INCOAX

Annual Report 2022

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About InCoax Networks AB

InCoax Networks AB (publ) is reusing existing property coaxial networks for broadband access in Fiber-To-The-Home (FTTH) deployments for Communication Service Providers (CSP) globally.

The technology is a high performance, future proof, reliable and cost-effective complement to fiber, that reduces installation time and improves take-up rate, to boost digital inclusion and Internet access for all.

To keep updated on corporate information, visit incoax.com. Vator Securities AB, tel. +46 8-5800 6599 ca@vatorsec.se, is acting as the company's Certified Adviser.

Reliable and affordable high performance Internet access to all.

InCoax Vision

2022 in figures

- Net sales amounted to SEK 25,922,260 (20,894,597), which corresponds to an increase of 24 percent compared to the same period last year.
- Operating profit for the year amounted to SEK –22,329,647 (–24,331,638), an improvement driven by larger sales in 2022.
- Profit for the year after tax amounted to SEK –22,815,010 (–24,496,940). Which gives an earnings per share of SEK -0.32 (-0.60).
- Cash flow incl. financing activities for the full year amounted to SEK 2,012,771 (-17,449,945).

Key ratios

SEK	2022	2021
Net sales	25,922,260	20,894,597
Gross profit/loss	12,246,228	9,084,216
Gross margin, %	47%	43%
Operating loss (EBIT)	-22,329,647	-24,331,638
Operating margin (EBIT %)	Neg	Neg
Loss after financial items	-22,815,010	-24,496,940
Loss after tax	-22,815,010	-24,496,940
Earnings per share	-0.32	-0.60
Earnings per share after dilution	-0.31	-0.58
Equity ratio, %	78.1%	74.5%
Cash flow, including financing activities	2,012,771	17,449,945
Cash flow per share	0.03	0.42
Cash flow per share after dilution	0.03	0.42
Number of shares outstanding at the end of the period	72,104,729	41,113,418
Number of shares outstanding at the end of the period after dilution	72,994,729	42,045,418
Average number of shares outstanding during the period	56,609,074	34,277,907
Average number of shares outstanding during the period after dilution	57,520,074	35,313,407

Reinventing Connectivity

for smart and cost-effective

high performance

fiber access extension in existing

property coaxial networks

InCoax Mission

CEO's comments

InCoax continues its positive developments

Increased sales and higher gross margin.

Increased sales and higher gross margin

Sales improved in 2022 and were in keeping with the previously communicated target. The gross margin also trended positively compared to the previous year.

Sales to Google Fiber, a US-based Fiber/LAN internet provider, developed according to plan and included the biggest influx of orders in InCoax's history to date. This gives InCoax a good starting point for continuing to increase sales in 2023. The collaboration continues to develop excellently and deepened in 2022, and we expect continued expansion in 2023 with this and other internet providers.

After successful lab and field tests, discussions with the US Tier-1 operator continued in 2022 but have yet to result in an investment decision. Concurrent with discussions on our Access solution, we have landed orders from the Tier-1 operator for home network equipment, and we believe that we have prospects of landing additional orders. As described in quarterly reports over the year, both of these business opportunities have high sales potential.

It is always difficult to predict how long this type of testing will take as multiple parties are involved, particularly at major internet providers. This market has long and complex decision-making processes, but which give the Company a long-term perspective with rollouts over many years once a decision on a supplier has been made.

In 2022, in addition to the in:xtnd products, we continued discussions with multiple internet providers about our new product, the Distribution Point Unit (DPU) D2501, the first product based on a brand-new platform with greatly enhanced grid compatibility that will eventually complete the portfolio. Concurrent with these discussions, and based on a better understanding of requirements, we continued to develop software for the product to meet more rigorous requirements for multiple use cases at the provider.

Market potential

We continue to see excellent market potential for our solution. Over the year, the information received from the market has strengthened our assessment that there is a significant need for our fiber extension solution among providers of fiber, telecom, cable and fixed wireless access (FWA).

Over the year, we saw a greater number of providers become interested in our solution, and we are now in different stages of ongoing discussions with them, both in the US and EU, for testing and evaluation of our system solution.

The providers have largely focused their resources on pure FTTH solutions in those applications where fiber can be drawn all the way out to a household simply and economically. This has meant that the providers have largely abandoned the more complicated objects without connecting them to high-speed broadband. This has

successively built up a market with a large unserved or underserved subscriber base, which is reflected in the so-called "Homes Passed" key figure. This subscriber base will sooner or later have to be connected.

The PON and XGS-PON standards, used by a large proportion of all internet providers, provide good conditions for cost-effective investments and centralized network management. D2501 software is compatible with the most common standards used by internet providers and enables our system to be integrated into provider networks without requiring major adaptations.

The large US infrastructure package from fall 2021, allocating roughly USD 65 billion for investments in improved broadband services, will further strengthen InCoax's prospects in the US market; and we are currently seeing signs of a generally heightened level of activity in the US.

InCoax's solution for fiber extension makes it attractive for an internet provider to quickly and cost-effectively connect a large number of subscribers in multi-dwelling units. InCoax is looking at a billion-dollar market in sales potential for many years to come.

Strategy

During 2022, InCoax continued to perform according to the strategy it developed in 2020. The catchwords in the strategy are focusing on the right customer segment based on an excellent understanding of identified internet providers' requirements for both hardware and software.

It is especially important to be able to provide systems that are compatible with the communications standards used by internet providers to operate their fiber networks for customer service, monitoring, and maintenance.

During 2022, the further development of our software enabled us to broaden the number of use cases we address for internet providers with a large subscriber base and significant growth potential.

Partners and organization

Concurrent with focusing on major internet providers, we continued to develop our cooperation with Technetix over the year. The collaboration aims at sales to indirect channels for use cases that are standardized and do not require extensive customization. We intend to expand collaborations with other partners who have the right qualifications for driving sales. This means that selected partners must gradually be able to drive sales on their own eventually, with reduced direct involvement from InCoax. The lessons we have learned through the VAR agreements we signed has given us good experience for the future and knowledge of the conditions that need to be met to achieve successful cooperation.

