

RIGHTS ISSUE

Step 1: Subscription of free Units:
2 February to 16 February 2023

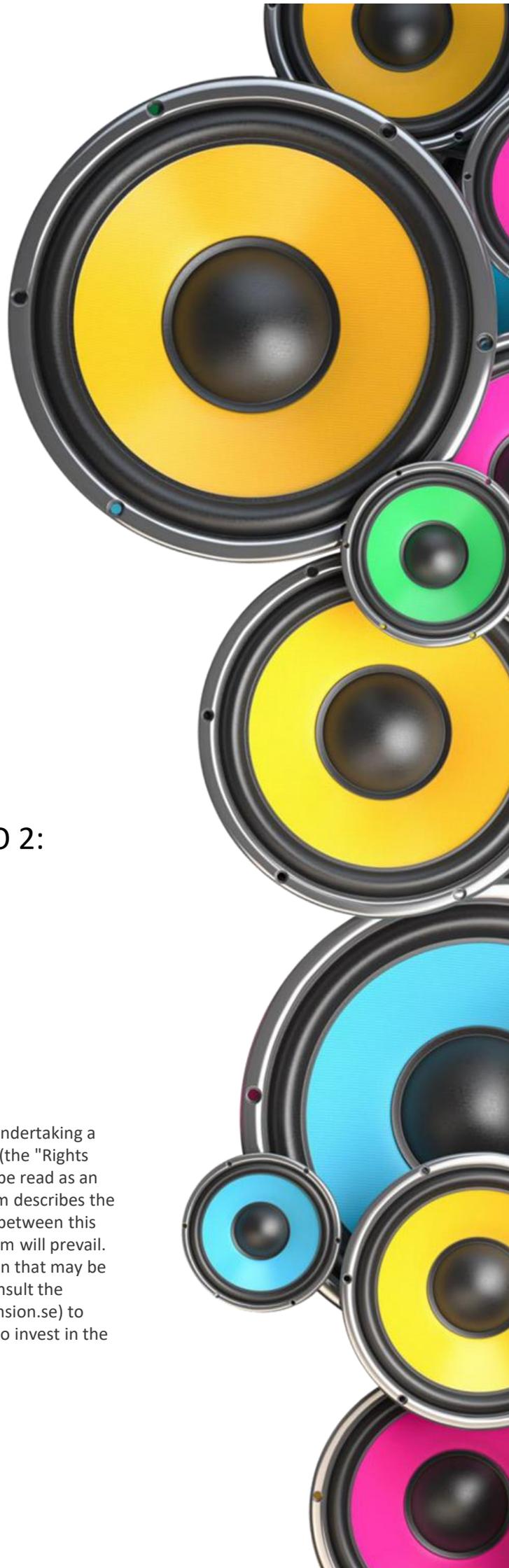
Step 2: Subscription of shares under TO 2:
9 March 2023 to 23 March 2023

IMPORTANT INFORMATION

Sound Dimension AB ("Sound Dimension" or the "Company") is now undertaking a rights issue in which the public is given the opportunity to participate (the "Rights Issue"). The following summary is not a complete offering but should be read as an introduction to Sound Dimension, while the information memorandum describes the offering in its entirety (the "Memorandum"). In case of discrepancies between this document and the Memorandum, the information in the Memorandum will prevail. As such, this document does not necessarily contain all the information that may be required for an investment decision. All investors are requested to consult the Memorandum available on the Company's website (www.sounddimension.se) to inform themselves of the potential risks associated with the decision to invest in the Company's securities, before making a decision.

Sound Dimension AB

Org.nr. 556940-9708



BRIEFLY ABOUT SOUND DIMENSION



BRIEFLY ABOUT SOUND DIMENSION

The rights issue comprises a maximum of 7,533,548 Units. Each Unit contains one warrant of series TO 2.

