UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE DZS INC. SECURITIES LITIGATION THIS DOCUMENT RELATES TO: ALL ACTIONS	§ § § § § § §	CIVIL NO. 4:23-CV-549-SDJ MASTER DOCKET

NOTICE OF PENDENCY AND
PROPOSED SETTLEMENT OF CLASS ACTION

YOU MAY BE ENTITLED TO A PAYMENT FROM A CLASS ACTION SETTLEMENT IF YOU PURCHASED DZS INC. COMMON STOCK BETWEEN MAY 4, 2022 AND NOVEMBER 9, 2023, INCLUSIVE.

A Federal Court authorized this notice. This is not a solicitation from a lawyer.

IF YOU ARE A CLASS MEMBER, YOUR LEGAL RIGHTS WILL BE AFFECTED BY THIS SETTLEMENT WHETHER YOU ACT OR DO NOT ACT. PLEASE READ THIS NOTICE CAREFULLY.

- **Purpose of Notice:** The purpose of this Notice[1] is to inform you of the pendency of this securities class action (the "Action"), the proposed settlement of the Action (the "Settlement"), and a hearing to be held by the Court to consider: (i) whether the Settlement should be approved; (ii) whether the proposed plan for allocating the proceeds of the Settlement (the "Plan of Allocation") should be approved; and (iii) Lead Counsel's application for attorneys' fees and expenses. This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement, wish to object, or wish to be excluded from the Class.

- **Summary of Claims Resolved:** The Settlement resolves claims by the Court-appointed Lead Plaintiff Jason Hawke ("Plaintiff") against Defendants Charles Daniel Vogt and Misty Kawecki ("Defendants," and together with Plaintiff, the "Parties" and each a "Party"), for alleged violations of federal securities laws by allegedly making misrepresentations and/or omissions of material fact between May 4, 2022 and November 9, 2023, inclusive (the "Class Period"), concerning DZS Inc.'s ("DZS") financial statements and internal controls over financial reporting.

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[1] All capitalized terms not otherwise defined in this notice shall have the same meaning provided in the Stipulation of Settlement, dated February 25, 2026 (the "Stipulation").

- **<u>Statement of Class Recovery</u>:** Subject to Court approval, Plaintiff, on behalf of the Class, has agreed to settle the Action in exchange for a payment of $2,900,000 (the "Settlement Amount"), which will be deposited into an Escrow Account and may earn interest (the "Settlement Fund"). The Net Settlement Fund (as defined below) will be distributed to Class Members according to the Court-approved plan of allocation (the "Plan of Allocation"). The proposed Plan of Allocation is set forth on Question 21 below.

- **<u>Estimate of Average Recovery Per Share</u>:** Plaintiff estimates there were approximately 13.7 million shares of DZS common stock traded during the Class Period that may have been impacted. Pursuant to the Plan of Allocation, if all affected DZS shares elect to participate in the Settlement, the average recovery per share could be approximately $0.21, before deduction of any fees, expenses, costs, and awards described herein. **Class Members should note that this is only an estimate.** Some Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased or sold their DZS common stock and the total number of valid Claim Forms submitted and the value of those claims. Distributions to Class Members will be made based on the Plan of Allocation or such other plan of allocation as may be ordered by the Court.

- **<u>Statement of Potential Outcome of Case If the Action Continued to Be Litigated</u>:** The Parties disagree about both liability and damages and do not agree on the amount of damages, if any, that would be recoverable if Plaintiff was to prevail on each claim asserted against the Defendants. Among other things, the Parties disagree on (i) whether Defendants made materially false or otherwise misleading statements in violation of the federal securities laws during the Class Period, (ii) whether the alleged misrepresentations and omissions Plaintiff claims were in DZS's public filings were, in fact, materially misleading, (iii) whether Plaintiff and the Class suffered any harm as a result of Defendants' alleged violations of the federal securities laws and purported subsequent revelation of the truth, (iv) whether Defendants' alleged misconduct was the proximate cause of any losses suffered by Plaintiff and the Class, and (v) whether Defendants acted with the requisite culpability as to each claim.

- **<u>Reasons for Settlement</u>:** Plaintiff's principal reason for entering into the Settlement is the substantial immediate cash benefit for the Class without the risk or the delays inherent in further litigation. Plaintiff weighed this benefit against the significant risk that a smaller recovery – or no recovery at all – might be achieved after contested motions, a trial of the Action and post-trial appeal. This process would be expected to last several years. The Settlement was entered into after extended mediation proceedings. Without admitting any wrongdoing or liability on their part whatsoever, Defendants are willing to settle to avoid the continuing burden, expense, inconvenience and distraction of further litigation provided that all of the claims of the Class are fully and forever settled, compromised, and dismissed with prejudice.

