AUDIO PIXELS HOLDINGS LIMITED
(ACN 094 384 273)

11 August 2026

OFFER TO PARTICIPATE IN CONVERTIBLE NOTE PLACEMENT

Dear Shareholder,

Although Digital Sound Reconstruction required the successful innovation of numerous interdependent technologies spanning multiple engineering disciplines, as informed, commercial success ultimately depends on satisfying three principal requirements:

- Exceptional sound quality that consumers **desire**.
- Commercial sound pressure levels (SPL) that CE manufacturers **require**.
- A robust, scalable manufacturing process capable of consistently **delivering both**.

Over the past three years, the Company has systematically addressed each of these fundamental requirements. The Gen-I platform publicly demonstrated the exceptional sound quality achievable using Digital Sound Reconstruction. More recently, the Company announced that it was able to validate commercially relevant sound pressure levels from its very first functional Gen-II MEMS wafer, proving that the GEN-II architecture can be manufactured to specification using our proprietary fabrication process flow.

The Company's current commercial development phase is therefore no longer directed toward proving the underlying technology. Rather, it is focused on integrating these achievements into complete demonstration systems that validate system-level performance and showcase the full capabilities of the Digital Sound Reconstruction platform under real-world operating conditions.

Successful completion of this programme is expected to represent a significant inflection point in the Company's evolution, from technology validation to commercial engagement. It is intended to position the Company to commence meaningful discussions with prospective customers, manufacturing partners, strategic collaborators and institutional investors from a substantially de-risked technical and commercial position.

Therefore, the Board of Audio Pixels Holdings Limited ("Audio Pixels" or the "Company") is pleased to offer eligible existing shareholders the opportunity to participate in a Convertible Note Placement to raise up to **AUD $6,000,000**. This Offer is made only to existing shareholders who are sophisticated investors, professional investors or eligible overseas investors (each as defined in the Corporations Act 2001 (Cth)) (**Eligible Investors**). This document does not constitute an offer to any person who is not an Eligible Investor.

The Board believes this capital raising will provide the funding required to complete the Company's commercial demonstration programme, transition from technology validation to commercial engagement, and provide the working capital necessary to support a potential ASX listing.

Indicative Timetable

The following timetable is indicative only and may be varied by the Company at its discretion and without prior notice.

Event	**Date**
Record Date	10 August 2026
Offer Opens	11 August 2026
Offer Closes (Closing Date)	28 August 2026
Issue Date of Convertible Notes	4 September 2026
Maturity Date	4 September 2028 (24 months from Issue Date)

Key Offer Highlights

- Total capital raising of up to **AUD $6,000,000**
- Available exclusively to Eligible Investors who are existing Audio Pixels shareholders
- Minimum initial subscription of **AUD $30,000 per Eligible Investor**
- Maximum initial subscription of **AUD $500,000 per Eligible Investor**
- Eligible Investors may apply for additional Notes above the initial cap, with any additional allocations to be made at the discretion of the Company, subject to overall demand and availability
- Notes will accrue interest at **10.0% per annum**
- Interest will be **capitalised** and added to the principal amount outstanding
- Notes will have a **24-month term to maturity but will convert on the Company undertaking an initial public offering and listing on the ASX (IPO).**
- Conversion into ordinary shares will occur at a **20% discount to the Company's IPO listing price or $9.04 (whichever is the lower).**
- Early conversion is not permitted
- Transfer of Notes is not permitted

Purpose of the Raising

Funds raised under the Convertible Note Placement are expected to be used to:

- Complete the Company's commercial demonstration programme;
- Integrate the Gen-II MEMS devices with the Company's ASIC and supporting electronics into customer-ready demonstration systems;
- Support customer engagement, strategic partnerships and commercialisation activities;
- Finalise manufacturing readiness and product validation;
- Provide working capital to support a potential future ASX listing; and
- Fund general corporate purposes.

Convertible Note Terms

Issuer

Audio Pixels Holdings Limited

Offer Amount

Up to AUD $6,000,000

Face Value

Each Convertible Note has a face value of AUD $1.00 per Note.

Eligibility

This Offer is made exclusively to existing shareholders of Audio Pixels Holdings Limited as at the Record Date who qualify as sophisticated investors (within the meaning of section 708(8) of the Corporations Act), professional investors (within the meaning of section 708(10) or 708(11) of the Corporations Act), or eligible overseas investors. This document does not constitute an offer of securities to any person who does not fall within one of these categories.

