

*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## NOTICE OF ANNUAL SHAREHOLDERS' MEETING IN INCOAX NETWORKS AB

The shareholders of InCoax Network AB, Reg. No. 556794-1363, are hereby invited to attend the annual shareholders' meeting to be held at the company's premises at Utmarksvägen 4 in Gävle, on Tuesday 30 June 2020, at 12.00 p.m.

### Information regarding the coronavirus

As a precautionary measure to reduce the risk of spreading the coronavirus, the board of directors of InCoax Networks AB ("InCoax") has decided to keep planned speeches at the annual shareholders' meeting to a minimum and that no refreshments will be served. Participation at the annual shareholders' meeting by members of the board of directors and management as well as the number of non-shareholders present at the annual shareholders' meeting will be limited in an effort to keep the annual shareholders' meeting brief and efficient, and thereby minimizing the risk of spreading the coronavirus. For shareholders who are worried about the spread of infection due to the coronavirus, we want to emphasize the possibility of not attending in person at InCoax's annual shareholders' meeting and instead appoint a proxy who can vote on their behalf or utilize the possibility to vote in advance. InCoax also encourages such solution for anyone displaying symptoms of illness, who has been in an area of infection, or who is considered to be part of a risk group. See under "Proxy etc." and "Voting in advance" below for further information on these alternatives.

### Right to participate and notification

Shareholders wishing to participate in the annual shareholders' meeting must:

- *partly* be listed in the company's share register kept by Euroclear Sweden AB as of Wednesday 24 June 2020; and
- *partly* have given a notice of their intention to participate to the company no later than on Wednesday 24 June 2020 by mail to InCoax Networks AB, att: Bolagsstämma, Utmarksvägen 4, SE-802 91 Gävle, Sweden, by e-mail to [emil.bendroth@incoax.com](mailto:emil.bendroth@incoax.com) or by telephone to +46(0)70-870 41 09. The notification should specify the shareholder's complete name, personal identity number or company registration number, the number of shares held by the shareholder, address, telephone number during work hours and, when applicable, information on the number of advisors (2 at the most).

### Trustee registered shares

Shareholders, whose shares are trustee-registered through a bank or other trustee must, in order to be entitled to participate in the shareholders' meeting, temporarily register their shares in their own name in the company's share register kept by Euroclear Sweden AB. Such re-registration of ownership must be implemented no later than as of Wednesday 24 June 2020. Accordingly, shareholders must well in advance before this date request the trustee thereof.

**Proxy etc.**

In case the shareholder should be represented by a proxy, the proxy must bring a written power of attorney, which is dated and duly signed by the shareholder, to the meeting. The validity term of the power of attorney may not be more than one year, unless a longer validity term is specifically stated in the power of attorney (however at the longest five years). If the power of attorney is issued by a legal entity, the representing proxy must also present an up-to-date registration certificate or equivalent document for the legal entity. In order to facilitate the entrance at the meeting, a copy of the power of attorney and other authorization documents should preferably be attached to the shareholder's notification to participate in the meeting. A template power of attorney is available at the company's website ([www.incoax.com](http://www.incoax.com)), and will be sent to shareholders who request it and state their address.

**Voting in advance**

The board of directors of InCoax has resolved that the shareholders may exercise their voting rights at the shareholders' meeting by voting in advance, so called postal voting in accordance with section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of shareholders' meetings in companies and other associations. A special form shall be used for advance voting. The form is available on the company's website ([www.incoax.com](http://www.incoax.com)). A shareholder who is exercising its voting right through advance voting do not need to notify the company of its attendance to the shareholders' meeting. The advance voting form is considered as the notification of attendance to the shareholders' meeting. The completed voting form must be submitted to InCoax no later than on Wednesday 24 June 2020. The completed and signed form shall be sent to the address stated under "Right to participate and notification" above. A completed form may also be submitted electronically and is to be sent to [emil.bendroth@incoax.com](mailto:emil.bendroth@incoax.com). If the shareholder is a legal entity, a registration certificate or equivalent document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote is invalid. Further instructions and conditions are included in the form for advance voting.