- **<u>Attorneys' Fees and Costs</u>:** Lead Counsel has not received any payment for their services in conducting this litigation on behalf of Plaintiff and the members of the Class, nor have they been reimbursed for their out-of-pocket expenditures. If the Settlement is approved by the Court, Lead Counsel will apply to the Court for attorneys' fees not to exceed 33% of the Settlement Amount and any interest accrued thereon, and reimbursement of expenses not to exceed $100,000, and any interest accrued thereon. If the amount requested by Lead Counsel is approved by the Court, the average cost of fees would be approximately $0.08 per share. In addition, an award for the time and expenses incurred by the Plaintiff will be requested, not to exceed $10,000.

- **<u>Identification of Attorneys' Representatives</u>:** Requests for further information regarding the Action, this Notice, or the Settlement can be directed to Lead Counsel: Adam M. Apton, Levi & Korsinsky, LLP, 33 Whitehall Street, 27th Floor, New York, NY 10004 (212) 363-7500. **Please Do Not Call the Court with Questions About the Settlement.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM BY OCTOBER 14, 2026	The ***only*** way to get a payment. *See* Question 8 below for details.
EXCLUDE YOURSELF FROM THE CLASS BY AUGUST 28, 2026	Get no payment. This is the only option that, assuming your claim is timely brought, might allow you to ever bring or be part of any other lawsuit against the Defendants or the other Released Defendants' Parties concerning the Released Plaintiffs' Claims. *See* Question 11 below for details.
OBJECT BY AUGUST 28, 2026	Write to the Court about why you do not like the Settlement, the Plan of Allocation, or the Attorney Fee Award application. If you object, you will still be a member of the Class. *See* Question 14 below for details.
GO TO A HEARING ON SEPTEMBER 25, 2026, AND FILE A NOTICE OF INTENTION TO APPEAR BY AUGUST 28, 2026	Class Members may be permitted to appear and speak to the Court if they submit a timely written objection in accordance with the instructions in this Notice. *See* Question 18 below for details.
DO NOTHING	Get no payment AND give up your rights to bring your own individual action.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to all Class Members who timely submit valid Claim Forms, if the Court approves the Settlement and after any appeals are resolved. Please be patient.

<u>BASIC INFORMATION</u>

1. <u>Why did I get this Notice?</u>

You or someone in your family, or an investment account for which you serve as a custodian, might have purchased shares of DZS common stock, and might be a Class Member. This Notice explains the Action, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them. Receipt of this Notice does not necessarily mean that you are a Class Member or that you will be entitled to receive a payment. **If you wish to be eligible for a payment, you must submit the Claim Form that is available on the Settlement website at <u>https://www.DZSISecuritiesSettlement.com</u>. *See* Question 8 below.**

The Court directed that this Notice be made publicly available on this website to inform Class Members of the terms of the proposed Settlement and about all of their options, before the Court decides whether to approve the Settlement at the upcoming hearing to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and Lead Counsel's application for attorneys' fees and expenses (the "Settlement Hearing").

The Court in charge of the Action is the United States District Court for the Eastern District of Texas, and the case is known as *In re DZS Inc. Securities Litigation*, Case No. 4:23-CV-549-SDJ (E.D. Tex.). The Action is assigned to District Court Judge Sean D. Jordan.

2. What is this case about and what has happened so far?

DZS was a Delaware corporation that described itself as a global provider of access and optical networking infrastructure and cloud software solutions. Plaintiff alleges in the operative complaint that, during the Class Period, DZS engaged in widespread and longstanding improper revenue recognition practices, including recognizing revenue before purchase orders were finalized, before products were delivered or customized, and on transactions that were never completed. The complaint alleges that these practices artificially inflated DZS's reported revenues and concealed material weaknesses in internal controls over financial reporting. On March 10, 2023, DZS filed its annual report for 2022, disclosing the existence of a material weakness in its internal controls over financial reporting; on June 1, 2023, DZS disclosed that a restatement would be issued for the quarter ended March 31, 2023 and that investors should no longer rely on its financial statements for that quarter; and on November 9, 2023, DZS further expanded the scope of the restatement to encompass the entire fiscal year of 2022. Plaintiff alleged that Defendants' previous statements concerning DZS's financial information and internal controls over financial reporting were false and/or materially misleading and made in violation of the federal securities laws.

