

Capital Raise Presentation

November 2025



Future Performance and Forward-Looking Statements

This presentation contains certain forward-looking statements, which include, but are not limited to, words such as “expect”, “anticipate”, “estimate”, “intend”, “believe”, “guidance”, “should”, “could”, “may”, “will”, “predict”, “plan”, “propose”, “likely”, “target” and other similar expressions that are intended to identify forward-looking statements. Indications of, and guidance or outlook on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements are usually predictive in character, may be affected by inaccurate assumptions or unknown risks and uncertainties, or may differ materially from results ultimately achieved. As such, these statements should not be relied upon when making investment decisions. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties (including the “Key Risks” described in slide 24-27 of this presentation) and other factors that are beyond the control of the Company. This includes statements about market and industry trends, which are based on interpretations of current market conditions. The Underwriter (defined below) and its related bodies corporate (as defined in the Corporations Act) and affiliates and each of their respective officers, directors, partners, employees, agents and advisers (**Underwriter Parties**) have not authorised, approved or verified the forward-looking statements or any other statements or information contained in this presentation.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of BrainChip's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Investors are strongly cautioned not to place undue reliance on forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this presentation.

Forward-looking statements are based on information available to the Company as at the date of this presentation.

This presentation has been authorised for release by the BRN Board of Directors.

Disclaimer

Unified Capital Partners Pty Ltd (ABN 80 666 560 050) (**Underwriter**) is acting as joint lead manager, sole underwriter and bookrunner to the Placement. A summary of the key terms of the underwriting agreement between the Company and the Underwriter in relation to the Placement is provided on slide 28 of this presentation.

The Underwriter, its affiliates and related bodies corporate, are full service financial institutions engaged in various activities, which may include trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services, including for which they have received or may receive customary fees and expenses. The Underwriter (and/or its affiliates or related bodies corporate) have provided, and may in the future provide, financial advisory, financing services and other services to the Company and to persons and entities with relationships with the Company, and/or may have other interests in or relationships with the Company, for which they received or will receive customary fees and expenses, including in relation to the Underwriter acting as underwriter of the Placement.

To the maximum extent permitted by law, BrainChip and the Underwriter and each of their respective related bodies corporate and affiliates, and each of their respective officers, directors, partners, employees, agents and advisers (**Limited Parties**):

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- disclaim any obligations or undertaking to release any updates or revision to any information in this presentation to reflect any change in expectations or assumptions;
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Further, the Underwriter Parties do not accept any fiduciary obligations to or relationship with you, any investor or potential investor in connection with the Equity Raising or otherwise. The Underwriter Parties make no recommendation as to whether any person should participate in the Equity Raising, nor do the Underwriter Parties make any representation, assurance or guarantee (express or implied) in connection with the repayment of capital or any particular rate of income or capital return on an investment in BrainChip (including an investment in New Shares).

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You acknowledge and agree that by accessing this presentation:

- you expressly disclaim any fiduciary, agency, custodial or other legal relationship with the Underwriter Parties, and agree that you are responsible for making your own independent judgements as with respect of the Equity Raising or other matter arising in connection with this presentation;
- to the maximum extent permitted by law, you undertake to not seek to bring any claim against the Underwriter Parties, or otherwise hold any of those parties liable in any respect, in connection with this presentation or the Equity Raising;
- you warrant and agree that you have not relied on any statements made by the Underwriter Parties in relation to the Equity Raising; and
- with respect to the Underwriter and its affiliates and related bodies corporate, you understand and acknowledge that potential conflicts of interest, or a perception thereof, may arise as a result of the entry into of the transactions contemplated by presentation and the other (potential) roles set out above.

You acknowledge and agree that determination of eligibility of investors for the purposes of the Equity Raising is determined by reference to a number of matters, including legal and/or regulatory requirements and the discretion of BrainChip and the Underwriter, and each of the Limited Parties disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) to the maximum extent permitted by law in respect of that determination and the exercise or otherwise of that discretion.

The Underwriter may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Placement without having independently verified that information, and the Underwriter does not bear responsibility for the accuracy or completeness of that information

For the avoidance of doubt, the SPP will not be underwritten, nor will the Underwriter have any role in relation to the SPP.

Important Notices

This investor presentation is dated 10 November 2025 and has been prepared by BrainChip Holdings Ltd (ABN 64 151 159 812) (**BrainChip** or the **Company**). The Company will be conducting an equity raising of:

- a fully underwritten placement of new fully paid ordinary shares in BrainChip (**New Shares**) to institutional investors in certain jurisdictions (**Placement**); and
- a non-underwritten offer of New Shares to eligible BrainChip Australian and New Zealand shareholders in Australia and New Zealand under a share purchase plan in accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**SPP**).

The Placement and SPP are together the **Equity Raising**. New Shares issued under the Equity Raising will rank equally with existing fully paid ordinary shares in the Company. You acknowledge and agree to the terms set out below.

Summary Information

This presentation is for information purposes only and contains information in a summary form. The information in this presentation is of a general nature and does not purport to be complete, nor does it contain all the information which a prospective investor and their professional advisers may reasonably require in evaluating a potential investment in the Company, or that would be required to be included in a prospectus, product disclosure statement or other offer document under Australian law or under the laws of any other jurisdiction.

