

BrainChip Holdings Ltd announces A\$25m equity capital raising

- Company completes fully underwritten A\$20m institutional placement (“**Placement**”) and A\$2m sale of existing securities from LDA Capital (“**Existing Share Sale**”)
 - Non-underwritten share purchase plan (“**SPP**”) to raise up to an additional A\$3m
 - Use of funds to support commercialisation of the Company’s Akida™ 2.0 technology and development of the TENNs algorithm
 - Current Put Option Agreement (“**POA**”) obligation with LDA Capital LLC (“**LDA Capital**”) now fulfilled
 - Appointment of Steven Brightfield as Chief Marketing Officer and two key advisors to newly reconstituted Scientific Advisory Board
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Sydney – 25 July 2024 – [BrainChip Holdings Ltd](#) (ASX: **BRN**, OTCQX: **BRCHF**, **BCHPY**) (“**BrainChip**”, or the “**Company**”), the world’s first commercial producer of neuromorphic artificial intelligence IP, announces an equity capital raising of up to A\$25 million.

The equity capital raising comprises a fully underwritten institutional placement to professional and sophisticated investors to raise approximately A\$20 million (before costs), a fully underwritten sale of existing securities from LDA Capital equating to approximately A\$2 million (before costs) and a non-underwritten share purchase plan (SPP), to be offered to eligible shareholders with a registered address in Australia and New Zealand, to raise up to an additional A\$3 million (before costs).

The Placement, Existing Share Sale and SPP will be conducted at a price of A\$0.193 per share (“**Offer Price**”), representing a:

- 3.5% discount to the last close of A\$0.20 per share on 22 July 2024;
- 4.5% discount to the 5-day VWAP of A\$0.2022 per share up to and including 22 July 2024; and
- 4.0% discount to the 10-day VWAP of A\$0.2011 per share up to and including 22 July 2024

The Placement and Existing Share Sale will comprise of approximately 113.4 million Shares to raise A\$22m, comprising the issue of approximately 103.2 million new shares, representing approximately 5.6% of existing BrainChip shares on issue and falling within the Company’s existing placement capacity under ASX Listing Rule 7.1, and approximately 10.1 million existing

issued shares that will be transferred from LDA Capital. New shares issued under the Placement will rank equally with existing BrainChip shares as at their date of issue.

Proceeds from the equity capital raising will be used to support commercialisation of the Company's Akida™ 2.0 technology and the development, commercialisation and productisation of the Company's new TENNs product, which represents the next evolution in BrainChip's product portfolio and builds on its existing leadership position in the field of neuromorphic technology.

Please refer to the Investor Presentation lodged on the ASX on Thursday 25 July 2024 for additional information.

Unified Capital Partners Pty Ltd (UCPS) are acting as sole lead manager, sole bookrunner and sole underwriter on the Placement and Existing Share Sale.

Share Purchase Plan

BrainChip will also offer eligible shareholders the opportunity to participate in a non-underwritten SPP to raise up to A\$3 million. Under the SPP, shareholders who have a registered address in Australia and New Zealand on BrainChip's register at 7:00pm (Sydney time) on 24 July 2024 will have the opportunity to apply for up to a maximum of A\$30,000 of new shares free of any brokerage, commission or transaction costs. New shares issued under the SPP will be issued at the Offer Price of the Placement, being A\$0.193 per share and will rank equally with existing BrainChip shares on issue as at their date of issue.

BrainChip Chief Executive Officer, Sean Hehir said:

"I am very pleased with the outcome from this capital raise, which will allow BrainChip to continue its efforts to bring Akida 2.0 to market as well as develop new products based on our TENNs algorithm that will compliment and accentuate the strengths in our core Akida technology. We are also very pleased to have received the support of a number of quality Australian institutional investors, and to be able to offer our retail investors the opportunity to invest on the same terms through the SPP. At our AGM in May, shareholders made it clear they wanted us to consider adding an SPP into any future capital raise. We heard that message loud and clear, and we have added an SPP into this placement precisely for that reason."

