This English document is an exact translation of the Swedish press release that was officially published through the Company's authorized disclosure channels at 08:30 on 22 December 2025. This translation has not itself been published through the Company's official regulatory distribution channels and is provided solely for informational purposes. In the event of any discrepancy between this translation and the Swedish original, the Swedish version shall prevail.

InCoax Networks AB's board of directors has resolved on a financing package of approximately SEK 30 million, a directed issue of convertibles and warrants of SEK 25.1 million before issue costs, as well as a loan of SEK 5 million.

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, WHETHER DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, BELARUS, HONG KONG, JAPAN, CANADA, NEW ZEALAND, RUSSIA, SWITZERLAND, SINGAPORE, SOUTH AFRICA, SOUTH KOREA OR ANY OTHER JURISDICTION WHERE THE PUBLICATION, DISTRIBUTION OR RELEASE OF THIS PRESS RELEASE WOULD BE UNLAWFUL OR REQUIRE ADDITIONAL REGISTRATION OR OTHER MEASURES. SEE THE SECTION "IMPORTANT INFORMATION" AT THE END OF THIS PRESS RELEASE.

InCoax Networks AB (publ) ("InCoax" or the "Company") announces that the Company's board of directors has resolved to carry out a directed issue (the "Directed Issue") of convertibles with a nominal value totaling SEK 12.5 million (the "Convertibles"), as well as consideration-free warrants of series TO1, TO2 and TO3 (jointly, the "Warrants"). The Warrants may, upon full exercise, provide the Company with an additional total of approximately SEK 12.6 million. The total issue proceeds from the Directed Issue and Warrants thus amount to approximately SEK 25.1 million before issue costs (the "Financing"). The issue is directed to the existing shareholders Saugatuck Invest AB, BLL Invest AB and Svenska Defence AB and is conditional on approval at an extraordinary general meeting planned for January 19, 2026. A notice to the extraordinary general meeting will be published shortly in a separate press release. In addition, a loan facility of SEK 5 million has been secured from Saugatuck Invest AB, in addition to the existing loan facility of SEK 20 million.

THE DIRECTED ISSUE

The board of directors of InCoax has, subject to approval by the planned extraordinary general meeting of the Company on January 19, 2026, resolved to carry out a Directed Issue of 12,500,000 convertibles to the existing shareholders Saugatuck Invest AB (5,750,000 convertibles), BLL Invest AB (2,900,000 convertibles), and Svenska Defence Aktiebolag (3,850,000 convertibles). Each convertible has a nominal amount of SEK 1.00 and has a subscription price per convertible of 100 percent of the nominal amount. The Company's board of directors has also, subject to approval by the planned extraordinary general meeting on January 19, 2026, resolved to issue three series of warrants to the subscribers in the Directed Issue. The Warrants are issued free of charge and allocated pro rata in relation to participation in the Directed Issue. Each of the warrant series may, upon full exercise, provide the Company with approximately SEK 4.2 million. Upon full conversion and exercise of the convertibles and warrants in all stages, the Company will receive a total of SEK 25.1 million.

Saugatuck Invest AB is owned by InCoax's chairman of the board, Peter Agardh, which means that the board's decision to carry out the Directed Issue is subject to Chapter 16 of the Swedish Companies Act (2005:551) (the so-called Leo rules) and will require approval from an extraordinary general meeting of the Company supported by at least nine-tenths of both the votes cast and the shares represented at the meeting. A notice will be published through a separate press release within a few days. Peter Agardh has not participated in the board's decision to carry out the Directed Issue.

THE LOAN FACILITY

In connection with the Directed Issue, the board of directors of the Company has resolved to enter into a new Loan Facility of SEK 5 million from the Company's principal shareholder, Saugatuck Invest AB. The Loan Facility is added on top of the existing loan facility from Saugatuck Invest AB totaling SEK 20 million. The first SEK 10 million drawn from the existing facility carries an annual interest rate of 8 percent, and any excess amount drawn carries an annual interest rate of 12 percent. Loans drawn under the new facility carry an annual interest rate of 14 percent. No arrangement fee is payable upon signing the new facility.