Reliance should not be placed on information or opinions contained in this presentation and, the Company does not have any obligation to finalise, correct or update the contents of this presentation, except as required by law.

This presentation will not be lodged with the Australian Securities and Investments Commission (**ASIC**) or any other foreign regulator. It should be read in conjunction with Company's most recent financial report and other periodic and continuous disclosure information lodged with the Australian Securities Exchange (**ASX**), including, in particular, the risks relating to the Company set out in the Company's FY24 Annual Report, which are available at www.asx.com.au. The content of this presentation is provided as at the date of this presentation (unless otherwise stated).

An offer booklet in respect of the SPP will be made available to eligible shareholders in Australia and New Zealand following its lodgement with ASX (**Offer Booklet**). Any eligible shareholder in Australia and New Zealand who wishes to participate in the SPP should carefully read and consider the Offer Booklet (in full) before deciding whether to apply for New Shares under the SPP. Eligible shareholders who wish to apply for New Shares under the SPP will need to apply in accordance with the instructions contained in the Offer Booklet and the application form.

Not financial product advice

The information contained in this presentation is not investment, tax, legal, accounting, financial or other advice and does not, and will not, form any part of any contract or commitment for the acquisition of New Shares. It does not account for your particular needs and circumstances, including your investment objectives, financial situation, tax or other position. The Company is not licensed to provide financial product advice in respect of an investment in securities or otherwise. Any investment decision in relation to the Equity Raising or the Company should be made solely on the basis of your own independent enquiries.

Not an offer

This presentation is not a prospectus, product disclosure statement or other offering document under Australian law or any other law and will not be lodged with the Australian Securities and Investments Commission. This presentation is not an invitation, offer or recommendation with respect to the subscription, purchase or sale of any security in Company, or any other financial products or securities, in any place or jurisdiction.

Important Notices (cont'd)

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Investment risk

An investment in the Company is subject to known and unknown risks, some of which are beyond the control of the Company and its directors. The Company does not guarantee any particular rate of return or financial performance, nor does it guarantee any particular tax treatment. You should have regard to the risk factors outlined on slide 24-27 of this presentation when making your investment decision.

No cooling off

Cooling off rights do not apply to the acquisition of New Shares.

Financial and other information

All financial information in this presentation is in Australian dollars (A\$ or AUD) unless otherwise stated.

This presentation includes certain pro forma financial information in relation to BrainChip, taking into consideration the Equity Raising. The financial information provided in this presentation has been prepared on the basis set out on, and includes certain adjustments described on slide 22. The financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of BrainChip's views on its, nor anyone else's, future financial position and/or performance.

Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this presentation may be subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Past performance

Past performance, including past share price performance of the Company and pro forma financial information given in this presentation, is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Nothing contained in this presentation, nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

Time

All references to time in this presentation are to Sydney time, unless otherwise indicated

Investment Thesis

Market Leadership in Edge AI

- BrainChip is an edge computing, delivering on-device, ultra-low power AI solutions company.
- Its Akida technology enables real-time processing at the edge, ideal for wearables, defense, healthcare, and consumer electronics.

Massive Market Opportunity

- Edge AI market projected to grow at 34% CAGR to 2030, reaching \$102B.
- Emerging Edge LLMs market expected to grow at 28.3% CAGR, unlocking new agentic use cases.

Proven Technology & Commercial Traction

- AKD1500 chip in volume production with design wins in defense and healthcare.
- Demonstrated performance: 400 MHz, 800 GOPS, power consumption as low as 125 mW.
- Forecasted sales volume of 450,000 units by 2028.

Scalable Business Model

- Flexible monetization via IP licensing, silicon, software tools, and full-stack solutions.
- Strong ecosystem partnerships with industry leaders and universities.

Strategic Vision & Execution

- Focused on product-market fit, agile development, and rapid prototyping.
- Investing in next-gen products like TENNs and Generative AI for Edge LLMs.

Strong Team & IP Portfolio

- 80%+ engineering headcount, 58% with advanced degrees.
- 57 issued and pending patents in neuromorphic and edge AI technologies.

Worldwide Leader in Edge AI On-Chip Processing and Learning

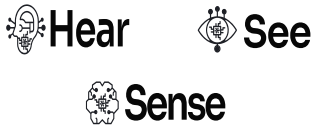
Solution Targets

- Defense
- Medical
- Industrial
- Consumer

Hardware Platforms



Akida Models



Akida Silicon



Akida Tools



License IP akida



- **Solving Physical AI** acceleration on-device
- **Wide range of sensors**, form factors and models
- **Event-based computing using** neuromorphic inspired efficient spiking for ultra-low power
- **Configurable IP and tools platform with** models, chips, boards, subsystems and reference solutions
- **Solutions for Target Markets** with end-to-end use cases with customers and partners
- **Success** in designs from defense, space & medical to wearables

Working Closely With Industry Leaders

Trusted By



Growing Ecosystem & Partnerships



University Partnerships



Edge AI and New Markets

Edge AI Definition

Edge AI deploys AI algorithms directly on local hardware devices at network edges for real-time processing. This reduces or eliminates reliance on centralized cloud servers

