



12 Aug 2019

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

### **Digital Speaker Development Update**

Dear Sirs,

Audio Pixels is extremely pleased to inform its shareholders that the wafers recently received from the MEMS vendor have been validated to resolve the known fabrication and handling issues. The wafers tested consistently operated within the required electromechanical specifications. This critical milestone which is the culmination of years of groundbreaking work in MEMS processing development, has for the first time enabled our engineers to conduct accurate and detailed acoustic characterization on multiples of working devices and wafers.

While the devices performed consistently including the playing of speech and music, the acoustic output was measured to be below our targeted specifications. The root cause for such deficiencies in performance has been traced to slight anomalies that exist between the perfect world of computer simulation, and the imperfect world of fabrication and material behavior, imperfections that were only identifiable once the fabrication process consistently met our electromechanical specifications.

Together with the vendor a plan has been formulated to not only revert the specification back to compliancy, but also diminish the devices dependencies on the vendor's fabrications tolerances. Considerations concerning preservation of intellectual property protection prohibit discussion in greater detail; however management seeks to assure its shareholders that the relative nuanced changes are now being incorporated in the production process with minimal disruption to the fabrication pipeline.

Achieving a reliable fabrication process for the MEMS transducer has also enabled the company to shift resources toward efforts involving larger scale wafer production as well as the commercial packaging of the devices.

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: 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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