

BrainChip Holdings Ltd

Quarterly Activities Report, 4C for the quarter ending September 2025

- Company ends the quarter with a cash balance of \$13.9M
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Sydney – 23 October 2025 – [BrainChip Holdings Ltd](#) (ASX: **BRN**, OTCQX: **BRCHF**, **BCHPY**), (BrainChip or Company), the world's first commercial producer of neuromorphic artificial intelligence IP, today provides this Quarterly Activities Report in conjunction with its Appendix 4C lodged for the quarter ending 30 September 2025.

Key Highlights

- Cash balance of USD13.9M. This compared to a cash balance of \$13.5M in the prior quarter.
- Cash inflows from customers in the current quarter of US\$0.3M were lower than the prior quarter (US\$1.4M) with higher engineering revenues earned from 3 customers in the prior quarter.
- Total payments to suppliers and employees of US\$5.2M in the current quarter were higher than the prior quarter (US\$4.4M).
- Continued collaboration with multiple high-quality companies during the quarter further demonstrates the commercial application of BrainChip's technology, including the advancement of a chip supply agreement with the Defense & Intelligence business unit of Parsons Corporation (formerly known as Blue Ridge Envisioneering).
- Continued expansion of global intellectual property portfolio, now comprising 57 issued and pending patents across the United States, Europe, and APAC regions.
- Post the September 2025 quarter, on 20th October 2025, BrainChip announced the decision to move the AKD1500 from a reference design to volume production.

AKD1500 Update

Post the September 2025 quarter, on 20th October 2025, BrainChip announced that the Company is commencing the tape-out process for its AKD1500 reference design for volume production.

The decision to move the AKD1500 from a reference design to volume production is driven by strong customer engagement across various target markets, including defense, aerospace, medical, and consumer wearables.

The AKD1500 leverages BrainChip's energy-efficient, event-based Akida technology, enabling high performance at milliwatt power levels. This is crucial for real-time edge processing and on-

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device learning in battery-powered devices. The AKD1500 occupies a unique ultra-low power position in the market for those workloads where low power is critical.

The AKD1500's successful deployment in customers' hands has proven its capabilities beyond initial projections. Rigorous testing and benchmarking during the initial engineering sample phase confirmed that the chip could meet the specific performance and efficiency needs of real-world AI workloads. Customer validation proved the chip's viability for a wide range of applications, providing the business case needed to justify a ramp-up to volume production.

The Company's strategic expansion has enabled it to move beyond simply providing hardware. By significantly enhancing its internal capabilities in model development, software engineering, and system integration, the Company is now well-equipped to support customers with complete, end-to-end AI solutions. This holistic approach allows the Company to serve not just as a chip provider, but as a full-stack AI partner, from initial concept to final deployment.

Commercial Update

BrainChip's commitment to commence volume production of the AKD1500 neuromorphic processor, has advanced a strategic supply agreement with Blue Ridge Envisioning, a subsidiary of Parsons Corporation (NYSE: PSN). Following a long-standing collaboration, BrainChip is supplying its AKD1500 neuromorphic processors for integration into advanced edge-AI defense platforms to Parsons Defense & Intelligence business unit. Parsons uses artificial intelligence and machine learning to create innovative signal processing techniques that detect and disrupt difficult-to-access command and control systems and platforms. The partnership includes volume commitments, continuity of supply provisions, technical support, and tiered pricing to enable scalable deployment. The inclusion of BrainChip's Akida™ technology will accelerate Parsons' vision for deploying intelligent, adaptive edge capabilities in denied, constrained, and dynamic environments.

Operations Update

During the quarter, BrainChip also progressed a distribution partnership with DigiKey, a leading global electronic components distributor. This collaboration introduces three key development board-level products that feature the Akida AI accelerator chip - a neuromorphic chip inspired by the brain's architecture. These boards are now accessible to a wider audience of students, component makers, embedded developers, and AI/ML engineers looking to implement advanced AI at the edge.

Being part of the DigiKey ecosystem allows BrainChip to make its Akida™ neuromorphic AI hardware easily accessible to a global community of developers. This streamlined availability not only accelerates innovation by enabling faster prototyping and reducing time-to-market but also broadens BrainChip's reach, positioning the Company as a central player in the next generation of intelligent edge AI devices.

DigiKey is a trusted name in the electronics industry, known for its extensive portfolio of semiconductors, development kits, and AI solutions. Listing BrainChip products in this ecosystem increases visibility and simplifies how customers order, experiment with, and deploy Akida technology alongside their existing components.

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These products are now available for purchase through DigiKey's global marketplace.

Patent Update

The Company continued expansion of its global intellectual property portfolio, now comprising 55 issued and pending patents across the United States, Europe, and APAC regions.

This robust and growing IP foundation reflects BrainChip's strategic focus on safeguarding its AI innovations and reinforces a competitive positioning in the rapidly evolving edge AI market.

The Company views its IP as a critical asset for unlocking commercial opportunities and delivering sustained shareholder value through innovation-led growth.

Marketing

BrainChip's ongoing, active marketing ensures that the Company is best positioned to commercialise its product offering across a range of sectors and applications.