Benefits of Edge AI

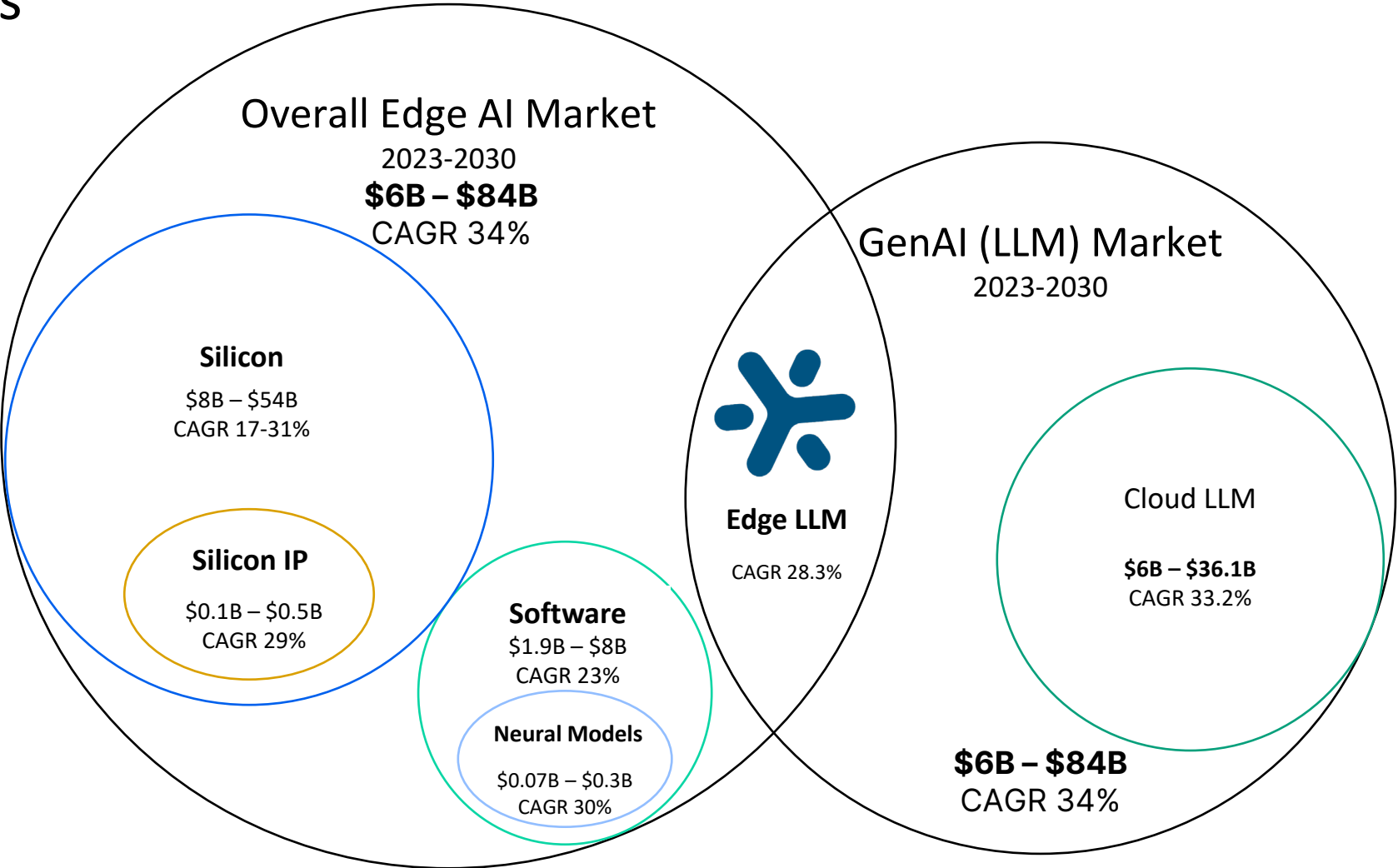
Enables low latency, enhanced data privacy, ultra-low power consumption, and independence from cloud connectivity for edge devices. Ideal for battery-powered and always-on devices

Industry Impact

Key sectors like defense, mil/aero, consumer electronics, automotive, and healthcare are adopting Edge AI for mission-critical real-time capabilities

Market Opportunity

Edge AI market is growing rapidly with a 34% CAGR to 2030, driven by diverse verticals and emerging generative AI use cases



