



## BrainChip Holdings Ltd June 2018 Quarter Update

- Subsequent to the end of the quarter the Company announced the Akida™ Development Environment
- Release of BrainChip Studio, the AI-powered video analysis software, adds auto-rotated models, Linux support and an API for easier systems integration
- Announcement with Veritone® Inc. (NASDAQ: VERI) of BrainChip Studio Integration as a Cognitive Engine with Veritone aiWare™ Software-as-a-Service (SaaS) and On-Premise Solution
- BrainChip Signs Bager Southern California as Exclusive Sales Representative for Southern California
- BrainChip Names James Roe Director of North American Sales
- BrainChip Announces Changes in Board of Directors Composition

**San Francisco – 30 July, 2018** BrainChip Holdings Ltd (“BrainChip” or the “Company”) (ASX: BRN), the leading neuromorphic computing company, is pleased to provide an update for the quarter ended 30 June 2018 to accompany the Company’s quarterly cash flow report.

Significant developments subsequent to the last quarter update include: the introduction of the Akida™ Development Environment (ADE), the successful demonstration of BrainChip’s AI based video analytic solution with Gaming Products International’s Automated Table System (ATS) at the G2E conference in Macau, the integration of BrainChip Studio with Veritone’s (NASDAQ: VERI) aiWare Software-as-a-Service (SaaS) based video analytic platform, the addition of Bager Sales as the Company’s first manufacturer’s representative in the US, and the addition of James Roe as Director of North American Sales.

### **Markets**

Automotive developments continue with multiple multinational companies; both automotive manufacturers and third-party suppliers. Engagements include BrainChip Studio and Accelerator, as well as Akida for Autonomous Vehicle (AV) developments and Advanced Driver Assisted Systems (ADAS).

Civil Surveillance and Public Safety engagements have increased significantly in the US, Europe and Australia as the Company’s sales organization has been expanded to include end-user coverage in all major markets.



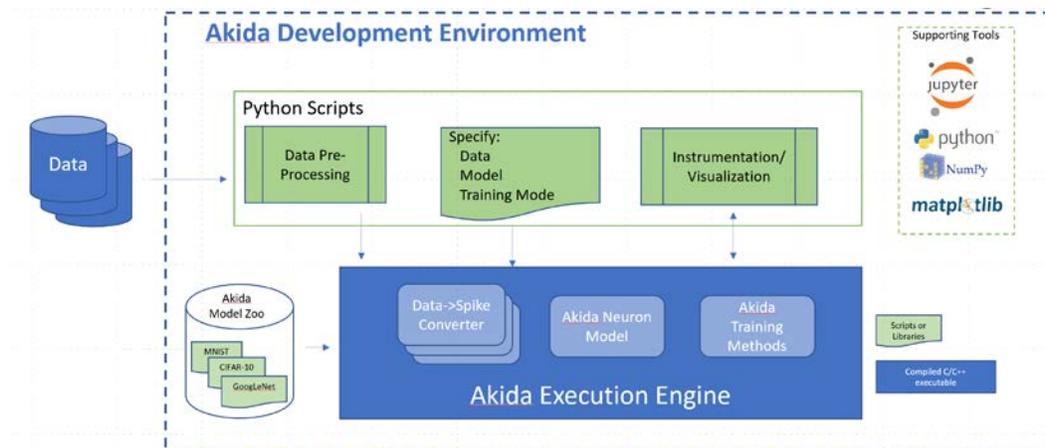
Gaming Products International joint development continues on schedule and was well received by customers at the Macau G2E Conference in May 2018. Customer trials are expected during the September quarter and the product will be further showcased at the October G2E Conference in Las Vegas.

The Company's initial dialogue for Akida deployment in Agricultural Technology (AgTech) is progressing and a memorandum of understanding (MOU) is in the process of negotiation with the first customer engagement. Ongoing dialogue for Akida deployment in Financial Technology (FinTech) also is progressing well with the first customer engagement.

