



## ASX Announcement

### **BrainChip Holdings Ltd Quarter Update Appendix 4C & Quarterly Activities Report for the period ended 31 March 2021**

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- Cash Balance as at 31 March 2021 US\$20M
  - BrainChip begins Volume Production of Akida™ AI Processor
  - BrainChip added to the S&P/ASX 300 index and the All Ordinaries
  - Company Appoints Peter van der Made as Interim Chief Executive Officer
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**Sydney, Australia – 28 April 2021** – [BrainChip Holdings Ltd](#) (ASX: BRN), a leading provider of ultra-low power high performance AI technology, today provides the following update in conjunction with its Appendix 4C lodged for the quarter ending 31 March 2021.

The Company ended the March quarter with US\$20.0M in cash compared to US\$19.1M in the prior quarter. Cash inflows included receipts from customers of US\$1.12M and proceeds from the exercise of options of US\$3.0M related to the LDA Put Option Agreement and employee stock option exercises.

During the quarter, the Company had net cash outflows from operating activities of US\$3.8M compared to US\$2.7M in the prior quarter. The increase in outflows was due to a milestone payment of US\$2.25M to a major supplier in advance of wafer fabrication for the production version of the Akida device.

Subsequent to the end of the quarter, the Company's design and manufacturing partner, Socionext, released the engineering layout of the production version of the AKD1000 chip to Taiwan Semiconductor Manufacturing Company. Production units are expected to be available for testing in the 3<sup>rd</sup> Quarter.

Other developments during the March ended Quarter:

12 March: BrainChip to be added to S&P/ASX 300 Index and the All Ordinaries effective 22 March 2021.

16 March: The Company appointed Mr. Peter van der Made to the position of Interim Chief Executive Officer to replace Mr. Louis DiNardo who left the Company. The Board of Directors

continues to conduct a thorough search for a highly qualified and seasoned permanent replacement.

16 April: The Company announced that it had changed its ticker symbol on the US OTC Market to BRCHP in conjunction with submitting an application to upgrade its US listed stock to the OTCQX, the highest quality tier offered by OTC Marketplace for investor-focused, US and international companies traded on a qualified exchange. The Company anticipates receiving approval within the next few weeks.

BrainChip currently has entities in Perth Australia, Aliso Viejo California (United States), Toulouse France and Hyderabad India. The Company continues to maintain strict cost controls, as well as adhering to travel restrictions and precautionary measures related to the COVID-19 pandemic.

The Company will continue to update the market on material events and maintain monthly Podcasts designed to inform all constituents of the Company's progress and industry trends.

The Company has reported payments of US\$253,000 to related parties and their associates at item 6.1 of the accompanying Appendix 4C. These payments comprise directors' fees for Non-Executive Directors and salaries for Executive Directors.



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

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## 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.

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Additional information is available at:

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