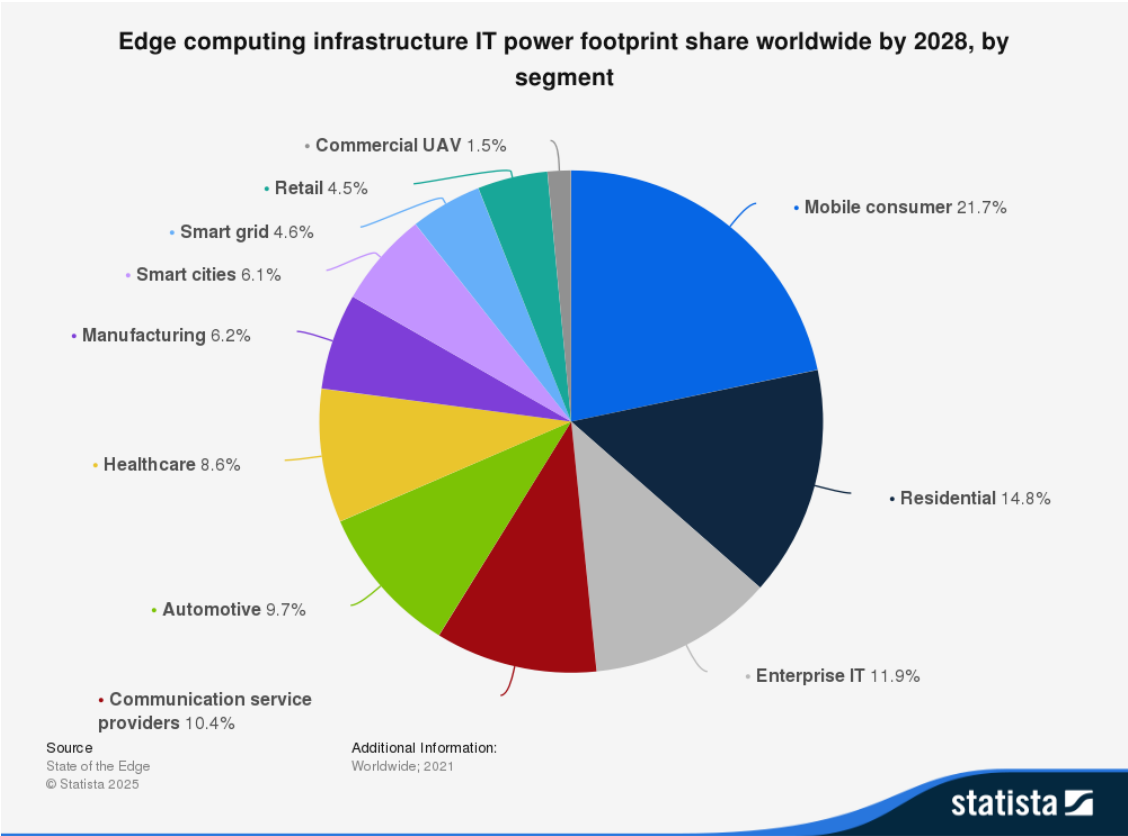
The SHD Group July 2025 SHD102.b-25

Mordor Intelligence

Market Segmentation

Edge AI Markets Evenly Segmented

- Consumer Electronics and IT / Telecom lead adoption
- Automotive, Healthcare, Industrial emerging as growth drivers
- AI chip vendors focused on Smart Cities, Retail and Automotive
- All segments forecast for 34% CAGR through 2030



[Statista](#)

BrainChip's Approach

Market Research

- Market: TAM, SAM, CAGR at the Edge with **double digit growth**
- Edge AI market is evenly segmented, focus on key use case targets
- **GenAI** is introducing new agentic use cases to the edge
- Market Research to identify **Product- Market fit** with potential for scaling

Strategy

- Enable on-device AI where Size Weight and Power (**SWaP**) challenges prevail
- **Target use cases** with large addressable markets with Akida low power differentiation
- **Solve customer problems** with combination of algorithms and efficient hardware execution
- Hire industry leading talent to widen competitive advantage

Execution

- Product Management defines products that have **product-market fit** in market window
- Product Engineering Teams perform Agile Sprint development
- **Create best in class Akida ML developer** engagement experiences
- Rapid prototype evolving from customer engagements to **production**

Edge AI Leader

Ultra Low-Power Edge AI Use Cases

 **Sense**



Smarter Surveillance Without Streaming Everything



Perceive Through Fog with AI-Based Radar

 **See**



Smart Glasses Without the Bulk or Heat

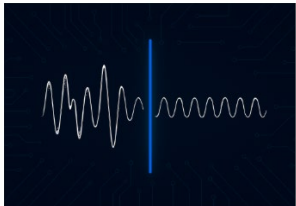


Face Recognition for Smart Devices

 **Hear**

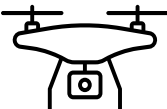


Hands-Free Voice Control That Works Even with the Engine Off



Clearer Conversations All Day on a Single Charge

Our Reference Solutions Span Across



Radar

- ❖ Multi-tech portfolio ideal for Radar
- ❖ Built specialized radar models
- ❖ Early customer interest



Wearables

- ❖ Multi-tech portfolio ideal for wearables
- ❖ Ultra-low-power, always-on AI
- ❖ Low-Cost



Voice Assistance

- ❖ Low Power and Low Cost
- ❖ Customization with RAG demo
- ❖ Use less memory bandwidth

Path to Commercialisation - AKD1500 Product

Large Market Opportunity

Multi-Processor SoC's (MPUs):

- Defense, Industrial, Enterprise
- Easily Integrate via PCIe
- Design wins secured in Defense
- 30% MPU attach rate for AI/ML by 2030¹

Embedded Microcontrollers (MCUs)

- Healthcare, Wearables, Consumer
- Simple Integration via Serial port (SPI)
- Design win secured in Healthcare
- 6B MCUs forecast to use AI/ML by 2030¹

Fill Key Market Gap

- Healthcare, Wearables, Consumer
- AI co-processor < 1 watt
- Volumes < \$10

Commenced Tape-out for Volume Production

- Global Foundries the selected service provider
- Successful deployment in customers' hands has proven AK1500 capabilities beyond initial projections
- Initiative driven by customer demand and increasing market demand for at-sensor and low-power embedded AI solutions
- Company forecasts production parts will be available by late Q3 of 2026
- Production mask set, related fabrication and testing costs amount to approximately US\$2.3m
- Expanding capabilities as a leader in delivering full-stack solutions for critical use cases
- Moving to volume chip production is the next strategic step in bringing those solutions to market quickly

