Digital Time Data Solutions

2024 Annual Report

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DIRECTORS REPORT

The Board of Directors and CEO of Anoto Group AB (publ.), Corporate Identity No. 556532-3929, hereby submit the annual financial statements for the January 1 – December 31, 2024 financial year. Anoto Group AB, the parent company of the Anoto Group, is a limited liability company with its registered office in Stockholm, Sweden.

GROUP STRUCTURE

Anoto Group AB is the parent company of the Anoto Group, performing group-wide functions on behalf of its subsidiaries. The operational activities, including sales, are performed by the subsidiaries which consist of Anoto AB, Anoto Korea Corp, Anoto Ltd, Anoto Inc, Livescribe Inc, Anoto Portugal, XMS Penvision AB, Anoto Canada Inc, and Livepen Ireland Ltd. Hereafter the entire business group is referred to as “Anoto”, unless the context indicates otherwise.

OPERATION OF THE GROUP

Anoto is the global pioneer in digital writing technology, specializing in the capture and seamless digitization of analog data from handwriting and drawings. Founded in 1996 in Sweden, Anoto invented the digital pen and developed the globally recognized dot pattern technology that remains the cornerstone of our product ecosystem today. This innovation — a proprietary matrix of precise microdots printed on paper — allows each pen stroke to be accurately tracked, and recorded, in real time, turning analog writing and drawings into structured digital content.

For over two decades, Anoto has played a leading role in connecting the physical and digital worlds. Our technology is trusted across consumer and enterprise markets for its precision, reliability, and ability to preserve the natural writing experience. Whether enabling note-taking, business form digitization, or AI-driven learning tools, Anoto continues to redefine how handwriting can power productivity, creativity, and data workflows.

2024 Transformation: Laying the foundation for growth

The second half of 2024 saw the start of a bold and comprehensive transformation. Under the leadership of a newly appointed, world-class leadership team, Anoto initiated a complete reboot - modernizing our technology stack, reactivating manufacturing, and repositioning the business for long-term, scalable growth.

Key developments during the year include:

- **New Executive Leadership:** We assembled a senior team with deep expertise across AI, hardware, software, manufacturing, marketing, and commercial execution. This team is aligned around a shared mission: to deliver exceptional customer experiences through beautiful, reliable, and intelligent digital writing tools.
- **Product Line Revamp:** In 2024, we finalized development of the INQ-001, the highest-specification smartpen in the market. Launching in early 2025, it combines premium hardware design with long battery life, haptic feedback, USB-C recharging, and Bluetooth streaming. It is supported by a fully redesigned, AI-powered application that elevates the entire writing-to-digital workflow.
- **Stationery and Software Expansion:** The INQ ecosystem includes a carefully curated line of notebooks, with initial hardcover and wire-bound formats launching alongside the pen. This range will expand to include planners, legal pads, sticky notes, and other use-case-specific products. The INQ software platform has also been rebuilt with feature tiers, cloud syncing, and advanced handwriting transcription across mobile, tablet, and desktop devices—designed to offer seamless cross-device collaboration and intelligent organization.
- **Manufacturing Restart and Scaling:** After several years of dormancy, we successfully reactivated and modernized our supply chain and manufacturing operations with a focus on high quality production, building capacity to support demand across both retail and enterprise markets.
- **Strategic Financing and Cleanup:** We completed an equity financing round, significantly deleveraging the company and allowing for focused investment in growth and R&D while addressing several legacy regulatory issues.
- **Go-to-Market Strategy:** Our agile commercial plans span direct e-commerce sales, flagship retail experiences, influencer marketing, and selective retail partnerships. We are targeting large addressable markets across B2C (students, professionals, creators) and B2B (enterprises, SMEs, corporate gifts).

ANOTO BUSINESS UNITS

Retail Products (B2C)

Anoto's retail offering, which will be unified under the INQ brand from early 2025, delivers high-quality, intuitive smartpens and a robust software ecosystem that allows users to digitize handwritten content instantly. The INQ suite builds upon Anoto's legacy but is completely reimagined for the modern user, offering simple setup, effortless pairing, and a clean, cross-platform experience.

The INQ smartpen works with notebooks printed using Anoto's dot pattern to capture notes, drawings, and ideas with pinpoint accuracy. As the user writes, their input is streamed in real time to their smartphone, tablet, or desktop, where the app provides instant transcription, cloud backup, smart search, and intelligent tagging. With synchronized audio capture and seamless sharing tools, the platform supports everything from academic study to professional meetings and creative journaling.

The accompanying premium stationery line includes A5 hardcover journals and wire-bound formats, each designed with attention to craftsmanship, durability, and elegance. In 2025, we will introduce softcover options, executive planners, index cards, legal pads, and additional colorways and paper types—creating a cohesive and refined writing system.

Everything we build is guided by data-driven insights and direct user feedback—driving continuous updates and improvements to ensure we meet real needs with real-world functionality.

Enterprise Solutions and Licensing (B2B)

Anoto's Enterprise Solutions unit provides a powerful platform for automated data capture at scale. Organizations use our smartpens and dot-pattern printed forms to digitize handwritten content from clinical, operational, and customer-facing processes—all without changing frontline workflows.

Our digital pens enable real-time or asynchronous data transfer, ensuring organizations can collect accurate, legible, and structured information while maintaining a physical copy for compliance. The solution improves productivity, reduces transcription errors, and supports stringent regulatory and audit requirements.

Deployed through Anoto Cloud Enterprise—available in both Pro and Lite editions—our B2B solutions include APIs, SDKs, and customizable interfaces for seamless integration into existing systems. Use cases include:

- Medical documentation and patient intake
- Field inspections and service reporting
- Government forms and compliance workflows
- Retail and telecom contract processing

Our customers include some of the world's largest organizations, with deployments in thousands of locations capturing tens of millions of pages of data annually. The INQ-101 Enterprise Pen, launching in 2025, will introduce new customization options including corporate branding, color variants, and accessories—perfect for enterprise identity or corporate gifting.

By combining the security of printed forms, the flexibility of offline use, and the speed of digital capture, Anoto offers a proven solution for mission-critical workflows—further strengthened by our renewed product quality and service excellence.

Looking Forward

As we enter a new phase of growth, Anoto is sharper, faster, and more focused than ever before. We are committed to delivering beautiful, intelligent, and reliable products that bring together the elegance of handwriting with the power of digital technology.

Our development process is grounded in data-driven decision-making—from user behavior and product telemetry to ongoing customer feedback. This enables us to iterate rapidly, deploy new features responsively, and optimize every touchpoint in the user journey.

With strong operational foundations, a reinvigorated leadership team, and an expanding customer base, Anoto is positioned to lead the next wave of digital writing innovation—setting new standards for how people work, learn, create, and communicate.

SHARES AND SHAREHOLDERS

At the end of 2024, there were 331,859,066 issued ordinary shares in Anoto. According to Euroclear Sweden AB's statistics, there were 13,078 shareholders on December 31, 2024, representing a decrease of 3.5 percent over the past 12 months. The largest shareholder as at December 31, 2024 was DDM Debt AB, owning 16.2 per cent of the votes and capital. There is only one class of shares (ordinary shares). Below are the changes to shares and shareholdings during the year.

	Largest shareholders on December 31, 2024		2024	
1	HONGKONG & SHANGHAI BANKING CORP, W8IMY		20.8%	69,069,082
2	DDM Debt AB (publ)		16.2%	53,821,365
3	THE BANK OF NEW YORK MELLON, W9		13.6%	45,225,066
4	Försäkringsaktiebolaget Avanza Pension		2.8%	9,281,662
5	Bjorndahl Anders		2.6%	8,578,360
6	BOUKOVALAS, PANAGIOTIS		1.3%	4,408,398
7	Hansson Johan		1.3%	4,187,667
8	V M STÄDPOOL AKTIEBOLAG		0.9%	3,000,000
9	SAXO BANK A/S CLIENT ASSETS		0.8%	2,797,759
10	ALANDSBANKEN ABP (FINLAND), SVENSK, FILIAL		0.8%	2,579,700
		Total	**61.15%**	**202,949,059**

SIGNIFICANT EVENTS DURING THE YEAR

During the fourth quarter, Anoto carried out the following directed issue, set-off issue, and rights issue:

Directed Issue

The Board of Anoto resolved to increase the Company's share capital by up to SEK 11,253,937.50 through the issue of up to 125,043,750 new ordinary shares, each with a quota value of SEK 0.09. With deviation from the shareholders' preferential rights, the new shares were subscribed by Adrian Weller, BLS Futures Ltd, Gary Butcher, Machroes Holdings Ltd, Rocco Homes Ltd and Mark Stolkin. The subscription price per ordinary share amounted to SEK 0.12.

The reason for the deviation from the shareholders' preferential rights is that the Company is in great need of capital and the Board of Directors believes that the expected issue proceeds in a timely and cost-effective manner will enable the Company to (i) ensure continued operations until a rights issue has been completed, and (ii) diversify and strengthen the Company's shareholder base with institutional investors, which justifies the issue's deviation from the shareholders' preferential rights. The Directed Issue will, unlike the Rights Issue, broaden the shareholder base and provide the Company with new reputable owners, which the Board of Directors believes will strengthen the liquidity of the share and be favorable for the Company. In light of the above, the Board of Directors has made the assessment that the Directed Issue with deviation from the shareholders' preferential rights is favorable for the Company and in the best interest of the Company's shareholders.

The subscription price has been determined through arm's length negotiations with the subscribers in the Directed Issue. The Board of Directors has also taken into account that the Rights Issue (as described below) is carried out with a subscription price of SEK 0.12 per ordinary share and has therefore deemed it reasonable that the Directed Issue is carried out on equivalent terms.

The new shares in the Directed Issue corresponds to approximately 11.3 percent of the total number of shares in the Company after dilution, calculated on the number of shares in the Company after the completion of the Rights Issue and the Set-off Issue and assuming that the Rights Issue is fully subscribed.

Set-off issue

The Group entered into a convertible investment agreement with Mark Stolkin and DDM Debt AB, two major shareholders in Anoto in June 2024, providing Anoto with a total of USD 1.5 million in the form of convertible loans (the "Investment Agreement"). The Investment Agreement has since been increased by a total of USD 0.5 million with the following investors having adhered the Investment Agreement: Gary Butcher, BLS Futures Limited, Rocco Homes Ltd, Machroes Holdings Ltd and Adrian Weller.

Under the terms of the Investment Agreement, upon the request of a lender, the outstanding loan amount, in full or in part, plus accrued interest, shall be converted into newly issued ordinary shares of the Company at a conversion price of SEK 0.42, which corresponds to the current quota value of the shares, and at a fixed exchange rate of 10.51 SEK/USD. However, in the event of a Qualified Financing Round, the outstanding loan amounts shall automatically be converted into newly issued ordinary shares in Anoto at a conversion price corresponding to 75 percent of the subscription price in the Qualified Financing Round.

Due to the Rights Issue constituting a Qualified Financing Round, the Board of Directors has resolved on a directed issue of a total of 230,636,111 ordinary shares with payment by way of set-off to the lenders Mark Stolkin, DDM Debt AB, Gary Butcher, BLS Futures Limited, Rocco Homes Ltd., Machroes Holdings Ltd and Adrian Weller. The subscription price per ordinary share is SEK 0.09, which corresponds to 75 percent of the subscription price in the Rights Issue. The subscription price in the Set-off Issue has been determined in accordance with the Investment Agreement between Anoto and the lenders. Payment shall be made through set-off of claims in connection with subscription.

The new shares in the Set-Off Issue correspond to approximately 20.9 percent of the total number of shares in the Company after dilution, calculated on the number of shares in the Company after the completion of the Directed Issue and the Rights Issue and assuming that the Rights Issue is fully subscribed.

Rights issue

The Board of Directors of Anoto has resolved on the issue of no more than 414,823,830 new ordinary shares with preferential rights for the shareholders, raising proceeds of approximately SEK 50 million before transaction related costs.

In the Rights Issue, Anoto’s current shareholders will have a preferential right to subscribe for new shares in proportion to the number of shares held on the record date on 28 November 2024. The last day of trading in Anoto's share including the right to participate in the Rights Issue will be 26 November 2024.

One (1) share held on the record date entitles to one (1) subscription right, according to the proposed terms and conditions. Four (4) subscription rights entitle the holder to subscribe for five (5) new shares. The subscription price has been set to SEK 0.12 per share.

Shares which are subscribed for without preferential rights will be offered to current shareholders and other investors who have applied to subscribe for new shares without preferential rights. In the Rights Issue, 154,891,590 shares were subscribed for with subscription rights, corresponding to approximately 37.3 percent of the Rights Issue. In addition, 623,720 shares were subscribed for without the support of subscription rights, corresponding to approximately 0.2 percent of the Rights Issue. Together, subscription with and without the support of subscription rights thus corresponds to approximately 37.5 percent of the Rights Issue.

Through the rights issue, including the shares to be issued in connection with the directed issue and the set-off issue, the number of shares in Anoto increased by 770,503,687 shares from 331,859,066 shares to 1,102,362,753.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report is located in a separate section after the financial reports in these financial statements.

EMPLOYEES

The average number of employees within the Group decreased from 19 in 2023 to 12 in 2024. The Group had 14 employees (12) at the year-end.

COMMENTS ON THE STATEMENT OF COMPREHENSIVE INCOME

Net sales in 2024 amounted to MSEK 30 (43) and operating results in the period were MSEK -60 (-68).

Livescribe revenue decreased by 21% from 2023 and Enterprise Forms revenue decreased by 41% from 2023.

Gross margin in the period amounted to 48% (63%).

Overhead costs in the period were MSEK 65 (66), excluding impairment loss of MSEK 9 (104). Cost saving efforts were exercised across all operations.

Earnings before interest, taxes, depreciation, amortization, and impairment (EBITDA) in the period amounted to MSEK -45 (50).

The net profit after tax for the year was MSEK -56 (-84).

COMMENT ON THE STATEMENT OF FINANCIAL POSITION AND THE STATEMENT OF CASH FLOWS

Total assets amounted to MSEK 145 (144), and liabilities have decreased by MSEK 19 to MSEK 65 (84).

Group Equity at the end of the year amounted to MSEK 80, compared to MSEK 59 in the previous year. The cash flow from operating activities was MSEK -18 (-38). Cash flow from investment activities during the year was MSEK -8 (13). The cash flow from financing activities was 26 (25), including net proceeds from share issues of MSEK 4 (40). The cash flow for the year was MSEK 1 (1). Closing cash at end of year was MSEK 4 (3).

RESEARCH AND DEVELOPMENT

In 2024, Anoto's R&D efforts during the year were MSEK 22 (27), excluding impairment loss of MSEK 9 (104), equivalent to 43 percent (77) of the total overhead expenses. Pursuant to its compliance with IAS 38, the Group capitalized MSEK 5 (1) during 2024. Including capitalization, the Group´s R&D expenses totalled MSEK 27 for the year.

Anoto has an extensive patent portfolio. At the end of 2024, the Group owned 147 registered patents.

KEY RATIOS – FIVE YEAR SUMMARY

Group

	2020	2021	2022	2023	2024
Net sales	70,552	71,730	69,362	43,012	30,069
Gross margin, %	54	54	62	63	48
Operating profit/loss	-103,431	-57,143	-47,219	-68,326	-60,025
Profit/loss after tax	-128,268	-40,223	-30,903	-84,238	-55,781
Total assets	225,056	239,074	238,732	143,615	145,128
Total liabilities	69,296	106,327	147,082	84,284	64,703
Average no. of employees	38	33	36	19	12

Parent Company

	2020	2021	2022	2023	2024
Net sales	8,749	11,198	10,246	11,806	8,632
Operating profit/loss	-231	-2,805	603	-364	-289
Profit/loss after tax	-233,281	13,878	71	-79,750	-194,860
Total assets	427,807	488,844	596,580	462,686	321,924
Total liabilities	22,795	41,050	137,256	44,063	28,159

DISPUTES

We have an ongoing dispute with Green Mango Corp. relating to non-payment of delivered services for building a software solution with an objection to breach of contract due to faulty services. The case is currently at Suwon District Court in South Korea. The outcome of the litigation will affect our obligation to pay for services delivered by Green Mango Corp. We assess the risk that we will lose the case in its entirety as low and have provisioned 150K USD (50% of total amount challenged), plus 50K USD of potential legal costs as accrued liabilities. The trial is still ongoing.

We anticipate a potential legal dispute between TKR USA Inc. ('TKR') and Anoto Korea regarding their request for payment for components, raw materials, and aged payables. We have taken a reserve of 2.5 MSEK relating to components and raw materials owned by Anoto Korea but held by TKR. TKR was contracted in 2021 as a manufacturer to provide pens for both Knowledge AI ("KAIT"), Anoto's former ed-tech business that was deconsolidated in 2023, and Anoto itself. The manufacturing schedule for these pens has yet to commence, and the timing and required volume remain uncertain. Given these circumstances, we believe TKR's request for payment is premature.

SUSTAINABILITY INFORMATION

Anoto does not pursue any activities that require environmental permits. However, Anoto received the following certification for all of its pens:

- US : FCC (Radio Frequency certification)
- Canada : IC (Radio Frequency certification)
- EU : CE (Radio Frequency certification), RoHS and WEEE
  - WEEE - Waste Electrical and Electronic Equipment
  - RoHS - Restriction of Hazardous Substances

EMPLOYEE POLICIES

To realize Anoto's business concepts, we depend on skilled employees who are wholeheartedly engaged in their work and who have a good understanding of the communication between people from different cultures and backgrounds. We strive to make use of all our employees' competencies in the best possible ways. No employee should under any circumstance be discriminated against. We apply a clear policy on gender equality, equal opportunities and anti-discrimination. We strongly encourage an environment of respect and honesty, with open and clear communication by and between all parties involved in Anoto's business.

In a knowledge-based company like Anoto, employee competencies are our most important assets. Without constantly adding knowledge to the workforce and allowing the transfer of knowledge between colleagues, the group cannot develop. Competence development is therefore a priority at Anoto. Development plans are determined individually to ensure that the goals and ambitions of both the employees and the company are aligned.

RISK MANAGEMENT

Liquidity risk, financing risk and continued operations

Anoto operates in a sector experiencing accelerating innovation and demand. According to a recent report by Grand View Research, the market for digital pens, electronic styluses, and accessories is expected to grow robustly through 2030, driven by increasing digitization across consumer and enterprise use cases.

To support our growth trajectory, the Group undertook a directed, set-off, and pre-emptive rights issue announced on 25 October 2024, which was successfully funded on 18th January 2025. This equity raise significantly improved Anoto's balance sheet and provided working capital for our commercial, product, and manufacturing strategies.

However, despite these positive developments, risks remain. Should there be delays in the launch or market adoption of new products, or if our strategies to increase revenue do not perform as projected, the Group will require additional financing. If such financing is unavailable, delayed, or only obtainable on unfavorable terms, there is a risk that Anoto could face constraints on its ability to sustain operations or pursue planned growth initiatives.

Macroeconomic and Geopolitical Risks

The Board of Directors and executive management remain cognizant of broader global risks that may impact operations. These include elevated and persistent inflation across major economies, which continue to exceed the policy targets of most central banks and may contribute to increased input costs. In addition, the continuing conflict between Russia and Ukraine, along with unrest in the Middle East, presents ongoing geopolitical uncertainty and potential supply chain disruptions.

The recent election of Donald Trump as President of the United States introduces additional commercial uncertainty. In particular, Anoto is monitoring the possibility of increased U.S. tariffs on goods and components imported from Asia, including China, which could directly impact our cost base. Such tariffs could either compress margins or require adjustments to retail and wholesale pricing—potentially dampening demand in price-sensitive segments of our market. Furthermore, retaliatory trade measures from affected countries could disrupt access to key components and materials used in Anoto's manufacturing process.

The Group continuously reviews and assesses its supply chain strategy to mitigate these risks, including geographic diversification of suppliers, potential local assembly options, and close coordination with suppliers and logistics partners. Contingency planning and sensitivity analyses are ongoing to ensure that Anoto remains agile and responsive to any shifts in the macroeconomic or regulatory environment.

Currency exposure and credit risk

Refer to Note 4 for a detailed description of the company's risk management policies, currency exposure, and credit risk

Insurance risk

Anoto's insurance coverage is reviewed annually with respect to traditional business insurance policies and appropriate coverage is maintained balancing the exposure of the business and the related costs.

Patent risks, etc.

Anoto carefully curates its patent portfolio and applies for patents on innovations that will enrich that portfolio. Anoto cannot guarantee that all patent applications will be approved or that our intellectual property rights will not be called into question, declared null and void, or circumvented. Third parties have claimed that Anoto infringes their intellectual property rights and may do so in the future. Defending Anoto against such assertions can be costly in terms of time, money and other resources. Legal disputes can compel Anoto to pay damages or other compensation, to modify its products and technology, and/or to enter into license agreements with licensors. Anoto cannot guarantee that such licenses will be available at all or be possible to obtain on reasonable terms.

THE BOARD AND ITS RULES OF PROCEDURE

The Anoto Group AB Board of Directors consists of four members. Refer to the section entitled "Corporate Governance Report" in this annual report for a detailed account of the Board's composition and working methods.

GUIDELINES ON REMUNERATION FOR SENIOR EXECUTIVES

Principles for remuneration, fees and other remuneration paid to the Board of Directors, the Chairman, the CEO and other members of Group Management, other statistics and the guidelines regarding remuneration and benefits to Group Management as approved by the Annual General Meeting are specified in Note 10. Remuneration for the CEO and senior executives in 2024 is disclosed in Note 10, "Salaries and other remuneration". The Board has proposed to the Annual General Meeting that the guidelines on remuneration for senior executives remain unchanged in 2025.

OUTLOOK FOR THE FUTURE

Anoto has two main business lines: Retail Products, both hardware and software, which are provided and serviced through Livescribe, and Enterprise Solutions carried out primarily through Anoto AB and Anoto Ltd. The market for digital pens, styluses and related products is forecast to experience robust growth through 2030, and Anoto is well positioned to take advantage of this growth in both our business divisions.