The Company will only accept and allocate subscriptions from Eligible Investors. Applicants who are sophisticated investors must provide a valid accountant's certificate (issued no more than 6 months prior to the date of this Offer) together with their Application Form. Professional investors must provide evidence reasonably satisfactory to the Company that they meet the requirements of section 708(10) or 708(11) of the Corporations Act. The Company reserves the right to reject any application where it is not satisfied the applicant qualifies as an Eligible Investor.

Any shareholder who has questions about their eligibility to participate in this Offer is encouraged to contact the Company Secretary.

Secondary Sale Restrictions

As the Company is not listed on ASX and is not a disclosing entity, it is not able to lodge a cleansing notice under section 708A of the Corporations Act. Accordingly, securities issued under this Offer (including any shares issued on conversion of the Convertible Notes) may be subject to the on-sale restrictions in section 707 of the Corporations Act. This means that holders of Convertible Notes issued under this Offer (Noteholders) may be unable to dispose of those securities within 12 months of their issue unless a disclosure document is prepared covering the on-sale, or another statutory exemption applies. The Company anticipates that, if an IPO occurs within the term of the Notes, the prospectus prepared in connection with the IPO will address the on-sale of shares issued on conversion.

Maximum Initial Subscription

AUD $500,000 per Eligible Investor.

Oversubscriptions

Eligible Investors may apply for additional Convertible Notes above the AUD $500,000 allocation limit. Following the close of the Offer, the Company may, at its discretion, allocate additional Notes where demand from Eligible Investors and overall subscription levels permit.

Oversubscriptions will be allocated at the sole discretion of the Board, having regard to the total amount raised, overall demand from Eligible Investors, each applicant's existing shareholding, and the order in which applications are received. The Board is not obliged to accept any oversubscription applications.

Interest Rate

10.0% per annum.

Interest will accrue daily and be capitalised, meaning accrued interest will be added to the principal balance of the Notes and will not be paid in cash prior to conversion or maturity.

Term

24 months from the Issue Date.

Conversion

Upon completion of the Company's Initial Public Offering, the Convertible Notes (including capitalised interest) will convert into ordinary shares at a price equal to an amount representing a **20% discount to the IPO listing price** or $9.04, whichever is the lowest.

Maturity

If an IPO has not occurred prior to the maturity date, the Company will convert the Convertible Notes together with all accrued and capitalised interest into ordinary shares at a conversion price of $9.04.

Early Conversion

Holders may not elect to convert their Notes prior to a qualifying IPO event.

Transfer Restrictions

Convertible Notes are non-transferable and may not be assigned, sold, transferred or otherwise disposed of without the prior written consent of the Company.

Unsecured

The Convertible Notes are unsecured obligations of the Company. No security, mortgage, charge, lien, pledge or other encumbrance over the assets of the Company is granted in favour of Noteholders in connection with the Notes.

Why the Board Supports This Offer

The Board believes the Convertible Note structure provides Eligible Investors with:

1. An opportunity to participate in the Company's next phase of growth.
2. Attractive capitalised interest during the investment period.
3. The ability to convert into ordinary shares at a meaningful discount to the IPO listing price.
4. Priority access to a capital raising that is being made available exclusively to existing Eligible Investors.

How to Participate

Eligible Investors wishing to participate should complete the accompanying Application Form and return it together with cleared funds no later than the Closing Date specified in the Offer documentation.

Applications will be processed in accordance with the allocation policy outlined above and the terms of the Convertible Note Deed.

Important Information

An investment in Convertible Notes involves risk. Eligible Investors should carefully consider the risks associated with an investment in the Company and obtain independent legal, taxation, financial and investment advice before making any investment decision.

This Offer is made only to Eligible Investors (as defined above) who are existing shareholders of Audio Pixels Holdings Limited and is not available to the general public or to any shareholder who does not qualify as an Eligible Investor.

No Disclosure Document

This Offer is not required to be, and has not been, contained in a prospectus or product disclosure statement or other disclosure document (as defined in Chapter 6D of the Corporations Act 2001 (Cth)). No such document has been, or will be, lodged with the Australian Securities and Investments Commission (ASIC) in connection with this Offer. Accordingly, this document does not contain all of the information that would otherwise be required to be disclosed in a prospectus and may not contain all of the information that an investor would require in order to make an informed investment decision.

