



Anoto ends legal dispute with LeapFrog and secures free IP license to optics module

Stockholm, September 4, 2017 – Anoto Group AB (Anoto) and LeapFrog Enterprises, Inc. (LeapFrog) have ended their legal dispute. This resolution secures for Anoto the stable supply of a proprietary integrated circuit (IC) supplied by LeapFrog known as DotPos and the right to a perpetual, royalty-free license to the DotPos IC. In consideration of these rights and assurances from LeapFrog, Anoto will pay LeapFrog a total of 750KUSD in five installments over the next four years.

This agreement saves legal expenses for both parties and gives Anoto full rights to use the critical DotPos IC.

The legal dispute between Anoto and LeapFrog related to the parties' respective responsibilities associated with a patent lawsuit between LeapFrog and a third party. As disclosed in the Anoto annual report, Anoto and LeapFrog went to arbitration in 2016 to resolve this matter and during the fourth quarter of 2016 both parties agreed to a stay of nine months in order to negotiate a final agreement. This settlement agreement has now been reached.

"LeapFrog and Anoto agreed to resolve a difficult situation by choosing a win/win solution for both parties," said Joonhee Won, CEO of Anoto. "I am extremely happy we have secured the supply and a perpetual, royalty-free license to the related IC of the most critical optical component for our digital pens. We could have developed a successor to the DotPos IC, but it would have taken years and millions of dollars. This is an important milestone as Anoto has now established the right to ongoing access to this key technological component."

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Joonhee Won, CEO

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About Anoto

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.