Proposed Appropriation of Accumulated Result

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Proposed appropriation of accumulated result in the parent company (SEK):	**SEK**
Retained earnings	222,286,996
Loss for the year	-194,860,215
Total	**27,426,781**

The Board of Directors propose that the reserves of SEK 27,426,781 are carried forward. With regard to the financial position of the Group and parent company, refer to the following accounts.

Anoto

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(KSEK)	Note	Group 2024	Group 2023
Net sales	6	30,069	43,012
Cost of goods and services sold	12	-15,709	-15,973
Gross profit/loss		**14,360**	**27,038**
Selling expenses	9,12,15	-26,495	-25,746
Administrative expenses	9,10,11,12,15	-15,043	-13,341
Research & development costs	9,12,15	-30,982	-130,349
Other operating income	13	1,989	137,096
Other operating costs	14	-3,855	-63,024
Operating earnings		**-60,025**	**-68,326**
Financial income	16	5,816	699
Financial cost	16	-1,571	-16,367
Earnings before taxes		**-55,781**	**-83,995**
Income taxes	17	0	-244
Net earnings for the year		**-55,781**	**-84,238**
Total earnings for the year attributable to:			
Shareholders of Anoto Group AB		-55,781	-84,238
Non-controlling interest		0	0
Total profit/loss for the year		**-55,781**	**-84,238**
Other comprehensive income			
Items that may be reclassified to profit/loss for the year:			
Translation differences for the year		6,874	13,581
Gain or losses at valuation to fair value of investment		0	0
Other comprehensive income for the year		**6,874**	**13,581**
Total comprehensive income for the year		**-48,907**	**-70,657**
Total comprehensive income for the year attributable to:			
Shareholders of Anoto Group AB		-48,907	-70,657
Non-controlling interest		0	0
Total comprehensive income for the year		**-48,907**	**-70,657**
Earnings per share (SEK)		-0.15	-0.25
Diluted earnings per share (SEK)		-0.15	-0.25
Weighted average number of ordinary shares		331,859,067	286,114,064
Diluted weighted average number of ordinary shares		571,599,431	303,674,473

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(KSEK)	Note	Group 2024	Group 2023
ASSETS			
Non-current assets			
Intangible fixed assets			
Capitalized development expenditures	18	12,253	19,939
Patents	19	3,957	4,128
Goodwill	22	32,254	29,449
Brands	20	1,650	511
Other intangible assets	21	3,810	4,161
Total intangible fixed assets		**53,924**	**58,188**
Property, plant and equipment			
Equipment and tools		684	1,819
Right of use assets	32	0	349
Total property, plant and equipment	23	**684**	**2,168**
Financial fixed assets			
Investment in associates	36	0	0
Receivables from associates	37	35,543	28,964
Other long-term receivables	24	743	709
Total financial fixed assets		**36,286**	**29,673**
Total non-current assets		**90,894**	**90,029**
Current assets			
Inventories			
Finished goods and goods for sale	25	14,498	28,407
Current receivables			
Accounts receivable	26	530	13,505
Other receivables		32,592	5,544
Prepaid expenses and accrued income	27	2,806	3,514
Total current receivables		**35,928**	**22,563**
Cash and cash equivalents		**3,809**	**2,616**
Total current assets		**54,234**	**53,586**
TOTAL ASSETS		**145,128**	**143,615**

(KSEK)	Note	Group 2024	Group 2023
SHAREHOLDERS´ EQUITY AND LIABILITIES			
Share capital	38	139,381	139,381
Ongoing share issue	38	3,926	0
Other capital contributed	38	1,295,551	1,295,202
Translation reserves	38	-14,103	-20,977
Earnings brought forward		-1,344,329	-1,354,275
Equity attributable to the shareholders of Anoto Group AB		**80,425**	**59,330**
Non-controlling interest		0	0
Total Equity		**80,425**	**59,330**
Non-current liabilities			
Long-term convertible bond	31	0	15,600
Provisions (non-current)	28	1,372	1,279
Other non-current liabilities		0	174
Total non-current liabilities/provisions		**1,372**	**17,053**
Current liabilities			
Provisions (current)	28	1,333	815
Short-term interest-bearing liabilities	31	4,644	8,686
Accounts payable		24,906	22,026
Advance payments from customers		1,487	2,407
Other liabilities		7,995	10,926
Accrued expenses and deferred income	29	22,966	22,372
Total current liabilities		**63,331**	**67,231**
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES		**145,128**	**143,614**

CONSOLIDATED STATEMENT OF CASH FLOWS

(KSEK)	Note	Group 2024	Group 2023
OPERATING ACTIVITIES			
Profit before tax		-55,781	-83,995
Taxes paid	17	0	-244
Items not affecting cash flow:			
Depreciation, amortization and impairment of assets	15,18-23	15,663	118,314
Net interest expense		95	3,935
Share based compensation		308	974
Other items	39	611	-56,816
Cash flow from operating activities before change in working capital		**-39,103**	**-17,831**
Cash flow from change in working capital			
Change in operating receivables		12,975	-18,141
Change in inventories		13,909	11,999
Change in operating assets		520	1,168
Change in operating liabilities		-5,963	-14,918
Total change in working capital		**21,442**	**-19,892**
Cash flow from operating activities		**-17,661**	**-37,723**
Cash flow from investment activities			
Capitalized development expenditures	18	-5,151	-1,337
Patents	19	-406	-684
Other intangible assets	20,21	-1,172	-158
Equipment and tools	23	-87	-258
Financial assets	24	-782	770
Proceeds from sale of subsidiary		0	14,973
Cash flow from net investment activities		**-7,599**	**13,307**
Total cash flow before financing activities		**-25,260**	**-24,416**
Financing activities			
New share issue		4,475	40,499
Share Issue Cost		-166	-2,423
Loan Proceeds	33	23,333	26,055
Repaid financial liabilities	33	-1,015	-35,973
Interest paid	33	-174	-3,007
Cash flow from financing activities		**26,453**	**25,150**
Cash flow for the year		**1,193**	**734**
Cash and cash equivalents at the beginning of the year		**2,616**	**1,721**
Effect of exchange rate change on cash		0	161
Cash and cash equivalents at the end of the year	39	**3,809**	**2,616**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(KSEK)	Share capital	Ongoing share issue	Other Capital Contributed	Translation reserve	Earnings brought forward	Shareholders' equity attributable	Non-controlling interest	Total shareholders' equity
Shareholders´ equity 01 January 2023	**138,368**	**0**	**1,326,277**	**-34,559**	**-1,319,089**	**110,997**	**-19,346**	**91,650**
Profit/loss for the year	-		-	-	-84,238	-84,238	0	-84,238
Other comprehensive income	-		-	13,581	-	13,581	0	13,581
Total comprehensive income/cost for the year				**13,581**	**-84,238**	**-70,657**	**0**	**-70,657**
New share Issue	40,499					40,499	-	40,499
Reduction of Capital @0.42	-39,485				39,485	0		0
Employee stock options					974	974		974
Issue Cost			-2,423			-2,423		-2,423
Elimination of shareholders contribution to KAIT			-28,652			-28,652		-28,652
Deconsolidation KAIT					8,593	8,593	19,346	27,938
Shareholders´ equity 31 December 2023	**139,381**	**0**	**1,295,202**	**-20,977**	**-1,354,275**	**59,330**	**0**	**59,330**
Shareholders´ equity 01 January 2024	**139,381**	**0**	**1,295,202**	**-20,977**	**-1,354,275**	**59,330**	**0**	**59,330**
Profit/loss for the year	-		-	-	-55,781	-55,781	0	-55,781
Other comprehensive income	-		-	6,874	-	6,874	0	6,874
Total comprehensive income/cost for the year				**6,874**	**-55,781**	**-48,907**	**0**	**-48,907**
Directed Issue*		11,254	3,751			15,005	-	15,005
Set off Issue*		20,757				20,757		20,757
Rights Issue*		37,334	12,445			49,779	-	49,779
Reduction of Capital @0.42		-65,419			65,419	0		0
Employee stock options					308	308		308
Issue Cost			-15,848			-15,848		-15,848
Shareholders´ equity 31 December 2024	**139,381**	**3,926**	**1,295,551**	**-14,103**	**-1,344,329**	**80,425**	**0**	**80,425**

**Reported gross of issuance costs.*

NOTES TO THE FINANCIAL STATEMENTS

Anoto Group AB, the parent company of the Anoto Group, is a limited liability company with its registered office in Stockholm, Sweden. The Anoto Group is a global provider of Enterprise Solutions (B2B), Retail (B2C), and OEM.

NOTE 1 – General Accounting policies

The consolidated financial statements of Anoto Group AB (publ) (Anoto) have been prepared in compliance with the Swedish Annual Accounts Act. International Financial Standards (IFRS), interpretation from IFRS Interpretations Committee as endorsed by EU and the Swedish Financial Reporting Board recommendations RFR 1 "Complementary accounting rules for corporate groups".

The Group's financial statements have been prepared under the assumption that the group operates on going concern basis. However, please refer to the directors' report for comments regarding ongoing liquidity risk faced by Anoto (page 8).

The financial statements have been approved for distribution by the Board and the CEO on April 30, 2025. The Group's statement of comprehensive income and statement of financial position, and the parent company's income statement and balance sheet, will be subject to approval by the Annual General Meeting on June 27, 2025.

NOTE 2 – Accounting policies

Other than the revaluation of certain financial instruments, assets and liabilities are based on historical cost. The parent company´s reporting currency, Swedish kronor (SEK), is also the reporting currency for the Group.

Below is a summary of the accounting policies used by the Group. The accounting policies have, with the exceptions described, been applied consequently to all periods presented, in the Group´s financial statements.

At the date of authorization of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to the existing Standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

Classification etc.

Fixed assets and financial liabilities consist of amounts expected to be recovered or settled after more than twelve months after the reporting period. Current assets and current liabilities consist of amounts to be recovered or paid within twelve months after the reporting period.

Basis of consolidation

The consolidated accounts incorporate the financial statements of Anoto Group AB (publ.) and entities controlled by the parent company and its subsidiaries. Control is achieved when the parent company has power over the investee through ownership, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its return. In determining whether control exists, potential voting rights are considered.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquisition, and the fair value of the acquirer´s previously held equity interest in the acquisition (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Consolidation of an investee shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee.

In cases where the subsidiary's accounting policies do not comply with Group accounting policies, adjustments are made to the Group's accounting policies.

Associated Companies

Associated companies are companies over which we have significant influence. A strong indication is when the Group's holding is more than 20% but less than 50% of the voting rights. The holding in KAIT is classified as an associated company and is accounted for using the equity method.

Elimination of intra-Group transactions

All intra-Group transactions are eliminated in the consolidated accounts. Intragroup transactions include internal sales, profits and balances, as well as shareholders' contributions to Group companies and impairment losses on loan receivables from and participation in Group companies.

Transactions in foreign currencies

A functional currency is assigned to each foreign subsidiary. The functional currency is the currency of the primary economic environment in which the companies carry out their business. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate in effect on the balance sheet date. Exchange rate differences arising from translation are recognized in profit or loss for the year. Non-monetary assets and liabilities, such as inventory, fixed assets, and intangible assets are recognized at historical costs are translated at the exchange rate at the time of the transaction. Non-monetary assets and liabilities recognized at fair value are translated at the functional currency at the exchange rate applicable at the time of valuation to fair value.

The financial statements of the foreign subsidiaries that have a different functional currency than Anoto's functional currency (the Swedish krona) are translated into the exchange rate on the balance sheet date for all balance sheet items, including goodwill and other consolidated surpluses and deficits and at the average exchange rate for all items included in the result. Subsidiaries with a different functional currency include Anoto Inc and Livescribe Inc (USD), Anoto LTD (GBP), Anoto Korea (KRW), Anoto Portugal and Livepen Ireland (EUR), and Anoto Canada (CAD). Exchange differences arising are recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in the revaluation reserve in equity in respect of that operation attributable to the owners of Anoto are reclassified to profit or loss.

Revenue recognition

Revenue arises mainly from the sale of digital pens and with associated software and patterns.

To determine whether to recognize revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied

The Group often enters into transactions involving several of Anoto's product and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Contracts with multiple performance obligations

Many of the Group's contracts comprise a variety of performance obligations including, but not limited to sales of digital pens and software license, patterns and professional services. The Group have evaluated the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources, and
- it is 'separately identifiable' (i.e. the Group does not provide a significant service integrating, modifying or customizing it).

Performance obligations by revenue type is determined as below:

- Hardware pens including a pen license fee – revenue recognized at a point in time, upon transfer of control of the asset to the customer
- Software license fee – revenue recognized over time, across the contractual license period
- Pattern – revenue recognized at a point in time, upon transfer of control of the asset to the customer
- Other services – revenue recognized at a point in time, upon supply of services
- Pens and accessories – revenue recognized at a point in time, upon transfer of control of the asset to the customer

Product warranties

Provisions for product warranty obligations relate to the sale of pens. The warranty time period is 12 months and the provision is classified as short-term.

Financial income and expenses

Financial income and expenses comprise interest on borrowings, revaluation gains and losses on financial assets valued at fair value through profit or loss, and impairment of financial assets. Borrowing costs are recognized in the income statement using the effective interest method. Exchange gains and losses are reported net.

Intangible assets

Goodwill

Goodwill, which is reported in connection with the acquisition of subsidiaries in accordance with the above, is initially recorded as an asset at cost as established at the date of acquisition of the business. As of 31 December 2024, the Group has one cash-generating units for which the goodwill value is impairment-tested. Goodwill is not amortized but subject to an impairment test annually or whenever necessary by calculating the recoverable amount of the corresponding cash-generating unit. The recoverable amount is defined as the asset's net realizable value or value in use, whichever is higher. Goodwill is allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination. An impairment loss is recognized if the value of the unit reported by the Group exceeds the recoverable amount. The impairment loss is recognized directly in profit or loss.

There were no indications of impairment in 2024. A discount factor of 18.86% (18.86%) and a perpetual growth rate after 5 years of 2.0% (2.0%) have been used for Livescribe in this year's impairment testing. Forecasts are done in line with consideration of the Group's performance in prior periods and the Group's strategy for the next years, using the most up to date knowledge about the business and the market.

Research and development

Expenses for research related to acquiring new scientific or technical knowledge are expensed immediately as they occur. Expenses for development, where the results from research or other knowledge are applied to achieve new or improved products, are reported as an asset in the statement of financial position if the Group has sufficient financial resources and it is technically possible to complete the product, if there is an intention to complete and use or sell the product and if it is likely that the product will generate future economic benefits. The cost includes all directly attributable expenses, such as material and services, payroll, and registration of legal rights. For more information on capitalized research and development costs, please refer to Note 18. Other expenses related to development are expensed directly as they occur. In the statement of the financial position development expenses are recorded at cost less accumulated amortization and impairment losses.

Amortization of capitalized development expenses begins in conjunction with the intangible asset being brought into use.

Other intangible assets

Other intangible assets acquired by the Group mainly relate to patents, brands, and licenses and are recorded at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenses

Subsequent expenditures on capitalized intangible assets are recognized as an asset in the financial statement only when it increases the future economic benefits for the specific asset to which they relate. All other expenditures are expensed as incurred.

Tangible fixed assets

Property, plant and equipment consisting of furniture, other equipment, computer hardware and software is recognized at cost less accumulated depreciation and any impairment losses. Acquisition cost includes purchase price and expenses directly attributable to bringing the asset to its use as intended with the acquisition. Other expenses are added to the acquisition cost only if it is probable that such expenses will lead to future economic benefits and if such expenses can be calculated properly. Other related costs are reported as expenses as they occur.

Depreciation and amortization

Depreciation and amortization of the assets are based on the cost and is carried out on a straight-line basis over the estimated useful economic lives of the assets in view of the following depreciation and amortization periods:

-	Patents	10 years
-	Capitalized development expenditures	5 years
-	Brands	10 years
-	Licenses	20 years
-	Equipment	5 years
-	Capital expenditure on rented assets	5 years

The depreciation and amortization methods used, and the useful lives of assets are reassessed at the end of each financial year.

Impairment

Impairment of intangible and tangible fixed assets

If there is an indication that a Group asset has been impaired, its recoverable amount is estimated. The recoverable amount is defined as the asset's net realizable value or value in use, whichever is higher. When determining the value in use, the present value of the future cash flows that the asset is expected to give rise to during its useful life is estimated. An impairment loss is recognized if the Group's reported carrying amount exceeds the recoverable amount, and the impairment loss is recognized in profit or loss.

The development in progress is tested for impairment annually.

Impairment of financial assets

The Group applies the simplified approach in accounting for assets and trade receivables, recognizing a loss allowance based on lifetime expected credit losses (ECL). This approach considers expected shortfalls in contractual cash flows due to the risk of default at any point over the life of the financial asset. The Group uses a provision matrix based on historical credit loss experience, adjusted for forward-looking information and external indicators.

For other receivables, the Group applies the general approach under IFRS 9. This involves assessing whether there has been a significant increase in credit risk since initial recognition. Depending on the outcome, the Group recognizes either 12-month ECL or lifetime ECL. The assessment incorporates historical data, current conditions, and forward-looking forecasts.

Refer to Note 26 and Note 37 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into on or after 1 January 2019. At 31 December 2024, the Group does not have office leases reporting under IFRS 16, as all leases are short-term, that is at commencement date, has a lease term of 12 months or less. For more information, please see note 32.

Earnings per share

The calculation of earnings per share is based on the annual result in the Group attributable to the shareholders of the parent company and the weighted average of outstanding shares during the year. When calculating diluted earnings per share the earnings and the average number of shares are adjusted in order to consider potential dilution from preference shares, which during the reporting periods relates to options granted to employees.

Receivables and payables in foreign currencies

Receivables and payables in foreign currencies are retranslated at the exchange rate on the balance sheet date, and unrealized exchange gains and losses are included in profit or loss. Exchange gains/losses on operating receivables and liabilities are reported as other operating income/expenses. Exchange rate differences on financial receivables and payables are reported as financial items.

Exchange differences related to monetary items for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entities net investment in that foreign operation. Exchange differences arising from these items are recognized in other comprehensive income in the consolidated financial statements.

Financial instruments

The Group's financial instruments consist mostly of accounts receivable, cash and cash equivalents, long-term receivables, accounts receivable, interest-bearing liabilities and accounts payables.

For all financial assets and liabilities at amortized cost, the carrying amount is a reasonable estimate for the fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques, for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair values that are not based on observable market data.

The Group evaluates the categorisation of its fair value measurements within the fair value hierarchy on a regular basis at the end of the reporting period. There were no transfers recognised in the fair value hierarchy between Levels 1 and 2 and no transfers into or out of Level 3 fair value measurements during 2024.

Convertible Bonds and Warrants

A compound financial instrument, such as a convertible bond, can be split into equity and liability components in accordance with IAS 32. Differentiation between a financial liability and equity depends on whether an entity has an obligation to deliver cash (or some other financial asset). There are no convertible loans outstanding as the end of 2024, convertible loans outstanding as at the end of 2023 are recorded as liabilities on the Group's balance sheet, as the fair value of the loan equalled the fair value of the liability component.

The Group also has 10,000,000 warrants outstanding at period end. Only warrants for which the present value of the issue price is lower than the fair value of ordinary share are considered in our financials statements. Given that at 31 December 2024, the subscription price is higher than the fair value of Anoto's ordinary share, the warrants do not have any dilution effect and are not recorded in the Group's financials statements at year end.

Recognition and derecognition

A finliancial asset or financial liability is recognized in the statement of financial position when the Group becomes party to the instrument's contractual terms. A receivable is recognized when the Group has performed and there is a contractual obligation on the counterpart to pay, even if the invoice has not been sent. Accounts receivable are recorded in the statement of financial position when the invoice is sent. Liabilities are recognized when the counterparty has performed and there is contractual obligation to pay, even if the invoice has not been received. Accounts payable are recognized when an invoice is received.

A financial asset is derecognized from the statement of financial position when the rights to the agreement are realized, expired or when the Group loses control over them. The same applies to portions of financial assets. A financial liability is derecognized from the statement of financial position when the obligations are discharged, cancelled or have expired. The same applies for part of a financial liability.

Classification and subsequent measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

Financial assets at amortised cost:

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial asset and collect its contractual cash flow, and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through other comprehensive income (FVOCI):

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- They are held under a business model whose objective it is "hold to collect" the associated cash flows and sell, and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

Any gains or losses recognized in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Fair value measurement:

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. Financial assets in the group that are valued at fair value has been valued at fair market price at active market, level 1.

Trade and other receivable and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 26 is a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Classification and measurement of financial liabilities

The group's financial liabilities include borrowings, trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognized in profit or loss

All interest-related charges are included within finance costs.

Cash and bank balances

Comprises cash on hand and bank balances. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Inventory

Inventory, consisting of finished products and critical components, is stated at the lower of cost (in accordance with FIFO) and net realizable value. The calculation of net realizable value involves management's judgment as to the estimated sales prices, overstock articles, obsolete and out-dated articles, damaged goods, and selling costs. The cost of inventories includes costs incurred to purchase inventory assets and transport them to their current location at their current states.

In 2024, write downs of 2,971 KSEK were included in costs of goods sold due to obsolescence and damaged goods.

Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the followings:

- Translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the group's foreign entities into SEK

Retained earnings includes all current and prior period retained profits and share-based employee remuneration.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date. No dividends have been declared or paid during the year.

Share-based employee remuneration

Option Program

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using shared-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognized in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

Income Tax

Income tax expense represents the sum of the current tax payable and deferred tax. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity. In which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current tax payable is based on taxable profit for the year. The tax has been calculated in accordance with each country's tax regulations and included in the tax on profit/loss for the year item.

The Group uses the balance sheet method to calculate deferred tax assets and liabilities. In accordance with the balance sheet method, the calculation is based on tax rates as of the balance sheet date as applied to temporary differences between the reported and tax value of an asset or liability, as well as tax loss carry-forwards.

