's Flashbox™ All-Flash-Array and K200-LP™ acceleration cards;
 - Represent a change of dimension for Kalray (+ >50 R&D, sales and support professionals in the UK and US);
 - Add a profitable business, Arcapix is expected to positively impact Kalray's top and bottom line.
- The contemplated transaction would be payable mainly in shares. A shareholder of KALRAY with 1% of Kalray's capital would hold a participation that could reach 0.93% after completion of the transaction¹.

¹ The completion of the transaction would be subject to customary conditions and the approval of the shareholders' general meeting of Kalray

Grenoble - France, January 20, 2022 – Kalray (Euronext Growth Paris: ALKAL), a leading provider in the new generation of processors and acceleration cards specialized in Intelligent Data Processing from Cloud to Edge, today announced that it has entered into exclusive negotiations for the acquisition of 100% of the shares of Arcapix Holdings Ltd, a leading provider of software-defined storage and data management solutions for data-intensive applications.

Eric Baissus, President and CEO of Kalray said:

"I am delighted at the prospect of this acquisition that will accelerate our go-to-market and strengthen our key position in the data-intensive storage market. It is perfectly aligned with Kalray's development strategy and ambition, complimenting our products, team, expertise and markets. With this acquisition, we would gain new clients and strategic partners to propel our business forward. We have been impressed by the two founders, Ben, Barry and their team and by what they have managed to achieve in the last few years. I am looking forward to working closely with them to achieve our ambition to become a leading provider of solutions for a more intelligent, effective and user-friendly data-driven world".

Ben Leaver, Arcapix' co-founder and CEO said:

"We are excited at the prospect of joining the Kalray family. We have come to trust and respect its leadership, and we have high hopes about its ambitious vision and breakthrough technology.

We believe that together we can build and deliver superior products with compelling value to our customers. As data increasingly shapes the modern business, managing it becomes ever more critical and faces growing demands for performance, scalability, and flexibility. We have a proven track record in meeting such demands. Together with Kalray, we will be able to move to the next level, both technologically and commercially".

ARCAPIX, A LEADING PROVIDER OF SOFTWARE-DEFINED STORAGE SOLUTIONS FOR DATA-INTENSIVE APPLICATIONS

Arcapix Holdings Ltd ("**Arcapix**") is a UK Head Quartered company that offers high-performance storage and data management solutions for intensive and critical data.

Arcapix was founded in 2013 by Ben Leaver and Barry Evans. It operates under the brands **pixitmedia** and **arcastream**, that serve the highly-demanding storage verticals of Media & Entertainment, AI, Life Sciences,

Engineering and Scientific Research. These industries are among the fastest-growing storage segments with a CAGR estimate of over 20% for the next five years².

Arcapix's products are trusted by some of the world's leading organizations within their field. Some have been publicly announced such as Framestore, Red Bee Media, and Imperial College London. Arcapix's products are sold directly or through strategic reseller partners such as Dell Technologies.

Arcapix reported a positive EBITDA³ and achieved an annual turnover of approximately € 7 million during its last fiscal year (as of March 2021)⁴.

A SHARED VISION AND A COMPLEMENTARY VALUE PROPOSITION TO ADDRESS TODAY'S AND TOMORROW'S DATA-INTENSIVE WORLD

As technologies such as AI (Artificial Intelligence), 5G, video streaming, and analytics proliferate and produce massive amounts of data, there is a growing need for fast, flexible, ubiquitous and cost-effective storage solutions to handle this deluge. It creates tremendous market opportunities for companies that can combine innovations in both software and hardware to create new ways to generate, analyze, manage and deploy data.

Arcapix has developed a unique high-performance software storage solution. It combines flash, disk, tape, and cloud storage into a multi-protocol, unified system. It's ultra-fast, limitlessly scalable, easily manageable, and far more cost-effective than alternative solutions. It also allows customers to transparently manage their data from anywhere, in a single name-space. This capability is critical as boundaries between cloud, edge, and on-premise locations become increasingly blurred.

Kalray provides high compute, low power, fully programmable acceleration cards based on its unique patented family of data processors (DPU). Last year, Kalray announced the commercial availability of its new storage acceleration card, the K200-LP™ that targets the data-intensive storage market. Kalray recently announced the availability of a leading-edge NVME storage array, the Flashbox™. Co-developed with Viking Enterprise Solutions, a division of Sanmina Corporation, Flashbox™ is a unique solution with significant performance and cost advantages to customers switching to NVMe storage.

By offering its acceleration cards with Arcapix's software products, Kalray will deliver all the building blocks needed for the next generation of intelligent data appliances and infrastructures.