Step 0:

RECORD DATE

The record date with Euroclear for participation in the Rights Issue is 31 January 2023. Each existing share in Sound Dimension on the record date entitles the holder to subscribe for one (1) Unit. The last day of trading in Sound Dimension's share with the right to participate in the Rights Issue is 27 January 2023. The first day of trading in Sound Dimension's share without the right to participate in the Rights Issue is 30 January 2023.

Step 1:

SUBSCRIPTION OF UNITS

In order to receive TO 2, subscription for Units must take place between 2 February 2023 and 16 February 2023. Received unit rights must either be used for subscription by 16 February 2023 or disposed of by 13 February 2023 as they will otherwise expire and become void. Subscription of Units is free of charge. The subscription price is therefore SEK 0.00. Trading in unit rights will take place on the Spotlight Stock Market during the period from 2 February 2023 until 13 February 2023.

Step 2:

SUBSCRIPTION OF SHARES WITH THE SUPPORT OF TO 2

Subscription of shares with the support of warrants of series TO 2 can be done from 9 March 2023 until 23 March 2023. The warrant (TO 2) entitles the holder to subscribe for one (1) new share for each warrant held at a subscription price corresponding to 70 percent of the volume-weighted average price of the share during the ten (10) trading days prior to the first day of subscription, but not exceeding SEK 1.25 and not less than the share's quota value. The subscription option (TO 2) will be traded on the Spotlight Stock Market.

Sound Dimension's vision is that all speakers will be able to connect to each other - regardless of brand, or type - and together create a unified audio experience, optimized by AI and that AiFi will establish a new de facto standard for audio.

Business concept

Sound Dimension offers licensing of AiFi Inside and AiFi Streaming, primarily to established brands, but also to ODMs and OEMs. The company's long term goal is that AiFi Inside, i.e. Sound Dimension's technology, is implemented at chip level and integrated directly into various audio devices.

AiFi Streaming

AiFi Streaming provides streaming services with a unique USP to increase customer loyalty and customer inflow. The new technology would simply make the early implementers of AiFi Streaming stand out, while other providers may later be motivated to sign similar agreements in order not to fall behind their competitors with an inferior product. Sound Dimension envisages that AiFi Streaming could be included in every streaming service's premium package after a trial period. AiFi Streaming enables the best audio experience by giving all streaming service customers the opportunity to have AiFi technology in their pocket. AiFi Streaming allows customers to easily connect their mobile devices to their friends' and turn all those mobile devices into one big high-quality chorus of speakers.

AiFi Inside

AiFi Inside

AiFi technology is ultimately a combination of audio technology and artificial intelligence, and is based on the technology used when the Company itself manufactured speakers. It is the core technology found in the Company's Ai-1 speakers that is applied in AiFi Inside. The technology means that individual devices, like choir members, work together to achieve more than the individual device is capable of. Artificial intelligence enables devices to understand their environment and become aware of how they can best contribute to the overall experience. The uniqueness of AiFi is that thanks to artificial intelligence, the technology takes synchronisation a step further by distributing the work between the devices that make up the sound system to deliver a better listening experience. AiFi is entirely based on software and is therefore possible to implement at chip level in any audio device.

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Use of Proceeds

Provided that the proceeds from the redemption of TO 2 amount to at least SEK 5.5 million, it is intended to be used as follows:

- 35% for accelerating the commercialization phase and securing key customers.
- 34% will be used for further development of the AI technology and AiFi Inside.
- 27% will cover other ongoing operational activities
- 4% will be used for repayment and amortisation of short-term loans.

In the event that shares through the redemption of TO 2 are only subscribed for SEK 4 million or less, the Company will need to revise the current business plan by firstly reprioritising the work and reducing the pace of development in any of the priority AiFi services and secondly the pace of the commercialisation phase.

Patents and trademarks

Sound Dimension's IP strategy consists in part of a patent and a patent application that detail much of the functionality enabled by the AiFi technology. The patent and patent application are considered sufficient to prevent other competitors from doing similar ventures. The remainder of the IP strategy consists of trade secrets and company-specific know-how in audio, communications and AI to further strengthen the Company's IP protection.

