

INTERIM REPORT JANUARY – SEPTEMBER 2019

Third quarter 2019

- Net sales weakened slightly to MSEK 27 (28)
- Gross margin increased to 46% (44%)
- Operating loss amounted to MSEK -14 (-13)
- Earnings per share before and after dilution improved to -0.14 SEK (-0.26)

January – September 2019

- Net sales decreased to MSEK 81 (89)
- Gross margin amounted to 50 percent (51%)
- Operating loss amounted to MSEK -36 (-11)
- Earnings per share before and after dilution amounted to SEK -0.23 (-0.23)
- Direct share issue of 16,554,030 shares, approx. MSEK 15 in new capital
- Events after the reporting period
 - Directed share issue of a total of 12 million shares, approx. 14 MSEK in new capital
 - A three years licensing agreement worth 690 TSEK (72,000 USD) was signed, the first paid contract for educational solution KAIT
 - Contracts with additional schools regarding pilots of the KAIT platform, altogether 78,000 students are presently trying KAIT
 - An investment of 3 MUSD for 16.667 percent of Knowledge AI Inc, Anoto's education subsidiary, which values the subsidiary at 18 MUSD equating to 173 MSEK. The proceeds will be used to fund the future expansion of KAIT.

For further information, please contact:

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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 the related software. These smartpens enrich the daily lives of millions of people around the world. Now Anoto is a cloud based software solution provider based on its patented dot pattern technology which provides a methodology for accumulating digital big data from analogue inputs. Anoto Cloud includes Anoto's four solutions: KAIT – the world's first AI solution for offline education; ACE – Anoto's new and improved enterprise forms solutions; aDNA – Anoto's secure interactive marketing solution; and Dr. Watson – Anoto's biometric authentication and security solution. Anoto is traded on the Small Cap list of Nasdaq Stockholm under ANOT.