BrainChip CEO, Sean Hehir, joined the Transform NOW Podcast in August 2025 to discuss the future of AI at the edge and what makes BrainChip's technology unique. The conversation covered how AI is evolving from centralized data centers to edge computing, why neuromorphic AI matters, and how BrainChip's architecture enables real-time intelligence on devices with lower power, lower latency, and greater privacy.

BrainChip Chief Development Officer, Jonathan Tapson, joined the team at Insight Jam on the 19th of September 25 for a roundtable on the strategic frameworks that drive AI infrastructure investments. They discussed balancing build-versus-buy decisions, examining governance frameworks, and identifying critical decision points for needed strategy shifts.

BrainChip exhibited at the AI Infra Summit 2025 at the Santa Clara Convention Center from September 9–11 to showcase how BrainChip's Akida™ neuromorphic technology is powering the next generation of ultra-low-power, on-device AI in satellites and wearables.

The team joined 3500 leaders from across the AI ecosystem to explore the future of AI and how infrastructure challenges are driving edge deployments.

During the quarter, BrainChip was a proud sponsor of the Global Semiconductor Alliance Executive Forum. CEO Sean Hehir, CMO Steve Brightfield, and VP Sales & Business Development James Shields were on hand for an opportunity to hear from industry leaders like Intel CEO Lip-Bu Tan to discuss trends in the semiconductor industry, connect with peers and share BrainChip's vision for innovation and growth at the edge.

BrainChip was proud to have representation at GSA WISH Conference in September, including BrainChip Board of Director's member Duy-Loan Le, as she joined other senior woman leaders in the semiconductor industry to share powerful insights on navigating change, building legacy, and shaping the future.

BrainChip Solutions Architect Ritik Shrivastava presented the Company's new Akida aTENNuate audio denoising solution at the Interspeech Conference in The Netherlands.

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Built on Temporal Neural Networks (TENNs), it delivers clear speech on edge devices such as earbuds and IoT products. It is lightweight, efficient, and designed for real-world environments where noise is unpredictable.

Financial Update

The Company ended the September Quarter with US\$13.9M in cash compared to US\$13.5M in the prior quarter.

BrainChip reported net operating cash outflows of US\$4.9M vs. US\$2.8M in the prior quarter.

Cash inflows from customers in the current quarter of US\$0.3M was lower than the prior quarter (US\$1.4M) with higher engineering revenues earned from 3 customers in the prior quarter.

Total payments to suppliers and employees of US\$5.2M in the current quarter were higher than the prior quarter (US\$4.4M) due to the payment of higher payroll costs after select merit increases were awarded in July 2025, higher contractor fees related to the June quarter sales, and the payment of corporate costs, including AGM and ASX fees.

Cash used for operating activities includes payments to BrainChip's Board of Directors totaling US\$215,601 as noted in item 6.1 of the accompanying Appendix 4C, comprising fees for Non-Executive Directors and salaries for Executive Directors.

On 23 March 2025, BrainChip issued the Capital Call Notice to LDA Capital to subscribe for 40 million shares in accordance with the POA. Cash flows from financing activities included the cash inflows of \$5.4M (A\$8.2M) upon the closure of the Capital Call notice on 24 July 2025, resulting in an average subscription price of A\$0.2059 per share.

CEO STATEMENT

"BrainChip's decision to move the AKD1500 into volume production underscores our confidence in the market opportunity and the strength of customer demand. This milestone, combined with strategic agreements like Parsons and expanded distribution through DigiKey, positions us for scalable revenue growth. Our growing IP portfolio and enhanced full-stack capabilities reinforce our commitment to delivering long-term shareholder value through innovation at the edge."

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 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:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

BrainChip Holdings Ltd

ABN

64 151 159 812

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	299	1,821
1.2 Payments for		
(a) research and development	(1,969)	(5,526)
(b) product manufacturing and operating costs	(678)	(1,323)
(c) advertising and marketing	(1,077)	(3,092)
(d) leased assets	-	-
(e) staff costs	(896)	(2,911)
(f) administration and corporate costs	(623)	(1,653)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	61	354
1.5 Interest and other costs of finance paid	(15)	(45)
1.6 Income taxes paid	(18)	-
1.7 Government grants and tax incentives	-	469
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(4,916)	(11,906)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(39)

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Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	(39)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	5,402	5,402
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	227
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(19)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)		
- Reduction in leases	(121)	(359)
- Funds (paid to)/received from LTIP participants on sale of equity units.	11	11
3.10 Net cash from / (used in) financing activities	5,292	5,262

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	13,458	20,000
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(4,916)	(11,906)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(39)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,292	5,262
4.5 Effect of movement in exchange rates on cash held	66	583
4.6 Cash and cash equivalents at end of period	13,900	13,900

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1 Bank balances	13,900	13,458
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,900	13,458

6. Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	216
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	665	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	665	-
7.5 Unused financing facilities available at quarter end		665
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
BrainChip Inc has an Irrevocable Standby Letter of Credit to the value of US\$665,000 with JPMorgan Chase Bank as security for the office lease. The Letter of Credit expires 31 May 2027 and incurs interest at 0.9%.		

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(4,916)
8.2 Cash and cash equivalents at quarter end (item 4.6)	13,900
8.3 Unused finance facilities available at quarter end (item 7.5)	665
8.4 Total available funding (item 8.2 + item 8.3)	14,565
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.96
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

23 October 2025

Date:

Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.