ASX Announcement

Clarification of AGM Presentation Statement

- Clarification and withdrawal of Slide 20 of AGM Presentation

SYDNEY, Australia – 03 June 2021 – BrainChip Holdings Ltd (ASX: BRN) (**Brainchip** or the **Company**) advises that the content of slide 20 of the AGM Presentation released to ASX on 01 June 2021 was conceptual only and was intended to provide shareholders with an indication of the anticipated product mix as the Company's business develops (moving from primarily modules to chips) and the potential general trajectory of the company (based on the projected growth of the AI chip market per industry sources and forecasts from other companies in the sector). The slide was not intended as a forecast of the Company's anticipated financial performance and investors should not place any reliance on this information. While Brainchip is moving from an R&D focus towards manufacturing and sale of its products, it is still only in very early stages of revenue generation. There are many known and unknown factors which may impact its ability to grow its revenue as planned and there is no guarantee that it will be successful in achieving its growth objectives.

The Company apologises for any confusion caused to investors and attaches a revised presentation with this slide removed.

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

About Brainchip Holdings Ltd (ASX: BRN)

BrainChip is a global technology company that is producing a groundbreaking neuromorphic processor that brings artificial intelligence to the edge in a way that is beyond the capabilities of other products. The chip is high performance, small, ultra-low power and enables a wide array of edge capabilities that include on-chip training, learning and inference. The event-based neural network processor is inspired by the spiking nature of the human brain and is implemented in an industry standard digital process. By mimicking brain processing BrainChip has pioneered a processing architecture, 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 through transmission via the cloud to a data center. Akida is designed to provide a

complete ultra-low power and fast AI Edge Network for vision, audio, olfactory 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 of data centers.

Forward looking statements

This announcement contains forward-looking statements, which address a variety of subjects including, for example product development, marketing position and technical advances. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and information currently available to management and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The Company's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events, and developments to differ materially from our historical experience and our present expectations.

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2021 AGM

CEO Update

Peter AJ van der Made
Founder and CEO

brainchip™

Unlocking the Future of AI.
This is our Mission.

Disclaimer, forward looking statements

Certain views expressed here contain information derived from third parties or publicly available sources that have not been independently verified. This presentation includes certain statements, projections and estimates of the anticipated future financial performance of BrainChip Holdings Ltd. and the size, growth and nature of future markets for the company's products.

Such statements, projections and estimates reflect various assumptions made by the directors concerning anticipated results, which assumptions may or may not prove to be correct. BrainChip Holdings Ltd. and its subsidiaries have not sought independent verification of information in this presentation.

While the directors believe that they have reasonable grounds for each of the assumptions, statements, projections and estimates and all care has been taken in the preparation of this presentation, no warranty of representation, express or implied is given as to the accuracy, correctness, likelihood of achievement, or reasonableness of assumptions, estimates, statements and projections that are contained in this presentation. Such assumptions, estimates, statements and projections are intrinsically subject to significant uncertainties.

To the maximum extent allowed by law, none of BrainChip Holdings Ltd, its directors, employees nor any other person accepts any liability arising out of any error, negligence or fault for any loss, without limitation, arising from the use of information contained in this presentation.

