



Anoto and SMark establish new strategic agreement and expand cooperation

Lund, April 18, 2017 – Anoto Group AB (Anoto) and SMark Co., Ltd. (SMark) have refined and expanded their strategic relationship with a new agreement that includes closer technical collaboration and a revenue-sharing model that will enhance global growth.

Under the new agreement, Anoto will receive USD 5 million from SMark by 4 May 2017, of which, USD 0.4 million has already been received. This will bring the total equity investment in Anoto by SMark-related companies to USD 6.5 million. Anoto previously received USD 1.5 million from SMark's affiliate Able Investment Advisors Inc. The subscription price will be the higher of SEK 0.20 and the volume weighted trading price on 28 April 2017.

Anoto and SMark are both active with pattern innovation that involves the application of unobtrusive marks to physical objects to make them easily identifiable using computer vision. This new relationship permits SMark to apply Anoto's proprietary microdot pattern within this use case in exchange for royalties defined as a percentage of revenue. SMark will receive a similarly calculated royalty in instances when Anoto includes SMark's proprietary printing and copy protection technologies with its offering known as Anoto DNA (ADNA).

"This enhanced agreement with SMark clearly defines our respective roles in developing the global market that we serve with ADNA. Anoto welcomes SMark's decision to use our IP platform in all of its own pattern-related businesses. This cooperation is consistent with our goal to make ADNA an industry standard. I believe SMark's strong relationships and existing customer base in Asia will also be helpful in this respect," said Joonhee Won, CEO of Anoto.

For further information, please contact:

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 imperceptibly 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.