

29 September 2017

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

Dear Sirs,

Audio Pixels Integration Stage Update

Audio Pixels Holdings Limited (ASX: AKP and OTC: APDXY), a leader in the digital transition of loudspeakers, informs its shareholders of the tangible progress attained pertaining to the previously advised optimization of the “dissipation layers”.

The layer(s) refer to the electro-mechanical “points of contact” that among other purposes serves to suppress contact effects that could play a critical role in the sound quality and reliability of the device. The company is pleased to announce that at the close of business today we received the first wafers that contain modifications to the fabrication process of the dissipation layers.

The company will now begin the processes of meticulously measuring and characterizing the wafers in an effort to select the most optimal production process for fabrication. It remains management’s intent to also utilize the wafers that meet our requirements to achieve product demonstration objectives. The MEMS vendor has further advised that shortly upon their return from the Jewish High-Holiday vacation they anticipate delivery of relatively large quantities of wafers each containing distinct characteristics that encompass all possible production variations.

The company intends to further update its shareholders immediately upon completion of the test and characterization efforts.

Yours faithfully,

Fred Bart
Chairman



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 (ADR's on NASDAQ International under the code 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.