



ASX Announcement

BrainChip Holdings Ltd Appendix 4C & Quarterly Activities Report for the Period Ended 31 March 2025

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- Cash Balance as of 31 March 2025 US\$16.98M

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

OPERATIONS UPDATE

The March Quarter was a period in which the Company built on and accelerated the positive commercial news of the previous quarter and continued to lay the platform for further commercial success and growth in the future.

Commercial

Following the exciting news announced on 16 December 2024 that Frontgrade Gaisler (FG) had licensed BrainChip's Akida™ IP for incorporation into space-grade, fault-tolerant system-on-chip solutions for hardware AI acceleration, on 2 April 2025 the Swedish National Space Agency (SNSA) awarded FG a contract to commercialize the first neuromorphic System on Chip (SoC) device for space applications. Already in development at FG, the device is part of the company's new GRAIN (Gaisler Research Artificial Intelligence NOEL-V) product line.

The first GRAIN device that FG will premiere – the Gr801 SoC – integrates BrainChip's Akida™ neuromorphic technology. The GR801 combines FG's NOEL-V RISC-V processor and the Akida neuromorphic AI processor into a single integrated circuit to enable energy-efficient AI applications in the space environment. Sweden's Royal Institute of Technology (KTH) is contributing to this development by designing a demonstration application that uses a neuromorphic sensor directly connected to FG's new GR801 device.

FG is designing the entire GRAIN product line to enable more advanced and autonomous space missions, and to enhance the space industry's capabilities in energy-efficient AI. The GR801 SoC will support both commercial and institutional space missions, enabling new applications and meeting strict power and weight constraints.

On 10 December 2024, the Company announced it had been awarded a US\$1.8M contract from the U.S. Air Force Research Laboratory (AFRL) under the U.S. Federal Government's SBIR program (Small Business Innovation Research) to facilitate neuromorphic radar signalling processing.

BrainChip confirmed on 1 April 2025 that the major defence industry contractor to enter into a sub-contractor agreement for the completion of the contract award is Raytheon Company, (NYSE: RTX). Raytheon will deliver services and support as a partner with BrainChip for the completion of the contract award. The Air Force Research Laboratory's contract, under the topic number AF242-D015, is titled "Mapping Complex Sensor Signal Processing Algorithms onto Neuromorphic Chips."

On 25 February 2025, BrainChip announced a technology collaboration partnership with Onsor Technologies, based in Oman, to enable an innovative approach using neuromorphic computing to predict epileptic seizures utilizing the Akida™ Platform in a wearable design.

The Onsor solution consists of wearable glasses incorporating EEG sensors, neuromorphic processing capabilities, and a user-friendly alert system on a mobile device. The key innovation is a seizure prediction neural network running on BrainChip's Akida architecture, trained using Onsor data sets to achieve more than 95% accuracy out of the box with incremental learning and personalization algorithms to increase accuracy for the user continuously.

On 1 April 2025, BrainChip announced a commercial partnership with Information Systems Laboratories, Inc. (ISL) to jointly promote and provide services for AI-based radar research solutions based on BrainChip's Akida™ neural networking processor.

ISL specializes in advanced signal processing, space exploration, undersea technologies, surveillance and tracking, cybersecurity, advanced radar systems, and energy independence. The company performs expert research and complex analysis, software and systems engineering, advanced hardware design and development, and high-quality specialty fabrication for a variety of customers worldwide. As part of their partnership agreement, ISL will collaborate with BrainChip to develop advanced radar technology platforms spanning from drones to large systems.

Corporate

On 6 January 2025, BrainChip announced the fourth amendment to the Put Option Agreement (POA) with LDA Capital. The Company has issued 40 million shares to LDA Capital and agreed to raise a minimum of AU\$20 million no later than 30 June 2026.

The funds raised through the POA will enable BrainChip to continue funding vital research & development of new products and bring other products to market within an accelerated timeframe to capitalise on rapidly evolving commercial opportunities regarding the Akida 2.0 platform, and Akida 2.0 plus TENNs.

On 27 February 2025, the Company announced it was evaluating the possibility of redomiciling to the United States. The Board has not yet made a formal decision on the matter but wanted to raise the possibility of redomiciling with shareholders to ascertain their reaction and to explain some of the perceived benefits to shareholders.

Should the Board decide to proceed with a redomiciling of the Company, it would most likely result in delisting from the Australian Securities Exchange (ASX) and simultaneously listing on a US-

based securities exchange. Prior to this occurring, the matter would require the approval of shareholders and Australian courts.

The Board is committed to acting in the best interests of all shareholders and if it decides to pursue redomiciling, it will put the matter to a formal vote of all shareholders later this year.

Marketing

From 11-13 March 2025, BrainChip demonstrated gesture recognition capabilities with its Akida™ 2 processor technology running in combination with Prophesee's event-based camera at Embedded World 2025 in Nuremberg, Germany. BrainChip also demonstrated its Edge LLM model based on Temporal Enabled-Neural Networks (TENNs) at the event.