2021-2025 AI Technology Trends

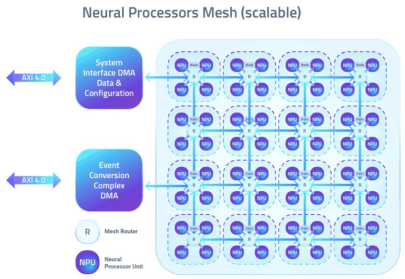
Artificial Intelligence in every device

Autonomous Machines

Autonomous and Safe Self-driving vehicles

Independence from Cloud connectivity

Akida:
Path to Revenue

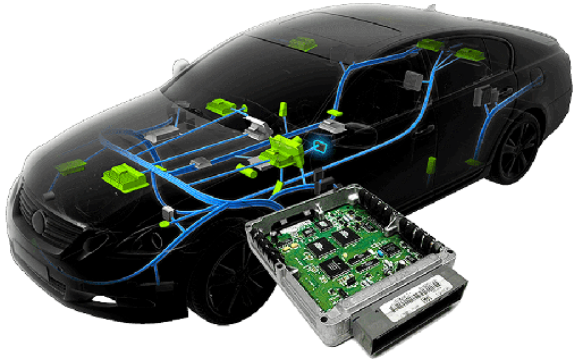


IP

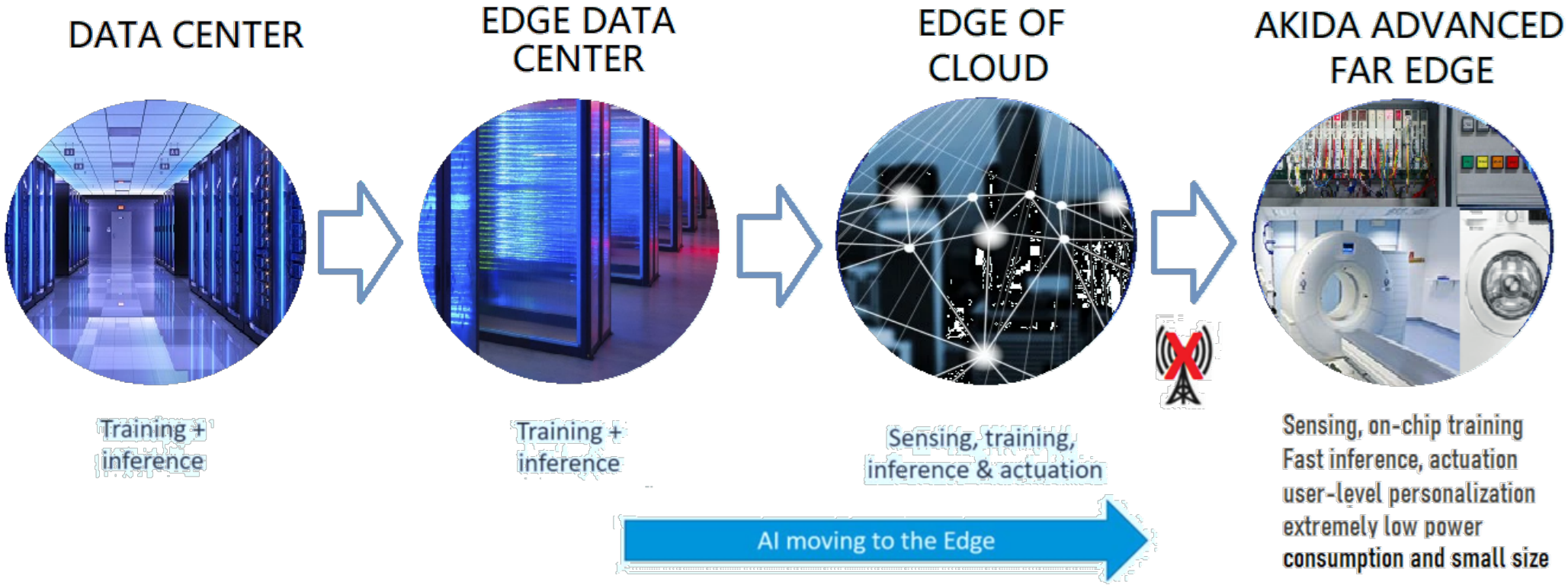
CHIP

MODULES

USB



AI Moving to the Edge



BrainChip Expanding Opportunities

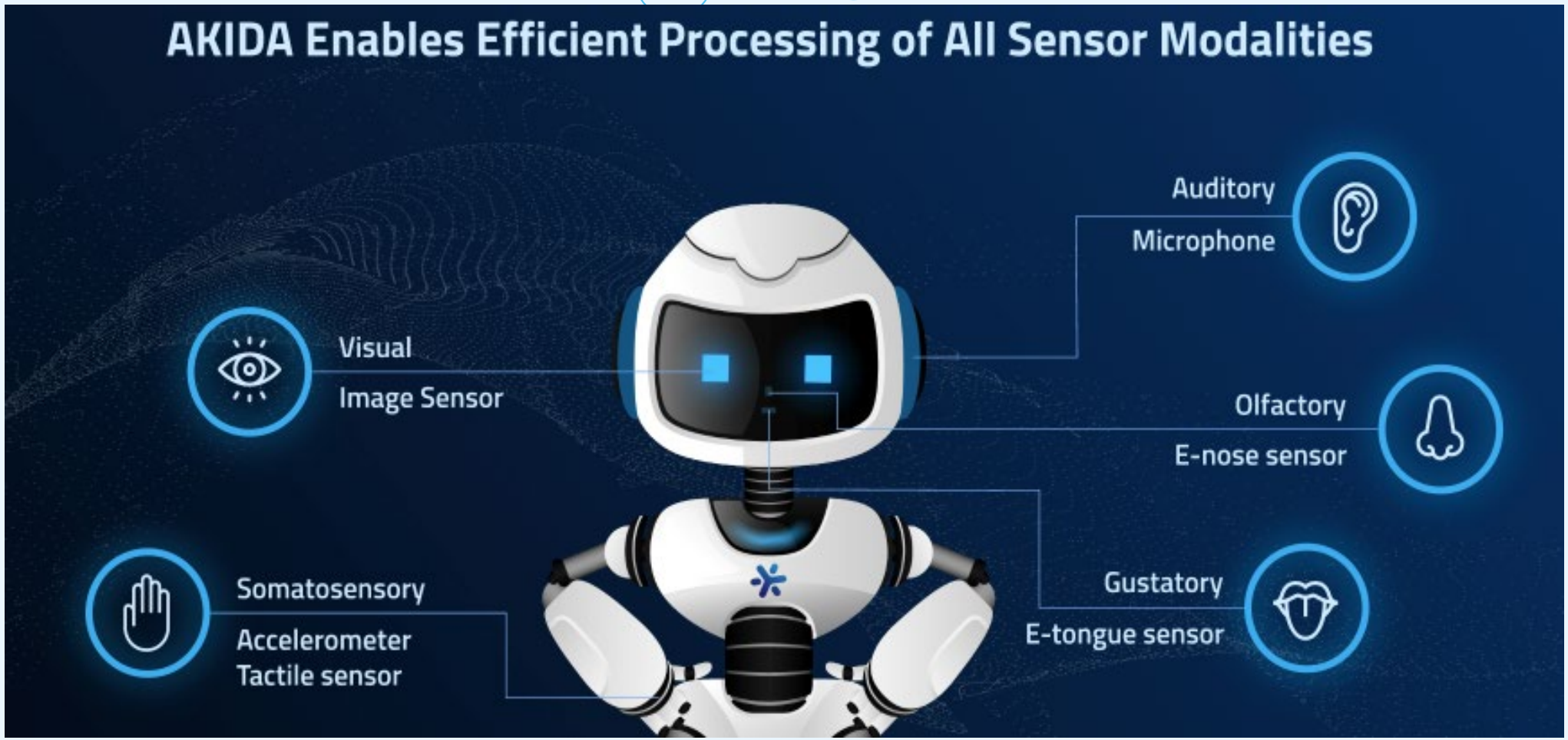