We are ahead of schedule

Since its listing on the Spotlight Stock Market in October 2021, the Company has developed an adjusted strategy. For example, the target of a B2C service in 2022 and an AiFi dongle in 2023 has been removed. This has allowed the Company to focus 100% on out-licensing its technology. The Company is therefore now working to a new timeline, which is six to twelve months ahead of the original plan. This means that AiFi Streaming and AiFi Inside should be ready for launch in 2023. The first licensing revenues from AiFi Inside are expected in 2024 and we therefore remain on our previously communicated target of achieving positive cash flow in 2024.

Validering av licensmodell

In December 2022, we announced the first commercial licensing agreement where the Company's AiFi Sound Technology is integrated into a Bluetooth speaker from a leading brand. The contract is signed with Sound Dimension's partner Anker Innovations and is scheduled to be launched in 2023. This is in line with Sound Dimension's overall strategy and clearly validates the licensing model the Company is building. The agreement also represents a further step forward for AiFi Inside, where our technology is integrated directly onto the chips used by speaker manufacturers.

Anker Innovations expects to launch its new Bluetooth speakers with AiFi Sound Technology integrated in the second half of 2023. Anker Innovations will initially make a small upfront payment. Thereafter, the payment will transition to ongoing license fees that will be invoiced quarterly in arrears.

Commercial targets by the end of 2023

- **Begin technical testing of AiFi with three to four partners**
- **More than five partners (AiFi Inside and AiFi Streaming)**
- **At least one customer (AiFi Inside and AiFi Streaming), leading to licensing revenues by 2024**



A WORD FROM THE CEO

"Sound Dimension's ambition is to revolutionise audio in the same way that Bluetooth revolutionised connectivity. In 2022, we have been able to both showcase our technology to the various players in the audio industry, as well as enter into our first commercial agreement for Bluetooth speakers. Now we are strengthening our team and increasing our focus on reaching the biggest players in the audio and streaming industry..."



The past year was intense for us at Sound Dimension. We continued our technical development and took several important steps forward. We were able to showcase real proof of concept to our stakeholders and the year was crowned in December with our first commercial licensing contract for Bluetooth speakers with our partner since 2021, Anker Innovations. This is particularly important as we move from being a research and development company to becoming a commercial company with products and services available in the market.

We are now ahead of the original timeline for our commercialization process - both technically and market-wise. We have an increased focus on the B2B market and on long-term licensing activities. Both the AiFi Streaming service, aimed at the streaming industry, and our AiFi Inside solution for Bluetooth speaker manufacturers, are scheduled for launch in 2023, six months earlier than originally reported. We are currently in several discussions for joint-funded product development with leading players in both streaming and speaker manufacturing. For example, a world-leading speaker manufacturer has requested appropriate test equipment to evaluate the use of AiFi Inside in their products.

In the second half of 2022, we were able to present our technology "live" to investors, streaming service providers, Bluetooth speaker manufacturers and music industry members. In the late fall of 2022, we passed another important technical milestone when we deployed the technology from the AiFi Together app on a so-called ARM-based hardware platform with WiFi.

In December, we were also able to sign another commercial licensing contract with Anker Innovations. The company will use our technology in the new generation of Bluetooth speakers that they intend to launch in 2023. This means that Sound Dimension is now making an exciting entry into a new field, while strengthening our licensing business. Needless to say, we are delighted to expand and accelerate our collaboration.

By the end of 2023, we want to achieve positive quarterly cash flow through the sale of test and implementation projects, we want to have initiated technical testing with at least three partners, and we want to have signed five commercial agreements for either AiFi Inside or AiFi Streaming. In the period 2023 - 2024, we expect our licensing business to take off and our expectation is that the revenues from TO 2 will cover our costs until we reach break-even for our business.

