

The Board of Anoto decides to find strategic options for Knowledge AI Inc. in order to raise growth capital

Stockholm, 26 July 2022 – The Board of Anoto Group AB (publ) (“Anoto”) has decided to explore strategic options, including the sale of Anoto’s controlling stake in its 85% owned education subsidiary, Knowledge AI Inc. (“KAIT”), in order to raise capital for both Anoto’s business and provide necessary growth capital for KAIT.

“Anoto’s business is on the verge of a real breakthrough. With the growth of the Livescribe business on the back of a successful launch of the pen Echo II, and the potential of the Samsung Displays Screen Pen, Anoto require more working capital for real success. Furthermore, KAIT is on the verge of a real breakthrough as it has a viable commercial product now. In order for KAIT to grow, it will also require more capital,” says Jörgen Durban, Chairman of Anoto.

The most efficient way of attracting more capital to Anoto is to sell off parts or the whole of its stake in KAIT.

“Two growing businesses require capital. We decided that since a sale of Anoto’s majority stake in KAIT leads to the deconsolidation of KAIT, Anoto’s financial performance will be better. Therefore, instead of doing a highly dilutive rights issue for Anoto, the Board has decided that it is in the shareholders’ interest to sell a controlling stake in KAIT,” says Jörgen Durban.

“Given uncertain global economic outlook and volatilities in the stock market, we feel that we need to secure funding for long term security. I believe this is the right decision for both Anoto and KAIT. An independent KAIT and injection of new capital into KAIT by a new investor will lead to the success of KAIT much quicker than if Anoto remained in full control of KAIT. KAIT’s success also leads to the success of Anoto as Anoto is the sole supplier of pens to KAIT and collects royalty on KAIT’s software revenue,” says Joonhee Won, CEO of Anoto.

For further information, please contact:

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This information is information that Anoto Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 26 July 2022 at 08:40 CET.

About Anoto Group

Anoto is a publicly held Swedish technology company known globally for innovation in the area of information-rich patterns and the optical recognition of those patterns. It is a leader in digital writing and drawing solutions, having historically used its proprietary technology to develop smartpens and related software. These smartpens enrich the daily lives of millions of people around the world. Anoto currently has three main business lines: Livescribe retail, Enterprise Forms and OEM. Anoto also owns Knowledge AI, a leading AI based education

solution company, as its majority-controlled subsidiary. Anoto is traded on the Small Cap list of Nasdaq Stockholm under ANOT.