

Invitation to Annual General Meeting in Anoto Group AB (publ)

As a precautionary measure to reduce the risk of spreading the Coronavirus, the Company's board of directors has decided that no ingestion will take place in connection with the AGM. Participation of board members, company management and the number of non-shareholders present will be limited.

The shareholders of Anoto Group AB (publ) (the "Company") are hereby invited to attend the Annual General Meeting (the "AGM") to be held on Wednesday, 30 June 2021 at 10 a.m. at the premises of Setterwalls Advokatbyrå, Sturegatan 10 in Stockholm, Sweden.

Notification of participation

Shareholders wishing to attend the AGM must

- be entered as shareholders in the share register maintained by Euroclear Sweden AB no later than on Monday, 21 June 2021,
- notify the Company of their intention to participate no later than on Wednesday, 23 June 2021.

Attendance is to be notified by e-mail to AGM@anoto.com. The notification should state name, social security number/corporate identification number and registered number of shares. To facilitate admittance to the AGM, proxies, registration certificates and other authorisation documents should be submitted to the Company by email to AGM@anoto.com no later than on 23 June 2021. The Company provides proxy forms on the Company's web page www.anoto.com.

To be entitled to participate at the AGM, shareholders who has had their shares registered through nominees (Sw. *förvaltare*) must, in addition to notifying the Company of their intention to participate at the AGM, have their shares registered in their own name so that the shareholder is entered into the share register per 21 June 2021. Such registration may be temporary (Sw. *rösträttsregistrering*) and is requested with the nominee in accordance with the nominee's routines at such time in advance as the nominee determines. Voting rights registrations made no later than the second banking day after 23 June 2021 are considered in the presentation of the AGM share register.

Proposed agenda

1. Election of Chairman
2. Preparation and approval of voting list
3. Approval of the agenda
4. Election of one or two persons to verify the minutes
5. Determination of whether the Meeting has been duly convened
6. Presentation of the Annual Report and the Auditor's Report and the consolidated Annual Report and consolidated Auditor's Report
7. Statement by the Chief Executive Officer and answering of questions from the shareholders
8. Resolution on
 - (a) adoption of the Income Statement and the Balance Sheet, and the consolidated Income Statement and consolidated Balance Sheet
 - (b) appropriation of the Company's profit or loss pursuant to the adopted Balance Sheet
 - (c) discharge for liability of the Board members and the Chief Executive Officer

9. Resolution to implement an incentive scheme for Senior Executives of the Company
10. Resolution to authorize the Board of Directors to resolve on directed issue of Series C shares
11. Resolution to authorize the Board of Directors to resolve on repurchase of Series C shares
12. Resolution to implement an incentive scheme for employees of Knowledge AI
13. Determination of the number of Board members and auditors
14. Remuneration for the Board members and the auditors
15. Election of board members, Chairman of the Board of Directors and Auditor
16. Resolution on approval of the remuneration report
17. Resolution to authorise the Board of Directors to issue new shares, warrants and/or convertible bonds
18. Closing of the Meeting

Proposals

Soltworks Co. Ltd. (the “Major Shareholder”) representing approximately 17.2 per cent of the total number of shares and votes in the Company, has informed the Company regarding its intention to present proposals in accordance with items 9–12 and 17 below. The Major Shareholder also intend to present proposals regarding items 13-15 well in advance of the general meeting.

Resolution to implement an incentive scheme for Senior Executives of the Company (item 9)

The Major Shareholder proposes that the AGM resolves to adopt an incentive scheme for Senior Executives of the Company.

The purpose of the incentive scheme is to advance the interests of the shareholders of the Company by enhancing the Company’s ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the shareholders of the Company. The Major Shareholder consider that the adoption of the incentive program as described herein is in the favour of the Group and the shareholders of the Company.

The proposed incentive program means that the participants will be granted stock options free of charge. The program comprises a maximum of 17,789,489 stock options, representing approximately 7.6 per cent of the share capital and votes after dilution, based on the current number of shares in the Company. The number of stock options granted to the CEO shall be up to 6,469,745 options and the number of options for each of the members of the Senior Management and other key employees shall be between 200,000 and 4,313,163 options. Board members of the Company not employed by the Group shall not participate in the incentive scheme.

The options granted to the CEO will vest and become exercisable on a pro rata basis, with 1/24 per month, until all options have vested after two years and can be exercised three years after the date of grant of the options.

