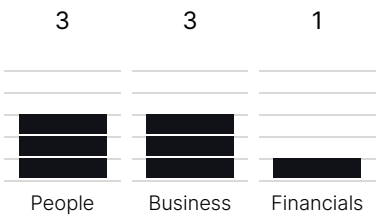
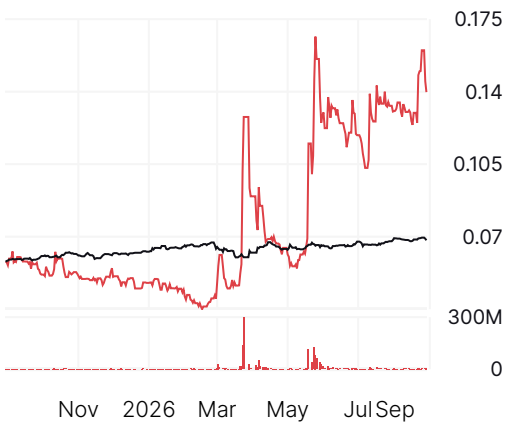
Redeye Quality Rating



Performance VS OMXS30



Share Information

Share Price SEK	**0.1398**
Number of shares (M)	**1102.4**
Marketplace	**NASDAQ Stockholm**
CEO	**Jonathan Faiman**
Chairman	**Kevin Adeson**

Key Stats

Market Cap	**154.1m SEK**
Entprs. Value (EV)	**209.3m SEK**
Net Debt (2026Q2)	**55.2m SEK**
30 Day Avg Vol	**2892 K**
Dividend Yield	**N/A**

Top Holders

Name	Ownership
Mark Stolkin	25.53%
Achilles Capital AB	19.07%
Aiit One Co Ltd	6.66%
Hans Haywood	5.88%
Beof Company Ltd	4.7%
Stolkin Helicopters Ltd	3.7%
Adrian Weller	3.25%
Nerthus Investments Ltd	3.08%
Vaba Co. Ltd	2.88%
Avanza Pension	1.98%

Redeye Equity Analysts



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More research on INQ Group

Scan the QR code to access all Redeye publications and research tools regarding INQ Group.

redeye.se/company/inq-group

INQ Group (Q2 Review): Ink Signed, More Still Drying

Redeye notes that INQ's (formerly Anoto) Q2 report delivered a clear net sales beat, though we continue to view the quarter's figures as secondary to the operational evidence of INQ's ability to convert its distribution partnerships into volume through 2027 and beyond, on which growth accelerated to 64% y/y as the first pens and notebooks under the new Filevine partnership were delivered and recognised as revenue. Following the beat and a firmer view of INQ's commercial pipeline, we raise our net sales estimates for 2027-2028 on the back of the Filevine ramp and raise our Base Case to SEK0.20 (0.18) per share. Redeye's stance on the case remains positive, as management has now converted two early-stage commercial discussions into signed, revenue-generating orders in successive quarters. However, the further opportunities flagged for the second half of 2026, remains an attractive optionality.

Exclusive Filevine Partnership Delivers a Second Proof Point

INQ became the exclusive digital-handwriting supplier to Filevine, a US legal-technology platform with more than 100,000 users and, per our own research, in excess of USD200m in ARR growing 50-60% annually. The initial order of 2,000 custom-branded pens and notebooks was contracted in Q1 2026 and largely delivered and recognised as revenue in Q2, driving an 83% y/y increase in Enterprise Solutions net sales. Management points to further deals in latter-stage negotiation, though nothing is confirmed until contracted.

Gross Margin Normalises on Mix, Underlying Cost Base Steady

Gross margin increased by 100bps y/y, but retreated to 54% q/q (75% in Q1 2026) as software and licensing revenue, which we understand is seasonally concentrated in the first quarter around enterprise licence renewals, fell to just 2% of sales from a stronger Q1 mix. Reported OPEX of SEK30.2m included SEK12.9m of non-cash share-based compensation, and we believe an additional one-off item of ~SEK3-4m inflated OPEX. Adjusted for this, underlying OPEX was in-line or maybe even a tad lower than in Q1 2026, indicating good cost control.

Base Case Raised to SEK0.20

Our Base Case, based on a discounted cash flow analysis, is SEK0.20 per share (0.18), within a Fair Value Range of SEK0.03-0.59. The raise reflects higher net sales estimates for 2027-2028 on the back of the Filevine deal, which more than offset lower near-term gross margin assumptions, raising our estimated EBITDA and EBIT for 2028e and beyond.

Key Financials

SEKm	2024	2025	2026e	2027e	2028e
Net Sales	30.1	22.4	29.0	54.9	94.0
Sales Growth	-30.1%	-25.5%	29.5%	89.3%	71.1%
EBITDA	-53.5	-52.4	-51.6	-16.7	10.3
EBITDA Margin	-178%	-234%	-178%	-30.3%	10.9%
EBIT	-60.0	-57.5	-56.5	-23.2	1.8
EBIT Margin	-200%	-257%	-195%	-42.3%	1.9%
Net Income	-57.9	-96.2	-70.9	-23.2	1.8
EV/Sales	1.4	3.5	13.3	6.6	3.8
EV/EBITDA	-0.8	-1.5	-7.5	-21.8	34.9
EV/EBIT	-0.7	-1.4	-6.9	-15.6	199
P/E	-0.7	-0.5	-4.8	-14.6	189

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Recent News Flow

The standout development of the quarter was INQ's selection as exclusive digital-handwriting supplier to Filevine, a Salt Lake City-based legal-technology platform whose LOIS system serves more than 100,000 legal professionals and, per our own research, generates in excess of USD200m in ARR growing at 50-60% annually. The commercial agreement was signed in Q1 2026, with the majority of the initial order, comprising 2,000 custom-branded INQ pens together with notebooks, software and firmware, delivered and recognised as revenue during Q2. The exclusivity seems to apply within the legal-technology sector and we estimate it is tied to continuing volume commitments. As per the press release, Filevine intends to distribute the co-branded hardware to its own customer base as an integrated part of its AI-driven legal workflow product.

Management also flagged further opportunities in the pipeline, most notably a described exclusive entertainment-franchise deal in latter-stage negotiation. We view the Filevine deal as a genuine validation of both the INQ technology and management's execution capability: the fact that management has now converted two distinct commercial discussions, in Retail and in Enterprise Solutions, into signed, revenue-generating orders within two consecutive quarters is a meaningful concrete proof point that commercial discussions are translating into signed contracts in a fast manner. We continue to view the pipeline heading into H2 2026 as encouraging, particularly the LAMY rollout and the still largely undisclosed entertainment-franchise opportunity.