**Proposed agenda**

0. Opening of the meeting.
1. Election of Chairman of the meeting.
2. Preparation and approval of the register of voters.
3. Approval of the agenda.
4. Election of one or two persons to confirm the minutes.
5. Determination as to whether the meeting has been duly convened.
6. Address by the CEO.
7. Presentation of the Annual Report and Audit Report.
8. Resolution on:
  - a) adoption on the profit and loss statement and balance sheet;

- b) distribution of the company's profits according to the adopted balance sheet; and
  - c) discharge from liability for the members of the board and the CEO.
9. Determination of the number of board members, auditors and deputy auditors.
  10. Determination of remuneration for the board members and the auditor.
  11. Election of board members and auditor.
  12. Resolution on amendment of the Articles of Association.
  13. Resolution on authorization regarding issues.
  14. Resolution on implementation of a long-term incentive program for employees.
  15. Resolution on implementation of a long-term incentive program for the proposed board member Kevin Foster.
  16. Resolution on approval of loan agreement with Saugatuck Invest AB.
  17. Closing of the meeting.

### **Proposed resolutions**

#### *Item 1: Election of Chairman of the meeting*

The Nomination Committee, consisting of Peter Agardh (Chairman) representing Saugatuck Invest AB, Anders Nilsson, representing Norrlandspojkarna AB, Lars Berggren, representing BLL Invest AB, and the Chairman of the board of directors, Richard Tooby, proposes that the Chairman of the board of directors, Richard Tooby, is elected as Chairman of the meeting.

#### *Item 8 b): Resolution on distribution of the company's profits according to the adopted balance sheet*

The board of directors proposes that no dividends are paid and that total available funds of SEK 35,233,672 are carried forward to a new account.

#### *Item 9: Determination of the number of board members, auditors and deputy auditors*

The Nomination Committee proposes that that five ordinary board members should be elected until the end of the next annual shareholders' meeting. Furthermore, the Nomination Committee proposes that one registered public accounting firm, without deputy auditor, should be elected as auditor until the end of the next annual shareholders' meeting.

#### *Item 10: Determination of remuneration for the board members and the auditor*

The Nomination Committee proposes that remuneration to the board of directors shall be paid with SEK 200,000 to the Chairman of the board of directors (SEK 300,000 previous year), with GBP 24,000 to the proposed board member Kevin Foster and with SEK 100,000 to each of the other board members (SEK 150,000 previous year). Furthermore, the Nomination Committee proposes that remuneration to the auditor shall be paid in accordance with customary norms and approved invoice.

*Item 11: Election of board members and auditor*

The Nomination Committee proposes that Richard Tooby, Anders Nilsson, Pär Thuresson and Peter Agardh are re-elected as ordinary board members and that Kevin Foster is elected as new ordinary board member. Furthermore, the Nomination Committee proposes that Richard Tooby is re-elected as Chairman of the board of directors. The present board member Patrik Widlund has declined re-election.

Kevin Foster, born 1960, has large experience after more than 36 years in the broadband access industry working for a leading telecom operator. Previously, Kevin Foster has been the Chairman of the Board of Broadband Forum (2012-2020) and UK-based NICC DSL Task Group (2010-2020). Kevin Foster is Chartered Engineer and a Fellow of UK Institute of Engineering and Technology (IET). Kevin Foster has made significant contributions to broadband access technology during his career and holds numerous awards; the most recent being the UK IET's Achievement Medal for Broadband Innovation (2017). Kevin Foster holds no shares in the company. Kevin Foster is considered to be independent in relation to the company as well as its senior management and in relation to major shareholders.

Information on the board members who are proposed for re-election can be found in the Annual Report and at the company's website, [www.incoax.com](http://www.incoax.com).

