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InCoax carries out a rights issue of approximately SEK 52.6 million

The board of directors of InCoax Networks AB ("InCoax" or the "Company") has today, subject to subsequent approval by the extraordinary general meeting in the Company on 4 January 2024, resolved to carry out a rights issue of shares with preferential rights for the Company's existing shareholders of approximately SEK 52.6 million before issue costs (the "Rights Issue"). The Rights Issue is mainly intended to finance repayment of loan, working capital for the operating business, continued growth as well as potential M&A investments within technology. In connection with the Rights Issue, the Company has received subscription undertakings of approximately SEK 33.4 million, corresponding to approximately 63.5 per cent of the Rights Issue. Furthermore, the Company has entered into agreements with Saugatuck Invest AB and Svenska Defence AB regarding guarantee commitments without remuneration of approximately SEK 19.2 million, corresponding to approximately 36.5 percent of the Rights Issue. In aggregate, the Rights Issue is covered by subscription undertakings and guarantee commitments corresponding to 100 per cent of the Rights Issue. The Rights Issue is subject to approval by the extraordinary general meeting on 4 January 2024. Notice to the extraordinary general meeting will be published through a separate press release.

Summary of the Rights Issue

- Existing shareholders will receive one (1) subscription right for each share held on the record date on 8 January 2024. Two (2) subscription rights entitle the holder to subscribe for one (1) new share in the Company.
- The Rights Issue comprises a maximum of 36,052,364 shares, at a subscription price of SEK 1.46 per share.
- Upon full subscription in the Rights Issue, InCoax will receive approximately SEK 52.6 million before deduction of issue costs.
- The last day of trading in the Company's share including the right to receive subscription rights in the Rights Issue is 4 January 2024. The shares are traded excluding the right to receive subscription rights in the Rights issue from 5 January 2024.
- The subscription period in the Rights Issue will run from and including 10 January 2024 up to and including 24 January 2024.
- The Rights Issue is covered by subscription undertakings up to approximately 63.5 per cent and by guarantee commitments up to approximately 36.5 per cent, corresponding to a total of 100 per cent of the Rights Issue.
- The complete terms and conditions for the Rights Issue, including additional information about the Company, will be made available in an EU growth prospectus that is expected to be published around 8 January 2024 (the "**Prospectus**").

Background and reason

InCoax is developing innovative solutions for broadband access, so-called Fiber Access Extension solutions, with gigabit speed and provides next-generation sustainable network products and system solutions to the world's leading telecom and broadband service operators.

During 2020, InCoax underwent a strategy change to position the Company more clearly towards system design and solutions for bigger Tier 1 operators. This has resulted in a Master Purchase Agreement (MPA) with Google Fiber Inc., an American national fiber/LAN operator operating in 19 American metropolitan areas. In addition to the agreement with Google Fiber Inc., InCoax has after successful field tests during 2022 received orders of SEK 17.5 million, on products relating to private single-family homes from an American Tier 1 operator. The Tier 1 operator has a need in the segments of private single-family homes and apartment buildings to connect four million households and 1.6 million households respectively to fiber within the next three to five years. In parallel, InCoax continues discussions with the American Tier 1 operator regarding the last step, productization and commercialization of InCoax' multigigabit solution for fiber extension in multi-family homes – InCoax MoCA Access™ 2.5.

The Company has signed a memorandum of understanding (MoU) with Nokia aimed at a strategic collaboration around the InCoax system solution for internet access. The agreement establishes terms and guidelines for the global delivery of InCoax MoCA Access™-based solutions, designed for Fiber Access Extension with multigigabit performance over coaxial cable networks in Multiple Dwelling Units (MDU).

This MoU marks the start of a significant collaboration between the two companies with the goal of seamlessly integrating InCoax products and solutions into Nokia's existing end-to-end Internet access solution, including management through Nokia's Altiplano™ Access Controller (fiber network management system). InCoax technology for Fiber Access Extension thus complements Nokia's Gigabit Connect and Passive Optical Network (PON) solutions. Nokia, a global market leader in XGS-PON (10-gigabit PON solutions), aims to position the InCoax system solution as a fast and efficient alternative in multi-family buildings where fiber installations are not practical. The synergy between Nokia's and InCoax's cost-effective solutions means significant savings both during installation and commissioning of broadband installations. The solution reduces installation time and costs for property owners, landlords and residents, while ensuring optimal connection performance. Deliveries under a definitive agreement are expected to start in the second half of 2024.