Follow-up on financial KPIs

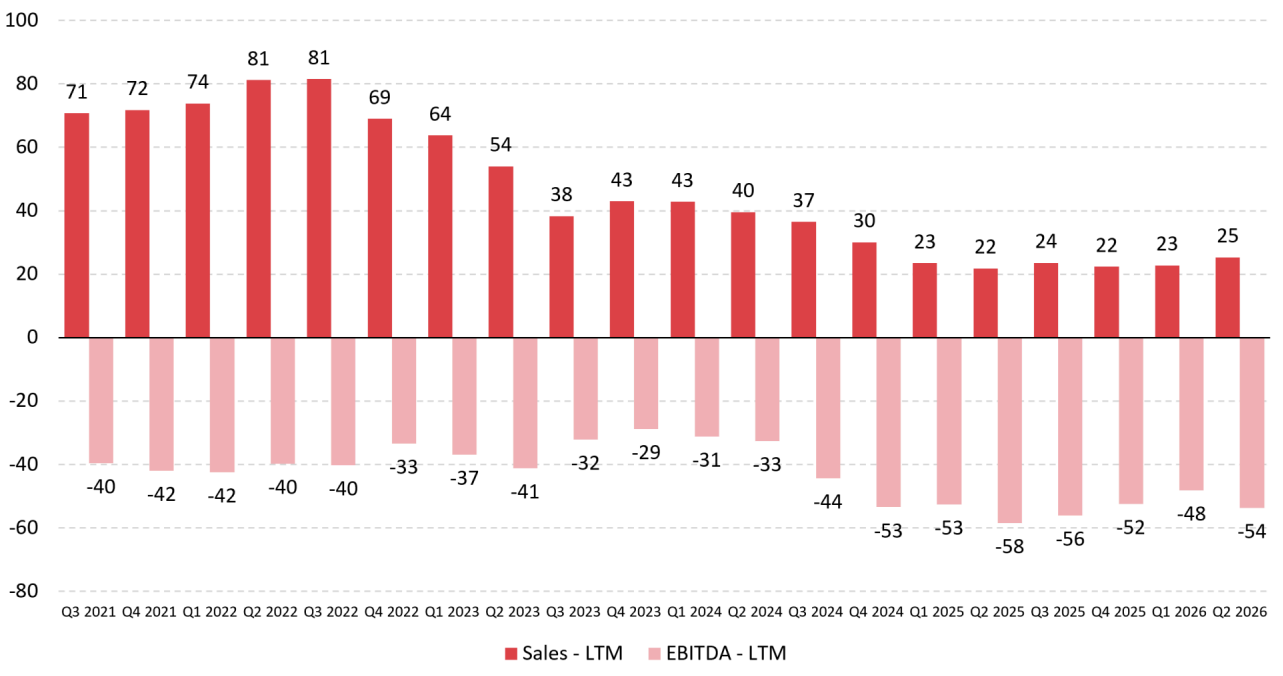
Net sales of SEK6.6m beat our SEK4.5m estimate by 46% (SEK2.1m), driven almost entirely by the Filevine-related beat in Enterprise Solutions. Gross margin of 54% came in well below our 75% estimate, which had carried forward Q1's unusually strong print. As discussed further below, this is a mix-driven outcome rather than a demand issue. EBITDA adjusted for share-based compensation amounted to SEK-12.4m and missed our SEK-9.7m estimate. Both EBITDA and EBIT are already adjusted for share-based compensation in the table below, whereas if not stated in other charts or tables, EBITDA, EBIT and the reported OPEX figure referenced elsewhere in this report is not, a distinction worth keeping in mind when comparing cost figures across sections.

INQ Group: Deviation table

SEKm	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026a	Q2 2026e	*dev. %*	dev. abs
Net sales	4.0	6.8	5.1	6.9	6.6	4.5	*46.2%*	2.1
Sales growth - YoY	*-29%*	*33%*	*-18%*	*6%*	*64%*	*12%*		
Total Retail	1.7	5.0	4.3	3.4	2.3	2.2	*6.6%*	0.1
Total Retail growth	*-63%*	*27%*	*-17%*	*17%*	*39%*	*30%*		
Total enterprise	2.3	1.8	0.8	3.4	4.3	2.3	*82.7%*	1.9
Total enterprise growth	*106%*	*53%*	*-22%*	*-2%*	*83%*	*0%*		
OPEX	-23.3	-15.6	-13.6	-14.2	-30.2	-14.0	*116.0%*	-16.2
Gross profit	2.1	2.7	3.0	5.2	3.6	3.4	*5.2%*	0.2
Gross margin	*53%*	*40%*	*58%*	*75%*	*54%*	*75%*		
EBITDA - Adjusted	-19.7	-11.4	-9.3	-7.6	-12.4	-9.7	*27.7%*	-2.7
EBITDA margin	*neg*	*neg*	*neg*	*neg*	*neg*	*neg*		
EBIT - Adjusted	-21.1	-12.9	-10.6	-9.0	-13.8	-10.6	*29.8%*	-3.2
EBIT margin	*neg*	*neg*	*neg*	*neg*	*neg*	*neg*		

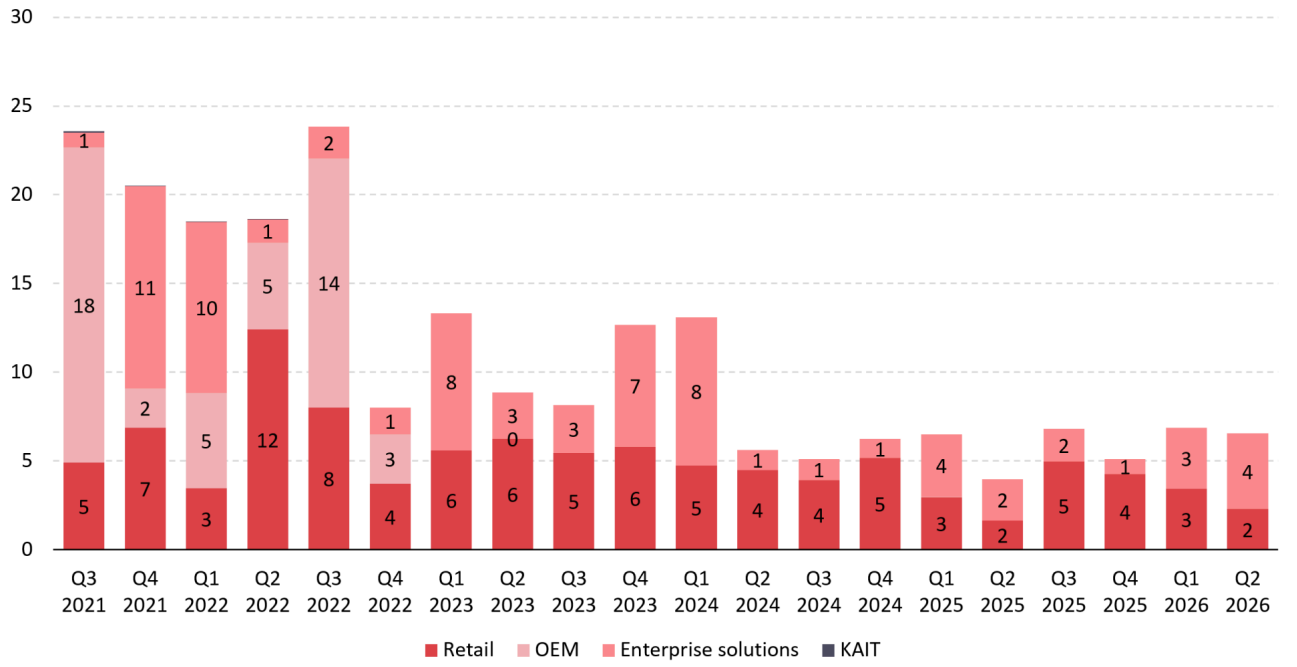
Source: Redeye research (estimates), INQ Group (historical data)

