



ASX Announcement

BrainChip Holdings Ltd Completes Placement of Fully Paid Ordinary Shares

- Company places 103.96M Fully Paid Ordinary Shares and Raises A\$3.12M in Gross Proceeds
 - Use of Funds to support commercialisation of the Company's Akida™ Neural Network Processor
 - Cost reduction plan continues to support ongoing cash requirements
 - Akida wafer fabrication at TSMC has commenced and engineering samples are expected in early Q3 2020
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Aliso Viejo, California – 15 April 2020 – [BrainChip Holdings Ltd](#) (ASX: BRN), a leading provider of ultra-low power, high performance AI technology announced that the Company has placed 103.96M fully paid ordinary shares in accordance with listing rule 7.1A. The board of directors of the Company unanimously approved the transaction. Shaw and Partners acted as the lead manager of the transaction and the shares were placed with two institutional investors. The placement represents a 24.6% discount to the 15-day VWAP.

The proceeds from the placement will be used to support ongoing operational costs and the commercialization of the Company's products. The Company continues to execute on its cost reduction plans and has eliminated nonessential services and facilities, restricted travel as well as postponed hiring additional employees.

Louis DiNardo, BrainChip President and CEO commented, "While we feel positive about our product development drive and efforts to commercialize Akida IP, we are going through unprecedented and extraordinary times with a high degree of uncertainty as far as the global economy and equity markets are concerned. The support received from two high-quality institutional investors in this raise is further validation of our momentum in executing our strategic goals. The Board felt it was in the best interest of our shareholders and the Company to strengthen our balance sheet with this fund raise, along with our cost reduction measures, as we continue to drive Akida's commercialization."

Target customers for the Akida intellectual property are being pursued in many locations including the U.S., Europe, China, South Korea and Japan. Applications for the IP include automotive, smart sensors, IoT and smart home for vision, audio and physical data analytics in edge applications. Software and supporting hardware for the commercialization of the Akida device are in development and are expected to be completed when engineering samples are received in early Q3 2020.

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 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 inference and incremental learning. 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 an event domain neural network processor, 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 datacenter. The Akida neural processor is designed to provide a complete ultra-low power Edge AI network processor for vision, audio and smart transducer applications. The reduction in system latency provides faster response and a more power efficient system that can help reduce the large carbon footprint of data centers.

Additional information is available at <https://www.brainchipinc.com>

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