ASX Announcement

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

Sydney, Australia – 30 October 2026 – BrainChip Holdings Ltd (ASX: **BRN**, OTCQX: **BRCHF, BCHPY**) ("BrainChip" or "the Company"), 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 30 September 2026.

Key Highlights

- Commercial release of Sequora™ IP, significantly expanding BrainChip's addressable market and extending the Company's technology leadership into edge-based generative AI and large language model inference
- Received ~20,000 AKD1500 silicon chips (Chips), enabling fulfillment of outstanding customer orders and increase in M.2 and PCIe board production used for customer evaluations
- Two IP licensees are working toward Q4 2026 tape-outs, a key milestone ahead of chip production
- BrainChip is in advanced negotiations with several qualified customers
- BrainChip ranked #3 company globally in the neuromorphic AI market by Spherical Insight behind Intel and IBM, neither of which have production grade neuromorphic chips
- AkidaTag awarded the Global AI Award for Edge AI & IoT Intelligence
- Appointed two additional sales executives to support growing global customer pipeline
- Ending cash balance of US$16.4M representing approximately 4 quarters of cash runway
- Customer cash inflows of US$0.3M versus the prior quarter (US$0.1M) driven primarily by chip and board sales
- Payments to suppliers and employees of US$5.0M, lower than the prior quarter (US$5.1M)

BrainChip CEO Sean Hehir said: "This quarter brought validation across several commercial pillars. Commercial chip shipments grew, board sales continued to climb, and we deepened our customer partnerships and engagement. Two IP licensees also remain on track to tape out

in Q4 2026, giving us growing visibility into high-margin royalty revenue[1] potentially beginning in late 2027".
The commercial release of Sequora™ was announced in October, building on the strengths of the Company's Akida™ platform and expanding BrainChip's addressable market. Akida processes streaming sensor data from vibration, audio, radar, raw radiofrequency (RF) in-phase and quadrature (IQ) signals, and biosensors, while Sequora powers generative and sequential AI, including on-device LLMs, voice-to-voice interaction and AI agents.

Following receipt of ~20,000 Chips in September 2026, BrainChip fulfilled outstanding commercial orders and accelerated development of M.2 and PCIe boards and other plug-and-play solutions. As a result, in just the past six weeks, the Company has seen a meaningful increase in customer access to our technology, enabling faster evaluation, validation and deployment activities. Reducing the time and complexity associated with customer evaluation remains one of the most important drivers of commercial conversion.

Demand for more intelligent devices at the edge continues to strengthen, further compounded by the challenges witnessed in the data centre industry. Supply constraints, privacy and responsible cloud-operated AI models, and significant token costs are widely noted as major data centre concerns.

Sean Hehir said: "BrainChip is uniquely positioned to benefit from the structural shift of a growing proportion of AI intelligence moving out of the data centre and to the edge. We have the industry's broadest portfolio of neuromorphic AI technologies, products and development tools available today."

Commercialisation

BrainChip's strategic focus remains centred on growing customer bookings, accelerating customer validation of its technologies, and expanding commercial opportunities across its hardware, software and intellectual property (IP) portfolios.

Licensee update

EdgeAI and Frontgrade Gaisler licensed Akida IP in March 2026 and December 2024 respectively and the Company expects both will tape out their chips in the coming months, a key step towards chip production.

EdgeAI is a Korean semiconductor company specialising in edge AI devices with an initial focus on smart metering, and ambitious growth plans to become a full-stack AI company supporting customers across the entire AI value chain. EdgeAI has licensed Akida 2 IP and is focused on taping out a multi project wafer (MPW) in December 2026.

[1] The timing and quantity of revenue will depend on customer production schedule and sales.

Edge AI expects engineering samples to be available in Q1 2027, which will be followed by a Proof-of-Concept project for smart metering in collaboration with MDS Intelligence, and move to full-scale commercialisation after appropriate testing and optimisation.

Frontgrade Gaisler is a leading provider of radiation-hardened microprocessors and IP cores for critical applications, particularly in the space industry. The Swedish National Space Agency awarded a contract to Frontgrade in April 2025 to commercialise the first neuromorphic SoC device for space applications. Tape-out of the GR801 SoC is expected in the coming months, which will enable commercial silicon production in 2027.

