

Interim Report January – June 2023

Second quarter 2023

- Net sales for the quarter amounted to MSEK 9 (19)
- Gross for the quarter decreased to 51% (69%)
- Operating loss increased to MSEK -16 (-12)
- Earnings per share before and after dilution increased to SEK -0.05 (-0.07)
- On April 5, Anoto announced that it is in late-stage discussions regarding a potential order of several hundred thousand pens. In order to finance a timely delivery of pens regarding the potential order and improve financial position, the Board of Anoto resolved to carry out a directed share issue of 20 million SEK and a rights issue amounting to in total approximately SEK 20 million. The rights issue is guaranteed to 50 per cent and both the directed issue and the rights issue was approved by an Extraordinary General Meeting.

Directed Issue

The Board of Anoto resolved on the issue of 50 million new ordinary shares with deviation from the shareholders preferential rights, raising proceeds of SEK 20 million before transaction related costs. The Directed Issue was subject to the approval by the EGM, which was held on 4 May 2023. The new shares were subscribed for by Beof Company Ltd., a Korean company. The subscription price was determined based on the closing price of the Company's ordinary share on Nasdaq Stockholm on April 4, 2023 of SEK 0.4 per share, which meant that the subscription price corresponded to a premium of approximately 2.6 percent.

The new shares in the Directed Issue corresponds to approximately 15.1 percent of the total number of shares in the Company after dilution also including the new shares issued in the Rights Issue (see below).

Rights issue

The Board of Anoto resolved on a new issue of ordinary shares with preferential rights for the existing shareholders, raising proceeds of approximately SEK 20 million before transaction related costs. The Rights Issue was subject to the approval by the EGM, which was held on 4 May 2023. In the Rights Issue, Anoto's then-current shareholders had a preferential right to subscribe for new shares in proportion to the number of shares held on the record date. The subscription price was set to SEK 0.40 per share and the Rights Issue comprised approximately 50 million ordinary shares.

The new shares in the Rights Issue corresponded to approximately 15.1 percent of the total number of shares in the Company after dilution also including the new shares issued in the Directed Issue.

On June 9, Anoto announced that the subscription ratio in the rights issue amounted to 69.3 percent. Guarantee undertakings corresponding to 15,740,288 shares, corresponding to approximately 30.7 of the shares in the rights issue, thus was utilized.

- Anoto AB raised additional USD 1.4 million dollars on the sale of KAIT shares held by Anoto. The shares were placed mainly to European based Venture Capital companies and individual investors. The transaction was done at a USD 12 million on a fully diluted basis. This was done in line with Anoto board's decision to make KAIT independent. As an independent company KAIT can raise financing by itself and reduce burden on Anoto. Making KAIT independent means deconsolidation (lowering Anoto ownership below 50%), which substantially reduces Anoto's financial liabilities and improve earnings as KAIT's monthly burn rate is having a major impact on Anoto's earnings.

- Events after the reporting period
 - On July 31, Anoto announced that the board of Anoto had, pursuant to the authorisation granted at the Annual General Meeting held on 30 June 2023, resolved on a directed issue of convertibles and warrants. Through the issue, SEK 15.6 million would be raised by the Company before transaction costs. All convertibles was signed by an international institutional investor. The convertibles were issued at a subscription price corresponding to 100 percent of the nominal amount of the convertibles. The convertible loan does not carry interest. Holders of the convertibles have the right to convert all or part of the convertible loan into new ordinary shares in the Company during the period from and including 20 August 2023 up until and including 20 January 2025. The conversion price amounts to SEK 0.52 per ordinary share, which corresponds to 130 percent of the closing price of the Anoto share on 28 July 2023. The loan is due for payment on 31 January 2025, insofar as conversion has not taken place before then.

The Board of Anoto also decided to issue up to 10,000,000 warrants to subscribers in the above convertible issue. All warrants had therefore been subscribed and allotted to the same international institutional investor. Each warrant gives the right to subscribe for one new ordinary share in Anoto at a subscription price of SEK 0.52, which corresponds to 130 percent of the Anoto share's closing price on 28 July 2023, during the period from and including 1 August 2023 to and including 31 January 2025. The warrants were issued free of charge.

- On August 7, Anoto held an EGM to approve the sale of KAIT shares to Joonhee Won, CEO of Anoto, and Jorgen Durban, Chairman of the Board of Anoto. The EGM approved the transactions and Anoto transferred 1,250,000 common shares in KAIT to Joonhee Won and 100,000 common shares in KAIT to Jörgen Durban at the same valuation as in the most recent sales of shares in KAIT to external investors. Through the transactions, Anoto received 1,350,000 USD.

January – June 2023

- Net sales for the period amounted to MSEK 22 (37)
- Gross margin for the period decreased to 74% (80%)
- Operating loss increased to MSEK -31 (-22)
- Earnings per share before and after dilution increased to SEK -0.10 (-0.11)

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For more information about Anoto, please visit www.anoto.com or email ir@anoto.com

This information is information that Anoto Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, on 31 August 2023 at 17:30 CEST.

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 30proprietary technology to develop smartpens and the 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 holds a stake in Knowledge AI, a leading AI based education solution company. Anoto is traded on the Small Cap list of Nasdaq Stockholm under ANOT.