

6 October 2020

The Manager
Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Market Update – Progress Report

Management is extremely pleased to inform its shareholders that we have achieved our quarterly objectives as defined at the AGM (May-2020) and further reiterated in Half-Yearly Report (August-2020).

The primary goal of the diversity of technical activities outlined in the referenced plan was to produce product demonstrations. We now have two distinct technological demonstrators operating within the confines of our cleanroom:

1. The first involves our core single chip product which soundly depicts the products revolutionary capabilities to reproduce low frequencies that were considered to be unattainable in speakers of similar size and formfactor.
2. The second is a multi-chip demonstrator confirming the linear modularity of our technology. This demonstrator uses multiple chips (at this time up to 4 chips) to validate the platform's capability to attain virtually any desired acoustic output through the use of multiples of our single chip.

The combination of both demonstrations provides critical and verifiable indicators that enables the company to intensify its engagement with the marketplace, a process that is already underway.

As mentioned previously, to provide demonstration outside the cleanroom and to collect performance data in a manner that conforms to industry standards necessitates the chips to be assembled and packaged. This effort will proceed as soon as the current nationwide COVID-19 lockdown, and global restrictions permit. The Company has posted on its website (www.audiopixels.com.au) a recording of the chip playing inside the cleanroom. Notwithstanding the considerable background noise generated by the fan filters (FFU's) of the cleanroom, the clip clearly demonstrates the chips frequency range and clarity of sound.



Achievement of this development milestone enables the company to intensify our focus on optimisation of the product and its manufacturing process in order to advance quantity production of our first generation of product(s).

This announcement has been authorised for release to ASX by Fred Bart, Chairman

Sincerely,

Fred Bart



About Audio Pixels Holdings Limited

Audio Pixels Limited, founded in 2006, is a wholly owned subsidiary of Audio Pixels Holdings Limited, listed in Australia under the stock code of AKP (Level 1 ADR's on OTC: ADPXY). Backed by exceptional multidisciplinary scientific research, design, and production capabilities, Audio Pixels has become a world leader in digital loudspeaker technologies. Audio Pixels' patented technologies employ entirely new techniques to generate sound waves directly from a digital audio stream using micro-electromechanical structures (MEMS). Its revolutionary technological platform for reproducing sound enables the production of an entirely new generation of speakers that will exceed the performance specifications and design demands of the world's top consumer electronics manufacturers. For more information, visit www.audiopixels.com.au/.

Forward-looking statements

This release may contain certain forward-looking statements with respect to the financial condition, results of operations and business of AKP and certain of the plans and objectives of AKP with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.