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BrainChip to roll out game protection technology at major Las Vegas casino following successful completion of trial

Highlights

- **BrainChip will roll out its innovative casino table security technology at one of Las Vegas' biggest casinos following the successful completion of the phase one trial**
- **The roll out of BrainChip's Spiking Neural Network-based SNAPvision technology will initially be across all baccarat tables in the trial casino with a second casino to be added in the next month, followed by a roll out to more of the group's casinos**
- **The roll out will deliver an immediate and growing revenue stream to BrainChip**
- **Second product application is currently being trialled across a range of table games including Blackjack, Blackjack Switch and Ultimate Poker**
- **Huge market opportunity with the casino management industry, which includes security and surveillance, expected to grow to US\$4.5 billion in size by 2018**

BrainChip Holdings Ltd ("BrainChip" or the "Company") (ASX: BRN) is pleased to announce that it will roll out its Spiking Neural Network-based security monitoring system at one of Las Vegas' biggest casinos following the successful completion of the testing phase.

The technology, called Game Outcome, uses BrainChip's SNAPvision technology to visually and automatically detect dealer errors by monitoring the video streams from standard surveillance cameras. Game Outcome is very smart, and can recognise the cards that are played, winning hands, the rules of the game and the payout. It has been successfully trialled on a selected number of baccarat tables and will now be rolled out to all baccarat tables at one of the most prestigious Las Vegas casinos.

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Further, Game Outcome is planned to be rolled out for baccarat tables in a second Las Vegas casino in the next month, followed by a wider rollout to other casinos in the group in due course.

New and recurring revenue stream

The technology provides a significant market opportunity for BrainChip. According to global market research consultancy MarketsandMarkets, the market for casino management systems, which includes security and surveillance, is expected to grow at a Compound Annual Growth Rate (CAGR) of 15.4% from 2013 to 2018, when it is estimated to hit US\$4.53 billion (<http://www.marketsandmarkets.com/Market-Reports/casino-management-system-market-1021.html>).

It is estimated that Game Outcome can save the industry up to US\$35 million annually per casino and there are more than 2,600 casinos worldwide.

Under the terms of the agreement, BrainChip is being paid a monthly fee for each table that the Game Outcome technology is installed on. The roll out will therefore provide an increased and recurring revenue stream for the Company.

The BrainChip advantage

The technology for Game Outcome was developed by BrainChip with a front end application designed by SN Technologies. SN Technologies specialises in the development of applications using biomorphic pattern recognition technology across a number of industries. SN Technologies is an exclusive distributor of BrainChip's casino products.

The system utilises BrainChip's core SNAPvision solution that is based on Spiking Neural Networks (SNNs), to provide 24/7 visual recognition for baccarat games to help identify winning and losing hands. This helps casino operators to minimise dealer errors and reduce cheating.

One of the key advantages of the system is that it does not require new hardware to be installed and can utilise standard surveillance systems, which lowers implementation time and costs. All information is interpreted in real-time, which is like having a full time surveillance operator assigned to each table.

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Second product being tested

BrainChip is also trialling a second casino security /application, called Game Statistics, which collects and interprets data from table games. The data is then used to assist the casino operator to optimise labour costs and operational efficiencies, and ensure that they are providing appropriate “comps” to players. Comps are the incentives that casinos provide to players to encourage them to play more.

A roll out of Game Statistics has the potential to add a second revenue stream to each gaming table for BrainChip.

Game Statistics is currently being trialled on three different types of table game: Blackjack, Blackjack Switch and Ultimate Poker. The trial phase for Game Statistics is expected to be completed in the final quarter of 2016, with deployment targeted for the first quarter of 2017.

The Founder and interim Chief Executive Officer of BrainChip, Peter van der Made, commented: “Security is one of the highest priorities for casino operators and we have been able to show that our system is highly effective in protecting the integrity of table games. We believe that there are many more opportunities for our technology to provide real solutions to complex issues by harnessing the power of BrainChip’s autonomous learning capabilities.”

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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

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This press release may contain certain forward looking statements and information, as defined within the meaning of Section 27A of the Securities Act 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and is subject to the Safe Harbor created by these sections. This material may contain 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.

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