



ASX Announcement

Quarterly Activities Report and Appendix 4C For the quarter ending December 2025

Sydney – 29 January 2026 – [BrainChip Holdings Ltd](#) (ASX: **BRN**, OTCQX: **BRCHF**, **BCHPY**), the world's first commercial producer of neuromorphic artificial intelligence technology, today provides the Quarterly Activities Report in conjunction with its Appendix 4C lodged for the quarter ending 31 December 2025.

Key Highlights

- Customer cash inflows of US\$0.4M, consistent with the prior quarter (US\$0.3M).
- Payments to suppliers and employees of US\$4.3M, lower than the prior quarter (US\$5.2M).
- Ongoing collaboration with multiple high-quality companies demonstrating strong commercial applicability of BrainChip's technology.
- Expansion of global intellectual property portfolio to 61 issued and pending patents across the United States, Europe, and APAC regions.
- Successful A\$35m (US\$22.8M) fully underwritten Institutional Placement to professional and sophisticated investors to support commercialisation of the Akida neuromorphic technology platform and the development of next-generation edge AI products.
- Share Purchase Plan completed with strong demand resulting in subscriptions exceeding the original raise amount of A\$2M.
- Cash balance of US\$31.7M. (Prior quarter US\$13.9M)

Operations Update

On the 23 October 2025, BrainChip announced a strategic partnership with Blue Ridge Envisioneering (BRE), a Parsons company (NYSE: PSN). BRE is a Virginia-based innovator delivering next-generation solutions to the defence and intelligence sectors.

The terms of the agreement include an initial order of 10,000 chips, supporting the deployment of edge-AI systems that maintain full performance without cloud connectivity. Parsons will integrate BrainChip's Akida™ neuromorphic processors into its mission-ready platforms to enhance adaptive performance in constrained and dynamic defence environments. The agreed supply framework with Parsons includes committed volumes for manufacturing scale, continuity-of-supply provisions, and tiered pricing for high-volume deployment.

The engagement will leverage Akida's industry-leading low-power, real-time inference and on-device learning capabilities to deliver intelligent tactical solutions at the edge. It formalizes a multi-year collaboration, granting Parsons access to the AKD1500 processor. Parsons will use BrainChip's AI Enablement Package and benefit from supply continuity and support services.

The integration of Akida allows Parsons to deploy AI that performs under the most austere conditions with advanced signal analysis, adaptive architecture, and sovereign defence use cases.

On 4 November 2025, BrainChip announced the commencement of volume production of the AKD1500, its neuromorphic Edge AI accelerator co-processor chip, at Embedded World North America.

Designed to deliver exceptional performance with minimal power consumption, the AKD1500 achieves 800 giga operations per second (GOPS) while operating under 300 milliwatts, setting a new benchmark for edge AI efficiency. This makes AKD1500 ideal for deployment in battery powered wearables, smart sensors, and heat-constrained environments where battery life and thermal limits are critical.

The AKD1500 integrates seamlessly with x86, ARM, and RISC-V host microcontrollers and multiprocessor (MPUs) chips via PCIe or Quad SPI serial interfaces, supporting broad market adoption across a wide range of applications. The AKD1500 co-processor approach is ideal for a wide range of environments and industries, upgrading multi-processor SoCs within defence, industrial and enterprise settings, and upgrading embedded microcontrollers for AI solutions in healthcare, wearables, and consumer electronics without a complete system redesign.

The AKD1500 product has been designed into several customer solutions in AI enabled sensing for medical and defence related applications, including Parsons, Bascom Hunter and Onsor Technologies.

The AKD1500 is supported by BrainChip's MetaTF™ software development tools environment, enabling easy model conversion, quantisation, compilation and deployment using standard TensorFlow/KERAS formats. BrainChip's event-based Akida™ neuromorphic architecture also enables the AKD1500 to provide on-chip learning, a critical differentiator from conventional AI accelerators that rely solely on cloud-based training.

On 12 December 2025, BrainChip received an initial order for 1,200 AKD1500 chips from Nex Novus for use in its Neuromorphyx™ "Neuro Blocks" product. The AKD1500 will accelerate an MCU supporting neuromorphic evaluation of multi-sensor data. While the order size is minor, it represents further market demand for the AKD1500.

AKD1500 samples are available today with volume production scheduled for Q3'26.

Patent Update

During the quarter, BrainChip continued work on the expansion of its global intellectual property portfolio, now comprising 61 issued and pending patents across the United States, Europe, and APAC.

This expanding patent portfolio underscores BrainChip's commitment to innovation and strengthens its competitive position in the fast-evolving edge AI market.

Marketing

BrainChip maintained a strong marketing focus during the quarter, ensuring that the Company is best positioned to commercialise its product offering across a range of sectors and applications.

October 2025

During the month of October 2025, BrainChip CEO Sean Hehir presented at Semiconductor Australia. The event is considered the nation's premier deep-tech conference, bringing together over 1,000 innovators, investors, industry leaders, and policy makers. Sean discussed how BrainChip's neuromorphic AI technology is advancing Australia's semiconductor capabilities and reinforcing our position as a leader in edge AI innovation.

In mid-October of 2025, the Company connected with space engineers and agencies about the future of AI in orbit at the EDHPC Conference hosted by the European Space Agency in Elche, Spain. BrainChip demonstrated our work with Frontgrade Gaisler on the GRAIN architecture featuring Akida IP. Space missions need exactly what neuromorphic computing delivers: power efficiency and radiation tolerance.

In late October 2025, BrainChip joined the Andes team in Santa Clara, California at the RISC V Summit to showcase our AKD1500 integrated into the Andes Qilai Voyager Development Platform, extending their Quad-core RISC-V based Application processor chip for software development of neuromorphic edge AI acceleration solutions.

