



22 May 2023

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

Dear Sirs,

Unsecured Convertible Note Issue of A\$3m

The Company has issued a Convertible Note of A\$2.5m to existing sophisticated shareholders and a further A\$500,000 will be issued subject to shareholder approval, making a total issue of A\$3m. The issue of these Convertible Notes enables the Company to fully explore all capital management and other potential opportunities, without time pressures.

A\$500,000 of the Convertible Note issue will require shareholder approval as the note will be taken by 4F Investments Pty Limited, an entity associated with Fred Bart. The other A\$2.5m has been taken up by five other existing sophisticated investors and the funds already received.

The terms of the Convertible Note will include a term of up to 31 January 2024, unsecured, attract an interest rate of 12% per annum payable quarterly in arrears and be convertible to ordinary shares at A\$9.04, being the five-day volume weighted average price of AKP at the time of the agreement.

The investors will also receive a total of 600,000 unlisted options (100,000 options per A\$500,000 invested) at a strike price of 20% higher than the conversion price of A\$9.04, namely A\$10.84. These unlisted options have a term of 3 years expiring on 4 May 2026.

The Company intends to call a shareholders meeting to consider and approve the participation of 4F Investments Pty Limited, an entity associated with Fred Bart, in the issue.

This announcement has been authorised for release to ASX by 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.