InCoax Access A251 (NTE modem) capable of 2.5 Gbps symmetric data rates.

To manage large prospective orders with Tier-1 internet providers, the collaborative efforts with existing partners of internet providers can be brought into focus. This refers to software integration, as well as the production and distribution of hardware.

Our active participation in relevant standardization forums continued throughout the year. This makes it possible for us to exert influence, to be aware of the latest internet-provider standards and to understand internet providers' prioritizations of requirements. Compatibility with the communications standards used by internet providers is, as previously mentioned, a key factor in being relevant in these higher market segments.

We intend to further bolster our sales resources in 2023 with a focus on Tier-1 internet providers in relevant areas. To reach this segment, we must exercise considerable credibility and expertise to thoroughly acquaint ourselves with internet providers' use cases and provide proposals for system solutions in keeping with this knowledge.

Cooperative efforts with external partners in hardware and software development, as well as industrialization and manufacturing, have continued to progress well in 2022. During the year, we strengthened our internal resources in system architecture and Field Application Engineering (FAE).

Financial position

Concurrent with increased sales, we are now generating a better operating cash flow. We will continue making selective commitments to key areas of marketing, sales, development, manufacturing, logistics and customer service to secure future growth; InCoax has a clear and balanced growth plan that can be supported going forward by a broad palette of financing solutions.

During Q4 2022, a preferential share issue was carried out in a market segment characterized by high inflation and war. Despite this, the preferential share issue was oversubscribed by 20% and raised SEK 57 million after issue costs. This amount also includes an issue of shares that was made based on the over-allotment option that was part of the terms of the rights issue.

All things considered, this makes the financing situation look stable.

Financial targets

The Company's goal is to continue generating strong net revenue growth in the years ahead. Furthermore, the Company's focus on software and sales of services along with continued expansion will contribute over the long term to improving the gross margins and reducing the levels of tied-up capital. Our target for 2023 continues to be to double sales compared to 2022.

Continued focus on sales and scalability

In addition to securing growth with existing customers, we will spend the rest of 2023 continuing to focus on converting interested, testing internet providers into purchasing customers to widen our customer base and to increase and balance our sales.

We also see that the availability of semiconductor components has clearly improved and continues to improve, which means a shorter planning horizon for sales and supplies to customers. Concurrent with increased sales to increasing numbers of internet-provider customers, we intend to strengthen our resources in a balanced way, while implementing more scalable working methods at the same time.

Major internet providers are showing a distinct and growing interest in providing premium subscribers with multi-gigabit performance. InCoax is well positioned to meet this demand.

Lund May 2023

Jörgen Ekengren
Chief Executive Officer


Bus Stop

Business overview

InCoax Networks AB (publ) is reusing existing property coaxial networks for broadband access in Fiber-To-The-Home (FTTH) deployments for Communication Service Providers (CSP) globally. The technology is a high performance, future proof, reliable and cost-effective complement to fiber, that reduces installation time and improves take-up rate, to boost digital inclusion and Internet access for all.

InCoax in brief

InCoax was founded in 2009 and has been a development company that until today has developed four generations of products for broadband access over coaxial networks. The fourth generation is based on the MoCA Access™ 2.5 standard. InCoax's value creation is based on using spare capacity in properties' existing coaxial networks (antenna cable networks) for connecting fiber. This enables a short time to revenue for the operator from the subscribers. The solution is primary for Multi Dwelling Unit´s (MDU´s). This is a market segment that implies technical, legal and commercial challenges to connect each apartment in a building to high speed broadband.

InCoax is an active member of Broad Band Forum (BBF) and MoCA (and has a seat on the Board for the Alliance). In addition, InCoax is member of Fiber Broadband Association and BREKO. It is part of InCoax strategy to be an active member in these organizations in order to be able to impact on future standards. It´s also gives a good opportunity to create valuable contacts at operators that also are potential customers to InCoax system solutions. It also provides a good opportunity to plan end execute development based on good knowledge on current and coming standards used by operators.

InCoax current product generations are based on the standard MoCA Access™ 2.5 and enables broadband with symmetrical multigigabit speed i e the down- and upload speed is similar. With InCoax solution the customer can be offered a cost efficient network-solution with Gigabit or MultiGigabit speed for an efficient and stabile roll out of broadband. In coming versions of InCoax MoCA Access™ 2.5 platform, InCoax will address bigger operators with full compatibility for both Fiber/LAN and Passive Optical Networks (PON).

Offerings

InCoax offer solutions for broadband connectivity via coaxial cables[2]. The Company uses free capacity in the existing coaxial network to create connectivity to high-speed broadband, IPTV[3], VoIP[4], IoT[5] and web TV, to avoid investments in new cables for operators and building owners.

The Company's technology works for all coaxial cable networks used for the distribution of TV signals.

InCoax's value creation model is based on meeting customers' high demands for quality and service with equipment and solutions that are cost-effective, easy to install and ensure a fast and stable broadband connection.

The Company's current InCoax MoCA Access™ 2.5 platform, creates the conditions for customers to achieve internet speeds of up to 2.5 Gbps[6]. This means that customers using InCoax products will be able to offer their end consumers the same quality of service as in a pure fiber solution, but at a significantly lower cost.

The ongoing further development of the InCoax MoCA Access™ 2.5 platform is aimed at larger operators and "Tier 1" operators. The development is conducted in close cooperation with a large Tier 1 under a joint project agreement. This project enables InCoax to reach large customer segments with substantial sales volumes at reach.

