

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, DIRECTLY OR INDIRECTLY, IN OR INTO, THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND, SINGAPORE, SOUTH AFRICA, SOUTH KOREA, SWITZERLAND OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, DISTRIBUTION OR PUBLICATION WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR ANY OTHER MEASURE.

InCoax carries out a fully guaranteed rights issue of units of approximately SEK 41 million

InCoax Networks AB (publ) ("InCoax" or the "Company"), which is listed on Nasdaq First North Growth Market ("Nasdaq First North"), has today, March 11, 2021, subject to approval by the Extraordinary General Meeting on March 31, 2021, resolved to carry out an issue of shares and warrants ("Units") with preferential rights for existing shareholders of approximately SEK 41 million before issue costs (the "Rights Issue"). Upon full exercise of all warrants, InCoax may receive additional issue proceeds of approximately SEK 23 million before issue costs. The Rights Issue is 100 percent covered by subscription commitments and guarantee commitments from the Company's existing shareholders, Saugatuck Invest AB, Norrlandspojkarna AB and BLL Invest AB. The Rights Issue requires approval at the Extraordinary General Meeting on March 31, 2021. Notice of the Extraordinary General Meeting is published in a separate press release.

Background and reason to the Rights Issue

During the spring and summer of 2020, InCoax implemented a strategy change to a more clearly positioning of the Company towards system design and solutions for larger (Tier 1) operators. Part of the strategy change was also increased efficiency in the organization, consolidating operations, reducing fixed costs and ensuring the right skills for staff. The consolidation has led to cost savings of almost 30 percent, which are expected to have full effect during the first quarter of 2021. In 2020, two development projects were initiated with world-leading players, a fiber/LAN operator and a tier-1 telecom operator, which were important milestones and proof of the revised strategy. The Company is now facing a period of intensified development and tests and serial orders in close cooperation with these operators, which means an increased need for working capital to meet market demand.

The fiber/LAN operator currently has about half a million subscribers and is active in more than ten metropolitan areas in the US market. The InCoax MoCA Access 2.5 platform offers the customer a performance and cost-effective "last-mile" solution with Gigabit speed. After a first evaluation order in the summer of 2020 followed by an initial serial order of SEK 1.5 million during the autumn of 2020, the operator returned in January 2021 with a follow-up order of a total of SEK 3.2 million to cover the operator's needs during the first quarter of 2021. The Company expects continued good demand during year with rollout in additional cities. The current increase in sales from the operator compared with the previous financial year will increase the Company's working capital requirements going forward.

The North American tier-1 operator has several million addressable subscribers where the InCoax solution is suitable for. In July 2020, InCoax entered into a project agreement with the tier-1 operator after several months of detailed discussions and analyzes together with MoCA Access chip supplier MaxLinear. In the formalized evaluation project with InCoax, the operator allocated significant resources to verify the functionality of MoCA technology in 2020. In October 2020, the scope of project collaboration was expanded at the customer's request to ensure that InCoax hardware and software meet standard requirements. This is a project that continues with high intensity from both parties. Given successful results from field tests at the end of the second quarter of 2021, the step to a finished product is relatively short thanks to the close collaboration. The extensive adaptations to the operator's requirements and the tests have led to an increased development cost than the original assessment. This has also meant more extensive field tests that have been postponed from quarter 4, 2020 to quarter 2, 2021. The in-depth and more comprehensive development project with the North American operator also means that InCoax systems open up a significant market with other operators with similar needs to secure fiber extension with multigabit bits.

To ensure the Company's working capital needs, the Board has resolved to carry out the Rights Issue. Upon full subscription, the Rights Issue is estimated to contribute approximately SEK 39.6 million to InCoax, after deduction of issue costs of approximately SEK 1.5 million. The net proceeds are intended to be used in the order of priority below:

25 percent for technical development and support;
25 percent for marketing and sales efforts; and
50 percent for working capital.

Given that all warrants in the Rights Issue are exercised, the Company will receive an additional approximately SEK 22.4 million after deduction of issue costs of approximately SEK 0.5 million. The additional net proceeds are intended to be distributed as follows and if not, all measures can be implemented, according to the priorities below.

10 percent for technical development and support;
30 percent for marketing and sales efforts; and
60 percent for working capital.

