An abstract graphic of a hand with glowing circuitry. The hand is rendered in shades of blue and black, with a bright yellow and orange glow emanating from the palm area. The background is a light blue grid pattern.

Louis DiNardo
President and CEO

Ryan Benton
Chief Financial Officer

September Quarter
Update

Presented November
2017

brainchip 

ASX CODE: BRN | “AN AI PROCESSOR COMPANY”

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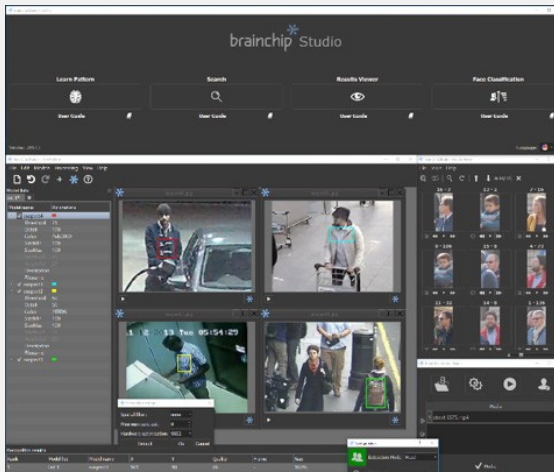
September Quarter Update

- **BrainChip Studio Software Introduced as Commercially Available on 17 July 2017.**
- **BrainChip Accelerator Introduced as the First Neuromorphic Hardware Solution for Facial and Pattern Recognition on 10 September 2017.**
- **Appointment of Ryan A. Benton as CFO of BrainChip Inc. on 15 August 2017 and subsequent appointment as CFO of BrainChip Holdings Ltd in October 2017.**
- **Post Quarter-End, BrainChip selected to provide Video Analytics in a new large-scale French municipal deployment.**
- **Post Quarter-End, BrainChip reaches Agreement with Shareholders to Escrow 403 million Ordinary Shares..**
- **Post Quarter-End, BrainChip Completed a Capital Raise of AU\$21.5M to support the ongoing Development of AKIDA™ Neuromorphic Processor Unit, with broad-reaching general purpose applications.**

September Quarter Update

➤ BRN's existing video analytics products are ready to scale with a high-margin Annuity Revenue Model.

➤ **BrainChip Studio software was released July 2017.** BrainChip Studio aids users to rapidly search vast amounts of video footage for identifying patterns or faces. This proprietary, standardized software solution is highly scalable and applicable to a range of surveillance applications.



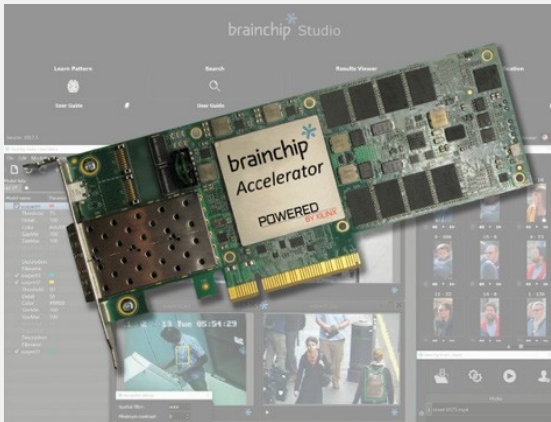
brainchip Studio



- Forensic video search of Objects and Facial Detection, Extraction and Identification
- Uses existing video surveillance equipment including low resolution and noisy environments
- Rapidly search live or exabytes of recorded video for objects across multiple video sources
- Inexpensive solution vs. prohibitively expensive approach to “classify” all video using deep learning

September Quarter Update

- **BRN's existing video analytics products are ready to scale with a high-margin Annuity Revenue Model.**
- **BrainChip Accelerator hardware was released September 2017.** BrainChip Accelerator is a complementary hardware solution that allows more rapid product deployment and generation of annuity revenues (upfront camera sales with annuity software support and maintenance revenue).



brainchip *Accelerator*

- First commercial deployment of hardware-accelerated neuromorphic computing
- Enables 16+ channels of simultaneous video processing
- Up to 6x speed boost to BrainChip Studio Performance
- 7x more efficient than GPU-accelerated deep learning
- 600+fps rapidly Search previously recorded video

