ASX Announcement

Quarterly Activities Report and Appendix 4C
For the quarter ending June 2026

Sydney, Australia – 27 July 2026 – BrainChip Holdings Ltd (ASX: **BRN**, OTCQX: **BRCHF**, **BCHPY**) ("BrainChip" or "the Company"), the world's first commercial producer of neuromorphic artificial intelligence technology, provides the Quarterly Activities Report in conjunction with its Appendix 4C lodged for the quarter ending 30 June 2026.

Key Highlights

- Ending cash balance of $20.3M
- Company receives first batch of AKD1500 chips
- Expiration of LDA Put Option Agreement

Overview

Commercialisation Strategy

During the quarter ending 30 June 2026, BrainChip continued to execute its strategy of commercialising ultra-low-power neuromorphic artificial intelligence technology through customer engagements, ecosystem expansion, reference platform introductions, strategic licensing agreements and volume production of the AKD1500 neuromorphic processor. The quarter was highlighted by new commercial agreements, continued growth of the Akida™ partner ecosystem, advancement of defense and industrial AI applications, and milestones supporting the transition from development into production deployment.

Akida 1500 & IP License Delivery

A key operational milestone during the quarter was the receipt of the first production batch of 2,000 units of AKD1500 neuromorphic processors. The initial production run represented the Company's transition from pre-production evaluation devices to commercial-scale manufacturing and provides the foundation for customer deployments across defense, industrial, infrastructure and edge AI applications. Receipt of these production units validates the Company's manufacturing and supply chain readiness and supports anticipated commercial shipments beginning in the second half of calendar year 2026. Shipments of additional units will continue throughout the third quarter until the full production run of approximately 60,000 units is delivered to BrainChip. This is slightly lower than what was initially expected due to lower than anticipated production yields. The Company is analysing the production data to determine the cause of the variance.

The Company also successfully delivered register-transfer level (RTL) design assets to EDGEAI under the previously announced Akida 2.0 licensing agreement. Delivery of RTL assets represents a significant contractual milestone and enables EDGEAI to integrate BrainChip's neuromorphic technology into future custom silicon solutions for advanced smart metering and infrastructure applications. This achievement demonstrates the Company's ability to execute commercial IP licensing agreements while establishing future royalty-generating opportunities.

LDA Put Option Agreement Expiration

As announced to the market on 24 July 2026, the Company's Put Option Agreement with LDA Capital expired on 30 June 2026 in accordance with its terms. The outstanding contractual Failure Fee of A$1.0 million was subsequently satisfied through the liquidation of collateral shares held by LDA under the Agreement. To discharge this obligation, LDA sold approximately 6.96 million BrainChip shares, generating gross proceeds of approximately A$1.0 million, which were applied in full to the Failure Fee. This transaction fully resolved the Company's obligations relating to the Failure Fee and concluded the commercial arrangements associated with the facility. Following this sale, approximately 6.0 million collateral shares remained held by LDA. The Company was advised that LDA intended to liquidate these remaining shares in an orderly manner over the following several weeks. In accordance with the Agreement, the net proceeds from the sale of the remaining collateral shares would be remitted to BrainChip after deduction of LDA's contractual 8.5% fee and any other amounts payable under the Agreement. The expiration of the Put Option Agreement concluded the availability of the financing facility and substantially completed the settlement of the parties' obligations under the arrangement. The Company advised that it would provide a further market update upon completion of the disposal of the remaining collateral shares and receipt of the associated net proceeds.

Technology & Product Development

AKD1500 Hardware Enablement Platforms

To accelerate customer evaluation, prototyping and commercial adoption of the AKD1500 neuromorphic processor, the Company plans to allocate more than 2,000 AKD1500 devices to the development and production of multiple hardware form factors during the second half of 2026. These hardware platforms are designed to reduce integration timelines and provide customers with immediate access to production silicon in commonly used development environments. The initiative is intended to support a broad range of customer engagements spanning industrial, communications, defense, infrastructure and edge AI applications.