In connection with this Action, Plaintiff, through their counsel, conducted a thorough investigation relating to the claims, defenses, and underlying events and transactions that are the subject of the Action. This process included reviewing and analyzing: (i) documents filed publicly by the Company with the SEC; (ii) publicly available information, including press releases, news articles, and other public statements issued by or concerning the Company; (iii) research reports issued by financial analysts concerning the Company; (iv) interviews conducted with former employees of DZS; and (v) the applicable law governing the claims and potential defenses. Plaintiff and Plaintiff's Counsel also responded to Defendants' motion to dismiss.

On December 18, 2025, the Parties attended a full-day mediation session with an experienced mediator familiar with securities class actions. Prior to the mediation session, Plaintiff provided Defendants and the mediator with a detailed mediation statement. The mediation ultimately succeeded after the Parties agreed to settle the action for the Settlement Amount.

3. Why is this a class action?

In a class action, one or more persons or entities (in this case, Plaintiff), sues on behalf of people and entities who or which have similar claims. Together, these people and entities are a "class," and each is a "class member." Bringing a case, such as this one, as a class action allows the adjudication of many similar claims of persons and entities who or which might be too small to bring economically as separate actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or "opt-out," from the class.

4. <u>Why is there a Settlement?</u>

Plaintiff and Lead Counsel believe that the claims asserted in the Action have merit. However, Plaintiff and Lead Counsel recognize the expense and length of continued proceedings necessary to pursue the claims through trial and appeals, as well as the difficulties in establishing liability and damages. Plaintiff and Lead Counsel also recognize that Defendants have numerous defenses that could preclude a recovery. For example, Defendants challenge whether their alleged conduct caused any losses and whether Plaintiff can plead or establish the requisite scienter. The Settlement provides a guaranteed and immediate cash recovery to the Class. In light of the risks, Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Class.

The Defendants have denied and continue to deny any and all allegations of wrongdoing or liability, that Plaintiff or the Class suffered any damages, and that the price of DZS common stock was artificially inflated. The Settlement is not and should not be seen as an admission or concession on the part of the Defendants.

The Settlement must be compared to the risk of no recovery after contested dispositive motions, trial, and likely appeals. The Parties disagree on both liability and damages, and do not agree on the average amount of damages per share, if any, that would be recoverable if Plaintiff was to prevail on each claim alleged against the Defendants. Moreover, any higher recovery awarded at trial might not be fully collectible due to, among other things, Defendants' eroding insurance policies.

5. <u>How do I know if I am part of the Settlement?</u>

Everyone who fits the following description is a Class Member and subject to the Settlement unless they are an excluded person (*see* Question 6 below) or take steps to exclude themselves from the Class (*see* Question 11 below): all Persons who purchased DZS common stock between May 4, 2022, and November 9, 2023, inclusive, and were damaged thereby.

Receipt of this Notice does not mean that you are a Class Member. Please check your records or contact your broker to see if you are a member of the Class. You are a Class Member only if you individually (and not a fund you own) meet the Class definition.

6. <u>Are there exceptions to be included in the Class?</u>

Yes. There are some individuals and entities who or which are excluded from the Class by definition. Excluded from the Class are: (i) Defendants and members of their immediate families; (ii) DASAN Networks, Inc. ("DNI"); (iii) the officers and directors of DZS and DNI during the Class Period, and their immediate families; (iv) the legal representatives, heirs, successors, or assigns of any of the foregoing; and (v) any entity in which any Defendant or DNI has or had a controlling interest.

THE SETTLEMENT BENEFITS

7. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Plaintiffs' Claims against the Released Defendants' Parties, the Defendants have agreed to create a $2,900,000 cash fund, which may accrue interest, to be distributed, after deduction of Court-awarded attorneys' fees and litigation expenses, Notice and Administration Costs, Taxes and Tax Expenses, and any other fees or expenses approved by the Court (the "Net Settlement Fund"), among all Class Members who submit valid Claim Forms and are found to be eligible to receive a distribution from the Net Settlement Fund ("Authorized Claimants").