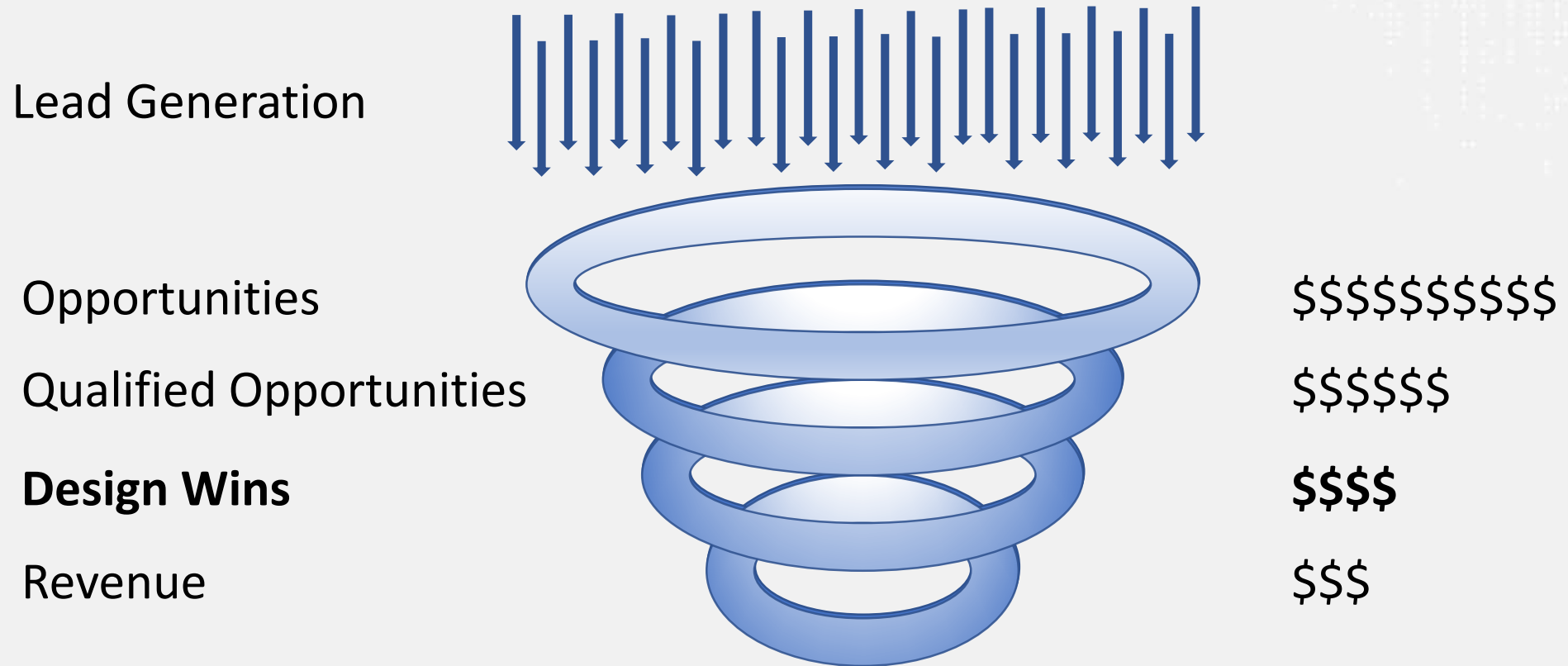
September Quarter Update

- **Post Quarter-End, BrainChip reaches Agreement with Shareholders to Escrow 403 million Ordinary Shares. Seven major shareholders return ordinary shares to escrow**
 - **Demonstration of long-term commitment to BrainChip**
- **Post Quarter-End, BrainChip Completed a Capital Raise of AU\$21.5M to support the ongoing Development of AKIDA™ Neuromorphic Processor Unit, with broad-reaching general purpose applications.**
 - **Certainty of Execution**
 - **Preservation of Shareholder Value**
 - **Quality Institutional Investors**
 - **After-Market Support**