The planned hardware offerings include M.2 accelerator modules, PCIe accelerator cards, Raspberry Pi 4 and Raspberry Pi 5 development boards, as well as BrainChip's application-focused reference platforms including AkidaTag®, Akida Radar and Akida EW. These platforms provide customers with a range of deployment options, from rapid proof-of-concept development through to advanced application evaluation and system integration. By making AKD1500 technology available in multiple hardware configurations, the Company expects to significantly lower barriers to adoption while enabling customers to evaluate the performance, power efficiency and scalability of Akida-based solutions within their own environments.

Management views this investment in hardware enablement as a key driver of the Company's commercialisation strategy. The availability of production-ready development platforms allows prospective customers to begin software development, algorithm validation and system testing immediately, shortening the path from customer engagement to production deployment. The Company expects these platforms to support existing customer programs while also serving as demonstration and evaluation systems for new opportunities across its growing ecosystem of partners, licensees and end-users.

AKD2500

Throughout the quarter, the Company continued progress on the AKD2500 project and is currently still on schedule for an early December tapeout.

Generative AI and Advanced Model Development

The Company continued to make steady progress on its Generative AI (GenAI) development program during the quarter, with key technical milestones achieved in both model development and software infrastructure. Development activities remain on schedule, and the Company currently expects to conduct internal demonstrations of the GenAI platform during the latter part of the third quarter of calendar year 2026. Building upon the capabilities outlined in the Company's previously announced technology roadmap, the objective of the program is to demonstrate ultra-efficient AI inference and advanced edge-based intelligence capabilities

In parallel with the GenAI initiative, the Company is developing four core AI models targeting radar and electronic warfare applications. These models are intended to support a range of defense and signal intelligence use cases, including signal classification, threat detection, object identification, and spectrum awareness at the edge. The development effort leverages technologies and expertise established through the Company's Radar Reference Platform and Electronic Warfare initiatives and is designed to further demonstrate the applicability of computing in mission-critical environments.

The supporting software stack also advanced on schedule during the quarter. Development activities remain focused on improving model deployment tools, workflows, runtime capabilities, and customer accessibility across the broader Akida ecosystem. The Company believes continued advancement of the software environment is essential to facilitating customer adoption and enabling seamless deployment of next-generation AI applications across both licensed IP implementations and AKD1500-based hardware platforms.

Summary of Activities

April 2026

BrainChip announced its Akida Radar Reference Platform, designed to address the growing need for low-power object identification and classification at the edge. The platform demonstrates the ability of neuromorphic AI to process radar signals efficiently while enabling real-time inference for defense, industrial and autonomous system applications. The launch reinforces BrainChip's strategic position in radar intelligence and edge-based sensing markets.

The Company hosted an industry webinar showcasing the architecture, algorithms and classification capabilities of the Akida Radar Reference Platform. The event provided customers and developers with technical insight into the application of Akida technology for radar-based object detection and identification.

BrainChip announced its 2026 Technology Roadmap presentation, outlining future development plans for Akida processors, generative AI initiatives, software tools, development environments and hardware offerings. The roadmap presentation reinforced the Company's commitment to advancing neuromorphic AI capabilities and expanding the commercial opportunities available across multiple edge AI markets.

May 2026

BrainChip entered into an intellectual property licensing agreement with ASICLAND, expanding adoption of Akida neuromorphic technology into additional ASIC development opportunities. The agreement further validates the commercial value of BrainChip's IP licensing model and establishes another pathway for future royalty-based revenue generation.

The Company conducted its Annual General Meeting and provided investors with updates on commercial progress, product development, customer activity and roadmap execution. Management reiterated its focus on scaling customer engagements, growing the Akida ecosystem and preparing for AKD1500 commercialisation.

BrainChip announced the addition of new strategic software partners designed to expand access to Akida-enabled development tools and AI workflows. The expanded ecosystem supports simplified customer adoption and enhances the Company's ability to address a broader range of industrial and edge AI use cases.

June 2026

BrainChip and MicroIP announced a strategic ecosystem partnership to deliver integrated hardware and software solutions for edge AI applications. The collaboration combines BrainChip's neuromorphic AI technology with MicroIP's design and implementation expertise, helping accelerate customer adoption and commercialisation opportunities throughout Asia and other target markets.

