



## ASX Announcement

### BrainChip announces Accelerated Non-renounceable Entitlement Offer

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- Accelerated Non-Renounceable Entitlement Offer
    - Building on Socionext agreement to manufacture Akida NSoC (previously announced, together with funding for that development)
    - Open to all Australian and New Zealand shareholders
    - Further supports the development and commercialisation of the Akida NSoC
  - Institutional Investors to participate in accelerated entitlement offer
  - Retail shareholders offered the same terms as Institutional Investors
    - Entitlement of 1 new share for every 4 shares already held, at 6c/share
    - 36% Discount to closing price on 24 June 2019
    - 22% Discount to 15-Day Volume Weighted Average Price
    - Record Date of 28 June 2019
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Sydney, Australia – 26 June 2019: BrainChip Holdings Ltd (ASX: BRN), the leading AI Edge company, today announced an Accelerated Non-renounceable Entitlement Offering.

The Company is delighted to advise that it has received early interest for take-up within the accelerated portion of the Entitlement Offer from Institutional Investors. Results of the book build for that offer will be released to the market on completion.

The Entitlement Offer builds on the Company's recent announcement that it had signed a definitive agreement with Socionext America for product development and manufacturing of its Akida Neuromorphic System-on-Chip (NSoC). That earlier announcement also confirmed that the Company had secured a convertible note for the sum of US\$2.565 million, to provide the necessary capital for the initial development of the Akida device.

The Entitlement Offer allows all of the Company's Australian and New Zealand shareholders to participate in the growth of the Company and apply for new shares on the same terms as Institutional Investors.

The Company will provide further details of the Offer in a Retail Offer Booklet, to be released to the ASX in coming days, and posted to all shareholders with their personalised application form.

Shareholders should consider the information in the Retail Offer Booklet, and consult with their professional advisers, before making any decision to act on the Offer.



## **The Focus of the Company's development activities - Akida**

Akida is a complete edge network AI SoC, which includes on-chip training, inference and continuous unsupervised learning. As the first complete neuromorphic neural network SoC to address AI Edge applications, the device supports a large and high-growth market with both traditional Convolutional Neural Networks or event-based Spiking Neural Networks.



The Company has executed a definitive agreement with Socionext America, Inc. to develop and manufacture the Akida device. Socionext Inc. (SNI), headquartered in Shin-Yokohama, Japan, is the combination of the former Fujitsu and Panasonic System-on-Chip (SoC) businesses.

According to IHS, Socionext is the world's second largest ASIC design and development house. SNA, the American division of SNI, is headquartered in Santa Clara, California.

This joint program pairs Socionext's wide variety of engineering disciplines and decades of ASIC design experience with BrainChip's proven AI engineering teams in Aliso Viejo, California and Toulouse, France.

## **Key details of the Entitlement Offer**

The Entitlement Offer is a 1:4 accelerated non-renounceable entitlement offer of New Shares in the Company to eligible shareholders at an offer price of \$0.06 per New Share<sup>1</sup>. The offer price represents a discount of approximately 36% to the last closing price and 22% to the 15-day VWAP prior to the announcement of the Entitlement Offer.

Under the Entitlement Offer, eligible shareholder are entitled to subscribe for one New Shares for every four existing Shares held at 5.00pm (Sydney time) on Friday, 28 June 2019. New Shares issued under the Entitlement Offer will rank equally with existing shares in the Company.

The Entitlement Offer comprises an institutional component and a retail component.

The proceeds of the Entitlement Offer will be used to fund the ongoing product development of Akida and its manufacture with Socionext and the subsequent introduction of the Akida™ Neuromorphic System-on-Chip. Funds will also be used for working capital including inventory and to facilitate production and general availability of the Akida product in 2020.

The Entitlement Offer is lead managed by Shaw and Partners and is not underwritten.

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<sup>1</sup> The total potential that can be raised under the entitlement offer is approximately \$15 million (or 260m shares issued), assuming a theoretical 100% take-up, which the Company does not anticipate will be the case.



## Indicative timetable for the Entitlement Offer

<b>Announcement of Entitlement Offer</b>	<b>26 June 2019</b>
Institutional Entitlement Offer opens	26 June 2019
Institutional Entitlement Offer closes	26 June 2019
Institutional Entitlement Offer bookbuild	27 June 2019
Shares recommence trading ex-entitlement on ASX	27 June 2019
Record Date for the Retail Entitlement Offer	28 June 2019
Retail Entitlement Offer opens	3 July 2019
Despatch of personalised Entitlement and Acceptance Forms and this Retail Offer Booklet to Eligible Retail Shareholders	3 July 2019
Institutional Entitlement Offer settlement date	5 July 2019
Issue of New Shares under Institutional Entitlement Offer	8 July 2019
Quotation of New Shares under Institutional Entitlement Offer	9 July 2019
Retail Entitlement Offer closes	12 July 2019
Retail Entitlement Offer bookbuild	17 July 2019
Issue of New Shares under the Retail Entitlement Offer	19 July 2019
Quotation of New Shares under the Retail Entitlement Offer	22 July 2019
Dispatch of holding statements for New Shares	23 July 2019

Dates and times in the above timetable are indicative only and subject to change. All times and dates refer to Sydney time. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late Applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice.

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### About BrainChip Holdings Ltd (ASX: BRN)

BrainChip Holdings Ltd is a leading provider of low power, high performance edge AI technology using neuromorphic circuits, a type of artificial intelligence that is inspired by the biology of the human neuron. The Company's revolutionary and proprietary new event-based spiking neural network technology can learn autonomously or execute a pre-trained DNN entirely within the boundaries of the chip. The proprietary technology is fast, completely digital and consumes very low power. The Company provides hardware focused solutions that address high-performance requirements in sensory processing, gaming, financial technology, cybersecurity, ADAS, autonomous vehicles, and other advanced vision systems. [www.brainchipinc.com](http://www.brainchipinc.com)

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