Peter Agardh has not participated in the board's decision to establish the new Loan Facility.

BACKGROUND AND MOTIVES

The year 2025 has been characterized by both progress and challenges for InCoax. The Company's transition from the development phase to the commercial phase has taken longer than planned, primarily due to delayed orders from key customers and the ramp-up of the collaboration with Nokia taking longer than forecasted. The lower sales rate has negatively affected the Company's financial performance, which has led to decisions on organizational changes and an extensive savings program to strengthen liquidity.

On the positive side, InCoax has during the year made a number of important operational advances that lay the foundation for the Company's development in 2026 and beyond. The Company has, among other things:

1. Continued deepening the commercial collaboration with Nokia. The Company's MoCA Access™ solution has for some time been integrated into Nokia's SDN platform "Altiplano™". The parties are now finalizing additional adjustments to the Company's software, opening the offering to the broader so-called "Triple Play" market at the beginning of 2026.
2. At the customer's request, resumed deliveries to the US Tier-1 operator, which has placed several orders during the year. Negotiations are being conducted regarding an expanded collaboration with the Tier-1 operator.
3. Conducted technology demonstrations and tests together with new potential customers and partners. This work has been successful, and one concrete example of the Company's progress is that InCoax MoCA Access™ technology is being evaluated by a fast-growing broadband operator in Germany for in-building extension of fiber broadband to multi-dwelling units. A potential partnership is being discussed at the operator's highest management level and, if positive, would constitute a significant commercial opportunity for the Company, as well as a strong reference case for other operators in the German market.

Despite the extensive measures taken – including cost-saving programs, staff reductions and increased size of the credit facility – the Company remains in a strained financial position with low liquidity and negative cash flow. As of September 30, 2025, the Company's cash and cash equivalents, including undrawn credit facility, amounted to SEK 24.5 million. According to the Company's assessment, these funds are sufficient to finance the business until February 2026, which is why a prompt capital injection is required to avoid a risk of insolvency.

THE CONVERTIBLE LOAN

The convertible loan carries an annual interest rate of 5 percent from the date the issue proceeds are made available to the Company until the maturity date of June 30, 2027. Convertible holders have the right, during the period June 1–29, 2027, to request conversion of all or parts of the loan into new shares in the Company at a subscription price of SEK 1.00 per share. The conversion price corresponds to a premium of 100.4 percent compared with InCoax's closing share price on December 19, 2025.

THE WARRANTS

The Company's board of directors has also, subject to approval by the planned extraordinary general meeting on January 19, 2026, resolved to issue three series of warrants to the subscribers in the Directed Issue. A summary of the number of warrants, subscription rights periods and subscription prices for each series of warrants is presented in the table below.

	Number	Subscription price	Issue proceeds upon full exercise	Subscription period
TO 1	8,400,000	0.50 SEK	4,200,000.00	May 18–29, 2026
TO 2	7,000,000	0.60 SEK	4,200,000.00	September 16–30, 2026
TO 3	6,000,000	0.70 SEK	4,200,000.00	January 18–29, 2027

The subscription prices correspond to a premium of 0.2 percent, 20.2 percent and 40.3 percent, respectively, against the closing share price of InCoax's share on December 19, 2025.