8. How can I receive a payment?

To qualify for a payment, you must submit a timely and valid Claim Form. You may file a claim online on the Settlement Website maintained by the Claims Administrator, www.DZSISecuritiesSettlement.com. You may also download a copy of the Claim Form and mail it to the Claims Administrator, or you can request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at (855) 915-4285. Please read the instructions contained in the Claim Form carefully, fill out the Claim Form, include all the documents the form requests, sign it, and mail or submit it electronically through www.DZSISecuritiesSettlement.com to the Claims Administrator so that it is **postmarked or received no later than October 14, 2026.**

9. When will I receive my payment?

The Court will hold a Settlement Hearing on **September 25, 2026** to decide, among other things, whether to finally approve the Settlement. Even if the Court approves the Settlement, there may be appeals which can take time to resolve, perhaps more than a year. It also takes a long time for all of the Claim Forms to be accurately reviewed and processed. Please be patient.

10. What am I giving up to receive a payment or stay in the Class?

If you are a member of the Class, unless you exclude yourself, you will remain in the Class, and that means that, upon the "Effective Date" of the Settlement, you will release all "Released Plaintiffs' Claims" against the "Released Defendants' Parties." Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants in connection with the Released Plaintiffs' Claims. It also means that all of the Court's orders will apply to you and legally bind you and you will release your claims against the Defendants. On the "Effective Date," Defendants also will release any claims they might have against Class Members related to the prosecution of the Action.

"Released Plaintiffs' Claims" means the release, upon the Effective Date, by (i) Plaintiff and all Class Members, together with (ii) each of their respective family members; (iii) their direct or indirect parent entities, direct or indirect subsidiaries, related entities, and affiliates; (iv) any trust of which they are the settlor or which is for the benefit of his, her, or their family members; and (v), for any of the Persons listed in parts (i) through (iv), their respective partners, general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managing directors, supervisors, employees, contractors, consultants, experts, auditors, accountants, financial advisors, insurers, trustees, trustors, agents, attorneys, predecessors, successors, assigns, heirs, executors, administrators, or any controlling person thereof in their capacities as such (each of the foregoing, a "Releasing Plaintiffs' Party"), as against Released Defendants' Parties, all Claims, including Unknown Claims, that Plaintiff, any other member of the Class, or any other Releasing Plaintiffs' Party: (i) asserted in the Amended Complaint or any previous complaint in the Action; or (ii) could have asserted in any forum that arise out of or are based upon or are in connection with any of the allegations, acts, transactions, facts, matters, occurrences, disclosures, filings, representations, statements, or omissions involved, set forth, or referred to in the Amended Complaint or any previous complaint in the Action; or (iii) that relate to the purchase or other acquisition of DZS common stock. Released Plaintiffs' Claims shall not include (i) any Claims relating to the enforcement of the Settlement; and (ii) any Claims of any Person who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

"Released Defendants' Parties" means (i) each of the Defendants; (ii) the family members of the Defendants; (iii) DZS and direct or indirect parent entities, direct or indirect subsidiaries, related entities, and affiliates of DZS; (iv) any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or his or her family members; (v) for any of the Persons listed in parts (i) through (iv), as applicable, their respective past, present, or future general partners, limited partners, principals, shareholders, joint venturers, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, experts, auditors, accountants, financial advisors, insurers, reinsurers, indemnitors, trusts, trustees, trustors, agents, attorneys, predecessors, successors, assigns, assignees, heirs, executors, administrators, estates, or any controlling person thereof; and (vi) any entity in which any Defendant has a controlling interest; all in their capacities as such.

"Defendants' Release" means the release by Defendants, upon the Effective Date, as against Released Plaintiffs' Parties (as defined herein), of all Claims and causes of action of every nature and description, whether known Claims or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the Claims asserted in the Action against Defendants ("Released Defendants' Claims"). Released Defendants' Claims shall not include any Claims relating to the enforcement of the Settlement or any Claims by Defendants for insurance coverage.

"Released Plaintiffs' Parties" means (i) Plaintiff, all Class Members, and Plaintiff's counsel, and (ii) each of their respective family members, and their respective partners, general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managing directors, supervisors, employees, contractors, consultants, experts, auditors, accountants, financial advisors, insurers, trustees, trustors, agents, attorneys, predecessors, successors, assigns, heirs, executors, administrators, or any controlling person thereof, all in their capacities as such.