Anoto: Financial development LTM, SEKm

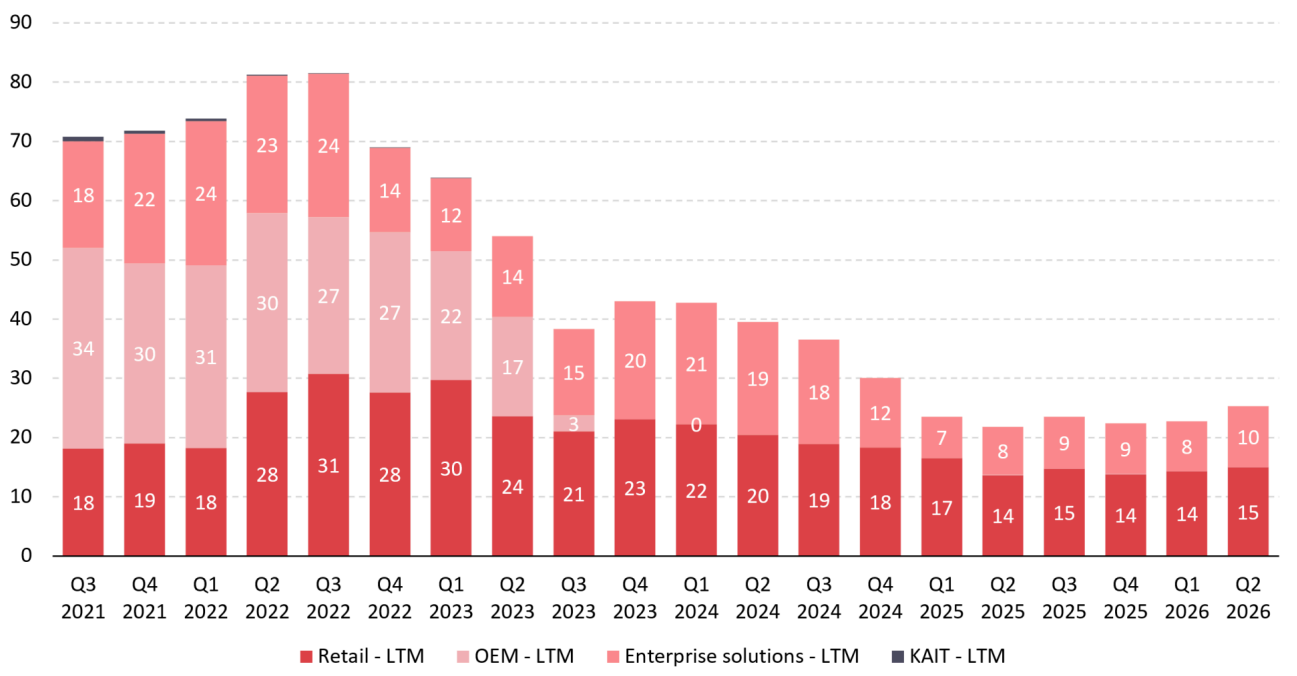


Sales Split: Retail / Enterprise Solutions

Segment sales quarterly, SEKm



Segment sales LTM, SEKm

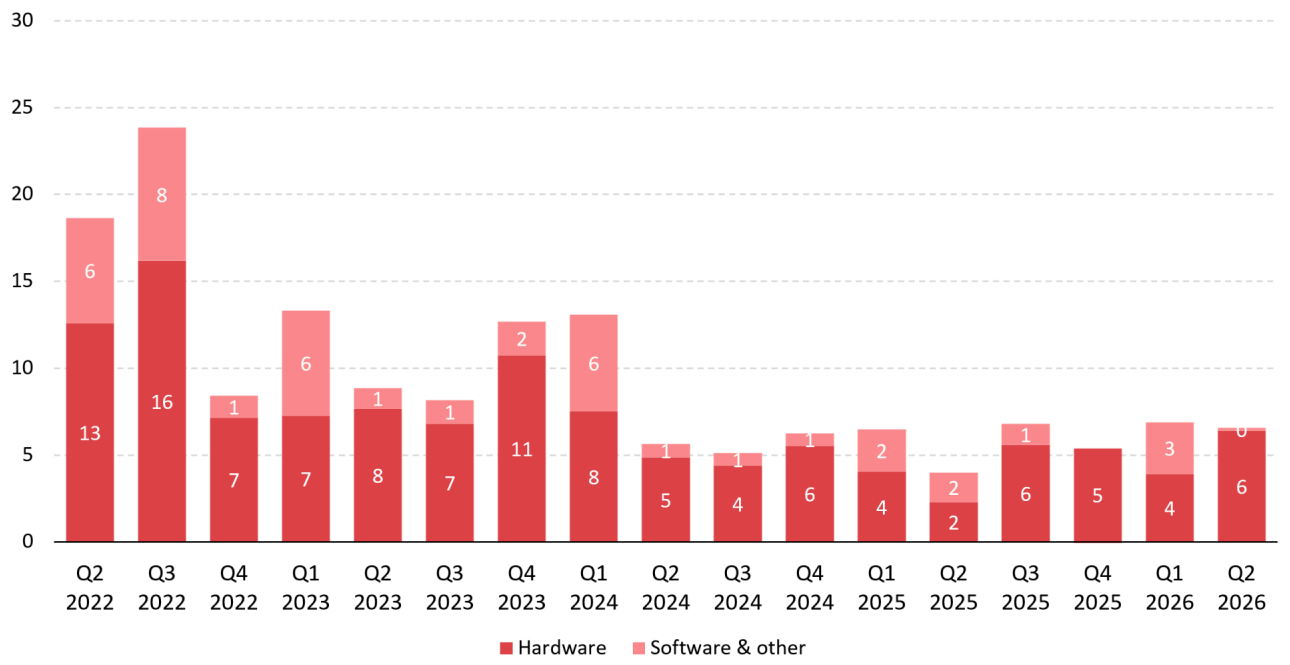


Retail net sales increased 39% y/y to SEK2.3m (1.7m), roughly in line with our SEK2.2m estimate. Growth remained organic, through inq.shop and the inq Amazon storefront, as management intentionally moderated retail marketing activity and ran down remaining single-brand inq inventory ahead of the transition to the co-branded product line with LAMY. The first LAMY purchase order, for around 7,000 co-branded inq-01 writing sets, was received only after the quarter closed and has not yet contributed to reported sales; we have accordingly modelled this order as landing in Q4 2026 rather than Q3.

