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BrainChip Update March Quarter 2018

• Announcement of a Development, License and Revenue Sharing Agreement with Gaming Partners International (NASDAQ: GPIC)

• Announcement of Interoperability with Quantum Corporation (NASDAQ: QTM) StorNext large-scale storage

• Announcement with Veritone Inc. (OTC: VERI) of BrainChip Studio Integration as a Cognitive Engine with Veritone aiWare Software-as-a-Service (SaaS) and On-Premise Solution

• Continued End-User and Original Equipment Manufacturer Penetration and the addition of Bager Sales in Southern California

• Announcement of Luis Coello as Director of Sales in Europe

• Akida™ Spiking Neural Network Kernel Delivered to European Automobile Manufacturer

• Cash Receipts for the March Quarter of 2018 of US$500K (approximately A$650K)
BrainChip Sales Business Development Model

- **Sales Model**
  - OEM Engagements
  - System Integrator Engagements
  - End-User Engagements

- **Sales Process**
  - Leads
  - Opportunities
  - Qualified Opportunities
  - Design Wins
  - Revenue

- **Revenue**
  - Development Agreements
  - Sales and Marketing Cooperation
  - Design Win
  - Low Cost of Sales
  - Incremental Engineering Expense
  - API Development
  - BC Studio/Accelerator
  - Akida™ at the Edge or Enterprise

- **OEMs**
  - Design Wins
  - Sales and Marketing Cooperation
  - Supply Agreements
  - Low Cost of Sales
  - Minimal Engineering Expense
  - BC Studio/Accelerator

- **System Integrators**
  - Design Wins
  - Sales and Marketing Cooperation
  - Supply Contracts
  - Low Cost of Sales
  - Moderate Engineering Expense
  - BC Studio/Accelerator

- **End Users**
  - Design Win
  - Purchase Orders
  - Supply Contracts
  - High Cost of Sales
  - Moderate Engineering Expense
  - BC Studio/Accelerator
• The GPI Automated Table System (ATS) will initially be deployed for currency security in Asia, primarily Macau and Singapore.

• The development is based on existing BrainChip intellectual property and new jointly developed intellectual property.

• The system will be showcased at the G2E Conference in Macau during the week of 15 May 2018.

• Commercial deployment is expected later in 2018. The utilization of BrainChip’s Spiking Neural Network (SNN) provides virtually instant currency security and correlation with Radio Frequency Identification (RFID) counts.
• Under the Development Agreement, upon completion of the Development Phases the Commercial Agreement becomes a 5-year Revenue Sharing arrangement that cannot be terminated; it is Renewable and provides 25% of all GPI Revenue derived from the sale the Developed Technology to BrainChip.

• This commercial deployment represents potential revenue for the Company estimated in the range of US$5M to US$15M annually beginning in late 2018. GPI is responsible for product pricing and end-user demand creation.
Quantum Corporation (OEM Engagement)

- Quantum, San Jose, California, is a leading supplier of large-scale storage including both disk and tape backup.

- Storage is a fundamental component in Civil Surveillance, Public Safety, Commercial Surveillance, the Internet-of-Things (IoT), Big Data and the Media and Entertainment markets.

- Other leading suppliers in the storage market include HP, Dell/EMC, IBM, NetApp and Hitachi. The Company’s SNN search capabilities have already garnered attention with these large Original Equipment Manufacturers (OEMs).

- The storage market opportunity represents potential revenue for the Company estimated in the range of US$20M to US$30M annually beginning in late 2018 with significant growth opportunities as the technology is expected to achieve widespread adoption.

- The potential Revenue is based on the Company’s expectations of modest penetration in a very large market. Agreements with OEM partners are not Supply Agreements. They represent either; an agreement to integrate BrainChip products with their system, or to market BrainChip products with their products to provide a complete solution.
BrainChip Sales Development

- Addition of Luis Coello as Director of Sales for EMEA. Luis brings decades of experience in the Surveillance market.
- The Company is now engaged with Law Enforcement, Homeland Security and Public Safety in France, Germany, the U.K., Sweden, Norway and Spain.
- Similarly, we have expanded in Australia and Asia with engagements that now include Singapore.
- With regard to the Americas, the Company is now engaged with major Law Enforcement groups throughout the United States, including New York City, New York State, Baltimore and others.
- The appointment of Bager Sales during the quarter has already initiated engagements with major OEMs in the Southern California and Arizona marketplaces. This “force-multiplier” is critical to our success in the End-User arena.
BrainChip a Global Company

- Northern California, U.S. Business Development and Administration
- Southern California, U.S. Research and Hardware Design
- Toulouse, France, Research and Software Design
- Barcelona, Spain, Sales and Marketing
- Sydney, NSW, Australia, Sales and Marketing
- Perth, WA, Australia, Finance
BrainChip Akida™ Development

• The Akida™ device is a complete Neuromorphic System-on-Chip (NSoC) and represents over a decade of work by Peter van der Made and our engineering teams.

• The Akida™ NSoC development is well along the path to refining product definition and implementation.

• The software kernel has been delivered to a major European automobile manufacture whose feedback is important to our implementation.

• The Company expects to move to an FPGA hardware implementation on schedule during the third quarter of 2018, as well as having a development environment available for key customers to develop SNNs on Akida™.

• Porting existing Convolutional Neural Networks (CNNs) to SNNs opens a large and immediate market while other learning modes (Autonomous Supervised and Unsupervised) support future use cases.
BrainChip Product Development Update

• The Company’s engineering resources are focused on refinements of pattern recognition for the GPI deployment and on the development of its revolutionary AKIDA™ Neuromorphic System-on-Chip (NSoC).

• The product is expected to be a leader in the emerging neuromorphic computing field, with multiple applications including robotics, gaming, surveillance, cybersecurity, financial technology, IoT and autonomous vehicles (AV); including Advanced Driver Assisted Systems (ADAS).
BrainChip Product Development Update

• The Neuromorphic integrated semiconductor market is expected to be US$4.8B in 2022 with a CAGR of 26.3% between 2016 and 2022 (Markets and Markets 2015 Report).

• The Akida™ compelling advantages of low-latency and low-power is expected to enable the Company to capture significant market share in this high-growth arena.
BrainChip Cash Flow Update

• Operating activity cash flows in the March quarter of 2018 were an outflow of US$1.8 million, compared with US$1.9 million in the December 2017 quarter.

• The decrease in cash outflows was due primarily to higher receipts, offset in part by higher administrative and corporate costs associated with the launch of BrainChip Studio and Accelerator.

• US$500k cash inflows derived from numerous customers and partners in US and France.

• The Company had US$13.9 million in cash at the end of the March 2018 quarter.
BrainChip Outlook Update

• BrainChip expects continued sales growth with OEMs, System Integrators and other partners in 2018.

• Served Available Market (SAM) value by markets segment for which the Company can provide solutions with BrainChip Studio and Accelerator and the Akida™ NSoC.

*Statista 2016 report and Company Estimates
BrainChip Sales Pipeline Update

• The Company’s recent participation in the SCTX Anti-Terrorism Conference in Las Vegas, Nevada generated an additional 179 leads.

• The commercial sales pipeline continues be robust with over 500 active leads.

• More than 100 recognized opportunities.

• Over 50 opportunities are well qualified with an estimated lifetime value of over US$300M.

• Achieved 15 design wins with an estimated lifetime value of approximately US$80M.
March 2018 Quarter Update
Presented 1st May 2018

Q & A