²Allied Market Research, 2021

³ EBITDA: earnings before interests, taxes, depreciation, and amortization

⁴ unaudited data

A SUBSTANTIAL ACCELERATION OF KALRAY'S GROWTH EXPECTED AS SOON AS 2022

This contemplated acquisition fits perfectly with Kalray's ambition to scale up very significantly its business, accelerate its go-to-market plans and expand cross selling opportunities.

- With this contemplated acquisition, Kalray would **start a solid change in dimension**. As of today, the Arcapix team includes more than 50 employees, including experts in storage solutions and data-intensive applications. The team includes a sales and support force of more than 30 people worldwide.
- This contemplated acquisition would give access to **new markets opportunities** for Kalray, in three of the most demanding and exciting data-intensive industries - Media, AI & Scientific Research.
- With this contemplated acquisition, Kalray would also have access to **Arcapix's broad customer portfolio and its set of strategic resellers** including Dell Technologies. Arcapix will continue serving its existing customers through its current product portfolio while integrating Kalray's NVMe acceleration cards and Kalray Flashbox™ into its solutions.

CONTEMPLATED CONSIDERATION

Kalray contemplates to acquire 100% of the capital of Arcapix Holdings Ltd shares for a maximum amount of 464 770 Kalray's shares⁵ and € 0.9 million paid in cash subject to closing adjustments . By way of illustration, a shareholder holding 1.00% of Kalray's current share capital before the completion of the contemplated acquisition would hold a participation of 0.93% if all the above mentioned Kalray shares were eventually issued to the sellers.

The signing of the definitive documentation, which would be announced by a press release, is expected to take place in the first quarter of 2022, after consultation with Kalray's works council (*comité social et économique*) and subject to the final agreement of the parties on the terms of the transaction. Financial audit has already been carried out and legal audit is ongoing. The completion of the transaction would be subject to customary conditions and the approval of the shareholders' general meeting of Kalray. Kalray will keep the market updated of the next steps.

The vote of the Shareholders' Meeting will focus in particular on the resolution necessary for the implementation of this acquisition project and in particular the issuance of shares necessary for its realization.

⁵ At closing, 73,384 shares would be issued to the sellers and the balance of the purchase price of up to 391 386 additional shares will be paid in several deferred instalments over 3 years depending on the presence of the founders and completion of performance objective. The price per Kalray share that would be used in the acquisition would be equal to € 36.12 (the volume-weighted average price of the shares of Kalray over the 180-trading-day period immediately preceding the signature of the non-binding tem sheet related to the contemplated transaction).

The report of the contribution auditor will be made available to shareholders prior to the holding of the General Meeting.

ABOUT KALRAY

Kalray (Euronext Growth Paris - FR0010722819 - ALKAL) is a fabless semiconductor company, a leading provider of a new class of processors, specialized in Intelligent Data Processing from Cloud to Edge. Kalray's team have created and developed its leading-edge technology and products to help its clients maximize the market possibilities presented by a world dominated by massive, disparate and pervasive data.

Thanks to Kalray's patented manycore architecture, Kalray's MPPA® Intelligent Data Processors are natively capable of managing multiple workloads with no bottlenecks to enable smarter, more efficient and energy-wise data-intensive applications. Kalray's offering includes processors, acceleration cards with associated software environment and appliances, allowing its customers to design the best solutions in fast growing sectors such as modern data centers, 5G, AI and Edge Computing, autonomous vehicles and others.

Founded in 2008 as a spin-off of CEA French lab, with investors such as Alliance Venture (Renault-Nissan-Mitsubishi), Safran, NXP Semiconductors, CEA and Bpifrance, Kalray is dedicated through technology, expertise and passion to offer more: More for a smart world, more for the planet, more for customers and developers.
www.kalrayinc.com

Risk Factors

The public's attention is drawn to the risk factors relating to Kalray and its activity appearing in the 2021 annual financial report published by Kalray on 21 april 2022. 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 Kalray.

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Disclaimer

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This announcement is an advertisement and not a prospectus within the meaning of regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended.

The distribution of this press release may be subject to legal or regulatory restrictions in certain jurisdictions. Any person who comes into possession of this press release must inform him or herself of and comply with any such restrictions.

This press release contains forward-looking statements that relate to the Kalray's objectives. Such forward-looking statements are based solely on the current expectations and assumptions of the Kalray's management and involve risk and uncertainties. Potential risks and uncertainties include, without limitation, whether the Kalray will be successful in implementing its strategies, whether there will be continued growth in the relevant market and demand for the Kalray's products, new products or technological developments introduced by competitors, and risks associated with managing growth. The Kalray's objectives as mentioned in this press release may not be achieved for any of these reasons or due to other risks and uncertainties. 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 20/04/2021 available free of charge on its website (www.kalray-bourse.com) as well as changes in economic conditions, the financial markets or the markets in which Kalray operates.