Through the commercial success resulting from the strategic realignment and having recorded the highest net sales for a single quarter ever in the Company's history during the third quarter of 2023, InCoax in December 2023 communicated that the Company expects to surpass the financial goal for 2023 of doubling sales compared to 2022. In order to generate continued growth and further development of the Company's products, as well as to develop new products, the Company is in need of working capital.

To secure the Company's working capital and development needs and to be able to carry out the Company's business plan and strategy, the board of directors has resolved to carry out the Rights Issue. The Rights Issue is estimated to provide InCoax with approximately SEK 52.6 million before issue costs, which are expected to amount to approximately SEK 1.7 million. The net proceeds from the Rights Issue are planned to be used to repayment of loan, as working capital for the operating activities, to finance continued growth as well as M&A investments within technology.

"InCoax is on a very exciting growth journey. After extensive evaluations, Nokia has chosen our MoCATM Access-based system to be included in their Gigabit Connect offering to the operator market for 10Gbps PON networks (XGS-PON). With a fully integrated solution together with Nokia Altiplano™, this represents a strong offering to the operator market. The agreement with Nokia opens up sales opportunities for our system in a large number of operator channels. At the same time, the business with Google Fiber is developing and expanding according to plan in a continued good collaboration. We are also receiving ongoing orders and experiencing continued growth from a very large USA-based Tier-1 regarding our MoCATM Home-based solution for single-family homes. In addition to financing an increased working capital due to this sales expansion, we also intend to continue our software development to implement more functionality and thus continuously increase the number of use cases

for our system with operators. I am very grateful for the continued strong confidence that our existing major shareholders show in InCoax for the growth plan that underlies the increased financing need.”
comments Jörgen Ekengren, CEO InCoax.

Terms and conditions of the Rights Issue

The board of directors has today, subject to approval by the extraordinary general meeting on 4 January 2024, resolved to carry out the Rights Issue by issuing a maximum of 36,052,364 shares. The right to subscribe for shares with preferential rights shall vest in those who are registered as shareholders in the Company on the record date, 8 January 2024, whereby one (1) existing share entitles to one (1) subscription right and two (2) subscription rights entitle to subscription of one (1) new share. The subscription price is SEK 1.46 per share, which means that InCoax, provided that the Rights Issue is fully subscribed, will receive approximately SEK 52.6 million before issue costs. The subscription period runs during the period 10 January – 24 January 2024. Subscription rights that are not utilized during the subscription period will become invalid and lose their value. Trading in subscriptions rights is expected to take place on Nasdaq First North Growth Market during the period 10 January – 19 January 2024.

If not all shares are subscribed for by exercise of subscription rights, allotment of the remaining shares shall be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for shares by exercise of subscription rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of subscription rights that each and every one of those, who have applied for subscription of shares without exercise of subscription rights, have exercised for subscription of shares; secondly, to those who have applied for subscription of shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of shares the subscriber in total has applied for subscription of shares; and thirdly, to those who have provided underwriting commitments with regard to subscription of shares, in proportion to such underwriting commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Change of share capital and number of shares and dilution

Through the Rights Issue, the number of shares in InCoax will increase by a maximum of 36,052,364 shares, from 72,104,729 shares to 108,157,093 shares and the share capital will increase by a maximum of SEK 9,013,091.00 from SEK 18,026,182.25 to SEK 27,039,273.25. This means that existing shareholders who choose not to participate in the Rights Issue will, if fully subscribed, experience a dilution of approximately 33.3 per cent of their votes and capital in the Company.

Subscription undertakings and guarantee commitments

InCoax has received subscription undertakings from the existing shareholders Saugatuck Invest AB, Svenska Defence AB, BLL Invest AB, Norrlandspojkarna AB and from several members of the board of directors and management, amounting to a total of approximately SEK 33.4 million, corresponding to approximately 63.5 per cent of the Rights Issue. No remuneration is paid for submitted subscription undertakings.

Furthermore, the Company has entered into agreements regarding guarantee commitments where Saugatuck Invest AB, controlled by the chairman of the board of directors Peter Agardh, has undertaken to subscribe for shares in the Rights Issue up to an amount of approximately SEK 11.6 million, corresponding to approximately 22.0 per cent of the Rights Issue and Svenska Defence has undertaken to subscribe for shares up to an amount of approximately SEK 7.6 million, corresponding to approximately 14.5 per cent of the Rights Issue. No remuneration is paid for the submitted guarantee commitment.

