



ASX Announcement

BrainChip Holdings Announces Second Amendment to Financial Instrument

Company has agreed to an extension of the Put Option Agreement with LDA Capital LLC

Sydney – 13 October 2021: BrainChip Holdings Ltd (ASX:BRN, OTCQX:BRCHF), a leading provider of ultra-low power high performance AI technology today announced that the company has entered into a second amendment to the previously announced Put Option Agreement (POA) with LDA Capital LLC (LDA Capital).

The Company and LDA Capital have agreed to an amendment that will provide the company with access to capital when necessary, until December 2023 and increases the total available funding under the agreement to AU\$65M (Total Commitment Amount).

This amendment allows the company to defer its remaining \$5.3M draw-down obligation until 28 February 2022, which was previously due under the first amendment ("First Draw Down Period") of the agreement expiring on 22 October 2021. Upon completion of the first draw-down period, a second draw-down period becomes effective immediately and requires the company to draw-down an additional \$15M by 31 December 2022 ("Second Draw-Down Period"). A Third draw-down period, also with a \$15M minimum draw-down obligation begins on the 1st January 2023 and ends on the 31st December 2023.

Any issue of Shares by the Company under the First, Second and Third Draw Downs described above are expected to be issued under the Company's Listing Rule 7.1 placement capacity and any issue of Shares by the Company as a result of capital calls above the Minimum Draw Down Amount, will be subject to the Company's available placement capacity at the time and otherwise any required regulatory and shareholder approvals.

The pricing formula used to determine LDA's purchase price for shares placed under the second and third draw down periods increases from 90% of the average of the daily VWAPs per the original agreement to 91.5% of the average of the daily VWAPs throughout the pricing period.

No additional fees or options are due under the amendment.

BrainChip CFO Ken Scarince commented, "We have been very pleased with the LDA Capital relationship and look forward to working with their team to finance the Akida™ commercialisation strategy and to support the development of successive generations of our industry leading technology. In order to keep our substantial lead in the edge AI market, we will continue to aggressively invest in our technology"

Anthony Romano, Managing Partner of LDA Capital added, "LDA is delighted to extend our long-term financing partnership with Brainchip. Brainchip's Akida technology is a long overdue disruption to the Edge AI technology market and LDA will continue to meet the evolving financing needs of BrainChip through commercialization".



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 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 centre. 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 centres.

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

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Company contacts:

Tony Dawe

tdawe@brainchip.com

[+61 405 989 743](tel:+61405989743)

Ken Scarince

kscarince@brainchip.com

[+1 \(626\) 415-8848](tel:+16264158848)