

2023 REVENUE OF €25.8 MILLION (+57%)

EBITDA EXPECTED TO IMPROVE IN 2023

- 2023 revenue of €25.8 million, up 57% from 2022;
- Postponement of an order for €3 million originally scheduled for December 2023, now expected in January;
- Validation of qualification phase of Kalray "Jumbo contract" and launch of pre-production phase by customer with initial order of more than \$1 million received at end of 2023;
- EBITDA loss expected to be halved in 2023 compared with 2022;
- Strong growth expected in 2024 at a level comparable to 2023 in an active market driven by the adoption of AI, with the launch of new products (NG-BOX for AI storage; TC4 acceleration card for AI inference computation), and the ramp-up of strategic partnerships with Dell and JB&A.

Grenoble - France, January 11, 2024 – KALRAY (Euronext Growth Paris: ALKAL), a leading provider of hardware and software technologies for high-performance, data-centric computing markets, from cloud to edge, announces 2023 revenue.

Statement from Éric Baissus, Chairman of Kalray's Executive Board:

"Kalray has reported 2023 revenue growth of almost 60%. This falls short of our expectations due to wait-and-see attitudes of select customers and the postponement of a large order with one of our biggest customers. That said, Kalray's 2023 performance confirms the company's solid progression and continued growth initiated two years ago.

A notable highlight of 2023 was the successful completion of the qualification phase of our new AI-dedicated board in the scope of our 'Jumbo contract', which is on schedule. We are now entering the operational phase with this customer, having already received an initial order for several hundred cards at the end of 2023.

The progression of this "Jumbo contract" confirms the change of scale undertaken by the company, which in turn validates our ability to deliver complex projects on time, and our capacity to enter into – and manage – large-scale contracts. It also validates the relevance of our technology and offering in general.

We look ahead to 2024 with confidence about achieving continued robust growth, driven by the gradual ramp-up of our strategic partnerships, in particular with Dell and JB&A, and the launch of new products designed to serve the increasing demand for AI and data intensive processing."

2023 REVENUE OF €25.8 MILLION, UP 57%

At the close of FY 2023, Kalray posted consolidated revenue¹ of €25.8 million, versus €16.4 million² at the close of FY2022, representing robust growth of 57%, mainly driven by the storage market.

The 2023 revenue breakdown is similar to that of 2022: 67% in software (primarily software and including support and related services), and 33% in hardware (including acceleration cards and complete storage hardware solutions). Revenue is split evenly between Europe (including the UK) and the United States.

A SIGNIFICANT ORDER FOR €3 MILLION POSTPONED IN JANUARY

The Group was unable to reach its revenue target of €30 million, set last September, mainly due to the postponement of a major order (for around €3 million) in the media and entertainment sector. This sector was largely disrupted throughout the year by ongoing negotiations between actors and studios, slowing down investment decisions in this industry.

Initially scheduled for the end of 2023, this major order is now expected for January of this year. It follows on from a contract signed at the beginning of the year, which has already generated an initial order worth several million euros booked in the first half of 2023, illustrating recognition of the quality of Kalray's technological solutions for intensive data storage and processing, and the Group's ability to negotiate major contracts.

As a result, the initial target of break-even EBITDA in 2023 could not be achieved. That said, Kalray expects a significant improvement in its EBITDA for the most recent fiscal year, where losses are expected to be halved in 2023 vs 2022 (2022 EBITDA came in at -€2.7 million).

SUCCESSFUL QUALIFICATION PHASE FOR JUMBO CONTRACT - LAUNCH OF PRE-PRODUCTION PHASE AND FIRST ORDER WORTH \$1+ MILLION RECEIVED AT END OF 2023

As announced today, the qualification of its high-performance card prototype including 4 MPPA® DPU Coolidge™2 processors in the scope of the "Jumbo contract"³ has been validated by the customer.

This milestone with a global high-tech customer attests to the quality and performance of Kalray's accelerator cards, capable of processing customer data with the best performance/price and performance/consumption ratio.

Tests carried out during the qualification phase confirmed the gains of Kalray's solution (by a factor of 3 to 5) over the competition, representing potential savings for the customer of several hundred million dollars during the project's lifetime. Added to this price/performance advantage is the ability of Kalray's solutions to combine artificial intelligence with a broad spectrum of data processing, which traditional alternatives such as traditional GPUs or FPGAs find difficult to support.

¹ EUR/GBP exchange rate: 1.16. Unaudited data.

² 2022 consolidated revenue integrates Arcapix Holdings Ltd as of April 15, 2022.

³ See press release of November 14, 2022

Now that this significant milestone has been achieved, Kalray is entering the operational phase of the contract with the launch of pre-series production for its customer, which will result in initial orders of several hundred cards. A first order was already received at the end of 2023 for \$1+ million corresponding to the production of several hundred cards.

The next phase of the contract is volume production, which could represent future orders for several thousand cards a year, i.e. annual revenues of several tens of millions of euros, over a period of at least 5 years, starting in 2025.

ROBUST GROWTH EXPECTED IN 2024 WITH THE LAUNCH OF NEW PRODUCTS, THE RAMP-UP OF STRATEGIC DISTRIBUTION AND RESALE AGREEMENTS, AND A PROMISING MARKET

Kalray expects to achieve strong growth in 2024, similar to 2023. Kalray recently announced a distribution and resale partnership with JB&A, a leading distributor of technology solutions in North America (see press release dated November 27, 2023). With this agreement, Kalray intends to step up the commercial deployment of its offerings in the United States. This agreement complements that signed with Dell Technologies, which is expected to gain traction in 2024.

In 2024, Kalray intends to push two new products into the market:

- A new fast storage solution called NG-Box based on Kalray's data processing unit (DPU) integrated into the Dell PowerEdge R750 rack server, dedicated to intensive storage, in particular for the AI and data intensive processing market, and;
- A new TC4 card, which incorporates 4 of Kalray's latest-generation processors (Coolidge™2), offering an alternative to GPU cards and validated in the scope of the "Jumbo contract" and whose availability will be extended to other customers in the first half of 2024.

In view of the current sales pipeline, clearly ahead versus the same period last year, and the gradual ramp-up of its partnerships and new products, Kalray is confident about achieving sales growth in 2024 comparable to that of 2023 and in line with the momentum anticipated by analyst consensus.

ABOUT KALRAY

Kalray (Euronext Growth Paris: ALKAL) 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, Kalray's corporate and financial investors include Alliance Venture (Renault-Nissan-Mitsubishi), NXP Semiconductors, 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

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