EXCLUDING YOURSELF FROM THE CLASS

If you do not want to be part of the Settlement but you want to keep any right you may have to sue or continue to sue the Released Defendants' Parties on your own about the Released Plaintiffs' Claims, then you must take steps to remove yourself from the Class. This is called excluding yourself or "opting out." **Please note: if you bring your own claims, Defendants will have the right to seek their dismissal, including because the suit is not filed within the applicable time periods required for filing suit. Also, the Defendants may terminate the Settlement if Class Members who purchased in excess of a certain amount of shares of DZS common stock seek exclusion from the Class.**

11. How do I exclude myself from the Class?

To exclude yourself from the Class, you must mail a signed letter to the Claims Administrator stating that you "request to be excluded from the Class in *"In re DZS Inc. Securities Litigation*, Case No. 4:23-CV-549-SDJ (E.D. Tex.)." You cannot exclude yourself by telephone or e-mail. Each request for exclusion must also: (i) state the name, address, and telephone number of the person or entity requesting exclusion; (ii) state the number of shares of DZS common stock purchased, acquired, and/or sold during the Class Period, as well as the dates and prices of each such purchase, acquisition, and sale; and (iii) be signed by the person or entity requesting exclusion or an authorized representative. In order to be valid, such request for exclusion must be submitted with documentary proof of each purchase or acquisition and, if applicable, sale of DZS common stock during the relevant period. Account statements or trade confirmations will suffice. Any such request for exclusion must be signed and submitted by the beneficial owner under penalty of perjury. A request for exclusion must be mailed, so that it is **received no later than August 28, 2026,** to:

In re DZS Inc. Securities Litigation
Attn: Exclusions
PO Box 58220
Philadelphia, PA 19102

Your exclusion request must comply with these requirements in order to be valid, unless it is otherwise accepted by the Court.

If you ask to be excluded, do not submit a Claim Form because you cannot receive any payment from the Net Settlement Fund. Also, you cannot object to the Settlement because you will not be a Class Member. However, if you submit a valid exclusion request, you will not be legally bound by anything that happens in the Action, and you may be able to sue (or continue to sue) the Defendants and the other Released Defendants' Parties in the future, assuming your claims are timely. If you have a pending lawsuit against any of the Released Defendants' Parties, **please speak to your lawyer in the case immediately.**

THE LAWYERS REPRESENTING YOU

12. Do I have a lawyer in this case?

The Court appointed the law firm of Levi & Korsinsky, LLP to represent all Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

You will not be separately charged for work performed by Levi & Korsinsky, LLP on behalf of the Class. The Court will determine the amount of Plaintiff's Counsel's fees and expenses, which will be paid from the Settlement Fund. To date, Plaintiff's Counsel have not received any payment for their services in pursuing the claims against Defendants on behalf of the Class, nor have they been paid for their litigation expenses. Plaintiff's Counsel will ask the Court to award attorneys' fees of no more than 33% of the Settlement Fund, including accrued interest, and reimbursement of litigation expenses of no more than $100,000 plus accrued interest. Plaintiff may also request an award of up to $10,000 to reimburse his reasonable time, costs and expenses in representing the Class.

OBJECTING TO THE SETTLEMENT, THE PLAN OF ALLOCATION, OR THE FEE AND EXPENSE APPLICATION

14. **How do I tell the Court that I do not like something about the proposed Settlement?**

If you are a Class Member, you may object to the Settlement or any of its terms, the proposed Plan of Allocation, the application for attorneys' fees and expenses, or any application of an award to Plaintiff. You can ask the Court to deny approval by filing an objection. You can't ask the Court to order a different settlement; the Court can only approve or reject the settlement agreed to by the Parties in the Action. If the Court denies approval, no settlement payments will be sent out, and the lawsuit will continue. If that is what you want to happen, you should object.

Any objection to the proposed Settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Settlement Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (i) clearly identify the case name and number "*In re DZS Inc. Securities Litigation,* Case No. 4:23-CV-549-SDJ (E.D. Tex.)"; (ii) state the name, address, and telephone number of the person or entity objecting; (iii) state the number of shares of DZS common stock purchased, acquired, and/or sold during the Class Period, as well as the dates and prices of each such purchase, acquisition, and sale; (iv) be signed by the person or entity objecting or an authorized representative; (v) be submitted to the Court either by filing them electronically or in person at any location of the United States District Court for the Eastern District of Texas or by mailing them to the Clerk's Office, United States District Court for the Eastern District of Texas, 101 East Pecan Street Room 216, Sherman, Texas 75090; and (vi) be filed with, or received by, the Court on or before August 28, 2026.

15. **What is the difference between objecting and seeking exclusion?**

Objecting is telling the Court that you do not like something about the proposed Settlement. You may object and still recover money from the Settlement *if* you timely submit a valid Claim Form and the Settlement is approved by the Court. You may object *only* if you remain part of the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself from the Class, you will lose standing to object to the Settlement because it will no longer affect you and you will not be eligible for any payment.

