



ASX PRESS RELEASE

13 May 2016

Close of Rights Issue Entitlement Offer Funds to be applied in Commercialisation

BrainChip Holdings Ltd (ASX: BRN) ("**BrainChip**" or "**the Company**"), is pleased to advise that the non-renounceable pro-rata rights issue to eligible shareholders announced on 14 April 2016 on a 1 for 26 basis ("**Rights Issue**") closed on 11 May 2016. The Rights Issue offered up to 27,169,585 new shares at an issue price of \$0.15 per share.

In accordance with Appendix 7A of the ASX Listing Rules, the Company advises that it received acceptances for a total of 3,346,825 new shares (of total eligible entitlements of 9,821,221) along with shortfall applications for a total of a further 1,179,809 new shares to raise approximately \$0.68 million. In addition, issues to underwriters of the Rights Issue as announced on 4 May 2016 are currently being processed. The underwriting applications and consequent share issues will raise a further \$1.75 million for the issue of 11,666,667 shares, bringing total funds raised to approximately \$2.43 million.

The Company has the option to place the remaining part of the Rights Issue over the next 90 days. Discussions were started during this fund raising process with institutions and high net worth's who have been qualified as strategic investors capable of providing further support. These discussions have been productive, and working with our Corporate Adviser - Foster Stockbroking we hope to have some positive news during this period.

As part of the Company's ongoing funding strategy, the Rights Issue gave eligible shareholders the opportunity to participate in that strategy at an attractive price. The amount raised (including the underwriting) will enable the Company to accelerate the commercialisation phase leading to licensing and development agreements for the SNAP technology and its applications.

All figures are subject to rounding and final clearance of cheques. Final details of these issues are to be confirmed in a separate release along with a final Appendix 3B next week after the issue of the new shares from the underwriting.



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BrainChip would like to thank its shareholders for the support it received under the Rights Issue despite very difficult market conditions experienced during the offer. The issue of the new shares under the Rights Issue is scheduled to take place on 18 May 2016 with trading of newly issued BRN securities to commence on 19 May 2016.

About BrainChip Holdings Ltd (ASX:BRN)

BrainChip Inc, located in Aliso Viejo, CA, has developed a revolutionary new Spiking Neuron Adaptive Processor (SNAP) technology that has the ability to autonomously and rapidly learn and associate information just like the human brain. SNAP technology learns in seconds. This exemplifies a new level of machine learning that is expected to surpass deep learning, which requires days or weeks to train. The SNAP technology is fast, completely digital, and consumes very low power. Additional information is available by visiting www.brainchipinc.com

Forward Looking Statements

This press release may contain certain forward-looking statements and information, as defined within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and is subject to the Safe Harbor created by those sections. This material contains statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. Such forward-looking statements by definition involve risks, uncertainties and other factors, which may cause the actual results, performance or achievements of BrainChip Holdings Limited to be materially different from the statements made herein.

Company Contact:

Nerida Schmidt
BrainChip Holdings Ltd
Company Secretary
nschmidt@brainchip.com.au

Corporate Advisors:

Chris Francis
Foster Stockbroking
Executive Director
+61 2 9993 8167
chris.francis@fostock.com.au

Investor Relations Contact:

Australia:
Ben Knowles
Walbrook Investor Relations
+61 426 277 760
ben.knowles@walbrookir.com.au

USA:

Greg Falesnik
Senior Vice President – MZ North
America
Main: 949-385-6449
greg.falesnik@mzgroup.us
www.mzgroup