

ASX Announcement

Appendix 4D and Half-Year Financial Report

Sydney – 21 August 2025 – [BrainChip Holdings Ltd](#) (ASX: **BRN**, OTCQX: **BRCHF**, **BCHPY**) (**Company**), the world's first commercial producer of neuromorphic artificial intelligence technology, today provides its Appendix 4D and Half-Year Financial Report for the half year ending 30 June 2025.

In accordance with Listing Rule 4.2A, the Company encloses for release the following information:

- Appendix 4D
- 2025 Half-Year Financial Report

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, AkidaTM, 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.

BrainChip has entities in Perth, Australia; Laguna Hills, California (United States); Toulouse, France; and Hyderabad, India.

Explore the benefits of Essential AI at www.brainchip.com.

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Twitter: https://www.twitter.com/BrainChip_inc

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Forward Looking Statements

Certain views expressed here contain information derived from third parties or publicly available sources that have not been independently verified. This presentation includes certain statements, projections and estimates of the anticipated future financial performance of BrainChip Holdings Ltd. and the size, growth and nature of future markets for the company's products. Such statements, projections and estimates reflect various assumptions made by the directors concerning anticipated results, which assumptions may or may not prove to be correct. BrainChip Holdings Ltd. and its subsidiaries have not sought independent verification of information in this presentation. While the directors believe that they have reasonable grounds for each of the assumptions, statements, projections and estimates and all care has been taken in the preparation of this presentation, no warranty of representation, express or implied is given as to the accuracy, correctness, likelihood of achievement, or reasonableness of assumptions, estimates, statements and projections that are contained in this presentation. Such assumptions, estimates, statements and projections are intrinsically subject to significant uncertainties. To the maximum extent allowed by law, none of BrainChip Holdings Ltd, its directors, employees nor any other person accepts any liability arising out of any error, negligence or fault for any loss, without limitation, arising from the use of information contained in this presentation.

BrainChip Holdings Ltd

APPENDIX 4D HALF-YEAR FINANCIAL REPORT

Information given to ASX under listing rule 4.2A

Reporting period and Functional Currency

Current reporting period – six months ended:	30 June 2025
Previous corresponding period – six months ended:	30 June 2024
Functional Currency:	US dollars

Results for announcement to the market

	30 June 2025 US\$	30 June 2024 US\$	% change
Revenues from continuing operations	1,023,579	106,693	Up 859%
Operating loss	(10,009,539)	(11,622,308)	Down 14%
Loss for the period attributable to members	(9,360,251)	(11,517,767)	Down 19%

Loss per share

	US cents per share	US cents per share
Basic loss per share	(0.45)	(0.60)
Diluted loss per share	(0.45)	(0.60)

	30 June 2025 US cents per share	30 June 2024 US cents per share
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Net tangible assets

Net tangible assets per share	0.71	0.72
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Dividends or dividend reinvestment plan

No dividends were paid or declared during the half-year ended 30 June 2025 (2024: Nil). The Company does not operate a dividend reinvestment plan.

Additional Information

Additional Appendix 4D disclosure requirements can be found in the attached Financial Report for the Half-Year ended 30 June 2025.

This report is based on the half-year condensed consolidated financial statements and notes which have been reviewed by HLB Mann Judd. This report should be read in conjunction with the most recent annual financial report.

BrainChip Holdings Ltd

Half Year Report

30 June 2025



Benchmark Akida’s
Low-Power AI
in the **Cloud**

No hardware required. Test, benchmark, and validate Akida’s sparsity-driven AI in minutes.

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Directors' report

The directors submit their report of the consolidated entity, being BrainChip Holdings Ltd ("BrainChip Holdings" or "Company" or "BrainChip") and its controlled entities ("Group" or "Consolidated Entity"), for the half-year ended 30 June 2025.

Directors

The names and details of the Company's directors in office during the financial period and until the date of this report are as follows:

Antonio J. Viana	Non-Executive Director and Chair
Sean Hehir	Executive Director, Chief Executive Officer
Peter van der Made	Non-Executive Director
Geoffrey Carrick	Non-Executive Director
Pia Turcinov	Non-Executive Director
Duy-Loan Le	Non-Executive Director

All directors were in office for the entire financial period.

Principal activities

The principal activity of the Group is the development of software and hardware accelerated solutions for advanced artificial intelligence ("AI") and machine learning applications, with a primary focus on the development of its Akida Neuromorphic Processor to provide a complete ultra-low power and fast AI Edge Network for vision, audio, olfactory and smart transducer applications.

Dividends

No dividends have been paid or declared by the Company during the financial year or up to the date of this report.

Significant changes in the state of affairs

On 31 December 2024, BrainChip, together with LDA Capital Limited, LDA Capital LLC and LDA Capital Group, LLC executed a Fourth Amendment to the Put Option Agreement ("POA") (refer to ASX announcements dated 13 August 2020 and 26 October 2020), extending the agreement for a 18 month period and assigning the rights of LDA Capital Limited and LDA Capital LLC derived under the POA to LDA Capital Group, LLC (LDA Group). The amendment also provided an option to extend the POA for two additional one-year periods under the same terms upon mutual consent.

Under the terms of the renewal,

- total funding increased to A\$140M (Total Commitment Amount), of which A\$68 million in gross proceeds has been drawn since inception in 2020.
- BrainChip has agreed to an additional Minimum Drawdown Amount of A\$20 million to be drawn no later than 30 June 2026;
- BrainChip would issue 40 million Collateral Shares by the earlier of the next Capital Call or 30 June 2025, subject to Listing Rule 7.1 placement capacity.
- The purchase price remains set at 91.5% of the average daily Volume Weighted Average Price for each day shares are sold throughout the pricing period.

On 22 March 2025, BrainChip submitted a capital call notice to LDA Capital in accordance with the Fourth Amendment to the POA to subscribe for 40 million shares. The closing period was extended multiple times and finally completed on 25 July 2025. Cash funds were received in two instalments, comprising US\$3,831,282 (A\$5,835,610) on 15 July 2025, and US\$1,575,897 (A\$2,392,848) on 25 July 2025. The purchase price per share ranged from A\$0.1792 to A\$0.2571 during the capital call period.