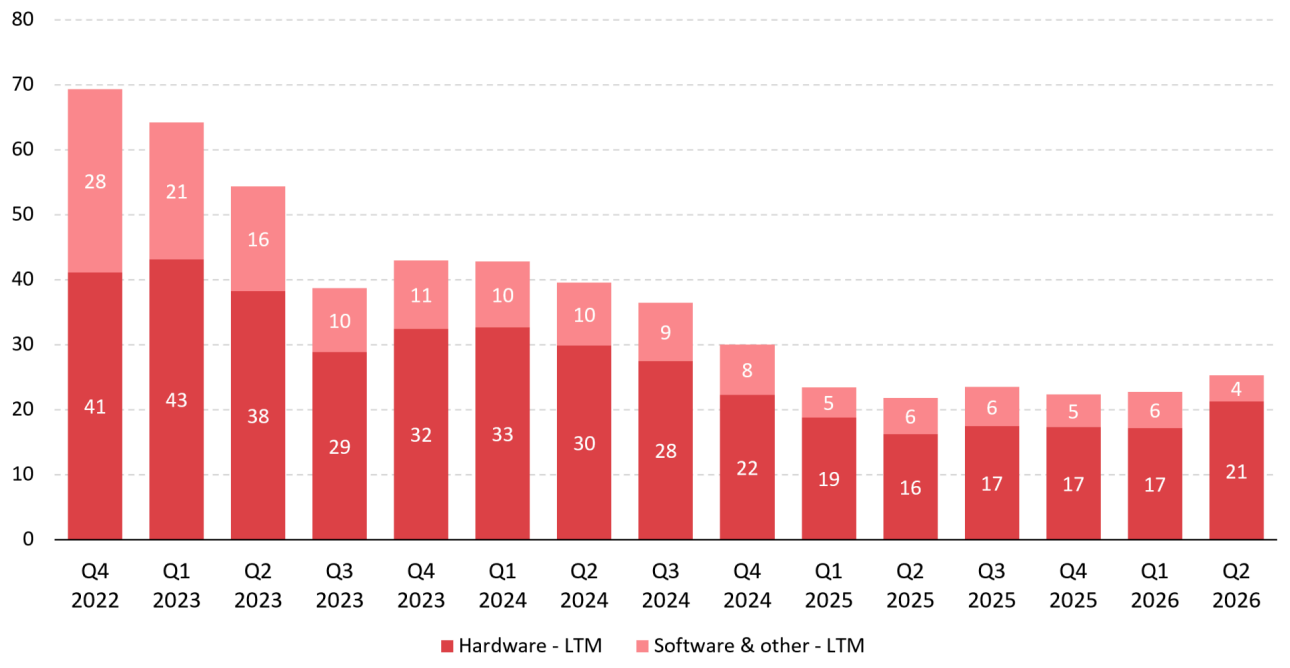
Enterprise Solutions net sales nearly doubled y/y, up 83% to SEK4.3m (2.3m), far ahead of our estimate for broadly flat growth, and the increase is attributable in full to the Filevine deliveries described above. Alongside Filevine, the segment continued to benefit from deliveries to existing customers and a number of smaller new orders. Separately, work on the inq exam platform, INQ's education-technology product unlocked by the May 2026 termination of the KAIT exclusive licence, remained in a co-development phase with an undisclosed government partner during the quarter. Management has not disclosed the partner's identity, the scope of the opportunity, or any timeline for commercial engagement, and we treat this as a distinct, still-early data point with no financial contribution to our estimates for 2026. Enterprise Solutions, on the back of Filevine, was clearly the larger driver of the quarter's overall sales performance.

Sales Split: Hardware / Software & Other

Sales by category quarterly, SEKm



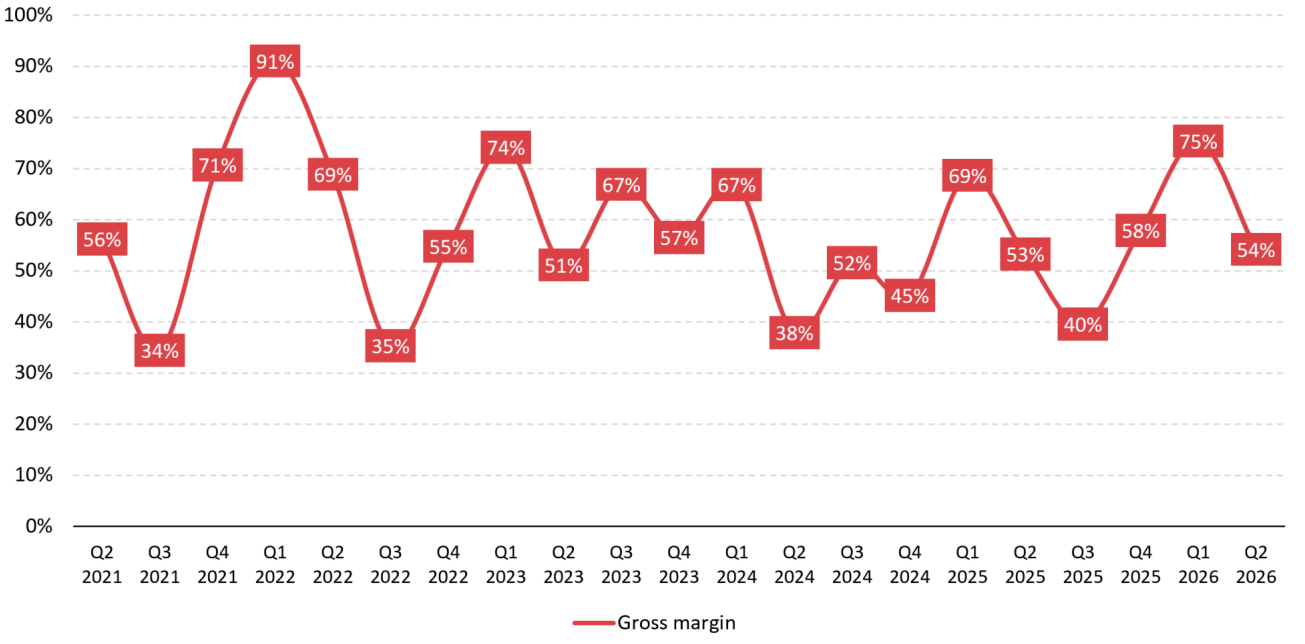
Sales by category LTM, SEKm



Hardware revenue rose 180% y/y to SEK6.4m (2.3m), while software and non-hardware revenue fell 90% y/y to SEK0.2m (1.7m). The shift reflects the hardware-heavy nature of the Filevine shipment (pens, notebooks and associated technology) set against a comparison quarter, and a preceding Q1 2026, that had benefited from a stronger mix of software and licensing revenue. INQ's potential future inq subscription tier has not commercially launched, so software and non-hardware revenue reported to date continues to reflect enterprise licensing sources rather than a live consumer subscription business. We provide some more colour on the Hardware / Software split going forward under the gross margin segment below.