Key Metrics	
Variable Cost per chip	\$2.94
Price/chip (volume dependent)	\$4 - \$50
Timing First Delivery	June 2026
2027 Production Volume	73,000 units
Forecast Sales Volume 2026-28	450,000 units



¹ The SHD Group

AKD1500 Key Benefits and Specifications

Substantially reduces risk

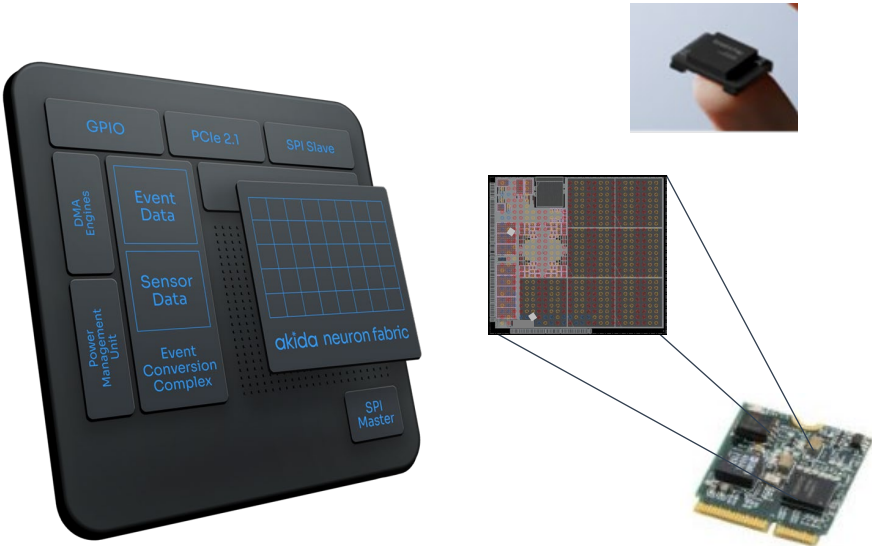
- * Silicon proven design that has already demonstrated key metrics
- * Fully functional interfaces tested at speed
- * Interoperability demonstrated with several MCU boards and MPU boards

Rapidly accelerates time to market. Increases competitiveness

- * Several customers already have design in prototypes
- * Allows for software development to be done in parallel to production run

Low cost/power AI co-processor

- * Full SOC module using M.2 and PCI interface for higher performance MPUs
- * Full SOC module using both low power SPI4 power conscience MCUs



Metrics	
Performance	400 MHz, 800 GOPS (1.6eTOPS)
Power w/PCIe	250 mW (Typ) 500 mW (Max)
Power w/SPI4	~125 mW or less typical
Technology	Global Foundries GF22FDX
Interfaces	PCIe via M.2 and PCI cards QSPI and SPI4 for lower power options GDSII tapeout ready

2025 Partnership Releases

Announced products and solutions with key eco-system partners in Akida technology

Partners	Description
 Onsor Technologies	Technology collaboration partnership to enable an innovative approach using neuromorphic computing to predict epileptic seizures utilizing Akida™ Platform in a wearable design.
 RTX	Partnership to service a contract for \$1.8m from the Air Force Research Laboratory on neuromorphic radar signaling processing.
 FRONTGRADE Gaisler	Collaboration to explore the integration of BrainChip's Akida™ neuromorphic processor into Frontgrade Gaisler's next generation fault-tolerant, radiation-hardened microprocessors.
 ARQUIMEA	Partnership on an AI-powered detection solution that enhances water safety.
 ANDES TECHNOLOGY	Integration of BRN NPUs with RISC-V cores from Andes Technology, the industry leading provider of RISC-V embedded cores.
 HaiLa	Collaboration to demonstrate how Akida™ neuromorphic technology pairs 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.

Leading On-Device Streaming Edge AI

The Power of Neuromorphic Processing

- ⊗ Penetrating markets with high growth 34% CAGR
- ⊗ Competitive advantages in low power and integration
- ⊗ Flexible licensing model of IP, software and chip designs
- ⊗ Closely working with partners to create eco-systems
- ⊗ Well-positioned for high-growth end markets — Space, Defense, Wearables, and Private Voice Assistance
- ⊗ Robust and expanding product portfolio — IP and chips to software tools and Cloud enablement

Strong and Experienced Management Team



Sean Hehir
Chief Executive Officer



Steven Brightfield
Chief Marketing Officer



Tony Lewis
Chief Technology Officer



Ken Scarince
Chief Financial Officer



Jonathan Tapson
Chief Development Officer



James Shields
Vice President of Sales and Business



Todd Vierra
Vice President of Customer Engagement

- Headcount 80%+ Engineers
- 58% Advanced Degrees (PhD / MSc)
- Strong Patent Portfolio
 - 57 Issued and Pending

Prior Industry Experience



Board of Directors & Scientific Advisory Board

Board of Directors



Sean Hehir
Chief Executive Officer



Peter Van Der Made
Founder



Antonio J. Viana
Chairman of the Board



Geoffrey Carrick
Non-Executive Director
Chair of the Audit & Governance Committee



Pia Turcinov AM
Non-Executive Director
Chair of the Remuneration & Nomination Committee



Duy-Loan Le
Non-Executive Director

Scientific Advisory Board

The duties of the Scientific Advisory Board (SAB) are solely advisory in nature. The SAB provide expert scientific advice, information, and recommendations to the executive team.



