

## **C Technologies to acquire *Anoto* and implement a new share issue raising SEK 450 million**

**C Technologies will acquire all Ericsson's *Anoto* shares to be paid in C Technologies stock thereby making *Anoto* a wholly owned subsidiary. At the same time C Technologies will implement a new share issue directed at major shareholders and large investors. The previously advised agreement with Penmex is cancelled and the new share issue discontinued. The Board intends to propose that the corporate name will be changed from C Technologies AB to *Anoto* AB.**

The Board is continuously evaluating the long term development and financing of the Company and is firmly convinced that the resolve to carry out a merger of *Anoto* and C Technologies is most important and will result in a positive effect on the Company. This view has also been communicated by the Company's major shareholders. A merger had scarcely been possible within the foreseeable future should *Anoto* have completed the new share issue directed at Penmex. The Board of C Technologies and *Anoto* has, on condition that authorisation is granted by the General Meeting of Shareholders, therefore determined the following:

### *Acquisition of Ericsson's share in Anoto*

C Technologies will acquire Ericsson's 30 per cent share in *Anoto* which will be paid in 13.825.339 new shares, thereby making *Anoto* a wholly owned subsidiary. Ericsson becomes C Technologies' largest shareholder.

### *Directed new share issue totalling SEK 450 million*

C Technologies is implementing a directed new share issue at among others Ericsson, Capital Group, Christer Fåhræus, 4:e AP-Fonden, 6:e AP-Fonden, Banco Fonder, Länsförsäkringar, Robur fonder, SIF, Skandia Fonder and Finn Rausing.

The shares are issued at a rate that shall correspond to the calculated average price paid for the Company's shares at OM Stockholm Exchange during a period of five banking days as of today the 30<sup>th</sup> day of October 2001 up and until the 5<sup>th</sup> day of November 2001, however not less than SEK 15 and not exceeding SEK 30.

The exact number of new shares cannot be determined until the issue price has been established. Should the issue price be set according to yesterday's closing price, i. e. SEK 25.30, the issue would comprise approx. 17.8 million shares corresponding to, together with the 13.825.339 shares emitted to Ericsson in order to finance the acquisition of the shares in *Anoto*, approx. 41 per cent of the share capital of C Technologies subsequent to the new share issue. C Technologies three major shareholders subsequent to the new share issue would thus be Ericsson (24 %), Capital Group (12 %) and Christer Fåhræus (10 %).

### *Cancellation of agreement with Penmex*

*Anoto*'s previously planned new share issue directed at among others the Mexican investment group Penmex is discontinued.

Also the industrial agreement with Penmex is cancelled. No claims for damages will be presented by Penmex.

## Reasons for the new structure

The new structure with *Anoto* as a wholly owned subsidiary will increase simplicity, efficiency and focus within C Technologies group. The Company will obtain maximum flexibility in respect of pricing, investments, financing, use of trademarks and allocation of resources. In addition cost savings are implemented through synergism, mainly within administration but also research and development.

## Extraordinary General Meeting

The resolution to implement a directed new share issue and to acquire Ericsson's shares in *Anoto* are subject to the authorisation by the shareholders. The Board of Directors will call an Extraordinary General Meeting on Monday 19 November 2001 in Lund.

## Comments

"*Anoto* has left the prototype phase and now has working pens and services in beta versions. Installations for internal trials at the first customer have begun in order to make final adjustments prior to a commercial launch. *Anoto* has commenced collaboration with a number of players within consumer electronics, mobile telephony, carrier services and system integration, of which certain collaboration agreements of importance to *Anoto* for the time being must remain confidential for reasons of our partners' secrecy and competition. Being able to keep *Anoto* as a fully owned subsidiary is therefore very important and positive for C Technologies' shareholders. The Management estimates that these investments fully meet the capital requirements to finance the Company until positive cash flow is achieved. The great value and potential of the company will be enhanced by the new structure and in the long term the board plans to suggest that C Technologies' name be changed to *Anoto*", says Christer Fähræus, President of *Anoto* and founder of C Technologies.

"*Anoto* connects pen and paper with mobile communication enabling operators to create services that takes the present success of SMS further. It is a highly interesting technology that suits Ericsson's strategies for Mobile Internet", says Jan Uddenfeldt, Senior Vice President Technology, Ericsson.

### For more information contact:

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*Anoto*<sup>TM</sup> was founded in Lund, Sweden in late 1999 as a subsidiary of C Technologies AB. The company *Anoto* currently has about 180 employees working in offices in Lund, Stockholm, Boston, Tokyo and Hong Kong. [www.anoto.com](http://www.anoto.com)

C Technologies AB (publ) was founded in 1996 and is a well-established Swedish high-technology company. C Technologies holds cutting-edge expertise in the fields of digital camera technology, image processing. The C Technologies Group, which also comprises the subsidiaries *Anoto* AB and WeSpot AB, currently has about 300 employees and offices located in Lund, Stockholm, Atlanta, Boston, Tokyo and Hong Kong. C Technologies' share is listed on the O-list of the OM Stockholm Exchange (Attract 40). [www.otechnologies.se](http://www.otechnologies.se)

## A global de facto standard for digital paper

*Anoto* is currently creating a global de facto standard for digital paper. *Anoto* thereby unites one of mankind's most preferred ways of communicating, pen and paper, with the tremendous power of the digital world. This combination is *Anoto* functionality.

There are several underlying technologies behind *Anoto* functionality, such as pen technology, server technology and paper technology as well as Bluetooth<sup>TM</sup> communication.

It is all these technologies that make *Anoto* functionality as intuitive, spontaneous and individual as possible for the end user. *Anoto* functionality makes sure that pen and paper remains pen and paper even when digital services are available.

## A network of partners

*Anoto* is establishing the de facto standard through a network of partners from a wide range of industries: Mobile phone industry, traditional pen and paper industry, operators, software developers only to mention some. Till now, *Anoto* has established about 50 partnerships in Europe, USA and Asia.

**Ordinary pen and paper, yet more...**

*Anoto* functionality turns handwritten notes, doodles and sketches digital. A pattern, almost invisible to the naked eye, is printed on to ordinary paper. A digital pen enabling *Anoto* functionality reads the pattern and can thereby determine its' position and copy the pen movement. The information can then via a Bluetooth™ communication node (e.g. a mobile phone) be sent to any computer, mobile phone, PDA, fax or information bank. Specific commands or functions can also be assigned to a certain area of the paper, thanks to the *Anoto* pattern. This enables services such as retrieving information or placing an order directly from a mail order catalogue, newspaper or magazine using the digital pen enabling *Anoto* functionality.

**Telephone conference on 30 October 2001 at 11:00 hrs****Present:**

Christer Fåhræus, President, Anoto AB

Örjan Johansson, Chairman of the Board, Anoto AB

Mats Lindoff, President, C Technologies AB

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