To achieve our goals, we need not only stable and long-term funding, but also a strong organisation. At the end of September, we welcomed Ove Larsson as Vice President Sales and Business Development. With his solid experience in selling to large regional and international customers in telecom and IT, he will contribute to an increased pace in the ongoing commercialisation process.

I look forward to the journey ahead. AiFi is a proven technology that has already been tested on mobile phones, Bluetooth speakers and projectors. Now it's time for the leading brands to benefit from our great technology. Let's make the world a better place for sound. Hearing is believing!

I welcome you to invest in Sound Dimension!

Thomas Bergdahl
CEO, Sound Dimension AB



TERMS AND CONDITIONS OF THE OFFER 1/2

THE OFFER

For each existing share of Sound Dimension on the record date of January 31 2023, the shareholder is entitled to one (1) Unit right and each unit right entitles the holder to subscribe for one (1) Unit. Each Unit consists of one (1) Series TO 2 Warrant. The Rights Issue includes a maximum of 7,533,548 Series TO 2 Warrants.

UNITS

For technical reasons, the TO 2 warrants are subscribed for in a so-called "Unit". Each Unit contains one (1) TO 2.

THE WARRANTS

The warrant (TO 2) entitles the holder, for each warrant held, to subscribe for one (1) new share during the period from 9 March 2023 up to and including 23 March 2023 at a subscription price corresponding to 70 percent of the volume weighted average price of the share during the ten (10) trading days prior to the first day of subscription, but not exceeding SEK 1.25 per share and not less than the share's nominal value.

SUBSCRIPTION PRICE

Units are subscribed for free. The subscription price is therefore SEK 0.00 per share and no payment shall be made for subscribed Units. No brokerage fee is charged.

RECORD DATE

The record date at Euroclear for participation in the Rights Issue is 31 January 2023. The last day for trading in Sound Dimension AB's share with the right to participate in the Rights Issue is 27 January 2023. The first day for trading in Sound Dimension's share without the right to participate in the issue is 30 January 2023.

SUBSCRIPTION PERIOD

Subscription for Units shall take place from 2 February 2023 up to and including 16 February 2023. After the expiry of the subscription period, unused rights become null and void and thereafter lose their value. Unused rights will be booked out of the respective shareholder's VP account without specific notification from Euroclear. The Board of Directors of the Company reserves the right to extend the subscription period. Any extension will be announced by Sound Dimension by press release no later than 17 February 2023.

UNIT RIGHTS

For each existing share in Sound Dimension on the record date of 31 January 2023, one (1) unit right ("UR") will be received. Each Unit Right entitles the holder to subscribe for one (1) Unit, containing one (1) TO 2.

TRADING IN UNIT RIGHTS

Trading in Unit Rights will take place on the Spotlight Stock Market during the period from 2 February 2023 until 13 February 2023. Shareholders should apply directly to their bank or other fiduciary with the necessary authorization to conduct the purchase and sale of Unit Rights. Unit rights acquired during the aforementioned trading period will, during the subscription period, give the same right to subscribe for Units as the unit rights received by shareholders based on their holdings in Sound Dimension on the record date. Unit rights obtained must either be used to subscribe for Units by 16 February 2023 or disposed of by 13 February 2023 as they will otherwise expire and become void.

DIRECT REGISTERED SHAREHOLDERS IN EUROCLEAR

Shareholders or representatives of shareholders who were directly registered with Euroclear on the record date of 31 January 2023 will receive a pre-printed notification form for subscription with unit rights. Subscriptions without unit rights may also be made on the same form. Furthermore, the terms and conditions of the Rights Issue were sent out with reference to the full information memorandum. As the subscription of Units is free of charge, no accompanying payment slip is enclosed. Information will be available on Hagberg & Aneborn Fondkommission's website (www.hagberganeborn.se) and Sound Dimension's website (<https://sounddimension.se/>). Persons who are included in the list of pledges and others maintained in connection with the share register will not receive any information but will be notified separately.