REASONS FOR THE DEVIATION FROM THE SHAREHOLDERS' PRE-EMPTIVE RIGHTS

The board of directors has conducted an extensive analysis and carefully evaluated the possibility of raising capital through a rights issue. The analysis shows that a directed issue of convertibles and warrants under current market conditions is considered particularly advantageous for the Company and its shareholders given the Company's liquidity situation and the conditions in the capital markets. In its assessment, the board of directors has concluded that:

- A rights issue would be significantly more time- and resource-consuming compared with the Directed Issue, not least due to the work related to securing a rights issue, while there are no guarantees that a rights issue would be fully subscribed. Reduced time consumption provides flexibility for potential investment opportunities in the short term, reduces exposure to share price volatility and allows the Company to benefit from the participating major shareholders' interest in the Company's shares. Additionally, the costs for a Directed Issue are judged to be significantly lower than for a rights issue, where, among other things, a potential guarantee consortium would need to be procured. The Directed Issue has been executed in a swift and cost-efficient manner through intensive efforts by the board.
- The reason why the Directed Issue is directed to the existing shareholders Saugatuck Invest, BLL Invest AB and Svenska Defence Aktiebolag is that this has been deemed important for the execution of the Directed Issue. It is also noted that these shareholders have expressed and demonstrated a long-term interest in the Company, which, according to the board, provides security and stability for both the Company and its shareholders.
- Another aspect supporting the choice of the Financing is that all shares that may be issued due to the exercise of warrants or conversion will be subscribed in the future at a subscription price higher than

the closing share price of the Company's share as of December 19, 2025. This is in contrast to a rights issue, which would most likely need to be carried out at a substantial discount to the closing price, leading to greater dilution for existing shareholders. From a shareholder perspective, a rights issue at a higher discount also entails a risk of a negative effect on the share price in connection with the execution of the rights issue.

In view of the above, the board has concluded that the Directed Issue, with deviation from the shareholders' pre-emptive rights, is the most time-efficient, cost-efficient and value-preserving alternative to finance the Company's continued growth, strategic initiatives and liquidity needs.

CHANGES IN NUMBER OF SHARES, SHARE CAPITAL AND DILUTION

Through the Directed Issue, a total of 12,500,000 convertibles, 8,400,000 warrants of series TO1, 7,000,000 warrants of series TO2 and 6,000,000 warrants of series TO3 are issued. These securities do not have any immediate effect on the number of shares or the share capital of the Company. Such effects arise only when holders, in accordance with the terms of the respective securities, exercise their rights to subscribe for new shares in the Company or convert their claims into shares.

Upon full exercise of warrants of series TO1 during May 2026, the total number of shares may increase by a maximum of 8,400,000, from 131,267,435 to 139,667,435. Upon full exercise, the Company's share capital increases by SEK 2,100,000.00, from SEK 32,816,858.75 to SEK 34,916,858.75, corresponding to dilution of approximately 6.0 percent for shareholders who do not participate in the issue.

Upon full exercise of warrants of series TO2 during September 2026, the total number of shares may increase by a maximum of 7,000,000, from 139,667,435 to 146,667,435. Upon full exercise, the Company's share capital increases by SEK 1,750,000.00, from SEK 34,916,858.75 to SEK 36,666,858.75, corresponding to dilution of approximately 4.7 percent for shareholders who do not participate in the issue.

Upon full exercise of warrants of series TO3 during January 2027, the total number of shares may increase by a maximum of 6,000,000, from 146,667,435 to 152,667,435. Upon full exercise, the Company's share capital increases by SEK 1,500,000.00, from SEK 36,666,858.75 to SEK 38,166,858.75, corresponding to dilution of approximately 3.9 percent for shareholders who do not participate in the issue.

If the entire convertible loan including accrued interest is converted into new shares in the Company, the total number of shares in the Company may in May 2027 increase by 13,414,930, from 152,667,435 to 166,082,365. Upon full conversion of the convertible loan, the Company's share capital increases by SEK 3,353,732.50, from SEK 38,166,858.75 to SEK 41,520,591.25, corresponding to dilution of approximately 8.1 percent for shareholders who do not participate in the issue.

Provided that all warrants are exercised to subscribe for new shares and the entire convertible loan including interest is converted into new shares, the Directed Issue in its entirety will result in the number of shares in the Company increasing by 34,814,930 to 166,082,365 and the share capital increasing by SEK 8,703,732.50 to SEK 41,520,591.25. The maximum dilution attributable to the Directed Issue totals 21.0 percent.