There have been no other significant changes in the state of affairs of the Group.

Directors' report

Review of operations

The financial results of the Group are presented in US dollars unless otherwise referenced.

Overview

The Group made a net loss after income tax for the half-year ended 30 June 2025 of \$9,360,251 (2024: \$11,517,767).

Revenues for the year ended 30 June 2025 of \$1,023,579 increased 859% from \$106,693 in 2024, after the securing of certain development services and product sales contracts with strategic customers.

Total operating expenses for the half-year ended 30 June 2025 of \$10,283,291 decreased 12% from \$11,690,959 incurred in the prior period. This decrease was attributable to:

- Research & development (R&D) expenses of \$3,433,383 for the current period decreased 23%, or \$1,044,363 from the comparative period. R&D costs in the current period comprised employee expenses, contractor and other research and development costs, and the amortisation/impairment of capitalised R&D intangible assets. Movements in R&D costs are summarised as follows:
 - 17% decrease in employee expenses reported resulting from an increase in costs being allocated to cost of sales;
 - 33% reduction in grant revenue recognised as a result of the Australian R&D team redundancies in the comparative period.
 - Impairment of capitalised intangible assets of \$576,037 as 30 June 2024 after consideration of current impairment indicators.
- Selling & marketing (S&M) expenses of \$2,201,446 for the current period decreased 9%, or \$226,585 from the comparative period. Management is continuing to focus on targeting potential customers worldwide and the promotion and marketing of current and future products;
- General & administrative (G&A) expenses of \$3,611,559 for the current period increased 9% overall, or \$303,817 from the same period a year ago as a result of:
 - Increased recruitment costs in the appointment of personnel after resignations during the period, and
 - increased legal and professional costs;
- Share-based payment expense of \$1,036,903 for the current period decreased 30%, or \$440,538 from the same period a year ago. Share-based payments expense is non-cash in nature and represents the current period vesting expense for equity instruments (Options, Performance Rights ("PRs"), Restricted Stock Units ("RSUs") and Services Rights ("SRs")) issued to directors, employees and consultants, offset by the value of equity units that have been forfeited during the year. The current year included a vesting credit of \$1,547,770 (2024: \$2,178,253) resulting from the reassessment of the achievement of the maximum performance criteria for equity units granted in 2023 that vest on 28 February 2026.

The current year loss also includes:

- Finance income, comprising interest income earned \$293,254 (2024: \$202,761) on cash balances invested, and net foreign exchange gains on the revaluation of non-USD cash balances of \$517,851.
- Gains from financial assets and liabilities measured at fair value through profit and loss of \$109,922 (2024: \$13,575) resulting from the fair value of the LDA financial liabilities recognised due to the agreed pricing mechanism and the put option premium.

Directors' report

Review of operations (continued)

Balance Sheet and Cashflows

At the end of the half-year, the Group had consolidated net assets of \$15,241,786 (31 December 2024: \$19,826,520), including cash and cash equivalents of \$13,458,121 (31 December 2024: \$20,000,422).

Trade and other receivables increased to \$4,034,490 from \$947,994 at 31 December 2024, driven mainly by the recognition of both a receivable of \$2,983,111 and a derivative asset of \$294,870 related to the LDA capital call notice issued on 23 March 2025 which remained open at 30 June 2025.

Cash outflows used in operating activities decreased to \$6,990,176 from \$8,324,578 at 30 June 2024, as noted in the Consolidated Statement of Cash Flows, as BrainChip recognised \$1,522,026 of cash received from customers compared with \$137,606 in the comparative period.

Operational Highlights

Throughout the first half of 2025 the Company continued to focus on executing its commercial strategy, developing a pipeline of new business opportunities and expanding its product offering through constant technical innovation.

Dr. Jonathan Tapson, BrainChip's Chief Development Officer, outlined the Company's Technology Roadmap ahead of the AGM in May 2025. Dr. Tapson highlighted the plans for BrainChip's Akida designs, software stack, models and hardware offerings. Dr. Tapson conveyed the team's commitment to ongoing product development and the Company believes the product offering allows for robust scalable growth.

Commercial Partnerships

BrainChip continues its path to commercialization and, on 25 February 2025, announced a technology collaboration partnership with Onsor Technologies to enable an innovative approach using neuromorphic computing to predict epileptic seizures utilizing the Akida Platform. The Onsor solution consists of wearable glassed incorporating EED sensors, neuromorphic processing capabilities, and a user-friendly alert system on a mobile device.

Following on from the announcement in December 2024 that Frontgrade Gaisler had licensed BrainChip's Akida IP for incorporation into space-grade, fault tolerant system-on-chip solutions for hardware AI acceleration, the Swedish National Space Agency awarded Frontgrade a contract to commercialize the first neuromorphic System on Chip device for space applications. This was announced in April 2025. Already in development at Frontgrade Gaisler, the device is part of the company's new GRAIN (Gaisler Research Artificial Intelligence NOEL-V) product line. Sweden's Royal Institute of Technology is contributing to this project.

BrainChip also revealed a commercial partnership with Information Systems Laboratories in April 2025. The partnership plans to jointly promote and provide services for AI-based radar research solutions based on BrainChip's Akida neural networking processor.

Progress continues in the exploration of commercial partnerships with activities including:

- BrainChip partnered with Arquimea during the period on an AI-powered detection solution to enhance water safety. Arquimea has demonstrated BrainChip's Akida with a Prophesee event-based Metavision camera on a low-power drone. The drone helps lifeguards scale their services by detecting distressed swimmers and surfers who may be out of view.
- BrainChip was proud to announce a collaboration with Andes Technology during April 2025. Andes is the leading provider of RISC-V embedded cores. Leveraging the benefits of Akida's pure digital, extremely energy-efficient, event-based AI computation, Andes RISC-V compute platforms can deliver at-sensor or sensor-balanced solutions for AI, application processors, automotive electronics, and security markets. This collaboration demonstrated BrainChip's AKD1500 on Andes' QiLai Voyager Board and Andes Core AX45MP 64-bit multicore CPU IP at the Andes RISC-V Conference in San Jose, showing attendees the power of Akida technology with RISC-V for efficient, intelligent compute at the edge.