No Cooling Off Rights

No cooling off rights apply to an investment in Convertible Notes under this Offer. Once an Application Form has been submitted and accepted by the Company, the application is irrevocable.

ASX Escrow

The Company intends to apply for admission to the official list of the ASX. If the Company is admitted to the ASX, ordinary shares issued on conversion of the Convertible Notes may be subject to escrow restrictions imposed by ASX as a condition of admission to the Official List. This means that Noteholders may be unable to sell or otherwise deal with some or all of the shares issued to them on conversion for a period determined by ASX (which is typically up to 24 months from the date of issue or quotation). By subscribing for Notes under this Offer, investors acknowledge that escrow restrictions may apply to their conversion shares and agree to enter into any restriction agreements required by ASX.

Takeover Restrictions

Conversion of the Convertible Notes is subject to the takeover restrictions in Chapter 6 of the Corporations Act. If conversion of a Noteholder’s Notes (including capitalised interest) would result in that Noteholder (together with its associates) acquiring voting power of more than 20% in the Company, conversion may not proceed to the extent that it would contravene section 606 of the Corporations Act, unless an applicable exception applies or shareholder approval is obtained. In such circumstances, the Company will work with the affected Noteholder to determine an alternative.

IPO Cooperation

By subscribing for Convertible Notes under this Offer, each Noteholder agrees that, in the event the Company proceeds with an IPO and application for admission to the ASX, the Noteholder will cooperate with and take all reasonable steps to facilitate the IPO.

The Board thanks Eligible Investors for their continued support and looks forward to sharing in the Company's future success.

I now attach an application form to participate in the Convertible Note. Please complete the attached application form, and return a signed copy to shawn@audiopixels.com.au

In the meantime, should you have any questions relating to the Convertible Note Offer, please contact the Company Secretary, Shawn van Boheemen on 0414 903 376, during normal business hours.

Yours sincerely,

For and on behalf of the Board
Audio Pixels Holdings Limited

Fred Bart

Chairman

Breaking the Barriers of Sound

APPLICATION FORM

AUDIO PIXELS HOLDINGS LIMITED

(ACN 094 384 273)

CONVERTIBLE NOTES

CONVERTIBLE NOTES APPLIED FOR

No. of Notes	Face Value per Note	Total Application amount
	$1.00	$

WRITE YOUR NAME HERE

Name of Applicant 1

Name of Applicant 2 or Account Name

WRITE YOUR POSTAL ADDRESS HERE

PO Box / Street Number / Street Name

Suburb / Town

State

Post Code

Telephone

Email

TAX FILE NUMBER AND ABN NUMBER

TFN of Applicant 1

TFN of Applicant 2

Exemption Category

ABN of Applicant 1

ABN of Applicant 2

SRN NUMBER FOR EXISTING SHARE HOLDING

Breaking the Barriers of Sound

INVESTOR STATUS (please tick one)

☐ Sophisticated

☐ Professional

☐ Eligible Overseas Investor

Please see application instructions for further information.

I/We declare that this application is completed according to the statements on this form and I/we warrant that I am/we are an Eligible Investor (being a sophisticated investor, professional investor or eligible overseas investor as described in this Offer) and that the information provided in this Application Form is true and correct.

If you are a sophisticated investor, you must attach a copy of a certificate from a qualified accountant (dated no more than 6 months prior to the date of this Offer) confirming you meet the net asset or gross income requirements under section 708(8) of the Corporations Act. If you are a professional investor, you must attach evidence satisfactory to the Company that you meet the requirements of section 708(10) or 708(11) of the Corporations Act.

Signature	Director
Signature	Director/Secretary
Date	Date

Breaking the Barriers of Sound

HOW TO COMPLETE THE APPLICATION FORM

Please complete all relevant sections of the Application Form using BLOCK LETTERS.

A) Enter the maximum NUMBER OF NOTES you wish to apply for.

B) Enter the **TOTAL AMOUNT** of application money payable.

C) Enter your **FULL NAMES**(S) and TITLE(S).

D) Enter your current **POSTAL ADDRESS** for all communications from the Company. Only one address can be recorded.

E) Enter telephone numbers and a contact person the registry can speak to if they have any queries regarding this Application.

F) Enter your tax file number(s). With a joint holding, only the tax file numbers of two holders are required.