An indicative timetable of key dates in relation to the SPP is set out below:

Event	Date
Record date for SPP	24 July 2024
SPP offer opens and SPP documents made available to shareholders	1 August 2024
SPP offer closes	15 August 2024
SPP results announced	19 August 2024
Allotment of SPP shares issued under the SPP	22 August 2024

Put Option Agreement obligation with LDA Capital now fulfilled

In conjunction with the equity capital raising, BrainChip has also fulfilled its current obligations and any rights of the counterparties under the 2020 Put Option Agreement between the Offeror, LDA Capital Limited and LDA Capital LLC. These current obligations have been fulfilled under the terms of the Agreement through the payment by Brainchip of an Early Buyout Fee to LDA Capital of \$371,000. Although all obligations have been met, the agreement remains intact and available for additional capital raises should the company choose to do so until 31 December 2024 at which time the term of the agreement as stated in the Third Amendment to the Put Option Agreement ends.

Appointment of Chief Marketing Officer

BrainChip is very pleased to announce the appointment of Mr. Steven Brightfield to the position of Chief Marketing Officer (CMO) and as a member of the Executive Leadership Team. Steven was previously the Head of Marketing at SiMa.ai and has enjoyed a very successful career within the tech sector, gaining exposure to a wide variety of innovative AI technology. Steven holds a Bachelor of Science in Electrical Engineering from Purdue University and brings with him a tremendous depth of tech industry knowledge and contacts within the AI industry. One of Steven's first priorities will be to oversee the development of a marketing strategy for the new TENNs product and integrate it into the marketing strategy for the Akida technology platform.

BrainChip Chief Executive Officer, Sean Hehir said:

"On behalf of BrainChip, I warmly welcome Steven to our Company, and I look forward to the contribution he will make as CMO in spearheading our commercial strategy going forward, and also his contribution as a leader within our Executive team. Steven is an outstanding world-class appointment and his willingness to join BrainChip demonstrates our ability to continually attract the very best talent to our Company."

Appointments to the Scientific Advisory Board (SAB)

BrainChip is pleased to announce that Non-Executive Director Mr. Peter van der Made, BrainChip's founder and former CTO, has accepted an appointment to the Brainchip Scientific Advisory Board.

The SAB provides independent advice and expert consultation at the request of BrainChip's executive team regarding scientific and technical aspects of the company's short-and long-term commercial goals. The SAB also reviews and evaluates the research and development programs of BrainChip.

Joining Peter on the SAB are newly appointed members, Dr Jason Eshraghian and Dr. André Van Schaik.

Dr. Eshraghian is an Assistant Professor with the Department of Electrical and Computer Engineering, University of California, Santa Cruz. He serves as the Secretary of the Neural Systems and Applications Technical Committee. Dr. Eshraghian is the developer of snnTorch, a widely used Python library with more than 150,000 downloads used to train and model spiking neural networks, and his lab developed several high-profile language models, including SpikeGPT, and the MatMul-Free LLM.

Dr. Van Schaik is a pioneer in the field of neuromorphic engineering. He is a professor of electrical engineering at Western Sydney University and director of the International Centre for Neuromorphic Systems. His research focuses on neuromorphic engineering and computational neuroscience. Dr.

Van Schaik has authored more than 300 publications, invented more than 35 patents, and is a founder of four start-up companies: VAST Audio, Personal Audio, Heard Systems, and Optera.

BrainChip Chief Technology Officer Tony Lewis said:

“Our newly reconstituted Scientific Advisory Board is a formidable group of academics and entrepreneurs at the highest levels of scientific research, who have also produced remarkable business outcomes in our field. Their insight and wisdom will help BrainChip from advanced research to product enhancements. I am eager to work with Jason and André as part of this newly envisioned SAB to leverage their academic and market-focused expertise.

As a consequence of these new appointments, the former members of the SAB, Dr Barry Marshall, Dr Allen Harvey and Mr Adam Osseiran have stepped down from their roles. On behalf of all the team at BrainChip, I extend our sincere gratitude and appreciation to these eminent and respected scientists for their guidance, wisdom, service and support over many years.”

This announcement is authorised for release by the BRN Board of Directors.

About BrainChip Holdings Ltd (ASX: BRN)

BrainChip is the worldwide leader in edge AI on-chip processing and learning. The Company's first-to-market neuromorphic processor, Akida™, mimics the human brain to analyse only essential sensor inputs at the point of acquisition, processing data with unparalleled efficiency, precision, and economy of energy. Keeping machine learning local to the chip, independent of the cloud, also dramatically reduces latency while improving privacy and data security. In enabling effective edge compute to be universally deployable across real world applications such as connected cars, consumer electronics, and industrial IoT, BrainChip is proving that on-chip AI, close to the sensor, is the future for its customers' products as well as the planet. Explore the benefits of Essential AI at www.brainchip.com.

Additional information is available at:

<https://www.brainchipinc.com>

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