Cash flow

The cash flow statements are prepared in accordance with the indirect method, i.e., profit/loss after financial items are adjusted for transactions that have not given rise to cash receipts and payments during the period, as well as for any income and expenses attributable to the cash flow of investing or financing activities.

Provisions

A provision is recognized when there is a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and an amount can be reliably estimated.

Disclosures about related parties

For disclosures about the group's transactions with related parties, refer to Note 10 "Remuneration for senior executives", Note 30 “Share based payments to employees” and Note 35 "Related party transactions". There were no other transactions with related parties.

Segment reporting

The group has three operating segments: Enterprise Solutions (B2B), Retail (B2C), and OEM. In identifying these operating segments, management generally follows the Group´s service lines representing its mains products and services.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All Inter-segments transfers are carried out at arm´s length prices based on prices charged to unrelated costumers in stand-alone sales of identical goods of services.

For the management purpose, the group uses the same measurement policies as those used in this financial statement, except for certain item not included in determining the operating profit of the operating segment, as follows:

- Share-based payment expenses.
- Research costs relating to new business activities.
- Revenue, costs and fair value gains from investment property.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. This primarily applies to the Group´s headquarter and the illustrative research lab in Korea.

Standard that is not yet effective and have not been adopted early by the group

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

IFRS 18 sets out overall requirements for the presentation and disclosure in financial statements. It requires an entity to present a complete set of financial statements at least annually, with comparative amounts for the preceding year (including comparative amounts in the notes). It replaces IAS 1 Presentation of Financial Statements.

IFRS 18 aims to improve financial reporting by:

- requiring an entity to present two new defined subtotals in the statement of profit or loss—operating profit and profit before financing and income taxes.
- requiring an entity to disclose management-defined performance measures—subtotals of income and expenses not specified by IFRS Accounting Standards that are used in public communications to communicate management’s view of an aspect of a company’s financial performance; and
- adding new principles for aggregation and disaggregation of items.

NOTE 3 – Assessments when applying the Group’s accounting policies and the main sources of uncertain estimates

The assessments below have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Assessments and applications in the financial statements

Preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed periodically. Changes in estimates are recognized in the period in which they are revised if the revision affects only that period, or the period in which the revision is made and future periods if the revision affects both current and future periods.

Critical assessments when applying the group’s accounting policies

When applying the Group’s accounting policies (as described in Note 2), management has made the following assessments that have the most significant impact on the amounts that appear in the financial reports.

Key sources of uncertainty in the estimates

The information below concerns key assumptions about the future and other key sources of uncertainty in the estimates on the balance sheet date that entail significant risk of substantial adjustments to reported assets/liabilities for the next financial year.

Impairment testing of goodwill

Goodwill is not amortized but is subject to at least annual impairment test. When testing for impairment losses, the value in use is calculated for the cash generating unit to which goodwill has been allocated. The value in use is based on the estimated future cash flows that the cash-generating unit is expected to give rise to. The achievement of these cash flows is dependent on management's ability to successfully execute the company's strategic goals. There can be no assurance that these goals will be achieved, and there is inherent uncertainty in any forecast of future cash flows.

As a part of the annual closing process, Anoto tested the value of the Group goodwill and found that there were no Indications of impairment to the Group's remaining goodwill for the current period. The group will continue to review the carrying amount of goodwill against the progress made in the business and specifically in the cash generating unit to which goodwill have been allocated and further adjust goodwill as appropriate.

The reported value for goodwill is MSEK 32 as of the balance sheet date. For additional information, refer to Note 22.

Impairment testing of capitalized development expenditures and other intangible assets

Intangible assets including capitalized development expenditures that are amortized based on management's estimates of the periods in which the assets will generate revenue but are also reviewed regularly for indications of impairment. Impairment tests are based on a review of the recoverable amount, which is estimated based on management's projections of future cash flows using internal business plans and forecasts.

Asset impairment requires management's judgment, particularly in assessing:

- whether an event has occurred that may affect asset values,
- whether there are sufficient financial resources to complete the development, including an estimation of remaining period of development and costs,
- whether the carrying value of an asset can be supported by the net present value of future cash flows, which are estimated based upon the continued use of the asset in the business,
- the appropriate assumptions to be applied in preparing cash flow projections, and
- the discounting of these cash flows.

The value in use is based upon the estimated future cash flows that the technology and products are expected to generate. For additional information, see notes 18.

When testing for impairment losses, the value in use is calculated for the technology and products developed by the group. As a part of the annual closing process, Anoto tested the Group's capitalized development expenditures for impairment and found indications of impairment for one asset, which is nearing its end of life. During the year, we also discontinued development on two projects previously in progress. An impairment totalling 8.3 MSEK was booked for the Group during the year. For additional information, refer to Note 18. The group will continue to review the carrying values of capitalized development expenditures and other intangible assets against the progress made in the business and will further adjust the carrying value of other intangible assets including capitalized development expenditures as appropriate.

Impairment testing of receivables from associates

Anoto tested the value of the Group's receivables from associated company, KAIT and found no evidence of impairment for the current period. The Group applies the general approach under IFRS 9. This involves assessing whether there has been a significant increase in credit risk since initial recognition. Depending on the outcome, the Group recognizes either 12-month ECL or lifetime ECL. The assessment incorporates historical data, current conditions, and forward-looking forecasts. There is significant uncertainty in forecasting future cash flows for KAIT given the status of this entity as a pre-revenue start-up, alongside the extremely rapidly evolving marketplace for AI products in the education sector. Impairment testing was done based on management's best estimates. More information on this can be found in note 37.

The group will continue to review the carrying amounts of its assets related to KAIT against the progress made in the business.

Inventories

The Group values inventory at the lower of historical cost, based on the first-in, first-out basis, and net realizable value. The calculation of net realizable value involves management's judgment as to the estimated sales prices, overstock articles, obsolete and out-dated articles, damaged goods, and selling costs. If the estimated net realizable value is lower than cost, a valuation allowance is established for inventory obsolescence.

Legal proceedings

Anoto recognizes a liability when the Group has an obligation from a past event involving the transfer of economic benefits and when a reasonable estimate can be made of what the transfer might be. The Group reviews outstanding legal cases regularly in order to assess the need for provisions in the financial statements. These reviews consider the factors of the specific case using internal resources and external counsel as appropriate. The financial statements may be affected to the extent that management's assessments of the factors considered are not consistent with the actual outcome.

NOTE 4 – Risk management by the group

The Anoto Board of Directors has adopted a financial policy for:

- Simplifying and harmonizing the Group's financial activities
- Defining rules for the financial risks that are accepted by the Board
- Adopting guidelines for the Group to operate independently
- Delegating management of financial risks to the senior management

The areas of the financial policy that most affect Anoto's management of financial risks are liquidity and currency.
The group management of Anoto identify liquidity and currency risk in preparing budgets, forecasts, and when reviewing the performance of the business. Management maintains strategies to minimize the impact of these risks.

Risk definitions

Liquidity risk	The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.
Loans	Loans are financial liabilities, other than short-term trade payables on normal credit terms.
Market risk	The risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices. There are three types of market risk: currency risk, interest rate risk and other price risk.
Currency risk	The risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in foreign exchange rates.
Interest risk	The risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market interest rates.
Other price risks	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors related to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
Credit risk	The risk that one party to a financial instrument will fail to discharge an obligation and cause a financial loss.

Liquidity policy

In accordance with the Group Finance policy the cash needs of the Group are continually updated. These cash flow analyses give information about cash planning, deposits, interest periods etc. In accordance with the liquidity policy, available cash shall consist of cash and negotiable securities with an official credit rating equivalent to Moody's P1.

Liquidity and financing risk

Anoto´s cash and cash equivalents, as cash and bank deposits, amounted at the end of 2024 to MSEK 4 (3). There is no liquidity reserve, such as overdraft facilities.

The only other financial liabilities, apart from the interest on the loans, that will affect cash flow are accounts payable and other current liabilities. All these liabilities fall due within 3 months.

Maturity structure financial liabilities (KSEK):

2024:

	0-3 months	4-6 months	7-12 months	1-5 years
Borrowings	4,585	56	56	0
Long terms Liabilities	0	0	0	1,372
Lease Liabilities	0	0	0	0
Accounts payable	24,906	0	0	0
Other current liabilities	33,781	0	0	0

2023:

	0-3 months	4-6 months	7-12 months	1-5 years
Borrowings	8,418	0	0	15,600
Long terms Liabilities	0	0	0	174
Lease Liabilities	110	111	224	0
Accounts payable	22,026	0	0	0
Other current liabilities	37,798	0	0	0

Given current liabilities exceed current assets at period end, management recognizes the liquidity risk faced by the Group. Management and the board are of the opinion that 2025 will be a strong recovery year. Despite this assessment, Group management is aware of the risks posed by rising interest rates, the Russian/Ukraine war, and the lasting effects of the pandemic. If the group strategies to increase sales are not successful while Anoto, in whole or in part, fails to raise sufficient capital, or only succeed in doing so on unfavorable terms, there is a risk that the Group will have problems to continue its operations.

Currency exposure and currency policy

Transaction exposure

Transaction exposure arises when the entities within the group have revenue or expenses in a currency other than its functional currency. Anoto has significant currency flows in USD, EUR, GBP, and KRW because most of its invoicing are denominated in these currencies. However, as GBP and KRW are mainly used in our UK and Korean entities respectively, where the functional currency is the same, the transaction exposure in these currencies is low. The Group's currency policy does not provide for hedging, mainly because it is difficult to predict cash flow needs in the relevant currencies.

The net exposure in EUR results from the Group invoicing mostly in EUR for the European market and expenses in our Swedish entities.

The net exposure in USD is attributable to revenue and expenses in USD in a number of subsidiaries, notably Anoto Korea and Anoto AB, where the functional currency is not USD. The Group also uses USD for intercompany transactions, which results in transaction exposure within local entities.

Sensitivity analysis exposure

Sensitivity Analysis (Net Income impact of 5% points change of operating currencies against SEK)

USD	(+/-) 0.9 MSEK
EUR	(+/-) 0.0 MSEK
GBP	(+/-) 0.1 MSEK
KRW	(+/-) 2.9 MSEK
CAD	(+/-) 0.0 MSEK

Translation exposure

Translation Exposure (Translation Reserve (equity) impact of 5% points change of operating currencies against SEK)

USD	(+/-) 17.7 MSEK
EUR	(+/-) 0.0 MSEK
GBP	(+/-) 6.0 MSEK
KRW	(+/-) 9.5 MSEK
CAD	(+/-) 0.0 MSEK

Interest risk

Interest rates and interest rate risk remain high this year amid the highly uncertain global environment. The Group's interest-bearing loans and borrowings have fixed interest rates, with no expectations of receiving loans at higher interest rates in the near future. Management therefore does not consider interest risk a significant exposure at this writing. Details of interest-bearing liabilities are set out in note 31.

Credit risk

The management of credit risks can be broken down into commercial risks and financial risks. The provisions set aside for bad debt losses as of the balance sheet date is based on expected, not incurred credit losses and not identified any commercial credit risks. The financial credit risk on financial transactions is that the company incurs losses as a result of non-payment by counterparts related to investments and bank deposits.

For additional information about credit risk in accounts receivable, see Note 26. Expected loss rates are based on the payment profile for sales over the past 24 months before 31 December 2024, as well as the corresponding historical credit loss during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period. The financial credit risk is managed as part of the Group's finance policy. For other financial instruments, it is assessed that no significant credit risks exist.

For additional information about credit risk in receivables from related parties and impairments done, please see note 37. The parent company's intercompany receivables have been assessed for expected credit loss at year end by applying the general approach under IFRS 9. This involves assessing whether there has been a significant increase in credit risk since initial recognition. Depending on the outcome, the Group recognizes either 12-month ECL or lifetime ECL. The assessment incorporates historical data, current conditions, and forward-looking forecasts.

Note 5 – Segment reporting

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and marketing strategies. Anoto's retail segment delivers high-quality, intuitive smartpens and a robust software ecosystem that allows users to digitize handwritten content instantly. Anoto's Enterprise Solutions unit provides a powerful platform for automated data capture at scale. Organizations use our smartpens and dot-pattern printed forms to digitize handwritten content from clinical, operational, and customer-facing processes—all without changing frontline workflows. Anoto's OEM business has been largely dormant in 2023 and 2024, aside from internal sales to Anoto's other segments. For more information on these segments, please refer to the Directors Report.

Amounts not allocated to segments consists of operating expenses, assets, and liabilities of non-revenue generating, SG&A subsidiaries and elimination adjustments, which are not attributable to any particular segment.

The total presented for the Group´s operating segments reconcile to the financial figures as presented in this financial statement as follows. There is no reportable revenue for the parent company.

(KSEK)	Group 2024	Group 2023
Revenues		
Total Reportable Segment reporting	39,856	60,786
Eliminations	-9,787	-17,774
Group Revenues	**30,069**	**43,012**
Profit and Losses		
Total Reportable Segment reporting	-98,400	-113,068
Other expenses not allocated	-1,481	-16,044
Eliminations	9,787	17,774
Group Operating Profit	**-60,025**	**-68,326**
Financial costs	-1,571	-16,367
Finance income	5,816	699
Group Profit before taxes	**-55,781**	**-83,995**

(KSEK)	Group 2024	Group 2023
Assets		
Total Reportable Segment Assets	391,936	397,041
Other	330,557	478,699
Eliminations	-577,365	-732,125
Group Assets	**145,128**	**143,615**

(KSEK)	Group 2024	Group 2023
Liabilities		
Total Reportable Segment Liabilities	804,814	767,986
Other	257,036	264,393
Eliminations	-997,147	-948,094
Group Liabilities	**64,703**	**84,284**

(KSEK)	For the year ended 31 December 2024 Enterprise Solutions (B2B)	Retail (B2C)	OEM	SG&A Entities	Elimination	Total
Revenue						
From external customers	11,738	18,331	0	-		30,069
From other segments	740	1,252	7,794	-	-9,787	0
Segment Revenue	12,478	19,584	7,794	-	-9,787	30,069
Costs of Goods Sold	1,500	14,338	9,658	-	-9,787	15,709
Depreciation and Amortization	3,221	477	1,837	473	-	6,008
Impairment of Intangibles	0	2,996	5,570	0	-	8,566
Other Operating Expenses [2]	11,024	20,567	27,213	1,008	-	59,812
Segment Operating Profit	-3,267	-18,794	-36,484	-1,481	-9,787	-60,025
Segment Assets	296,069	63,948	31,920	330,557	-577,365	145,128
Segment Liabilities	377,655	211,667	215,492	257,036	-997,147	64,703

(KSEK)	For the year ended 31 December 2023 Enterprise Solutions (B2B)	Retail (B2C)	OEM	SG&A Entities	Elimination	Total
Revenue						
From external customers	19,961	23,073	-21	-	-	43,012
From other segments	1,638	1,538	14,598	-	-17,774	0
Segment Revenue	21,599	24,610	14,577	-	-17,774	43,012
Costs of Goods Sold	3,927	17,982	11,839	-	-17,774	15,973
Depreciation and Amortization	3,575	1,520	1,903	7,503	-	14,502
Impairment of Intangibles [1]	168	2,899	3,927	-	96,818	103,812
Other Operating Expenses [2]	18,918	19,067	27,343	103,967	-192,245	-22,949
Segment Operating Profit	-4,988	-16,858	-30,436	-111,470	95,426	-68,326
Segment Assets	293,761	56,966	46,314	478,699	-732,125	143,615
Segment Liabilities	415,178	173,621	179,187	264,393	-948,094	84,284

[1] *includes impairment of goodwill of 96.8 MSEK, for more information, see note 22.*

[2] *includes all operating income and costs, other than the ones listed separately above, namely amortization and depreciation and impairment of capitalized R&D. In 2023, amount included in “other” column includes the effect the sale of Anoto’s sales in KAIT and the subsequent deconsolidation: a gain on sale of subsidiaries of 92.3 MSEK and a fair value gain on revaluation of the remaining interest in KAIT (Associated investment) of 44.7 MSEK, an subsequent impairment of 38.4 MSEK to the value .*

NOTE 6 – Net sales and assets

Group sales by revenue type

(KSEK)	Enterprise Solutions (B2B)	Retail (B2C)	OEM	Total
Hardware	4,563	18,331		22,894
Royalties and License	7,148			7,148
Professional Services	26			26
31 December 2024 Total	**11,738**	**18,331**		**30,069**

(KSEK)	Enterprise Solutions (B2B)	Retail (B2C)	OEM	Total
Hardware	11,112	23,073	-21	34,164
Royalties and License	8,848			8,848
Professional Services				
31 December 2023 Total	**19,961**	**23,073**	**-21**	**43,012**

Group sales per market and per product group

(KSEK)	Enterprise Solutions (B2B)	Retail (B2C)	OEM	Total
Sweden	126	909		1,035
EMEA	4,885	2,407		7,292
Americas	6,103	15,015		21,118
APAC	624			624
31 December 2024 Total	**11,738**	**18,331**		**30,069**

1) 54% attributable to Germany
2) 80% attributable to United States and 20% to Canada

(KSEK)	Enterprise Solutions (B2B)	Retail (B2C)	OEM	Total
Sweden	109	1,187		1,295
EMEA	12,268	2,896		15,164
Americas	7,192	18,990		26,182
APAC	392		-21	371
31 December 2023 Total	**19,961**	**23,073**	**-21**	**43,012**

1) 76% attributable to Germany and 15% to the UK
2) 83% attributable to United States and 17% to Canada

The Group does not use variable pricing methods. Customers may return items for a full refund (less shipping) within 30 days of purchase.

In presenting the geography information, segment net sales has been based on the geography location of costumers and grouped into three regions plus the Sweden Country.

In 2024, the Group had one customer who comprised more than 10% of the Group's total revenue for the year – Infomax Technologies Corporation (3.6 MSEK)

Group assets per market

(KSEK)	Intangible assets		Tangible assets	
	2024	**2023**	**2024**	**2023**
Sweden	6,506	4,349	33	6
US	33,777	33,806	18	387
UK	5,902	7,195	47	10
Korea	1,391	12,837	581	1,757
Canada	-	-	5	8
Ireland	6,347	-	0	0
Total	**53,924**	**58,188**	**684**	**2,168**

NOTE 7 – Average number of employees

	2024 No. of Ee's	2024 Of which are Men	2023 No. of Ee's	2023 Of which are Men
Group companies:				
Sweden	0	0	1	1
US	0	0	1	0
Korea	9	7	11	8
UK	2	1	0	0
Singapore	0	0	1	1
Canada	1	0	1	0
Jordan	0	0	4	4
Total	**12**	**8**	**19**	**14**

NOTE 8 – Board of Directors and management split by gender

	2024 No. of Ee's	2024 Of which are Men	2023 No. of Ee's	2023 Of which are Men
Board of Directors Parent company	4	4	4	4
Board of Directors Group companies	4	4	6	6
Total Board	**8**	**8**	**10**	**10**
Management Group companies	6	5	3	3
Total Management	**6**	**5**	**3**	**3**

NOTE 9 – Salaries and remuneration

(KSEK)	2024	2023
Salaries		
Board of Directors and CEO*	4,453	6,187
Other senior executives*	12,311	1,624
Other employees Sweden	-	339
Other employees UK	577	-
Other employees Korea	4,543	8,578
Other employees Canada	476	431
Total salaries	**22,360**	**17,159**
Payroll overhead		
Board of Directors and CEO*	259	1,279
Other senior executives*	552	205
Other employees Sweden	6	115
Other employees UK	42	-
Other employees Korea	568	923
Other employees Portugal	12	23
Other employees Canada	58	51
Total payroll overhead	**1,497**	**2,596**
Pension expenses		
Other employees Korea	1,231	638
Total pension expenses	**1,231**	**638**
Total salaries and remunerations	**25,089**	**20,393**

Whereof:		
Sweden*	14,072	3,705
UK	2,388	-
Korea	8,082	11,968
Portugal	12	23
Singapore	-	4,215
Canada	534	482
Total	**25,089**	**20,393**

**A number of senior executives, including Group CEO - Mats Karlsson and CFO - Hans Haywood are not direct employees of the Group, but rather invoice as consultants from their own companies. Of the total salaries and remunerations figure presented in this note, 12.8 MSEK are as a result of consultant invoicing rather than employee compensation. All senior executives invoicing as consultants are contracted under our Swedish entity, Anoto AB.*

Salaries and other remunerations are included in the statement of comprehensive income headlines as follows:

(KSEK)	**2024**	**2023**
Selling expenses	9,127	7,822
Administrative expenses	5,289	4,054
R&D expenses	10,672	8,517
Total	**25,089**	**20,393**

Salary and remuneration in Korea include severance benefits accrued in accordance with local labour laws, which vary depending on a number of factors, including length of service, average wage, and reason for severance.