G) Enter your existing SRN Number for your shareholding held with Computershare.

H) Investor Status categories:

- Sophisticated Investor: If you are an individual, company or trust, you (or your controller under the *Corporations Act 2001*) hold a certificate issued by a qualified accountant that confirms you (or your controller) meet certain asset and income requirements. The certificate must have been issued no more than 6 months prior to the date of this Offer. This certificate is available only if you – or your controller – have gross income of at least $250,000 for each of the last 2 financial years or net assets of at least $2.5 million. A copy of the accountant's certificate must be provided with your Application Form.

- Professional Investor: means a person who satisfies the requirements of section 708(10) or 708(11) of the Corporations Act 2001 (Cth), including a fund manager, superannuation fund, pension fund, insurer, bank, investment company, sovereign wealth fund or other financial institution that is eligible to participate in the Offer under applicable laws.

- Eligible Overseas Investor: means a Professional Investor located in a jurisdiction outside Australia and New Zealand:
  (a) to whom it is lawful to make the Offer without the need for a prospectus,

registration, filing or other disclosure document, or any other regulatory approval, in that jurisdiction; and
(b) who is not in the United States and is not acting for the account or benefit of a person in the United States (unless the Securities are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act).

I) Please provide your email address so it can be added to your SRN with Computershare to ensure all future correspondence from the Company is received in a timely manner.

J) Payment must be made in Australian Currency.

K) Ensure that the Application form is signed by all applicants. In case of a company it should be signed in accordance with its constitution, subject to the Corporations Act, 2001.

Forward your completed Application to:

The Company Secretary
Audio Pixels Holdings Limited
Suite 71, 159 Ridgecrop Drive
Castle Hill NSW 2154

Please deposit Application money to:

Audio Pixels Holdings Limited
BSB: 332-003
Account number: 552 311 501

Any enquiries should be referred to the Company Secretary, Shawn van Boheemen on 0414 903 376 during normal business hours.

Applications must be received by no later than 5:00pm Sydney Time on Tuesday, 28th August 2026, unless such deadline is extended by the Board, at its sole discretion.

Attached is a Convertible Note Agreement template that outlines the terms of the Convertible Notes being offered.

About Audio Pixels Holdings Limited

Since 2011 Audio Pixels Limited, founded in 2006, has been a wholly owned subsidiary of Audio Pixels Holdings Limited. Backed by exceptional multidisciplinary scientific research, design, and characterization 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 Audio Pixels and certain of the plans and objectives of Audio Pixels 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.

AUDIO PIXELS HOLDINGS LIMITED

AND

XXX

UNSECURED CONVERTIBLE NOTE AGREEMENT

CONTENTS

THIS AGREEMENT is dated 28 day of August 2026

BETWEEN **AUDIO PIXELS HOLDINGS LIMITED** (ACN 094 384 273) of Suite 71, 159 Ridgecrop Drive CASTLE HILL NSW 2154 ("**Company**")

AND of Insert address ("**Lender**")

RECITALS

A The Lender has agreed, at the request of the Company, to provide a finance facility to the Company in the nature of an unsecured Convertible Note having a face value equal to the Advance.

B The Lender and the Company agree to enter into this document to set out the terms and conditions of the Convertible Note and its issue.

C The Company has A$750,000 in Convertible Notes outstanding.

IT IS AGREED

1 INTERPRETATION

1.1 Definitions

In this document:

"**$**" means Australian dollars.

"**Advance**" means an advance of $XX made by the Lender to the Company pursuant to this document.

"**ASX**" means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

"**ASX Listing Rules**" means the official Listing Rules of the ASX.

"**Board**" means board of directors of the Company.

"**Business Day**" means a day on which ASX is open for trading.

"**Conversion Notice**" means the conversion notice in accordance with **clause 5.2**.

"Conversion Terms" means the Notes will be converted into ordinary shares upon the Company undertaking an IPO, or on the maturity date, whichever occurs first. If the Company has not undertaken an IPO by the maturity date of the Notes, the Notes will convert into ordinary shares at $9.04.

"**Convertible Note**" means the unsecured convertible note issued by the Company to the Lender at an issue price equal to the Advance on the terms of this document.

"**Convertible Note Certificate**" means a certificate in the form of **Annexure A**.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Event of Default**" means an event referred to in **clause 10.1** as an event of default.

"**Execution Date**" means the date the last of the parties executes this document.