Directors' report

Review of operations (continued)

Operational Highlights (continued)

- Chelpis Quantum Corp. announced the selection of BrainChip's Akida chips for its industrial robotic security application on 28th April 2025. Chelpis is purchasing AKD1000 devices for qualification and deployment in endpoint security for robotic solutions. This is the first step in a collaboration that will help enable Chelpis and its partner company, Mirle, to build autonomous quadruped robots for industrial/factory environments. Chelpis is exploring BrainChip's Akida IP to fulfil security and AI computing needs in its AI-PQC robotic System-on-Chip development.
- On the 24th June 2025, BrainChip announced a strategic collaboration with HaiLa Technologies, an innovator in ultra-low power wireless connectivity. BrainChip and HaiLa are working with leading OEMs and ecosystem partners to bring their combined capabilities to market across medical, environmental, and infrastructure monitoring domains. Together, the companies intend to demonstrate how BrainChip's Akida™ neuromorphic technology can pair seamlessly with HaiLa's BSC2000 radio frequency integrated circuit RFIC to enable breakthrough power efficiency for connected sensor applications in IoT, medical, and smart infrastructure markets.

During June 2025, BrainChip unveiled its MetaTF 2.13 software on a newly launched Developer Hub. BrainChip is making it easier than ever for developers to build intelligent, low-power applications at the edge with the launch of its all-new Developer Hub, a dedicated portal designed to accelerate innovation on the Akida™ platform.

BrainChip released two high-performance models on the MetaTF platform: eye-tracking and gesture recognition. Both are designed to demonstrate the unique advantages of event-based AI processing using Akida, which delivers real-time performance with ultra-low power consumption

Redomicile Considerations

On 27 February 2025, the Company announced it was evaluating the possibility of redomiciling to an alternative stock exchange with a focus on the US. Post an extensive review that included input and advice from a range of experts, including foreign and domestic legal advisors, investment banks and feedback from shareholders, the Board made the decision that shareholder value is best achieved by remaining listed on the ASX.

BrainChip remains committed to the ASX listing and ensuring that the Company continues its path to commercial success. The Board acknowledges and appreciates the ongoing commitment of shareholders. This sustained support is instrumental to the Company's progress and underpins its pursuit of long-term growth.

Intellectual Property

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 its competitive positioning in the rapidly evolving edge AI market. The Company views IP as a critical asset for unlocking commercial opportunities and delivering sustained shareholder value through innovation-led growth.

Securities on Issue

The Company has the following securities on issue as at the date of this report:

Ordinary shares	2,025,741,735
Options over ordinary shares	48,067,530
Restricted stock units	120,540,327
Service rights	2,093,022
Performance rights	2,725,828

Directors' report

Review of operations (continued)

Significant events after the balance date

From 1 July 2025 and to the date of this report, 2,880,832 RSUs and 375,000 performance rights held by BrainChip Equity Plan participants converted to shares upon vesting. A further 2,293,447 RSUs were forfeited upon the resignation of an employee. The Company also granted 580,000 options and 1,000,000 RSUs to new participants.

The Capital Notice issued under the Fourth Amendment to the POA was closed on 23 July 2025. Cash funds were received in two instalments during July, US\$3,831,282 (A\$5,835,610) on 15 July 2025 and US\$1,570,973 (A\$2,392,848) (net of fees) on 25 July 2025. The purchase price per capital call share ranged from A\$0.1784 to A\$0.2562 during the capital call period.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Auditor Independence

The Directors received the Independence Declaration, as set out on page 39, from HLB Mann Judd.

Signed in accordance with a resolution of the Directors.



Antonio J. Viana
Chair

California, U.S.A., 21 August 2025

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of BrainChip Holdings Ltd for the half-year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
21 August 2025

B G McVeigh
Partner

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A Western Australian Partnership

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HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Condensed consolidated statement of profit and loss and other comprehensive income

For the half-year ended 30 June 2025

	Note	2025 US\$	2024 US\$
Continuing operations			
Revenue from contracts with customers	3	1,023,579	106,693
Cost of goods sold		(749,827)	(38,042)
Gross profit		273,752	68,651
Expenses			
Research & development	4(a)	(3,433,383)	(4,477,746)
Sales & marketing	4(b)	(2,201,446)	(2,428,031)
General & administrative	4(c)	(3,611,559)	(3,307,742)
Share-based payment expense	15(a)	(1,036,903)	(1,477,440)
Operating loss		(10,009,539)	(11,622,308)
Finance income	5(a)	593,618	202,761
Finance expense	5(b)	(29,949)	(86,942)
Net fair value gain through profit and loss	5(c)	109,922	13,575
Loss from continuing operations before income tax		(9,335,948)	(11,492,914)
Income tax expense		(24,303)	(24,853)
Net loss for the year		(9,360,251)	(11,517,767)
Other comprehensive income/(loss)			
<i>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Remeasurement (loss)/gain on defined benefit plans		(623)	13,827
<i>Items that may be reclassified subsequently to profit or loss (net of tax):</i>			
Exchange differences on translation of foreign operations		366,703	(146,026)
Other comprehensive income/(loss) for the year, net of tax		366,080	(132,199)
Total comprehensive loss for the year, net of tax		(8,994,171)	(11,649,966)
Loss per share attributable to ordinary equity holders of the Company			
		US cents per share	US cents per share
Basic loss per share	6	(0.45)	(0.60)
Diluted loss per share	6	(0.45)	(0.60)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position