NOTE 10 – Remuneration of the Board of Directors, CEO and management

Board and CEO 2024	**(KSEK)**	**Salary/ Remuneration**	**Bonus**	**Pension**	**Other Remuneration**	**Total**
Mats Karlsson	CEO	2,000	-	-	-	2,000
Hans Haywood	Ex-CEO, CFO	3,496	-	-	-	3,496
Joonhee Won	Ex-CEO	723	-	-	493	1,216
Kevin Adeson	Chairman of the Board	411	-	-	-	411
Dennis Song	Ex-Chairman of the Board	162	-	-	-	162
Gary Stolkin	Board Member	137	-	-	-	137
Alexander Fallstrom	Board Member	137	-	-	-	137
Adrian Weller	Board Member	7	-	-	-	7
Injoon Jeong	Ex-Board Member	54	-	-	-	54
Pedro Pinto	Ex-Board Member	48	-	-	-	48
Total1)		**7,175**	**-**	**-**	**493**	**7,668**

Board and CEO 2023	**(KSEK)**	**Salary/ Remuneration**	**Bonus**	**Pension**	**Other Remuneration**	**Total**
Hans Haywood	CEO	462	-	-	-	462
Joonhee Won	Ex-CEO	4,168	-	-	411	4,579
Dennis Song	Chairman of the Board	332	-	-	-	332
Jorgen Durban	Ex-Chairman of the Board	697	-	-	411	1,108
Anders Sjogren	Ex-Chairman of the Board	348	-	-	-	348
Hyun Yong Kim	Board Member	150	-	-	-	150
Injoon Jeong	Board Member	16	-	-	-	16
Pedro Pinto	Board Member	16	-	-	-	16
Total 1)		**6,187**	**-**	**-**	**822**	**7,009**

Management 2024	**Salary/ Remuneration**	Bonus	**Pension**	Other Remuneration	**Total**
Other senior executives 2)	9,589	-	-	394	9,984
Total	**9,589**	-	**-**	394	**9,984**

Management 2023	Salary/ Remuneration	Bonus	Pension	Other Remuneration	Total
Other senior executives [2)]	1,624	-	-	205	1,829
Total	1,624	-	-	205	1,829

[1)] Compensation to Board members (Board fees) are paid from the parent company. Compensation to the CEO may originate from other Group companies or associate companies.
[2)] Compensation to Group management may originate from Group companies. No severance payments have been paid to management during the year

Guidelines for compensation to the Executives of the Company

Anoto did not adopt new guidelines at the last AGM and have during 2024 applied the guidelines adopted at the AGM 2020.

The compensation level and structure shall be at market level. The total compensation shall be a balanced mix of fixed salaries, variable compensation, retirement and health plans, any other benefits and terms for dismissal and severance payments. The compensation may also comprise stock related long term incentive programmes.

The variable compensation varies for each executive and shall primarily be related to Anoto´s budget and may not exceed fifty per cent of the fixed salary. The retirement plan shall be competitive. Other benefits, like health plans, housing allowances and company cars, shall be competitive.

As a main rule, all Executives shall have a mutual notice period of three months. There have been no severance packages agreed to with the current executive team.

Stock related incentive plans are to be determined by the AGM. Issues and transfers of securities determined by the AGM according to the rules of Chapter 16 in the Swedish Companies Act are not comprised by these guidelines in case the AGM has or will make such decisions.

Board members of the Company, elected by the AGM, may in special cases receive a fee for services performed within their respective areas of expertise, separately from their board duties and for a limited period of time. Compensation for these services shall be paid at market terms.

The Board of Directors shall be entitled to deviate from these guidelines in a certain case should there be specific reasons.

NOTE 11 – Audit Fees

Audit fees refer to the audit of the financial statements and the accounting records. For the Parent company this also includes the administration of the business by the Board of Directors and the CEO.

Other services relate mainly to consultancy services, such as services related to prospectuses, review of quarterly reports, and general advice related to annual report and ESEF.

(KSEK)	2024	2023
BDO		
Audit assignment, BDO	2,861	3,434
Other services	215	151
Total	**3,076**	**3,585**
Other auditors		
Audit assignment, other auditors	17	96
Total	**17**	**96**
Total	**3,093**	**3,680**

NOTE 12 – Operating costs by type

(KSEK)	Note	Group 2024	Group 2023
Cost of goods sold		-15,709	-15,973
Personnel cost	9	-25,089	-20,393
External services		-13,791	-15,955
Rent		-722	-455
Travel expenses		-1,764	-1,785
Marketing and PR		-3,013	-4,537
Depreciation and amortisation	15	-6,008	-14,502
Impairment [1)]	15	-9,051	-103,812
Other expenses		-13,081	-7,997
Total		**-88,229**	**-185,410**

[1)] includes impairment of capitalized R&D of 8.6 MSEK in 2024 and impairment of capitalized R&D of 7.0 MSEK and impairment of goodwill of 96.8 MSEK in 2023, for more information, see note 18 and 22.

NOTE 13 – Other operating income

(KSEK)	2024	2023
Exchange gains	-	-
Proceeds from sale of participation in group companies	-	137,065
Other operating income	1,989	30
Total	**1,989**	**137,096**

In 2023, Anoto AB sold 2.75 million shares it owned of KAIT at a value of USD 1 per share, for 29.6 MSEK. The valuation was done at USD 1 per share which has implied valuation of USD 9 million on an outstanding basis, and USD 12 million on a fully-diluted basis. Anoto is still the largest shareholder of KAIT but the sale resulted in Anoto owning 47%, and a loss of controlling interest. The effect of the transaction means a gain on sale of subsidiaries of 92.3 MSEK, as well as a fair value gain on revaluation of the remaining interest in KAIT (Associated investment) of 44.7 MSEK. Subsequently at year end, Anoto's carrying value of KAIT was tested for impairment by calculating its recoverable amount and recognized an impairment loss of 38.4 MSEK to Anoto's remaining fair value investment in KAIT and 13.6 MSEK to Anoto's loans receivable from KAIT. More information on this can be found in note 36.

NOTE 14 – Other operating costs

(KSEK)	Group 2024	Group 2023
Other operating expenses [1)]	-3,069	-1,562
Results from Associates	-	-6,267
Loss on Sales of Fixed Assets	-499	-100
Exchange losses	-286	-3,051
Loss at valuation to fair value of investment [2)]	-	-38,453
Impairment of receivables from associates	-	-13,591
Total	**-3,855**	**-63,024**

[1)] Includes other expensed research and development costs and other minor operating expenses that do not fall into other categories.

[2)] Impairment loss of 38.4 MSEK to Anoto's remaining fair value investment in KAIT in 2023, for more information, see note 36

NOTE 15 – Depreciation, amortization and impairment

Depreciation of property, plant and equipment and amortization and impairment of intangible fixed assets are included in the statement of comprehensive income as follows:

(KSEK)	2024	2023
Amortization intangible fixed assets		
Research & development expenses	-5,904	-13,138
Total amortization intangible fixed assets	**-5,904**	**-13,138**
Depreciation tangible fixed assets		
Administrative expenses	-104	-1,364
Total depreciation tangible fixed assets	**-104**	**-1,364**
Impairment intangible fixed assets		
Research & development expenses [1)]	-9,051	-103,812
Total impairment intangible fixed assets	**-9,051**	**-103,812**
Total amortization, depreciation and impairment	**-15,058**	**-118,314**

[1)] 2023 amount includes a goodwill impairment of 96.8 MSEK, which includes a full impairment of Anoto Korea's goodwill 37.6 MSEK and an impairment of 59.3 MSEK for the Group's impairment in Livescribe. For more information on this, see Note 22.

The group reviews intangible assets on a regular basis to determine if these have been impaired and if the estimated recoverable amount is less than the carrying value an impairment is recognised. Capitalized technology was tested for impairment during the fourth quarter of 2024, and we noted indicators for impairment for Echo2, as such a full impairment of 557 KSEK was booked. During the year, the Group also discontinued work on a few projects that were previously in progress, which accounts for the remaining impairment amount in 2024.

NOTE 16 – Financial income and expenses

(KSEK)	2024	2023
Financial income		
Interest income	1,476	699
Exchange gains	4,340	-
Total financial income	**5,816**	**699**
Financial expenses		
Interest expenses on loans	-1,571	-4,632
Other financial expenses	0	-1,130
Exchange losses	0	-10,605
Total financial cost	**-1,571**	**-16,367**
Total financial net income/(expense)	**4,244**	**-15,668**

NOTE 17 – Income taxes and deferred taxes

(KSEK)	2024	2023
Current tax expense	0	0
Deferred tax	0	-244
Total	**0**	**-244**

Correlation between tax expense for the year and reported profit/loss before tax

(KSEK)	2024	2023
Reported profit/(loss) before tax	-55,781	-83,995
Tax in accordance with current tax rate of 20,6% (20,6%)	11,491	17,303
Other	-	-
Tax impact of non-deductible expenses	-217	-30,892
Tax impact of non-taxable income	-	28,235
Increase/decrease of tax deficits without corresponding capitalization	-11,273	-14,890
Tax reported	**0**	**-244**

Tax deficit

(KSEK)	2024	2023
Opening balance Swedish companies	-1,277,341	-1,181,648
Opening balance foreign companies	-1,661,341	-1,571,052
Opening balance adjust from prior year	-	-
Tax deficit of the year Swedish companies	-124,254	-95,693
Tax deficit of the year foreign companies	-74,923	-90,289
Closing tax deficit	**-3,137,860**	**-2,938,682**
Nominal amount, tax asset 20.6% Swedish companies	**646,399**	**605,369**

No tax effect on issue costs is reported due to group deficits. This refers to the year's issue costs as well as previous years' issue costs.

Due to the fact that the Group still reports a loss, the value of deferred tax assets is not recognised in the balance sheet. Some of the amounts above can be subject to limitations in the future. The deferred tax charge and deferred tax liabilities in the Group relate to intangible fixed assets.

NOTE 18 – Capitalised development expenditures

(KSEK)	2024	2023
Accumulated historical cost		
Opening accumulated historical cost	156,490	155,113
Capitalization for the year [1)]	5,151	1,337
Translation difference	585	41
Closing accumulated historical cost	**162,226**	**156,490**
Accumulated amortization		
Opening accumulated amortization	-70,207	-58,076
Amortization for the year according to plan	-4,857	-12,131
Closing accumulated amortization	**-75,065**	**-70,207**
Accumulated impairment losses		
Opening accumulated impairment losses	-66,343	-59,349
Impairment losses for the year [2)]	-8,566	-6,994
Closing accumulated impairment losses	**-74,909**	**-66,343**
Closing residual value	**12,253**	**19,939**

[1)] *Internally developed*
[2)] *2024 value consists of a full impairment of the remaining value of Echo2 and several in-progress R&D projects that were discontinued during the year. 2023 value consists of a partial impairment of Echo2 and a full impairment of assets related to KAIT, which was deconsolidated from the Group during the year.*

Capitalised development expenditures comprise costs incurred on the development of products and technology.

Carrying amount and remaining amortization period of significant assets:
ACE: Anoto Cloud for Enterprise – 7,101 – 3 years remaining

Remaining portion 5,152 KSEK is made up of R&D projects in-progress, mainly consisting of 2 projects, which are expected to launch in 2025 and includes new hardware and software solutions for both B2B and B2C business lines.

When testing for impairment losses, the value in use is calculated for the technology and products developed by the group. The value in use is based upon the estimated future cash flows that the technology and products are expected to generate. If book value exceeds the value in use for a specific asset, the value is impaired.

Amortization by function is shown in note 15.

Capitalized technology was tested for impairment during the fourth quarter of 2024, and we noted indicators for impairment for Echo2, as such a full impairment of 557 KSEK was booked. During the year, the Group also discontinued work on a few projects that were previously in progress, which accounts for the remaining impairment amount in 2024. We also reviewed amortization estimates, methods and the amortization periods for our intangible assets and noted no indicators that warranted a change in amortization.

(KSEK)	**ACE Assumed Value**	**ACE Changed Value**	**WIP Projects Assumed Value**	**WIP Projects Changed Value**
Perpetual growth rate	2.00%	2.00%	2.00%	2.00%
Discount rate before tax	22.44%	27.53%	22.80%	31.86%
Operating profit margin- 10 year average	14%	9%	25%	9%

The tables above sets out the assumed values for the variables used in the calculation of future value in use to estimate cash flow and the changed values which, when adjusted together, would result in a recoverable value equal to the carrying value, resulting in an impairment. In 2024, our impairment tests indicate there is headroom of 5 MSEK for ACE and an average headroom of 20 MSEK for the two projects in progress, indicating no impairments were necessary in the year.

NOTE 19 – Patents

(KSEK)	2024	2023
Accumulated historical cost		
Opening accumulated historical cost	80,784	80,167
Acquisitions	406	684
Translation difference	57	-67
Closing accumulated historical cost	**81,247**	**80,784**
Accumulated amortization		
Opening accumulated amortization	-76,656	-76,059
Amortization for the year according to plan	-634	-597
Closing amortization	**-77,290**	**-76,656**
Closing residual value	**3,957**	**4,128**

NOTE 20 – Brands

(KSEK)	2024	2023
Accumulated historical cost		
Opening accumulated historical cost	2,925	2,779
Acquisitions	1,172	158
Translation difference	30	-11
Closing accumulated historical cost	**4,127**	**2,925**
Accumulated amortization and impairment losses		
Opening accumulated amortization	-2,414	-2,357
Amortization for the year according to plan	-63	-58
Closing amortization and impairment losses	**-2,477**	**-2,414**
Closing residual value	**1,650**	**511**

NOTE 21 – Other intangible assets

(KSEK)	2024	2023
Accumulated historical cost		
Opening accumulated historical cost	58,853	58,853
Acquisition of License	-	-
Translation difference	-1	-
Closing accumulated historical cost	**58,852**	**58,853**
Accumulated amortization and impairment losses		
Opening accumulated amortization	-54,692	-54,333
Amortization for the year according to plan	-350	-352
Translation difference	-	-6
Closing amortization and impairment losses	**-55,042**	**-54,692**
Closing residual value	**3,810**	**4,161**

NOTE 22 – Goodwill

(KSEK) 2024	Livescribe	Anoto Korea	Total
Accumulated historical cost 2024			
Opening accumulated historical cost	118,863	37,559	156,422
Translation differences	11,323	-1,359	9,964
Closing accumulated historical cost 2024	**130,186**	**36,200**	**166,386**
Opening accumulated impairment losses	-89,414	-37,559	-126,973
Translation differences	-8,518	1,359	-7,159
Impairment losses for the year	0	**0**	0
Closing accumulated impairment losses 2024	**-97,931**	-36,200	**-134,132**
Closing net balance 2024	**32,255**	**0**	**32,255**

(KSEK) 2023	Livescribe	Anoto Korea	Total
Accumulated historical cost 2023			
Opening accumulated historical cost	123,545	40,247	163,792
Translation differences	-4,682	-2,688	-7,370
Closing accumulated historical cost 2023	**118,863**	**37,559**	**156,422**
Opening accumulated impairment losses	-31,342	-	-31,342
Translation differences	1,188	-	1,188
Impairment losses for the year	-59,259	-37,559	-96,818
Closing accumulated impairment losses 2023	**-89,414**	**-37,559**	**-126,973**
Closing net balance 2023	**29,449**	**0**	**29,449**

Impairment testing

In the beginning of 2012 Anoto acquired the UK based company Ubiquitous Systems Ltd, creating an additional goodwill of 13,6 MSEK. In relation to Shanwell Holding Ltd, 18,5 MSEK was added to the total goodwill balance. During 2014 Ubiquitous Systems Ltd was transferred to Shanwell Holding Ltd which became Anoto Ltd.

During the fourth quarter of 2015 the Group acquired the US based company Livescribe, Inc., creating an additional goodwill of 102,5 MSEK.

On 31 May 2016 Anoto Group AB acquired the remaining 81% of the shares and votes in the company Pen Generations Co. Ltd. for MSEK 38,9. Pen Generations Co. Ltd. has been a longstanding Anoto partner.

The one remaining cash generating units with a goodwill balance was tested for impairment in 2024 and we found no indicators of impairment.

Impairment testing of goodwill is performed for each cash generating unit annually or more frequently when an indication of a decline in value occurs. The recoverable value for Group business is defined based on calculations of value in use.

When assessing the value of the cash generating units, a discount factor of 22.80% (18.86%) and a perpetual growth rate after 5 years of 2.0% (2.0%) have been used for Livescribe.

Ten year forecasts and cash flow estimations have been prepared by management including new software revenue stream for Livescribe and management's estimates of sales and margins in relation to new sources of revenue that are now being developed.

Forecasts are done in line with consideration of the Group's performance in prior periods and the Group's strategy for the next years, using the most up to date knowledge about the business and the market. Nevertheless, actuals may not follow as expected, and in the past Anoto faced some non-recurring issues that had negative material impact on revenues such as production disturbances from technical issues to changing manufacturing supplier with ramp-up period higher than expected.

Important variables

Market Growth	Group management expects long-term positive development in the markets where Anoto´s products are used. The growth forecasts are built on underlying forecasts and discussions with partners and customers together with expected long-term growth and take into account of past experience and other external sources of information.
Discount Rate	The discount rate of 22.80% has been used for Livescribe, which reflects uncertainties caused by the continued effects of COVID, the Russia/Ukraine war, and the resulting highly uncertain global environment reflected in rising interest rate. It is also determined with regards to the market conditions and the required return of the Group. Considering Anoto´s current tax position where the Group companies will not pay any tax over the foreseeable future, the difference between discount rate before and after tax will be minimal.
Gross Profit	The long-term forecasted gross profit is calculated carefully. Gross margins have been reviewed for each cash generating entity based on the past performance and management's expectation for the future and take into account margin improvement initiatives that have been negotiated with customers and suppliers. Assumed values for gross margins have been updated compared to the prior year following changes and reallocations between parts of the business, changes in forecasts and changes in sales mix affecting the gross margin in the respective cash generating unit.
Cost Increase	Cost increases have been forecasted for each cash generating unit in line with increases in revenue and in consideration of inflation.
Perpetual growth rate	The company believes that a reasonable perpetual growth rate would be around the average historical inflation rate. Also, consideration is taken to the annual inflation rate target from the Swedish Central bank which is 2.0%.

Goodwill in relation to Anoto Limited and Anoto Korea were written down to zero in 2018 and 2023, respectively.

(KSEK)	Livescribe Assumed Value	Livescribe Changed Value
2024		
Perpetual growth rate	2.00%	2.00%
Discount rate before tax	22.80%	26.57%
Gross Profit - 10 year average	58%	52%
Cost increase - 10 year average	7%	15%

(KSEK)	Livescribe Assumed Value	Livescribe Changed Value	Anoto Korea Assumed Value	Anoto Korea Changed Value
2023				
Perpetual growth rate	2.00%	2.00%	2.00%	2.00%
Discount rate before tax	18.86%	18.86%	21.40%	21.40%
Gross Profit	20%-35%	20%-35%	19%-24%	19%-24%
Cost increase	3%-32%	3%-32%	5%-28%	5%-28%

The tables above sets out the assumed values for the variables used in the calculation of future value in use to estimate cash flow and the changed values which, when adjusted together, would result in a recoverable value equal to the carrying value, resulting in an impairment. In 2024, our impairment tests indicate there is headroom of 164 MSEK between recoverable value and carrying value, indicating no impairments were necessary in the year.

Given impairments were recognized for both CGU's in 2023 to bring carrying value down to recoverable value, any changes to the variables in the impairment test, in the case of Livescribe would result in further impairment. And in the case of Anoto Korea, where goodwill was reduced to zero, any changes to the assumed values below will have no further impact on impairment of its goodwill.

NOTE 23 – Property, plant, and equipment

(KSEK)	2024	2023
Accumulated historical cost		
Opening accumulated historical cost	65,167	65,163
Additions for the year	87	351
Translation difference	-378	-347
Closing accumulated historical cost	**64,876**	**65,167**
Accumulated depreciation and impairment		
Opening accumulated depreciation	-62,999	-59,952
Depreciation for the year according to plan	-709	-2,274
Impairment of Fixed Assets	-485	-93
Deconsolidation of KAIT assets	0	-681
Closing depreciation and impairment losses	**-64,192**	**-62,999**
Closing residual value	**684**	**2,168**

NOTE 24 – Other long-term Receivables

(KSEK)	2024	2023
Opening balance	709	1,483
Additions	91	231
Settlements	-58	-1,005
Total	**743**	**709**

NOTE 25 – Inventory

(KSEK)	2024	2023
Raw material (components)	2,629	5,339
Finished goods	11,869	23,068
Total	**14,498**	**28,407**

In 2024, a total of COGS 15,709 KSEK (2023: COGS 15,973 KSEK) of inventory was included in profit and losses as an expense. Of this amount, 2,971 KSEK is related to write-downs due to obsolete or damaged inventory.

NOTE 26 – Accounts receivable

(KSEK)	2024 Gross	2024 Net	2024 Provision %	2023 Gross	2023 Net	2023 Provision %
Not due	544	544	0%	1,488	1,488	0%
Due 1 - 30 days	129	129	0%	2,372	2,372	0%
Due 31 - 60 days	388	104	73%	7,116	7,045	1%
Due 61 - 90 days	31	-	100%	194	-	100%
Due more than 90 days	-247	-247	0%	4,042	2,600	36%
Total	**844**	**530**	**37%**	**15,212**	**13,505**	**11%**

The possibility that the Group's customers will not fulfil their payment obligations is a credit risk. The Group´s customers undergo credit checks and information about their financial positions are obtained from various credit reporting agencies. The Group has a policy that guides the extension of credit to customers.

The provision for doubtful receivables amounts to KSEK 315 (1,708). Assessment of the need for provisions against accounts receivable more than 60 days overdue are made on an individual basis. There was a reversal of loss allowance booked during the year (307 KSEK) indicating a recovery of aged receivables previously provisioned.

Changes in the allowance for doubtful accounts during the fiscal years ended December 31, 2024 and 2023 were as follows:

(KSEK)	2024	2023
Loss allowance as at 1 January calculated under IAS 39	1,708	2,747
Loss Allowance recognised during the year	-307	-918
Receivables written off during the year	-1,086	-122
Loss allowance as at 31 December	**315**	**1,708**

Apart from the reserve for bad debts, the company believes that the credit worthiness of its customers is satisfactory. No security related to accounts receivable are held by Anoto.

The gross amount in the table above represents the maximum credit exposure.

	2024			2023		
Concentration of credit risk	**Number of customers**	**% Total number of customers**	**% Share of value**	**Number of customers**	**% Total number of customers**	**% Share of value**
Exposure < 1 MSEK	26	100%	100%	48	92%	29%
Exposure 1-10 MSEK	0	0%	0%	4	8%	71%
Exposure > 10 MSEK	0	0%	0%	0	0%	0%
Total	**26**	**100%**	**100%**	**52**	**100%**	**100%**

NOTE 27 – Prepaid expenses and accrued income

(KSEK)	2024	2023
Prepaid insurance	178	235
Prepaid software licenses	359	443
Prepaid contractor fee	1,985	1,985
Prepaid manufacturing costs	-	826
Other	284	24
Total	**2,806**	**3,514**

NOTE 28 – Provisions

(KSEK)	2024	2023
Opening balance	2,094	219
New provisions	611	1,875
Unutilized amount returned	0	0
Total	**2,705**	**2,094**

Includes provisions for severance benefits to employees in our Korean entity and for product warranty commitments relate essentially to the sale of pens during 2024 and 2023. The provisions are based on calculations made on historical data for warranties related to the sale of pens. The whole amount is expected to be paid within 12 months.

