

BrainChip Holdings Announces Third Amendment to Financial Instrument

- Company has agreed to sign an extension of the Put Option Agreement with LDA Capital LLC
- Minimum Drawdown for 2024 is \$12,000,000 AUD.

Sydney – 3 January 2024 – [BrainChip Holdings Ltd](#) (ASX: **BRN**, OTCQX: **BRCHE, BCHPY**), the world's first commercial producer of neuromorphic artificial intelligence IP, today announced that the company has entered into a third amendment to the previously announced Put Option Agreement (POA) with LDA Capital LLC (LDA Capital).

The amendment will provide the company with access to capital, when necessary, until December 2024. The company is committed to meeting its obligation under the current agreement by drawing down the remaining \$2.7M AUD which is currently underway and expected to conclude sometime in Q1 of 2024. Under this Third Amendment, the company has agreed to an additional Minimum Drawdown Amount of \$12M to be drawn no later than 31 December 2024.

Under the terms of the agreement, the company will issue 40 million Collateral Shares by the earlier of the next Capital Call or 31 March 2024. Any issuance of Shares by the Company will be done so under the Company's Listing Rule 7.1 placement capacity and will be subject to the Company's available placement capacity at that time.

The formula used to determine LDA's purchase price remains set at 91.5% of the average of the daily Volume Weighted Average Price for each day shares were sold throughout the pricing period.

No additional fees are due under the amendment.

“As we enter 2024 with the momentum to grow the business on multiple vectors with our 2nd generation Akida™ products, the Edge Box initiative and strategic partnerships, we need the ability to rapidly invest for growth and build on our lead” said Sean Hehir, CEO, BrainChip. “While we will continue to be judicious with our use of cash, having access to funding from our well-respected partners at LDA Capital, strengthens our business continuity position against well-capitalized and more established competitors in a highly competitive market.”

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This announcement is authorized 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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