



15 April 2020

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

Market Update – Progress Report

We are pleased to provide an update to the recent Announcement of 30 March 2020 that informed of the completion of fabrication, and commencement of testing of first wafers that incorporated design changes to the MEMS structure and its manufacturing process.

We are very pleased to advise that the testing conducted to-date confirms that the changes made to the design have returned the devices to electromechanical compliance. As was anticipated, the return to compliance resulted in substantive and dramatic improvement to the acoustic output of the devices.

The remaining steps required, prior to publication of performance specifications, are metrological inspection and statistical verification. Metrological inspection is critical to confirm that the manufacturing process maintains compliance to specifications while statistical verification characterizes performance on different and larger numbers of wafers.

Wafers for both purposes are currently being held by the vendor at the very last stages of fabrication. Completion of fabrication of additional wafers is expected to resume upon relaxation by the Israeli Government of work related COVID-19 restrictions, We will advise the market once the restrictions in Israel have been eased to allow the process to continue and additional wafers have been received.

This announcement has been authorized for release to ASX by Fred Bart, Chairman

Sincerely,
Fred Bart

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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: 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.

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