THE SETTLEMENT HEARING

16. **When and where will the Court decide whether to approve the proposed Settlement?**

The Court will hold the Settlement Hearing on **September 25, 2026 at 10:00 a.m.**, either telephonically, on Zoom, and/or at 101 East Pecan Street, Sherman, Texas 75090. At this hearing, the Court will consider, whether: (i) the Settlement is fair, reasonable, and adequate, and should be finally approved; (ii) the Plan of Allocation is fair and reasonable and should be approved; and (iii) Lead Counsel's application for attorneys' fees and expenses and Plaintiff's service awards are reasonable and should be approved. The Court will take into consideration any written objections filed in accordance with the instructions in Question 14 above. We do not know how long it will take the Court to make these decisions.

You should be aware that the Court may change the date and time of the Settlement Hearing, or hold the hearing telephonically, without another notice being sent to Class Members. If you want to attend the hearing, you should check with Lead Counsel beforehand to be sure that the date or time has not changed, periodically check the settlement website at www.DZSISecuritiesSettlement.com, or periodically check the Court's website at https://www.txed.uscourts.gov/ to see if the Settlement Hearing stays as calendared or is changed. The Court's docket is also available on the PACER service at https://www.pacer.gov.

17. Do I have to come to the Settlement Hearing?

No. Lead Counsel will answer any questions the Court may have. But, you are welcome to attend at your own expense. If you submit a valid and timely objection, the Court will consider it and you do not have to come to Court to discuss it. You may have your own lawyer attend (at your own expense), but it is not required.

18. May I speak at the Settlement Hearing?

If you have submitted a timely objection and have not opted out of the Settlement, you may appear and address the Court at the Settlement Hearing concerning the Settlement and your objection to it should you wish to do so. To speak at the Settlement Hearing in opposition to the Settlement, the Plan of Allocation, or the fee and expense application, you must submit a timely written objection in accordance with Question 14 and the Court's Order.

IF YOU DO NOTHING

19. What happens if I do nothing at all?

If you do nothing and you are a member of the Class, you will receive no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other Released Defendants' Parties concerning the Released Plaintiffs' Claims. To share in the Net Settlement Fund, you must submit a Claim Form (*see* Question 8 above). To start, continue or be part of any other lawsuit against the Defendants and the other Released Defendants' Parties concerning the Released Plaintiffs' Claims in this case, to the extent it is otherwise permissible to do so, you must exclude yourself from the Class (*see* Question 11 above).

GETTING MORE INFORMATION

20. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation, Lead Counsel's motions in support of final approval of the Settlement, the request for attorneys' fees and litigation expenses, and approval of the proposed Plan of Allocation which will be filed with the Court no later than July 23, 2026 and be available from Lead Counsel, the Claims Administrator, or the Court, pursuant to the instructions below.

You may review the Stipulation or documents filed in the case at the Clerk's Office, United States District Court for the Eastern District of Texas, 101 East Pecan Street Room 216, Sherman, Texas 75090, on weekdays (other than court holidays) between 9:00 a.m. and 4:00 p.m. Subscribers to PACER can also view the papers filed publicly in the Action at https://www.pacer.gov.

You can also get a copy of the Stipulation and other case documents by visiting the website dedicated to the Settlement, www.DZSISecuritiesSettlement.com, calling the Claims Administrator toll free at (855) 915-4285, emailing the Claims Administrator at info@DZSISecuritiesSettlement.com, or writing to the Claims Administrator at *In re DZS Inc. Securities Litigation,* c/o Claims Administrator, 1650 Arch Street, Suite 2210, Philadelphia, PA 19103.

Please do not call the Court with questions about the Settlement.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND

21. How will my claim be calculated?

As discussed above, the Settlement provides $2,900,000.00 in cash for the benefit of the Class. The Settlement Amount and any interest it earns constitute the "Settlement Fund." The Settlement Fund, less any taxes and tax expenses, any Attorney Fee Award to Lead Counsel, any Award to Plaintiff approved by the Court, and Settlement Administration Costs is the "Net Settlement Fund." If the Settlement is approved by the Court, the Net Settlement Fund will be distributed to eligible Authorized Claimants—*i.e.*, Class Members who timely submit valid Claim Forms that are accepted for payment by the Court—in accordance with this proposed Plan of Allocation or such other plan of allocation as the Court may approve. Class Members who do not timely submit valid Claim Forms will not share in the Net Settlement Fund, but will otherwise be bound by the Settlement. The Court may approve this proposed Plan of Allocation, or modify it, without additional notice to the Class. Any order modifying the Plan of Allocation will be posted on the settlement website, www.DZSISecuritiesSettlement.com.