The Company introduced the Akida Communication Reference Platform, a physical development platform designed for RF signal classification and signal intelligence applications. Powered by the AKD1500 neuromorphic processor, the platform targets defense, government and industrial customers requiring low-power, real-time communications analysis at the edge. The launch further expands BrainChip's portfolio of application-focused reference platforms.

Outlook

BrainChip enters the second half of calendar 2026 with increasing commercial momentum supported by production availability of the AKD1500 processor, expansion of its customer and partner ecosystem, continued execution of licensing agreements and growing interest in low-power edge AI solutions. The Company remains focused on scaling commercialisation activities, driving customer adoption of Akida technology and building long-term recurring revenue opportunities through silicon sales, IP licensing and royalties.

Financial Update

The Company ended the March Quarter with US$20.3M in cash compared to US$25.3M in the prior quarter.

BrainChip reported net operating cash outflows of US$4.7M, a decrease from US$5.3M in the prior quarter. Net operating cash outflows comprise:

- Cash inflows from customers in the current quarter of US$0.15M reduced from the prior quarter (US$0.7M) related to lower development services being provided.
- Payments to suppliers and employees totaled US$5.1M, down from the prior quarter (US$6.1M). The higher previous quarter spend was driven by Research & Development software license costs, annual employee bonuses, and payroll costs associated with equity vesting in February 2026.

Cash used for operating activities includes payments to BrainChip's Board of Directors totaling US$223,469 as noted in item 6.1 of the accompanying Appendix 4C, comprising fees for Non-Executive Directors and salaries for Executive Directors.

The prior period included Investment cash outflows of US$1.25M related reported as capitalised R&D associated with production of the AKD1500. These outflows have been reclassified to Product manufacturing and operating costs ($262k) and Research and development costs ($985k) in the Year-To-Date results.

Authorisation

This announcement has been authorised for release by the Board of Directors of BrainChip Holdings Ltd.

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.

Follow BrainChip:
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LinkedIn: https://www.linkedin.com/company/7792006

Investor Contact
IR@brainchip.com

Media Contact:
Madeline Coe
Bospar
prforbrainchip@bospar.com
+1-224-433-9056

Appendix 4C

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

Name of entity

BrainChip Holdings Ltd

ABN	**Quarter ended ("current quarter")**
64 151 159 812	30 June 2026

Consolidated statement of cash flows		**Current quarter $US'000**	**Year to date (6 months) $US'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	149	813
1.2	Payments for		
	(a) research and development *	(1,977)	(5,721)
	(b) product manufacturing and operating costs *	(196)	(820)
	(c) advertising and marketing	(1,337)	(2,640)
	(d) leased assets	-	-
	(e) staff costs	(819)	(1,715)
	(f) administration and corporate costs	(722)	(1,494)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	200	381
1.5	Interest and other costs of finance paid	(9)	(20)
1.6	Income taxes paid	(20)	(38)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(4,731)**	**(11,254)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(187)	(205)

Consolidated statement of cash flows		Current quarter $US'000	Year to date (6 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	-	2
	(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**	**(187)**	**(203)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	12
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(20)
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	(112)	(222)
	- Funds (paid to)/received from LTIP participants on sale of equity units.	-	-
3.10	**Net cash from / (used in) financing activities**	**(112)**	**(230)**

Consolidated statement of cash flows		Current quarter $US'000	Year to date (6 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	25,324	31,712
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,731)	(11,254)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(187)	(203)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(112)	(230)
4.5	Effect of movement in exchange rates on cash held	11	280
4.6	**Cash and cash equivalents at end of period**	**20,305**	**20,305**

*	*YTD includes the reclassification of $1,247k of Other non-current assets (capitalised R&D costs) to Product manufacturing and operating costs ($262k) and Research and development costs ($985k) in the June Qtr.*

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	20,305	25,324
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)**	**20,305**	**25,324**

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	223
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** *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.*	**Total facility amount at quarter end $US'000**	**Amount drawn at quarter end $US'000**
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)	(4,731)
8.2	Cash and cash equivalents at quarter end (item 4.6)	20,305
8.3	Unused finance facilities available at quarter end (item 7.5)	665
8.4	Total available funding (item 8.2 + item 8.3)	20,970
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	4.43

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.

27 July 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.