All other options granted under the incentive scheme will vest and be exercisable according to the following. 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. Options can be exercised three years after the date of grant of the options.

The options may not be exercised unless the participant, at the time he or she exercises the options, is, and has been at all times since the date of grant of the options, an employee of, or consultant or advisor to, the Company or any company of which the Company holds at least 20 per cent of the votes for all the shares or the Company's subsidiary or the Company with one or more subsidiaries or several subsidiaries together holds at least 20 per cent of the votes (an "Eligible Participant").

If the participant ceases to be an Eligible Participant for any reason, then, the right to exercise the options shall terminate three months after the first day when options can be exercised, provided that the participant can only exercise such vested options the participant was entitled to exercise on the date of such cessation.

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. Each option entitles the participant to purchase one common stock in the Company at a price equal to 120 per cent of the average volume weighted closing price of the Company's shares on Nasdaq Stockholm for each trading day during the period from 8 June 2021 up to and including 29 June 2021.

The Board of Directors shall be responsible for preparing the detailed terms and conditions of the incentive scheme, in accordance with the above mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments of the incentive program to meet foreign regulations or market conditions. The Board of Directors may also make other adjustments if significant changes to the Company, or its markets, result in a situation where the resolved terms and conditions for exercising the options are no longer appropriate.

Furthermore, in case of special circumstances, the Board of Directors shall be authorised to resolve that stock options will be kept and exercised despite the fact that employment in the Company has ceased, for example due to illness.

The incentive scheme allows employees of to be granted stock options entitling them to acquire shares in the Company. Such transfers fall within the scope of Chapter 16 of the Swedish Companies Act, which means that a resolution to approve the incentive program is valid only where supported by shareholders holding not less than nine-tenth of both the votes cast and the shares represented at the AGM.

Resolution to authorize the Board of Directors to resolve on directed issue of Series C shares (item 10)

The Board of Directors proposes that the EGM authorizes the Board of Directors, on one or more occasions until the next Annual General Meeting, to resolve on a new issue of no more than 17,789,489 Series C shares, each with a quota value of SEK 0.60, corresponding to approximately 7.6 per cent of the share capital and votes of the Company after dilution. With the deviation from the shareholders' preferential rights, the new shares may be subscribed for by a bank or securities company at a subscription price corresponding to the quota value.

The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights when the authorization is utilized is to ensure delivery of shares to participants under the Company's outstanding incentive programs and to cover any social security costs related to such incentive schemes. Prior to the transfer of shares to participants exercising stock options, the Board of Directors will resolve to reclassify Series C shares into ordinary shares. The Company has not yet issued any Series C shares.

For a valid decision, it is required that the resolution be supported by shareholders with at least two thirds of both the votes cast and the shares represented at the AGM.

Resolution to authorize the Board of Directors to resolve on repurchase of Series C shares (item 11)

The Board of Directors proposes that the AGM resolves to authorize the Board of Directors, on one or more occasions until the next Annual General Meeting, to resolve on repurchases of Series C shares. Repurchases may only be made through an acquisition offer addressed to all holders of Series C shares and shall comprise all outstanding Series C shares. Acquisitions shall be made at a price corresponding to the quota value of the shares. Payment for acquired shares shall be made in cash.

The purpose of the above authorizations is to be able to resolve on repurchase of Series C shares in order to ensure delivery of shares to participants in the Company's outstanding incentive programs and secure payment of social security contributions attributable to such incentive programs.

For a valid decision, it is required that the resolution be supported by shareholders with at least two thirds of both the votes cast and the shares represented at the AGM.

Resolution to implement an incentive scheme for employees of Knowledge AI (item 12)

As stated in the report for the first quarter of 2021, Anoto has chosen to establish Knowledge AI Inc. ("Knowledge AI") like a typical venture-backed startup in Silicon Valley in the U.S. The reason was to create a fast-growing startup with significantly higher "exit value" potential for Anoto and its shareholders compared to if the business had been organized within Anoto. For Knowledge AI it is important to structure and organize the company so that it can attract high-calibre talent and to raise financing from venture capital. Knowledge AI has succeeded in attracting leading engineers and scientists for product development and in securing world-renown advisors including Prof. Daniela Rus from MIT. To retain and motivate these leading individuals and in order to be able to recruit additional employees to Knowledge AI, the Major Shareholder proposes that the employees are offered proper incentives to avoid losing them to competitors in this highly competitive environment in which Knowledge AI operates.