Terms and Conditions for the Rights Issue

On March, 11 2021, the Board of InCoax, subject to approval by the Extraordinary General Meeting on March 31, 2021, resolved to carry out the Rights Issue in accordance with the following main terms:

- Those who are registered as shareholders in InCoax on the record date have a preferential right to subscribe for Units in the Company in relation to the existing shareholding in the Company. Shareholders in the Company receive one (1) unit right for each one (1) share held on the record date.
- Three (3) unit rights entitle to subscription of one (1) Unit in the Company. Each Unit contains one (1) newly issued share and one (1) warrant of series 2021 issued free of charge.

REGULATORY PRESS RELEASE

March 11, 2021

- The Rights Issue comprise a maximum of 9,147,465 Units. The Rights Issue thus entails an issue of a maximum of 9,147,465 shares and a maximum of 9,147,465 warrants of series 2021.
- The subscription price is SEK 4.50 per Unit, which corresponds to a subscription price of SEK 4.50 per share. The warrants are issued free of charge.
- The subscription period for subscription of Units runs from and including April 12, 2021 to and including April 26, 2021.
- If not all Units are subscribed for by exercise of unit rights, allotment of the remaining Units shall be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for Units by exercise of unit rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of Units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of unit rights that each and every one of those, who have applied for subscription of Units without exercise of unit rights, have exercised for subscription of Units; secondly, to those who have applied for subscription of Units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of Units the subscriber in total has applied for subscription of Units; and thirdly, to those who have provided guarantee commitments regarding subscription of Units, in proportion to such guarantee commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.
- Through the Rights Issue, the number of shares in InCoax will increase by a maximum of 9,147,465 shares, from 27,442,396 shares to 36,589,861 shares, and the share capital will increase by a maximum of SEK 2,286,866.25, from SEK 6,860,599 to SEK 9,147,465.25 SEK. Upon full subscription in the Rights Issue, the Company receives initial issue proceeds of approximately SEK 41 million before issue costs and excluding the additional capital contribution that may be added when exercising the warrants.
- The Rights Issue entails a dilution of approximately 25 percent for the shareholders who do not participate in the rights issue. In the event that all warrants are also fully exercised for subscription of new shares in the Company, the number of shares will increase by an additional 4,573,732 shares to a total of 41,163,593 shares and the share capital will increase by an additional SEK 1,143,433.00 to SEK 10,290,898.25. This corresponds to a further dilution from the warrants of approximately 11.1 percent. Upon a fully subscribed Rights Issue and full exercise of the warrants, the total dilution can amount to a maximum of approximately 33.3 percent.
- Trading in Paid Subscribed Units (Sw. "BTU") is expected to take place on Nasdaq First North from April 12, 2021 until conversion to shares and warrants takes place after the Rights Issue has been registered with the Swedish Companies Registration Office (Sw. Bolagsverket). Registration with the Swedish Companies Registration Office is expected to take place around week 20, 2021.

Terms and Conditions for warrants series 2021

- Two (2) warrants of series 2021 entitle the right to subscribe for one (1) new share in the Company, during the period from and including December 1, 2021 to and including December, 31 2021 against cash payment of SEK 5 per share. In the event the Rights

REGULATORY PRESS RELEASE

March 11, 2021

Issue is fully subscribed and the warrants are fully exercised, this means that the Company can receive additional issue proceeds of approximately SEK 23 million before issue costs via the warrants.

- The warrants are intended to be admitted to trading on Nasdaq First North after final registration of the Rights Issue with the Swedish Companies Registration Office.

Subscription and guarantee commitments

The Company's three largest shareholders Saugatuck Invest AB, which is controlled by Chairman of the Board Peter Agardh ("**Saugatuck**"), Norrlandspojkarna AB and BLL Invest AB, which together represent approximately 49 percent of the share capital, have committed to subscribe for shares for each of their share of the Rights Issue, in total approximately 20 MSEK. In addition, Saugatuck has undertaken to guarantee the remaining 51 percent of the Rights Issue, corresponding to an amount of approximately SEK 21 million. No compensation is paid for either subscription commitments or guarantee commitments. The Rights Issue is thus 100 percent covered by subscription commitments and guarantee commitments. Subscription commitments and guarantee commitments have not been secured via a prior transaction, bank guarantee or similar transactions.