1 Broadband Forum, an industry consortium dedicated to developing specifications for broadband networks.
2 Coaxial cable is a two-pole electric cable, which is made up of a metallic conductor, the central conductor, surrounded by an insulating material, the dielectric, which in turn is surrounded by a conductive casing, the screen. The coaxial cable is intended for the transmission of signals with high frequencies and with low attenuation, which in other words is capable of transmitting, among other things, data traffic with high capacity.
3 IPTV stands for Internet Protocol television, delivery of television content over Internet Protocol (IP) networks.
4 VoIP stands for Voice Over Internet Protocol, Internet Protocol (IP) telephony is the transmission of voice calls and the like via computer networks based on the Internet Protocol.
5 IoT stands for the Internet of Things, i.e. the internet of things, which is a collective name for the technologies that enable everyday objects to be controlled or exchange data over the net.
6 Gbps stands for billions of bits per second, and is an information unit as well as a multiple of a bit.

Solution

To be able to offer Gigabit speed via coaxial cable, the apartment building must have access to an external fiber network, radio link or 5G equipment, from which the incoming signal is passed on to the Company's control unit, in:xtnd™ Control or InCoax DPU. The signal is then transmitted via a diplexer, InCoax Combine, up to the antenna socket in the apartments over the existing coaxial network. An NTE modem, InCoax Access, is then connected to the regular TV antenna socket, providing the user with a high-speed internet connection.

The control software, InCoax Manage, controls and monitors the system and allows the necessary settings and measurements to be made. This broadband connection can currently reach internet speeds of up to 2.5 Gbps downstream and 2.5 Gbps upstream.

To make things easier for the customer, the modem is designed so that the customer can install it themselves. The Company's products are designed to be used in conjunction with other technologies with the aim of creating a competitive offer to customers. The MoCA Access™ 2.5 standard is designed to coexist in parallel with other technologies, such as CATV[7], Satellite TV and TV/DOCSIS[8], which is a great advantage for InCoax and its customers.

Products

InCoax currently has a broadband solution consisting of control units with various capabilities and modems. The broadband solution, consisting of both hardware and software, includes six main system components:

- InCoax DPU D2501
- in:xtnd™ Control
- InCoax Access
- InCoax Combine
- InCoax Manage
- InCoax Home

InCoax Manage is an advanced network management system and includes the implementation of InCoax DPU, in:xtnd™ Control and the service-based implementation of InCoax Access, as well as the control and monitoring of coaxial link conditions.

InCoax DPU D2501 (Distribution Point Unit).

in:xtnd™ Control C254 (control unit).

InCoax Access A101 (NTE modem).

InCoax Combine (diplexer/triplexer).

7 Cable TV

8 Data Over Cable Service Interface Specification, a standard for transmission of data over the television cable network.

InCoax Manage is used for the operator's network management, which entails configuration, monitoring, and control. The advantages of InCoax Manage include:

- Automatic control and monitoring of InCoax DPU, in:xtnd™ Control and InCoax Access.
- Advanced service and policy management.
- Fast and easy third-party system integration.
- A wide range of network statistics.

As part of the Company's ongoing development project with a North American Tier 1 operator, all features necessary for full compatibility with the control and monitoring solutions used by large operators for their networks are implemented.

Strategy

InCoax will continue to execute its plans according to the strategy developed in 2020. This is a strategy to position InCoax as a systems- and solutions provider for bigger operators and sales thru partners in order to be able to create larger customer- and shareholder values. InCoax has gained experience in working with bigger operators and thereby achieved a high understanding about requirements in both hardware and software.

The key factor here is the focus on the right customer segment based on a solid understanding of identified operators' requirements for both hardware and software. It is especially important to be able to provide systems that are compatible with the communications standards used by operators to operate their fiber and FWA networks for customer service, monitoring, and maintenance.

Given future proof hardware-platforms that have been established, InCoax will further focus on software development in order to gradually add more features and thereby broaden the number of use cases in different operator segments. This work is carried out in close dialogue with selected operators, each of them with a large subscriber base as well as growth plans.

Even if the operator industry to great extent are using established standards for communication, different operators are sometimes using different sub-sets of these standards. Therefore it´s of high importance that InCoax has a good understanding of this and accordingly can make the right implementations in the soft-ware. The ambition is that it should be easy to implement InCoax system solution to the operators networks without big adaptations on the operators side. This implies that InCoax needs to focus on selected operators with a good growth potential.

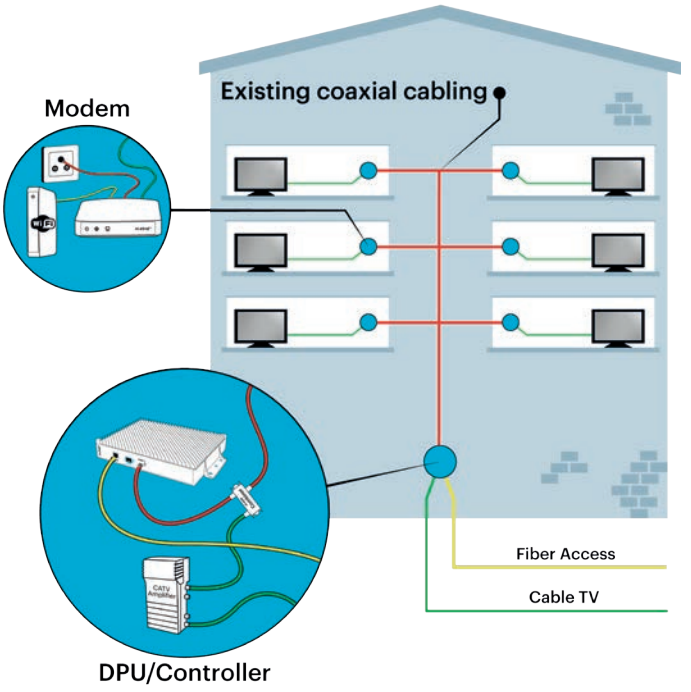
The strategy to focus on solutions for bigger operators leads to a need of strengthening the competence and resource in several areas like project management, MoCA reference design, system architecture, system design, requirement specifications and test/verifications.

InCoax also intensifies the work in specific projects for bigger operators where design and development can be carried out in close co-operation with the operators in order to come quicker to a commercial roll out. A direct result of this way of working is the successful collaboration with the Fiber/LAN operator Google Fiber Inc. which continue to develop in a good way and with more orders.

