



SOUND DIMENSION IS GOING PUBLIC

An invitation to subscribe for units in Sound Dimension AB in connection with the listing on Spotlight Stock Market.

SUBSCRIPTION PERIOD

August 31 - September 13, 2021



IT IS TIME FOR A REVOLUTION IN SOUND

If you are like most people, you probably have several speakers in your home. A sound system. A phone. A Smart Speaker. And you can connect to each of them. But have you ever wondered why they can't all connect to each other? So did we. And we fixed it.

Introducing AiFi®.

CONNECTING THE DOTS

At Sound Dimension we have been developing cutting-edge and award-winning audio technologies and sound products since 2013. And with our patented technology Artificial Intelligence Fidelity, AiFi, we are creating the next de facto standard that will revolutionize the world of sound — by connecting speakers, regardless of type, brand, or age, and not only making them play together, but making them sound better together.

AiFi is the proven, patented, and revolutionary technology that makes it possible. And we are now making it available to the world!



REFERENCE TO MEMORANDUM

All investments in securities are associated with risk-taking. The memorandum for Sound Dimension contains a description of potential risks associated with the company's operations and its share. Before an investment decision can be made, these risks, together with other information in the complete memorandum, must be carefully read. The memorandum is available for download on the company's (www.sounddimension.se), Spotlight Stock Markets' (www.spotlightstockmarket.com), and Hagberg & Aneborn AB's (www.hagberganeborn.se) respective websites.

MESSAGE FROM THE CEO

After leading roles in three NASDAQ-listed companies where I have been deeply involved in turnaround processes, I can say that the conditions for a successful turnaround in Sound Dimension are high. We already have clear evidence that the world's largest manufacturers in the audio industry are fascinated by what we have achieved with our technology and they have also, in the past, expressed an interest in licensing it. Sound Dimension now has several years of experience in the industry and a deep understanding of how it operates. This, in combination with our highly experienced Advisory Board, makes me look forward to this journey with great confidence and excitement.

We want to create a technology that can transform currently fragmented sound systems from individual sound sources into a concert experience — an opportunity for everyone to access audio of the highest quality by using technology that already exists in our homes. We want to democratize sound. We plan to do this by giving the world's manufacturers of speakers, projectors, and other audio devices the opportunity to license our technology. Sound Dimension is the exclusive owner for the rights to this exciting technology which is protected through granted patents, filed patent applications, unique know-how, and a carefully developed IP strategy.

I believe that Sound Dimension is in a very privileged situation. For several years, we have refined our technology and, based on our team's many years of experience, have developed a clear strategy for how we will now commercialize the technology that has made us known in the industry. We have already met most of our potential customers and are now ready to build on these relationships in the coming years.

It is extremely inspiring to work towards a clear and concrete goal, knowing that we are at the very forefront of technology in an extremely large and fast-growing industry. I have a strong belief that with Sound Dimension, we will be able to achieve our goal in the coming years and create a new de facto standard for audio.

I hope you want to join us on this journey. I warmly welcome you as a shareholder in Sound Dimension.



THOMAS BERGDAHL
CEO, Sound Dimension

“Create the perfect sound setup and endlessly reconfigure your audio experience”



**SOUND DIMENSION'S AWARD WINNING
SOUNDOTS SPEAKERS**

BACKGROUND

Sound Dimension was founded in 2013 by Fredrik Gunnarson and was based on two technologies. One, the basic sound technology that focuses on the hardware itself in each individual speaker, and two, the algorithms that today is called Artificial Intelligence Fidelity — AiFi. In 2014, the Company saw the opportunity to package these two technologies into one product.