BrainChip's Akida technology demonstrates the possibilities of embedded AI. As part of its exhibition at Embedded World, the Company showcased the benefits of low-latency and ultra-low power consumption for gesture recognition using the Akida 2.0 FPGA platform in conjunction with the Prophesee EVK4 development camera. Unlike other approaches, the combination of Prophesee's event-based vision sensors with Akida's event-based computing can capture extremely high-speed movement with high sparsity so that only information relevant to the gesture is processed, enabling faster response times.

These computer vision systems open new potential in areas such as autonomous vehicles, industrial automation, IoT, security and surveillance and AR/VR.

Integrating Prophesee event-based vision sensors with Akida's event-based processing will enable the development of new, compact SWaP (Size, Weight, and Power) form factors, unlocking fresh product opportunities in the market.

CEO Comments

"Exiting the prior quarter with milestone wins, the March quarter was important to advance critical engagements in anticipation of successful closes later this year. While closing more engagements at a consistent rate has taken longer than I expected or accept, I am confident we will close substantially more bookings in 2025 than we did in 2024."

FINANCIAL UPDATE

The Company ended the March Quarter with US\$16.95M in cash compared to US\$20.0M in the prior quarter.

BrainChip reported net operating cash outflows of US\$4.1M vs. US\$4.1M in the prior quarter.

Cash inflow from customers in the current quarter of US\$0.14M was higher than the prior quarter (US\$0.05M). The current quarter inflows were lower than expected due to the late receipt of engineering revenues of \$0.54M after the close of the quarter.

Total payments to suppliers and employees of US\$4.9M in the current quarter was higher than the prior quarter (US\$4.3M) due to the payment of employee short term incentive payouts.

Cash used for operating activities includes payments to BrainChip's Board of Directors totaling US\$441,457 as noted in item 6.1 of the accompanying Appendix 4C, comprising fees for Non-Executive Directors and salaries and bonuses for Executive Directors.

Cash inflows from financing activities included \$0.23M resulting from the exercise of BrainChip Equity Plan ("LTIP") stock options and \$0.96M in cash received from the LTIP Trustee for the sale of vested equity units which was remitted to LTIP participants in early April 2025.

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

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

About BrainChip Holdings Ltd (ASX: BRN)

BrainChip is the worldwide leader in edge AI on-chip processing and learning. The Company's first-to-market neuromorphic processor, Akida™, mimics the human brain to analyze only essential sensor inputs at the point of acquisition, processing data with unparalleled efficiency, precision, and economy of energy. Keeping machine learning local to the chip, independent of the cloud, also dramatically reduces latency while improving privacy and data security. In enabling effective edge compute to be universally deployable across real world applications such as connected cars, consumer electronics, and industrial IoT, BrainChip is proving that on-chip AI, close to the sensor, is the future for its customers' products as well as the planet. Explore the benefits of Essential AI at www.brainchip.com.

Additional information is available at:

<https://www.brainchipinc.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

64 151 159 812

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	136	136
1.2 Payments for		
(a) research and development	(1,872)	(1,872)
(b) product manufacturing and operating costs	(394)	(394)
(c) advertising and marketing	(954)	(954)
(d) leased assets	-	-
(e) staff costs	(1,209)	(1,209)
(f) administration and corporate costs	(469)	(469)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	184	184
1.5 Interest and other costs of finance paid	(15)	(15)
1.6 Income taxes paid	(20)	(20)
1.7 Government grants and tax incentives	469	469
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(4,144)	(4,144)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(16)	(16)

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(16)	(16)

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	227	227
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(19)	(19)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)		
- Reduction in leases	(118)	(118)
- Funds received from shareholders on exercise of options	964	964
3.10 Net cash from / (used in) financing activities	1,055	1,055

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,000	20,000
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,144)	(4,144)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(16)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,055	1,055
4.5	Effect of movement in exchange rates on cash held	81	81
4.6	Cash and cash equivalents at end of period	16,976	16,976

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	16,962	19,987
5.2	Call deposits	13	13
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)	16,976	20,000

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	441
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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	686	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	686	-
7.5	Unused financing facilities available at quarter end		686
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 SAS has a secured overdraft facility with Credit Agricole, France, to the value of 20,000 Euros which incurs interest at 8.39%. BrainChip Inc has an Irrevocable Standby Letter of Credit to the value of US\$665,000 with First Republic 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)	(4,144)
8.2	Cash and cash equivalents at quarter end (item 4.6)	16,976
8.3	Unused finance facilities available at quarter end (item 7.5)	686
8.4	Total available funding (item 8.2 + item 8.3)	17,662
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.3
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: n/a	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: n/a	

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

Answer: n/a

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

Compliance statement

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

29 April 2025

Date:

Board of Directors

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

Notes

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