"**GST**" has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

"**Issue Date**" means the date on which the Convertible Note is issued, being 4 September 2026.

"**Issue Price**", in relation to a Share, means, A$9.04. The issue price may be less than A$9.04 if the Company undertakes an IPO at a lower price at any time until the expiry date, in which case the conversion price will be at a 20% discount to the IPO price, with a conversion price floor of $3.50 per share.

"**Party**" means a party to this document.

"**Rate**" means 10% per annum, capitalised until repayment or conversion of the Note.

"**Related Body Corporate**" has the meaning given in section 50 of the Corporations Act.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Shareholder**" means a registered holder of a Share.

"**Term**" means the term of the Convertible Note commencing on the Issue Date and expiring 24 months from the Issue Date.

1.2 Construction

In this document, unless expressed to the contrary:

(a) words importing the singular include the plural and vice versa;

(b) if a word or phrase is defined cognate words and phrases have corresponding definitions;

(c) the word "person" shall include a corporation;

(d) a reference to:

   (i) time is a reference to time in Sydney, New South Wales;

   (ii) a person includes its legal personal representatives, successors and assigns;

   (iii) a right includes a benefit, remedy, discretion, authority or power; and

(iv) an obligation includes a warranty or representation and a reference to a failure to observe or perform an obligation includes a breach of warranty or representation;

(e) reference to any statute shall include all statutes amending or consolidating the statutes referred to;

(f) a reference to this document includes all schedules and annexures referred to in it; and

(g) headings do not affect the interpretation of this document.

2 SUBSCRIPTION FOR CONVERTIBLE NOTE

2.1 Subscription for Convertible Note

The Company agrees to issue, and the Lender agrees to subscribe for, on the Issue Date, the Convertible Note on the terms and conditions set out in this Deed.

2.2 Completion

On the Issue Date:

(a) the Lender will deliver to the Company the Advance in cleared funds; and

(b) subject to the Lender complying with **clause 2.2(a)**, the Company will:

(i) issue the Convertible Note to the Lender on the terms set out in this document;

(ii) deliver to the Lender a Convertible Note Certificate in respect of the Convertible Note; and

(iii) record the Lender as the holder of the Convertible Note in the convertible securities register of the Company.

3 CONVERTIBLE NOTE

3.1 Face Value

The Convertible Note will have a face value equal to the Advance.

3.2 Convertible Note Unsecured

(a) The Convertible Note will not be secured.

(b) The Company undertakes to the Lender that it will not, from the Execution Date until the date the Advance is converted or repaid in full and all accrued interest on the Advance is paid in full, create or grant any further registered or unregistered security interests over any of its property or any of the property of its Related Bodies Corporate, without the prior written approval of the Lender.

3.3 Acknowledgment of indebtedness

The Company acknowledges that, at all times from the Issue Date until the whole of the Convertible Note has been converted, it is indebted to the Lender to the extent of the outstanding amount of the Advance and any outstanding interest accrued on the Advance.

3.4 Note is unlisted

The Company does not intend to list the Convertible Note for quotation on ASX and it is not obliged to do so.

3.5 Voting Rights

The Convertible Note shall not provide for any voting rights at shareholder meetings of the Company.

3.6 Not Transferable

The Lender shall not be permitted to transfer all or any part of the Convertible Note except:

(a) with the prior written consent of the Company; or

(b) to a Related Body Corporate of the Lender on the condition that the Lender procures that the assignee of the Convertible Note agrees to be bound by the terms and conditions of this document.

3.7 Worn or defaced Convertible Note Certificate

If any Convertible Note Certificate becomes worn out or defaced then, upon its production to the Company, it may cancel the same and issue a new Convertible Note Certificate in lieu thereof.

3.8 Lost or destroyed Convertible Note Certificate

If any Convertible Note Certificate is lost or destroyed then, upon proof thereof to the satisfaction of the Company, and upon such indemnity (if any) as the Company may require being given, a new Convertible Note Certificate in lieu thereof shall be given to the Lender at the cost of the Lender.

3.9 Cancellation of Convertible Note Certificate

Any Convertible Note Certificate that is returned to the Company in connection with the conversion of the Convertible Note must be cancelled by the Company.

4 INTEREST

4.1 Accrual

Interest will accrue on the unpaid principal amount of the Advance at the Rate from the Issue Date until the Convertible Note converted into Shares in accordance with this document, whichever is earlier.