As at 30 June 2025

	Note	30 June 2025 US\$	31 December 2024 US\$
Current Assets			
Cash and cash equivalents	8	13,458,121	20,000,422
Trade and other receivables	9	4,034,490	947,994
Inventory		318,630	240,723
Other assets		406,931	441,916
Total Current Assets		18,218,172	21,631,055
Non-Current Assets			
Right-of-use assets	10	798,429	894,856
Plant and equipment		318,283	346,225
Other assets		216,376	174,962
Total Non-current Assets		1,333,088	1,416,043
TOTAL ASSETS		19,551,260	23,047,098
Current Liabilities			
Trade and other payables		1,857,022	1,373,294
Deferred revenue		656,327	48,342
Lease liabilities	11	458,927	454,956
Employee benefits liabilities		542,331	456,403
Total Current Liabilities		3,514,607	2,332,995
Non-current Liabilities			
Financial liabilities	12	47,459	45,455
Lease liabilities	11	542,943	669,914
Defined benefit plan		204,465	172,214
Total Non-current Liabilities		794,867	887,583
TOTAL LIABILITIES		4,309,474	3,220,578
NET ASSETS		15,241,786	19,826,520
Equity			
Contributed equity	14 (a)	171,172,749	167,800,215
Share-based payments reserve		51,206,349	50,169,446
Foreign currency translation reserve		403,514	36,811
Accumulated losses		(207,540,826)	(198,179,952)
TOTAL EQUITY		15,241,786	19,826,520

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity

For the half-year ended 30 June 2025

	Contributed equity US\$	Share- based payment reserve US\$	Other reserves US\$	Foreign currency reserve US\$	Accumulated losses US\$	Total equity US\$
At 1 January 2024	145,626,256	44,719,097	247,872	256,801	(174,015,705)	16,834,321
Loss for the year	-	-	-	-	(11,517,767)	(11,517,767)
Other comprehensive loss	-	-	-	(146,026)	13,827	(132,199)
Total comprehensive loss for the period	-	-	-	(146,026)	(11,503,940)	(11,649,966)
Issue of share capital	7,085,900	-	-	-	-	7,085,900
Converted treasury shares	793,498	-	-	-	-	793,498
Share issue costs	(26,093)	-	-	-	-	(26,093)
Share-based payment (Note 15(a))	-	1,477,440	-	-	-	1,477,440
At 30 June 2024	153,479,561	46,196,537	247,872	110,775	(185,519,645)	14,515,100
At 1 January 2025	167,800,215	50,169,446	-	36,811	(198,179,952)	19,826,520
Loss for the year	-	-	-	-	(9,360,251)	(9,360,251)
Other comprehensive loss	-	-	-	366,703	(623)	366,080
Total comprehensive loss for the period	-	-	-	366,703	(9,360,874)	(8,994,171)
Issue of share capital	3,168,059	-	-	-	-	3,168,059
Converted treasury shares	223,626	-	-	-	-	223,626
Share issue costs	(19,151)	-	-	-	-	(19,151)
Share-based payment (Note 15(a))	-	1,036,903	-	-	-	1,036,903
At 30 June 2025	171,172,749	51,206,349	-	403,514	(207,540,826)	15,241,786

The above condensed consolidated statement of changes of equity should be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows

For the half-year ended 30 June 2025

	Note	2025 US\$	2024 US\$
Cash flows used in operating activities			
Receipts from customers		1,522,026	137,606
Payments to suppliers and employees		(9,262,975)	(8,988,183)
Interest received		293,254	202,761
Interest paid		(29,949)	(41,785)
Grants and R&D credits received from third parties		468,705	329,494
Income taxes refunded		18,763	35,529
Net cash flows used in operating activities		(6,990,176)	(8,324,578)
Cash flows used in investing activities			
Payments for property, plant and equipment		(39,369)	(51,412)
Net cash flows used in investing activities		(39,369)	(51,412)
Cash flows used in financing activities			
Receipts from the issue of shares		-	5,167,767
Payment of share issue costs		(19,151)	(33,348)
Receipts from the exercise of unlisted options		227,001	-
Payment to reduce lease liabilities	11	(238,253)	(219,380)
Net cash flows (used in)/generated from financing activities		(30,403)	4,915,039
Net decrease in cash and cash equivalents		(7,059,948)	(3,460,951)
Net foreign exchange differences		517,647	22,554
Cash at the beginning of the financial period		20,000,422	14,343,381
Cash and cash equivalents at the end of the period	8	13,458,121	10,904,984

The above condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the half-year condensed consolidated financial statements

Note 1. Corporate information

The interim condensed consolidated financial report of BrainChip Holdings Ltd (“BrainChip Holdings” or “Company”) and its controlled entities (“Consolidated Entity” or “Group”) for the half-year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 21 August 2025.

BrainChip Holdings is a for-profit company limited by shares, incorporated and domiciled in Australia, and whose shares are publicly traded on the Australian Securities Exchange.

The address of the registered office is Level 8, 210 George Street, Sydney NSW 2000, Australia.

The nature of the operations and principal activities of the Group are described in the Directors’ Report.

Note 2. Summary of material accounting policies

Basis of preparation

The half-year condensed consolidated financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 “*Interim Financial Reporting*”.

The half-year condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2024, and considered together with any public announcements made by the Company during the half-year ended 30 June 2025 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

New standards, interpretation and amendments adopted by the Group

The accounting policies adopted in the preparation of the half-year condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Note 3. Revenue from contracts with customers

Revenue is disclosed by type of goods and services and timing of recognition. Refer to Note 7 for the disaggregation of revenue from contracts with customers by geographical region.