AKD1500 silicon chips

BrainChip received a further ~20,000 Chips in September, enabling all outstanding customer orders to be filled. The Company quickly moved into production of M.2 and PCIe boards where the demand is strongest for our chips. The remaining units are expected to be received by the end of November.

As part of our multi-year partnership, defense contractor **Parsons**, has now received the full complement of its initial 10,000 Chip order and commenced manufacture of its custom M.2 board, with 4-chip, 8-chip and 12-chip configurations. Following initial quality assurance and system validation activities, Parsons are expecting to have initial boards available to customers within the next few months.

Omani health-tech company **Onsor Technologies** has received a 2,000 Chip order for its epileptic seizure detection Nexa EEG glasses. The glasses are now awaiting approval from the Omani Ministry of Health after highly successful trials. The Nexa glasses are ground-breaking, and Onsor has indicated ambitious market expansion plans following their initial release.

Following receipt of 1,200 AKD1500 chips, Neuromorphyx is well underway with production of BrainBoard1500 boards, which are seeing strong interest from customers seeking to evaluate the technology. Separately, the Company has supplied Neuromorphyx with additional chips to manufacture M.2 and PCIe boards, which BrainChip will sell.

The Neuromorphyx partnership has provided four clear strategic benefits:

- Rapid expansion in customer access to BrainChip products
- Accelerated validation and proof-of-concept programs
- Increased market awareness through customer demonstrations and deployments being shared on social platforms, and
- New commercial opportunities with certain Neuromorphyx customers entering the BrainChip pipeline for both Chips and IP

Symphony Community Akida bundle (the Community Bundle)

BrainChip launched the Symphony Community Akida bundle (the Bundle) which pairs BrainChip's leading Akida technology with the workload management tool IBM Spectrum Symphony Community Edition, providing significant customer access to heterogenous computing.

The Bundle puts Akida technology alongside the CPU and GPU using a widely used workload management tool enabling smaller inference jobs to run on Akida, significantly improving overall system efficiency.

Heterogenous computing demonstrates the power of Akida by extending its addressable market outside of pure edge use cases. The free Community Bundle puts it in the hands of developers to enable rapid testing and validation.

Technology and Product Development

Sequora commercial release

The technological advancement of BrainChip surpassed a major milestone in October, with the commercial release of the Company's Sequora IP. Sequora builds on the strength of the Akida platform for a new set of use cases.

With compute up to 3 billion parameters and beyond, Sequora is a technical development designed to circumvent the severe memory bandwidth limitations that have historically kept conversational or generative AI out of edge devices like wearables, industrial sensors, and autonomous defense systems.

Chief Product Officer, Steve Brightfield commented, "We already have strong customer interest in Sequora and believe it will be well received by the market. We are in active discussions with customers in our pipeline on how Sequora is ideal for their use-cases."

Sequora is now available on an FPGA platform, allowing customers to evaluate its performance on real hardware ahead of silicon integration.

AKD2500

Development of AKD2500 progressed throughout the quarter and remains on track for tape-out by December 2026. The AKD2500 is expected to further strengthen BrainChip's competitive position in next-generation edge AI applications. First engineering samples are expected in early Q3 of 2027 subject to foundry capacity, which has been constrained across the industry throughout 2026.

Summary of Activities

July 2026

In July 2026, BrainChip announced two partnerships to enable developers to quickly introduce Akida technology into their designs. BrainChip's M.2 module was added to the CELUS design-automation platform, and AKD1500 technology was made available to hardware engineers using the Supplyframe Design Modeler Software.

Following receipt of the first 2,000 AKD1500 chips in June, BrainChip began fulfilling customer orders in July and commercially released the AKD1500 M.2 board later that month.

August 2026

BrainChip partnered with Orama.AOI to power their automated optical inspection solutions with Akida technology, enabling customers to build, deploy and scale high-accuracy edge AI solutions. Orama.AOI is currently focused on quality control measures in the manufacturing of semiconductors and tyres.

In August, BrainChip announced the partnership with Neuromorphyx over the BrainBoard1500 and released the Symphony Community Akida bundle.