September Quarter Update

- ↗ **Capital Efficient Go-to-market Strategy.** Growth with existing customers, and sales through OEMs, Integrators, and Partners will reduce the time and capital required to build large direct sales force.
 - ↗ **Original Equipment Manufactures (OEMs)**
 - ↗ **Camera Manufacturers**
 - ↗ **Video Management System (VMS) Suppliers**
 - ↗ **Storage Supplier**
 - ↗ **System Integrators**
 - ↗ **Regional**
 - ↗ **National**
 - ↗ **Partners**
 - ↗ **Value Added Resellers (VARs)**
 - ↗ **Distributors**

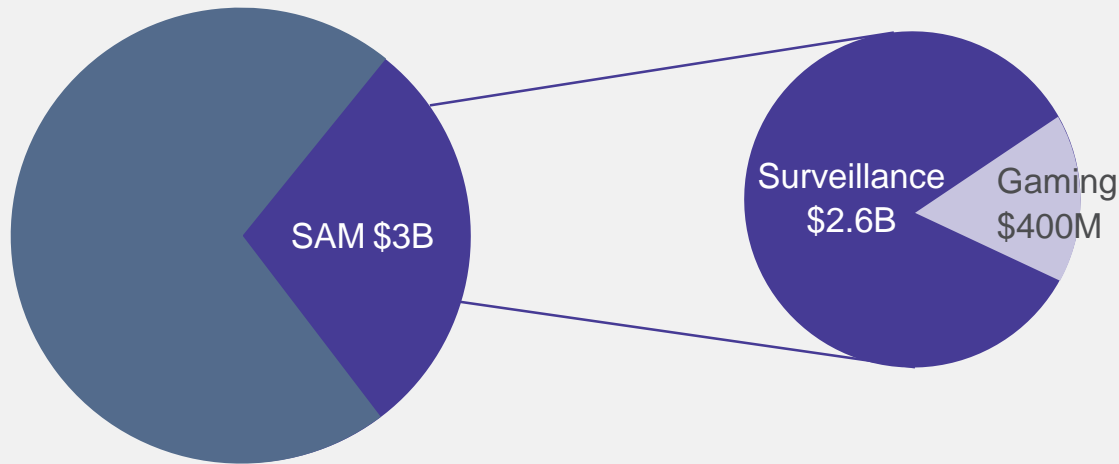
SALES FUNNEL



Video Analytics Market Size

TAM: \$11.2B (2022)*

SAM: \$3B**



Software and Hardware Solutions deployed to validate technology architecture with marquee but demanding customer base.

* Source: Markets and Markets

** Source: Homeland Market Research, Company estimates

- Applications: Homeland Security, Law Enforcement, Schools, Drones, Satellites, Gaming, Advanced Driver-Assisted Systems “ADAS”
- Pricing Model: combination up up-front license fees (e.g. \$ per camera) and annual maintenance fee or SAAS model (e.g. gaming customers are typically charged \$ per table per day)
- Go-to-market Strategy: Sell through OEMs, Integrators, and other Partners provides efficient Sales and Distribution channel.

September Quarter Update

↗ **Civil Surveillance**

↗ Paris Municipal Police

↗ France National Police

↗ Toulouse Municipal Transit

↗ Other Deployments

↗ France

↗ Education

↗ **Commercial Surveillance**

↗ Gaming/Casino

↗ Cisco

↗ **Visual Inspection**

↗ Safran

AKIDA™ Neuromorphic Processor Unit (NPU)

Product Description

- General Purpose Processor based upon Patented (2008) Spiking Neural Network
- Fully parallel architecture

Training Method

- Unsupervised Learning – Trains itself to recognize patterns

Specifications

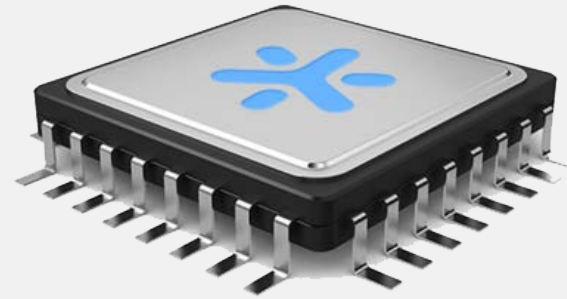
- 8x more neurons than competitive test chips
- 13x more synapses than competitive test chips
- Ultra-low Power