	30 June 2025 US\$	30 June 2024 US\$
Types of good and services		
Product revenue	19,184	73,655
Development services revenue	1,004,395	33,038
Total revenue from contracts with customers	1,023,579	106,693
Timing of revenue recognition		
Services transferred over time	86,962	33,038
Sale of product and license transferred at a point in time	936,617	73,655
Total revenue from contracts with customers	1,023,579	106,693

Notes to the half-year condensed consolidated financial statements

Note 4. Expenses

	30 June 2025 US\$	30 June 2024 US\$
(a) Research & development expenses		
Employee expenses	3,067,355	3,686,079
Government grants received ⁽¹⁾	(139,362)	(203,304)
Patent application fees	117,021	42,052
Software/hardware IT expenses	171,702	206,365
Amortisation of intangible assets	-	32,735
Impairment of intangible assets	-	576,037
Depreciation of plant & equipment	8,526	7,102
Depreciation of right-of-use assets	31,623	34,377
Other expenses	176,518	96,303
Total research & development expenses	3,433,383	4,477,746
(b) Selling & marketing expenses		
Employee expenses	1,604,342	1,971,538
Promotional advertising	307,446	229,751
Other expenses	289,658	226,742
Total selling & marketing expenses	2,201,446	2,428,031
(c) General & administration expenses		
Employee expenses	2,075,992	2,062,167
Legal and professional fees	362,149	301,883
Corporate and listing fees	231,321	226,116
Recruiting fees	271,093	5,700
Travel and accommodation expenses	52,852	91,297
Depreciation of plant & equipment	66,741	68,367
Depreciation of right of use assets	178,358	176,916
Office rent	6,681	4,472
Software lease and hardware expense	160,265	185,189
Other	206,107	185,635
Total general & administration expenses	3,611,559	3,307,742

⁽¹⁾ The Group recognised research credits from the French and Australian regulatory authorities in accordance with local tax regulations. There are no unfulfilled conditions attached to amounts recognised.

Notes to the half-year condensed consolidated financial statements

Note 5. Finance income and finance expense

	30 June 2025 US\$	30 June 2024 US\$
(a) Finance income		
Interest received	293,254	202,761
Foreign exchange gain	300,364	-
Total finance income	593,618	202,761
(b) Finance expense		
Other interest expense	29,949	44,062
Foreign exchange loss	-	42,880
Total finance expense	29,949	86,942
(c) Fair value gain through profit and loss		
Net gain from financial assets and liabilities measured at fair value through profit and loss (i)	109,922	13,575
Net fair value gain through profit and loss	109,922	13,575

- (i) On 22 March 2025, BrainChip submitted a capital call notice to LDA Capital Limited and LDA Capital LLC ("LDA Capital") in accordance with the Fourth Amendment to the POA to subscribe for 40 million shares. The formula used to determine LDA Capital's purchase price remains set at 91.5% of the average of the daily Volume Weighted Average Price for each day shares are sold throughout the pricing period. Cash funds were received after 30 June 2025 in two instalments, comprising US\$3,831,282 (A\$5,835,610) on 15 July 2025, and US\$1,570,973 (A\$2,392,848) (net of fees) on 25 July 2025 after the call notice was closed on 23 July 2025. The purchase price per capital call share ranged from A\$0.1784 to A\$0.2562 during the capital call period. A net gain from financial assets and liabilities measured at fair value through the profit and loss of \$109,922 was recognised. Refer below for the reconciliation of cash and issued capital.

	US\$
Receivable and derivative asset recognised at 30 June 2025	3,277,981
Net gain from financial assets and liabilities measured at fair value through the profit and loss (Note 5(c) above)	(109,922)
Value of shares issued on exercise of LDA Capital put option premium (Note 14(b))	3,168,059

Note 6. Loss per share

	30 June 2025 US\$	30 June 2024 US\$
Net loss attributable to ordinary shareholders for basic and diluted earnings per share	(9,360,251)	(11,517,767)
	US cents per share	US cents per share
Basic and diluted loss per share	(0.45)	(0.60)
	Number	Number
Weighted average number of ordinary shares for basic loss per share ⁽²⁾	2,081,190,125	1,907,787,032
Effect of the dilution of share options and performance rights ⁽¹⁾	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	2,081,190,125	1,907,787,032

Notes to the half-year condensed consolidated financial statements

Note 6. Loss per share (continued)

- ⁽¹⁾ At 30 June 2025, the Company had on issue 47,487,530 share options (30 June 2024: 55,387,742), 124,714,606 restricted stock units (30 June 2024: 104,270,324), 2,093,022 service rights (30 June 2024: 2,093,022) and 3,100,828 performance rights (30 June 2024: 5,606,881) that were excluded from the calculation of diluted loss per share as they are considered anti-dilutive.
- ⁽²⁾ Weighted average number of ordinary shares has been adjusted by a factor of approximately 1.02 as a result of rights issued to institutional and sophisticated investors since 2017.

Note 7. Operating segments

For management purposes, the Group is organised into one operating segment, being the technological development of designs that can be licensed to OEM (Original Equipment Manufacturer) Customers, End Users and System Integrators based on Artificial Neural Networks.

All the activities of the Group are interrelated, and each activity is dependent on the others. Accordingly, all significant operating disclosures are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The Group currently derives revenue from BrainChip Inc., located in the USA, and BrainChip SAS, its France based subsidiary.

Geographically, the Group has the following revenue information based on the location of its customers and non-current assets from where its investing activities are managed.

	30 June 2025 US\$	31 December 2024 US\$
Non-current assets		
North America	892,767	1,043,470
Oceania	169,275	187,065
Europe, Middle East & Asia (EMEA)	271,046	185,508
Total	1,333,088	1,416,043
	30 June 2025 US\$	30 June 2024 US\$
Revenue from external customers		
North America	872,161	21,665
Oceania	-	25,030
Europe, Middle East & Asia (EMEA)	151,418	59,998
Total	1,023,579	106,693

Customers representing more than 10% of revenues in the current year amounted to \$809,706 (2024: \$45,195) comprising development services revenue from a USA based customer (2024: product revenue of \$16,537 and engineering services revenue of \$28,658 of which \$20,165 was earned from customers located in the Americas and \$20,165 earned from Oceania).

Notes to the half-year condensed consolidated financial statements

Note 8. Cash and cash equivalents

	30 June 2025 US\$	31 December 2024 US\$
Cash at bank and in hand	13,458,121	19,987,439
Term deposits	-	12,983
Total	13,458,121	20,000,422

Note 9. Trade and other receivables

	30 June 2025 US\$	31 December 2024 US\$
<i>Current</i>		
Trade receivables ⁽¹⁾	268,327	179,704
R&D refundable tax offset	459,370	743,839
Receivable from the issue of shares – refer Note 5(c)(i)	2,983,111	-
Derivative asset – refer Note 5(c)(i)	294,870	-
Other receivables	28,812	24,451
	4,034,490	947,994

⁽¹⁾ Trade receivables are non-interest bearing and generally on terms of 30-90 days. As at the half-year end, there is no allowance for expected credit loss recorded.

