

## **2024 REVENUE, DISPOSAL OF THE "DATA ACCELERATION PLATFORM" SUBSIDIARY, AND ONGOING DISCUSSIONS TO MAXIMISE THE VALUE OF ITS SEMICONDUCTOR BUSINESS**

- 2024 revenue of €24.8M (compared to €25.7M in 2023), with a second-half increase compared to first half, as expected;
- Anticipated 2024 EBITDA of approximately -€8M;
- Sale of all assets of the Enterprise "Data Acceleration Platform" business unit to U.S.-based company DataCore Software, a key player in infrastructure and data management, for up to \$20M, with an initial payment of \$12.5M;
- Unchanged cash horizon and continued discussions with partners and suppliers to extend the Company's financial visibility;
- Ongoing discussions with potential partners to maximize the value of the semiconductor business.

**Grenoble, February, 5, 2025 - Kalray (Euronext Growth Paris: ALKAL) a leader in hardware and software technologies dedicated to the management and intensive processing of data from the Cloud to the Edge, provides its 2024 annual revenue and an update on the progress of its strategic plan.**

**Eric Baissus, Chairman of the Board of Directors of Kalray, stated:**

*"While the storage and AI sectors generate immense interest and hold significant potential, the current economic environment and the high market concentration in the hands of a few major players - whose resources far exceed ours - remained key challenges for our Company's growth and its development.*

*In this context, Kalray had to reassess its strategy and secure financing solutions. The disposal of our software services business unit, recently signed with DataCore Software, a major player in storage technologies, allows us to continue exploring opportunities to unlock the full value of our semiconductor business and determine the most suitable legal framework for its implementation.*

*Although our financial outlook remains constrained, we are actively engaged in discussions with our suppliers and partners to extend our financial visibility."*

## 2024 REVENUE

At the end of fiscal year 2024, Kalray reported consolidated revenue of €24.825K, compared to €25.829K<sup>1</sup> in the previous year. The Group nearly caught up in the second half of the year after a slow start in the first half.

The revenue breakdown for 2024 is as follows: 85% from the "Enterprise" segment (Ngenea offering) and 15% from the "Acceleration Card" segment (sales of acceleration cards)

Geographically, revenue distribution was 42% from Europe (including the UK), 49% from the United States and 9% from the rest of the world (ROW).

While revenue remained stable compared to last year, Kalray anticipates a significant decline in EBITDA, expected at approximately -€8M for the year. This decline is primarily due to lower margins caused by the economic environment and substantial investments made at the beginning of 2024, particularly for the development of the latest generation Dolomites™ processor. These impacts were partially offset by the initial effects of the cost reduction plan implemented in September 2024.

## DISPOSAL OF THE "DATA ACCELERATION PLATFORM" ACTIVITY TO DATACORE SOFTWARE

In this context, Kalray reminds that it announced in December a comprehensive review of the Company's strategic options, including potential asset disposals<sup>2</sup>.

In a press release dated January 2, 2025, Kalray announced it had received a non-binding letter of intent for the acquisition of the assets of its "Data Acceleration Platform" activity (comprising the Ngenea product line, marketed to large corporations).

Kalray now confirms that it has completed the sale of this business unit - including all assets related to its Ngenea offering and associated staff (approximately 80 employees) - to the U.S.-based DataCore Software ("DataCore"), a leading player in storage and data protection technologies.

The transaction amounts to a total of up to \$20M, structured as follows:

- An immediate gross payment of \$12.5M;
- A \$2.5M service contract, to be invoiced in fiscal year 2025;
- A potential earn-out of up to \$5M, contingent on DataCore's commercial performance on the Ngenea product line in fiscal year 2025, payable in the first half of 2026.

<sup>1</sup> Exchange rate EUR/GBP: 1.20. Unaudited data

<sup>2</sup> See press release dated December 4<sup>th</sup>, 2024

## CONTINUED DISCUSSIONS TO EXTEND LIQUIDITY HORIZON

The proceeds from this transaction will allow Kalray to repay the €3M credit line granted by BNP Paribas and cover restructuring costs related to the disposal of the "Data Acceleration Platform" business unit, transaction fees, and other liabilities of the divested entity (amounting to €1.5M).

As of today, the Company's financing horizon remains unchanged until March 1, 2025<sup>3</sup>. Kalray is actively working to extend its liquidity horizon by pursuing discussions with strategic partners and suppliers and evaluating the most appropriate legal framework for their implementation. The Company will provide an update to the market at the end of February 2025.

## ONGOING DISCUSSIONS TO UNLOCK THE VALUE OF THE SEMICONDUCTOR BUSINESS

Kalray continues to explore partnership opportunities as part of its strategic repositioning towards its core business: the development of processors and acceleration cards for artificial intelligence and data center infrastructure optimization. The Company is actively evaluating two options to maximize the value of its semiconductor business:

1. Selling the business to a strategic player, or
2. Launching a service offering to develop hardware acceleration solutions for third parties.

These options were first outlined in Kalray's press releases on September 19, 2024, and December 4, 2024.

Kalray recalls that it has mandated Woodside Capital Partners International LLC, an independent U.S.-based investment bank specializing in semiconductors and high-growth companies, to assist in analyzing capital market opportunities for its *Data Acceleration & DPU Design businesses*<sup>4</sup> while continuing to promote its Kalray AXL Design offering to industry players.

Discussions are currently underway for both strategic options; however, there is no certainty that these efforts will result in a **positive** outcome. The Company will keep its shareholders informed of any significant developments.

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<sup>3</sup> press releases dated September 19<sup>th</sup>, 2024 and October 31<sup>th</sup>, 2024 for further details

<sup>4</sup> Press release as of 4 December 2024

## ABOUT KALRAY

Kalray is a leading provider of hardware and software technologies and solutions for high-performance, data-centric computing markets, from cloud to edge.

Kalray provides a full range of products to enable smarter, more efficient, and energy-wise data-intensive applications and infrastructures. Its offers include its unique patented DPU (Data Processing Unit) processors and acceleration cards as well as its leading-edge software-defined storage and data management offers. Separated or in combination, Kalray's high-performance solutions allow its customers to improve the efficiency of data centers or design the best solutions in fast-growing sectors such as AI, Media & Entertainment, Life Sciences, Scientific Research, Edge Computing, Automotive and others.

Founded in 2008 as a spin-off of the well-known French CEA research lab, with corporate and financial investors such as Alliance Venture (Renault-Nissan-Mitsubishi), NXP Semiconductors or 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](http://www.kalrayinc.com)

## DISCLAIMER

This press release may contain forward-looking statements regarding the Company's objectives and outlook. These forward-looking statements are based on the current estimates and expectations of the Company's management and are subject to risks and uncertainties, including those described in Appendix 1 of the Management Board's report dated April 30<sup>th</sup>, 2024, available on the Company's website.

Readers' attention is particularly highlighted on the fact that the Company's current funding horizon is limited to March 1<sup>st</sup>, 2025. The forward-looking statements mentioned in this press release may not be achieved due to these factors or other unknown risks and uncertainties, or those not currently deemed significant by the Company.

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