The BrainChip Advantage

Figure 1: Comparing the brain, neuromorphic chip, and GPU in AI inference mode

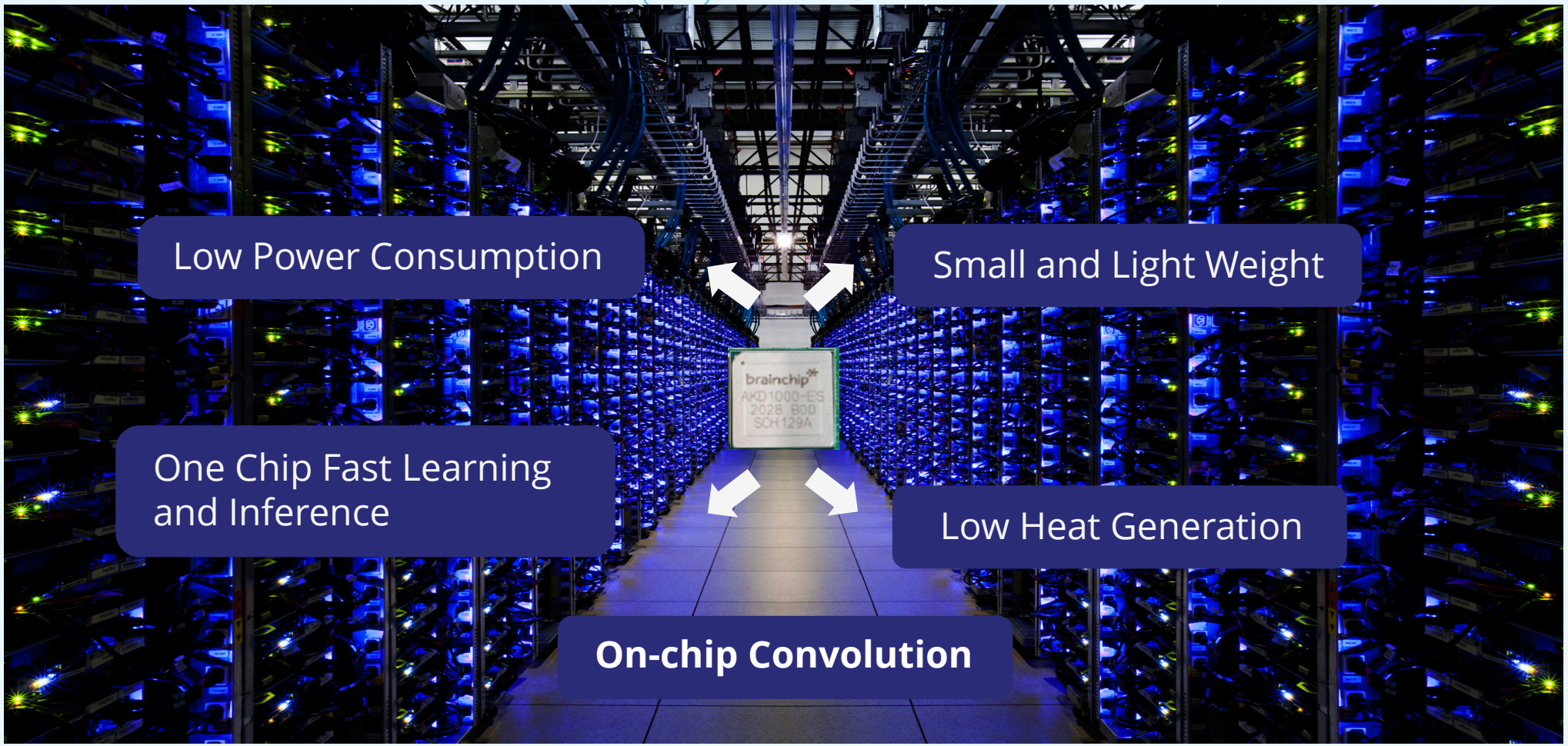
	Human brain	Neuromorphic chip	Deep learning on GPU
Power consumption	~20W	Micro to milliwatts	100s W
Processing speed	Milliseconds	Nanoseconds	Milliseconds
Efficiency (sparsity)	High	High	Variable
Learning rule	Local (we believe)	Local	Global
Event based processing	Yes	Yes	Less suitable