Note 10. Right-of-use assets

	30 June 2025 US\$	31 December 2024 US\$
Cost	2,316,786	2,224,324
Accumulated depreciation	(1,518,357)	(1,329,468)
Total	798,429	894,856

Movement in right-of-use assets

	US\$
At 1 January 2025	894,856
Additions	105,469
Depreciation	(209,981)
Foreign exchange movements	8,085
At 30 June 2025	798,429

Notes to the half-year condensed consolidated financial statements

Note 11. Lease liabilities

	30 June 2025 US\$	31 December 2024 US\$
<i>Current</i>	458,927	454,956
<i>Non-current</i>	542,943	669,914
Total	1,001,870	1,124,870
		US\$
<i>Movement in lease liabilities:</i>		
At 1 January 2025		1,124,870
Additions		105,469
Reduction in lease liabilities		(238,253)
Foreign exchange movements		9,784
At 30 June 2025		1,001,870

Note 12. Financial liabilities

	30 June 2025 US\$	31 December 2024 US\$
<i>Non-current</i>		
Advance from third parties	47,459	45,455
Total	47,459	45,455
		US\$
<i>Movement in Advance from third parties ⁽¹⁾</i>		
At 1 January 2025		45,455
Grant revenue recognised		(3,349)
Foreign exchange movements		5,353
At 30 June 2025		47,459

- (1) Non-current advances include loans from various French government agencies which are granted without any interest and are to be repaid under certain conditions. The benefit of the government loan at a below-market rate of interest is treated as a government grant.

Notes to the half-year condensed consolidated financial statements

Note 13. Financial assets & liabilities

Set out below is an overview of financial assets (other than cash and short-term deposits) and financial liabilities held by the Group as at 30 June 2025 and 31 December 2024:

	30 June 2025 US\$	31 December 2024 US\$
<i>Financial assets at amortised cost</i>		
Trade and other receivables	4,034,490	947,994
Total financial assets	4,034,490	947,994
<i>Current</i>	4,034,490	947,994
Total financial assets	4,034,490	947,994
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	1,856,022	1,373,294
Financial liabilities		
- Advances from third parties	47,459	45,455
Total financial liabilities	1,903,481	1,418,749
<i>Current</i>	1,856,022	1,373,294
<i>Non-current</i>	47,459	45,455
Total financial liabilities	1,903,481	1,418,749

Note 14. Contributed equity

	30 June 2025 US\$	31 December 2024 US\$
<i>(a) Fully paid ordinary shares</i>		
Issued and fully paid	171,172,749	167,800,215
	171,172,749	167,800,215

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of winding up the Company the holders are entitled to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

	Number	US\$
<i>(b) Movement in ordinary shares on issue</i>		
At 1 January 2025	1,972,467,976	167,800,215
Issue of shares to the Trustee of the BrainChip Equity Plan	13,000,000	-
Shares allocated on exercise of LDA Capital put option premium (refer Note 5(c)(i))	40,000,000	3,168,059
Issue of shares to third party on conversion of restricted stock units	273,759	-
Treasury shares issued on conversion of options	-	223,626
Share issue costs incurred	-	(19,151)
At 30 June 2025	2,025,741,735	171,172,749

Notes to the half-year condensed consolidated financial statements

Note 14. Contributed equity (continued)

	30 June 2025 Number	31 December 2024 Number
(c) Treasury shares		
Fully paid shares issued to the Trustee of the BrainChip Equity Plan ("LTIP")	3,395,253	6,082,693
	<u>3,395,253</u>	<u>6,082,693</u>

The BrainChip Equity Plan (previously named the 2018 Long Term Incentive Plan) (LTIP) was established on 2 August 2018. Certane CT Pty Ltd was appointed the Plan Trustee effective 16 August 2021. The Company issues shares to the Trust at no value to be held available for the conversion of vested options, performance rights and restricted stock units held by LTIP participants.

	Number
(d) Movement in treasury shares	
At 1 January 2025	6,082,693
Shares issued to the Trust from BrainChip Holdings Ltd	13,000,000
Shares Issued on exercise of share options	(1,450,000)
Shares issued by Trustee on conversion of performance rights	(807,808)
Shares Issued on conversion of restricted stock units	<u>(13,429,632)</u>
At 30 June 2025	<u>3,395,253</u>

(e) Equity instruments issued as share based payments

Unissued ordinary shares in the form of options, restricted stock units, performance rights and services rights are issued to participants of the BrainChip Equity Plan or directly to third parties at the discretion of the Board. These unissued ordinary shares are summarised as follows:

	30 June 2025 Number	31 December 2024 Number
Unlisted options – refer note 15(b)	47,487,530	45,418,318
Unlisted performance rights – refer note 15(e)	3,100,828	5,122,329
Unlisted restricted stock units – refer note 15(g)	124,714,606	97,417,448
Unlisted service rights – refer note 15(i)	<u>2,093,022</u>	<u>2,093,022</u>
	<u>177,395,986</u>	<u>150,051,117</u>

Notes to the half-year condensed consolidated financial statements

Note 15. Share-based payments

	30 June 2025 US\$	30 June 2024 US\$
(a) Share-based payment expense:		
Equity instruments issued to third parties	35,778	22,139
Equity instruments issued under the BrainChip Equity Plan	2,548,895	3,633,554
Vesting credit recognised ⁽¹⁾	(1,547,770)	(2,178,253)
Total share-based payment expense	1,036,903	1,477,440

⁽¹⁾ Management assessed the likelihood of achievement of certain performance conditions and recognised a vesting credit in the current year where it is not considered probable that the vesting conditions will be met.

