



ASX Announcement

BrainChip Holdings Ltd March 2020 Quarter Update

- Cash Balance as of 31 March 2020 US\$3.7M
 - Funds Raised in Placement Subsequent to 31 March 2020 Gross A\$3.1M
 - Forgivable U.S. CARES Act Loan Subsequent to 31 March US\$412,000
 - Akdia Tape-Out Completed and Wafer Fabrication Commenced
 - Continued Progress on Marketing Akida Intellectual Property
 - BrainChip received an EAR99 classification for its Akida™ System-on-Chip (SoC), Akida Software Development Environment (ADE) and related technologies from the U.S. Government
 - Company receives US\$500,000 for conversion of Collateral Shares
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Sydney, Australia – 30 April 2020: BrainChip Holdings Ltd (**ASX: BRN**), a leading provider of ultra-low power, high performance edge AI technology, provides the following update for the quarter ending 31 March 2020 to accompany the Company's Appendix 4C lodged with the ASX on 30 April 2020.

The Company ended the March quarter with US\$3.71M in cash. Cash outflows for operating activities for the March quarter were US\$3.71M. Total cash outflows this quarter included non-recurring expenses of US\$1.53M associated with the Akida device development as previously forecasted and a pre-payment for wafer fabrication of an expedited Multi-Project Wafer shuttle. This leaves the March quarter cash outflow before the non-recurring Akida development expense at approximately US\$2.2M.

Subsequent to the quarter the Company raised A\$3.1M in gross proceeds through a placement of fully paid ordinary shares to two significant institutional investors. The Company also received a forgivable loan from the U.S. government as part of the recently enacted CARES Act to support secure employment. The loan may be forgiven in two months provided that the Company uses the funds for payroll and employee retention.

The Company continues to maintain strict cost control policies and employees are working from home as state and federal guidelines in the U.S. and France prescribe. The Company's engineering teams are working seamlessly through the robust infrastructure that was put in place before COVID-19. Engagements with customers, while challenged by a lack of direct meetings, are productive through voice and video conferencing.

The Company continues to work on commercialization of the Akida IP ahead of Akida device availability. During the quarter the Company announced that [Socionext Inc.](#), a leader in advanced SoC solutions for video and imaging systems, will offer customers an Artificial



Intelligence Platform that includes the Akida SoC, an ultra-low power high performance AI technology.

The BIS ruling now authorizes BrainChip to export its AI technologies, without additional U.S. government license, to non-restricted customers, including to high-growth customers in countries such as Japan, Korea, China and Taiwan.

Industry events during the quarter included the tinyML Summit, Actual Tech Media and the Linely Processor Conference where the Company highlighted simplicity of integrating the Akida™ as intellectual property for potential customers design System-on-Chip solutions as well as Original Equipment Manufacturers to utilize the Akida device.

This announcement was authorised for release by the BRN Board of Directors.

About BrainChip Holdings Ltd (ASX: BRN)

BrainChip is a global technology company that has developed a revolutionary advanced neural networking processor that brings artificial intelligence to the edge in a way that existing technologies are not capable. The solution is high performance, small, ultra-low power and enables a wide array of edge capabilities that include local training, learning and inference. The Company markets an innovative event-based neural network processor that is inspired by the spiking nature of the human brain and implements the network processor in an industry standard digital process. By mimicking brain processing BrainChip has pioneered a spiking neural network, called Akida, which is both scalable and flexible to address the requirements in edge devices. At the edge, sensor inputs are analyzed at the point of acquisition rather than transmission to the cloud or a data center. Akida is designed to provide a complete ultra-low power AI Edge Network for vision, audio and smart transducer applications. The reduction in system latency provides faster response and a more power efficient system that can reduce the large carbon footprint data centers. Additional information is available at <https://www.brainchipinc.com>.

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Company contact: Lou DiNardo

ldinardo@brainchip.com

+1 (415) 699-9163

BrainChip Holdings Ltd
ACN 151 159 812
Level 12 225 George St Sydney NSW 2000
T: +61 2 9290 9606 | F: +61 2 9297 0644 | W: www.brainchipinc.com