Source: Kisaco Research

The BrainChip Advantage



Key Differentiators

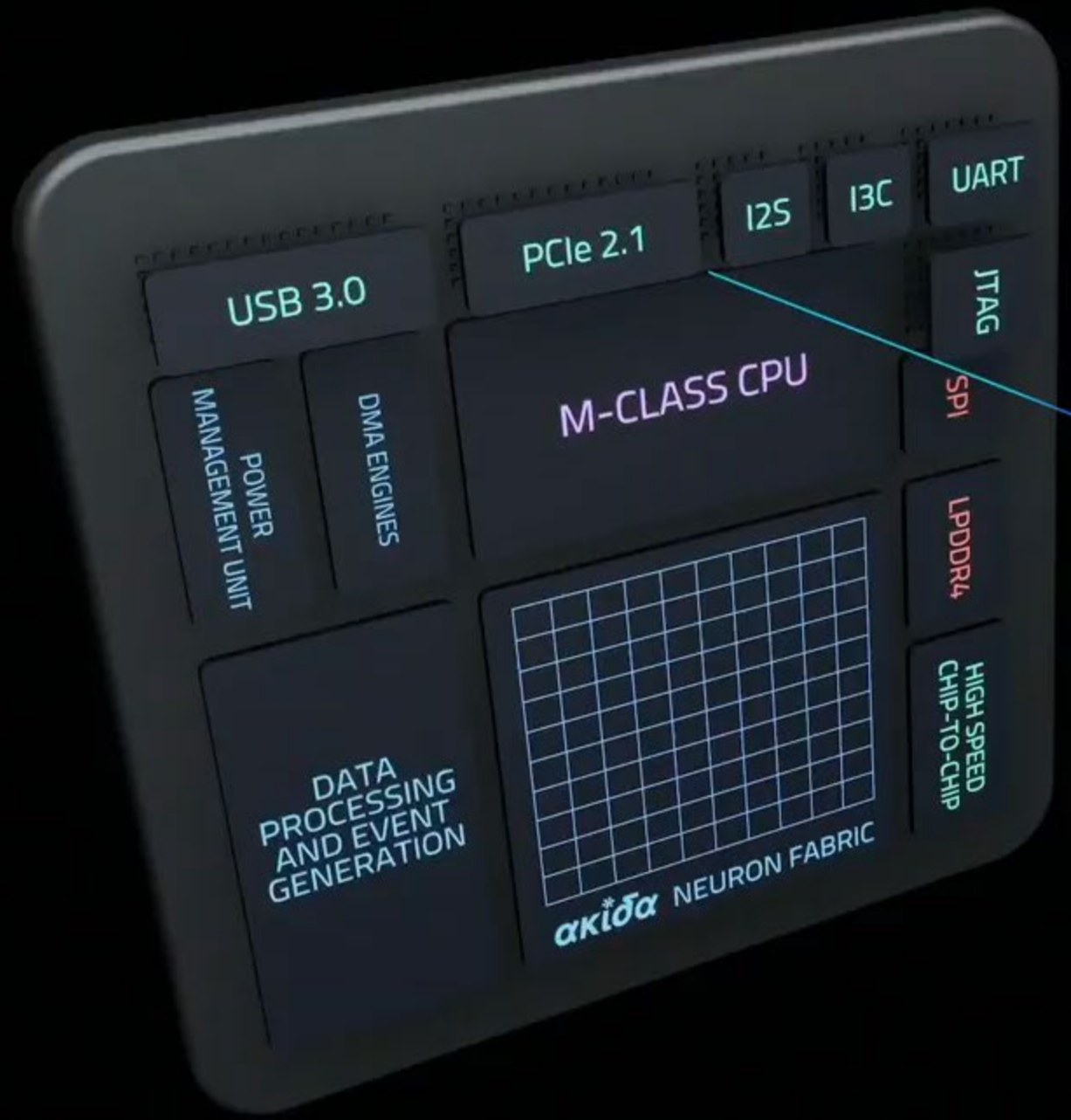


The Future Looks Bright

- Transitioning from a R&D Phase into Production and Sales
- Building a network of Design Partners (chip) and Solution Providers (modules)
- Producing First generation (beyond Engineering Samples)
- Driving Revenue by Licensing of the IP, chip sales. Module sales and royalties
- Gaining market share in chip manufacturing and sales
- Tracking IP sales and large accounts