(b) Share options granted as share-based payments:

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options issued as share-based payments during the year:

	30 June 2025 Number	30 June 2025 WAEP US\$	31 December 2024 Number	31 December 2024 WAEP US\$
At 1 January	45,418,318	0.183	63,451,314	0.163
Granted during the period	4,992,380	0.133	7,036,661	0.177
Exercised during the period	(1,450,000)	(0.182)	(15,925,000)	(0.095)
Forfeited during the period	(1,422,721)	(0.219)	(5,801,324)	(0.193)
Lapsed during the period	(50,447)	(0.207)	(143,333)	(0.389)
Expired during the period	-	-	(3,200,000)	(0.169)
End of the period	47,487,530	0.177	45,418,318	0.183
Exercisable (vested and unrestricted) at the end of the period	36,523,940	0.176	36,124,114	0.168

The weighted average remaining contractual life for the share options outstanding at 30 June 2025 is 5.648 years (31 December 2024: 6.133 years).

The weighted average fair value of options granted during the period was \$0.098 (31 December 2024: \$0.130). The range of exercise prices for options outstanding at the end of the period was \$0.038 to \$0.663 (31 December 2024: \$0.038 to \$0.663).

The above options are exercisable after vesting and at any time on or before the expiry date.

Notes to the half-year condensed consolidated financial statements

Note 15. Share-based payments (continued)

(c) Share options granted under the BrainChip Equity Plan:

Set out below are summaries of options on issue under the BrainChip Equity Plan:

Grant date	Expiry date	Exercise price	Balance at start of the period	Granted	Exercised	Expired/ forfeited/ lapsed	Balance at end of the period
31/5/2017 ⁽³⁾	1/2/2025	0.182	1,450,000	-	(1,450,000)	-	-
31/5/2017 ⁽³⁾	1/2/2026	0.182	1,000,000	-	-	-	1,000,000
5/3/2018 ⁽⁵⁾	13/3/2028	0.147	1,603,000	-	-	-	1,603,000
5/3/2018 ⁽¹⁾	13/3/2028	0.171	200,000	-	-	-	200,000
30/4/2018 ⁽¹⁾	8/6/2028	0.136	443,138	-	-	-	443,138
11/3/2019 ⁽⁴⁾	13/3/2029	0.047	10,500,000	-	-	-	10,500,000
18/3/2019 ⁽⁵⁾	18/3/2029	0.042	207,976	-	-	-	207,976
13/6/2019 ⁽¹⁾	30/5/2029	0.037	2,000,000	-	-	-	2,000,000
10/8/2020 ⁽⁶⁾	6/8/2030	0.125	6,850,000	-	-	-	6,850,000
7/10/2020 ⁽¹⁾	7/10/2030	0.250	600,000	-	-	-	600,000
3/12/2020 ⁽¹⁾	3/12/2030	0.256	2,225,000	-	-	-	2,225,000
7/12/2020 ⁽¹⁾	7/12/2030	0.262	2,900,000	-	-	-	2,900,000
9/4/2021 ⁽¹⁾	9/4/2031	0.446	280,000	-	-	-	280,000
9/4/2021 ⁽¹⁾	9/4/2031	0.411	2,500,000	-	-	-	2,500,000
4/6/2021 ⁽¹⁾	04/6/2031	0.460	1,000,000	-	-	-	1,000,000
23/11/2020 ⁽⁷⁾	27/5/2031	0.279	2,500,000	-	-	-	2,500,000
10/8/2021 ⁽¹⁾	10/8/2031	0.400	390,000	-	-	-	390,000
20/4/2022 ⁽²⁾	21/4/2032	0.711	450,000	-	-	-	450,000
28/4/2022 ⁽⁸⁾	28/4/2032	0.659	197,000	-	-	(118,200)	78,800
18/9/2022 ⁽²⁾	19/9/2032	0.618	300,000	-	-	-	300,000
21/4/2023 ⁽⁹⁾	21/4/2033	0.278	1,309,898	-	-	-	1,309,898
18/8/2023 ⁽²⁾	17/8/2033	0.214	480,000	-	-	(120,000)	360,000
20/5/2024 ⁽⁸⁾	20/5/2034	0.177	2,010,768	-	-	(1,184,742)	826,026
20/5/2024 ⁽¹⁰⁾	20/5/2034	0.177	4,021,538	-	-	(50,226)	3,971,312
11/2/2025 ⁽²⁾	16/12/2034	0.179	-	270,000	-	-	270,000
27/6/2025 ⁽¹¹⁾	27/6/2035	0.131	-	1,574,128	-	-	1,574,128
30/06/2025 ⁽¹¹⁾	30/6/2035	0.130	-	3,148,252	-	-	3,148,252
			45,418,318	4,992,380	(1,450,000)	(1,473,168)	47,487,530

(1) Issued to employees and consultants vesting equally over 4 years on each grant date anniversary.

(2) Issued to employees and consultants vesting equally over 3 years on each grant date anniversary.

(3) Issued to Directors of which 25% of the options vest on each anniversary date of the offer date (7 July 2017) expire five years from each vesting date.

(4) 7,500,000 options vest on the first grant date anniversary, with 1/36th monthly thereafter; 2,500,000 options will vest each grant date anniversary.

(5) 7,500,000 options vest on the first grant date anniversary, with 1/36th monthly thereafter; 3,000,000 options will vest each anniversary of the grant date.

(6) Options vest on the 4th anniversary of the grant date.

(7) 2,500,000 unlisted options were issued to a Non-executive director, of which 25% of the options vest on each anniversary date of the offer date (23 November 2020) and expire 27 May 2031.

(8) Options vest on 28 Feb 2025 upon the achievement of performance criteria.

