



ASX Announcement

BrainChip Signs First Akida™ Intellectual Property License Agreement

- BrainChip to deliver Akida 1.0 neural network intellectual property (IP) for use in customer's system-on-chip (SoC) licensed products
 - Agreement includes a single-use design license, implementation support, per unit royalty and ongoing software maintenance services
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Aliso Viejo, Calif. – 23 December 2020 – [BrainChip Holdings Ltd](#) (ASX: BRN), a leading provider of ultra-low power, high-performance AI technology, today announced the signing of an intellectual property license agreement with Renesas Electronics America Inc., a subsidiary of Japan-based Renesas Electronics Corp., a tier-one semiconductor manufacturer that specializes in microcontroller and automotive SoC products.

The unconditional agreement provides for:

- a single-use, royalty-bearing, worldwide IP design license for the rights to use the Akida™ IP in the customer's SoC products, which continues while the customer continues to use the Akida IP in its products. The parties agreed to customary termination terms;
- BrainChip to provide implementation support services (at an agreed fee to cover costs) aimed at facilitating the customer's adoption and commercialization of the Akida-licensed product during the first year of the license agreement.
- The agreement provides for various payment terms including the payment of ongoing royalties based on the volume of units sold, commencing at certain agreed volume threshold and the net sale price of the customer's products. The royalties remain in effect throughout the life of the licensed product.
- Brainchip to provide software maintenance services, which attract a separate fee if the customer elects to continue to use these services after the first two years of the agreement.

The Akida neural processor's game-changing ultra-low power consumption, high performance and on-chip training enables smart sensor integration by solving power and footprint challenges for a variety of sensor technologies. The Akida SoC consumes significantly lower power than needed by alternative AI solutions while maintaining the required performance and accuracy in a fraction of the physical space.

"This is an exciting and significant milestone in obtaining the Company's first IP licensing agreement. Furthermore, this is a market validation of our technology" said Lou DiNardo, CEO of BrainChip. "Licensing Akida IP also provides us with an opportunity for recurring revenue over the lifetime of our customer's SoC product. We are equipped to help additional customers integrate Akida technology into their products, which benefit from low power and real-time performance, as

well as extend capabilities to provide AI solutions to IoT devices at the edge without the need for cloud connectivity.”

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

About Brainchip Holdings Ltd (ASX: BRN)

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.

Forward looking statements

This announcement contains forward-looking statements, which address a variety of subjects including, for example product development, marketing position and technical advances. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and information currently available to management and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The Company's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events, and developments to differ materially from our historical experience and our present expectations.

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

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