AkidaTag was named a winner of the 2026 Global AI Award for the Edge AI & IoT Intelligence category. Judges evaluated entrants on impact (35%), design (25%), creativity (25%) and ease of use (15%). AkidaTag was recognised for faster inference at the point of capture, measurable reductions in bandwidth usage and smarter real-time analytics. Beyond the chip itself, BrainChip is positioning AkidaTag as a complete edge-AI reference platform.

September 2026

At the high-profile Embedded World North America 2026 conference, BrainChip ran live demonstrations of radar classification using the AKD1500 M.2 boards, human detection using the BrainBoard1500 and fall detection using the AkidaTag. The conference generated strong interest and significant customer leads.

Further expanding BrainChip's plug-and-play offer, the commercial availability of the AKD1500 PCIe development board was announced.

Outlook

BrainChip's maintains a steadfast focus on strategic delivery.

Near-term priorities include:

- Support EdgeAI and Frontgrade Gaisler tape-outs
- Convert advanced pipeline[2] opportunities
- Complete AKD2500 tape-out
- Expand board sales and customer evaluations
- Progress Sequora customer engagements

Potential revenue catalysts:

- First royalty-producing customer programs progressing toward silicon and production
- Additional AKD1500 chip and board sales
- New IP license agreements
- Sequora commercial engagements

Financial Update

The Company ended the September Quarter with US$16.4M in cash, compared to US$20.3M in the prior quarter. This represents approximately 3.95 quarters of funding available (4.4 at June 2026), as reported in the Appendix 4C. The Company is actively managing its cash flow to extend its runway, while continuing to prioritise its commercialisation and development activities. The Company regularly reviews its funding options and will remain flexible on timing to ensure any future capital raising delivers the greatest benefit to shareholders.

BrainChip reported net operating cash outflows of US$4.3M, down 9% from US$4.7M in the prior quarter. Net operating cash outflows comprise:

- Cash inflows from customers in the current quarter of US$0.27M increased from the prior quarter (US$0.15M).
- Payments to suppliers and employees totaled US$5.0M, which is comparable with the prior quarter (US$5.1M). R&D remains the largest outflow of US$2.1M as BrainChip continues to invest in product development.
- Operating receipts also included the receipt of the French Research Tax Credit (claimed annually) of US$0.25M in July 2026.

Cash used for operating activities includes payments to BrainChip's Board of Directors totaling US$223,528 as noted in item 6.1 of the accompanying Appendix 4C, comprising fees for Non-Executive Directors and salaries for Executive Directors.

Cash from financing activities included $0.5M from the sale of the remaining 6,040,000 collateral shares held by LDA Capital prior to the expiry of the LDA Put Option Agreement.

[2] Customer pipeline released in slide 6 of Q2 2026 Quarterly Investor Update presentation, on 11 September 2026.

BrainChip received net proceeds of A$688,582 (US$486,458) on 12 August 2026 after application of the 8.5% discount in accordance with the agreement.

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.

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

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	273	1,086
1.2	Payments for		
	(a) research and development	(2,122)	(7,843)
	(b) product manufacturing and operating costs	(257)	(1,077)
	(c) advertising and marketing	(1,242)	(3,882)
	(d) leased assets	-	-
	(e) staff costs	(821)	(2,536)
	(f) administration and corporate costs	(519)	(2,013)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	211	592
1.5	Interest and other costs of finance paid	(8)	(28)
1.6	Income taxes paid	(83)	(121)
1.7	Government grants and tax incentives	255	255
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(4,313)**	**(15,567)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(206)

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	-	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**	**(1)**	**(204)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	486	486
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	(113)	(335)
	- Funds (paid to)/received from LTIP participants on sale of equity units.	-	-
3.10	**Net cash from / (used in) financing activities**	**373**	**143**

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	20,305	31,712
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,313)	(15,567)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(204)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	373	143
4.5	Effect of movement in exchange rates on cash held	2	282
4.6	**Cash and cash equivalents at end of period**	**16,366**	**16,366**

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	16,043	20,305
5.2	Call deposits	323	-
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)**	**16,366**	**20,305**

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	224
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)	(4,313)
8.2	Cash and cash equivalents at quarter end (item 4.6)	16,366
8.3	Unused finance facilities available at quarter end (item 7.5)	665
8.4	Total available funding (item 8.2 + item 8.3)	17,031
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3.95

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.

30 October 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.