Customer Engagement

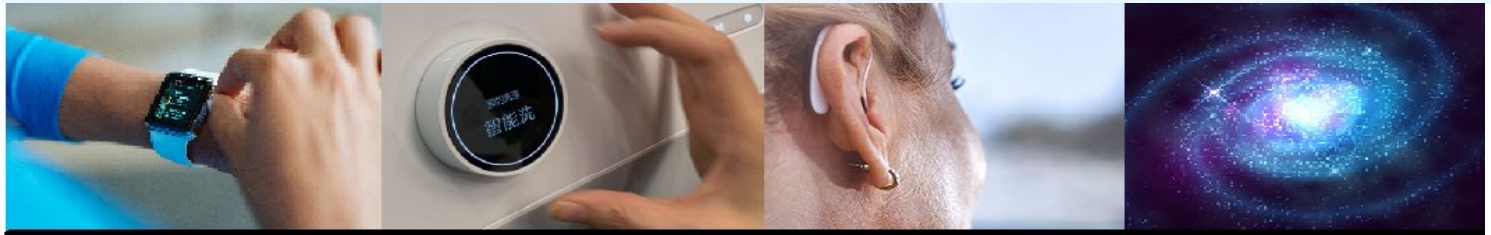
- Create awareness
- Consideration
- Evaluation
- Support
- IP Licensing
- Development and Testing
- Production and sales



Data Input Interfaces

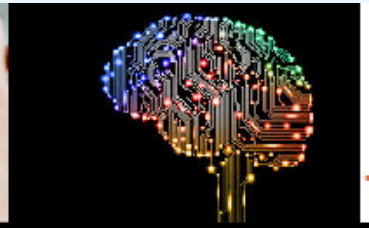
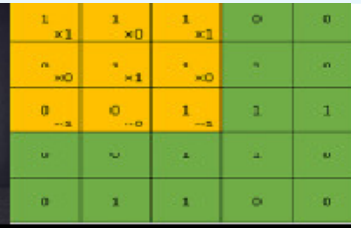
- PCI-Express 2.1 x2 Lane Endpoint
- USB 3.0 Endpoint
- I3S, I2C, UART, JTAG

Defining Industry Enabling Technologies

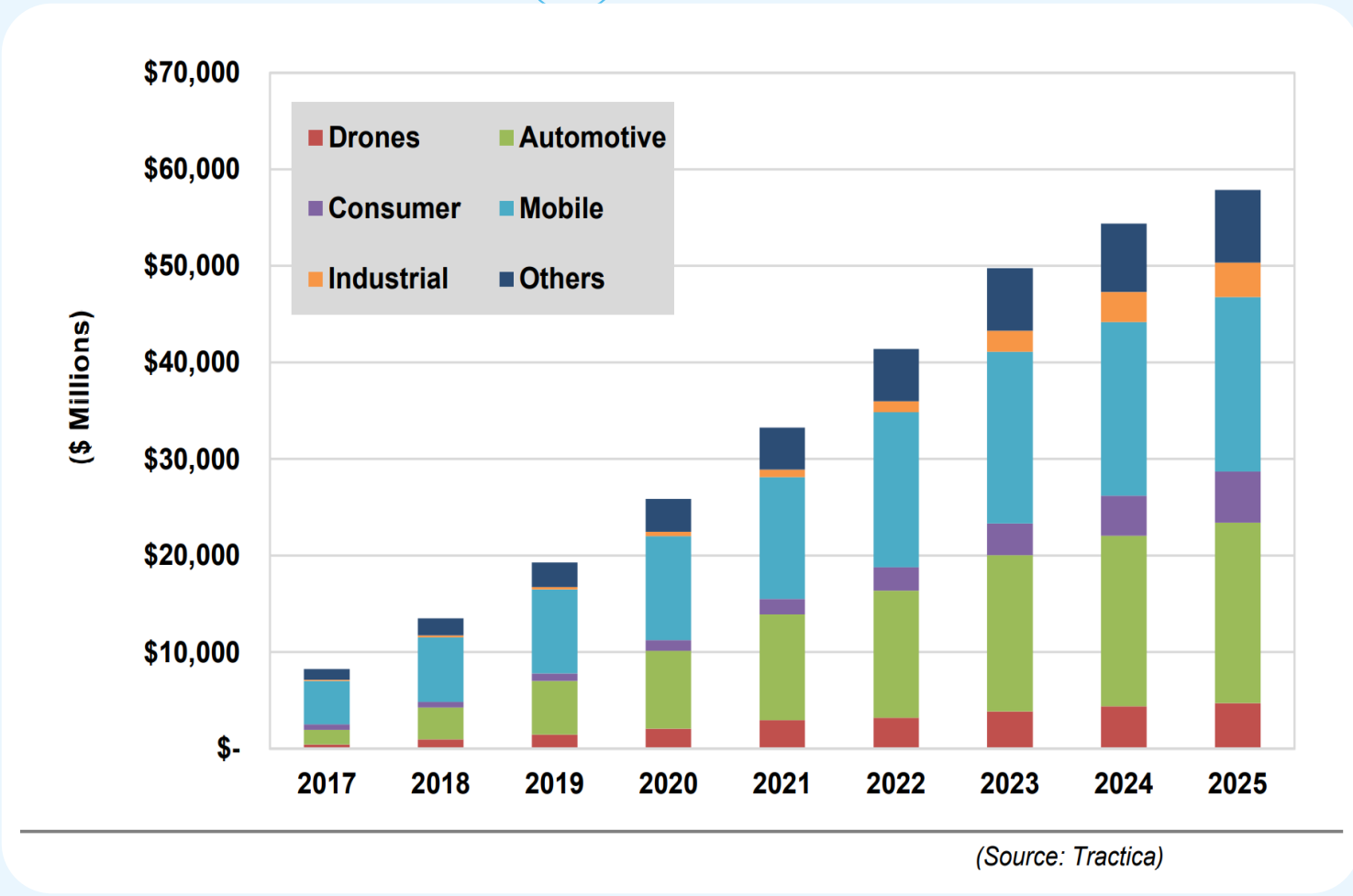


	WEARABLES	USER CONFIGURABLE	BATTERY OPERATED	REMOTE SENSING
Artificial Intelligence in every device	✓	✓	✓	✓
Autonomous machines		✓	✓	✓
Augmented reality	✓	✓	✓	
Home Appliances		✓	✓	✓
Security and Privacy	✓	✓	✓	✓

