



Audio Pixels Ltd. CEO Address Tuesday 30 May 2023

Thank you all for taking the time to attend this year's AGM.

In an effort to leave as much time as possible for demonstration and Q&A - I will limit my opening comments to highlight a few noteworthy events that have already been disclosed in our published reports and announcements.

The first such event involves device fabrication.

Our current MEMS and packaging vendor EarthMountain, permitted us to reveal that over the past year or so our ongoing collaboration activities included expanding their production capabilities and capacity. EarthMountain has been able to secure two additional MEMS fabrication facilities, both of which utilize an 8" wafer platform which as reported provides a substantial increase in production capacity while deriving considerable benefit from utilizing newer and higher precision equipment. Additionally, and of significant importance is the redundancy gained by having our wafers produced at multiple and independent facilities.

The aforementioned activities required and continue to require substantial investment by EarthMountain, estimated in the many of millions of dollars. I am aware of at least some of the yarn spun on various social media platforms offering dubious tales concocted behind the veil of anonymity. So let me be factual and definitive:

1. There is little "daylight" between AudioPixels and EarthMountain. We are confident in our relationship and enjoy very close collaboration and cooperation on all material technical and business matters.
2. All, and I emphasize ALL - intellectual property whether patented or otherwise, pertaining to our revolutionary digital sound reconstruction platform and its implementation, was developed by and is the exclusive property of Audio Pixels. To the very best knowledge, there is no other party in the world including EarthMountain, that might have any legitimate claim, to any aspect of our technology.
3. While the specific terms of any third-party agreement must be kept in confidence, Management considers the very existence of such an agreement to be "material information", and as such, promptly informs the market of its existence and its material content. If management has not informed the market of an agreement, whether involving



intellectual property, fabrication, sales, marketing, distribution or otherwise, then rest assured that such an agreement does not exist.

4. We have and continue to update the market, with the best information available, including as it pertains to the \$3m dollar placement that was committed by EarthMountain in our prior financing round. As has been informed EarthMountain has so far been unable to settle its commitment apparently due to tighter and far more stringent controls exercised by the authorities responsible for regulating and approving foreign equity investments by Chinese companies. EarthMountain continues to repeatedly advise of their unwavering commitment to making investment in AKP, and are in the process of resubmitting their application to the authorities in the hope of attaining the necessary approvals.

It has been said that the natural tendency of humankind is to express skepticism and doubt about all things good, while immediately believe that all bad things are factual and true. The reality is that management is occupied 24 x 7 trying to invent and capitalize on what I hope you too will soon agree, is a truly a groundbreaking revolution in sound. I ask your indulgence to apply equal measures of skepticism when assessing information that doesn't originate directly from the company - as we have neither the time nor bandwidth to deal with the tall tales spread on social media.

We will address some of those tales in more detail during the Q&A session, but in an effort to move things along let me quickly address some of the strategies and actions we are employing to minimize challenges involved in transitioning from 6" to 8" wafers.

First and foremost, we continue production at the 6" facility, at least until such time that AP approves EarthMountain's wafer production at its 8" facilities.

Secondly; is our invention of dynamically adjustable algorithms that negate adverse acoustic effects originating from inconsistencies in manufacturing. While the natural course of optimizing semiconductor manufacturing is expected to greatly diminish, if not completely eliminate manufacturing inconsistencies, this is an incremental process that may transpire over hundreds if not thousands of wafers. Our new generation of algorithms have the capability of negating adverse acoustic effects that may result from fabrication inconsistencies – which means that, even today, as we will demonstrate in a few moments, we are capable of achieving incomparable commercial- grade performance.



Our second-generation chip which as announced, is in advanced stages of fabrication process development, is designed to add very specific commercial value as understood and expressed by the market.

As Fred mentioned in his address, our objective today is to share with you some of the excitement and confidence in the technology that we envisioned, you have invested in, and impatiently waited for. Our technology delivers many competitive advantages, such as eliminating any need to enclose the speaker in heavy, space consuming enclosures and chambers, or the need to convert from digital to analogue and amplify the signals, or the need for crossover circuitries, or the need to isolate speaker vibrations from the device electronics, to name but a few ... but our focus today is on demonstrating what undoubtedly is the most important criteria and advantage of our technology – the incomparable sound quality it offers.

We truly appreciate shareholder response to our request to submit questions in advance of the AGM, and we will address the issues raised following the demo in the Q&A session. Time permitting, we will take additional questions from those in attendance.

I repeat Fred’s appeal to permit the company to create and post a quality recording of the demo under more optimal conditions than what is possible using your mobile phones so without further ado I pass the mic over to Yuval to demonstrate that we have indeed “broken the barriers of sound”.

Danny Lewin
CEO – Audio Pixels Limited