Gross margin

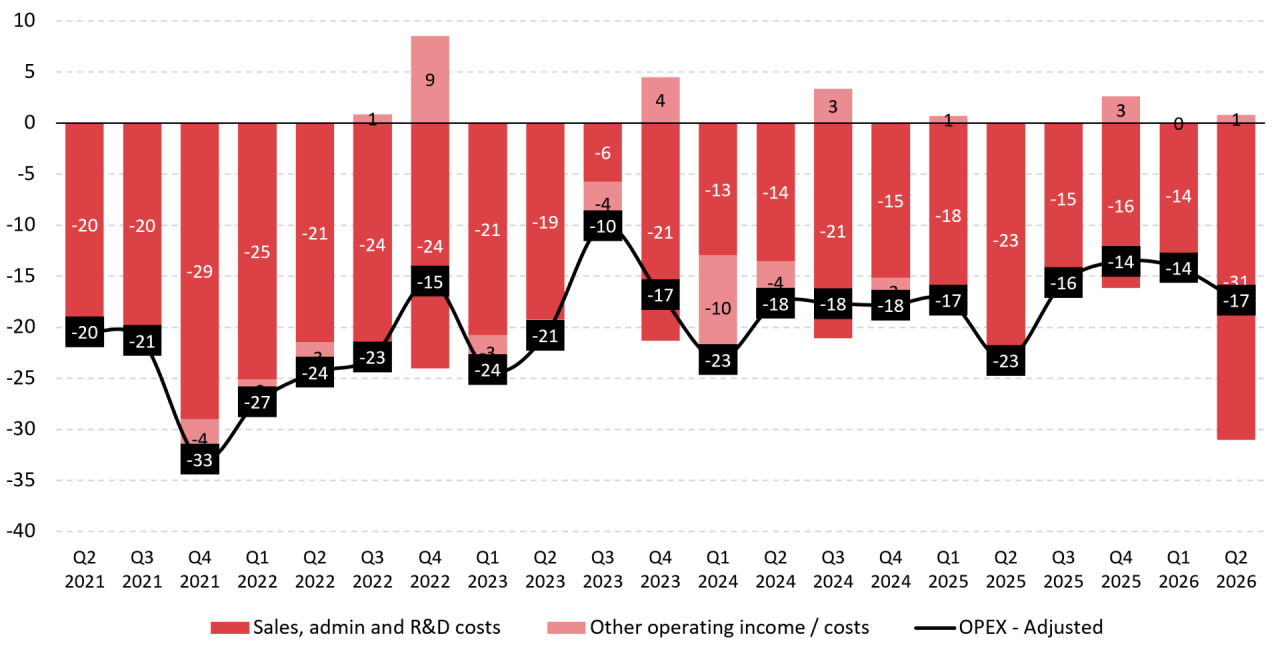
Gross margin of 54% (53% in Q2 2025) came in well below both our 75% estimate and Q1 2026's unusually strong 75% print, though it remains marginally ahead of the prior-year quarter. We attribute the sequential step-down primarily to mix: management has indicated that enterprise customers tend to pay for software licences to use the underlying dot-pattern technology disproportionately in the first quarter, concentrating software revenue there, while Q2's Filevine-driven hardware shipment pulled the blended margin lower. We also understand that management's strategy is deliberately weighted toward placing as many pens as possible into customers' hands, including pricing SDK access to partners lightly so that they build products around the INQ platform, rather than maximising near-term take-rate. In our view, this is a well thought through approach at this stage of the turnaround: a larger installed base not only sets up future software and subscription monetisation, but also generates the usage data and customer feedback that should help INQ build a better product over time. As such, we have lowered our near-term gross margin assumptions to reflect that we were not analytical enough to grasp that nice treat of the business model, which by no means lowers the potential gross margin acceleration through increased software subscriptions in the long-term, but caps the upside on the gross margin in the short term.



Cost base

Reported OPEX (sales, administrative and R&D costs, net of other operating income/costs) was SEK30.2m against our SEK14.0m estimate, but SEK12.9m of the reported figure reflects non-cash share-based compensation, and we also believe an EO non-cash item of approximately SEK3-4m is included in this figure linked to compensation of other key employees apart from top management. Adjusted only for the share based compensation, underlying OPEX was SEK17.3m, up modestly from SEK14.2m in Q1 2026. However, including the other non-cash item of approximately SEK3-4m, underlying OPEX was modestly down q/q, indicating a very strong cost control (INQ's headcount has fallen to 30 FTEs from 42 a year earlier). It is mainly this non-cash items that explains the adjusted EBITDA and EBIT misses noted in our deviation table. The gap between EBITDA and EBIT remains small in absolute terms, at INQ's current scale reflecting only the quarter's SEK1.3m of depreciation and amortisation.

Anoto: Cost base, SEKm

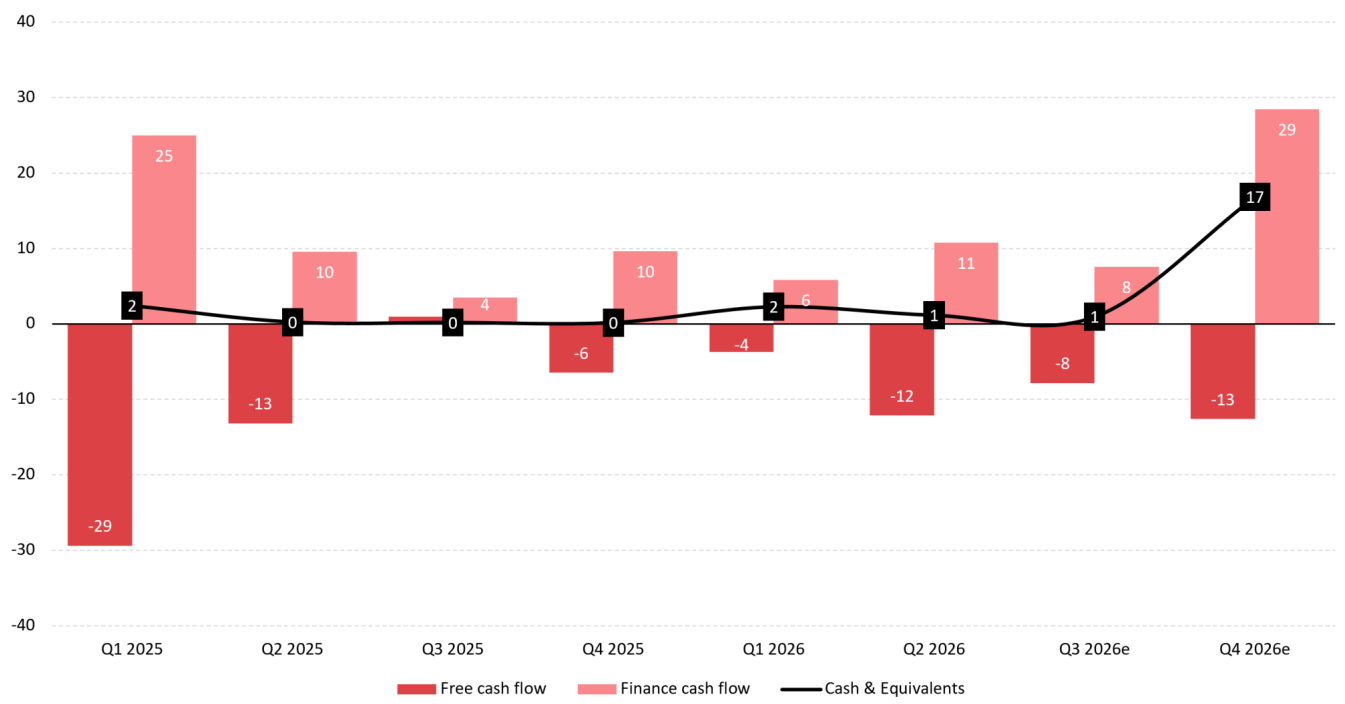


Financial position

Cash flow from operating activities was an outflow of SEK10.3m for the quarter (SEK13.2m for the half), and cash stood at SEK1.2m at quarter-end. Capitalised development investment was SEK1.8m for the quarter (1.4m) and SEK2.6m for the half (6.0m). During the quarter, the Group added a USD0.6m tranche (Tranche 6) to its secured convertible loan facility at a conversion price of SEK0.12 per share; after the quarter closed, on 31 August, a further USD0.8m tranche was added at an increased conversion price of SEK0.16 (up from SEK0.12 previously), alongside warrants exercisable at SEK0.32 per share for one year, a strike price well above the current share price that we read as a signal of lender confidence in the equity's upside.