Lastly, the Nomination Committee proposes that the registered public accounting firm KPMG AB is re-elected as auditor. KPMG AB has informed that the authorized public accountant Mikael Larsson, will continue to be appointed as the responsible auditor.

*Item 12: Resolution on amendment of the Articles of Association*

The board of directors proposes that the annual shareholders' meeting resolves to amend the company's Articles of Association in accordance with the following:

**§1 Name** (proposed wording "**Company name**")*Current wording*

The name of the company is InCoax Networks AB. The company is a public company (publ).

*Proposed wording*

The company name is InCoax Networks AB. The company is a public company (publ).

**§4 Share capital***Current wording*

The share capital shall not be less than SEK 1,825,000 and shall not exceed SEK 7,300,000.

*Proposed wording*

The share capital shall not be less than SEK 4,550,000 and shall not exceed SEK 18,200,000.

**§5 Number of shares***Current wording*

The number of shares shall not be less than 7,300,000 and shall not exceed 29,200,000.

*Proposed wording*

The number of shares shall not be less than 18,200,000 and shall not exceed 72,800,000.

**§8 Notice***Current wording*

Notice convening a shareholders' meeting shall be made by announcement in the Official Swedish Gazette (*Sw. Post- och Inrikes Tidningar*) and by making the notice available on the company's website. It shall further be announced in *Svenska Dagbladet* that a notice has been made.

Shareholders wishing to participate in the shareholders' meetings must be listed as a shareholder in a printout or other transcript of the entire share register reflecting the circumstances five weekdays before the shareholders' meeting and notify participation to the company no later than on the date specified in the notice. The last mentioned day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the shareholders' meeting. A shareholder may be accompanied by advisors at a shareholders' meeting only if the shareholder notifies the number of advisors to the company in accordance with the procedure prescribed for notification of shareholder's intention to participate in the shareholders' meeting.

*Proposed wording*

Notice convening a shareholders' meeting shall be made by announcement in the Official Swedish Gazette (*Sw. Post- och Inrikes Tidningar*) and by making the notice available on the company's website. It shall further be announced in *Svenska Dagbladet* that a notice has been made.

Shareholder's wishing to participate in the shareholders' meetings must notify participation to the company no later than on the date specified in the notice. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the shareholders' meeting. A shareholder may be accompanied by advisors at a shareholders' meeting only if the shareholder notifies the number of advisors to the company in accordance with the procedure prescribed for notification of shareholder's intention to participate in the shareholders' meeting.

The company's CEO shall be authorized to make minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office.

*Item 13: Resolution on authorization regarding issues*

The board of directors proposes that the annual shareholders' meeting resolves to authorize the board of directors, up until the next annual shareholders' meeting, at one or several occasions, with or without deviation from the shareholders' preferential rights and with or without provisions regarding contribution in kind, set-off or other conditions, to resolve on issues of shares, convertibles and/or warrants. The reason for why a deviation from the shareholders' preferential

rights should be possible is to enable the company to source working capital, to be able to execute acquisitions of companies or operating assets as well as to enable new issues to industrial partners within the framework of partnerships and alliances. The total number of shares that may be issued (alternatively be issued through conversion of convertibles and/or exercise of warrants) shall not exceed 7,840,685 shares, which corresponds to a dilution of approximately 30 per cent calculated on the current number of shares. In case the authorization is used for a new issue with deviation from the shareholders' preferential rights, the issue shall be made on market terms.

The company's CEO shall be authorized to make minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office.

*Item 14: Resolution on implementation of a long-term incentive program for employees*

The board of directors proposes that the annual shareholder's meeting resolves to implement a long-term incentive program for certain senior executives and key persons in the company based on issue of warrants (the "**Warrants Program 2020/2023**").