NOTE 29 – Accrued expenses and deferred income

(KSEK)	2024	2023
Accrued employee compensation and benefits	4,001	2,737
Accrued royalties and interest	800	414
Accrued board compensation	2,492	3,995
Deferred income	4,061	7,979
Other services and goods	11,612	7,246
Total	**22,966**	**22,371**

Revenue recognized in 2024 that was included in contract liability (deferred income) balance at the beginning of the period KSEK 4,238.

NOTE 30 – Share-based payments to employees

Option Program

As of December 31, 2024, Anoto Group has the following valid option programs:

In Q2 2021, an incentive scheme for senior executives was adopted that comprises a maximum of 17,789,489 stock options at a subscription price equal to 120 per cent of the average volume weighted closing price of Anoto Group's shares on Nasdaq Stockholm for each trading day during the period from 8 June 2021 up to and including 29 June 2021. The maximum number of stock options to be allocated to the CEO (Perry Ha) is 6,469,745 and to each of the other senior executive is between 200,000 and 4,313,163. The vesting period for the issued options are as follows: one third of the options will become exercisable one year after the date of grant of the options. Thereafter, the remaining two thirds of the options vest on a pro rata basis, with 1/24 per month, until all options have vested. All options can be exercised three years after the date of grant of the options. The stock options can be exercised to purchase common stock in the Company no later than on the fifth anniversary from the date of grant of the options minus one day, after which any outstanding options lapse. Perry Ha, resigned in December 2021 and the Board has granted him 2,156,581 options and cancelled all other options. Perry's options vested on March 5, 2022 and will expire three years from the date of vesting. As of 31 December 2024, there were 4,556,581 options outstanding.

In Q3 2022, an incentive scheme for senior executives was adopted that comprises a maximum of 14,000,000 stock options at a subscription price equal to 120 per cent of the average volume weighted closing price of Anoto Group's shares on Nasdaq Stockholm for each trading day during the period from 20 June 2022 up to and including 4 July 2022. The maximum number of stock options to be allocated to the CEO (Joonhee Won) and Chairman of the Board (Jorgen Durban) is 7,000,000 each. The vesting period for the issued options are as follows: the options vest on a pro rata basis, with 1/36 per month, until all options have vested. All options can be exercised three years after the date of grant of the options. The stock options can be exercised to purchase common stock in the Company no later than on the fifth anniversary from the date of grant of the options minus one day, after which any outstanding options lapse. Upon Jorgen Durban's resignation from the Board in 2023, it was resolved that his options shall be considered to be vested for two years, corresponding to two-thirds of the 7 million options awarded to Jörgen Durban within the framework of the aforementioned incentive program. The options of series shall be exercisable at the third annual general meeting that follows the grant of the options (Annual General Meeting 2025). The options shall thereafter be exercisable for two years from the first day on which they can be exercised. As of 31 December 2024, there were 11,666,667 options outstanding.

Grant Date	Strike Price	Expiry	Number of Options 2024	2023
6/30/2021	1.06	6/29/2026	2,400,000	3,400,000
8/19/2021	1.06	3/5/2025	2,156,581	2,156,581
7/17/2022	0.81	7/16/2027	11,666,667	11,666,667

	2024 Average exercise price per share option	2024 Number of options	2023 Average exercise price per share option	2023 Number of options
As at 1 January	0.89	17,223,248	0.88	19,556,581
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	1.06	1,000,000	0.81	2,333,333
As at 31 December	0.88	16,223,248	0.89	17,223,248
Vested and exercisable at 31 December		14,862,137		12,962,136

No payments are due or have been paid on the grant of options and no options have been exercised during the year.

The value of outstanding options is calculated using the Black & Scholes valuation model, using a risk-free rate of 0.9 and 2.11 for the 2021 and 2022 programs, respectively. As at December 31, 2024, the value of outstanding options amounts to KSEK 2,455 (2,634). A total of KSEK 308 (974) has been charged as personnel costs in the income statement. This amount does not include social security cost.

NOTE 31 – Interest bearing liabilities

(KSEK)	Nominal interest	Maturity	2024 Nom. Value	2024 Book value	2023 Nom. Value	2023 Book value
Third party loans	3.7%-12.7%	**2025**	4,644	4,644	8,242	8,242
Leasing	3%	**2024**	0	0	445	445
Total interest bearing liabilities			**4,644**	**4,644**	**8,686**	**8,686**

NOTE 32 – Leasing

Right-of use assets are included in the balance sheet under property, plant and equipment, and the corresponding lease liability is included in current liabilities. The group had no leases reporting under IFRS 16 as at year end 2024.

Changes to right-of-use assets and lease liability during the year:

(KSEK)	Right-of-Use Asset	Lease Liability
01/01/2024	**349**	**445**
Amortization	0	0
Remeasurement upon lease termination[1)]	-349	-445
31/12/2024	**0**	**0**

[1)] *Early termination of Boston office lease in Q4 2023, retroactively adjusted in 2024*

Lease payments not recognized as a liability

The group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months of less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

(KSEK)	2024	2023
Short-term lease	353	0
Variable lease payments	261	240
	616	**240**

NOTE 33 – Reconciliation of liabilities arising from financing activities

The changes in the group's liabilities arising from financing activities can be classified as follows:

(KSEK)	Long-term borrowings	Short-term borrowings	Total
01/01/2024	**15,600**	**8,686**	**24,286**
Cash flows:			
- Repayments	0	-1,189	-1,189
- Proceeds	0	23,333	23,333
Non-cash			
- Reclassification [1)]	-15,600	-26,186	-41,786
31/12/2024	**0**	**4,644**	**4,644**

(KSEK)	Long-term borrowings	Short-term borrowings	Total
01/01/2023	**14,183**	**56,494**	**70,677**
Cash flows:			
- Repayments	-14,183	-24,798	-38,980
- Proceeds	15,600	10,455	26,055
Non-cash			
- Reclassification [2)]	0	-33,465	-33,465
31/12/2023	**15,600**	**8,686**	**24,286**

1) All convertible bonds were converted to shares in the set-off issue during the year
2) Deconsolidation of KAIT entities in 2023 removed their liabilities from the Group's balance sheet (34 MSEK)

NOTE 34 – Financial instruments

Group 2024	**Amortised Cost**	**FVTPL**	**FVOCI**	**Derivatives used for hedging (FV)**	**Total**
Accounts receivable and other short- and long-term receivables	72,214	-	-	-	72,214
Liquid assets, incl. current investment	3,809	-	-	-	3,809
Assets	**76,022**	**-**	**-**	**-**	**76,022**
Convertible debt and short-term loans [1)]	4,644	-	-	-	4,644
Accounts payable	24,906	-	-	-	24,906
Other liabilities	35,153	-	-	-	35,153
Liabilities	**64,703**	**-**	**-**	**-**	**64,703**

Group 2023	**Amortised Cost**	**FVTPL**	**FVOCI**	**Derivatives used for hedging (FV)**	**Total**
Accounts receivable and other short- and long-term receivables	43,178	-	-	-	43,178
Liquid assets, incl. current investment	2,616	-	-	-	2,616
Assets	**45,794**	**-**	**-**	**-**	**45,794**
Convertible debt and short-term loans [1)]	24,286	-	-	-	24,286
Accounts payable	22,026	-	-	-	22,026
Other liabilities	37,972	-	-	-	37,972
Liabilities	**84,284**	**-**	**-**	**-**	**84,284**

1) 2023 convertible debt comprises of 18.6 MSEK loan secured during the year. The investors have the right to convert the loan into equity at market price without discount, as an alternative to cash repayment. An additional 15.8 MSEK of convertible loans was secured in 2024, all convertible bonds were converted to shares in the set-off issue in 2024. The subscription price per ordinary share is SEK 0.09, which corresponds to 75 percent of the subscription price in the Rights Issue.

NOTE 35 – Related parties

Related parties (KSEK)		**Selling of goods and services**	**Purchasing of goods and services**	**Sale of shares in KAIT**	**Receivable from related party on 31 December**	**Liability to related party on 31 December**
Third party	**2024**	-	2,859	-	-	- -1,914
Associate company	**2024**	-	-	-	35,543	-
Third party	**2023**	-	199	-14,616	-	-
Associate company	**2023**	-	1,447	-	32,259	-1,617

During the year, the Group utilized the services of The Talent Business Ltd, a company related to Gary Stolkin, who is a member of the Board of Directors of Anoto Group AB. A total of 70,000 GBP was paid for recruitment services provided for the hiring of key personnel. In addition, the group accrued a success fee of $175,000 USD related to the ongoing share issuance, payable to Kevin Adeson, Chairman of the Board of Directors of Anoto Group AB.

NOTE 36 – Investment in associates

(KSEK)	2024	2023
Accumulated historical cost		
Opening accumulated historical cost	38,453	0
Addition during the year	0	42,606
Associates net income for the year	0	-4,153
Closing accumulated historical cost	**38,453**	**38,453**
Accumulated impairment losses		
Opening accumulated impairment losses	-38,453	0
Impairment losses for the year	0	-38,453
Closing accumulated impairment losses	**-38,453**	**-38,453**
Closing residual value	**0**	**0**

Knowledge AI Holdings Pte, incorporated in Singapore (company UEN: 202138904M), and its subsidiaries (KAIT) was deconsolidated from the Group in July 2023, of which Anoto was previously majority shareholder. Post deconsolidation, KAIT is treated as an associate company, with Anoto owning 45% share. Anoto and KAIT have a licensing agreement in place, allowing KAIT to purchase Anoto's hardware at a discounted price and for use of Anoto's technology in exchange for a royalty fee paid as a percentage of sales. Anoto has no other obligations towards KAIT.

At year-end 2023, Anoto's carrying value of KAIT was tested for impairment by calculating its recoverable amount. There is significant uncertainty in forecasting future cash flows for KAIT given the status of this entity as a pre-revenue start-up, alongside the extremely rapidly evolving marketplace for AI products in the education sector. Based on management's best estimate of KAIT's net realizable value, it was determined that Anoto's carrying amount of KAIT exceeds its recoverable amount. We therefore recognized an impairment loss of 38.4 MSEK to Anoto's remaining fair value investment in KAIT.

At year end 2024, Anoto maintains an ownership of 45% share of KAIT, which continues to operate as a pre-revenue start-up, with revenues of less than $1K USD during the year. Their consolidated 2024 financials are presented as below, based on the information that has been provided to Anoto by KAIT's management team. It should be noted that these numbers have not been audited by us or by external auditors, as such, we cannot provide assurance on the fairness of these financials.

(USD)	2024
Profit/loss for the year	697,463
Other comprehensive Income	16,519
Total comprehensive income	713,982
Current Assets	408,987
Non-current Assets	36,123
Total Assets	445,110
Current Liabilities	1,573,896
Non-current Liabilities	5,639,861
Total Liabilities	7,213,757

NOTE 37 – Receivables from Associates

The possibility that the Group's associate (KAIT) will not fulfil their payment obligations is a credit risk. The Group assesses credit risk by applying the general approach under IFRS 9. This involves assessing whether there has been a significant increase in credit risk since initial recognition. The assessment incorporates historical data, current conditions, and forward-looking forecasts.

(KSEK)	2024	2023
Opening balance	28,964	0
Additions	1,526	0
Reclassification [1)]	697	42,554
Translation difference	4,356	0
Impairment [2)]	0	-13,591
Total	**35,543**	**28,964**

[1)] 2023 amount relates to the deconsolidation of KAIT entities in July 2023, of which Anoto was previously majority shareholder. Upon deconsolidation, receivables from KAIT, which were previously treated as intercompany receivables and eliminated upon consolidation were reclassified to loan receivables from associates.

[2)] In 2023, we recognized an impairment loss of 13.6 MSEK to Anoto's loans receivable from KAIT. No impairments were assessed for 2024.

NOTE 38 – Equity

Changes in the number of shares and their par value, see below. All shares are fully paid and entitle the holder to an equal dividend percentage.

Share issues – Number of shares	2024	2023
Registered opening balance	**331,859,067**	**230,611,964**
Rights Issue, 11 May 2023 1)	-	50,000,000
Rights Issue, 17 July 2023 2)	-	51,247,103
Registered closing balance	**331,859,067**	**331,859,067**
Par value (SEK)	**0.4**	**0.4**

1) Rights Issue, price SEK 0.40
2) Rights Issue, price SEK 0.40

Equity

(KSEK)	2024	2023
Translation reserve		
Accumulated exchange rate differences at beginning of the year	-20,977	-34,559
Exchange rate differences for the year	6,874	13,581
Accumulated exchange rate differences at year end	**-14,103**	**-20,977**

Capital management

Since its founding in 1999, Anoto Group has developed electronic pens that turn what is written on paper into digital form. Development costs have been significant and since 1999 approximately MSEK 2,623 have been invested as capital by the shareholders. The group's ambition is to achieve profitable growth and in the future be able to pay dividends on invested capital.

Anoto defines capital as equity. There is only one class of shares. Anoto Group has so far not paid any dividend and will suggest to the Annual General Meeting of 2025 that no dividend is paid.

The group has no announced targets regarding dividends, debt/equity ratios or other capital ratios other than to strive for profitability and positive cash flow. When solid profitability has been achieved targets for dividends, debt/equity ratios etc. will be determined.

NOTE 39 – Specification to Statement of Cash Flows

(KSEK)	2024	2023
Cash and bank balances	3,809	2,616
Total	**3,809**	**2,616**

Other Items not affecting cash flow

Exchange gains and losses	-3,969	13,411
Deconsolidation effect of KAIT	0	-122,092
Gain/losses at valuation to fair value [1)]	6,874	40,599
Impairment of loan receivables [2)]	0	13,591
Other	-2,294	-2,324
Total	**611**	**-56,816**

[1)] 2023 amount for the Group consist primarily of the impairment of the Group's fair value investment of KAIT, for more information, see note 36.
[2)] Consists of impairment of loans receivable in KAIT. See note 37 for more information.

2023 Deconsolidation effect of KAIT

Cash and cash equivalents	2,309
Other assets	1,662
Liabilities	-84,583
Equity	-80,612
Minority interest	17,912
Equity attributable to Anoto	**-62,700**
Conversion of loans to KAIT shares	14,671
Fair value gain in Group	44,721
Total deconsolidation effect of KAIT not affecting cash flow	**-122,092**

NOTE 40 – Contingent Liabilities

We have an ongoing dispute with Green Mango Corp. relating to non-payment of delivered services for building a software solution with an objection to breach of contract due to faulty services. The case is currently at Suwon District Court in South Korea. The outcome of the litigation will affect our obligation to pay for services delivered by Green Mango Corp. We assess the risk that we will lose the case in its entirety as low and have provisioned 150K USD (50% of total amount challenged), plus 50K USD of potential legal costs as accrued liabilities. The trial is still ongoing.

We anticipate a potential legal dispute between TKR USA Inc. ('TKR') and Anoto Korea regarding their request for payment for components, raw materials, and aged payables. We have taken a reserve of 2.5 MSEK relating to components and raw materials owned by Anoto Korea but held by TKR. TKR was contracted in 2021 as a manufacturer to provide pens for both Knowledge AI ("KAIT"), Anoto's former ed-tech business that was deconsolidated in 2023, and Anoto itself. The manufacturing schedule for these pens has yet to commence, and the timing and required volume remain uncertain. Given these circumstances, we believe TKR's request for payment is premature.

NOTE 41 – Events after December 31, 2024

After having analysed all the events occurring following the fiscal year end until the date of the publishing of the annual report, the Board of Directors reached the conclusion that the following events required disclosure:

1. On 31 January 2025, the company announced a changed number of shares and votes in Anoto, as a result of the previously announced directed share issue, set-off issue, and rights issue of ordinary shares.

   Through the directed share issue and the set-off issue, the number of shares and votes has increased by 125,043,750 and 230,636,107 respectively. Through the rights issue, the outcome of which was announced through a press release on 30 December 2024, the number of shares and votes has increased by 414,823,830.

   The total number of shares and votes in Anoto as of 31 January 2025 amounts to 1,102,362,753.

2. On 12 March 2025, the Swedish Financial Supervisory Authority announced it has investigated whether Anoto Group has prepared its annual and consolidated accounts for the 2020 financial year in accordance with applicable regulations. The investigation shows that Anoto Group, in its consolidated accounts for the 2020 financial year, did not make disclosures about goodwill that it is obligated to make and made incorrect disclosures about its goodwill. FI also notes that Anoto Group, in its annual accounts for the 2020 financial year, incorrectly reported receivables with Group companies as current assets instead of non-current assets and did not make disclosures about receivables with Group companies that it is obligated to make. The FSA therefore has decided that Anoto Group will receive a caution and an administrative fine of SEK 900,000. Anoto is in the process of challenging this.

3. On 29 April 2025, the company announced that it has entered into a convertible loan agreement with two of its major shareholders. Under the terms of the agreement, the lenders will provide a secured loan of USD 750,000 with conversion rights. Proceeds from the loan will be used to accelerate the manufacture, launch, and marketing of Anoto's new digital pen and software platform, branded under the name "INQ."

   The loan will be repaid in twelve (12) equal monthly installments beginning on October 22, 2025, with a final maturity date of October 22, 2026. The outstanding principal will accrue interest at a rate of 10.00% per annum. Interest is payable on the final maturity date unless converted into ordinary shares of Anoto. Each lender has the right to request conversion of all or part of the outstanding loan amount, including accrued interest, into newly issued ordinary shares of the Company. The conversion price is fixed at SEK 0.15 per share, representing a 66.67% premium to quota value, with a fixed exchange rate of SEK 9.65/USD applied for conversion purposes. The loan is secured under a convertible investment agreement. The security package includes a first-ranking floating charge of SEK 20 million over the assets of Anoto AB, and a share pledge over Anoto AB's shares in KAIT Knowledge AI Holdings Pte. Ltd.

NOTE 42 – Parent Company details

Anoto Group is a Swedish limited company with its registered office in Stockholm. The shares of the parent company are listed on the NASDAQ OMX Stockholm Stock exchange. The address of the head office is Flaggan 1165, SE 116 74, Stockholm. The consolidated financial statements for 2024 relate to the parent company and its subsidiaries, jointly referred to as the Group.

NOTE 43 – Climate related matters

Anoto does not pursue any activities that require environmental permits but is conscious of our responsibilities to the climate and environment. As we use Lithium-Ion batteries, we have received the following certifications:

- US : FCC (Radio Frequency certification)
- Canada : IC (Radio Frequency certification)
- EU : CE (Radio Frequency certification), RoHS and WEEE
  - WEEE - Waste Electrical and Electronic Equipment
  - RoHS - Restriction of Hazardous Substances

We do not operate our own factories, so Anoto is not exposed to any climate matters at the point. However, our contract manufacturer's factory has ISO 9001 (Quality Management System and ISO 14001 (Environmental Management System) certifications.

NOTE 44 – Macroeconomic and Geopolitical Risks

The Board of Directors and executive management remain cognizant of broader global risks that may impact operations. These include elevated and persistent inflation across major economies, which continue to exceed the policy targets of most central banks and may contribute to increased input costs. In addition, the continuing conflict between Russia and Ukraine, along with unrest in the Middle East, presents ongoing geopolitical uncertainty and potential supply chain disruptions.

The recent election of Donald Trump as President of the United States introduces additional commercial uncertainty. In particular, Anoto is monitoring the possibility of increased U.S. tariffs on goods and components imported from Asia, including China, which could directly impact our cost base. Such tariffs could either compress margins or require adjustments to retail and wholesale pricing—potentially dampening demand in price-sensitive segments of our market. Furthermore, retaliatory trade measures from affected countries could disrupt access to key components and materials used in Anoto's manufacturing process.

The Group continuously reviews and assesses its supply chain strategy to mitigate these risks, including geographic diversification of suppliers, potential local assembly options, and close coordination with suppliers and logistics partners. Contingency planning and sensitivity analyses are ongoing to ensure that Anoto remains agile and responsive to any shifts in the macroeconomic or regulatory environment.

