

## H1 2022 EARNINGS: CHANGE OF DIMENSION INITIATED, CONFIRMATION OF 2022 FINANCIAL TARGETS

- Combined turnover of €10.7m<sup>1</sup> in H1 2022
- Completion of the acquisition of Arcapix Holdings Ltd, a leading provider of data storage and management software
- First effects of synergies with the marketing in the second half of the year of a joint product integrating the K200-LP™ accelerator cards with the software solutions of pixonmedia, the media business of Arcapix Holdings Ltd
- Available cash of €11.1m at the end of June 2022
- 2022 outlook confirmed: a combined turnover of €20m<sup>1</sup> and a stable combined EBITDA for the year.

Grenoble - France, July 12, 2022 – Kalray (Euronext Growth Paris: ALKAL), a leading provider of a new generation of processors and acceleration cards specialized in Intelligent Data Processing from Cloud to Edge, reviews its activity in the first half of 2022 and looks back at the highlights of the period.

**Eric Baissus, President and CEO, declares :** *'This semester has been structuring for Kalray in its change of dimension and the first months of work with the Arcapix teams reaffirms the strategic nature of this acquisition.. We have quickly been able to combine our teams and talents, both in terms of sales and product portfolio, with a first joint product just announced combining our acceleration cards with pixonmedia software solutions. For the second half of the year, we are very well positioned to deliver on our announced 2022 targets while continuing to invest for the years ahead.'*

### ACQUISITION OF ARCAPIX COMPLETED ...

The first half of 2022 was marked by the announcement of the completion of the acquisition of Arcapix Holdings Ltd ("Arcapix"), a leading software company providing high performance storage solutions for critical data and high performance computing<sup>2</sup>. The transaction, which was mainly in shares (for a maximum amount

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<sup>1</sup> Alternative performance indicator. Consolidated revenue as if the Arcapix acquisition had been completed on 1 January 2022, excluding other adjustments. Exchange rate EUR/GBP 1.16. Unaudited data

<sup>2</sup> See press releases dated 20 January 2022 and 3 March 2022

of 464,770 Kalray shares<sup>3</sup> and €0.9 million paid in cash excluding realisation adjustments), was approved by Kalray's extraordinary general meeting of shareholders on April 15, 2022.

This acquisition is in line with Kalray's strategy to significantly increase growth and value around its processors, accelerate the time-to-market of its technology and products and take advantage of cross-selling opportunities.

### **... WITH A FIRST JOINT PRODUCT ALREADY ANNOUNCED**

Very quickly, the company's organization was reviewed to enable the teams to work closely together, whether in sales, partnerships or product development.

Thus, just a few months after the completion of its acquisition, Kalray has announced the release of a first joint product with Arcapix through Pixitmedia, the business dedicated to media and entertainment, and which will integrate Kalray's K200-LP™ acceleration cards with its Pixstor software solution for its customers (major film studios, broadcasters, post-production specialists and special effects studios).

This combination of software and hardware opens up new perspectives in terms of performance, power consumption, flexibility and ease of use for pixitmedia's customers. In addition, this opportunity demonstrates the complementary nature of Kalray's and Arcapix's offerings and confirms the potential for cross-selling and value creation for Kalray's customers around its processors.

The new solution will be showcased at the Flash Memory Summit, the global storage industry trade show, from August 2-4, 2022 at the Santa Clara Convention Center, USA.

Kalray and Arcapix also intend to work together on other products for efficient and intelligent data management.

### **STRONG BUSINESS GROWTH IN STORAGE ...**

The combined activities of Kalray and Arcapix have resulted in a very strong growth in the group's commercial activity in the storage field. In addition to the sale of Arcapix products, Kalray has continued the deployment of its accelerator cards and the next generation NVMe storage array, the Flashbox™, developed in collaboration with the American company Sanmina.

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<sup>3</sup> At closing, 73,384 shares were issued to the sellers and the balance of the purchase price of up to 391,386 additional shares will be paid in several installments over 3 years depending in particular on the presence of the founders and the achievement of business objectives. The price per Kalray share for the transaction has been set at €36.12 (the volume weighted average price of Kalray shares over the 180 trading days immediately preceding the signing of the term-sheet relating to the transaction).

In particular, Kalray has just announced that it has been chosen by Clever Cloud, a European provider of automation and optimisation solutions for hosting websites and applications on the Internet, to install the Flashbox™ in Clever Cloud's third Parisian datacenter (see press release dated July 5, 2022).

### **...AS KALRAY CONTINUES ITS INVESTMENT STRATEGY IN OTHER KEY MARKETS**

In parallel, Kalray continues to invest and collaborate with strategic players to deploy its solutions in the high-potential vertical markets of telecom/5G, industry 4.0 and automotive, markets which are also very demanding for accelerator cards and which will complement the storage market in the coming years.

In the 5G market, Kalray has announced that it is working in particular with European operators such as Orange, or server manufacturers such as Bull/ATOS to provide an acceleration solution for the Open RAN standard. The market for Open-RAN accelerator cards is estimated at several million per year in the coming years.

Similarly, Kalray's MPPA® processors provide a unique solution for vision systems for industrial applications that have high requirements for artificial intelligence (AI) and complex data processing with high cost and power constraints.

Finally, Kalray also confirms the attractiveness of its technology in the automotive market through NXP's BlueBox 3.0 offering.

### **CONFIRMATION OF THE CHANGE IN DIMENSION FOR THE 2022 FINANCIAL YEAR**

At the end of the first half of 2022, Kalray posted consolidated revenues of €4.7m<sup>4</sup>, including Arcapix revenues between 15 April and 30 June 2022, compared to €0.4m in the first half of 2021. Kalray's combined revenue for the six months to 30 June 2022 was €10.7m<sup>5</sup>, half of the annual target announced for the year 2022.

During this period Kalray has continued to invest in the preparation of its next products. The available cash on 30 June 2022 was €11.1m, a limited decrease of €1.1m compared to 31 December 2021 (€12.2m). The company has strengthened its resources through the pre-financing of the research tax credit (CIR, crédit d'impôt recherche) for €1.7m and a €6.5m convertible bond issue subscribed by a group of European investors. A simple bond issue for €4.2m<sup>6</sup>, subscribed by the same investors, is already planned for the second half of 2022 to complete the available resources.

Given the volume of current projects and Arcapix's rapid sales cycles (software sales and maintenance), Kalray is confident that it will achieve its combined revenue target of €20m in 2022. Kalray also confirms the objective

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<sup>4</sup> Exchange rate EUR/GBP 1.16. Unaudited data.

<sup>5</sup> Alternative performance indicator. Consolidated revenue as if the Arcapix acquisition had been completed on 1 January 2022, excluding other restatements. Exchange rate EUR/GBP 1.16. Unaudited data.

<sup>6</sup> See press release dated 21 April 2022

of stability of its combined EBITDA thanks to the accretive effect of Arcapix in a context of continued investments.

#### **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.  
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