Organization

InCoax has 29 employees including consultants. The management team consists of five people divided between CEO, CFO, CSMO, CTO and Head of Development. The InCoax development team consists of 16 people. The sales organization consists of three sales resources who work globally but primarily manage sales in Europe and North America. In addition to its own organization, the Company has partnerships in both hardware and software development, contract manufacturing and Value Added Resellers (VAR).[9]

Fiber Access Extension in a Cable-TV network environment



The image above shows InCoax fiber extension in a cable TV network.

9 Retailers who have the opportunity to add other products or software to the consumer when selling.

Revenue model

The main portion of InCoax revenues comes from the sales of the company´s solutions that consist of hardware and software. InCoax also sell services in terms of training, maintenance and support which gives a yearly revenue from licenses. InCoax solution implies that the customers to a low initial investment cost get hardware, software and services which enable a possibility for InCoax to get yearly recurrent revenues from licensing of software and services. The company get payment per sold hardware unit plus a license fee.

I order to be able to take bigger orders (from operators with subscribers counted in millions), InCoax gradually establish cooperation with distributors and system integrators. This means an opportunity to get royalty on sales as well as being able to reduce the capital tied up in the InCoax supply chain.

Cost per apartment

By using free capacity in existing coaxial property networks no new cables needs to be pulled in the apartments, which makes InCoax solution an attractive alternative to FTTH to all apartments.

Production

InCoax manufacturing of hardware is carried out by contract manufacturers (ODM[10]/EMS[11]) in Sweden and in China. InCoax works in close collaboration with the contract manufacturers to secure quality and delivery.

Financial position and financial targets

The availability of semiconductor components has been constrained during 2022 and it also impacted InCoax. Despite this InCoax could secure components availability and logistics to a satisfactory extent.

InCoax is in an expansive phase and with increased focus on service sales thru licensing of SW and other service. A continuous feature growth in the application SW will gradually increase the number of use cases served and thereby gradually increase the addressable market. The ongoing developments are expected to create considerable potential for sales.

The Company's goal is to continue generating strong net revenue growth in the years ahead. Furthermore, the Company's focus on software and sales of services along with continued expansion will contribute over the long term to improving the gross margins and reducing the levels of tied-up capital. Our target for 2023 continues to be to double sales compared to 2022.

Available technologies

	MoCA Access 2.5 P2MP	MoCA Access 2.5 P2P	G.hn P2MP	G.hn P2P	G.fast P2P	G.fast P2P	Fiber P2P	CAT6 P2P
Practical speed	1/1 Gbps	2.5/2.0 Gbps	1/0.5 Gbps	0.5/0.1 Gbps	1/0.3 Gbps	0.5/0.3Gbps	10/10 Gbps	1/1 Gbps
Number of users	Max 31 pcs	Max 1 pc	Max 15 pcs	Max 1 pc	Max 1 pc	Max 1 pc	Max 1 pc	Max 1 pc
Symmetric Up-/download	Yes	Yes 2/2Gbps	No	No	No	No	Yes	Yes
Cable infrastructure	Coax	Coax	Coax	Copper	Coax	Copper	Fiber	Copper
Cost per apartment €	90 - 120	130 - 150	90 - 120	120 - 140	180 - 200	180 - 200	300 - 450	200 - 300
Additional cost for apartment network	No	No	Yes	Yes	Yes	Yes	Yes	Yes

10 Original design manufacturer is a company that designs and manufactures a product, according to specification, which is eventually rebranded and gets a new badge on sale.

11 Electronics manufacturing services is a term used for companies that design, manufacture, test, distribute and provide holds return/repair services for electronic components and devices for original equipment manufacturers.

Customers
With its current MoCA Access™2.5 solution, InCoax mainly caters to three different customer groups:

- Fiber/LAN operators
- Internet Service Providers (ISPs; ISP)
- Hospitality customers (hotel industry)

Fiber/LAN operators
Fiber/LAN operators install a data network in the property at a cost of approximately 200-300 EUR per apartment. Often it is not agreed to add ducting to stairwells and inside the apartment mounted on the wall.
Because Fiber/LAN operators are typically contenders, they usually offer higher speeds up to 1 Gbps to attract customers from telecom and cable operators. InCoax's current solution fits well into this segment as these operators' fibers are of the active Ethernet type. This means using management systems suitable for Ethernet networks and offering symmetrical 1 Gbps
services. For this use case, the InCoax solution fits well without requiring a comprehensive adaptation.

Internet service providers
It is absolutely crucial for internet service providers to have access to a high-speed network in order to effectively deliver their services. Except from extensions of the fiber networks, many operators are investing in so called 5G Fixed Wireless Access (FWA) Networks for distribution to MDU´s. Customers can be individually offered services tailored to their wishes such as connection speed.

Hospitality customers
InCoax works actively with partner companies that make installations of the Company's products for hotel chains. As media consumption has changed and become increasingly on-demand-based and more and more users use their mobile devices for entertainment or video calls, there is a lot of pressure on the existing access points.

For the Hotel industry it is attractive to avoid disruption for bigger re-constructions and cable installation works. The speedy installation of InCoax solution can with a minimum of disruption happen during while business is still going on.

Tier I operators
This segment includes telecommunications and cable operators with millions of subscribers. The segment places extensive demands on specification and reliability. Compatibility with a Tier 1 operator's existing network is a prerequisite for becoming a supplier. This is achieved by implementing software that complies with established standards and communication protocols.

Installation and service companies
Another customer segment that can see great business benefit with our solutions is installation and service companies. With expertise in coaxial cable networks and MoCA Access™ they can update their offering, grow and become more competitive.

Distributors and retailers
In order to effectively scale up and reach an increased customer base, InCoax is working to build a European and North American distributor and dealer network. Market forces and dynamics differ between the markets and segments, which is why great insight into market players is important. Distributors and local retailers are important partners in order to get a better exchange in sales activity towards smaller operators and the hospitality industry as well as to reach the desired sales volumes. In order to become a supplier of high-volume orders to larger operators (Tier 1), strong distribution partners are also required. This type of distributor is often already established as partners of the larger operators.