INCOME STATEMENT – PARENT COMPANY

(KSEK)	Note	Parent Company 2024	Parent Company 2023
Net sales		8,632	11,806
Gross profit/loss		**8,632**	**11,806**
Administrative expenses	P2, P4, P5	-8,921	-12,170
Operating profit/loss		**-289**	**-364**
Results from financial items			
Profit/loss on shares in group companies	P6	-40,050	-8,320
Interest and similar income	P3	17,137	7,741
Interest and similar expenses	P3	-157,658	-78,807
Appropriation		-14,000	0
Profit/loss before taxes		**-194,860**	**-79,750**
Taxes	P10	0	0
Profit/loss for the year		**-194,860**	**-79,750**

BALANCE SHEET – PARENT COMPANY

(KSEK)	Note	Parent Company 2024	Parent Company 2023
ASSETS			
Non-current assets			
Intangible fixed assets			
Capitalized development expenditures		0	170
License		3,789	4,088
Total intangible fixed assets		**3,789**	**4,258**
Financial fixed assets			
Receivables from associates	P9	14,981	13,738
Shares in group companies	P7	837	836
Receivables - group companies	P8	272,254	355,692
Total financial fixed assets		288,072	370,266
Total non-current assets		**291,862**	**374,524**
Current assets			
Receivables - group companies	P8	0	85,440
Other receivables		29,969	448
Prepaid expenses and accrued income		0	2,268
Total current receivables		**29,969**	**88,156**
Cash and bank balances		**94**	**6**
Total current assets		**30,062**	**88,162**
TOTAL ASSETS		**321,924**	**462,686**

(KSEK)	Note	Parent Company 2024	Parent Company 2023
SHAREHOLDERS´ EQUITY AND LIABILITIES			
		\	
Restricted equity			
Share capital	P12	139,380	139,380
Ongoing share issue		3,926	0
Reserve for development expenses in equity		0	170
Statutory reserve		123,031	123,031
Total restricted equity		**266,338**	**262,581**
Non restricted equity			
Share premium reserve		726,529	726,181
Earnings brought forward		-699,102	-570,139
Total non-restricted equity	P11	**27,427**	**156,042**
Total equity		**293,765**	**418,623**
Non-current liabilities			
Other long-term to group companies		1,033	1,084
Other long-term liabilities		0	15,600
Total Non-current liabilities		**1,033**	**16,684**
Current liabilities			
Accounts payable		9,821	5,830
Liabilities to group companies		599	4,648
Other liabilities		5,908	9,770
Accrued expenses and prepaid income		10,797	7,131
Total current liabilities		**27,126**	**27,379**
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES		**321,924**	**462,685**

CASH FLOW STATEMENT – PARENT COMPANY

(KSEK)	Note	Parent Company 2024	Parent Company 2023
OPERATING ACTIVITIES			
Profit after financial items		-180,860	-79,750
Items not affecting cash flow:			
Depreciation and amortization of assets		469	639
Net interest expense		-5,236	-3,531
Share based compensation		308	974
Other items	P14	184,549	75,905
Cash flow from operating activities before change in working capital		**-771**	**-5,764**
Cash flow from change in working capital			
Change in operating receivables		-37,329	-13,875
Change in operating liabilities		-5,695	1,240
Total change in working capital		**-43,024**	**-12,635**
Cash flow from operating activities		**-43,795**	**-18,399**
Investment activities			
Shares in subsidiaries		1	0
Receivables in group companies		16,240	-19,734
Cash flow from investment activities		**16,241**	**-19,734**
Total cash flow before financing activities		**-27,554**	**-38,133**
Financing activities			
New share issues		4,475	40,499
Share Issue Cost		-166	-2,423
Loan Proceeds		23,333	15,600
Repayment of financial liabilities		0	-16,150
Cash flow from financing activities		**27,642**	**37,526**
Cash flow for the year		**87**	**-607**
Cash and cash equivalents at beginning of the year		6	613
Cash and cash equivalents at end of the year		**94**	**6**

No interest, taxes, or dividends have been paid from the parent company in 2024.

CHANGES IN SHAREHOLDERS' EQUITY – PARENT COMPANY

	Restricted Equity				Unrestricted Equity		
(KSEK)	Share capital	Ongoing share issue	Reserve for development expense in equity	Statutory reserve	Share premium	Earnings brought forward	Total Equity
Opening balance 1 January 2023	**138,367**	**-**	**510**	**123,031**	**728,604**	**-531,188**	**459,324**
Profit/loss for the year	-	-	-	-	-	-79,750	-79,750
Other comprehensive income	-		-	-	-	-	-
Total comprehensive income	**-**		**-**	**-**	**-**	**-79,750**	**-79,750**
Capitalized development expenditure	-		-	-	-	-	0
Amortization for the year	-		-340	-	-	340	0
New share Issue	40,499		-	-	-	-	40,499
Reduction of Capital @0.42	-39,485		-	-	-	39,485	0
Employee stock options	-		-	-	-	974	974
Issue Cost	-		-	-	-2,423	-	-2,423
Closing balance 31 December 2023	**139,380**	**0**	**170**	**123,031**	**726,181**	**-570,139**	**418,623**
Opening balance 1 January 2024	**139,380**	**0**	**170**	**123,031**	**726,181**	**-570,139**	**418,623**
Profit/loss for the year	-	-	-	-	-	-194,860	-194,860
Other comprehensive income	-		-	-	-	-	-
Total comprehensive income	**-**		**-**	**-**	**-**	**-194,860**	**-194,860**
Capitalized development expenditure							
Amortization for the year	-	-	-170	-	-	170	-
Directed Issue*	-	11,254	-	-	3,751	-	15,005
Set off Issue*	-	20,757	-	-	0	-	20,757
Rights Issue*	-	37,334	-	-	12,445	-	49,779
Reduction of Capital @0.42	-	-65,419	-	-	-	65,419	-
Employee stock options	-	-	-	-	-	308	308
Issue Cost	-	-	-	-	-15,848	-	-15,848
Closing balance 31 December 2024	**139,380**	**3,926**	**0**	**123,031**	**726,529**	**-699,103**	**293,765**

**Reported gross of issuance costs.*

There is no tax effect presented because of the parent entity's tax deficits.

Notes to the parent company financial statements

NOTE P1 - Summary of material accounting policy information

The parent company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and the Swedish Corporate Reporting Board recommendation RFR 2, "Reporting for Legal Entities". Application of RFR 2 entails that the parent company, in the annual report for the legal entity, shall comply with all EU-endorsed IFRSs and pronouncements as far as possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act, and taking into account the connection between accounting and taxation. RFR 2 includes which exceptions from and amendments to IFRS are to be made.

For details of the parent company's accounting policies, refer to the Group's accounting policies above. The section below is limited to the parent company's deviations from the Group's policies.

Changes to accounting principles

No new or amended IFRS interpretations or other regulatory changes have had a significant effect on the parent company's financial position, results or disclosures.

Classification and presentation format

The income statements and balance sheets for the parent company are prepared in accordance with the Annual Accounts Act. The differences in the parent company´s income statement and balance sheet compared with the Group´s financial statements consist mainly of the reporting of financial income and costs and the reporting of equity.

The report over changes in shareholders' equity is prepared in the same format as for the group but with columns as required by the statements of the Annual Accounts Act.

Shares in subsidiaries

Shares in subsidiaries are initially recorded at cost. If the carrying amount of the investment exceeds the recoverable amount (refer to section above on impairment losses), an impairment loss is recognized. Transaction costs are included in the cost for the subsidiary. Contingent payments are measured according to the probability that the payment will be made.

Receivables from subsidiaries

Receivables from subsidiaries are initially as well as subsequently recorded at costs, retranslated at the exchange rate on the balance sheet date, and unrealized exchange gains and losses are included in profit or loss. Receivables are assessed annually for impairment, in accordance with IFRS 9. This involves assessing whether there has been a significant increase in credit risk since initial recognition. Depending on the outcome, the Group recognizes either 12-month ECL or lifetime ECL. The assessment incorporates historical data, current conditions, and forward-looking forecasts. Impairment testing was done based on management's best estimates. The impairment loss of receivables from subsidiaries is recorded directly in profit and loss.

NOTE P2 – Operating costs by type

(KSEK)	Note	Parent company 2024	Parent company 2023
Personnel cost	P5	-1,304	-3,106
External services		-5,755	-6,096
Rent		-155	-243
Travel expenses		-848	-1,306
Marketing and PR		0	0
Depreciation and amortisation		-469	-639
Other expenses		-390	-781
Total		**-8,921**	**-12,170**

NOTE P3 – Financial income and expenses

(KSEK)	Parent company 2024	Parent company 2023
Financial income		
Interest income	615	246
Interest from Group companies	5,415	7,486
Exchange gains	11,106	9
Total financial income	**17,137**	**7,741**
Financial expenses		
Interest expenses on loans	-826	-3,761
Other financial expenses 1)	-156,832	-65,582
Exchange losses -	-	-9,464
Total financial cost	**-157,658**	**-78,807**
Total financial net income/(expense)	**-140,521**	**-71,067**

1) Comprises primarily of the parent company's write-off of intercompany loans receivable from group companies totaling 155.5 MSEK in 2024 and 64.1 MSEK in 2023. For more information, see note P8.

NOTE P4 – Audit Fees

Audit fees refer to the audit of the financial statements and the accounting records. Other services relate mainly to consultancy services, such as services related to prospectuses, review of quarterly reports, and general advice related to annual report and ESEF.

(KSEK)	Parent company 2024	Parent company 2023
BDO		
Audit assignment, BDO	2,861	3,434
Other services	215	151
Total	**3,076**	**3,585**

NOTE P5 – Salaries and remuneration

(KSEK)	Parent Company 2024	Parent Company 2023
Salaries		
Board of Directors and CEO	996	1,780
Total salaries	**996**	**1,780**
Payroll overhead		
Board of Directors and CEO	259	1,232
Other senior executives	20	27
Other employees Sweden	6	8
Other employees Korea	23	57
Total payroll overhead	**308**	**1,325**
Total salaries and remunerations	**1,304**	**3,106**
Whereof:		
Sweden	1,304	3,106
Total	**1,304**	**3,106**

For further details on remuneration of the board, CEO and other executive management and related remuneration policies and guidelines adopted, refer to notes 8 and 9.

NOTE P6 – Profit/loss on participations in subsidiaries

(KSEK)	2024	2023
Impairment of shares	-40,050	-8,320
Total	**-40,050**	**-8,320**

The parent company's participation in group companies was tested for impairment at year end and in assessing the carrying amount of the investment against cash and net debt. In 2024, an impairment of the parent company's participation in Anoto AB (40,050 KSEK) was assessed. In 2023, an impairment of the parent company's remaining participation in Anoto Korea (6,174 KSEK) and Anoto AB (2,145 KSEK) was assessed.

NOTE P7 – Participation in Group companies

(KSEK)	Parent Company 2024	Parent Company 2023
Opening balance acquisition cost	836	9,156
Additions for the year	40,051	0
Impairment loss for the year	-40,050	-8,320
Total	**837**	**836**

Additions during 2024 consists of an additional shareholders contribution from the parent company to Anoto AB of 40,050, converted from loans receivable from Anoto AB to the parent company

Entity Name	Reg no.	Domicile	Total no. of participation	% of capital and votes	Shareholders' equity	Carrying amount
Anoto AB	556320-2646	Stockholm	5,000	100%	1,563	0
XMS Penvision AB	556708-4685	Stockholm	611,731	93.20%	974	836
Anoto Korea Inc. [1)]	129-86-60962	Seongnam	20,000,000	100%	-183,571	0
Livepen Ireland	756192	Dublin	100	100%	-833	1
						837

[1)] *Ordinary shares 18,860,000 and preferred shares 1,140,000*

The Anoto Group contains sub-groups consisting of the following companies

Entity name	Domicile	Country	Operational	Parent Company	Equity
Anoto Inc.	San Francisco	USA	Operational	Anoto AB	100%
Anoto Portugal	Lisbon	Portugal	Operational	Anoto AB	100%
Anoto Ltd.	London	UK	Operational	Anoto AB	100%
Anoto Canada	Vancouver	Canada	Operational	Anoto AB	100%
Livescribe, Inc.	Boston	USA	Operational	Anoto Inc	100%

NOTE P8 – Receivables in Group companies

(KSEK)	2024	2023
Anoto AB	121,625	268,660
Anoto Inc.	9,546	9,546
Anoto Ltd	0	11,699
Anoto Korea Inc.	28,637	67,467
Livescribe, Inc.	111,265	82,220
Anoto Singapore	0	158
Anoto Portugal	0	1,374
Anoto Canada	4	4
XMS	5	5
Livepen Ireland	1,173	0
Total	**272,254**	**441,132**

The parent company has significant receivables from subsidiaries. The parent company's intercompany receivables have been assessed for expected credit loss at year end based on calculations of the subsidiaries value in use, in accordance with IFRS 9. Indications of impairment were noted on receivables from the following entities and booked as a financial expense in the parent company's financial statements.

Impairment of receivables in Group companies:

(KSEK)	2024	2023
Anoto Korea Inc.	-37,307	-28,635
Anoto AB	-104,518	0
Anoto Ltd	-13,518	0
Anoto Singapore	-158	-7,340
Anoto Inc.	0	-27,697
Anoto Portugal	0	-382
Total	**-155,502**	**-64,054**

NOTE P9 – Receivables from Associates

Knowledge AI Holdings Pte, incorporated in Singapore (company UEN: 202138904M), and its subsidiaries (KAIT) was deconsolidated from the Group in July 2023, of which Anoto was previously majority shareholder. Post deconsolidation, KAIT is treated as an associate company, with Anoto owning 45% share. Anoto and KAIT have a licensing agreement in place, allowing KAIT to purchase Anoto's hardware at a discounted price and for use of Anoto's technology in exchange for a royalty fee paid as a percentage of sales. Anoto has no other obligations towards KAIT.

At year end 2024, Anoto maintains an ownership of 45% share of KAIT. KAIT's 2024 financials are presented as below, based on the information that has been provided to Anoto by KAIT's management team. It should be noted that these numbers have not been audited by us or by external auditors, as such, we cannot provide assurance on the fairness of these financials.

(USD)	2024
Profit/loss for the year	697,463
Other comprehensive Income	16,519
Total comprehensive income	713,982
Current Assets	408,987
Non-current Assets	36,123
Total Assets	445,110
Current Liabilities	1,573,896
Non-current Liabilities	5,588,804
Total Liabilities	7,162,700

The possibility that the Group's associate (KAIT) will not fulfil their payment obligations is a credit risk. The Group assesses credit risk by applying the general approach under IFRS 9. This involves assessing whether there has been a significant increase in credit risk since initial recognition. The assessment incorporates historical data, current conditions, and forward-looking forecasts.

(KSEK)	2024	2023
Opening balance	13,738	-
Additions	-	-
Reclassification [1]	-	13,738
Translation difference	1,243	-
Total	**14,981**	**13,738**

[1] 2023 amount relates to the deconsolidation of KAIT entities in July 2023, of which Anoto was previously majority shareholder. Upon deconsolidation, receivables from KAIT, which were previously treated as intercompany receivables and eliminated upon consolidation were reclassified to loan receivables from associates.

NOTE P10 – Related parties

Related parties (KSEK)		Selling of goods and services	Purchasing of goods and services	Stock options granted	Receivable from related party on 31 December	Liability to related party on 31 December
Group company	2024	8,632	-	-	272,254	-1,632
Associate company	2024	-	-	-	14,981	-
Third Party	2024	-	946	-	-	-
Group company	2023	11,806	-	-	441,132	-5,732
Associate company	2023	-	-	-	13,738	-
Third Party	2023	-	-	-	-	-

Loans from the parent company to subsidiaries uses a 2% nominal interest rate. The parent company's intercompany receivables have been assessed for expected credit loss at year end based on calculations of the subsidiaries value in use, in accordance with IFRS 9. In 2024, indications of impairment were noted on receivables totaling 155.5 MSEK and booked as a financial expense in the parent company's financial statements. For more information, see note P8.

NOTE P11 – Income taxes and deferred taxes

Correlation between tax expense for the year and reported profit/loss before tax

(KSEK)	Parent company 2024	Parent company 2023
Reported profit/(loss) before tax	-194,860	-79,750
Tax in accordance with current tax rate of 20,6% (20,6%)	40,141	16,429
Tax impact of non-deductible expenses	-40,493	208
Tax impact of non-taxable income	-	-
Increase/decrease of tax deficits without corresponding capitalization	352	-16,637
Tax reported	**0**	**0**

Tax deficit

(KSEK)	Parent company 2024	Parent company 2023
Opening balance	-38,469	-246,526
Opening balance adjust from prior year	-	224,694
Tax deficit of the year Swedish companies	352	-16,637
Tax deficit of the year foreign companies	-	-
Closing tax deficit	**-38,116**	**-38,469**

The Company has unrecognised tax losses as at 31 December 2024 amounting to 10.5 MSEK (7.9 MSEK) that are available to be offset against future profits for an unlimited period of time. The movement in unrecognised tax losses in 2024 is the net effect of 352 KSEK additional tax losses for the current year.

NOTE P12 – Proposed Appropriation of Accumulated Result

The Board of Directors propose that the reserves of KSEK 27,427 are carried forward.

Proposed appropriation of accumulated result in the parent company (SEK):	SEK
Retained earnings	222,286,996
Loss for the year	-194,860,215
Total	**27,426,781**

NOTE P13 – Equity

Changes in the number of shares and their par value, see below. All shares are fully paid and entitle the holder to an equal dividend percentage.

Share issues – Number of shares	2024	2023
Registered opening balance	**331,859,067**	**230,611,964**
Rights Issue, 11 May 2023 [1]	-	50,000,000
Rights Issue, 17 July 2023 [2]	-	51,247,103
Registered closing balance	**331,859,067**	**331,859,067**
Par value (SEK)	**0.4**	**0.4**

[1] Rights Issue, price SEK 0.40
[2] Rights Issue, price SEK 0.40

NOTE P14 – Specification to Statement of Cash Flows

(KSEK)	**2024**	**2023**
Cash and bank balances	94	6
Total	**94**	**6**

Other Items not affecting cash flow

Exchange gains and losses	-11,003	974
Impairment of shares in subsidiaries [1]	40,050	8,320
Impairment of loan receivables [2]	155,502	64,054
Other	0	2,557
Total	**184,549**	**75,904**

[1] For more information, see note P7.
[2] For more information, see note P8.

Anoto

SIGNATURES FOR THE ANNUAL REPORT

The Annual Report and consolidated financial statements were approved by the Board on April 30, 2025. The consolidated statement of comprehensive income and the statement of financial position, as well as the Parent Company's income statement and balance sheet will be presented to the Annual General Meeting on June 27, 2025 for adoption.

The Board of Directors and CEO affirm that the consolidated financial statements have been prepared in accordance with International Accounting Standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and present a true and fair view of the group's position and results, and that the group management report provides a true and fair overview of the development of the group's operations, position, and results, as well as describing significant risks and uncertainties facing the companies included in the Group.

The Annual Report has been prepared in accordance with generally accepted accounting standards and provides a true and fair view of the company's position and results. The Directors' Report for the Group and Parent Company provides a true and fair overall account of the development of the Group's and Parent Company's business, financial position and earnings and describes significant risks and uncertainties facing the Parent Company and the companies within the Group.

Stockholm, April 30, 2025

Kevin Adeson
Chairman of the Board

Mats Karlsson
Interim CEO

Gary Stolkin
Board Member

Adrian Weller
Board member

Alexander Fällström
Board Member

Our auditor's report was submitted on April 30, 2025

BDO Mälardalen AB

Carl-Johan Kjellman

Authorized Public Accountant

Johan Pharmanson

Authorized Public Accountant

AUDITOR'S REPORT

This auditor's report replaces the auditor's report issued on April 30th, 2025

To the general meeting of the shareholders of Anoto Group AB (publ.) Corporate identity number 556532-3929

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Anoto Group AB (publ) for the financial year 2024. The annual accounts and consolidated accounts of the company are included on pages 1-63 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Material uncertainty regarding the assumption of going concern

We would like to draw attention to the administration report's section Liquidity risk, financing risk and continued operations as well as note 4 - Risk management by the group. There it is stated that there is a risk for liquidity problems and that the company may be unable to continue operations if revenue does not increase or capital cannot be raised in sufficient quantity. These conditions indicate that there is a significant uncertainty factor that can lead to significant doubts about the company's ability to continue its operations. Our opinion is not modified in respect of this matter.

Emphasis of Matter

Without affecting our opinion, we would like to draw attention to Note 18 Capitalized expenses for development expenditures and Note 22 Goodwill, which states that the value of intangible assets depends on a number of significant assumptions, such as market growth and the company's growth rate. If these assumptions are not met, and there is a more negative development, there is also a risk of further impairment of the Group's intangible assets and the parent company's book values of shares in subsidiaries and other financial fixed assets, respectively.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition

The groups net sales as of 31 December 2024 amount to approx. SEK 30 million. Net sales mainly consist of sales of digital pens and associated software and designs. A description of the assumptions on which the Group companies' revenue recognition is based can be found in Note 2. There, Anoto Group AB (publ.) describes how revenue is reported in the Group. The recognition of revenue requires that the group has the required routines for identifying performance commitments, and for ensuring that the revenues are reported as performance commitments are performed. Revenue recognition linked to agreements that include performance commitments requires in certain cases that the management make assessments regarding the distribution of the transaction price between different performance commitments. Revenue recognized constituted a significant area in our audit considering the significance of the reported amounts and that it includes significant elements of estimations.

How our audit addressed the Key audit matter

Our audit procedure included but were not limited to:

Initially, we reviewed the accounting principles and routines for the sales process and revenue recognition in each Group company. We have reviewed the company's and the respective group companies processes for revenue recognition and carried out a review of agreements with customers using a sample-based approach. We have also examined whether the performance commitments identified have been met. We have reviewed the information provided in the annual report.

Valuation of intangible assets

Goodwill and other intangible assets such as capitalized expenses for development expenditure, trademarks and patents as well as other intangible fixed assets amount to approx. SEK 54 million. Note 2 sets out principles for impairment tests and Note 22 sets out the significant assumptions used by management in preparing the impairment tests. The company performed an impairment test at the beginning of year 2025. An impairment test contains a number of assumptions, including future market development, the possibility of achieving growth, profitability development and the discount factor. It is thus complex assumptions and estimates that the company management and the board must make. This is described in Note 3.

As intangible fixed assets, including goodwill, constitute a significant amount and the required assumptions include assessments and estimates, each of which can be of decisive importance for the valuation, this has been a particularly key audit matter in the audit.

How our audit addressed the Key audit matter

Our audit procedures included but were not limited to:

Initially we and BDO's valuation specialists reviewed, whether the established impairment tests per cash generating unit, including group companies, had essentially been carried out in accordance with accepted principles and methods. In our review, we checked the most important assumptions for impairment testing applied by company management and the board such as growth, profitability and discount rates. We reviewed the simulations and sensitivity analyses conducted by company management and the board. These tests have also formed the basis for our control of the information provided in the annual report in Note 2-3 and Note 22.

Valuation of inventory

The Group recognized inventory of approx. SEK 15 million on December 31, 2024. The inventory balance consists of raw materials and finished goods. We have identified this area as a key audit matter since the assessment of whether the inventory may be sold for more than the initial cost is complex and involves significant levels of judgment and estimates. The obsolescence reserve is based on individual assessments based on management's judgements. For further judgements see Note 2 Accounting principles and Note 25 Inventories.

