



Anoto enters into a strategic alliance to expand product portfolio and new pattern based applications into mobile devices including cross shareholding transactions involving US\$5 million share issue in Anoto

Lund, July 18, 2016 – On July 15, 2016 Anoto has 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 to an investment agreement with its listed parent company SMark Co., Ltd. (“SMark”). This alliance includes a co-marketing of products which will further enhance Anoto’s product offering and expand Anoto’s market into the growing economies of additional Asian countries.

The combination of Digiwork and Anoto’s pattern technologies will result in exciting mobile recognition solutions that expand Anoto’s addressable market beyond digital pens. Digiwork is also a leader in pattern-based security & authentication solutions using a proprietary technology to produce a near-invisible pattern that may be verified using mobile devices. Digiwork’s current clients include the Indonesian government and various large corporations in Asia.

Anoto and Digiwork also agreed to jointly develop a “Product DNA” Big Data-mining solution using Anoto’s proprietary unique patterns and Digiwork’s encoding capability. This will allow manufacturers to print invisible unique patterns on their products that enable accurate tracking of consumption and digital application use. Anoto and Digiwork have commenced discussions with potential customers regarding this solution.

The strategic alliance will include a US\$2 million investment by Anoto into SMark, a Korean listed company on KOSDAQ Korea under ticker “SMARK” and the parent company of Digiwork at a subscription price per share of KRW 3,435 to be completed on or around 25 August 2016, as well as a US\$5 million investment by SMark into Anoto at a subscription price per share of US\$0.09185 to be completed on or around September 9, 2016, generating a net cash injection of US\$3 million into Anoto. Pursuant to the investment agreement, the Board of Directors of Anoto resolved on July 15, 2016 to issue 171,320,884 new shares at the subscription price per share of US\$0.029185 (corresponding to SEK 0.25 at the exchange rate for USD/SEK of 8.5661 as reported by Riksbanken (the Swedish Bank) on 13 July 2016). An Extraordinary General Meeting is expected to be held on or around August 18, 2016 with the purpose of appointing a new board member nominated by SMark.

For further information, please contact:

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

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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.