ADVISORS

Sedermera Corporate Finance AB acts as financial advisor to the Company in connection with the Directed Issue.

For additional information, please contact:

Jakob Tobieson, CEO, InCoax Networks AB
jakob.tobieson@incoax.com
+46 76 495 52 60

This information is information that InCoax Networks AB is obliged to disclose under the EU Market Abuse Regulation. The information was submitted, through the agency of the above contact person, for publication on December 22, 2025 at 08:30 (CET).

ABOUT INCOAX NETWORKS AB (PUBL)

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 incoax.com. Vator Securities AB, tel. +46 8-5800 6599, ca@vatorsec.se, is acting as the company's Certified Adviser.

IMPORTANT INFORMATION

The publication, disclosure or distribution of this press release may, in certain jurisdictions, be subject to legal restrictions, and persons in jurisdictions where this press release has been published or distributed should inform themselves of and comply with such legal restrictions. The recipient of this press release is responsible for using this press release and the information contained herein in accordance with applicable rules in each respective jurisdiction. This press release does not constitute an offer to sell or an invitation regarding an offer to acquire or subscribe for securities issued by the Company in any jurisdiction where such offer or invitation would be unlawful. Within each member state of the European Economic Area ("EEA"), this notice is directed only to "qualified investors" in that member state, as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "Prospectus Regulation").

This press release does not constitute an offer or invitation to acquire or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States without registration, or without the application of an exemption from registration, under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States unless they are registered, covered by an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. There is no intention to register any securities mentioned herein in the United States or to make any public offering of such securities in the United States. The information in this press release may not be released, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, in or into Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, the United States or any other jurisdiction where such release, publication or distribution would violate applicable regulations or where such action is subject to legal restrictions or would require additional registration or measures beyond those required under Swedish law. Actions in violation of this instruction may constitute a breach of applicable securities laws.

In the United Kingdom, this document and other materials relating to the securities referred to herein are being distributed only to, and an investment or investment activity to which this document relates is available only to and may only be engaged in by, “qualified investors” (as defined in section 86(7) of the UK Financial Services and Markets Act 2000) who are (i) persons with professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) “high net worth entities” falling within Article 49(2)(a)–(d) of the Order (all such persons together being referred to as “relevant persons”). Any investment or investment activity to which this notice relates is available in the United Kingdom only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons should not take any action based on this document nor act upon or rely on it.

This press release is not a prospectus within the meaning of the Prospectus Regulation and has not been approved by any regulatory authority in any jurisdiction. The Company has not approved any public offering of shares or rights in any EEA member state and no prospectus has been prepared or will be prepared in connection with the Directed Issue. This press release neither identifies nor purports to identify risks (direct or indirect) associated with an investment in new shares. Any investment decision to acquire or subscribe for new shares in the Directed Issue may only be made based on publicly available information.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company’s intentions, assessments or current expectations and targets regarding the Company’s future operations, financial condition, development, liquidity, performance, prospects, expected growth, strategies and opportunities, as well as the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by the inclusion of words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negatives, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are in turn based on further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it cannot guarantee that they will occur or prove to be correct. As these statements are based on assumptions or estimates and are subject to risks and uncertainties, actual results or outcomes may differ materially from those expressed in the forward-looking statements, which are a result of many factors. Such risks, uncertainties, unforeseen events and other important factors may cause actual events to differ materially from the expectations expressed or implied herein through such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from error and accepts no responsibility for future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Readers of this press release should not place undue reliance on the forward-looking statements contained in this press release. The information, opinions and forward-looking statements contained in this press release are provided only as of the date of this press release and may be subject to change without prior notice. Neither the Company nor any other party undertakes any obligation to review, update, confirm or publicly release any revisions to forward-looking statements to reflect events arising or circumstances occurring in relation to the content of this press release, except as required by law or the Nasdaq First North Growth Market Rulebook for Issuers.