Charity organizations
InCoax has established relationsships with charity organizations in both the UK and the US.

- **HACT** (Housing Associations´ Charitable Trust) is a brittish charity organization, specialized in so called social housings. InCoax is marketed as a cost effective alternative for social inclusion through internet access.
- **PC's for People** is an american non-profit organization promoting digital inclusion for low-income groups through donations of computers and cost-effective broadband connectivity in so called affordable housings. InCoax system has been installed in a 256 apartment MDU complex in Austin, Texas.

Prospects and future challenges
After Covid-19 restrictions gradually have been removed during 2022, InCoax could go back to a more normal way of operating on the market with travels to important potential operator customers in both EU and US. A positive long term side-effect of the Pandemic, is the accelerated and increased need of broadband to enable for instance working from home.

The image above shows the overview installation of InCoax systems in 256 apartments in Austin (Pflugerville), Texas.

The big bi-partisan infrastructure program launched in the US on the fall of 2021, as well as continued programs in EU, also contributes to a faster extension of broadband networks. Mid-term, InCoax estimates that these factors will impact on the market demand situation in a positive way.

The semi-conductor and component market as well as the logistics around this contained continued challenges during 2022. InCoax has, during the latter part of 2022 and continuing in 2023, noted that the supply situation on these markets has improved even though some certain component areas still have longer lead-times compared to before the pandemic. The price points on components also have established on a general higher level compared to before the pandemic.

In order to achieve higher volumes and customers that provides pre-requisites for high scalability, InCoax focus on mid-sized and large Fiber- and 5G Fixed Wireless (FWA) operators. This is operators that apply both Fiber/LAN and GPON/XGS-PON based technologies. Cable operators are being adressed only in case they have clear investment plans for Fiber network i e replace existing backhaul cable networks. The cat that InCoax primarily focuses on these segments of operators contains challenges due to high requirements both technically and commercially. Therefore InCoax continually analyse the challenges in close dialogue with operators in evaluation- and project cooperations. It is a pre-requisite for future growth to address these segments and it can imply that evaluation and business processes take longer time than what may have initially been estimated. InCoax is acting on a market with long and complex decision processes on one hand but on the other hand a market that provides long-term business with many years of roll-out once an operator has made their decisions about technology and vendor selection.

In order to perform a roll out big programme a big working capital may be needed. Therefore InCoax is actively working on finding co-operation partners as well as developing the business model with partners in order to be able to take on bigger roll out programs.

Market overview

Need for speed

A large part of the world's households today lack high-speed broadband. This is despite the intensive expansion of fiber backbone networks, which has led to a sharp increase in the availability of "fiber in the street" in most developed countries. But connection from the main network to the house/property lags significantly behind due to the lack of a sufficiently cost-effective way to extend and connect the connection to each individual apartment, especially in multi-family buildings. This is called the "Last Mile Challenge" and describes the difficulties of taking the connection from the street into the property and to each consumer.

Today, by far the most common form of connectivity in Europe is therefore still ADSL/VDSL[12] (broadband over telephone wire). New technologies are being developed to offer cost-effective options for connecting households in multi-family buildings, often using existing networks with spare capacity, but also through new attempts to reduce the installation cost of brand new fiber and data networks.

Building new networks in existing properties is often not accepted by the property or apartment owner, which makes it difficult to install new fiber and data networks. In cases where fiber or data cable can be drawn to individual apartments, it is often after a time-long process and at a higher cost. This means that the InCoax solution is also interesting for cable operators who build new fiber networks instead of investing further in DOCSIS 4.0 [13].

There is also a large investment in the expansion of the 5G network in both the EU and the USA. A major use case as part of this expansion is what is called 5G Fixed Wireless Access (FWA). 5G-FWA means that buildings like MDUs, instead of via fiber, get access to the Internet via the 5G network. However, many houses have thick walls that do not easily let through the so-called "mmWaves" used in these applications, resulting in potentionally poor indoor broadband coverage.

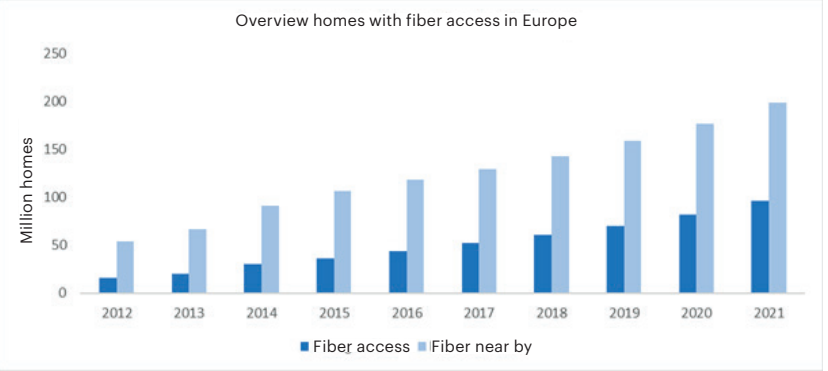
Market size

European Market

The EU's strategic goal is for all households to have a broadband connection of at least 100 Megabits per second by 2025 ("Mbps")[14]. In Sweden, the target is set even higher, by 2025 98 percent of households will have a broadband connection of more than 1 Gigabit per sekund ("Gbps")[15].

Below (Overview homes with fiber access in Europe (2022)), an overview of the proportion of fiber-connected homes in Europe is given compared to homes where fiber is drawn to an outdoor cabinet or to a property cabinet.