To implement the Warrants Program 2020/2023, the board of directors proposes that the annual shareholders' meeting resolves on directed issue of warrants, on the following terms and conditions:

1. A maximum of 800,000 warrants shall be issued within the framework of the Warrants Program 2020/2023.
2. With deviation from the shareholders' preferential rights, the right to subscribe for the warrants shall only vest in certain senior executives and key persons in the company following an offer from the board of directors in accordance with the following distribution:

Position	Number of warrants
CEO	A maximum of 300,000 warrants.
CSMO	A maximum of 250,000 warrants.
CFO	A maximum of 100,000 warrants.
Other key persons (3 persons)	A maximum of 50,000 warrants per person.

3. The overall reason for the implementation of the Warrants Program 2020/2023 and the deviation from the shareholders' preferential rights are to be able to create possibilities for the company to retain competent staff by offering a long-term ownership engagement for employees. Such long-term ownership engagement is expected to contribute to an increased alignment of interests between the participants and the shareholders, and also promote a long-term commitment to the company's development.
4. Subscription of the warrants shall be made on a separate subscription list on 31 July 2020, at the latest, with a right for the board of directors to prolong this period.
5. Right to subscribe for warrants under the Warrants Program 2020/2023 requires that the participant, at the time of subscription, holds a position in the company or has signed an agreement regarding it and has not, at such time, informed or been informed that the employment or assignment will be terminated.

6. The participants can subscribe for a lower number of warrants compared to what the participants have been offered. Over-subscription cannot occur.
7. The warrants shall be issued to the fair market value of the warrants at the time of subscription, which shall be determined by an independent valuation institute in accordance with the Black & Scholes valuation formula.
8. Payment for the warrants shall be made against cash consideration no later than one week from the time of subscription, with a right for the board of directors to prolong this period.
9. Each warrant entitles the right to subscribe for one new share in the company for a subscription price per share corresponding to 200 per cent of the volume weighted average price according to Nasdaq First North Growth Market's official price list for shares in the company during the period from and including 1 July 2020 to and including 15 July 2020. The subscription price shall be rounded to the nearest whole öre, whereupon 0.5 öre shall be rounded upwards.
10. Subscription of shares by virtue of the warrants may be effected from and including 1 July 2023 to and including 31 July 2023.
11. A share that has been issued by virtue of a warrant confers the right to dividend the first time on the record date for dividends that occurs immediately following effectuation of subscription to such extent that the share has been recorded in the company's share ledger as interim share.
12. Applicable terms for re-calculation and other terms and conditions for the warrants are set out in the complete terms and conditions for the warrants.
13. In case all warrants are exercised for subscription of new shares, the share capital will increase with SEK 200,000.

*Other information regarding the Warrants Program 2020/2023*

As the warrants in the Warrants Program 2020/2023 will be issued to the participants at their fair market value, it is the company's assessment that no social costs will occur for the company as a result of the Warrants Program 2020/2023. The costs related to the Warrants Program 2020/2023 will hence only be composed of limited costs for implementation and administration of the program.

As per the date of the notice, the number of shares in the company amounts to 18,294,931.

In case all warrants issued in connection with the Warrants Program 2020/2023 are exercised for subscription of new shares, a total of 800,000 new shares will be issued, which corresponds to a dilution of approximately 4.19 per cent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of all warrants issued under the Warrants Program 2020/2023. In such a case, the key ratio "Earnings per share" for the full year 2019 had changed in such way that the loss per share had changed from SEK -3.59 to SEK -3.44.

In addition to the Warrants Program 2020/2023, the Nomination Committee has proposed that the annual shareholders' meeting on 30 June 2020 resolves to implement a warrants program for the proposed board member Kevin Foster. In connection with the warrants program, a maximum of

200,000 warrants will be issued. In case all warrants issued in connection with the warrants program are exercised for subscription of new shares, a total of 200,000 new shares will be issued, which corresponds to a dilution of approximately 1.08 per cent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of all warrants issued under the warrants program.

Currently, there are incentive programs in the form of four warrants programs outstanding in the company. In case all incentive programs that are outstanding as well as proposed pursuant to resolution by the annual shareholders' meeting on 30 June 2020 are exercised in full for subscription of shares, a total of 1,439,993 new shares will be issued, which corresponds to a total dilution of approximately 7.30 per cent of the company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of all outstanding as well as proposed warrants.