The company launched its first product in 2016 —the AiFi speaker Soundots Ai-1. It received several awards for both its design and functionality, including the “A-Design Silver Award 2016” and the “CES innovation Award Honoree 2017” (in the category “High-Performance Home Audio/Video”) at CES, one of the world’s largest consumer electronics trade shows. Several major players in the sound market took notice and wanted to license Sound Dimension’s patent-pending technology. These offers proved the value and excellence of the technology. However, the business model that the company chose in order to commercialize the AiFi technology was based on the production and sale of its own speakers, so any outbound licensing was not interesting at this stage. Despite an award-winning product and technology, Sound Dimension never succeeded in achieving any volume in its sales, partly due to a limited budget and the fact that it was an unknown brand in a very competitive market. Due to the lack of sales, in 2019 the company decided to evaluate its current business model. It became clear that although the sound was world-class, the company’s approach to commercializing the sound and the technology was far from optimal.

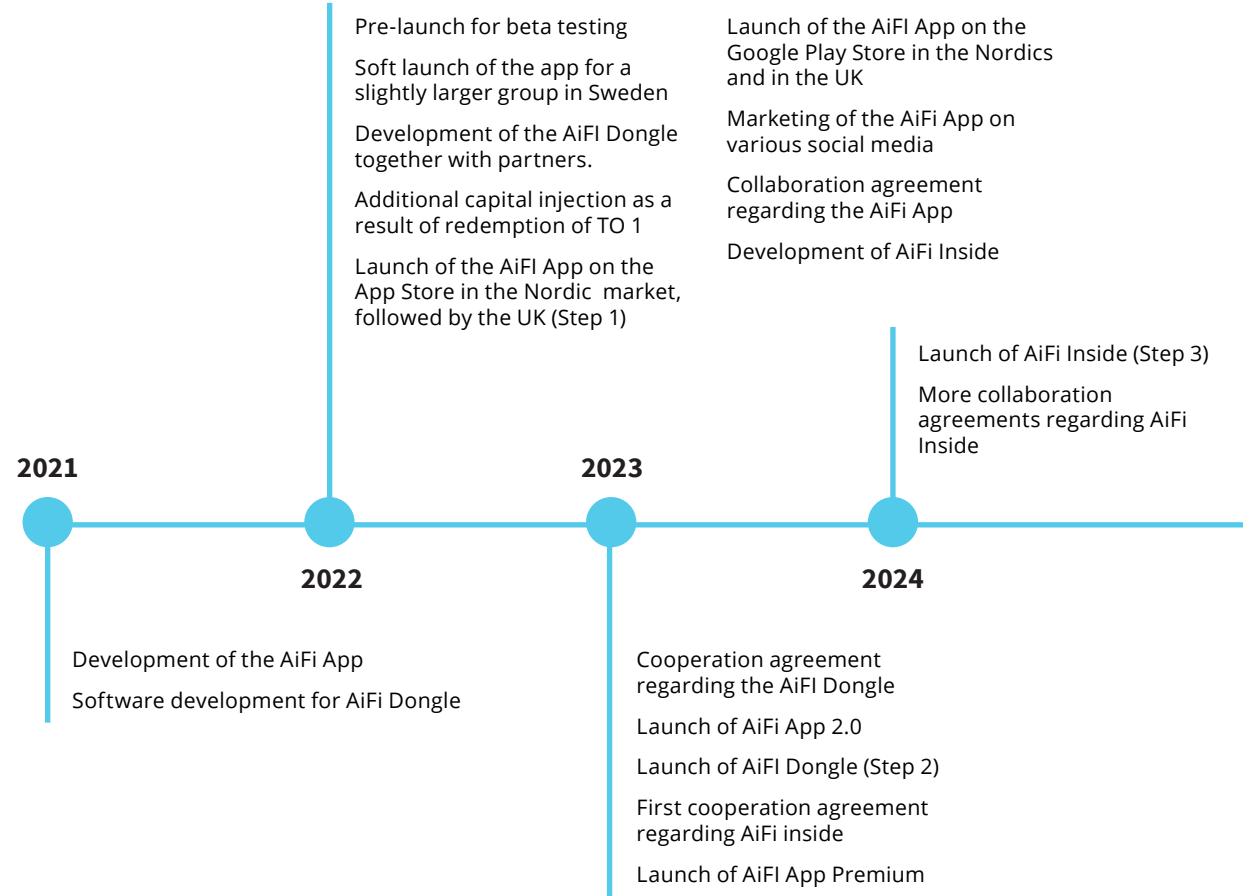


MOTIVE

This issue and listing take place in order to carry out Sound Dimension's new business model. The new business model has been developed based on lessons learned from the industry and together with the company's strengthened Advisory board and CEO. The business model means that Sound Dimension has ceased production and sales of its own speakers and instead continues to conduct operations that will in the best way enable Sound Dimension to license out its technology to manufacturers of all types of sound reproducing devices. This shift means that Sound Dimension goes from being a hardware company to being a software company. This way, the Company will achieve significantly greater scalability and significantly higher margins.