The Plan of Allocation takes into account Class Counsel's assessment of the strength and weakness of the various claims and defenses and incorporates the advice of consulting experts. The objective of the Plan of Allocation is to distribute the Net Settlement Fund equitably among those Class Members who suffered alleged economic losses as a proximate result of the Defendants' alleged wrongdoing. The Plan of Allocation is not a formal damages analysis, and the calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations in accordance with the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants under the Settlement. The computations under the Plan of Allocation are only a method to weigh, in a fair and equitable manner, the claims of Authorized Claimants against one another for the purpose of making *pro rata* allocations of the Net Settlement Fund. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's recognized loss, as calculated pursuant to the formulas set forth below ("Recognized Loss").

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Loss. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each

Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Loss bears to the total Recognized Losses of all Authorized Claimants and subject to the provisions in the preceding paragraph (i.e., "*pro rata* share"). Payment in this manner shall be deemed conclusive against all Authorized Claimants. No distribution will be made on a claim where the potential distribution amount is less than ten dollars ($10.00) in cash.

Plaintiff asserted claims under the Securities Exchange Act of 1934. Plaintiff's theory of damages focused on the change in DZS's stock price following public disclosures on March 10, 2023, June 1, 2023, and November 9, 2023.

On March 10, 2023, DZS announced a material weakness in its internal control over financial reporting. On June 1, 2023, DZS announced that it would restate its financials for the first quarter of 2023. On November 9, 2023, DZS announced that each of its quarterly and year-end financials for 2022 would be restated and that DZS anticipated that its review of the matter would result in one or more material weaknesses. Plaintiff has alleged that in response to these disclosures, DZS's stock price declined and resulted in damages to the Class. Consequently, the Plan of Allocation intends to compensate Authorized Claimants for these alleged damages. Depending on when you purchased your shares of DZS common stock and how many shares you held when the adverse news emerged, you may have a Recognized Loss. The following paragraphs explain how to calculate your Recognized Loss.

You may have a Recognized Loss if you purchased or acquired DZS common stock between May 4, 2022, and November 9, 2023, inclusive. The Plan of Allocation for claims is as follows:

Purchase Period	**Sold between May 4, 2022 and March 10, 2023**	**Sold between March 11, 2023 and May 31, 2023**	**Sold between June 1, 2023 and November 9, 2023**	**Sold or held after November 9, 2023**
Bought between May 4, 2022 and March 10, 2023	$0/share	$0.31/share	$2.48/share	$2.84/share
Bought between March 11, 2023 and May 31, 2023	N/A	$0/share	$2.17/share	$2.53/share
Bought between June 1, 2023 and November 9, 2023	N/A	N/A	$0/share	$0.36/share

To calculate the Recognized Loss per share, locate the row corresponding to when your shares were purchased and the column corresponding to when those shares were sold, or whether they were held after November 9, 2023.

INSTRUCTIONS APPLICABLE TO ALL CLAIMANTS

The Plan of Allocation is intended to compensate investors for losses incurred as a result of Defendants' alleged violations of federal securities laws. Authorized Claimants who invested in DZS for a net gain will not have a Recognized Loss and will not be eligible for a distribution from the Net Settlement Fund. Any transaction(s) resulting in a gain will not have a Recognized Loss.

For purposes of determining whether a claimant has a net gain, all purchases or acquisitions of DZS common stock during the Class Period shall be matched on a FIFO basis against all sales of DZS common stock through February 8, 2024. The overall Market Loss shall equal the total price paid for all shares of DZS common stock purchased or acquired during the Class Period, minus the sum of: (i) the total sales price received for all shares of DZS common stock sold through February 8, 2024; and (ii) the Holding Value[2] for all shares of DZS common stock purchased or acquired during the Class Period that were retained as of the close of trading on February 8, 2024. If this calculation results in zero or a negative number, the claimant shall not have a Recognized Loss. In no event shall a Claimant's Recognized Claim exceed the Claimant's Overall Market Loss, and a Recognized Claim cannot be less than zero.

The payment you receive will reflect your proportionate share of the Net Settlement Fund. Such payment will depend on the number of Authorized Claimants that participate in the Settlement, and when they purchased and/or sold securities. The number of claimants who send in claims varies widely from case to case.