Competitive Analysis

	 Micro- to Mw Power use	 Real-time on-chip learning & training	 TensorFlow Compatible	 Stand-alone possible (No CPU required)	 On-chip Convolution
BrainChip Akida AKD1000	✓	✓	✓	✓	✓
IBM TrueNorth	✓	NONE	LEARN COREL		
Intel Loihi	✓	PROGRAMMABLE	LEARN NEF		
Google Coral TPU	2-5W	Math chip	✓		
DLAs (Nvidia, others)		Math chip	✓		

Edge Based Devices requiring AI - $60B by 2025



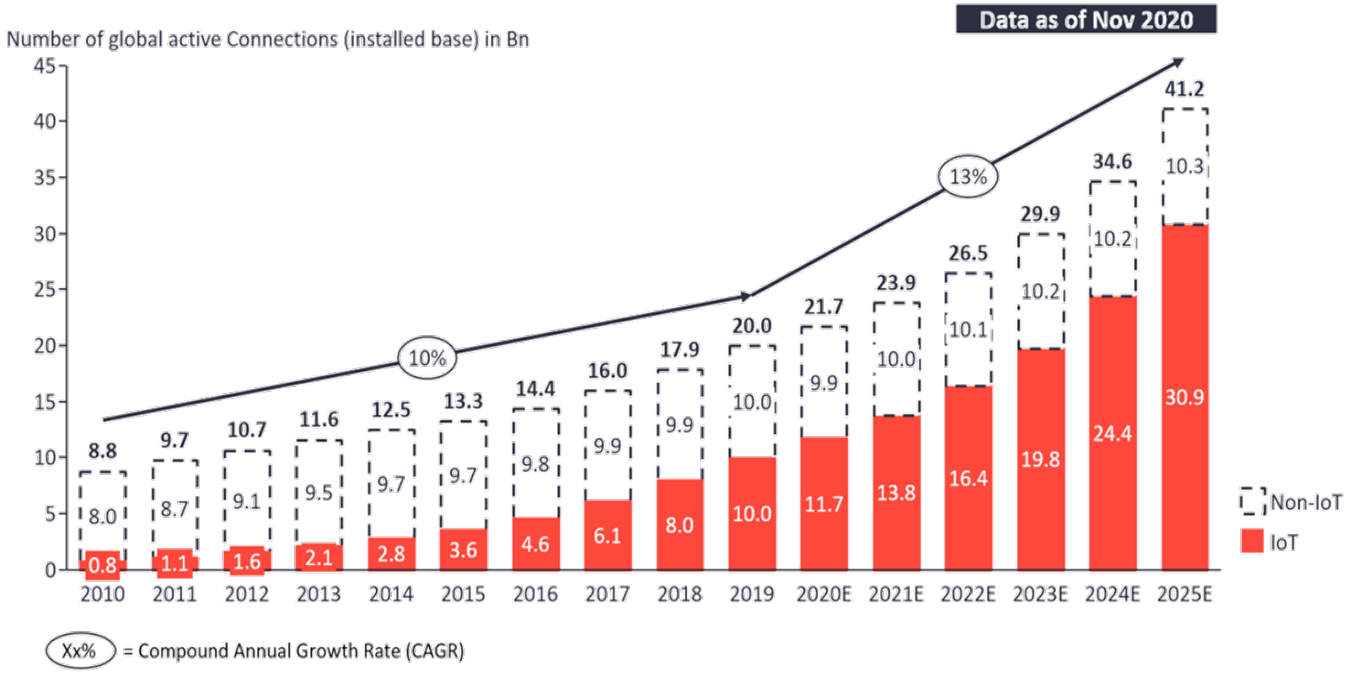
Edge AI Market
Forecasts (3rd party)

IOT ANALYTICS

Insights that empower you to understand IoT markets

Total number of device connections (incl. Non-IoT)