Separately, the 31 July 2026 AGM approved a broader capital restructuring alongside the name change to INQ Group AB (publ), including a reduction of share capital, several directed and rights issues, a bonus issue, authorisation for further issues of up to 390 million shares, a new long-term incentive programme (LTIP 2026, up to around 6.5% of share capital and votes after dilution), and a 1:100 reverse share split not yet implemented at the reporting date. Our diluted share count assumption reflects this dilution, meaning that our valuation already incorporates a what we believe to be a reasonable assumption of the number of shares outstanding after full dilution. We continue to view a further equity raise as likely, but given the improved terms and added headroom from the new convertible tranche, we now model this landing around Q4 2026 rather than earlier in the second half. It is worth noting once again, that this is also included in our share count that we use as basis for our valuation below.

Anoto: Cash flow analysis



Changes to financial estimates

We raise our net sales estimates for 2027e and 2028e by around 16% and 27% respectively, mainly reflecting an assumed additional 6,000 Filevine-related pens in 2027 and 12,000 in 2028, alongside a shift of the initial ~7,000-unit LAMY order into Q4 2026 revenue recognition. Our 2026e net sales estimate is essentially unchanged. We have lowered our near-term gross margin assumptions given the mix dynamics described above; in part, this also corrects for our own initial forecast having pencilled in a higher gross margin than now looks realistic this early in INQ's volume ramp. The share based compensation and trimmed gross margin weighs on 2026e-2027e EBITDA and EBIT, but the net effect of higher volumes further out is a materially improved 2028e outlook, with EBITDA turning to a positive SEK10.3m (previously SEK4.6m) and EBIT to a positive SEK1.8m (previously a loss of SEK2.8m). The longer-term trajectory we build our Base Case around, a sales CAGR toward the underlying assumptions embedded in our DCF and EBITDA breakeven emerging around 2028e, remains intact and is, if anything, reinforced by this quarter's evidence of commercial execution. We raise our Base Case to SEK0.20 per share (0.18). Our diluted share count assumption was updated modestly to reflect the new convertible tranche's warrants and conversion terms.

Anoto: Estimate changes

INQ Group: Estimate changes									
		Updated			Previous		*Chg. %*	*Chg. %*	*Chg. %*
SEKm	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	***2026e***	***2027e***	***2028e***
Net sales	29.0	54.9	94.0	29.0	47.4	74.0	*0%*	*16%*	*27%*
Sales growth - YoY	*29%*	*89%*	*71%*	*30%*	*63%*	*56%*			
EBITDA	-51.6	-16.7	10.3	-27.6	-14.4	4.6	*87%*	*15%*	*122%*
EBITDA margin	*-178%*	*-30%*	*11%*	*-95%*	*-30%*	*6%*			
EBIT	-56.5	-23.2	1.8	-33.3	-21.5	-2.8	*70%*	*8%*	*-165%*
EBIT margin	*-195%*	*-42%*	*2%*	*-115%*	*-45%*	*-4%*			
EPS	0.0	0.0	0.0	0.0	0.0	0.0	*60%*	*7%*	*-164%*

Source: Redeye research (estimates), INQ Group (historical data)

Anoto: Financial estimates

INQ Group: Estimates										
SEKm	**2023**	**2024**	**2025**	**Q1 2026**	**Q2 2026**	**Q3 2026e**	**Q4 2026e**	**2026e**	**2027e**	**2028e**
Net sales	**43.0**	**30.1**	**22.4**	**6.9**	**6.6**	**5.5**	**10.1**	**29.0**	**54.9**	**94.0**
Sales growth - YoY	*-38%*	*-30%*	*-25%*	*6%*	*64%*	*-19%*	*98%*	*29%*	*89%*	*71%*
Gross profit	**27.0**	**16.4**	**12.2**	**5.2**	**3.6**	**3.3**	**6.1**	**18.1**	**34.3**	**58.3**
Gross margin	*63%*	*54%*	*55%*	*75%*	*54%*	*60%*	*60%*	*62%*	*63%*	*62%*
OPEX	**-71.8**	**-76.4**	**-69.8**	**-14.2**	**-30.2**	**-15.1**	**-15.0**	**-74.5**	**-57.6**	**-56.5**
EBITDA	**-28.8**	**-53.5**	**-52.4**	**-7.6**	**-25.3**	**-10.7**	**-7.9**	**-51.6**	**-16.7**	**10.3**
EBITDA margin	*-67%*	*-178%*	*-234%*	*-111%*	*-387%*	*-195%*	*-79%*	*-178%*	*-30%*	*11%*
EBIT	**-44.8**	**-60.0**	**-57.5**	**-9.0**	**-26.7**	**-11.8**	**-9.0**	**-56.5**	**-23.2**	**1.8**
EBIT margin	*-104%*	*-200%*	*-257%*	*-131%*	*-407%*	*-215%*	*-89%*	*-195%*	*-42%*	*2%*
EPS, diluted	**-0.18**	**-0.17**	**-0.09**	**-0.01**	**-0.02**	**0.00**	**0.00**	**-0.03**	**-0.01**	**0.00**
EV/Sales	2.9x	1.4x	3.5x	7.5x	7.8x	8.7x	13.3x	13.3x	6.6x	3.8x
EV/EBITDA	-4.4x	-0.8x	-1.5x	-3.5x	-3.7x	-4.0x	-7.5x	-7.5x	-21.8x	34.9x
EV/EBIT	-2.8x	-0.7x	-1.4x	-3.2x	-3.4x	-3.6x	-6.9x	-6.9x	-15.6x	199.3x
P/E	-1.7x	-0.7x	-0.5x	-1.8x	-1.6x	-1.9x	-2.2x	-4.8x	-14.6x	189.2x

Source: Redeye research (estimates), INQ Group (historical data)

Fair value range

Base Case - SEK0.20

We raise our Base Case to SEK0.20 per share (0.18), based on a discounted cash flow analysis using a 14% WACC across two growth periods to around 2040e: an initial period to 2030e with an approximate 51% sales CAGR (starting from a low basis), and an extended period to 2040e with an approximate 19% CAGR, alongside an 18% terminal EBITDA margin and 2% terminal growth. This level assumes only modest commercial success, on the order of roughly 1% eventual LAMY penetration and only minor EdTech deals along the way, which is what leaves meaningful room between the Base Case and the Bull Case below. Our diluted share count assumption already reflects an assumed future capital raise.

INQ Group: Base case valuation

Assumptions		DCF	SEKm	Per share
Tax rate	*21%*	2026e - 2030e	-13.1	0.0
WACC	*14%*	2031e - 2040e	461.1	0.2
Shares outstanding (diluted)	2,553.3	Terminal	114.6	0.0
Sales CAGR 2025 - 2030e	*51%*	Net cash	-55.3	0.0
Sales CAGR 2030e - 2040e	*19%*			
		Base case		**0.20**
Terminal value assumptions		*Upside potential*		*50%*
Group sales	976			
Terminal growth	*2%*			
EBITDA margin	*18%*			

Source: Redeye research (estimates)

Bull Case - SEK0.59

Our Bull Case is raised slightly to SEK0.59 per share (0.58), built on a steeper approximate 64% sales CAGR to 2030e and 24% CAGR to 2040e, with a 23% terminal EBITDA margin. Reaching this scenario would require higher LAMY penetration than the Base Case assumes, on the order of roughly 2.5% (around 200,000 pens a year), and a national-scale EdTech deal building on the current pilot.

