The board of directors' report on circumstances of significance for set-off pursuant to Chap. 13 Sec. 7 of the Swedish Companies Act (2005:551)

In light of the fact that the board of directors of InCoax Networks AB, reg. no 556794-1363 (the "**Company**"), proposes that the extraordinary general meeting on 13 November 2026, resolve on a rights issue of shares (the "**Rights Issue**"), in which Saugatuck Invest AB[1] ("**Saugatuck**") will be given the opportunity to make payment by set-off, the board of directors[2] hereby submits the following statement regarding circumstances relevant to the assessment of the right to set-off.

The Company has entered into three loan agreements (the "**Loan Agreements**") with Saugatuck in accordance with what is set out in the table below.

Date of the Loan Agreements	**Claim (Outstanding Principal amount) SEK**	**Interest rate**
2025-07-31	20,000,000	8 percent on outstanding principal amounts up to SEK 10,000,000 12 percent on outstanding principal amounts between SEK 10,000,000 and SEK 20,000,000
2026-01-19	5,000,000	14 percent
2026-06-15	5,000,000	14 percent

Saugatuck has undertaken to subscribe for shares in the Rights Issue through a subscription commitment and a guarantee commitment. The parties have agreed that Saugatuck shall have the right and obligation to pay for shares in the Rights Issue by set-off of Saugatuck's claim on the Company under the Loan Agreements of a maximum of SEK 15,000,000. Set-off shall primarily be made against the outstanding principal amount according to the Loan Agreement dated 2026-06-15, secondarily against the outstanding principal amount according to the Loan Agreement dated 2026-01-19 and finally against part of the outstanding principal amount according to the Loan Agreement dated 2025-07-31. The set-off will be executed upon subscription and the claim will be reduced by the offset amount.

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Lund on 13 October 2026

(Signatures follow on the next page)

[1] Owned by the chairman of the board, Peter Agardh.
[2] Peter Agardh, chairman of the board, did not participate in the preparation of this report.

The board of directors of InCoax Networks AB (publ)

Filip Näsholm Anders Nilsson Monika Gullin

Tobias Lennér