4.2 Calculation of interest

Interest accrues daily, is calculated on a compounding basis and is calculated on actual days elapsed and a year of 365 days.

4.3 Payment

The Company shall pay to the Lender the interest accrued under **clause 4.1** when the Convertible Note is fully repaid or converted into Shares.

5 CONVERSION

5.1 Conditions to Conversion

(a) The Convertible Note may not be converted if such conversion would cause the Parties to breach the Corporations Act.

(b) The Company will use its best endeavours to overcome any breach of the Corporations Act.

5.2 Conversion into Shares

The Convertible Note may be converted into:

(a) Shares, in whole or in part, at the Issue Price,

by the Lender giving the Company not less than five Business Days written notice ("**Conversion Notice**") at any time during the Term which notice shall state:

(a) the amount in monetary terms of the Advance to be converted;

(b) the number of Shares to be issued under the conversion; and

(c) the effective date of conversion.

A Conversion Notice once issued cannot be withdrawn without the consent in writing of the Company.

5.3 Issue of Shares

Subject to there being no breach of the Corporations Act or the ASX Listing Rules, no later than five Business Days after receipt of a Conversion Notice in accordance with **clause 5.2**:

(a) the Company must:

(i) issue the relevant number of Shares to which the Lender is entitled upon conversion of the Convertible Note (or part thereof);

(ii) record the Lender in its register of members as the holder of the issued Shares and amend its convertible securities register to reflect the conversion of the Convertible Note; and

(iii) procure the issue to the Lender of a holding statement for the Shares issued and a new Convertible Note Certificate in respect of any remaining part of the Advance which has not been converted; and

(b) the Lender must deliver to the Company the Convertible Note Certificate or such other evidence of title as to ownership of the Convertible Note as is acceptable to the Board.

5.4 Ranking of Shares

Shares issued to the Lender on conversion of the Convertible Note (or part thereof) shall rank equally in all respects with the other then existing Shares on issue on the date of issue and shall be entitled to all dividends and other distributions, as at the record date or dates for which falls on a date on or after the date of conversion as detailed in the Conversion Notice provided in accordance with **clause 5.1**.

5.5 Satisfaction of Company's obligations

The conversion of the Convertible Note into Shares (or part thereof) in accordance with **clause 5.2**, operates in satisfaction of the Company's obligation to the Lender in respect of repayment of the Advance (or part thereof) on that portion of the Convertible Note so converted.

6 RECONSTRUCTION OF CAPITAL

If there is a reconstruction of the capital of the Company (including consolidation, subdivision, reduction, return, scheme of arrangement or otherwise, but other than by way of a bonus issue, rights issue or other security issue), prior to the date the Convertible Note is fully repaid or converted into Shares, a proportionate adjustment will be made to the number of Convertible Notes and the Issue Price to which the Lender is entitled upon conversion of the Convertible Note so that the Lender does not receive any additional benefits that are not conferred on the holders of Shares, nor suffer any dilution or other loss.

7 OFFERS TO HOLDERS OF SHARES

7.1 Bonus issues

If at any time the Company issues Bonus Securities to the holders of Shares, then the Convertible Note, to the extent that it has not been converted or repaid, shall be adjusted in accordance with ASX Listing Rule 6.22.3.

7.2 Participation in pro-rata securities issues

There are no participation rights or entitlements inherent in the Convertible Note and the Lender will not be entitled to participate in new pro rata issues of capital offered to shareholders of the Company during the currency of the Convertible Note without first converting the Convertible Note prior to the date for determining entitlements to participate in any such issue.

8 REPAYMENT IN CASH

8.1 Repayment on Expiry

The Company must repay to the Lender the outstanding amount of the Advance and any outstanding interest accrued on the Advance in shares on the date of expiry of the Term, unless, and to the extent, the Lender has given a Conversion Notice in respect of the Convertible Note.

8.2 Repayment

Where a Convertible Note is to be repaid in accordance with this **clause 8**, the Company must:

(a) deliver to the Lender, ordinary shares (calculated based on the Conversion Terms), the amount of the outstanding Advance together with accrued and unpaid interest in respect of the Convertible Note; and

(b) cancel the Convertible Note Certificate and send to the Lender, free of charge, a new Convertible Note Certificate in respect of any part of the Convertible Note not repaid.