(9) Options vest on 28 Feb 2026 upon the achievement of performance criteria

(10) Options vest on 28 Feb 2027 upon the achievement of performance criteria

(11) Options vest on 28 Feb 2028 upon the achievement of performance criteria

Notes to the half-year condensed consolidated financial statements

Note 15. Share-based payments (continued)

(d) Share options pricing model

The fair value of the equity-settled share options granted under the LTIP is estimated on the date of the offer of the grant using a Black Scholes Option Pricing model. Share options granted with market conditions ("MC") are valued using a Monte-Carlo simulation. The following table lists the inputs to the models used for the valuation of options during the half-year ended 30 June 2025:

	Number of options	Fair value at measurement date US\$	Share price at grant date US\$	Exercise Price US\$	Expected volatility (%)	Risk-free interest rate (%)	Expected life of options in years
2025							
Employees	270,000	0.171	0.188	0.179	100.0	4.30	9.85
Employees	1,574,128	0.107	0.127	0.131	84.0	3.26	10.0
Employees	2,833,428	0.107	0.127	0.130	84	3.26	10
Employees (MC)	314,824	0.053	0.127	0.130	84.0	3.26	10.0

The expected dividend yield for all options granted during the period was nil. The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

(e) Performance rights granted as share-based payments

The following table summarises the movement in Performance Rights issued as share-based payments:

	Number
At 1 January 2025	5,122,329
Issued during the year	907,070
Converted during the year	(807,808)
Cancelled during the year	(2,120,763)
At 30 June 2025	3,100,828

(f) Performance rights valuation model

The fair value of the performance rights granted under the LTIP is estimated using the share price and the exchange rate on the date of the offer of the grant. Performance rights granted with market conditions ("MC") are valued using a Monte-Carlo simulation. The following table lists the fair value of performance rights issued during the half-year ended 30 June 2025:

	Number granted	Grant date	Fair value US\$
2025			
Employees	846,599	27/6/2025	0.131
Employees - MC	60,471	27/6/2025	0.070

Notes to the half-year condensed consolidated financial statements

Note 15. Share-based payments (continued)

(g) Restricted Stock Units granted as share-based payments

The following table summarises the movement in RSUs issued as share-based payments:

	Number
At 1 January 2025	97,417,448
Issued during the year under LTIP	58,423,050
Converted under LTIP	(13,429,632)
Cancelled under LTIP	(21,123,572)
Issued during the year to third parties (non-LTIP)	3,973,079
Converted during the year to third parties (non-LTIP)	(266,307)
Cancelled during the year to third parties (non-LTIP)	(279,460)
At 30 June 2025	124,714,606

(h) Restricted Stock Units valuation model

The fair value of the restricted stock units granted is estimated using the share price and exchange rate on the date of the offer of the grant. RSUs granted with market conditions ("MC") are valued using a Monte-Carlo simulation. The RSUs are subject to various vesting periods effective from date of grant. The following table lists the fair valuation of the RSUs issued during the half-year ended 30 June 2025:

	Number granted	Grant date	Fair value US\$
2025			
Employees	87,500	10/2/2025	0.188
Employees	1,165,000	21/3/2025	0.135
Employees	1,500,000	21/4/2025	0.176
Director	7,545,307	7/5/2025	0.144
Employees	4,688,000	10/6/2025	0.147
Employees	40,541,442	27/6/2025	0.131
Employees - MC	2,895,801	27/6/2025	0.070
Contractor	3,808,206	27/6/2025	0.131
Contractor - MC	164,873	27/6/2025	0.070

(i) Service rights granted as share-based payments

The following table summarises the movement in Service Rights issued as share-based payments:

	Number
At 1 January 2025	2,093,022
Converted during the year	-
At 30 June 2025	2,093,022

The service rights vested on 23 May 2025, however, can be exercised at the discretion of the participant at any time after the vesting and before the expiry date.

Notes to the half-year condensed consolidated financial statements

Note 16. Commitments

The Group had no commitments at 30 June 2025 (31 December 2024: \$Nil).

Note 17. Events after the balance sheet date

From 1 July 2025 and to the date of this report, 2,880,832 RSUs and 375,000 performance rights held by BrainChip Equity Plan participants converted to shares upon vesting. A further 2,293,447 RSUs were forfeited upon the resignation of an employee. The Company also granted 580,000 options and 1,000,000 RSUs to new participants.

The Capital Notice issued under the Fourth Amendment to the POA was closed on 23 July 2025. Cash funds were received in two instalments during July, US\$3,831,282 (A\$5,835,610) on 15 July 2025 and US\$1,570,973 (A\$2,392,848) (net of fees) on 25 July 2025. The purchase price per capital call share ranged from A\$0.1784 to A\$0.2562 during the capital call period.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Note 18. Related party disclosures

Key management personnel compensation:

Key Management Personnel received restricted stock units and service rights with a vesting expense recognised of \$779,527 (30 June 2024: \$1,764,692). Management assessed the likelihood of achievement of the performance conditions related to the maximum award of grants for executive KMP that vest on 28 February 2026 and determined that a vesting credit of \$1,049,727 should be recognised in the current year.

Directors' declaration

In the opinion of the Directors:

- (a) the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standards AASB 134 '*Interim Financial Reporting*', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of directors made pursuant to section 305(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors,



Antonio J. Viana

Chair

California, U.S.A., 21 August 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of BrainChip Holdings Ltd

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of BrainChip Holdings Ltd (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of BrainChip Holdings Ltd does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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A Western Australian Partnership

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HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
21 August 2025



B G McVeigh
Partner

Corporate directory

Board of Directors

Antonio J. Viana	Non-Executive Director and Chair
Sean Hehir	Executive Director, Chief Executive Officer
Peter van der Made	Non-Executive Director
Geoffrey Carrick	Non-Executive Director
Pia Turcinov	Non-Executive Director
Duy-Loan Le	Non-Executive Director

Company Secretary

Kim Larkin

Registered Office

Level 8, 210 George Street Sydney NSW 2000 Australia
Telephone: +61 2 9290 9606
Facsimile: +61 2 9279 0664

Postal Address

PO Box 3993, Sydney NSW 2001 Australia

Website

<http://www.brainchip.com>

Auditors

HLB Mann Judd (WA) Partnership

Level 4, 130 Stirling Street, Perth WA 6000
Telephone: +61 8 9227 7500

Share Registry

Boardroom Pty Ltd

Level 8, 210 George Street Sydney NSW 2000
Telephone: +61 2 9290 9600
Facsimile: +61 2 9290 9664
Online: www.clientonline.com.au

Securities Exchange

Australian Securities Exchange Limited

Exchange Centre, 20 Bridge St, Sydney NSW 2000

Code: BRN

OTCQX Best Market – OTC Markets Groups

Codes: BRCHF, BCHPY

ABN: 64 151 159 812