INQ Group: Bull case valuation

Assumptions		DCF	SEKm	Per share
Tax rate	*21%*	2026e - 2030e	10.5	0.0
WACC	*14%*	2031e - 2040e	1,186.7	0.5
Shares outstanding (diluted)	2,553.3	Terminal	370.5	0.1
Sales CAGR 2025 - 2030e	*64%*	Net cash	-55.3	0.0
Sales CAGR 2030e - 2040e	*24%*			
		Bull case		**0.59**
Terminal value assumptions		*Upside potential*	*347%*	
Group sales	2,290			
Terminal growth	*2%*			
EBITDA margin	*23%*			

Source: Redeye research (estimates)

Bear Case - SEK0.03

Our Bear Case is unchanged at SEK0.03 per share, built on a slower approximate 39% sales CAGR to 2030e and 11% CAGR to 2040e, with a 20% terminal EBITDA margin. This scenario reflects inq carving out a niche without becoming a scaled platform, LAMY and enterprise demand underwhelming relative to current expectations, and subscription attach staying low. The business survives in this outcome, but existing equity value is substantially diluted and eroded.

INQ Group: Bear case valuation

Assumptions		DCF	SEKm	Per share
Tax rate	*21%*	2026e - 2030e	-84.9	0.0
WACC	*14%*	2031e - 2040e	157.8	0.1
Shares outstanding (diluted)	2,553.3	Terminal	51.2	0.0
Sales CAGR 2025 - 2030e	*39%*	Net cash	-55.3	0.0
Sales CAGR 2030e - 2040e	*11%*			
		Bear case		**0.03**
Terminal value assumptions		*Downside risk*	*-80%*	
Group sales	349			
Terminal growth	*2%*			
EBITDA margin	*20%*			

Source: Redeye research (estimates)

Investment Thesis

Case

AI finally gives the pen a reason to be digital

Anoto's historical failure was both a technology problem and a value-proposition problem. The underlying capture technology was credible, but never quite good enough to clear the bar for mass adoption, while digitizing handwriting on its own was never a compelling enough reason to buy in the first place. We are of the opinion that a static digital copy of a notebook page simply wasn't worth much to most customers. The new inq pen addresses both gaps at once: better hardware, and an AI layer that can transcribe, summarize, tag and make handwritten notes conversationally queryable, finally giving digitization a genuine reason to exist. Should management prove it can both scale pen sales and successfully attach the software layer on top, we believe this could mark a genuine turnaround for a company that has lacked one for three decades.

Evidence

Real signals after three decades of false starts

After three decades of false starts, Anoto is showing its first tangible signs of real commercial traction. Management itself has been unusually candid about this history, acknowledging openly that the company has never had a technology problem so much as an execution one, and that the burden now sits with them to prove it. Central to that proof is the June 2026 distribution partnership with LAMY, the German writing-instruments maker, which could give Anoto access to over 15,000 retail outlets and represents the first real validation of demand from a credible, premium brand. An initial order of 7,000 pens was secured in July, and management expects the partnership to generate annual sales in the tens of thousands of pens, which on its own we estimate could be worth more than all of Anoto's 2025 sales combined. These are still early signs, but they suggest a pipeline beginning to move rather than a company standing still.

Challenge

Financing needed

Anoto's cash position cannot fund the business through to breakeven on its own. Cash and equivalents stood at SEK1m at the end of Q2 2026, against an operating burn of roughly SEK8m per quarter, and the company has raised capital nearly 50 times since 2008. A convertible framework is in place, providing some flexibility, but a further raise is, in our view, a near-certainty. Convertible agreements already in place suggest management is targeting a raise at SEK0.20 per share, a premium to current levels, but we conservatively assume a raise closer to today's share price in our base case.

Real signals, but LAMY has done this before, and it didn't move the needle

The evidence that Anoto's maybe biggest growth channel (LAMY) is moving is genuine, but LAMY's relationship with Anoto is not the first time the company has put its name behind a smartpen. LAMY previously offered a co-branded smartpen and digital notebook set built on NeoLAB's technology, a collaboration we believe has since been discontinued, and which did not, to our knowledge, generate meaningful sales volumes. As per our understanding, this reflected a weaker product and support experience rather than an absence of demand. LAMY re-evaluating the category and choosing inq this time, is itself a stronger signal than a first attempt would be. We think that's a fair read, but it doesn't settle the question completely. The central test is still whether inq on a LAMY shelf actually sells pens, and the initial 7,000-unit order is a real commercial commitment. We'll be watching that data closely as the evidence that ultimately decides it.

Valuation

Base Case of SEK0.20

We value Anoto using a 2026e-2040e DCF at a 14% WACC, reflecting the company's capital-raising history and early-stage turnaround. Our Base Case of SEK0.20 per share assumes a 51% sales CAGR to 2030e, 50% upside from today's price, against a Bear Case of SEK0.03 and a Bull Case of SEK0.59, where LAMY penetration and an EdTech deal scale meaningfully. The base case underwrites little of this: roughly 1% LAMY penetration and no major EdTech deal, against a combined opportunity we estimate at over SEK750m across those two channels alone. We see a wide payoff profile: meaningful downside if execution disappoints, but a path to a materially higher valuation if either lands.

Redeye Quality Rating

Company Quality

Company Quality is based on a set of quality checks across three categories; PEOPLE, BUSINESS, FINANCE. These are the building blocks that enable a company to deliver sustained operational outperformance and attractive longterm earnings growth.

Each category is grouped into multiple sub-categories assessed by five checks. These are based on widely accepted and tested investment criteria and used by demonstrably successful investors and investment firms. Each sub-category may also include a complementary check that provides additional information to assist with investment decision-making.

If a check is successful, it is assigned a score of one point; the total successful checks are added to give a score for each sub-category. The overall score for a category is the average of all sub-category scores, based on a scale that ranges from 0 to 5 rounded up to the nearest whole number. The overall score for each category is then used to generate the size of the bar in the Company Quality graphic.

People

3

At the end of the day, people drive profits. Not numbers. Understanding the motivations of people behind a business is a significant part of understanding the long-term drive of the company. It all comes down to doing business with people you trust, or at least avoiding dealing with people of questionable character. character.

The People rating is based on quantitative scores in seven categories: categories:

1. Passion 2. Execution 3. Capital Allocation 4. Communication 5. Compensation 6. Ownership 7. Board

Positives

- Jonathan Faiman brings credible entrepreneurial pedigree as Ocado co-founder and former COO, with directly relevant experience scaling a hardware-plus-software business from early stage through IPO.
- Insider ownership of ~30% and two controlling shareholders (Achilles Capital, Mark Stolkin) provide meaningful alignment between key stakeholders and long-term company performance.
- The board is deliberately composed around Anoto's specific turnaround needs, combining capital-markets expertise, AI research credentials, brand strategy, and direct financing insight.
- Management has articulated a clear, sequenced strategic roadmap — near-term partnerships, 2026 SaaS/EdTech scale-up, inq 2 platform launch in H1 2027 — with a credible subscription monetisation thesis.
- Communication standards appear candid: management publicly frames investor expectations around delivered execution rather than promotional narrative.

