



Anoto enters into an investment agreement with ABLE Investment Advisors Inc. in the total amount of US\$ 6 million to replace the investment agreement with SMark

Lund, October 17, 2016 – As previously announced, Anoto has on July 15, 2016 entered into a strategic cooperation with Digiwork, a specialist in pattern-based image encoding technology using mobile phones and tablets for pattern recognition. In addition, Anoto entered into an investment agreement with Digiwork's listed parent company SMark Co., Ltd. ("SMark") to establish a cross shareholding involving a US\$ 2 million investment by Anoto into SMark and a US\$ 5 million investment by SMark in Anoto. The transaction whereby Anoto is making an investment in SMark has been completed. However, the parties have now decided to revise their plan for SMark's investment into Anoto, due to recent KOSDAQ Market Regulations regarding cross-investment by a listed company. To proceed with the investment by SMark into Anoto could potentially lead to sanctions being imposed, which indirectly would have been negative also for Anoto's investment in SMark.

Instead, a new investment agreement has been entered into with ABLE Investment Advisors Inc. ("ABLE"), a related party to SMark. According to this new investment agreement ABLE, or an entity affiliated to ABLE, shall subscribe for shares in Anoto for a total amount of US\$ 6 million in three installments of US\$ 1 million, US\$ 3,927,732 and US\$ 1,072,268. The subscription price for the new shares amounts to US\$0.0231348938 (the "Subscription Price") (corresponding to SEK 0.20 at the exchange rate of 8.64495141 for US\$/SEK). The second and third installments under the investment agreement are conditional upon regulatory approval by authorities in Korea, which ABLE expects to receive within two business days of filing an approval request for the investments, currently scheduled for October 20, 2016.

The strategic cooperation between Anoto and SMark continues as planned and will not be affected by the new investment agreement with ABLE. The joint development between Anoto and Digiwork of "Product DNA" is progressing according to plan.

Pursuant to the investment agreement, the Board of Directors of Anoto resolved on October 17, 2016, by virtue of the authorization from the Annual General Meeting held on June 9, 2016, to issue 213,000,000 common shares, corresponding to the number of shares to be issued under the first and second instalment referred to above, to be subscribed for by ABLE at the Subscription Price. The Board of Directors also resolved, subject to approval by the general meeting, to issue 46,348,500 common shares, corresponding to the number of shares to be issued under the third instalment, to be subscribed for by ABLE at the Subscription Price. The Board of Directors is of the opinion that the subscription price corresponds to the market price considering the current market conditions. The reasons for



deviation from the shareholders' preferential rights are to raise capital in a time efficient manner and to strengthen the relationship between Anoto and SMark.

An Extraordinary General Meeting is expected to be held on or around the middle of November 2016 with the purpose of *inter alia* approving the Board of Directors resolution to issue 46,348,500 common shares and appointing a new board member nominated by ABLE.

For further information, please contact:

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About Anoto

Anoto is a global leader in digital writing and drawing solutions. Its technology enables high-precision pen input on nearly any surface. Anoto is present around the world through a global network of strategic licensing partners that deliver user-friendly writing and drawing solutions for effective collection, transfer and storage of data. Anoto is traded on the Small Cap list of Nasdaq Stockholm under ANOT.