8.3 Satisfaction of Company's obligations

A payment in accordance with **clause 8.2(a)** operates in satisfaction of the Company's obligation to the Lender in respect of the outstanding amount of the Advance so repaid and the Company's obligation to pay accrued and unpaid interest for that part of the Convertible Note being repaid.

9 REPRESENTATIONS AND WARRANTIES

9.1 Company's Representations and Warranties

The Company represents and warrants to the Lender that at the date of this document, the Issue Date and any date Shares are issued on the conversion of the Convertible Note:

(a) the Company has the power to enter into and perform its obligations under this document;

(b) other than obtaining the Shareholder Approvals referred to at Clause 5.1(a) (if required), the Company has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms, and that execution, delivery and performance does not require any consent or approval of any person which has not already been obtained;

(c) this document constitutes legal, valid and binding obligations of the Company fully enforceable in accordance with its terms; and

(d) the execution, delivery and performance of the provisions by the Company of this document does not and will not violate any treaty, law, regulation, authorisation, judgment, ruling, order, consent or decree of any government agency binding on the Company or the constitution of the Company.

9.2 The Lender's Representations and Warranties

The Lender represents and warrants to the Company that at the date of this document, the Issue Date and any date Shares are issued on the conversion of the Convertible Note:

(a) the Lender has the power to enter into and perform its obligations under this document;

(b) the Lender has taken all necessary action to authorise the execution, delivery and performance of the agreement evidenced by this document in accordance with its terms, and that execution, delivery and performance does not require any consent or approval of any person which has not already been obtained;

(c) this document constitutes legal, valid and binding obligations of the Lender and is fully enforceable in accordance with its terms;

(d) the execution, delivery and performance by the Lender of this document does not and will not violate, to the best of the knowledge and belief of the Lender having made all reasonable enquiries, any treaty, law, regulation, authorisation, judgment, ruling, order, consent or decree of any government agency binding on the Lender in any jurisdiction;

(e) on the issue of Shares to the Lender under or as a result of this document, the Lender will be bound by the constitution of the Company;

(f) the Lender has conducted all due enquiries and investigations into the Company and has obtained financial, business, tax and legal advice in respect of entering into this document, and has decided to enter into this document based on its own enquiries and investigations and without reliance on any representations or information provided by the Company or its officers;

(g) Shares issued to the Lender under or as a result of this document are done so as principal;

(h) neither this document nor the issue Shares under or as a result of it requires a disclosure document pursuant to section 708(8) of the Corporations Act; and

(i) following the issue of Shares under or as a result of this document, the Lender will not be in breach of section 606 of the Corporations Act.

9.3 Survival

The representations and warranties referred to in **clauses 9.1** and **9.2** survive the termination of this document.

9.4 Reliance

The Parties each acknowledge that the other of them has entered into this document in reliance on the representations and warranties referred to in **clauses 9.1 and 9.2**.

10 DEFAULT AND TERMINATION

10.1 Default by the Company

The events referred to in this **clause 10.1** are each an Event of Default, whether or not the cause is beyond the control of the Company or of any other person:

(a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of the Company;

(b) a liquidator or provisional liquidator is appointed in respect of the Company;

(c) if the Company defaults in fully performing, observing and fulfilling any material provision of this document, including interest payments, provided that in the case of a default capable of remedy, that default has not been remedied within 20 Business Days of the occurrence of such default;

(d) this document is, becomes or is claimed by the Company to be, void, voidable or unenforceable in whole or in part; and

(e) at any time it is unlawful for the Company to perform any of its obligations under this document.

10.2 Repayment on Default

Notwithstanding anything else contained in this document but subject to **clause10.1(c)**, if an Event of Default occurs, all money owing under this document shall be payable by the Company within 10 Business Days of the Lender issuing a written notice to the Company requiring repayment of such money.

10.3 Termination of Convertible Note

Without limiting any other right of the Lender under this document but subject to **clause 10.1(c)**, if any Event of Default occurs, the Lender may terminate this document by notice in writing to the Company.

11 GENERAL

11.1 Business Days

If the date on or by which any act must be done under this document is not a Business Day, the act must be done on the next Business Day.

11.2 GST

If GST is imposed on any supply under or in connection with this document, then the Company shall be responsible for payment of such GST, provided that the Company has received a valid tax invoice in respect of the particular supply.