SHAREHOLDERS REGISTERED IN EUROCLEAR

Shareholders whose holdings of shares in Sound Dimension are registered in with Euroclear through a bank or other nominee will not receive a notification form or other information. Subscription should be made in accordance with the instructions of the respective bank or nominee. Please note that in the event that unit rights are exercised through a bank or trustee, this should be done early in the subscription period due to the fact that the respective bank/trustee may set different deadlines for the last day of subscription.

SUBSCRIPTION WITH UNIT RIGHTS REGISTERED IN EUROCLEAR

In the event that the exact number of unit rights received on the record date and pre-printed on the registration form sent out is to be used for the subscription of Units, the pre-printed registration form must be signed and sent to Hagberg & Aneborn at the address indicated below.

If a different number of unit rights than that indicated on the pre-printed application form is to be used for subscription, e.g. by acquiring or disposing of unit rights, the desired number must be filled in on the application form under section A. Incomplete or incorrectly completed application forms may be disregarded.

The application form for subscription of Units can be obtained from Hagberg & Aneborn Fondkommission's website (www.hagberganeborn.se) or on Sound Dimensions' website (<https://sounddimension.se/>). The completed application form must be sent as described below and must be received by Hagberg & Aneborn Fondkommission no later than 16 February 2023. The application is binding.

Hagberg & Aneborn Fondkommission AB

Subject: Sound Dimension
Valhallavägen 124
114 41 Stockholm
Tel: 08-408 933 50
E-mail: info@hagberganeborn.se (scanned notification form)

SUBSCRIPTION WITHOUT THE SUPPORT OF UNIT RIGHTS REGISTERED IN EUROCLEAR

The public is not entitled to subscribe for Units in the Rights Issue without the use of unit rights. Subscription for Units without the use of unit rights can only be made by subscribers who have also subscribed for Units with the use of unit rights, regardless of whether the subscriber was a shareholder on the record date or not.

Notification of subscription for Units without the support of unit rights shall be made on a notification form without the support of unit rights. The application form can be downloaded from Hagberg & Aneborn Fondkommission's website (www.hagberganeborn.se) and from Sound Dimensions' website (<https://sounddimension.se/>).

SUBSCRIPTION WITHOUT UNIT RIGHTS NOMINEE REGISTERED SHAREHOLDERS (DEPOSITORY)

For Euroclear nominee registered shareholders, notification of subscription for Units without the support of unit rights must be made to the respective nominee and in accordance with instructions from the nominee, or if the holding is registered with several nominees, from each of these nominees. Please note that anyone who has a custody account with specific rules for securities transactions, such as an investment savings account (ISK) or a capital insurance account (KF), must check with the bank or trustee that manages the account whether the acquisition of securities under the offer is possible. In this case, the notification must be made in agreement with the bank/administrator of the account.

Incomplete or incorrectly completed application forms may be disregarded. Only one (1) application form may be submitted per subscriber. In the event that more than one application form is submitted, only the last one received will be taken into account and the other such application forms will be disregarded. The application form must be received by Hagberg & Aneborn Fondkommission no later than 16 February 2023. The application is binding.

ALLOTMENT OF UNITS

If not all Units are subscribed for with the support of unit rights, allocation within the maximum amount of the Rights Issue shall be made to those who subscribed for Units with the support of unit rights (whether or not they were shareholders on the record date) and who have expressed an interest in subscribing for Units without the support of unit rights and, in the event that allocation to such persons cannot be made in full, allocation shall be made pro rata to the number of Units that each of those who expressed an interest in subscribing for Units without the support of unit rights has taken up for subscription of Units. To the extent that allocation cannot be made pro rata as described above, allocation shall be made by drawing lots.

Notification of any allotment of Units will be given by the sending of a settlement note. Settlement notes are expected to be sent as soon as possible after the end of the subscription period.