The above calculations regarding dilution and impact on key ratios are subject to re-calculation of the warrants in accordance with the customary recalculation terms set out in the complete terms and conditions for the warrants.

The proposal for the Warrants Program 2020/2023 has been prepared by the board of directors in consultation with external consultants.

*Item 15: Resolution on implementation of a long-term incentive program for the proposed board member Kevin Foster*

The Nomination Committee proposes that the annual shareholder's meeting resolves to implement a long-term incentive program for the proposed board member Kevin Foster based on issue of warrants (the "**Warrants Program 2020/2023 II**").

To implement the Warrants Program 2020/2023 II, the Nomination Committee proposes that the annual shareholders' meeting resolves on directed issue of warrants, on the following terms and conditions:

1. A maximum of 200,000 warrants shall be issued within the framework of the Warrants Program 2020/2023 II.
2. With deviation from the shareholders' preferential rights, the right to subscribe for the warrants shall only vest in the proposed board member Kevin Foster, who shall have the right to be allotted all of the warrants in the Warrants Program 2020/2023 II.
3. The Nomination Committee considers that a share-based incentive program is an important part of a competitive remuneration package in order to attract, retain and motivate an internationally qualified board member of the company and to stimulate the board member to perform his utmost in order to maximize value creation for all shareholders. Therefore, the Nomination Committee considers that the proposed Warrants Program 2020/2023 II will increase Kevin Foster's commitment to the company's operations, strengthen the loyalty to the company and be beneficial for the company as well as its shareholders.
4. Subscription of the warrants shall be made on a separate subscription list on 31 July 2020, at the latest, with a right for the board of directors to prolong this period.



5. Right to subscribe for warrants under the Warrants Program 2020/2023 II requires that Kevin Foster, at the time of subscription, is a board member of the company.
6. The participant can subscribe for a lower number of warrants compared to what the participant have been offered. Over-subscription cannot occur.
7. The warrants shall be issued to the fair market value of the warrants at the time of subscription, which shall be determined by an independent valuation institute in accordance with the Black & Scholes valuation formula.
8. Payment for the warrants shall be made against cash consideration no later than one week from the time of subscription, with a right for the board of directors to prolong this period.
9. Each warrant entitles the right to subscribe for one new share in the company for a subscription price per share corresponding to 200 per cent of the volume weighted average price according to Nasdaq First North Growth Market's official price list for shares in the company during the period from and including 1 July 2020 to and including 15 July 2020. The subscription price shall be rounded to the nearest whole öre, whereupon 0.5 öre shall be rounded upwards.
10. Subscription of shares by virtue of the warrants may be effected from and including 1 July 2023 to and including 31 July 2023.
11. A share that has been issued by virtue of a warrant confers the right to dividend the first time on the record date for dividends that occurs immediately following effectuation of subscription to such extent that the share has been recorded in the company's share ledger as interim share.
12. Applicable terms for re-calculation and other terms and conditions for the warrants are set out in the complete terms and conditions for the warrants.
13. In case all warrants are exercised for subscription of new shares, the share capital will increase with SEK 50,000.

*Other information regarding the Warrants Program 2020/2023 II*

As the warrants in the Warrants Program 2020/2023 II will be issued to the participant at their fair market value, it is the company's assessment that no social costs will occur for the company as a result of the Warrants Program 2020/2023 II. The costs related to the Warrants Program 2020/2023 II will hence only be composed of limited costs for implementation and administration of the program.

Information on previous incentive programs and dilution effects are presented above in the proposal under item 14.

The proposal for the Warrants Program 2020/2023 II has been prepared by the Nomination Committee in consultation with external consultants.