Another reason for the listing of Sound Dimension is the increased publicity, attention, and transparency that comes from being a public company. It will be to Sound Dimension's advantage when negotiating agreements and collaborations as it can provide increased security for the other party. The publicity a listing brings will also be beneficial when it comes to marketing and sales.

The company estimates that the proceeds from the present issue upon full subscription will bring in approximately SEK 15 million before listing costs of approximately SEK 2.2 million, and that the proceeds from the full exercise of the warrants TO 1 in October 2022, at the same share price as at listing (corresponding to SEK 16 million before issue costs) is sufficient to finance Sound Dimension until the year 2024, when the company is projected to be cash-flow positive. In the event that the Board of Directors deems that the proceeds from the exercise of the warrants are not sufficient to cover the company's financing needs until a positive cash flow, the Board will review and propose other/additional/alternative financing options.



STRATEGY AND BUSINESS MODEL

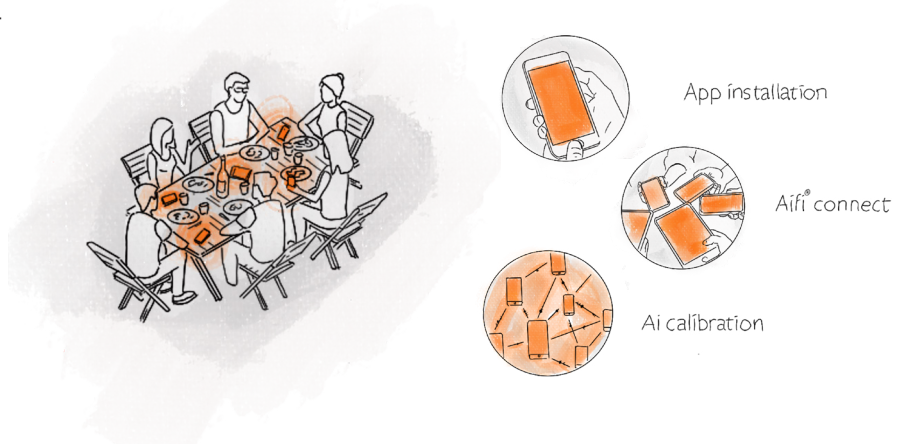


The company's strategy is to develop and launch AiFi in three steps; Step 1 - AiFi App, Step 2 - AiFi Dongle, and Step 3 - AiFi Inside. This strategy aims to extend the reach of AiFi technology in the most efficient way possible. The three steps are defined in detail below alongside our business model which will differ slightly for each step.

