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5 April 2023

## **Anoto resolves on a SEK 20 million directed issue and a SEK 20 million rights offering in order to strengthen financial position and in preparation for a large order from a customer of KAIT**

Anoto hereby informs 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 repay outstanding debt, the Board of Directors has resolved to carry out a directed share issue and a rights issue amounting to in total approximately SEK 40 million. The rights issue is guaranteed to 50 per cent and both the directed issue and the rights issue is subject to approval by an Extraordinary General Meeting.

### **Background and reasons**

Anoto Group AB ("**Anoto**" or the "**Company**") is in late-stage discussions with a Middle East government regarding a potential delivery of several hundred thousand pens. The potential order would also include a long-term license agreement regarding software products from Knowledge AI Holdings Ltd. ("**KAIT**").

As part of the arrangement and to be able to timely deliver pens to the client, Anoto needs to pay the contract manufacturer of the pens an upfront payment for few critical components of the pen which is part of the production cost. In order to finance this upfront payment as well as to repay outstanding debt, the Board of Directors has resolved to carry out a directed share issue of SEK 20 million (the "**Directed Issue**") and a rights issue, which is guaranteed up to 50 per

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cent, of approximately SEK 20 million (the “**Rights Issue**”) (and together with the Directed Issue the “**Issues**”).

### **Directed Issue**

The Board of Directors of Anoto has 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 is subject to the approval by the EGM, which is scheduled to be held on 4 May 2023 (the “**EGM**”). The new shares have been subscribed for by Beof Company Ltd. a Korean company affiliated with Mr. KC Kim., who was previously associated with AILTONE Co Ltd’s, the largest shareholder of Anoto. Payment for the subscribed shares shall be made no later than on 11 May 2023. The reason for the deviation from the shareholders' preferential rights is that the Company is in great need of capital and the Board of Directors assesses that the expected issue proceeds in a time and cost-effective manner enable the Company to (i) ensure repayment of overdue loans, and (ii) ensure financing of components in order to enable the delivery of digital pens according to a potential order that the Company is currently negotiating with a government in the Middle East. The order and the license agreement that the order is expected to entail will, in the Board of Director's opinion, contribute with great value for the Company's shareholders, which justifies the issue's deviation from the shareholders' preferential rights. Furthermore, the Directed Issue enables the Company to carry out the below described Rights issue with a guarantee undertaking from Beof Company Ltd of SEK 10 million. The subscription price has been determined based on the closing price of the Company's ordinary share on Nasdaq Stockholm on April 4, 2023 of SEK 0.39 per share, which means that the subscription price corresponds 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.

### **Rights Issue**

The Board of Directors of Anoto has 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 is subject to the approval by the EGM, which is scheduled to be held on 4 May 2023.

In the Rights Issue, Anoto’s current shareholders will have a preferential right to subscribe for new shares in proportion to the number of shares held on the record date, which is expected to be 10 May 2023. The subscription price has been set to SEK 0.40 per share and the Rights Issue comprises approximately 50 million ordinary shares.

Shares which are subscribed for without preferential rights will be offered to current shareholders and other investors who have applied to subscribe for new shares without

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preferential rights. The subscription period is expected to run from 12 May 2023 to 26 May 2023. The new shares in the Rights 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 Directed Issue.

### **Subscription undertakings, guarantee commitments and voting commitments**

Subject to the approval by the EGM, Beof Company Ltd. has guaranteed SEK 10 million, corresponding to approximately 50 per cent of the Rights Issue, subject to customary conditions. No commission will be paid in respect of the guarantee undertaking. The guarantee commitment are not secured through a bank guarantee, blocked funds, or pledge of collateral or similar arrangement.

### **Extraordinary General Meeting**

The Issues is subject to approval by the EGM to be held on 4 May 2023. Notice to the EGM will be published separately on or around 5 April 2023 and will be available on [www.anoto.com](http://www.anoto.com).

### **Prospectus**

Information regarding the listing of the shares in the Issues, as well as other information regarding the Company, will be provided in the prospectus that is planned to be published in May 2023. The Prospectus which will be published on the Company's website ([www.anoto.com](http://www.anoto.com)).

### **Adviser**

Setterwalls is legal adviser to the Company in connection with the Issues.

*This information constitutes inside information as Anoto Group AB (publ) is obliged to disclose under the EU Market Abuse Regulation 596/2014. The information was provided by the contact person below for publication 5 April 2023 at 08:45 CET.*

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### **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.

### **IMPORTANT INFORMATION**

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In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

A prospectus regarding listing of the shares in the Issues described in this release will be published by the Company in May 2023 and available on the Company's website, [www.anoto.com](http://www.anoto.com). This release is however not a prospectus in accordance to the definition in the Prospectus Regulation. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an **advertisement**. Anoto has not authorized any offer to the public of shares or rights in any other member state of the EEA. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation. This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Rights Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Bookrunner. The Bookrunner is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

#### Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Anoto have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the

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shares in Anoto may decline and investors could lose all or part of their investment; the shares in Anoto offer no guaranteed income and no capital protection; and an investment in the shares in Anoto is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Anoto.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Anoto and determining appropriate distribution channels.