SHAREHOLDERS RESIDENT ABROAD

Shareholders residing outside Sweden (but not including shareholders residing in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where participation requires additional prospectuses, registration or other measures than those required by Swedish law) and who are entitled to subscribe for Units in the Rights Issue, may contact Hagberg & Aneborn Fondkommission by telephone as described above for information on subscription.

TERMS AND CONDITIONS 2/2

PAID SUBSCRIBED UNITS ("BTU") IN EUROCLEAR

Subscriptions by directly registered shareholders (holdings in VP accounts) will be registered with Euroclear as soon as possible after receipt of correctly completed application form, which normally means a few business days after the application form has been received by Hagberg & Aneborn Fondkommission. Thereafter, directly registered subscribers will receive a VP notification confirming that the entry of the subscribed Units (BTUs) has taken place in the subscriber's VP account. Subscribed Units are booked as BTUs on the VP account until the Rights Issue is registered with the Swedish Companies Registration Office. Shareholders whose holdings are registered with a trustee in Euroclear (holdings held in a custody account with a bank or stockbroker) will receive information from the respective trustee.

TRADING IN BTU

Trading in BTU will take place on the Spotlight Stock Market from 2 February 2023 until the Rights Issue is registered with the Swedish Companies Registration Office. Subscribed Units are booked as BTUs in the subscriber's VP account or custody account in Euroclear until the Rights Issue is registered with the Swedish Companies Registration Office, which is expected to occur around week 9, 2023.

CONVERSION OF BTU INTO WARRANTS IN EUROCLEAR

As soon as the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to occur around week 9, 2023, the BTUs will be converted into warrants without separate notification from Euroclear.

ANNOUNCEMENT OF THE OUTCOME OF THE RIGHTS ISSUE

The outcome of the Rights Issue will be announced by press release, which is expected to take place on or about 17 February 2023.

TRADING IN TO 2

Sound Dimension AB will apply for admission of the warrants to trading on the Spotlight Stock Market. The company will announce the expected first day of trading in the warrants in a separate press release.

DILUTION

In the event that warrants of series TO 2 issued through the Rights Issue are fully exercised, the share capital may increase by a maximum of SEK 1,506,709.60, corresponding to a dilution of a maximum of approximately 47.4 percent. The dilution is based on the number of shares and warrants outstanding in the issuer at the time of preparation of this Information Memorandum.

SUBSCRIPTION OF SHARES UNDER TO 2

Subscription for shares with the support of warrants of series TO 2 may be made from 9 March 2023 up to and including 23 March 2023 at a subscription price corresponding to 70 per cent of the volume weighted average price of the share during ten trading days prior to the first day of subscription, but not more than SEK 1.25 per share and not less than the nominal value of the share.

PRESCRIPTION

No director or executive officer has given a subscription commitment or intention to subscribe in the rights issue as of the date of the Information Memorandum.

On 21 December 2022, the Company took a decision to raise a bridge loan of up to SEK 2.0 million, in order to secure the ongoing commercialisation process of the Company's AiFi technology. To date, SEK 1.5 million has been received. The terms of the loan agreements impose a conversion obligation on the lenders whereby repayment will be made with shares in the Company in the context of the issue of TO 2 free warrants described in this Information Memorandum.

OTHER

The Board of Directors of Sound Dimension does not have the right to suspend, withdraw or postpone the Offer to subscribe for Units of the Company in accordance with the terms of the Information Memorandum. A subscription for Units is irrevocable and the subscriber may not cancel or modify a subscription for Units. Incomplete or incorrectly completed application forms may be disregarded. Late, insufficient or incorrect payment of the subscription fee may result in the subscription being disregarded or in a lower subscription amount.

In the event that an overpayment is made by a subscriber of Units, Hagberg & Aneborn will arrange for the refund of the excess amount. Hagberg & Aneborn will in such case contact the subscriber. Amounts of less than SEK 100 will only be refunded upon request. No interest will be paid on the excess amount.

WWW.SOUNDDIMENSION.SE