Dr. Jason Eshraghian
Member of the SAB



Peter Van Der Made
Member of the SAB



Dr. André Van Schaik
Member of the SAB

Equity Raise Overview

Size and structure	▪ A fully underwritten \$35.0 million institutional placement via the issue of 200.0 million new shares equating to ~9.8% of existing BrainChip shares on issue, falling within the Company's existing placement capacity under ASX Listing Rule 7.1 ("Placement")
Pricing	▪ The Placement will be conducted at a price of A\$0.175 per share ("Offer Price"), representing a: ○ 10.3% discount to the last close of A\$0.195 per share on Wednesday 5 November 2025; ○ 11.9% discount to the 10-day VWAP of A\$0.1985 per share up to and including Wednesday 5 November 2025.
Use of proceeds	▪ Research and Development ▪ Product manufacturing and operating costs ▪ Working capital ▪ Transaction costs
Ranking	▪ All New Shares issued under the Placement and SPP will rank equally with existing BrainChip shares on issue
Underwriting	▪ Unified Capital Partners Pty Ltd is acting as sole underwriter and bookrunner to the Placement
Joint Lead Managers	▪ Unified Capital Partners Pty Ltd and Morgans Corporate Limited are acting as Joint Lead Managers to the Placement
Share Purchase Plan (" SPP ")	▪ Non-underwritten SPP offered to eligible shareholders to raise up to A\$2.0 million ▪ Eligible shareholders will be invited to apply for up to A\$30,000 of New Shares ▪ The price of New Shares under the SPP will be offered at the Offer price

Placement and SPP Timeline¹

Event	Date
Trading halt	Thursday, 6 November 2025
Bookbuild opens	Thursday, 6 November 2025
Bookbuild closes	9:00am AEDT Friday, 7 November 2025
SPP record date	7:00pm AEDT Friday, 7 November 2025
Announcement of transaction completion	Monday, 10 November 2025
Settlement of Placement shares	Friday, 14 November 2025
Allotment of Placement shares	Monday, 17 November 2025
SPP opens	Tuesday, 18 November 2025
SPP closes	Friday, 28 November 2025
Announcement of the results of the SPP	Thursday, 4 December 2025
Allotment of SPP shares	Monday, 8 December 2025
Normal trading of SPP shares	Tuesday, 9 December 2025

¹ Indicative only and subject to change by the Underwriter or the Company

Sources of Funds & Balance Sheet

Sources	A\$M
Placement	35.0
SPP	2.0
Total	37.0

Uses	A\$M
Research & Development – See following slide	10.0
Product Manufacturing and operating costs	15.0
Additional working capital	10.2
Transactions costs including:	
• Offer costs	1.7
• Legal & Administrative Costs	0.1
Total	37.0

Pro-forma Balance Sheet (unaudited)^{1,2}

	30 Sept '25 US\$M	Adjustment US\$M	Pro-forma US\$M
Assets			
Cash	13.9	22.6	36.5
Other Current	1.3	-	1.3
Non-current	1.2	-	1.2
Liabilities			
Current	2.9	-	2.9
Non-current	1.1	-	1.1
Equity	12.4	22.6	35.0

1. A\$32M converted at an assumed exchange rate of \$0.65 AUD/USD

2. Assumes ~\$35.0M Placement and fully subscribed SPP of ~\$2.0M excluding offer costs

Use of Funds

- ⊗ Proceeds from the Placement and SPP will be used primarily to support the ongoing commercialisation of Akida 2.0 technology and the development, productization and commercialization of the new TENNs product. This represents the next expansion in BrainChip's product portfolio and builds on its existing leadership position in the field of neuromorphic technology.
- ⊗ Non-deal related use of funds includes:
- ⊗ Accelerate development of TENNs technology and derivative products & models for sales opportunities and product portfolio expansion.
- ⊗ Continued development of Akida 2.0 IP and design costs necessary for potential deployment in silicon
- ⊗ Development of a cloud-based FPGA system to run Akida 2.0 and future platforms for customer evaluation purposes.
- ⊗ Advancement of Generative AI technology platform to support LLM (Large Language Models) on edge devices.
- ⊗ Support development of world-class reference designs to demonstrate capabilities, increase customer engagement & accelerate time to market for complete AI solutions
- ⊗ Ongoing investment in research & development to analyze new and emerging technology opportunities for novel edge AI applications and product roadmap expansion

Key Risks

There are a number of factors, specific to an investment in BrainChip, specific to the Material Contract and of a general nature, which may affect the future operating and financial performance of BrainChip and the industry in which it operates and the outcome of an investment in BrainChip. This section describes certain key risks associated with an investment in BrainChip which potential investors should consider together with publicly available information (including this Presentation) concerning BrainChip before making an investment decision.

SPECIFIC INVESTMENT RISKS

Risk of delays in product development and introduction

There is a risk that delays in BrainChip's product development of advanced products including delays arising from internal development, development by partners and integration of the technology by third party providers of intellectual property may materially impact the financial performance of the business. There is also a risk of delays in new product introduction as the Company commercialises its advanced products.

Risk of delays in sales and marketing

There is a risk that delays in sales and marketing of BrainChip's products may arise from the inability to recruit and retain highly skilled and experienced sales and marketing human resources.

