

Graphcore secures additional \$150 million in new capital Reports Fiscal 2019 business highlights

25 February 2020, Bristol: Graphcore has secured an additional \$150 million in new capital to secure its position as the leading pure-play machine intelligence AI processor company. The private placement has been made by leading financial asset managers, growth equity funds and investment trusts and includes new investors Baillie Gifford, Mayfair Equity Partners and M&G Investments alongside existing investors including Merian Chrysalis, Ahren Innovation Capital, Amadeus Capital Partners and Sofina.

An extension of Graphcore's Series D round which closed in December 2018, this new D2 round brings the total investment in Graphcore to date to over \$450 million at a valuation of \$1.95 billion. Graphcore is extremely well capitalized, holding over \$300m in cash reserves after this new investment, to support the company's continuing, major R&D investment and global expansion.

2019 Highlights:

- First full general availability release of the Poplar® software platform, a complete SDK (software development kit) for developers to run AI models on IPU products quickly and easily
- Microsoft Azure IPU-Cloud open for customers (launched November 2019)
- Production launch of Dell Technologies DSS8440 IPU Server for enterprise datacenter customers in November 2019
- Launch of IPU-Bare Metal Cloud service in partnership with Cirrascale
- First public customers announced including Microsoft, Citadel Securities, Carmot Capital and Qwant
- Major increase in R&D investment with headcount more than doubling
 - Major expansion of engineering centres in Bristol, UK HQ and Oslo, Norway and of Palo Alto, USA sales and support office
 - Opening of Beijing, China sales and support centre, Cambridge, UK engineering centre and Hsinchu, Taiwan operations facility

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Nigel Toon, Graphcore Chief Executive Officer said:

“2019 was a transformative year for Graphcore as we moved from development to a full commercial business with volume production products shipping. We were pleased to publicly announce our close partnership with Microsoft in November 2019, jointly announcing IPU availability for external customers on the Azure Cloud, as well as for use by Microsoft internal AI initiatives. In addition, we announced availability of the DSS8440 IPU Server in partnership with Dell Technologies and the launch of the Cirrascale IPU-Bare Metal Cloud. We also announced some of our other early access customers which include Citadel Securities, Carmot Capital, and Qwant, the European search engine company.

At the end of 2018 we closed a \$200 million Series D investment and we have now extended that funding round with an additional \$150m private placement as primary investment. This closed during February 2020 and brings the total investment in the company to over \$450 million. In this new funding round we have been able to attract major financial asset managers, growth equity funds and investment trusts including Baillie Gifford, Mayfair Equity Partners, Merian Chrysalis and M&G. The company starts Fiscal 2020 with over \$300m in cash reserves which will support our continued strong R&D investments and global expansion.

During 2019 we were able to attract the very best software, silicon and hardware engineers to join our team, which has more than doubled in size. Investment in R&D remains a priority. Customer engineering teams and field and support engineering teams are ramping fast to keep pace with customer growth. We have expanded all of our facilities and opened in new geographies as we build a leading technology company delivering IPU products which we believe will be the industry standard for AI compute.

Demand for our Intelligence Processor Unit products is increasing at existing and new customers and the outlook for our business in Fiscal 2020 is extremely positive. The major investments that we have made during 2018 and 2019 will help us to meet this strong demand by extending the capabilities of our technology and ecosystem, and will support long-term revenue growth and returns for our investors.”

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Advisors

Goldman Sachs & Co. LLC acted as placement agent for Graphcore and Orrick, Herrington & Sutcliffe LLP provided legal advice.

About Graphcore®

Graphcore Intelligence Processing Unit (IPU) hardware and Poplar® software lets innovators create next generation machine intelligence solutions. The IPU is the first processor to be designed specifically for Machine Intelligence. Graphcore has raised over \$450m in funding from leading financial and strategic investors and is headquartered in Bristol UK.

More information can be found at <https://www.graphcore.ai>

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