How our audit addressed the Key audit matter

Our audit procedures included but were not limited to:

Initially we evaluated the group's routines and internal controls for managing inventory. We examined management's assessment of the inventory's valuation with a focus on ensuring that the correct inputs have been used in the valuation model and that it fairly reflects reality in view of the valuation of obsolete inventory.

Other matter
This auditor's report replaces the auditor's report previously issued on April 30, 2025. The previously issued report did not include an opinion on the ESEF report. Apart from this, the content of the present auditor's report is identical to that of the previously issued version.

Other Information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 64-65 & 76-82. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.
If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements
The auditor's audit of the administration of the Board of Directors and the Managing Director and the proposed appropriations of the company's profit or loss

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Anoto Group AB (publ) for the financial year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report
Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Anoto Group AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Anoto Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.
RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Remarks

The Board has not, within the prescribed time according to the Swedish Companies Act (2005:551), submitted guidelines on remuneration to senior executives to the 2024 Annual General Meeting for adoption.

The Board has, in violation of the Swedish Accounting Act (1999:1078), Chapter 7, Section 2, stored accounting records outside of Sweden without obtaining permission from the Swedish Tax Agency.

The 2024 Annual General Meeting was not held within six months after the end of the financial year, which constitutes a deviation from Chapter 7, Section 10 of the Swedish Companies Act.

BDO Mälardalen AB was appointed auditor of Anoto Group AB (publ) by the general meeting of the shareholders on 30 June 2021 and has been the company's auditor since 2021.

Stockholm,

BDO Mälardalen AB

Johan Pharmanson	Carl-Johan Kjellman
Authorized Public Accountant	Authorized Public Accountant

Alternative performance measures

Anoto Group presents certain financial measures in this interim report that are not defined under IFRS. Anoto Group believes that these measures provide useful supplemental information to investors and the group´s management as they allow evaluation of the company´s performance. Because not all companies calculate these financial measures similarly, these are not always comparable to measures used by other companies.

These financial measures should not be considered a substitute for measures defined under IFRS.
Definitions of alternative measures used by Anoto Group that are not defined under IFRS are presented below.

Operating profit/loss

The operating result of the business. Gross profit less costs for sales, administrative, R&D and other operating income/costs.

(KSEK)	Group 2024	Group 2023
Gross profit	**14,360**	**27,038**
Selling expenses	-26,495	-25,746
Administrative expenses	-15,043	-13,341
Research & development expenses	-30,982	-130,349
Other operating income	1,989	137,096
Other operating cost	-3,855	-63,024
Operating profit/loss	**-60,025**	**-68,326**

Operating margin

Operating margin: Shows the business's operating result in relation to sales. Operating profit/loss as a percentage of net sales.

(KSEK)	Group 2024	Group 2023
Operating profit/loss	-60,025	-68,326
Operating margin	**-199.62%**	**-158.85%**

Cash flow per share for the year

An indication of cash generated per share can be used to assist in determining any distribution policy. Cash flow for the year divided by the weighted average number of shares during the year.

(KSEK)	Group 2024	Group 2023
Cash flow	1,193	734
Weighted average number of ordinary shares	331,859,067	286,114,064
SEK	**0.00**	**0.00**

Equity/Asset ratio

A measure of how assets are financed. Equity attributable to shareholders of Anoto Group AB (including non-controlling interest) as a percentage of total assets.

(KSEK)	Group 2024	Group 2023
Total assets	145,128	143,615
Equity attributable to the shareholders of Anoto Group AB	80,425	59,330
	55.42%	**41.31%**

EBITDA

Operating profit/loss before depreciation, amortisation and impairment.

EBITDA: Shows the business's underlying performance, adjusted for the effect of depreciation and amortization, in relation to sales. Valuable to indicate the business's underlying cash generating ability. A reconciliation from group operating profit/loss is set out below.

(KSEK)	Group 2024	Group 2023
Operating profit/loss	-60,025	-68,326
Depreciation and amortisation	15,058	118,314
EBITDA	**-44,967**	**49,988**

Shareholders' equity per share

Provides shareholders the ability to compare book value with market value. Shareholders' equity divided by the number of shares at the year end.

(KSEK)	Group 2024	Group 2023
Equity attributable to the shareholders of Anoto Group AB	80,425	59,330
Number of ordinary shares	331,859,067	331,859,067
SEK	**0.24**	**0.18**

Net debt

An indication of the level of borrowings. Interest-bearing liabilities less liquid assets and current investments.

(KSEK)	Group 2024	Group 2023
Interest-bearing liabilities	4,644	8,686
Liquid assets	-3,809	-2,616
Net debt	**835**	**6,070**

Capital employed

Illustrates total capital tied to operations. Total assets less non-interest bearing provisions and liabilities (including deferred tax liabilities), less short term interest bearing liabilities.

(KSEK)	Group 2024	Group 2023
Total assets	145,128	143,615
Non-interest bearing provisions	-1,333	-815
Non-interest bearing liabilities	-57,354	-57,730
Short term interest bearing liabilities	-4,644	-8,686
Capital employed	**81,797**	**76,383**

CORPORATE GOVERNANCE REPORT

Anoto Group AB (publ.) is governed by its Articles of Association and the Swedish Companies Act. Since Anoto is listed on Nasdaq Stockholm, Anoto also applies Nasdaq Stockholm's Rule Book for Issuers. Since July 1, 2008, Anoto has applied the Swedish Code of Corporate Governance (see www.bolagsstyrning.se). Anoto is, in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance, required to present a Corporate Governance Report.

Corporate Governance Structure

Anoto is governed by several bodies.

The shareholders exercise their voting rights at General Meetings of the Shareholders by electing the Board of Directors and external auditors and make decisions on other issues like the adoption of the annual report and stipulating how to appoint the Nomination Committee.

The Nomination Committee nominates candidates to the Board of Directors, Chairman of the Board and external auditors. A Nomination Committee is required by the Code, but not by the Companies Act. Ahead of the 2024 Annual General Meeting, the Company has chosen not to nominate and appoint a Nomination Committee, which is a deviation from the Code (see more about this below). The Board is responsible for the appointment of the CEO, the development of long-term strategy, and controlling and evaluating Anoto's day-to-day operations. Due to various changes to the composition of the Board during the year, there were periods when the board was not quorum until new board members were elected in subsequent EGMs, which is also a deviation from the Code.

The CEO is in charge of and responsible for daily operations and the management of Anoto in accordance with the Swedish Companies Act, and in accordance with instructions and guidelines from the Board of Directors.

External auditors appointed by the shareholders at the Annual General Meeting examine the Company's annual report and accounts as well as the management by the Board of Directors and the CEO.

Annual General Meeting

The Annual General Meeting is the corporate body where the shareholders in Anoto can exercise their rights by electing the Board of Directors and deciding on all other issues voted on at Annual General Meetings in accordance with the Companies Act and the Articles of Association.

The Annual General Meeting is normally held in May or June. The notice of the Annual General Meeting, together with the agenda, is published on Anoto's website and in the Swedish Newspaper Post och Inrikes Tidningar (the Swedish Official Gazette). As a courtesy, the date and place for the Annual General Meeting together with information on how to obtain the agenda is published in the Swedish newspaper Dagens Nyheter.

All information material to the Annual General Meeting is available in both Swedish and English. The Annual General Meeting is held in Swedish.

Annual General Meeting 2024

The Annual General Meeting (AGM) in 2024 was held in Stockholm on 15 July 2024.   In particular the following decisions were resolved by the AGM:

The AGM resolved to discharge the Board members and the Chief Executive Officers from liability for 2023.

As member of the Board of Directors until the end of the next AGM, the AGM re-elected Kevin Adeson. Further, Alexander Fällström (previously deputy board member) and Gary Stolkin was elected as new Board members.

The AGM re-elected Kevin Adeson as the Chairman of the Board of Directors.

The AGM re-elected the registered auditing company BDO Mälardalen AB as auditor.

The AGM resolved to authorise the Board of Directors to resolve, with or without deviation from the shareholders' preferential rights, against cash payment, for payment in kind or by way of set-off, to issue ordinary shares, warrants and/or convertible bonds that involve the issue of or conversion into a maximum of 66,400,000 ordinary shares, corresponding to a dilution of approximately 20 per cent of the share capital and votes, based on the current number of shares in the Company.

The purpose of this authorisation and the reason for any disapplication of the shareholders' preferential rights is to increase the flexibility of the Company to finance the ongoing business and at the same time extend and strengthen the Company's shareholder base of strategic or long term investors. The basis for the issue price shall be according to the prevailing market conditions at the time when shares, warrants and/or convertible bonds are issued.

Anoto's Annual General Meeting 2025

Anoto's Annual General Meeting 2024 will take place on June 27, 2025 in Stockholm. Invitation will be published in accordance with what is stipulated.

Extraordinary General Meetings

Extraordinary General Meetings were held on two occasions during 2024.

On 8 March 2024, an Extraordinary General Meeting was held in Stockholm. The EGM decided that the Board of Directors for the period until the end of the next AGM shall consist of Kevin Adeson, Pedro Pinto, Dennis Song and Erik Fällström as ordinary Board members and Alexander Fällström as deputy board member.

The EGM elected Kevin Adeson as chairman of the Board of Directors.

The EGM resolved that no remuneration shall be paid to the Board of Directors.

On 26 November 2024, an Extraordinary General Meeting was held in Stockholm. The EGM resolved, with required majority, to adopt new articles of association in which the limits of the number of shares in § 5 were changed to be no less than 322,222,222 and not more than 1,288,888,888 shares.

The EGM resolved, with required majority, to reduce the share capital with SEK 109,513,491.78. The reduction is carried out without redemption of ordinary shares by changing the share quota value from SEK 0.42 to SEK 0.09 per share. The reduction amount shall be allocated to a non-restricted reserve to be used in accordance with the shareholder´s resolution.

The reduction of share capital by changing the quota value is made in order to enable adjustment of the subscription price in the share issues described below, resolved by the Board of Directors, subject to the approval of the general meeting. After the reduction, the share capital amounts to SEK 29,867,315.94 divided into 331,859,066 ordinary shares, each share with a quota value of SEK 0.09.

The EGM resolved, with required majority, to approve the Board of Directors' resolution on 25 October 2024 to increase the Company's share capital by up to SEK 11,253,937.50 through the issue of up to 125,043,750 new ordinary shares, each with a quota value of SEK 0.09 (the "Directed Issue"). With deviation from the shareholders' preferential rights, the new shares were subscribed by Adrian Weller, BLS Futures Ltd, Gary Butcher, Machroes Holdings Ltd, Rocco Homes Ltd and Mark Stolkin. The subscription price per ordinary share amounted to SEK 0.12.

The reason for the deviation from the shareholders' preferential rights is that the Company is in great need of capital and the Board of Directors considers that the expected proceeds from the Directed Issue in a timely and cost-effective manner will enable the Company to (i) ensure continued operations until a rights issue has been completed, and (ii) diversify and strengthen the Company's shareholder base with institutional or other qualified investors, which justifies the Directed Issue's deviation from the shareholders' preferential rights. The Directed Issue will broaden the shareholder base and provide the Company with new reputable owners, which the Board of Directors believes will strengthen the liquidity of the share and be favorable for the Company. In light of the above, the Board of Directors has made the assessment that the Directed Issue is favorable for the Company and in the best interest of the Company's shareholders.

The subscription price has been determined through arm's length negotiations with the subscribers in the Directed Issue. The Board of Directors has also taken into account that the Rights Issue (as defined below) is carried out with a subscription price of SEK 0.12 per ordinary share and has therefore deemed it reasonable that the Directed Issue is carried out on equivalent terms.

The EGM resolved, with required majority, to approve the Board of Directors' resolution on 25 October 2024, to increase the Company's share capital by up to SEK 37,334,144.70 through the issue of up to 414,823,830 new ordinary shares, each with a quota value of SEK 0.09 (the "Rights Issue"). The shareholders of the Company shall have preferential rights to subscribe for the new shares in relation the number of shares previously held. Each existing ordinary share in the Company entitles to one (1) subscription right. Four (4) subscription rights entitle the holder to subscribe for five (5) new ordinary shares. In case not all shares have been subscribed for, the Board of Directors shall decide that allotment of shares subscribed for without subscription rights shall take place up to the maximum amount of the issue, whereby the Board of Directors primarily will allot shares to those who also subscribed for shares based on subscription rights, and in the event of over subscription, pro rata to their subscription based on subscription rights. Secondly, the Board of Directors will allot shares to those who subscribed for shares without subscription rights, and if full allotment cannot be made, pro rata to their subscription. To the extent not possible, allotment shall be made through drawing of lots, and finally, subject to such allocation being required in order for the issue to be fully subscribed, to the guarantors of the issue with allotment in relation to their respective subscription (based on the guarantee undertakings). The record date for determining which shareholders shall be entitled to subscribe for new ordinary shares on a preferential basis shall be 28 November 2024. The subscription price per ordinary shares amounts to SEK 0.12.

The EGM resolved, with required majority, to approve the Board of Directors' resolution on 25 October 2024 to increase the Company's share capital by up to SEK 20,757,249.99 through the issue of up to 230,636,111 ordinary shares, each with a quota value of SEK 0.09, against payment through set-off of claim (the "Set-off Issue"). With deviation from the shareholders' preferential rights, the new shares were subscribed for by Mark Stolkin, DDM Debt AB, Gary Butcher, BLS Futures Limited, Rocco Homes Ltd., Machroes Holdings Ltd and Adrian Weller. Payment shall be made by set-off of claims. The new shares do not entitle to participation with preferential rights under the Rights Issue. The new shares convey right to dividends for the first time on the first record date set for dividends after the registration of the new shares with the Swedish Companies Registration Office. The subscription price has been determined in accordance with the investment agreement entered into between the Company and above-mentioned lenders, and amounted to SEK 0.09, i.e. the shares' quota value.

The EGM resolved, with required majority, to authorize the Board of Directors to – during the period until the next annual general meeting and at one or more occasions – resolve upon issuance of new shares with deviation from the shareholders' preferential rights. The purpose of the authorization is to, if necessary, be able to increase the Rights Issue, a so-called over-allotment option. Payment may be made in cash, through set-off of claims or otherwise be conditional. The number of shares issued under the authorization may correspond to maximum 20 percent of the maximum number of shares issued in the Rights Issue under. Upon exercise of the authorization, the subscription price per share shall correspond to the subscription price in the Rights Issue.

The EGM resolved, with required majority, to authorize the Board of Directors to – during the period until the next annual general meeting and at one or more occasions – resolve upon issuance of new shares with deviation from the shareholders' preferential rights. The purpose of the authorization is to enable payment with shares in the Company as guarantee consideration to guarantors in the Rights Issue. Payment may be made through set-off of claims.

The EGM resolved, with required majority, to carry out a bonus issue thereby increasing the share capital with SEK 109,513,491.78 by making use of the Company's non-restricted equity. The bonus issue is carried out without issuing new shares.

The EGM resolved, with required majority, to reduce the Company's share capital by an amount in SEK corresponding to no more than the total increase in the share capital pursuant to the Directed Issue, the Set-off issue and the Rights issue and any issues pursuant to the authorizations described above minus the minimum amount required for the share's quotient value after the reduction to correspond to a whole number of öre. The reduction of the share capital will be made without redemption of shares by changing the share quota value. The reduction amount shall be allocated to a non-restricted reserve to be used in accordance with the shareholders' resolution.

The EGM resolved, with required majority, that the Board of Directors until the end of the next Annual General Meeting shall consist of four ordinary board members without deputies.

At the Annual General Meeting on 15 July 2024, it was resolved that remuneration to the Board of Directors would be paid with a total of SEK 1,500,000, of which SEK 900,000 to the Chairman of the Board of Directors and SEK 300,000 to each of the other Board members who are not employees of the group.

The EGM resolved, with required majority, that the resolution on remuneration to the Board of Directors as set out above shall continue to apply to the Chairman and the other members of the Board of Directors and that the new Board member shall be entitled to a remuneration of USD 75,000 per annum (i.e. the remuneration shall be reduced proportionally taking into account that the new Board member will not serve for the full term of office). The remuneration is paid in advance. The proposed board member has undertaken to acquire shares in the Company for an amount equal to at least the remuneration less tax.

The EGM resolved, with required majority, to elect Adrian Weller as a member of the Board of Directors for the period until the end of the next Annual General Meeting. The Board of Directors of the Company will therefore consist of the following members: Kevin Adeson (Chairman), Alexander Fällström, Gary Stolkin and Adrian Weller.

The Board of Directors

The Board of Directors is responsible for the company's organization and the management of the company's affairs. The Board of Directors shall continuously assess the company's and the Group's financial situation. The Board of Directors shall ensure that the company's organization is designed so that accounting, asset management and the company's financial conditions in general are controlled in a satisfactory manner.

The CEO is appointed by the Board and is responsible for day-to-day administration in accordance with the Board's guidelines and instructions. The Board has established rules of procedure for its work, as well as instructions for the division of work between the Board and the CEO and for financial reporting to the Board. Rules of procedure are reviewed and adopted annually. The review is based, among other things, on the evaluation of the individual and collective work carried out by the Board. All Board members are responsible for the Board's work to varying extents unless otherwise decided at Board meetings or in accordance with the Board's work instructions or applicable laws or statutes. The Chairman of the Board leads the work of the Board and is responsible for ensuring that the Board's work is carried out efficiently and ensures that the Board fulfils its duties. The Chairman of the Board is particularly familiar with and monitors the company's and the Group's operations and ensures a satisfactory organisation and accounting. By means of a decision recorded in the minutes, the Board of Directors may delegate the handling of a particular matter to one or more Board members.

In addition to financial reporting and monitoring of day-to-day business operations and profitability development, the Board meetings discuss strategic issues and issues that do not fall within the scope of day-to-day management, as well as matters related to the capital structure. Senior executives regularly report on business plans and strategic issues.

According to Anoto's Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of eight Board members, with a maximum of five deputies. On 31 December 2024, Anoto's Board of Directors consisted of four AGM-elected members. The Board consists of members with experience from different geographical areas and different industries.

At the 2024 Annual General Meeting, Kevin Adeson was re-elected. Further, Alexander Fällström (previously deputy board member) and Gary Stolkin were re-elected as new Board members until the next Annual General Meeting. Kevin Adeson was re-elected Chairman of the Board. Adrian Weller was elected as new board members during the Extraordinary General Meeting in November 2024.

Information on the remuneration of the Board members can be found in Note 10 in the Annual Report. The table below shows the members of the Board of Directors, their position, when they were elected and whether they are considered independent in relation to the Company and its senior executives and in relation to the Company's major shareholders.

Name	Position	Board member since	Independent in relation to the company and its executives	Independent in relation to larger shareholders
Kevin Adeson	Chairman	2024	Yes	Yes
Alexander Fällström	Member	2024	Yes	No
Gary Stolkin	Member	2024	Yes	Yes
Adrian Weller	Member	2024	Yes	Yes

Below is information about the Board members with year of birth, position, post-secondary education, experience, ongoing assignments and shareholdings and options in Anoto. Assignments in subsidiaries within the Group have been excluded. All members' holdings refer to current holdings as of the date of this corporate governance report. The holdings include the holdings of spouses and minor children, as well as holdings through companies in which the person concerned has a changing ownership and/or significant influence.

Kevin Adeson
(born 1964)

Position: Chairman
Education: BA Honours in Accounting from Bradley University
Experience: Over 37 years of high-level Investment Banking experience gained at Bankers Trust, Morgan Stanley, and most recently at HSBC where Kevin was Co-Head of Investment Banking and Markets, and then Vice Chairman of Global Banking and Markets.
Other positions: Founded Adeson Advisors at the end of 2023, taking on strategic advisory roles with a select group of private equity, corporate and start up clients. Kevin is also a Senior Advisor at Hunterpoint Capital and Inflexion Private Equity Partners.
Holding: -

Alexander Fällström
(born 1990)

Position: Board member
Education: Bachelor's Degree from Harvard University
Experience: Analyst Investment Banking Division (Industrials) at Jefferies, Financial Analyst Investment Management Division Goldman Sachs, Associate Investment Banking Division Capillar Advisory, Investment Manager NV Capital AB, Investment Manager DDM
Other positions: Chairman Enersize Oyj (publ.), Board Member LiveArena Technologies AB
Holding: 2,568,352 shares

Gary Stolkin
(born 1960)

Position: Board member
Education: Bachelor's Degree and Masters from Oxford University
Experience: Founder & Global CEO, The Talent Business
Other positions: Director – TTB Holdings Limited, Director – The Talent Business (US) LLC, Director – The Talent Business (Singapore) Pty Ltd, Director – The Talent Business Europe OU, Director – The Leadership Business Limited
Holding: -

Adrian Weller
(born 1970)

Position: Board member
Education: PhD in Computer Science from Columbia University, and BA in Mathematics from the University of Cambridge
Experience: Leading researcher in machine learning and artificial intelligence. He is a Director of Research in machine learning at the University of Cambridge. Adrian also leads research projects in AI and machine learning at The Alan Turing Institute. He has previously worked in the financial sector, including roles as Managing Director at Citadel and as a senior trader at Goldman Sachs and Salomon Brothers.
Other positions: Head of Safe and Ethical AI at The Alan Turing Institute (UK national institute for data science and AI).
Holding: 35,792,361 shares

As shown by the table above, all Board members, except Alexander Fällström are independent in relation to Anoto and its largest owners. The company does therefore comply with the conditions of the Swedish Code of Corporate Governance requiring that a majority of the members elected by the Annual General Meetings to be independent from the company and its management, and that no less than two of the Board members are independent from the largest shareholders.

Nominating committee

Anoto does not have a nomination committee. This constitutes a deviation to section 2.1 of the Swedish Code of Corporate Governance. The reasons why no nomination committee has been appointed are mainly as follows. Anoto has two main owners who are institutional investors. The company's Board of Directors has an ongoing dialogue with the principal shareholders and, instead of appointing a Nomination Committee, includes the proposals that the Nomination Committee would otherwise make with comparable principles for the Nomination Committee.

Nor has Anoto established an Audit Committee, but the Board of Directors fulfils its duties.