Risk of delays in customer adoption

There is a risk that delays in customer adoption of BrainChip's products may arise due to inadequate training, education, application engineering and customer support.

Funding

A loss of, inability to raise further funding, or adverse impact on or in relation to, one or more of BrainChip's funding sources could limit BrainChip's ability to fund the continued development and commercialisation of the AkidaTM Chip. This could have an adverse effect on BrainChip's ability to successfully execute its core business strategy.

Protection of ownership of technology and intellectual property

BrainChip relies on laws relating to trade secrets, copyright and trademarks to assist in protecting its proprietary rights. However, there is a risk that unauthorised use or copying of BrainChip's software, data or specialised technology will occur. In addition, there is a risk that the validity, ownership or authorised use of intellectual property relevant to BrainChip's business may be successfully challenged by third parties. This could involve significant expense and potentially the inability to use the intellectual property in question.

Breach of information technology and trade secrets

There is a risk that the intellectual property held as trade secrets could be compromised by outside parties, or by an employee of BrainChip or that an information technology breach may result in litigation, and potential liability.

Key Risks (cont'd)

Reputational damage

Issues of a varying nature may arise that would give rise to reputational risk and cause harm to BrainChip's business dealings and prospects. Failure to address these potential issues appropriately could give rise to additional legal risk, subject entities within the Group to regulatory actions, fines and penalties, or harm the reputation of BrainChip or the Group among its shareholders, customers and investors. Further, any resulting loss of confidence may cause damage to reputation and brand. This may adversely impact the future growth and profitability of BrainChip.

BrainChip's

Customer and supply contracts

There is a risk that the loss or discontinuation of certain customer or supply contracts would have a material impact on the Company's cash flow and ability to execute its core business objectives.

BrainChip's technology may be superseded by other technology or changes in business practice

BrainChip's success will in part depend on its ability to offer solutions that remain current with the continuing changes in technology, evolving industry standards and changing consumer preferences. There is a risk that BrainChip will not be successful in addressing these developments in a timely manner, or that expenses will be greater than expected. In addition, there is a risk that new products or technologies (or alternative systems) developed by third parties will supersede BrainChip's technology.

GENERAL INVESTMENT RISKS

General economic and financial market conditions

General economic conditions (both domestic and international), long-term inflation rates, exchange rate movements, interest rate movements and movements in the general market for ASX and internationally listed securities, changes in domestic or international fiscal, monetary, regulatory and other government policies, changes in investor sentiment and perceptions, geo-political conditions such as acts or threats of terrorism, military conflicts or international hostilities may have a significant impact on the performance of the Company.

Market risk

Market risk is the risk of an adverse event in the financial markets that may result in a negative impact on the performance of the Company.

Litigation, claims and disputes

Issues of a varying nature may arise that would give rise to reputational risk and cause harm to BrainChip's business dealings and prospects. Failure to address these potential issues appropriately could give rise to additional legal risk, subject entities within the Group to regulatory actions, fines and penalties, or harm the reputation of BrainChip or the Group among its shareholders, customers and investors.

Key Risks (cont'd)

Risk of shareholder dilution

In the future, BrainChip may elect to issue new Shares in connection with future fundraising. While BrainChip will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a rolling 12-month period (other than where certain exceptions apply), there is a risk that the future issue of additional equity could result in dilution for Shareholders.

Liquidity

The Group's Shares are only listed on the ASX and will not be listed for trading on any other securities exchanges. There can be no guarantee that an active market in the Shares will develop or continue. If an active market for the Shares does not develop or is not sustained, it may be difficult for investors to sell their Shares at the time or for the price they seek. Further, the market price for Shares may fall or be made more volatile because of the relatively low volume of trading in the Company's securities. When trading volume is low, significant price movements can be caused by the trading in a relatively small number of shares. Sales of a substantial number of Shares following the Offer, either by the principals (once escrow ends) or by new Shareholders, or the perception or expectation that such sales may occur, could cause the market price of the Shares to decline. The Company may also offer additional Shares in subsequent offerings, which may adversely affect the market price for the Shares.

Employee recruitment risk and retention

There is a risk that BrainChip may not be able to attract and retain key staff or be able to find effective replacements in a timely manner. The loss of staff, or any delay in staff replacement, could impact BrainChip's ability to operate its business and adequately manage risk and compliance issues.

Taxation

Future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in BrainChip shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which BrainChip operates, may impact the future tax liabilities and performance of BrainChip. Any changes to the current rates of income tax apply to individuals and trusts will similarly impact on shareholder returns.

Unforeseen risk

There may be other risks of which the Directors are unaware at the time of this presentation which may impact BrainChip, its operations and/or the valuation and performance of Shares.

No cooling off

Cooling off rights do not apply to the acquisition of New Shares.

Key Risks (cont'd)

Financial and other information

All financial information in this presentation is in Australian dollars (A\$ or AUD) unless otherwise stated.

This presentation includes certain pro forma financial information in relation to BrainChip, taking into consideration the Equity Raising. The financial information provided in this presentation has been prepared on the basis set out on, and includes certain adjustments described on slide 22. The financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of BrainChip's views on its, nor anyone else's, future financial position and/or performance.

Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this presentation may be subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Past performance

Past performance, including past share price performance of the Company and pro forma financial information given in this presentation, is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Nothing contained in this presentation, nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

Time

All references to time in this presentation are to Sydney time, unless otherwise indicated

Summary of Underwriting Agreement

The Company has entered into a placement agreement with the Underwriter in respect of the Placement (Placement Agreement). The Placement Agreement contains customary representations and warranties and indemnities in favour of the Underwriter.

Details of the fees payable to the Underwriter are included in the Appendix 3B released to ASX on the date of this presentation.

The Underwriter may, by notice to the Company, terminate its obligations under the Placement Agreement, without cost or liability, at any time prior to 4.00pm on the settlement date, if:

- a) ASIC, among other things, makes an application, commences an investigation or a hearing, or issues proceedings in relation to the Placement or the SPP;
- b) among other things, at the close of a trading day on or after the date of the Placement Agreement, the S&P/ASX 300 Index is at least 10% below its close on the trading day immediately prior to the date of the Placement Agreement;
- c) ASX announces, among other things, that the Company's shares will be delisted, removed from quotation or withdrawn from admission to trading status or suspended from quotation;
- d) among other things, unconditional approval is not granted for the official quotation of the New Shares, or, if granted, is subsequently withdrawn, qualified or withheld;
- e) the Company withdraws the Placement or any component of the Placement;
- f) the Company indicates that it does not intend to or is unable to proceed with the Placement or any component of the Placement;
- g) among other things, an application is made to a governmental authority for an order, declaration or other remedy, or a governmental authority commences an investigation relating to the Placement, the SPP or any related agreement;
- h) proceedings are commenced or there is a public announcement of an intention to commence proceedings seeking an injunction or other order in relation to the Placement or the SPP;
- i) any timetable event is delayed for more than 2 business days without the prior written approval of the Underwriter;
- j) a certificate required to be provided under the Placement Agreement (Certificate) is not provided by the relevant deadline;
- k) any placement document includes content that is, among other things, misleading or deceptive;
- l) among other things, a member of the Company group is or is likely to become insolvent;
- m) responses to the due diligence questionnaire or any other information supplied by or on behalf of the Company to the Underwriter in relation to the Company group, the Placement or the SPP are, among other things, false, misleading or deceptive;
- n) among other things, a director of the Company is charged with an indictable offence or is disqualified from managing a corporation under the relevant provisions of the Corporations Act;
- o) an event occurs which makes it illegal for the Underwriter to satisfy its obligations under the Placement Agreement;
- p) the Company or any of its directors or officers engage in any fraudulent conduct or activity;
- q) the Company fails to perform or observe any of its obligations under the Placement Agreement;
- r) a representation or warranty made or given by the Company under the Placement Agreement is, among other things, misleading or deceptive;
- s) a Certificate when given by the Company, among other things, is misleading or deceptive;
- t) among other things, a new law is introduced into the Parliament of Australia, or any State or Territory of Australia, which affects or regulates the Placement or SPP or the settlement, issue or taxation treatment of the Placement shares;

Summary of Underwriting Agreement (cont'd)

- u) a change to the Company's CEO, CFO or the board of directors occurs;
- v) a pandemic, epidemic or large scale outbreak of a disease not presently existing occurs or a major escalation occurs involving certain jurisdictions;
- w) among other things, hostilities not presently existing commence (whether war has been declared or not) or there is an escalation in existing hostilities involving certain jurisdictions;
- x) any of the following occurs:
 - i. a general moratorium on commercial banking activities in certain jurisdictions is declared by the relevant banking authority, or there is a disruption in commercial banking, security settlement or clearance services, in any of those countries;
 - ii. trading in all securities quoted or listed on certain stock exchanges is suspended or limited in a material respect;
 - iii. an adverse change or disruption to the existing financial markets, political or economic conditions in certain jurisdictions or any change in national or international political, financial or economic conditions; or
- y) any adverse change occurs in, among other things, the assets, liabilities or financial position of the Company and the Company group (insofar as the position in relation to an entity in the group affects the overall position of the Company).

The Underwriter may only terminate the Placement Agreement in relation to an event under clauses (q) to (y) if it has reasonable grounds to believe and does believe that the event:

- i. has had or is likely to have a material adverse effect on the outcome, success or settlement of the Placement or on the ability of the Underwriter to market, promote or settle the Placement; or
- ii. could give rise to or result in a contravention or involvement in a contravention by the Underwriter or one of its affiliates of, or liability for the Underwriter or one of its affiliates under, the Corporations Act or any applicable law.

International Offer Restrictions

This document does not constitute an offer of new ordinary shares (“New Shares”) of the Company in any jurisdiction in which it would be unlawful. The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you must observe any such restrictions. Failure to comply with these restrictions may constitute a violation of applicable securities laws.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance).

No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities. The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”). In relation to the institutional component of the

Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

International Offer Restrictions (cont'd)

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) an “accredited investor”. In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United States

In particular, this presentation may not be distributed or released in the United States. By accepting this presentation, you represent and warrant that you are entitled to receive it in accordance with the above restrictions and agree to be bound by the limitations contained herein. This presentation may not be released or distributed in the United States. This presentation is not, and does not constitute, an invitation or offer of securities for subscription, purchase or sale in any jurisdiction, including the United States, in which it would be unlawful to make such an offer. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which the Company has no obligation to do or procure) or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state or federal securities laws. The New Shares will not be offered or sold to the public in the United States.

brainchip™ 

Thank You

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