



29 Aug 2018

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

### **Digital Speaker Development Update**

Dear Sirs,

Audio Pixels is pleased to announce that musical sound has been produced from chips/wafers. Our proprietary MEMS chips, ASIC and Algorithms are now reproducing complex music (specifically "Hallelujah" by George Frideric Handel); a major advancement from the previously announced single tone playback on 4 July 2018.

The quality of sound produced is still unacceptably noisy and muddled and needs to be improved prior to any customer and public demonstration. This effort, expected to take a number of months, is focused on improving the charge dissipation capabilities of the device. The reproduction of the highest quality sound possible requires that the moving and non-moving elements ("pixels"), are doing so in precision compliance with the input signals. Even slight variances translate into audible noise and noticeable degradation in the acoustic performance.

The key to ensure the highest quality sound reproduction possible, is to improve the stability of the dissipation layers. These layers serve to suppress the disruptive effects that are inherent in every electrostatically driven MEMS actuator.

For this purpose, the company developed a whole new set of measurement tools and techniques that allowed far deeper forensic investigation into the specific charging mechanisms that are "in-play" in our devices. Aided by this newly accessible data, the company in combination with the vendor and a number of world-class experts, launched a comprehensive program designed to improve the effectiveness, reliability and stability of the devices under the very demanding control and timing conditions involved in high-quality reproduction of speech and music playback.

Completing our breakthrough technology may have taken somewhat longer than originally anticipated, however, the complexity of developing never-before attempted technologies, now appears to be in its final stages. While the process is not yet complete, we believe that the accomplishments we have demonstrated validate significant progress delivering the key value propositions our breakthrough technology.

Yours faithfully

Fred Bart  
Chairman

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### **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-NASDAQ International: 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/](http://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.

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