11.3 Notices

Any notice or other communication which must be given, served or made under or in connection with this document must be in writing, signed by an authorised person of the sender and will be deemed to have been duly given, served or made if it is delivered or posted by prepaid post to the address of the party detailed in this document, or sent by facsimile on the number set out below:

(a) in the case of the Company:

Address:	AUDIO PIXELS HOLDINGS LIMITED Suite 71, 159 Ridgecrop Drive CASTLE HILL NSW 2154
Attention:	Shawn van Boheemen - Company Secretary

(b) in the case of the Lender:

Address:	XXXXX
	XXXXXX
	XXXXXX
Attention:	XXXXX
Email:	XXXXX

and will be deemed to be served, given or made:

(c) **in the case of prepaid post:** on the seventh Business Day after the date of posting; and

(d) **in the case of delivery by hand:** on the actual day of delivery if delivered prior to 5:00 pm (Sydney time) on a Business Day or on the next following Business Day if delivered after 5:00 pm (Sydney time) on a Business Day or on other than a Business Day.

11.4 Severability

Any provision of this document which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions.

11.5 Further Assurances

The Parties will promptly do and perform all further acts and execute and deliver all further documents required by law or reasonably requested by the other Party, to establish, maintain and protect the respective rights and remedies of the other Party, and to carry out and effect the intent and purpose of this document.

11.6 Entire agreement

This document shall constitute the sole understanding of the Parties with respect to the subject matter and replaces all other agreements with respect thereto.

11.7 Assignment

A Party may not assign or otherwise transfer any of its rights or obligations under this document without the prior written consent of the other Party.

11.8 General costs

The Parties shall be responsible for their own legal fees, costs and disbursements in connection with the preparation, negotiation and execution of this document and any subsequent consent, agreement waiver, amendment to, or discharge of this document.

11.9 Duties

The Company will pay all duty, transaction, registration and similar taxes, including fines and penalties, financial institutions duty and debits tax which may be payable to or required to be paid by any appropriate authority, or determined to be payable in connection with the execution, delivery, performance or enforcement of this document, or any payment receipt or other transaction contemplated by this document.

11.10 Governing Law

This document shall be governed by and construed in accordance with the law from time to time in the State of New South Wales and the Parties each irrevocably submit to and accept generally and unconditionally, the non-exclusive jurisdiction of the courts of New South Wales and the courts which hear appeals therefrom with respect to any legal action or proceedings which may be brought at any time relating in any way to this document.

11.11 Counterparts

This document may be executed in any number of counterparts (including by way of facsimile) each of which shall be deemed for all purposes to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.

EXECUTED by the Parties as an agreement.

EXECUTED by **AUDIO PIXELS HOLDINGS LIMITED**
in accordance with section 127 of the Corporations Act:

....	....
Director	Director/Secretary
Frederick Bart	Shawn van Boheemen
....	....
Full name (print)	Full name (print)

EXECUTED by **XXXX**
in accordance with section 127(1) of the Corporations Act:

....

....
Full name (print)

Annexure A

AUDIO PIXELS HOLDINGS Limited

ACN 094 384 273

Suite 3, Level 12, 75 Elizabeth Street, Sydney NSW 2000

Convertible Note Certificate

XXXXX ("**Noteholder**") is registered as holder of a A$XXX 10% per annum convertible note ("**Convertible Note**").

The issue of the Convertible Note was authorised by resolution of the board of directors of AUDIO PIXELS HOLDINGS LIMITED ("**Company**") on   July 2026.

The Convertible Note has been issued in consideration of a loan to the Company of an amount of $XXXX upon the terms and conditions detailed in the Convertible Note Agreement between the Company and the Noteholder dated on or about the date of this Certificate ("**Agreement**") and is held by the Noteholder subject to and with the benefit of the terms and conditions in the Agreement.

For value received, the Company promises to pay to the Noteholder the amounts payable in accordance with the terms and conditions detailed in the Agreement.

DATED ………………………… August 2026

EXECUTED by **AUDIO PIXELS HOLDINGS LIMITED**
in accordance with section 127 of the Corporations Act:

....	....
Director	Director/Secretary
Frederick Bart	Shawn van Boheemen
....	....
Full name (print)	Full name (print)

<u>CONVERSION NOTICE</u>

We,

request the conversion of the advance in accordance with clause 5 of the Agreement.

…………………………….. …………………………… ……………………
DATE