



5 September 2024

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

Dear Sirs,

Convertible Notes and Funding

The Company has issued Convertible Notes of A\$6,450,000 to existing shareholders who are sophisticated investors. The issue of the Convertible Notes enables the Company to fully explore all capital management and other potential opportunities, without time pressures.

The terms of the Convertible Note will include a term of up to 31 December 2025, are unsecured, attract an interest rate of 12% per annum capitalised until the Note is fully repaid or converted into Shares. The Notes are 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 Notes have conversion price floor of \$5.00.

The investors will also receive 1,290,000 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.

The existing convertible noteholders (with a total Note face value of \$4,050,000) have all agreed to extend the maturity date of their existing notes to 31 December 2025.

In addition, in order to meet the requirements of LR6.1 and Guidance Note 21 - section 5.2, the Company needs to be able to calculate the maximum number of securities into which the notes could possibly convert.

The existing convertible notes currently have a flexible conversion feature, whereby the conversion price is \$9.04, or a lower price if the Company undertakes a placement of ordinary shares at a lower price at any time before the notes expire. As a result, the Company is unable to calculate the placement capacity or maximum dilutionary effect of the conversion due to their being no floor price.

To meet the ASX requirements, the Company has obtained Noteholder approval from the existing noteholders for a conversion price floor of \$5.00 be included in the Convertible Note terms. This means that the minimum price the notes can be converted into securities is \$5.00, allowing the Company to meet the ASX requirements in relation to the calculation of placement capacity and dilution.



4F Investments Pty Ltd (a company controlled by Fred Bart – Chairman) has agreed to extend the unsecured loan agreement with the Company until 31 December 2025 and have accrued interest capitalised until the loan is repaid by the Company. All other terms and conditions of this unsecured loan agreement remain unchanged.

This announcement has been authorised for release to ASX by 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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