BrainChip Partners with MegaChips to Develop Next-Generation Edge-Based AI Solutions

Laguna Hills, Calif. – 21 November 2021 – BrainChip Holdings Ltd (ASX: BRN), (OTCQX: BCHPY) a leading provider of ultra-low power high performance artificial intelligence technology and the world's first commercial producer of neuromorphic AI chips and IP, today announced that MegaChips, a pioneer in the Application Specific Integrated Circuit (ASIC) industry, has entered into a multi-year license agreement for the BrainChip Akida™ IP to enhance and grow its technology positioning for next-generation, Edge-based AI solutions.

A multibillion-dollar global fabless semiconductor company based in Japan, MegaChips provides chip solutions that fulfill various requirements, including low power consumption, cost and time to market, while achieving breakthrough functions and performance by fusing knowledge of Large Scale Integrations and applications for problems in device development. By partnering with BrainChip, MegaChips is able to quickly and easily maintain its industry innovator status by supplying solutions and applications that leverage the revolutionary Akida technology to high growth markets such as automotive, IoT, cameras, gaming and industrial robotics.

The four-year agreement provides MegaChips with an intellectual property license for use in designing and manufacturing BrainChip's Akida technology into external customer's system on chip designs. In exchange for the IP and certain engineering services, BrainChip will receive an upfront license fee and additional payments over the term of the agreement. BrainChip is also eligible to receive additional compensation based on engineering efforts, software support fees and royalties associated with MegaChip's customer engagements. This agreement provides BrainChip access to a significant portfolio of world class customers and opens up new global opportunities for the Akida technology.

BrainChip's Akida technology brings artificial intelligence to the edge in a way that existing technologies are not capable. The solution is high-performance, small, ultra-low power and enables a wide array of edge capabilities. Due to its flexibility and scalability, the Akida (NSoC) and intellectual property can be used in applications including Smart Home, Smart Health, Smart City and Smart Transportation. These applications include but are not limited to home automation and remote controls, industrial IoT, robotics, security cameras, sensors, unmanned aircraft, autonomous vehicles, medical instruments, object detection, sound detection, odor and taste detection, gesture control and cybersecurity.

"The MegaChips and BrainChip partnership furthers both company's missions to push boundaries and offer unprecedented products," said Rob Telson, BrainChip VP of Worldwide Sales and Marketing. "By providing Akida's on-chip learning and ultra-low power Edge AI capabilities as an integrated technology in MegaChips' ASIC solutions, we are able to deliver a cascading array of benefits to cutting-edge products that not only ensure power efficiency without compromising outcomes but can run autonomously for incremental learning without the need to go back and forth to the cloud. This is an exciting collaboration from both a business perspective as well as from an industry-altering aspect."

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

About MegaChips Corporation

MegaChips Corporation (1st section of the TSE (Tokyo Stock Exchange): 6875) was established in 1990 as the first innovative fabless semiconductor company in Japan. MegaChips exploits expertise in analog and digital technology and globally provides SoCs and solutions that are crucial for advancing technology innovation. MegaChips focuses in the growth areas of automotive and industrial equipment, such as 5G communications infrastructure and Factory Automation.
www.megachips.com

About BrainChip Holdings Ltd (ASX: BRN, OTCQX: BCHPY)

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 center. 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 centers.

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

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