In 2020, the Tier-1 operators had a 43% Homes Passed ratio and this KPI is expected to increase as the market moves to fiber from ADSL/VDSL over twisted-pair phone networks. According to FTTH Council Europe and Idate, the number of household, in September 2021, that had a fiber network close to the premises was 198,4 millions in the EU 39- area, of which 7 countries had a penetration



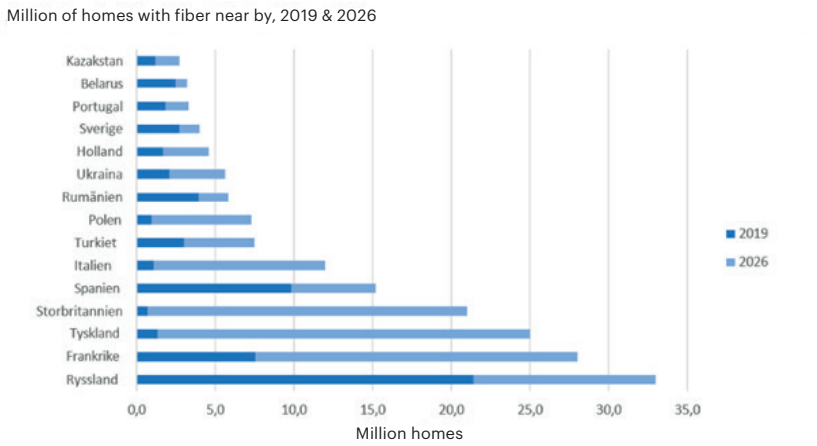
Source: Idate for FTTH Council Europe (2022).

12 ADSL (Asymmetric Digital Subscriber Line) is a type of digital subscriber connection that uses copper wire connected to the telephone network. VDSL stands for "Very High Speed Digital Subscriber Line", a digital subscriber connection with a very high speed.

13 The dominant technology for cable operators. Used for cable TV and Internet and available in several generations such as 3.0 and 3.1, with which MoCA Access™ 2.5 can coexist. The latest version is called DOCSIS 4.0.

14 https://digital-strategy.ec.europa.eu/en/policies/broadband-support

15 https://www.regeringen.se/informationsmaterial/2016/12/sverige-helt-uppkopplat-2025---en-bredbandsstrategi/



Source: "Keeping the internet up and running in times of crisis" – 2020 (oecd.org).

of more than 50%[16]. In absolute numbers the highest number of "Homes Passed" was in France where it increased by 4,3 Millions. The corresponding number for Great Britain was 3,4 millions, Germany 2,4 millions and Italy 1,5 millions. The curve shown in ["Antal miljoner hushåll med fiber i närheten 2019 samt 2026"] shows that the growth of the "Homes Passed" ratio is expected to much increase until 2026. One of the driving factors is the effect of the Covid-19 pandemic which lead to more work from home and a changed pattern of media consumption with for instance more streamed TV service[17].

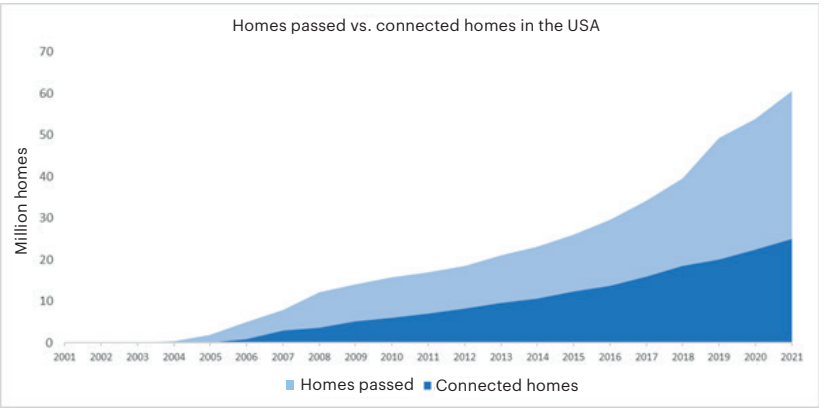
The North American market

In the US there are 2831 ISP´s on the market. Many of the operators use several technologies in parallel and it breaks down according to: DSL (899), Copper/LAN(265), Cable-TV (451), Fiber (1555), Wireless Broadband (1746) and Mobile Broadband (49). According to Fiber Broadband Association (FBA) there was 60,5 millions homes passed in September 2021. During 2021 the number of Homes Passed increased with 12%.[19]

Broadband development in the US

ADSL/DSL has been on a declining trend for many years and in 2018 the number of fiber-connected homes exceeded the number of ADSL/DSL connected homes. About 24.3 million U.S. homes were connected to fiber broadband in 2021, a significant increase from 20.5 million in 2019. The US market differs from the European market in that cable TV operators are traditionally more dominant in the market compared to traditional telecom operators. Early on, cable TV operators built pay-TV coaxial networks with point-to-point connections in multifamily buildings so-called "Home Run". This enables dedicated connection from e.g. the basement to the respective apartment. Inside the apartment there is often even a home network to achieve good broadband coverage of the entire apartment.

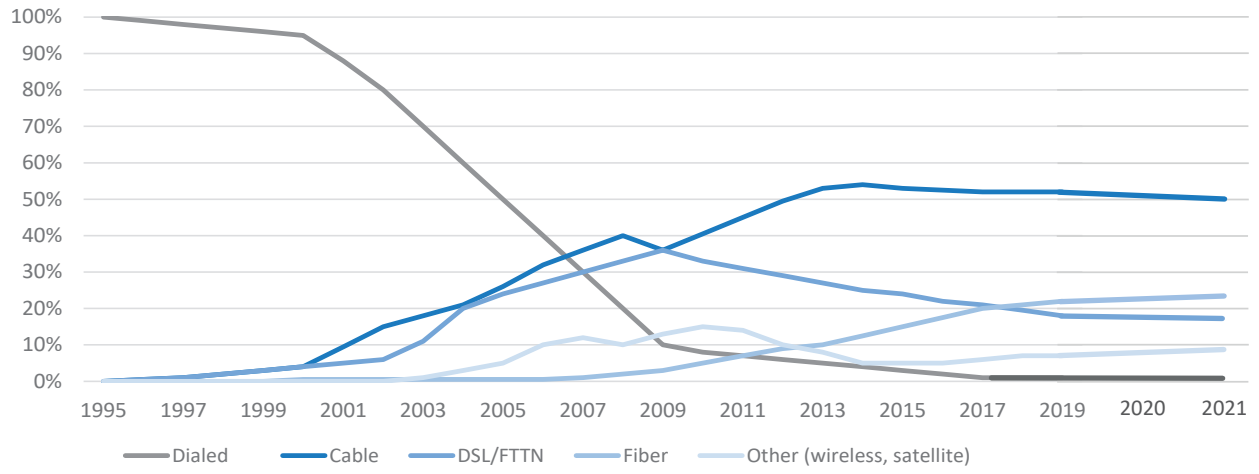
The MoCA standard has been used for home networks for the past 10 years. MoCA as a technology is thus strongly established and accepted in North America, while in Europe the coaxial networks have traditionally been built as so-called cascade or star networks, which means that several subscribers share the same coaxial cable and traffic is "routed" to their users. Since the MoCA standard allows traffic on different frequency bands, InCoax's solution can enable interconnection with e.g. existing cable TV in a property that uses its own frequency band.