20.0Bn in 2019– expected to grow 13% to 41.2Bn in 2025

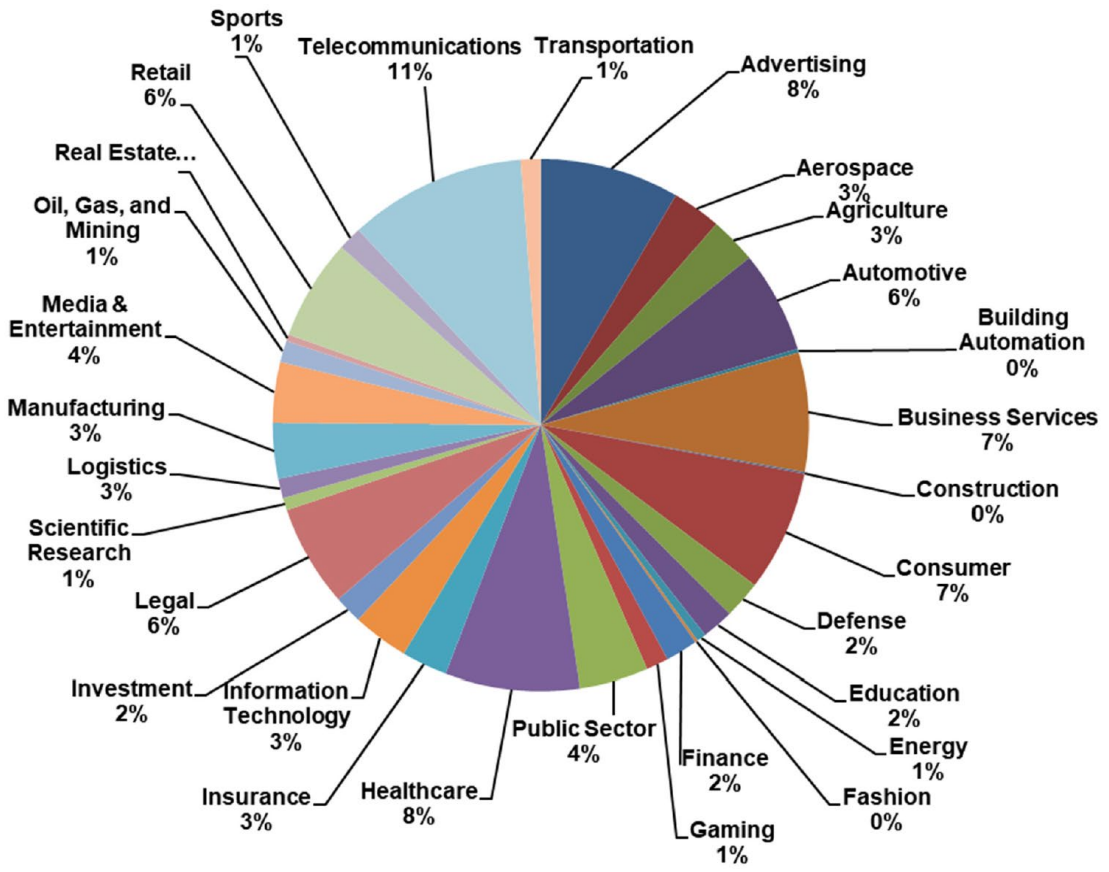


Note: Non-IoT includes all mobile phones, tablets, PCs, laptops, and fixed line phones. IoT includes all consumer and B2B devices connected – see IoT break-down for further details

Source(s): IoT Analytics - Cellular IoT & LPWA Connectivity Market Tracker 2010-25

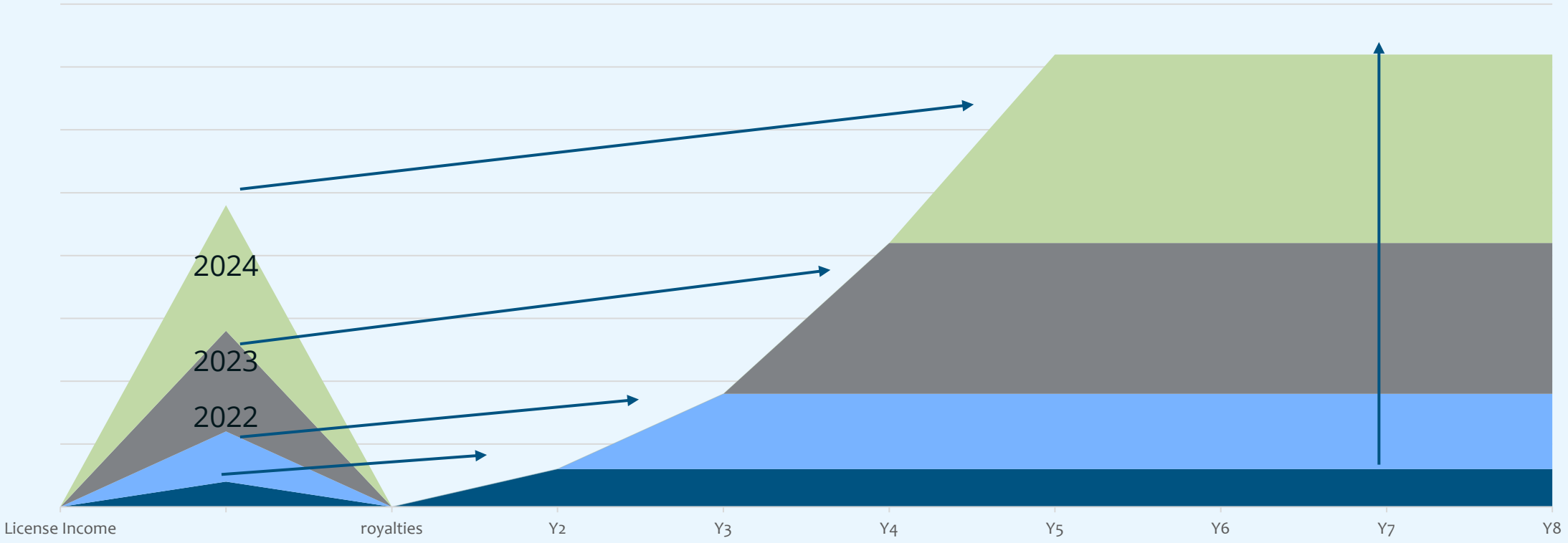
Edge AI Market
Forecasts (3rd party)

