

Anoto announces rights issue of approximately SEK 26 million

Stockholm, 6 September 2018 – The Board of Directors of Anoto Group AB (publ) (“Anoto” or the “Company”) has, based on the authorization from the Annual General Meeting on 15 May 2018, resolved to conduct a rights issue of shares and warrants of approximately SEK 26 million, before issue costs.

Summary

- Rights issue of approximately SEK 26 million, before issue costs, with preferential rights for shareholders in Anoto.
- The proceeds will be used in the launching of both new Aegir series Livescribe pens and a Watson branded fingerprint sensor pen as well as production of pens to be kept in stock in preparation for the upcoming Livescribe expansion in the retail market.
- The subscription period will run from 24 September 2018 until 8 October 2018.

Background and reasons

Anoto is a 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 smart pens and the related software. These smart pens enrich the daily lives of millions of people around the world. Now Anoto is also using its pattern, optics, and image-processing expertise to bridge between the analogue and digital domains through an initiative known as Anoto DNA (ADNA). ADNA makes it possible to uniquely and unobtrusively mark physical objects and then easily identify those individual objects using ubiquitous mobile devices such as phones and tablets. ADNA is enabling exciting possibilities for product innovation, marketing insights, and supply-chain control.

During the past years, Anoto has undergone a three stage strategic transformation in order to reshape the business and thereby reach increased profitability. The restructuring phase commenced during the second quarter 2016. The rebuilding phase started during the fourth quarter 2017 and ended in the second quarter 2018. Anoto has now entered the transformation phase with a focus on conversion to become a more unitary global actor. Within the framework of this transformation, Anoto is now launching four stock keeping units of Aegir series Livescribe pens as well as a Watson

branded fingerprint sensor pen. It is imperative that Anoto maintain a proper amount of finished goods inventory for retail pens. Having adequate inventory also accelerates delivery which shortens sales lead time. As Anoto is now preparing for growth, having adequate inventory of pens is critical for the Company's growth strategy. As a consequence hereof, Anoto conducts this rights issue.

The rights issue

On 6 September 2018, the Board of Directors has, based on the authorization from the Annual General Meeting on 15 May 2018, resolved to raise SEK 26 million before issue costs through a rights issue of new shares and warrants, in the form of so-called units, with preferential rights for existing shareholders, pro rata to the number of shares held on the record date.

For each existing share held on the record date, shareholders will receive one (1) unit right. Thirteen (13) unit rights entitle the holder to subscribe for one (1) unit consisting of one (1) new share and one (1) warrant of series 2018/2021 free of charge. Subscription will also be possible without the exercise of unit rights.

The record date of Euroclear Sweden AB for determining the registered shareholders that are entitled to obtain unit rights is 20 September 2018. The shares will be traded with the right to participate in the rights issue until 18 September 2018 and without the right to participate in the rights issue as of 19 September 2018.

The subscription price has been set at SEK 3 per unit, corresponding to a subscription price of SEK 3 per share. The warrants of series 2018/2021 are awarded free of charge. This implies that the rights issue will at most raise approximately SEK 26.0 million before issue costs, by issuance of a maximum of 8,665,765 new shares, resulting in a maximum increase of the Company's share capital of SEK 5,199,459, as well as issuance of 8,665,765 warrants of series 2018/2021. Each warrant entitles the holder thereof to subscribe for one (1) new share in the Company at a subscription price corresponding to SEK 4. Application for subscription of shares may take place during the period commencing on 2 May 2019 up to and including 30 April 2021. If all warrants are exercised in full the Company will raise approximately SEK 34.7 million.

The subscription period will run from 24 September 2018 until 8 October 2018. The Board of Directors of Anoto has the right to extend the subscription period. Any extension of the subscription period will be announced on 8 October 2018 at the latest.

Subscription will also be possible without the exercise of unit rights. If not all units are subscribed for by the exercise of unit rights, the Board of Directors shall decide on the allotment of units subscribed for without the exercise of unit rights up to the maximum amount of the new issue, and the Board of Directors shall *firstly* allot units to those that also subscribed for units by exercising unit rights and, in case of over-subscription, in proportion to the number of unit rights used for subscription of units; *secondly*, to potential investors whose investments in the Company are deemed to be of strategic commercial importance for the development of the Company; *thirdly* to others that have applied to the Company for subscription without unit rights and, in case they cannot receive full allocation, in proportion to the number of units that each has applied to subscribe for.

Shareholders who decide not to participate in the rights issue may have their ownership share diluted by approximately 7.1 percent as a result of the increased number of shares. If the warrants are exercised in full, the number of shares will increase by a maximum of 8,665,765 additional shares. The total dilution, if the rights issue is fully subscribed and the warrants exercised in full is approximately 13.3 percent. Shareholders have the possibility to get financially compensated for the ownership dilution by selling their unit rights.

The new shares will be traded on Nasdaq Stockholm. The Company will apply to have the new warrants traded on Nasdaq First North.

Subscription undertakings

Jörgen Durban, the Chairman of the Board of Directors of Anoto, Inhye Kim and Nerthus Investments Limited, have undertaken to subscribe for their pro rata shares in the rights issue, corresponding to approximately 0.2 percent, 2.4 percent and 9.2 percent of the rights issue, respectively.

Information memorandum

Full information regarding the rights issue will be included in an information memorandum which is expected to be published on 11 September 2018.

Preliminary timetable for the rights issue (all dates referring to 2018)

11 September	Estimated date of publication of the information memorandum
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18 September	Last day of trading in the Anoto share including right to participate in the rights issue
19 September	First day of trading in the Anoto share excluding right to participate in the rights issue
20 September	Record date for participation in the rights issue, i.e. shareholders registered in the share register of Anoto as of this date will receive unit rights for participation in the rights issue
24 September 4 October 2018	– Trading in unit rights
24 September 8 October	– Subscription period
11 October	Announcement of preliminary outcome

Legal advisor

Setterwalls is acting as legal advisor to Anoto.

For further information, please contact:

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This information is information that Anoto 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, at 08.00 CET on 6 September 2018.

Important information

The information in this press release does not constitute an offer to acquire, subscribe for or otherwise trade in shares, warrants, unit rights or other securities in Anoto. Any invitation to the persons concerned to subscribe for shares and warrants in Anoto will only be made through the information memorandum that Anoto estimates to publish on or around 11 September 2018.

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This press release may contain forward-looking statements which reflect Anoto’s current view on future events and financial and operational development. The words “intend”, “estimate”, “expect”, “may”, “plan”, “anticipate” or similar expressions regarding indications or prognoses of future developments or trends and which are not statements based on historical facts constitute forward-looking information. Although Anoto believes that these statements are based on reasonable assumptions and expectations, Anoto cannot give any assurances that such statements will materialize. Forward-looking statements are in its nature involved with both known and unknown risks and uncertainties, since it is depending on future events and circumstances. Forward-looking statements do not constitute any representations and warranties and the outcome could differ materially from the information set out in the forward-looking statements.

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 the related software. These smartpens enrich the daily lives of millions of people around the world. Now Anoto is also using its pattern, optics, and image-processing expertise to bridge between the analogue and digital

domains through an initiative known as Anoto DNA (ADNA). ADNA makes it possible to uniquely and unobtrusively mark physical objects and then easily identify those individual objects using ubiquitous mobile devices such as phones and tablets. ADNA is enabling exciting possibilities for product innovation, marketing insights, and supply-chain control. Anoto is traded on the Small Cap list of Nasdaq Stockholm under ANOT.