The Major Shareholder proposes that the AGM resolves to adopt an incentive scheme for current and future employees and officers of, and consultants and advisors to, Knowledge AI, a subsidiary of the Company.

The purpose of the incentive scheme of Knowledge AI is to advance the interests of the shareholders of Knowledge AI by enhancing the company's ability to attract, retain and motivate persons who are expected to make important contributions to the company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the shareholders of Knowledge AI. The Major Shareholder consider that the adoption of the incentive program as described herein is in the favour of the Group and the shareholders of the Company.

The proposed incentive program means that the participants will be granted stock options free of charge. The program comprises a maximum of 3,000,000 stock options, representing approximately 25.0 per cent of the share capital and votes after dilution, based on the current number of shares in Knowledge AI. The number of stock options granted to the CEO shall be up to 1,000,000 options and the number of options for each of the members of the senior management and other key employees shall be between 10,000 and 1,000,000 options. Taken into account existing stock option programmes in Knowledge AI the dilution represents approximately 35.7 per cent of the share capital and votes after dilution.

The options will vest and become exercisable with 20 per cent annually from the date of grant of the options and until the fifth anniversary of the date of grant. On the fifth anniversary of the date of grant, all options will be exercisable in full.

The options may not be exercised unless the participant, at the time he or she exercises the options, is, and has been at all times since the date of grant of the options, an employee or officer of, or consultant or advisor to, Knowledge AI or any parent or subsidiary of Knowledge AI (an "Eligible Participant").

If the participant ceases to be an Eligible Participant for any reason, then, the right to exercise the options shall terminate three months after such cessation, provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise the options on the date of such cessation.

The stock options can be exercised to purchase common stock in Knowledge AI no later than on the tenth anniversary from the date of grant of the options minus one day, after which any outstanding options lapse. Each option entitles the participant to purchase one common stock in Knowledge AI at a price equal to fair market value at the date of grant of the options to be determined by the Board of Directors and, if the common stock is not publicly traded, using any measure of value it determines to be appropriate in a manner consistent with the valuation principles under Section 409A of the US Internal Revenue Code of 1986, as amended, and any regulations thereunder.

The Board of Directors of Knowledge AI shall be responsible for preparing the detailed terms and conditions of the incentive scheme, in accordance with the above mentioned terms and guidelines. To this end, the Board of Directors of Knowledge AI shall be entitled to make adjustments of the incentive program to meet foreign regulations or market conditions. The Board of Directors may also make other adjustments if significant changes to Knowledge AI, or its markets, result in a situation where the resolved terms and conditions for exercising the options are no longer appropriate.

Furthermore, in case of special circumstances, the Board of Directors of Knowledge AI shall be authorised to resolve that stock options will be kept and exercised despite the fact that employment in Knowledge AI has ceased, for example due to illness.

The incentive scheme allows employees of Knowledge AI to be granted stock options entitling them to acquire shares in Knowledge AI, a subsidiary of the Company. Such transfers fall within the scope of Chapter 16 of the Swedish Companies Act, which means that a resolution to approve the incentive program is valid only where supported by shareholders holding not less than nine-tenth of both the votes cast and the shares represented at the AGM.

Resolution on approval of remuneration report (item 16)

The Board of Directors proposes that the AGM resolves to approve the Board of Directors' report regarding compensation pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

Resolution to authorise the Board of Directors to issue new shares, warrants and/or convertible bonds (item 17)

The Major Shareholder proposes that the AGM authorizes the Board of Directors to resolve, on one or several occasions during the period until the next AGM, 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 43,131,630 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.

A valid resolution by the AGM pursuant to the proposal above requires that the resolution be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the AGM.

Other

According to Chapter 7, section 32 of the Swedish Companies Act, at a General Meeting the shareholders are entitled to require information from the Board of Directors and CEO regarding circumstances which may affect items on the agenda and circumstances which may affect the Company's financial situation.

Number of shares and votes in the Company

As of 2 June 2021, the total number of shares and votes in the Company was 215,658,150. The Company is not holding any own shares.

Stockholm, June 2021

Anoto Group AB (publ)

The Board of Directors