November 2025

On 4 November 2025, the Company participated in Embedded World North America in Anaheim, California, demonstrating BrainChip's Akida IP technology with industry leaders from the embedded computing community. Embedded World North America is the premier trade show and conference dedicated to the embedded systems ecosystem. This event brings together design engineers, systems architects, firmware developers, and product leaders to explore the latest technologies, tools, and methodologies shaping the future of embedded innovation.

Also at Embedded World, Chief Technology Officer Jonathan Tapson delivered a presentation on "The Impact of GenAI Workloads on Compute-in-Memory Architectures". On the exhibition show floor, the BrainChip team demonstrated our anomaly detection model on the AKD1500 co-processor integrated into a Raspberry Pi, and the company's Akida 2 technology on our FPGA in the Cloud.

BrainChip was proud to attend the Global Semiconductor Alliance International Summit on November 18th in Shanghai, China. The 2025 program featured deep dives into AI-driven innovation, automotive transformation, and memory technology advancements, alongside critical discussions on supply chain resilience and the opportunities and challenges of integrating China's semiconductor industry with global systems.

Financial Update

The Company ended the December Quarter with US\$31.7M in cash compared to US\$13.9M in the prior quarter.

BrainChip reported net operating cash outflows of US\$3.5M, an improvement from US\$4.9M in the prior quarter.

Cash inflows from customers in the current quarter of US\$0.4M were in line with the prior quarter (US\$0.3M).

Payments to suppliers and employees were US\$4.3M, lower than the prior quarter (US\$5.2M) due to higher payroll and third-party costs in Q3-25.

Cash used for operating activities includes payments to BrainChip's Board of Directors totaling US\$216,602 as noted in item 6.1 of the accompanying Appendix 4C, comprising fees for Non-Executive Directors and salaries for Executive Directors.

Investment cash outflows of US\$1.98M related to capitalised R&D associated with production of the AKD1500 chip.

Cash inflows from financial activities included US\$24.7M (A\$36M) received upon the completion of a fully underwritten Capital Raise to professional and sophisticated investors and an oversubscribed Share Purchase Plan to existing shareholders, resulting in the issue 217M shares. Financing activity outflows included US\$1.4M of share issue costs related to the capital raising events.

Both the Capital Raise and Share Purchase Plan were oversubscribed and leave the Company in a strong financial position heading into the 2026 financial year.

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

About BrainChip Holdings Ltd (ASX: BRN, OTCQX: BRCHF, ADR: BCHPY)

BrainChip is the worldwide leader in Edge AI on-chip processing and learning. The company's first-to-market, fully digital, event-based AI processor, Akida™, uses neuromorphic principles to mimic the human brain, analysing only essential sensor inputs at the point of acquisition and processing data with unmatched efficiency, precision, and energy economy. BrainChip's Temporal Event-based Neural Networks (TENNs) build on State-Space Models (SSMs), deliver time-aware, event-driven intelligence optimized for scalable, real-time streaming applications. These innovations make low-power Edge AI deployable across industries such as aerospace, autonomous vehicles, robotics, industrial IoT, consumer devices, and wearables. BrainChip is advancing the future of intelligent computing, bringing AI closer to the sensor and closer to real-time.

Explore more at www.brainchip.com.

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Investor Contact

Trevor Franz

Lancaster Grove Capital

Investor Relations Consultant

IR@brainchip.com

Media Contact:

Madeline Coe

Bospar

prforbrainchip@bospar.com

224-433-9056

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")

31 December 2025

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	408	2,229
1.2 Payments for		
(a) research and development	(1,679)	(7,205)
(b) product manufacturing and operating costs	(256)	(1,579)
(c) advertising and marketing	(956)	(4,048)
(d) leased assets	-	-
(e) staff costs	(747)	(3,658)
(f) administration and corporate costs	(649)	(2,302)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	107	461
1.5 Interest and other costs of finance paid	(12)	(57)
1.6 Income taxes paid	(65)	(64)
1.7 Government grants and tax incentives	313	782
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,536)	(15,441)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(39)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(1,978)	(1,978)
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	(1,978)	(2,017)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	24,767	30,169
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	(1,446)	(1,465)
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	(179)	(538)
	- Funds (paid to)/received from LTIP participants on sale of equity units.	(11)	-
3.10	Net cash from / (used in) financing activities	23,131	28,393

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
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4. Net increase / (decrease) in cash and cash equivalents for the period 4.1 Cash and cash equivalents at beginning of period 4.2 Net cash from / (used in) operating activities (item 1.9 above) 4.3 Net cash from / (used in) investing activities (item 2.6 above) 4.4 Net cash from / (used in) financing activities (item 3.10 above) 4.5 Effect of movement in exchange rates on cash held 4.6 Cash and cash equivalents at end of period	13,900 (3,536) (1,978) 23,131 195 31,712	20,000 (15,441) (2,017) 28,393 777 31,712
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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 5.1 Bank balances 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)	Current quarter \$US'000 31,712 - - - 31,712	Previous quarter \$US'000 13,900 - - - 13,900
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6. Payments to related parties of the entity and their associates 6.1 Aggregate amount of payments to related parties and their associates included in item 1 6.2 Aggregate amount of payments to related parties and their associates included in item 2	Current quarter \$US'000 216 -
<i>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.</i>	

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.</i>		
	<i>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)	(3,536)
8.2	Cash and cash equivalents at quarter end (item 4.6)	31,712
8.3	Unused finance facilities available at quarter end (item 7.5)	665
8.4	Total available funding (item 8.2 + item 8.3)	32,377
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	9.2

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.

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.

29 January 2026

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.