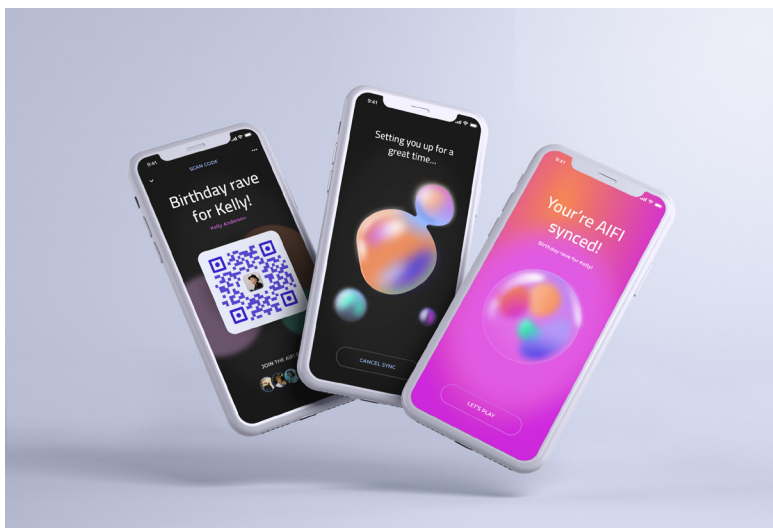
The first step will be to integrate the technology into Sound Dimension's app — the AiFi App. It will give the user the ability to connect several smart devices together and play them as one larger speaker, all the while optimizing the sound to perfection.

The AiFi App is estimated to enter pre-launch in early 2022 for two months of beta testing with a limited user group. The aim is to further improve the app based on feedback and correct any shortcomings before the soft launch at the end of Q2 2022. During the soft launch, the app will be made available to a slightly larger user group for another couple of months with the goal of quickly and efficiently revising the app based on users' requirements and feedback as well as introduce new features. Marketing and the worldwide launch will start in Q4 2022. We aim to have achieved 2-3 million downloads of the AiFi App by 2025.

STEP 1 - AiFi APP



The AiFi App will initially be offered as a freemium service. This means the app will offer basic functionality for free with the more advanced features available in the premium version for a fee. With the free version, our priority is to reach as many users as possible. When the premium version launches, it will, for example, enable the connection of an increased number of units and more listening hours. The premium version will initially cost each user approx. SEK 45 per month, with quarterly or annual subscription discounts.



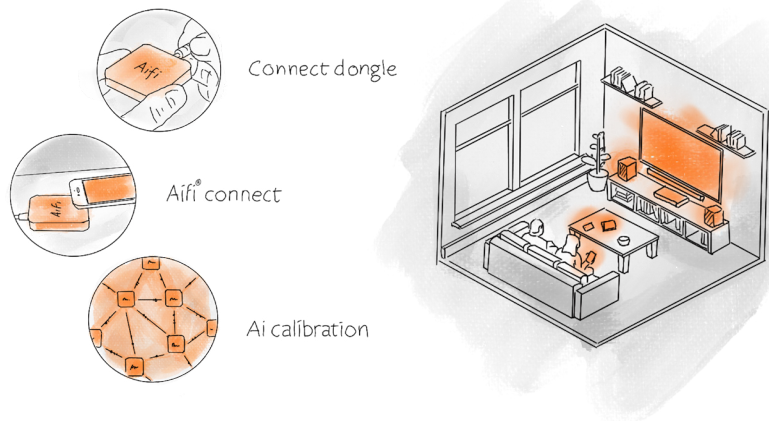
AiFi® APP MARKET POTENTIAL

The competing app Ampme has more than 10 million downloads on both Google Play Store and the App Store, according to its own statement. Ampme is free for the first three days and after that, users must pay a fee of SEK 115 per week for continued use of its service. There is no free version of the app. The similar app Rave, according to its own statement, has more than 10 million downloads on the Google Play Store and offers a variety of purchase options in the app ranging from SEK 18 to SEK 149.

The next step is to introduce the AiFi Dongle, a small physical box that is connected to current audio devices, for example via a 3.5 mm socket or HDMI. With the dongle, even more devices will be able to join the sound choir, using the AiFi technology to connect, and be identified and analyzed with the help of artificial intelligence.

Sound Dimension will not produce any hardware itself but intends to collaborate with partners who can develop, manufacture, distribute, and market the dongle. The AiFi technology can be installed in most existing third-party dongles and Sound Dimension has identified a number of potential partners. Sound Dimension's will charge a license fee for each AiFi-enabled dongle sold.