Source: RVA/Fiber Broadband Association.

16 Idate for FTTH Council Europe (2022).
17 "Keeping the internet up and running in times of crisis" – 2020. From oecd.org
18 broadbandnow.com, information retrieved 2022-10-13.
19 RVA/Fiber Broadband Association.

Broadband development in the USA - From dialed telephone modem to current technologies



Source: RVA/Fiber Broadband Association

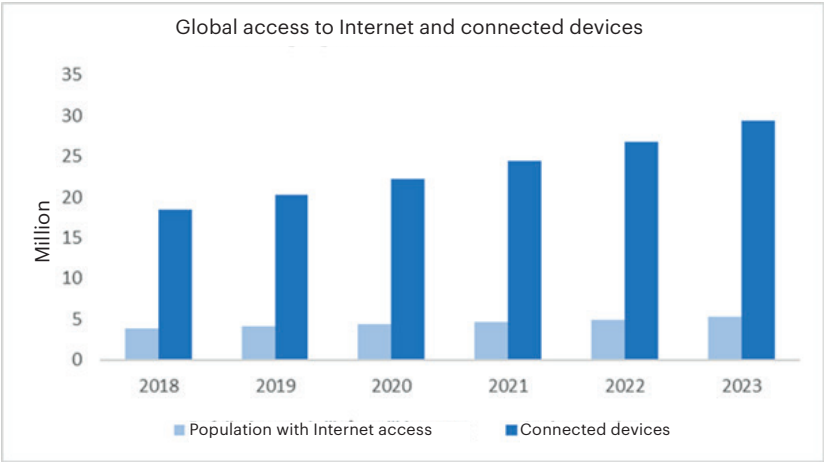
Market demand

The need for faster broadband connectivity has increased in recent years and is expected to continue to increase significantly in the future, mainly because TV, Video-on-demand, tablets, mobile phones, online games and more home work due to e.g. COVID-19, which requires ever faster and better quality connectivity. In addition, the development of innovative applications to communicate and the increasing number of smart devices are putting increasing pressure on operators to be at the forefront.

According to Cisco, the expectation is that 5.3 Billion (66%) of the worlds total population will have internet access by 2023. For 2018 the corresponding number was 3.9 billions (51%). By 2023 the number of connected devices is expected to have increased to 29.3 Billons, which is a significant increase from 19.4 Billions in 2018. This represents a yearly growth (CAGR) of 9.8% between 2018-2023.[20].

The expansion of the 5G network will not replace the fixed network, but rather accelerate the expansion of the fixed network. The frequency bands of the 5G network do not reach, without an unreasonable number of masts, to households in metropolitan areas. The telecom industry is therefore running "Fixed-Mobile Convergence", which strives to be able to use fixed networks to provide 5G services via the apartment owners' router[21].

The number of devices connected to IP networks is expected to be three times higher than the global population in 2023, which is expected to greatly increase overall internet use. There are expected to be 3.6 network devices per capita by 2023, compared to 2.4 network devices per capita in 2018[22].



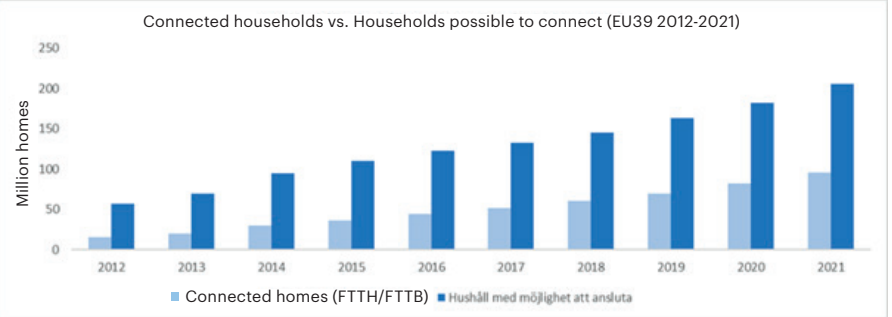
Source: Cisco Annual Internet Report, (2018-2023), mars 2020.

20 Cisco Annual Internet Report, (2018-2023), March 2020.
21 Fierce Telecom, Broadband Forum CEO: 5G will require a strong wireline transport network, 2018.
22 Cisco Annual Internet Report (2018-2023), March 2020.

Homes with fiber available

In order for a household to use high-speed broadband, fiber needs to be connected from the central hub of the telecommunications or fiber operator, via fiber in the streets, up to the properties. Then, as mentioned earlier, there are various techniques for leading the connection to the apartments. In 2021, the number of fiber-connected households (households with fiber indented to the basement or all the way to the apartment/house) in Europe (EU-39) amounted to approximately 96 million.