Development Overview

- Milestones: FPGA early 2018, Dedicated Silicon late 2018

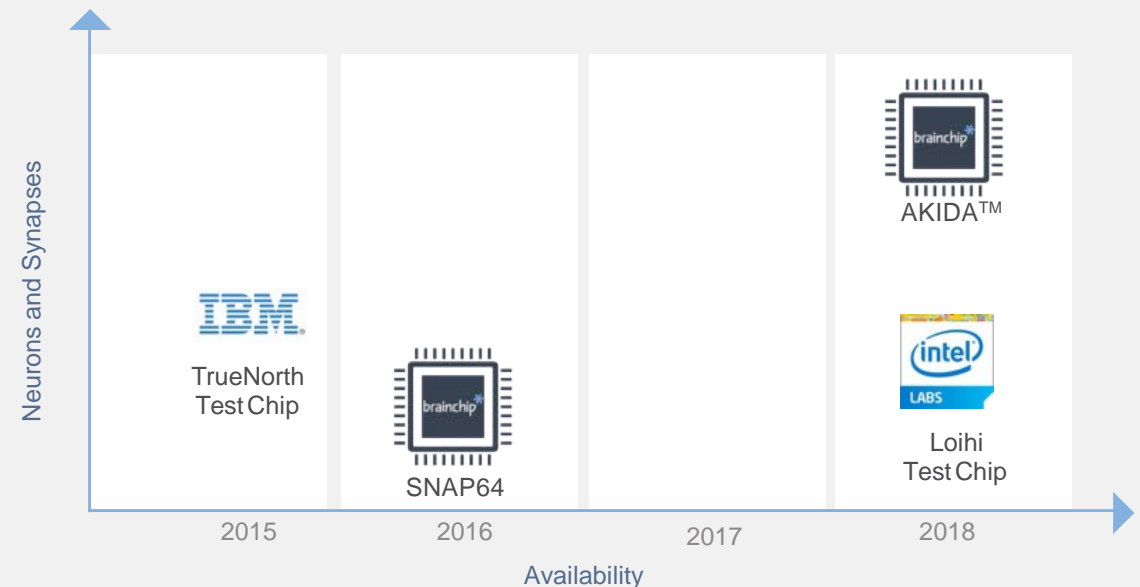
End Market Applications

- Robotics
- Gaming
- ADAS/Autonomous Vehicles
- Drones & Air Transport
- Surveillance & Cyber Security
- Speech & Image Recognition
- Stock Market Forecasting



**AKIDA™ SAM:
\$4.8 Billion***

- The Neuromorphic Chip Market is estimated to be worth \$4.8 Billion by 2022 with a CAGR of 26.31% between 2016 and 2022. Source: Markets and Markets 2015 Report



Intellectual Property

➤ 1 foundational patent granted

- Patent 8,250,011 – Autonomous Learning Dynamic Artificial Neural Computing Device and Brain Inspired System.
- This is the first patent (Filed 2008) in the industry related to Neural Computing.
- Patent citations are accelerating (see table to right) – a leading indicator of the value of this patent and a sign for a growing market.

➤ JAST patents licensed exclusively and perpetually

➤ 6 patents currently pending

➤ Multiple patents being drafted

Leading Companies Citing BrainChip Patent 8,250,011	Cites
IBM	17
Qualcomm	14
Samsung Electronics	1
Postech Foundation	1
Hewlett Packard	1
HrL Laboratories	1

Multiple Growth Options

➤ Existing Video Analytics Products

- **Growing existing customer relationships with annuity revenues** - Annuities are expected to grow, with hardware sales including software maintenance & support sales.
- **New customers in existing segments** - Existing segments include law enforcement, national security and gaming.
- **New market segments** - Multiple new segments with large, global markets exist (e.g.. Machine vision, data analysis). Opportunities exist to grow OEM relationships via Rockwell Collins, Safran and others.

➤ Revolutionary AI Processor AKIDA™ has potential to be market leader in emerging market.

- **BRN is market Leader in Spiking Neural Networks Technology.** BRN's patented intellectual property protects its market position.
- **AKIDA™ Processor is in development and expected to be available to sample in 2018.** Application across a wide range of large industries, including robotics, surveillance and automotive.



Q & A