*Item 16: Resolution on approval of loan agreement with Saugatuck Invest AB*

As stated in the company's press release as of 15 May 2020, the company has on 15 May 2020 entered into loan agreements with its three largest shareholders, including Saugatuck Invest AB

(“Saugatuck”), regarding a bridge financing amounting to in total SEK 15,000,000. The loan agreement entered into with Saugatuck (the “**Loan Agreement**”) comprise a SEK 5,000,000 loan.

According to the Loan Agreement, interest on outstanding loan amounts is paid at an annual interest rate of 8 per cent. The loan together with accrued interest shall be repaid by 15 September 2020 at the latest

The purpose of the bridge financing is to ensure the company’s short-term need for working capital. The bridge financing gives the company the opportunity to continue to develop the business according to plan, and to find long-term financing solutions.

Saugatuck is wholly owned by Peter Agardh, who is a board member of the company and, therefore, Saugatuck is considered a related party to the company in accordance with the Swedish Securities Council’s statement in AMN 2019:25. The payment of the loan in accordance with the Loan Agreement is hence conditional upon the approval of the annual shareholders’ meeting. Should such approval be obtained, payment of the loan will be made to the company promptly after the annual shareholders’ meeting.

The terms of the bridge financing is (with exception on the condition regarding approval by the annual shareholders’ meeting) identical for all parties participating in the bridge financing and the board of directors considers that the terms are market-based.

The board of directors proposes that the annual shareholders’ meeting resolves to approve the Loan Agreement on the terms set forth above.

#### **Particular majority requirements**

For valid resolutions on the proposals pursuant to items 12 and 13, the proposals have to be supported by shareholders representing at least two-thirds of the votes cast as well as of all shares represented at the annual shareholders’ meeting. For valid resolutions on the proposals pursuant to items 14 and 15, the proposals have to be supported by shareholders representing at least nine-tenths of the votes cast as well as of all shares represented at the annual shareholders’ meeting.

#### **Duty of disclosure at the annual shareholders' meeting**

The shareholders are reminded of their right to request information at the shareholders’ meeting pursuant to chapter 7 section 32 of the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)).

#### **Accounting documents and complete proposals**

The Annual Report and the Audit Report and the complete proposals pursuant to items 12-16 will be available at the company’s office at Utmarksvägen 4, SE-802 91 Gävle, Sweden and at the company’s website ([www.incoax.com](http://www.incoax.com)) as from no later than three weeks before the annual shareholders’ meeting, and will also be sent to shareholders who request it and state their address. Copies of the documents will also be available at the annual shareholders’ meeting.

#### **Processing of personal data**

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

**Number of shares and votes in the company**

As of the date of this notice to attend the annual shareholders' meeting, the total number of shares and votes in the company amounts to 18,294,931. The company does not hold any own shares.

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Gävle in May 2020  
InCoax Networks AB (publ)  
The Board of Directors

**For more information:**

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*This information was submitted for publication, through the agency of the contact person set out above, at 12:00 CEST on May 28, 2020.*

**About in:xtnd**

In:xtnd is **EASY** to install as it uses the existing coax cable infrastructure for fiber access extension. Its plug-in Access modems allows for tenant's self-installment. It may be rolled out in stages and ensures minimal operational disturbances. In:xtnd is **FAST**, allowing 2.5 Gbps data traffic on each channel, almost as fast upstream as downstream (symmetrical). Using existing cable infrastructure makes in:xtnd the **SMART** and environmentally friendly choice. Fast and easy deployment allows for higher subscriber uptake with short time to revenue. For more information about our products, visit [inxtnd.com](http://inxtnd.com).

**About InCoax Networks AB (publ)**

InCoax Networks AB (publ) is innovating the future of broadband access. In:xtnd™ provides the next generation smart and sustainable networking solutions to the world's leading telecom and broadband service providers. For additional information about how we are saving the world from complicated, visit [incoax.com](http://incoax.com). Augment Partners AB, tel. +46 8-505 651 72 [info@augment.se](mailto:info@augment.se), is acting as the company's Certified Adviser.