A purchase or sale of DZS stock shall be deemed to have occurred on the "trade" date as opposed to the "settlement" or "payment" date.

Authorized Claimants who acquired shares of DZS stock during the Class Period by way of gift, inheritance or operation of law, such shares shall not have a Recognized Loss.

Receipt of DZS stock in exchange for securities of any corporation or entity shall not have a Recognized Loss.

The first-in-first-out ("FIFO") basis will be applied to purchases and sales. Sales during the Class Period and through February 8, 2024 will first be matched against any holdings of DZS common stock as of the opening of trading on May 4, 2022, and then against purchases during the Class Period in chronological order.

The date of covering a "short sale" is deemed to be the date of purchase of shares. The date of a "short sale" is deemed to be the date of sale of shares. In accordance with the Plan of Allocation, however, the Recognized Loss on "short sales" is zero. In the event that a claimant has an opening short position in DZS stock, the earliest purchases shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

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[2] "Holding Value" means $1.58 per share, representing the average closing price of DZS common stock during the 90-day lookback period.

No securities other than DZS common shares are eligible to participate in the Settlement. Any Recognized Loss arising from purchases of shares acquired during the Class Period through the exercise of an option or warrant are not eligible to participate in the Settlement.

A Recognized Loss will be calculated as defined herein and cannot be less than zero. A Claimant's "Recognized Claim" under the Plan of Allocation shall be the sum of his, her or its Recognized Loss. The Net Settlement Fund will be distributed to Authorized Claimants on a pro rata basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

Class Members who do not submit an acceptable Proof of Claim (including documentation of the transactions claimed) will not share in the Settlement proceeds. The Settlement and the Final Judgment and Order of Dismissal with Prejudice dismissing this Action will nevertheless bind Class Members who do not submit a request for exclusion and/or submit an acceptable Proof of Claim.

Please contact the Claims Administrator or Class Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims-administration process, to decide the issue by submitting a written request.

Defendants, their respective counsel, and all other Released Defendants' Parties will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. Plaintiff and Class Counsel, likewise, will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed distribution checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund after at least six (6) months after the initial distribution of such funds will be used in the following fashion: (a) first, to pay any amounts mistakenly omitted from the initial disbursement; (b) second, to pay any additional settlement administration fees, costs, and expenses, including those of Class Counsel as may be approved by the Court; and (c) finally, to make a second distribution to claimants who cashed their checks from the initial distribution and who would receive at least $10.00, after payment of the estimated costs, expenses, or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. These redistributions shall be repeated, if economically feasible, until the balance remaining in the Net Settlement Fund is de minimis and such remaining balance will then be distributed to a non-sectarian, not-for-profit organization identified by Lead Counsel.

SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES

If you purchased or otherwise acquired DZS common stock during the Class Period for the beneficial interest of a person or entity other than yourself, the Court has directed that **WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THIS NOTICE**, **YOU MUST EITHER**: (a) request copies of the Postcard Notice sufficient to send to all beneficial owners for whom you are nominee or custodian; (b) request an electronic link to the Notice and Proof of Claim ("Notice and Claim Link") and, within ten (10) calendar days after receipt, email the Notice and Claim Link to beneficial owners for whom valid email addresses are available; or (c) provide the Claims Administrator with lists of the names, last known addresses, and email addresses, to the extent known, of such beneficial owners. If you choose to follow procedure (a) or (b), the Court has also directed that, upon making that mailing or emailing, **YOU MUST SEND A STATEMENT** to the Claims Administrator confirming that the mailing or emailing was made as directed and keep a record of the names and mailing and/or email addresses used.

Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred up to a maximum of $0.05 per name and address provided to the Claims Administrator; up to $0.05 per Postcard Notice actually mailed, plus postage at the rate used by Claims Administrator; or up to $0.05 per link to the Notice and Claim Form transmitted by email, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Any dispute concerning the reasonableness of reimbursement costs shall be resolved by the Court. Copies of this Notice and the Claim Form may be obtained from the website maintained by the Claims Administrator. All communications concerning the foregoing should be addressed to the Claims Administrator by telephone at (855) 915-4285, by email at info@DZSISecuritiesSettlement.com, or by mail at

In re DZS Inc. Securities Litigation,
c/o Claims Administrator
1650 Arch Street, Suite 2210
Philadelphia, PA 19103

Dated: June 11, 2026

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
EASTERN DISTRICT OF TEXAS