Bridge loan financing

In connection with the Rights Issue, the Company has entered into a loan agreement with Saugatuck, where Saugatuck has granted the Company a credit facility of a maximum of SEK 10 million. As of today, the Company has not used any loan under the credit facility. Any loans utilized under the credit facility plus accrued interest (annual interest rate of 8 percent) fall due for payment on June 30, 2021.

Preliminary timetable for the Rights Issue

March 31, 2021	Extraordinary General Meeting
April 1, 2021	Last day of trading in the share with the right to participate in the Rights Issue
April 7, 2021	Publication of the prospectus (expected)
April 8, 2021	Record date for participation in the Rights Issue
April 12 – April 26, 2021	Subscription period
April 12 – April 21, 2021	Trading in unit rights
April 29, 2021	Estimated date for publication of the outcome of the Rights Issue

Extraordinary General Meeting

The Board's resolution on the Rights Issue is subject to approval by the Extraordinary General Meeting on March 31, 2021. Notice of the Extraordinary General Meeting will be announced in a separate press release. In light of the ongoing Covid-19 pandemic and in order to reduce the risk of infection spreading, the Board has resolved that the Extraordinary General Meeting will be held only by advance voting (postal vote) in accordance with temporary legislation.

Prospectus

Complete terms and conditions for the Rights Issue and other information about the Company will appear in the prospectus (the "**Prospectus**") which is expected to be published by the Company around April 7, 2021.

Exemptions from the mandatory bid obligation

Saugatuck has been granted an exemption (see AMN 2021:16) by the Swedish Securities Council (Sw. Aktiemarknadsnämnden) from the mandatory bid obligation which, according to Section III.1 in the Swedish Corporate Governance Board's takeover rules for certain trading platforms, otherwise could emerge in relation to Saugatuck's subscription of its pro rata share in the Rights Issue and upon fulfilment of Saugatuck's guarantee commitment to subscribe for the shares and warrants that the other shareholder do not subscribe for, and the exercise of warrants by Saugatuck for subscription of shares.

The exemption is conditional upon 1) the shareholders before the general meeting in InCoax that is to approve the Board's issue resolution receives information on the capital and vote share respectively that Saugatuck may obtain by subscribing for shares and warrants in addition to its preference share and exercise the warrants for share subscription, and that 2) the general meeting's resolution is approved by at least two thirds of both the votes cast and the shares represented at the general meeting, where shares held and represented by Saugatuck shall be disregarded from when counting votes. Saugatuck's capital and vote share in the Company may amount to not more than 41.74 percent by Saugatuck subscribing for its share of the Rights Issue and fulfilling the guarantee commitment, as well as exercising the warrants, which Saugatuck may be assigned in the Rights Issue, for subscription of shares, and other warrant holders decide not to exercise the warrants for subscription of shares.

Financial and legal advisors

Västra Hamnen Corporate Finance AB is financial advisor and Setterwalls Advokatbyrå AB is legal advisor to InCoax in connection with the Rights Issue.

For more information:

Jörgen Ekengren, CEO, InCoax Networks AB

jorgen.ekengren@incoax.com

+46 73- 899 55 52

This information is such information as InCoax Networks AB (publ) 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 08:00 CET on March 11, 2021.

About InCoax Networks AB

InCoax Networks AB (publ) is innovating the future of broadband access. InCoax MoCA Access 2.5 platform provides the next generation cost-efficient multi-gigabit Fiber Access Extension solutions to the world's leading telecom, cable- and broadband service providers. To keep updated on corporate information, visit incoax.com. Augment Partners AB, tel. +46 8-505 651 72 info@augment.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, warrants 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 Units in InCoax will only

be made through the Prospectus that InCoax estimates to publish on April 7, 2021 on <https://investor.incoax.com/investerare/>. The upcoming approval of the Prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the shares, warrants or any other securities. This release is however not a prospectus in accordance to the definition in the Prospectus Regulation (EU) 2017/1129 ("**Prospectus Regulation**") and 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, warrants 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, Canada, Hong Kong, Japan, New Zealand, 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, warrants or other securities in InCoax have been registered, and no shares, warrants 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, warrants 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, warrants 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.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005

(the “**Order**”); (ii) high net worth entities etc. falling within Article 49(2)(a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

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*”, “*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.

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