

### BrainChip Holdings Ltd Releases Half Year Results

---

- Half year results reflect continued focus on product development and customer engagement
  - Business progress reflected in key appointments in August
  - Engagement with Frontgrade Gaisler subsequent to half year end
- 

**Sydney – 26 August 2024** – [BrainChip Holdings Ltd](#) (ASX: **BRN**, OTCQX: **BRCHF, BCHPY**), the world's first commercial producer of neuromorphic artificial intelligence IP, today released its Half Year results for the period ended 30 June 2024.

During the first half of 2024, the Company focused its efforts on expanding the capabilities of the Akida 2.0 technology through continued development of our TENNs platform. These initiatives are a direct response to customer inquiries and feedback which reflect the market's rapidly growing interest for ultra-low power edge AI. The Company has seen growing interest from customers seeking audio, video, space and military application solutions. Development efforts will continue throughout the remainder of the year, with anticipated offerings and updates in Q1 of 2025.

The Company continued to implement cost reduction initiatives throughout the period in an effort to preserve cash. Management continually assesses opportunities to reduce expenses without hampering critical sales and development activities, or hindering recruiting and retention efforts that are extremely challenging in the AI and tech industry. This is an ongoing effort and additional cost reduction initiatives are anticipated in the second half of the year.

#### Significant Events After 30 June 2024

Subsequent to the balance sheet date, the Company received US\$3,645,104 (A\$5,465,128) upon the closure of the capital call notice with LDA Capital on 28 June 2024.

On 25 July 2024, the Company announced:

- an equity capital raise of A\$25 million comprising a fully underwritten share placement to professional and sophisticated investors raising A\$20 million before costs ("Placement"),
- the sale of A\$2 million (before costs) of existing securities from LDA Capital ("Existing Share Sale"), and
- a non-underwritten share purchase plan ("SPP") to be offered to eligible Australian and New Zealand shareholders to raise a further A\$3 million.

The Company received US\$13,606,629 (A\$20,941,007) (net cash after costs) on 31 July 2024 to close out the Placement and the Existing Share Sale transactions, with 103,245,355 shares issued on 1 August 2024.

For personal use only

The SPP offer closed on 15 August 2024 resulting in the issue of 3,274,604 shares on 22 August 2024 and cash received by BrainChip of US\$425,838 (A\$632,013).

### **Business progress reflected in key appointments**

In August, the Company announced the addition of Steven Brightfield to the executive team as the Chief Marketing Officer.

Also in late August, the Company formally appointed Jonathan Tapson as the permanent Vice President of Engineering, replacing Anil Mankar who is currently serving as a technical advisor until his retirement at the end of this year.

### **Engagement with Frontgrade-Geisler subsequent to half year end**

Also in August, the Company signed two agreements totalling €190k for projects with Frontgrade Gaisler and Airbus Defense and Space to provide customers with AI capabilities for space applications using Akida 1.0 technology.

These two projects were initiated in response to a European Space Agency request for ultra-low power, neuromorphic, edge AI computing in space to enable future missions to the moon and beyond. Due to the nature, timing and risk associated with these projects, it is not possible for the Company to estimate future royalty revenues associated with these agreements.

### **Financial Summary**

The Group made a net loss after income tax for the half-year ended 30 June 2024 of \$11,517,767 (30 June 2023: \$17,146,781). Revenue for the half-year ended 30 June 2024 of \$106,693 decreased 8% from \$115,606 in the same period a year ago. Total expenses for the half-year ended 30 June 2024 of \$11,690,959 decreased 31% from \$16,851,241 reported in the half-year ended 30 June 2023.

As a result of the Half Year financial close process, the Company completed an assessment of the recoverability of the Group's assets after considering impairment indicators such as high global interest rates and the challenge of inconsistent revenue streams during the start-up phase. Management completed a value-in-use discounted cashflow model based on a 5-year projection period with a terminal value. Management determined that it would be prudent to impair the carrying value of the intangible assets of \$576,037, despite the Company's confidence that the technology remains on track. It should be noted that the impairment is a non-cash charge and has no impact on the Company's liquidity or ability to continue as a going concern.

**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

For personal use only

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](http://www.brainchip.com).

---

Additional information is available at:

<https://www.brainchipinc.com>

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

Follow BrainChip on Twitter: [https://www.twitter.com/BrainChip\\_inc](https://www.twitter.com/BrainChip_inc)

Follow BrainChip on LinkedIn: <https://www.linkedin.com/company/7792006>

**Company contact:**

**Tony Dawe**

[IR@brainchip.com](mailto:IR@brainchip.com)

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

For personal use only