STEP 2 - AiFi DONGLE

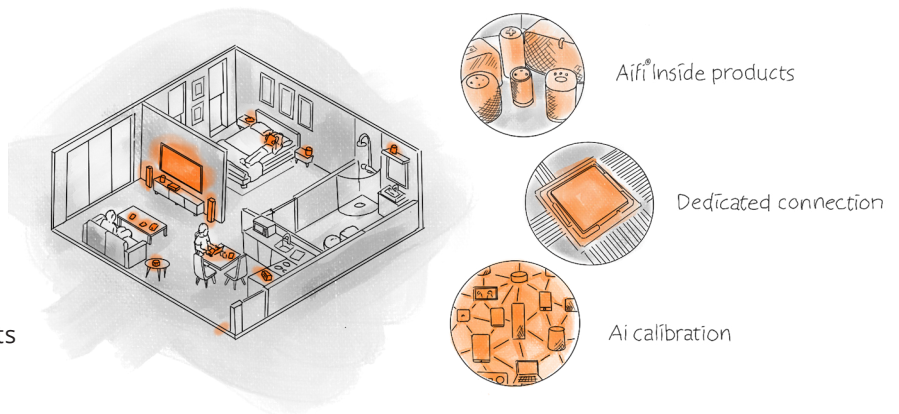


AiFi® DONGLE MARKET POTENTIAL

The annual sales of smart speakers in 2020 reached more than 150 million units, an increase of ~70% compared to 2018. Around 85% of the market today is dominated by major players such as Amazon, Google and Apple and is expected to continue its strong growth reaching over 400 million units sold in 2025. The same is true for Bluetooth speakers where an estimated 200 million units (not including smart speakers) is estimated to be sold in 2021 and increase by more than 50% towards 2025.

When the AiFi Inside technology is implemented at chip level, Sound Dimension takes the final step towards fully establishing a new de facto standard for sound experiences. Today, there are many products that have integrated sound such as speakers, TVs, projectors, etc. where the product itself bears a brand while the company behind the product may have a different name. We have chosen to call all these brands instead of companies. Sound Dimension's goal is to sign license agreements with such brands and ODMs/OEMs.

STEP 3 - AiFi INSIDE



AiFi® INSIDE MARKET POTENTIAL

The market potential for smart speakers is identical to that of the AiFi Dongle. The key difference is that AiFi Inside will be integrated directly into the manufacturing process as a third-party technology by the manufacturers, while AiFi Dongle is manufactured as an external accessory for the end consumer. Sound Dimension is estimating the market for AiFi Inside to be even larger as the technology further can be implemented for televisions, computers, mobile phones, tablets and more.

THE OFFER IN BRIEF

Facts about the listing

Offered securities	The offer refers to the purchase of units. A unit consists of one share and one warrant (1:1)
Price	Price 7.5 SEK per unit
Share issue volume	SEK 15 million
Subscription commitment	SEK 7.5 million (50%)
Company value	SEK 22.9 million before the offer
Subscription period	31 August to 13 September, 2021
Minimum subscription	600 units (SEK 4,500)
Marketplace	Spotlight Stock Market
Share ticker	SOUND
Preliminary first day of trading	6 October, 2021

Facts about the subscription warrant

Subscription period	October 2022
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Subscription terms

The subscription warrant (TO 1) gives for each held warrant, 12 months after the first day of trading in the Company's share and for a period of 10 trading days, the right to subscribe for one (1) new share at a subscription price of 70% of the volume-weighted average price over the 15 trading days directly before the first subscription day.

WHY INVEST

This is an investment in a small, pre-revenue business offering a huge opportunity based on a powerful and proven technology alongside a unique team with a strong strategy – and a very limited technological risk.



JOIN US

sounddimension.se/ipo-2021