Negatives

- CEO tenure is only a few months, with no prior turnaround experience in distressed companies; the entire senior team lacks the five-year stability threshold typically associated with consistent execution.
- Capital allocation has been deeply destructive: EBIT margin of -257%, accelerating EPS deterioration, and repeated highly dilutive convertible financings signal no evidence of returns on invested capital.
- Board independence is compromised, with multiple directors holding material financial ties to related-party lenders, raising genuine concerns about their ability to challenge management objectively.
- Strategic consistency is absent — the company has pivoted repeatedly across hardware, EdTech partnership, and now proprietary platform, with no multi-year track record of executing against a stated plan.

Business

3

If you don't understand the competitive environment and don't have a clear sense of how the business will engage customers, create value and consistently deliver that value at a profit, you won't succeed as an investor. Knowing the business model inside out will provide you some level of certainty and reduce the risk when you buy a stock.

The Business rating is ased on quantitative scores in seven categories:

1. Business Scalability 2. Market Structure 3. Value Proposition 4. Economic Moat 5. Operational Risks

Positives

- Anoto benefits from strong secular tailwinds as AI-driven demand for handwriting capture grows, with the digital writing market sized at USD3.25bn and expanding at 18% CAGR, directly supporting the inq platform's core value proposition.
- The LAMY partnership represents a transformative distribution breakthrough, providing access to 15,600+ retail outlets across 80+ countries with a confirmed 7,000-unit purchase order, at minimal incremental customer-acquisition cost.
- Multiple credible reinvestment avenues exist — inq 2, inq 3, enterprise SaaS, and reopened EdTech channel — suggesting genuine growth optionality beyond the current product line.
- The competitive landscape has improved materially: key AI-software rival Nuwa has gone bankrupt, and LAMY reportedly switched from NEO Smartpen to Anoto, suggesting inq holds the strongest proposition in a

Negatives

- Anoto is deeply unprofitable, reporting a ~96M SEK net loss and negative operating cash flow in 2025, with survival entirely dependent on repeated convertible loan issuances and continued capital market access.
- The company has fewer than 30 employees and is highly dependent on a small leadership team executing a complex strategic transformation, creating significant key-person risk.
- No established recurring revenue majority exists; roughly half of revenues remain tied to one-time hardware sales, limiting earnings predictability and compressing potential valuation multiples.
- The industry lacks any demonstrated track record of attractive returns, with direct smart pen peers either bankrupt or generating negligible revenues, making industry-level ROIC effectively incalculable.

fragmented field.
- The asset-light, outsourced manufacturing model means incremental revenue — especially subscription revenue — can scale without proportionate capital reinvestment, supporting future margin expansion.

Redeye Quality Rating

Financials

1

Investing is part art, part science. Financial ratios make up most of the science. Ratios are used to evaluate the financial soundness of a business. Also, these ratios are key factors that will impact a company's financial performance and valuation. However, you only need a few to determine whether a company is financially strong or weak.

The Financial rating is based on quantitative scores that are grouped into five separate categories:

1. Earnings Power 2. Profit Margin 3. Growth Rate 4. Financial Health 5. Earnings Quality

Positives

- Gross profit margin exceeds 40%, suggesting a defensible product mix and meaningful pricing power relative to costs, which could support profitability if revenue scales.
- Accounts receivable to sales remains below 20%, suggesting disciplined revenue recognition and efficient collections despite the company's broader financial difficulties.

Negatives

- Profitability metrics are deeply negative across ROE, ROA, and operating margin, with no improvement trend, signalling the business model is not yet self sustaining.
- Financial health is severely strained: current assets fail to cover current liabilities, debt is not covered by cash flow, and a capital raise within 12 months appears highly likely, threatening dilution.
- Revenue has declined sharply with no consistent growth history, negative EPS across all measured periods, and no path to cash flow positivity in the near term.

Rating Distribution

Redeye Covered Companies			
Rating	**People**	**Business**	**Financials**
5	7	7	0
3-4	128	112	50
0-2	7	23	92
Companies	142	142	142

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Financials

Income Statement				
SEKm	2025	2026e	2027e	2028e
Net Sales	22.4	29.0	54.9	94.0
Other Income	0.0	0.0	0.0	0.0
Total Revenue	22.4	29.0	54.9	94.0
Cost of Sales	-10.2	-10.9	-20.6	-35.7
Gross Profit	12.2	18.1	34.3	58.3
Operating Expenses	-69.8	-74.5	-57.6	-56.5
EBITDA	-52.4	-51.6	-16.7	10.3
Depreciation and Amortization	-5.1	-4.8	-6.6	-8.5
EBIT	-57.5	-56.5	-23.2	1.8
Net Financial Items	-38.7	-14.4	0.0	0.0
EBT	-96.2	-70.9	-23.2	1.8
Income Tax Expenses	0.0	0.0	0.0	0.0
Net Income	-96.2	-70.9	-23.2	1.8
Balance Sheet				
SEKm	**2025**	**2026e**	**2027e**	**2028e**
Assets				
Non-current assets				
Property, Plant and Equipment (Net)	3.6	3.3	3.3	3.3
Goodwill	0.0	0.0	0.0	0.0
Intangible Assets	52.7	54.6	56.3	57.2
Right-of-Use Assets	0.0	0.0	0.0	0.0
Other Non-Current Assets	16.5	0.56	0.56	0.56
Total Non-Current Assets	72.9	58.5	60.1	61.0
Current assets				
Inventories	15.2	11.6	27.5	37.6
Accounts Receivable	1.4	1.7	3.3	5.6
Other Current Assets	6.2	5.8	13.7	18.8
Cash Equivalents	0.20	16.9	40.1	45.9
Total Current Assets	23.0	36.0	84.6	107.9
Total Assets	95.9	94.5	144.7	168.9
Equity and Liabilities				
Non-current liabilities				
Long Term Debt	23.3	54.1	54.1	54.1
Long Term Lease Liabilities	0.0	0.0	0.0	0.0
Other Non-Current Lease Liabilities	0.0	0.0	0.0	0.0
Total Non-Current Liabilities	23.3	54.1	54.1	54.1
Current liabilities				
Short Term Debt	2.4	9.9	9.9	9.9
Short Term Lease Liabilities	0.0	0.0	0.0	0.0
Accounts Payable	0.0	0.0	0.0	0.0
Other Current Liabilities	68.7	63.8	137.3	159.7
Total Current Liabilities	71.1	73.8	147.2	169.7
Equity	1.5	-33.4	-56.7	-54.9
Total Liabilities and Equity	95.9	94.5	144.7	168.9
Cash Flow				
SEKm	**2025**	**2026e**	**2027e**	**2028e**
Operating Cash Flow	-33.2	-69.2	31.5	15.2
Investing Cash Flow	-14.8	-5.0	-8.2	-9.4
Financing Cash Flow	47.7	28.5	0.0	0.0
Cash Flow For The Period	-1.9	-45.7	23.2	5.8

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