Work of the Board of Directors 2024

During the year, the Board convened seventeen times. Where appropriate, staff members, as rapporteurs in their specific areas of expertise, attend the meetings of the Management Board. During the year, however, no employee was present as rapporteur, instead reporting or presenting the employees directly to Anoto's CEO or to the Chairman of the Board. The Board dealt with matters related to the overall Group strategy. The Board has also dealt with matters concerning new share issues through offsetting of debt to lenders to the company. Furthermore, the Board dealt with ongoing issues related to the Group's financing and compliance. The Board continuously evaluated the performance of Anoto, the CEO and Anoto's management team.

The Board Members attendance at Board Meetings and Committee Meetings is set forth below:

Board Member:	Number of board meetings:
Kevin Adeson*	10 / 10
Alexander Fällström**	7 / 10
Gary Stolkin***	5 / 5
Adrian Weller****	0 / 1
Young Hee (Dennis) Song	12 / 12
Hans Haywood	7 / 7
Pedro Pinto	12 / 12
Injoon Jeong	1 / 7
Erik Fällström*	2 / 4

*Board member since 8 March 2024
**Deputy board member since 8 March 2024, board member since 15 July 2024
*** Board member since 15 July 2024
****Board member since 26 November 2024

The board has not decided to delegate any responsibilities to any sub-committees such as Audit committee and Compensation committee. Hence the board in its entirety has full responsibility for such matters.

Evaluation of the work of the Board of Directors

In order to ensure the quality of the Board's work and to clarify any need for additional skills and experience, an annual evaluation of the Board's work and its members is carried out. In 2024, the evaluations, which were led by the Chairman of the Board, took place through the Chairman holding individual evaluation discussions with all Board members. The compiled results of the evaluations were presented to the Board.

CEO and Group Management

The CEO is responsible for decision-making within the Group regarding the areas delegated by the Board.
The management team consists of seven people, Group CEO Mats Karlsson, Group CFO Hans Haywood, Group CTO Pedro Pinto, Group CMO James Kennedy, Group COO Julia Arnold, Head of Commercial Operations Jonathan Faiman, and CEO of Anoto Korea Steve Kim. The CEO and management team manage and control Anoto's day-to-day operations, where the CEO is responsible.

Below is information about these senior executives with year of birth, position, education, experience and ongoing assignments and as well as share and option holdings in Anoto. Assignments in subsidiaries within the Group have been excluded. All senior executives' holdings refer to current holdings as of the date of this corporate governance report.

Mats Karlsson
(born 1964)

Position: Interim Chief Executive Officer
Education: Executive MBA from Mgruppen
Experience: Co-founder & Director of Acquisitions (Sweden) of byNordic Acquisition Corporation (publicly listed on Nasdaq NY), serial tech entrepreneur with more than 25 years management experience and a number of successful investments and exits. Among others he was co-owner and chief marketing officer in mobile technology software company Tactel that was sold to private equity fund FSN Capital III.
Other positions: -
Holding: 10,000,000 shares

Hans Haywood
(born 1968)

Position: Chief Financial Officer
Education: Master in Chemical Engineering from Imperial College, University of London.
Experience: Founder and director of HKA Capital Advisors which provides management and business consulting services. Prior to that, Hans was co-CIO of a Swiss-based family office/private equity fund where he made active investments in the technology and resources sectors. Previously, he was a partner and senior portfolio manager of a multi-strategy hedge fund. Earlier in his career, Hans was a Managing Director at Credit Suisse in the fixed income trading department.
Other positions: Non-Executive Director at Nasdaq-listed SRM Entertainment and Jupiter Wellness Acquisition Corp. Managing Member at HKA Capital Advisors.
Holdings: 65,190,000 shares

Julia Arnold
(born 1981)

Position: Chief Operating Officer
Education: PhD in Financial Economics from Imperial College London, an MSc in Finance from Imperial College London, and a BSc in Economics from the London School of Economics.
Experience: Julia previously served as COO for KAIT, a subsidiary of Anoto. During her tenure at KAIT, Julia was responsible for identifying and implementing cost savings as well as improving systems and processes.
Other positions: -
Holdings: -

Pedro Pinto
(born 1987)

Position: Chief Technology Officer
Education: PhD in Computing from Imperial College London, MSc in Advanced Computing from Imperial College London, BSc in Information Systems and Computer Engineering from Instituto Superior Técnico.
Experience: Previously served as Chief Technology Officer at Knowledge AI Inc. and Quadratic Solutions LLC, Head of Engineering at Allio Fintech Corporation, Principal Engineer at Shootproof Inc., Technical Leader at Collage.com Inc., and Senior Software Engineer at Enki Labs Inc.
Other positions: Board member at Alfarroba Technologies Lda and Alfarroba Technologies OU.
Holding: -

James Kennedy
(born 1971)

Position: Chief Marketing Officer
Education: Degree from University of Cambridge
Experience: James worked for Apple Inc for 9 years in the US and Europe latterly as Director of Marketing Communications, Europe during which time he was involved in 27 product launches, and most recently as Marketing Director of Entain.
Other positions: -
Holdings: 17,250,000 shares

Steve Kim
(born 1968)

Position: Chief Executive Officer of Anoto Korea
Education: MSc in Mechanical Engineering from Seoul National University
Experience: Steve has many years of experience in hardware design and manufacturing. He has developed, among other things, a satellite radio, an image processing chip, a DNA search device, a PDA (Personal Digital Assistant) and various multimedia signal processors
Other positions: -
Holding: 1,000,000 options of series 2021/2022

Remuneration Committee

The Board of Directors has not established a Remuneration Committee, but the entire Board of Directors fulfils the tasks of the Remuneration Committee. Board members who may be members of the executive management may not participate in the work due to the independence requirements set out in the Swedish Code of Corporate Governance.

Shareholders Controlling More than One Tenth of the Shares in the Company

Three shareholders had, on the 31st of December 2024, a direct or indirect ownership of more than one tenth of the votes for all shares – DDM Debt AB (16.2%), Stolkin Helicopters Ltd (12.3%), and B.U Technology Co., Ltd. (10.3%)

Anoto's Articles of Association

The company´s Articles of Association do not comprise limitations concerning the number of votes each shareholder can represent in the Annual General Meeting, or specific conditions related to appointment or dismissal of Board members or introduction of amendments to the Articles of Association.

Internal Control

The Board of Directors is responsible for internal control in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance. This section on internal control focuses on internal control of financial reporting.

Anoto's Board of Directors has determined that there is no need for an internal audit department or function. The reason why it has been assessed that there is no need for such a special audit function is with regard to Anoto's size and that the Board, primarily through the Chairman of the Board, has ongoing contact and unusually close cooperation with the company's CEO together with other circumstances such as the Chairman's ongoing follow-up on issues of an internal audit nature and that Anoto's CEO and finance department in cooperation with the external auditors of can adequately monitor and monitor internal control as required.

Anoto's Board of Directors is ultimately responsible for the follow-up of risk management and internal control over financial reporting.

Control environment
The corporate culture of Anoto encourages initiative while assuming responsibility for meeting the defined strategic objectives of Anoto. Each employee at Anoto has a job description setting out tasks, responsibilities and authorizations.

The CEO has adopted guidelines and policies for specific areas that the employees are required to follow. Anoto has implemented a Code of Conduct that is applicable to Anoto and its suppliers. The Code of Conduct describes Anoto's requirements with respect to ethical behavior, child labor and the environment.

A detailed delegation plan has been drawn up with well-defined levels of attestation and decision levels. This is applied throughout Anoto.

Risk assessment
Risk assessments are performed in order to identify and map risks. The most important risks for the internal control of the financial reporting are identified at Group and Company level, as well as at a regional level. The outcomes of the risk assessments result in actions and tasks that support the internal control of the financial reporting.

Control measures
The Board has implemented a system for control and risk management based on the Board's Rules of Procedure - also including instructions for the CEO and reports that are to be made to the Board and the Finance Policy. These rules constitute the framework for internal control. The Board of Directors shall continuously issue instructions to the CEO for when and how information necessary for the Board's assessment of the company's and subsidiaries' financial situation and for the Board to be able to perform its duties in general, including to complete the company's financial reporting, shall be collected and reported to the Board. At each ordinary Board meeting, the company's and the Group's liquidity, earnings and position shall be presented to or reported to the Board of Directors and satisfactory documentation for the financial reporting shall be provided.

Anoto's processes and systems for ensuring effective internal controls are designed with the intention of managing and limiting the risks of material errors in the reporting of financial data, thus ensuring that both strategic and operational decisions are based on accurate financial information.

The operational work of controlling the day-to-day activities is carried out by the CEO and the Management Team. Specific guidelines govern the capacity for decision making on different issues. In addition, there are several operational meeting forums like management meetings and steering committees that address specific control issues in the operational activities. These forums effectively steer Anoto towards the defined strategic objectives.

Monitoring

There are general as well as detailed control measures aimed at preventing, discovering and correcting faults and deviations. The control organization is evaluated by the CEO on an ongoing basis with the aim of ensuring quality and efficiency.

The CEO continually keeps the Board informed of the Group's financial position, performance and any areas of risk. Anoto's external auditors attend at least two Board meetings per year, at which the auditors provide their assessment and observations on the business processes, accounts and reports. The Board takes note of the feedback given to the Group as a result of the financial reporting. The Chairman of the Board is also in regular contact with the auditors of the Group.

The Board continually monitors Anoto's financial performance by reports, as well as information from the CFO at Board Meetings. Regular follow-up ensures compliance with the Company's Finance Policy, thus identifying any deficiencies in internal controls.

Internal controls also include detailed annual budgets split by application areas, geographic areas and cost centers. Forecasts are delivered three times a year; in May, August and November. Forecasting follows the same organizational set- up as the annual budget. In December, the Board adopts the budget for the following year. In addition to budgeting and forecasting, Anoto's Management Team continually works with overall three-year strategic scenarios.

No breach of the listing agreement or good stock market practice

During the 2024 financial year, Anoto Group AB was imposed a penalty by Nasdaq Stockholm due to a delayed response to a request for information. It is good practice in the stock market for Swedish companies whose shares are admitted to trading on a regulated market in Sweden to apply the Swedish Code of Corporate Governance. Chapter 10 of the Code contains rules on information on corporate governance and sustainability that must be followed by all companies that apply the Code. There is no possibility to deviate and provide an explanation regarding these rules. The rules in section 10 have not been fully complied with during the year, which is why good practice in the stock market in this regard has not been maintained. The deviations noted will be corrected during the 2025 financial year. Otherwise, the company has followed Nasdaq Stockholm's listing agreement and applied good practice in the stock market in accordance with decisions from Nasdaq Stockholm's disciplinary committee and statements from the Swedish Securities Council.

Auditor's statement on the Corporate Governance Report

To the General Meeting of shareholders in Anoto Group AB (publ), corporate identity number 556532-3929

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2024 on pages 65-73 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance report. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm April 30, 2025

BDO Mälardalen AB

Johan Pharmanson	Carl-Johan Kjellman
Authorized Public Accountant	Authorized Public Accountant

Kevin Adeson
Chairman of the Board
Born 1964
Board member since 2024
Shareholding: -
Education: BA Honours in Accounting from Bradley University

Alexander Fällström
Independent Board Member
Born 1990
Board member since 2024
Shareholding: 2,568,352 shares
Education: Bachelor’s Degree from Harvard University

Gary Stolkin
Independent Board Member
Born 1960
Board member since 2024
Shareholding: -
Education: MA Philosophy, Politics & Economics, University of Oxford

Adrian Weller
Independent Board Member
Born 1970
Board member since 2024
Shareholding: 35,792,361 shares
Education: PhD in Computer Science from Columbia University, and
BA in Mathematics from the University of Cambridge

Senior Management

Mats Karlsson
Interim Chief Executive Officer
Born 1964
Employed since 2024
Shareholding: -
Education: Executive MBA from Mgruppen

Hans Haywood
Chief Financial Officer
Born 1968
Employed since 2024
Shareholding: 65,190,000 shares
Education: Master in Chemical Engineering from Imperial College, University of London.

Julia Arnold
Chief Operating Officer
Born 1981
Employed since 2024
Shareholding: -
Education: PhD in Financial Economics from Imperial College London, an MSc in Finance from Imperial College London, and a BSc in Economics from the London School of Economics.

Pedro Pinto
Chief Technology Officer
Born 1987
Employed since 2024
Shareholding: -
Education: PhD in Computing from Imperial College London, MSc in Advanced Computing from Imperial College London, BSc in Information Systems and Computer Engineering from Instituto Superior Técnico.

James Kennedy
Chief Marketing Officer
Born 1971
Employed since 2024
Shareholding: 17,250,000 shares
Education: Degree from University of Cambridge

Steve Kim
Chief Executive Officer of Anoto Korea
Born 1968
Employed since 2018
Shareholding: 1,000,000 options of series 2021/2022 in Anoto Group AB
Education: BA Control and Instrument Engineering, Seoul National University, Republic of Korea

The Anoto Share

Anoto Group AB (publ.) has been listed on the NASDAQ OMX Stockholm Stock Exchange (ticker: ANOT) since June 16, 2000. Today the share is listed on the Small Cap list of the NASDAQ OMX Nordic Exchange Stockholm. The share was previously traded on the New Market starting on March 15, 2000. Anoto Group's market cap of SEK 40,985 as per Dec 31, 2024 is allocated among 331,859,066 shares.

Each share entitles the holder to one vote at general meetings and all shares provide equal rights to participation in the company's assets and profits.

Share price performance

The price of the Anoto Group share decreased by 60 percent from SEK 0.300 to 0.120 during the year. During the same period, the NASDAQ OMX Stockholm PI increased by 5.98 percent. Anoto Group's market capitalization was MSEK 41.0 on December 31, 2024.

Shareholders

At the end of 2024, Anoto Group had 13,078 shareholders. Foreign shareholders controlled 40.8% and the ten largest shareholders controlled 61.2%.

Dividend policy

The company's future dividend policy will reflect its earnings, financial position and financing needs. Dividend proposals will be examined in the light of shareholder demands for a reasonable return and the company's internal financing requirements.

Option programmes

The parent company has implemented various stock option programs as set forth in Note 30.

Analysts

Anoto Group is covered by analysts at banks and securities brokers.

Per share data 2024

Number of shares 2024-12-31	331,859,067
Ongoing Share Issue 2024-12-31	770,503,691
Number of outstanding options and warrants 2024-12-31	26,223,245
Average number of shares	331,859,067
Earnings per share (SEK)	-0.15
Fully Diluted Earnings per share (SEK)	-0.15
Cash flow per share (SEK)	0.00
Fully Diluted Cash flow per share (SEK)	0.00
Shareholder´s equity per share (SEK)	0.24
Shareholder´s equity per share incl. options (SEK)	0.22

Largest shareholders on December 31, 2024

1	HONGKONG & SHANGHAI BANKING CORP, W8IMY	20.8%	69,069,082
2	DDM Debt AB (publ)	16.2%	53,821,365
3	THE BANK OF NEW YORK MELLON, W9	13.6%	45,225,066
4	Försäkringsaktiebolaget Avanza Pension	2.8%	9,281,662
5	Bjorndahl Anders	2.6%	8,578,360
6	BOUKOVALAS, PANAGIOTIS	1.3%	4,408,398
7	Hansson Johan	1.3%	4,187,667
8	V M STÄDPOOL AKTIEBOLAG	0.9%	3,000,000
9	SAXO BANK A/S CLIENT ASSETS	0.8%	2,797,759
10	ALANDSBANKEN ABP (FINLAND), SVENSK, FILIAL	0.8%	2,579,700
	Total	**61.15%**	**202,949,059**

Shareholders by size on December 31, 2024

Shares held	**Total number of shareholders**	**% total number of shareholders**
1 – 500	7,150	54.7%
501 – 1,000	1,364	10.4%
1,001 – 5,000	2,511	19.2%
5,001 – 10,000	706	5.4%
10,001 – 15,000	320	2.4%
15,001 – 20,000	170	1.3%
20,001 -	857	6.6%
	13,078	**100.00%**

FIVE-YEAR SUMMARY

Summary of comprehensive income statements

(KSEK)	2020	2021	2022	2023	2024
Net sales	70,552	71,730	69,362	43,012	30,069
Gross profit	38,155	38,581	42,901	27,038	14,360
Amortisation and impairment of intangible fixed assets	-32,490	-11,677	-12,036	-116,951	-15,958
Depreciation - property, plant and equipment	-2,958	-2,243	-2,199	-1,364	-104
Operating profit/loss	-103,431	-57,143	-47,219	-68,326	-60,025
Other financial items	-24,910	16,637	16,231	-15,668	4,244
Profit/loss after financial items	-128,342	-40,506	-30,987	-83,995	-55,781
Tax	74	283	84	-244	0
Profit/loss after tax	**-128,269**	**-40,223**	**-30,903**	**-84,238**	**-55,781**

Summary of balance sheets

Assets	2020	2021	2022	2023	2024
Intangible fixed assets	173,188	175,764	179,186	58,188	53,924
Tangible fixed assets	9,529	4,408	5,212	2,168	684
Financial fixed assets	1,475	3,648	1,483	29,673	36,286
Total non-current assets	184,192	183,820	185,881	90,029	90,894
Inventory	14,703	27,231	40,406	28,407	14,498
Accounts Receivable	7,146	6,540	1,557	13,505	530
Other current assets	16,886	17,600	9,166	9,058	35,398
Cash and cash equivalentes	2,128	3,885	1,721	2,616	3,809
Total current assets	40,864	55,255	52,850	53,586	54,234
Total assets	**225,056**	**239,074**	**238,732**	**143,614**	**145,128**

Liabilities and shareholders' equity	2020	2021	2022	2023	2024
Shareholders´ equity	158,858	144,515	110,997	59,330	80,425
Minority interests	-3098	-11768	-19346	-	0
Long-term liabilities					
Non-interest-bearing	21,670	-	498	15,774	1,372
Interest bearing	-	-	14,627	-	-
Current liabilities					
Non-interest-bearing	42,308	64,683	74,418	59,824	58,687
Interest-bearing	5,318	41,644	57,538	8,686	4,644
Total liabilities	69,296	106,327	147,082	84,284	64,703
Total liabilities and shareholders´ equity	**225,056**	**239,074**	**238,732**	**143,614**	**145,128**

Summary of cash flow statements

(KSEK)	2020	2021	2022	2023	2024
Profit/loss after financial items	-128,268	-40,223	-30,903	-84,238	-55,781
Items that do not affect liquidity	59,079	-5,916	-20,558	66,407	16,274
Change in working capital	7,585	7,117	23,509	-19,892	21,442
Cash flow from operating activities	-61,604	-39,022	-27,952	-37,723	-17,661
Cash flow from investment activities	-7,271	-7,009	-2,271	13,307	-7,599
Total cash flow before financing activities	-68,875	-46,032	-30,223	-24,416	-25,260
Cash flow from financing activities	50,628	47,536	27,703	25,150	26,453
Cash flow for the year	**-18,247**	**1,504**	**-2,520**	**734**	**1,193**

Key ratios

	2020	2021	2022	2023	2024
Sales growth, %	-37	2	-3	-38	-30
Gross margin, %	54	54	62	63	48
Capital employed (KSEK)	177,429	132,747	106,775	75,104	81,797
Equity/assets ratio, %	71	60	46	41	55
Net debt (KSEK)	3,190	37759	55,818	6,070	835
Earnings per share (SEK)	-0.72	-0.25	-0.20	-0.25	-0.15
Earnings per share after dilution (SEK)	-0.72	-0.25	-0.20	-0.25	-0.15
Cash flow per share for the year (SEK)	-0.11	0.01	-0.01	0.00	0.00
Cash flow per share after dilution (SEK)	-0.09	0.01	-0.01	0.00	0.00
Shareholder´s equity per share (SEK)	0.86	0.67	0.48	0.18	0.24
Shareholder's equity per share after dilution (SEK)	0.86	0.67	0.48	0.15	0.22
Average no. of employees	38	33	36	19	12
Sales per employee (KSEK)	1,857	2,174	1,940	2,264	2,506
Payroll expenses incl. social security contribution (KSEK)	33,472	29,105	31,379	20,393	25,089
(of which pension premiums were)	182	325	767	638	1,231

Definitions

GROSS MARGIN

Gross profit as a percentage of net sales. Gross profit is defined as net sales less cost of goods sold.

SHAREHOLDERS' EQUITY PER SHARE

Shareholders' equity divided by the number of shares at the year end.

AVERAGE NUMBER OF EMPLOYEES

Average number of employees during the year.

NET DEBT

Interest-bearing liabilities less liquid assets and current investments. Interest-bearing liabilities consist of convertible debt and short term interest bearing liabilities.

SALES PER EMPLOYEE

Net sales divided by the average number of employees.

SALES GROWTH

Increase in net sales as a percentage of net sales for the previous year.

EARNINGS PER SHARE

Profit after tax divided by the weighted average number of shares during the year.

OPERATING MARGIN

Operating profit/loss as a percentage of net sales.

CAPITAL EMPLOYED

Total assets less non-interest bearing provisions and liabilities, (including deferred tax liabilities), less short term interest bearing liabilities.

EQUITY/ASSETS RATIO

Shareholders' equity including non-controlling interest as a percentage of total assets.

CASH FLOW PER SHARE FOR THE YEAR

Cash flow for the year divided by the weighted average number of shares during the year.

EBITDA

Operating profit before depreciation and amortisation

OPERATING PROFIT/LOSS

Gross profit less costs for sales, administration, R&D and other operating income/costs.

Annual General Meeting

Anoto's Annual General Meeting will be held on June 27, 2025. Invitation will be published in accordance with what is stipulated.

Financial reporting

Anoto Group's financial reports are released in Swedish and English. The easiest way to obtain the reports is by downloading them from www.anoto.com.

Following is the schedule of Anoto Group's financial reports for its 2025 financial year:

- Q1 Report – May 30, 2025
- Q2 Report – August 29, 2025
- Q3 Report – November 28, 2025
- Year-End Report – February 27, 2026