Chart 3.3 Artificial Intelligence Revenue Share by Industry, World Markets: 2025



(Source: Tractica)

Conceptual IP Licensing and Royalties Model



Up-front Licensing 2021-2024

Resulting Royalties escalate with multiple licenses 2022-2028

Investing in the Future

- **AKD1000**
  Advanced snn with convolution, on-chip learning, low power
  In production
- **AKD1500**
  Advanced snn with lstm and transformer networks
  In development & prototyping
- **AKD500**
  Low cost version of akd1000, consumer products
- **AKD2000**
  Optimized version of the akd1500 for lstm and transformers
- **AKD2500**
  Advanced snn for capsule networks and htm
- **AKD3000**
  Optimized akd2500 for recurrent cortical networks, capsule networks and htm
- **AKD4000**
  Cortical network processor with non-volatile memory

Investing in People

Investing in the
RIGHT PROCESSES AND VALUES
for attracting
and retaining
THE RIGHT PEOPLE

- New CEO search
- Atract additional New Board Members
- Growth of Sales and Marketing
- Growth of Engineering and Product Development
- Growth of Business Operations

BrainChip Investor Relations

- ASX 300 Index
- OTCQX Listing
- Opening the door for institutional investors
- Improving Communication with investors
- Appointed new Investor Relations Manager

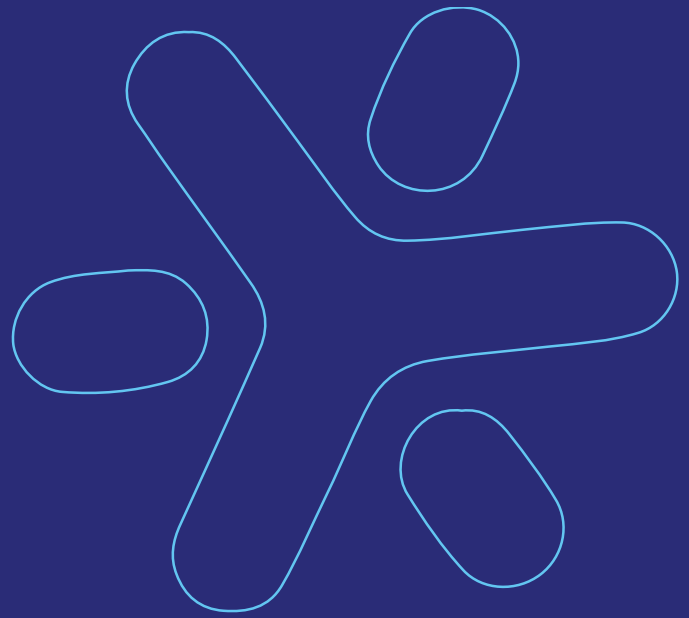
Summary: Unlocking the Future of AI

We don’t make the sensors
WE MAKE THEM INTELLIGENT

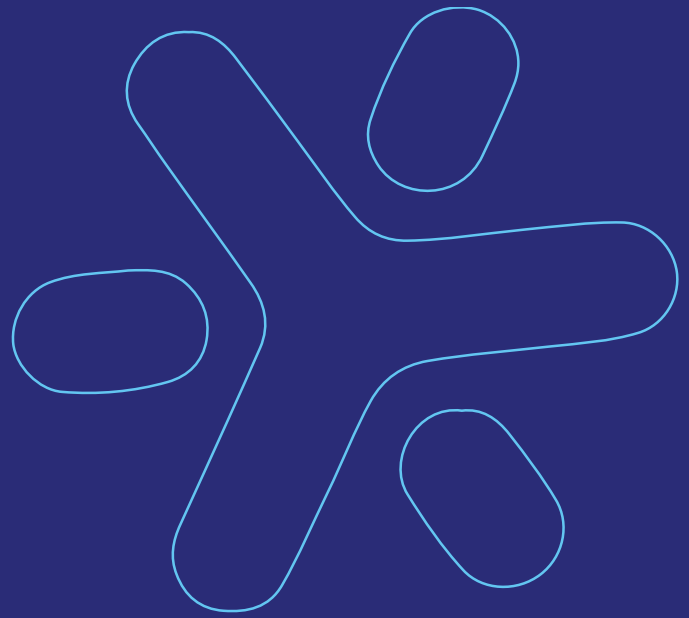
We don’t add complexity
WE ELIMINATE IT

We don’t waste time
WE SAVE IT

We solve the tough
Edge AI problems
OTHERS DO NOT OR CANNOT



Questions



Thank you

brainchip™