

## **The board of directors' proposal for resolution on rights issue of shares**

The board of directors of InCoax Networks AB, Reg. No. 556794-1363, proposes that the extraordinary shareholders' meeting on 9 September 2019 resolves to increase the company's share capital by not more than SEK 1,854,216 (subject to the adjustments that can be made in accordance with section 9 below) through the issuance of not more than 7,416,864 shares, on the following terms and conditions:

1. SEK 8 shall be paid for each new share.
2. Subscription of shares with preferential rights shall be made by exercise of subscription rights. The right to receive subscription rights for subscription of new shares with preferential rights shall vest in those who, on the record date, are registered as shareholders and thereby are allotted subscription rights in relation to their shareholding as of the record date.
3. The record date for right to participate in the issue with preferential rights shall be on 15 October 2019.
4. Each existing share entitles to one (1) subscription right and five (5) subscription rights entitle to subscription of three (3) new shares.
5. 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 issue:
  - (i) 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;
  - (ii) 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

- (iii) 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.

6. Subscription of shares by exercise of subscription rights shall be made through cash payment during the time period from and including 18 October 2019 to and including 1 November 2019. Subscription of shares without exercise of subscription rights shall be made on a special application form during the same time period. Payment for shares subscribed for without exercise of subscription rights is, except as set out in Section 7 below, to be made in accordance with the specific instruction in the promissory note which will be sent to those who receive allotment. The board of directors shall have the right to prolong the time period for subscription and payment.
7. The underwriters that have granted bridge loans to the company shall, to the extent that the underwriters are allotted shares in accordance with their underwriting commitment, have the right and obligation to render payment by way of set-off against the granted bridge loan in accordance with what is stated in the board of directors' separate report regarding set-off. Set-off is effected through subscription.
8. The new shares convey right to dividends as from the first record date for dividends occurring after the new shares have been registered with the Swedish Companies Registration Office.
9. To the extent outstanding convertibles series 2017/2020 or outstanding warrants series 2016/2019 would be exercised for conversion into or subscription of shares prior to the record date for participation in the new issue, the number of shares that entitles to participation in the new issue shall be increased accordingly, resulting in that the company's share capital may instead be increased by in the aggregate not more than SEK 1,945,862.25 and the number of issued shares shall in the aggregate amount to at the highest 7,783,449.
10. The company's CEO shall be authorized to make such minor formal adjustments of the resolution as might be necessary in connection with registration with the Swedish Companies Registration Office or Euroclear Sweden AB.

Documents pursuant to Chapter 13, Sections 6 – 8 of the Swedish Companies Act (2005:551) have been prepared.

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Gävle in August 2019

The board of directors of InCoax Networks AB (publ)