The Company's initial dialogue in Cybersecurity is progressing and the Company expects to acquire significant intellectual property based on a Spiking Neural Network (SNN) implementation this quarter.

## Products

The Akida Development Environment was released on 24 July 2018. The ADE includes a data-to-spike converter for pixel based vision systems and will evolve as the Company works with early adoption customers to include incremental converters. Following the ADE announcement, the Company plans to provide an Architectural Announcement which will include details of the Akida design and performance benchmarks. The announcement will be followed by an editorial roadshow in Europe and the United States. The Company will present Akida to editors in London and Munich on 4 and 5 September 2018. The United States editorial roadshow will follow later in September 2018.





## **Technology**

The Akida software kernel and learning rules continue to mature. The kernel currently has been implemented to demonstrate three industry standard image benchmarks; CIFAR10, MNIST and GoogleNet. The Company has demonstrated the Akida software kernel with a DVS camera and has implemented multilayer SNNs.

The Akida device is a complete Neuromorphic System-on-Chip (NSoC) and represents over a decade of work by Peter van der Made and our engineering team. The Company expects to move to an FPGA hardware implementation on schedule during the third quarter of 2018. Porting existing Convolutional Neural Networks (CNNs) to SNNs opens a large and immediate market while other learning modes (Autonomous Supervised and Unsupervised) support future use cases.

## **Cash Flow**

The Company finished the June 2018 quarter with a cash balance of US\$11.9M. Cash receipts for the quarter were US\$301,000. Headcount at the end of the quarter was 28 fulltime employees and three fulltime contractors in sales and marketing.

The Company invoiced SNTech US\$609,135 based on the existing Licensing and Development Agreement and expected cash to be received in the quarter. SNTech has disputed the invoice and the Company is taking all necessary steps to ensure that the invoice is paid in full.

## **Outlook**

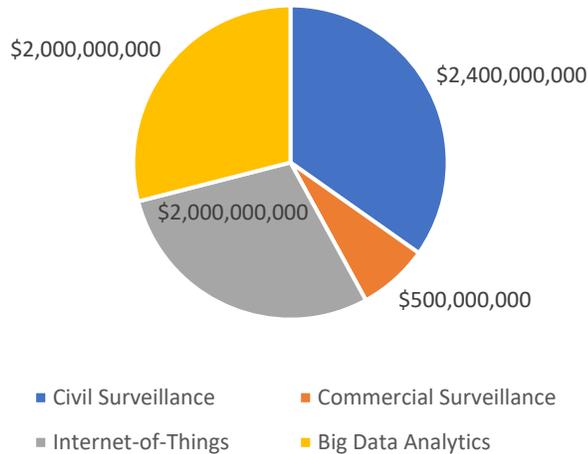
Going forward, the Company expects sales growth with OEMs, System Integrators and other partners in the September quarter of 2018.

The Company's sales pipeline continues to grow and now includes over 500 leads, 55 qualified opportunities and 16 design wins. The Company currently supports approximately 30 committed or active trials for which most are covered by Non-Disclosure Agreements.

Below are graphic representations of the Company's Served Available Market (SAM) and the potential Share of Market (SOM), which represents the annual potential revenue based on publically available market data and Company estimates.



## SERVED AVAILABLE MARKET (SAM) US\$\*



\*Statista 2016 Report and Company Estimates

### Safe Harbor Statement

This press release and the accompanying Appendix 4C contains forward-looking statements, which address a variety of subjects including, for example, our statements regarding expected, including expected growth rates, expected product offerings, 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 or projections.

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

BrainChip Holdings Ltd is the leading neuromorphic computing company solving complex problems with customers and partners that make the world a more productive place and improve the human condition. The Company has developed a revolutionary new spiking neural network technology that can learn autonomously, evolve and



associate information just like the human brain. The technology, which is proprietary, is fast, completely digital and consumes very low power. [www.brainchipinc.com](http://www.brainchipinc.com).

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