

BrainChip Holdings Ltd Reports 2023 Half-Year Results

- CEO Comments on 2023 Half-year results
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Sydney – 28 August 2023 – [BrainChip Holdings Ltd](#) (ASX: **BRN**, OTCQX: **BRCHF, BCHPY**), the world's first commercial producer of neuromorphic artificial intelligence IP, today releases its half-year results for the six months ended 30 June 2023 as reported last Friday.

Operating Results

- The Group made a net loss after income tax for the half-year ended 30 June 2023 of \$17,146,781 (30 June 2022: \$8,255,802).
- The reduction in revenues to \$115,606 from \$4,831,081 in the same period a year ago reflects the volatility of revenues in the early years of commercialisation, noting that several active customers elected to defer their evaluation of BrainChip's technology until after the expected release of Akida 2.0 in August 2023.
- Total expenses for the half-year ended 30 June 2023 of \$16,851,241 increased 30% from \$12,989,990 incurred in the prior period, largely due to an increase in share-based non-cash remuneration of \$2,349,954 provided to third parties, including the 8 million restricted stock units issued to Mr Manny Hernandez as approved at the 2023 AGM.
- Other major items included an increase in employee related expenditures in the research & development (R&D) and the sales & marketing teams (\$707,372 and \$708,611 respectively) as the Company continued to focus developing and marketing the 2nd generation of Akida. Notably, R&D expenses in the prior period included \$927,590 in third party licenses and hardware related to the development of the next-generation Akida engineering samples which were not incurred in the current period.
- At the end of the half-year the Group had consolidated net assets of \$23,194,139 (31 December 2022: \$23,718,406), including cash and cash equivalents of \$21,824,785 (31 December 2022: \$23,165,288).

BrainChip CEO, Sean Hehir commented, "while the results are clearly not acceptable, they were anticipated. The focus on accelerating development on the 2nd generation Akida architecture which will allow us to reach new customers and solve bigger challenges on higher value applications drove incremental cost. Our commitment to releasing this market-leading product in the shortest time possible drove an increase in labour cost over the same period last year. Further adding to the expanded loss was the non-cash item of RSUs issued to our former Chairman, which added

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additional expense. In anticipation of 2nd generation Akida, we have seen a lot more traction from serious prospects and very detailed evaluations, however decisions are being delayed until formal release of the platform. The depth and quality of these engagements gives me strong confidence in the strategy and growth potential of BrainChip.”

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 analyze 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>

[Investor Relations Contact: IR@brainchip.com](mailto:IR@brainchip.com)

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Company contact:

Tony Dawe

IR@brainchip.com

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