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In aggregate, the Rights Issue is covered by subscription undertakings and guarantee commitments of approximately SEK 52.6 million, corresponding to 100 per cent of the Rights Issue. Neither the subscription undertakings nor the guarantee commitments are secured by bank guarantee, blocked funds, pledge, or similar arrangement.

Lock-up undertakings

In connection with the Rights Issue, all members of the board of directors and senior management with shareholdings in InCoax have undertaken towards Vator Securities AB, subject to customary exceptions, not to sell or otherwise transfer their shares without first, in each separate case, ascertain a written approval from Vator Securities AB. The decision to leave such written approval is decided by Vator Securities AB and the decision is made in each separate case. Agreed approval can depend on both individual and business-related situations. The lock-up undertakings only cover the shares that are held before the Rights Issue and the lock-up period lasts for a period of 90 days from the announcement of the outcome in the Rights Issue.

Preliminary timetable for the Rights Issue

4 January 2024	Extraordinary general meeting
4 January 2024	Last day of trading including the right to receive subscription rights
5 January 2024	First day of trading excluding the right to receive subscription rights
8 January 2024	Estimated date for publication of prospectus
8 January 2024	Record date for participation in the Rights Issue
10 January – 19 January 2024	Trading in subscription rights on Nasdaq First North Growth Market
10 January – 24 January 2024	Subscription period
10 January 2024 – Until the Rights Issue is registered by the Swedish Companies Registration Office	Trading in paid subscription shares (Sw. "BTA")
Around 26 January 2024	Publication of outcome in the Rights Issue

Extraordinary general meeting

The board of directors' resolution on the Rights Issue is subject to approval and resolution by the extraordinary general meeting on 4 January 2024. Notice to the extraordinary general meeting will be published through a separate press release.

Prospectus

Full terms and conditions and instructions for the Rights Issue, as well as other information about the Company and information about subscription undertakings, guarantee commitments and lock-up undertakings will be presented in the Prospectus that the Company is expected to publish around 8 January 2024.

Advisers

Vator Securities AB acts as financial adviser and Setterwalls Advokatbyrå AB acts as legal adviser to the Company in connection with the Rights Issue. Vator Securities AB also acts as issuer agent in connection with the Rights Issue.

For further information:

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This information is such information as InCoax Networks AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.45 CET on 19 December 2023.

About InCoax Networks AB

InCoax Networks AB (publ) re-purposes existing property coaxial networks in fiber and fixed wireless access (FWA) extension deployments for Communication Service Providers (CSP) globally. The technology is a high performance, future proof, reliable and cost-effective complement, that reduces installation time and improves take-up rate, to boost digital inclusion and Internet access for all.

To keep updated on corporate information, visit www.incoax.com. Vator Securities AB, tel. +46 8-5800 6599, ca@vatorsec.se, is acting as the Company's Certified Adviser.

IMPORTANT INFORMATION

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in InCoax. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. Any invitation to the persons concerned to subscribe for shares in InCoax will only be made through the Prospectus that InCoax estimates to publish on or around 8 January 2024 on InCoax' website, www.incoax.com. The upcoming approval of the Prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the Company's shares or any other securities. This release is not a prospectus in accordance with the definition in the Prospectus Regulation (EU) 2017/1129 ("**Prospectus Regulation**") and has not need approved by any regulatory authority in any jurisdiction. This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in shares or other securities in InCoax. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the Prospectus. Thus, investors are encouraged to review the Prospectus in its entirety. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an **advertisement**.

The information in this press release may not be released, distributed or published, directly or indirectly, in or into the United States of America, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland or any other jurisdiction in which such action would be unlawful or would require registration or any other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws. No shares or other securities in InCoax have been registered, and no shares or other securities will be registered, under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities legislation of any state or other jurisdiction in the United States of America and no shares or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States of America, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States of America.

Within the European Economic Area ("**EEA**"), no public offering of shares or other securities ("**Securities**") is made in other countries than Sweden. In other member states of the EU, such an offering of Securities may only be made in accordance with the Prospectus Regulation. In other member states of the EEA which have implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law.

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This press release may contain forward-looking statements which reflect the Company’s current view on future events and financial and operational development. Words such as “*intend*”, “*will*”, “*expect*”, “*anticipate*”, “*may*”, “*believe*”, “*plan*”, “*estimate*” and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.