



21 November 2024

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

Dear Sirs,

Convertible Note Funding

Audio Pixels Holdings Limited (ASX:AKP) (Company) has issued a Convertible Note of A\$1,000,000 to a sophisticated investor. The issue of the Convertible Note enables the Company to fully explore all capital management and other potential opportunities, without time pressures.

The Company confirms this investor is not:

- a related party of the Company;
- a member of the Company's key management personnel;
- a substantial holder in the Company;
- an advisor to the Company; or
- an associate of any of the above.

ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of the period. The Company confirms this proposed issue of securities falls within the Company's 15% placement capacity under Listing Rule 7.1.

The terms of the Convertible Note will include a term of up to 31 December 2025, is unsecured, attract an interest rate of 12% per annum capitalised until the Note is fully repaid or converted into Shares. The Note is convertible to ordinary shares at A\$9.04, or a lower price if the Company undertakes a placement of ordinary shares at any time prior to the expiry date. The Note has a conversion price floor of \$5.00.

The investor will also receive 200,000 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 expire on 4 May 2027.

This Note is issued on the same terms as the Notes issued on 5 September 2024.

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.