September 6, 2016

BrainChip Completes Acquisition of Spikenet

ALISO VIEJO, CA -- (Marketwired) -- 09/06/16 -- BrainChip Holdings Ltd (ASX: BRN) ("BrainChip" or "the Company"), announced today it has completed the acquisition of Spikenet Technology SAS ("Spikenet"), a revenue-producing, France-based Artificial Intelligence (AI) company and leader in computer vision technology, first announced by BrainChip on June 30, 2016.

The Company has issued 10,405,488 shares ("Consideration Shares") and paid EUR529,598 cash to the vendors of Spikenet ("Vendors") pursuant to a share sale agreement dated August 25, 2016 ("Share Sale Agreement") as consideration for the acquisition of 100% of the shares of Spikenet. The Consideration Shares were issued without disclosure under Part 6D.2 of the Corporations Act to the Vendors and as such a prospectus to comply with section 708A(ll) of the Corporations Act to remove any trading restrictions that may have attached to the Consideration Shares will be lodged by the Company shortly.

Pursuant to the Share Sale Agreement, some of the Vendors have agreed that their Consideration Shares (representing 7,570,607 Consideration Shares) will be voluntarily escrowed from the date of issue until the earlier of:

a. March 1, 2017; or
b. the date on which both:
    i. the offerer under a takeover offer in respect of all of the Shares announces that it has achieved acceptances in respect of more than 50% of the Shares; and
    ii. the takeover bid has become unconditional; and
    iii. the date on which the Company announces that the Shareholders have, at a court convened meeting of Shareholders, voted in favor, by the necessary majority, of a proposed scheme of arrangement under which all of the Shares are to be either cancelled or transferred to a third party.

An Appendix 3B in relation to these securities will also be lodged by the Company shortly.

"The acquisition of Spikenet fast-tracks the BrainChip development timeline in our push to create a range of innovative and world class computer vision products that hold the potential to deliver significant revenue streams for the Company," said BrainChip's Chairman Mick Bolto. "We welcome the Spikenet team in France to BrainChip."

About BrainChip Holdings Ltd (ASX: BRN)

BrainChip Inc, located in Aliso Viejo, CA, has developed a revolutionary new Spiking Neuron Adaptive Processor (SNAP) technology that has the ability to autonomously and rapidly learn and associate information just like the human brain. SNAP technology learns in seconds. This exemplifies a new level of machine learning that is expected to surpass deep learning, which requires days or weeks to train. The SNAP technology is fast, completely digital, and consumes very low power. Additional information is available by visiting www.brainchipinc.com.

About Spikenet

Spikenet, based in Toulouse, France, is an "Artificial Vision Specialist", using Spiking Neural Networks to create superior computer vision solutions. Spikenet provides tools and programs that are able to rapidly learn to recognize objects, people and anomalies. Spikenet's current products have been sold in the security, transport, media, industrial vision, and gaming sectors. Please visit www.spikenet-technology.com to learn more.

Forward Looking Statements

This press release may contain certain forward-looking statements and information, as defined within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and is subject to the Safe Harbor created by those sections. This material contains statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. Such forward-looking statements by definition involve risks, uncertainties and other factors, which may cause the actual results, performance or achievements of BrainChip Holdings Limited to be materially different from the statements made herein.

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