The roll-out of Fiber to properties moves quickly forward and an estimation is that more than half of all households in Europe should have a possibility to connect to a fiber network. The number of household with a proximity of max 300 meters from the building was 198 millions in the EU-39 countries in 2021.[23]



Source: Cisco Annual Internet Report, (2018-2023), March 2020.

Competition

The market is characterized by high competition and the rapid development of technologies, patents and services. Below is the Company's view of the competitive situation. Currently, the broadband market is primarily divided between telecom and cable TV operators and start-up fiber operators.

Telecom operators mainly build Passive optical networks (PON) while cable TV operators mainly install DOCSIS that uses the coaxial networks. Fiber operators build either passive or active fiber networks. Of these, it is mainly telecom and fiber operators that need a Fiber Access Extension technology to facilitate installations in apartment buildings in particular. In all these cases, InCoax's solution is applicable as an extension to the property. The traditional broadband solutions offered by telecom operators today are mainly ADSL/ VDSL, which use equipment from a variety of providers such as TPLink Technology, ZyXEL Communications Corp. However, with ADSL/VDSL technology, operators cannot offer services above 80 Mbps.

Some operators are considering G.fast[24] over copper that cannot offer gigabit speed but still allows for an improvement compared to ADSL/VDSL. Since the speed at best reaches 500 Mbps, operators do not see G.fast as a future-proof solution. The equipment for G.fast is offered by Huawei, Nokia, Adtran, ZTE etc.

InCoax was the first company to launch products based on MoCA Access™ 2.5. The company's short-term main competitors use other technologies that deliver FTTH[25] services, such as G.hn[26] and G.fast over coax cables. Several companies are developing products based on MoCA Access™ 2.5, which means competition, but at the same time gives more credibility to the overall solution and drives volumes which will reduce chipset costs, etc.

So far, Chinese Luster[27] has developed MoCA Access 2.5 products intended primarily for the Chinese market. Chinese ZTE[28] cable had planned products based on MoCA Access™ 2.5. However, they were banned from buying the necessary chips from US suppliers for the next nine years due to the US decision to breach US export control rules. The ban has now ended and the status is unclear. German GiAX and French Teamly Digital have presented products based on MoCA Access 2.5. No other known competitors have so far been identified to use the MoCA Access 2.5 standard.

23 FTTH Council Europe - Europe Broadband Status (2022).
24 A digital subscriber line protocol standard for local loops shorter than 500 meters, with performance targets between 100 Mbps and (in some favorable use cases) 1 Gbps, depending on the length of the loop.
25 Fiber To The Home refers to laying optical fiber all the way to the user.
26 Specification for home networks with data rates of up to 2 Gbps and operation over four types of legacy wiring: telephone lines, coaxial cables, power lines and optical fiber in plastic.
27 http://en.lusterinc.com.
28 https://www.zte.com.cn/global/.

Partner organizations

To be compatible with the operator´s networks, it is important that InCoax solutions support the standards that are in use. InCoax is therefore active in a number of the forums that define these standards. These organizations also provide a great platform to reach out to potential customers.

Partner organizations
InCoax has for several years been involved in MoCA® where they have (amongst other things) been leading the working group responsible of the MoCA Access™ 2.5 standard, present in the current product generation of in:xtnd™.

During 1st quarter of 2018, InCoax went from the member status *Contributor* to *Promotor,* gaining a seat at the Board of Directors for MoCA®. InCoax is the only European board member. As MoCA®, InCoax has entered the Broadband Forum, a consortium responsible of defining standards for telecom operators. The purpose is to influence how MoCA Access™ can be integrated in the telecom operator's networks and systems, with the aim to simplify the application of the standard. In the beginning of 2019, InCoax was elected member of the BBF Board of Directors.

To strengthen knowledge and presence on the US market, InCoax also became a member of the Fiber Broadband Association in 2021. In the beginning of 2022, InCoax also became a member of BREKO, which organizes a significant part of that market's players for German broadband expansion, both on the supplier and customer side. InCoax technology for fiber access is a complement to cost-effectively extend the fiber (FTTB) all the way to consumers in apartment buildings.

Multimedia over Coax Alliance
Multimedia over Coax Alliance (MoCA®) is an international standardization consortium that develops technology and publishes specifications for coaxial-cable based networks. MoCA Access™ is a solution suited for a variaty of market segments where broadband access is offered:

- Broadband operators installing fiber deep into networks or to buildings (FTTB), and who wish to use the existing coax cables of the property without dimini-shing performance.
- Cable TV operators that wish to offer symmetrical broadband services and higher guaranteed capacity than today's DOCSIS on their existing coax networks.
- Internet service providers building fiberbased networks where the optical signal ends in the basement and who wish to use existing coaxial cables to reach every unit or apartment in the property.
- Operators using 4G/5G/Wi-Fi in residential areas and need a connection between the wireless network and the individual apartment, without installing new cables.
- Companies that design and install networks in hotels, restaurants, offices and other buildings.
- MoCA Access™ 2.5 creates the conditions for speeds of up to 2.5 Gbit/s to be achieved in an existing coaxial network.

Broadband Forum (BBF)
Broadband Forum is a consortium of approximately 200 leading actors in the telecom, equipment, computer, network and services sector. BBF´s work ensures fast and effective market access for services and companies through standardized platforms and methods that allow good economy and scalability.

Fiber Broadband Association
Fiber Broadband Association is an American member-run organization for the promotion of broadband expansion in North and South America. The organization represents companies and interest organizations throughout the broadband ecosystem such as; manufacturers, consultants, consumers, decision makers, system and application providers.

BREKO
BREKO (Bundesverband Breitbandkommunikation e.V.) represents the majority of broadband operators in Germany. Its members currently account for about 80 percent of domestic FTTB/FTTH expansion.
The more than 400 BREKO companies, including over 220 municipal companies (Stadtwerke), provide both urban and rural areas with fiber-optic infrastructure and broadband services.

Share and shareholders

Ownership structure
The number of shareholders December 30, 2022 was 1,707. The largest shareholder was Saugatuck Invest AB, with 21.9% of the shares and votes in InCoax.
The company's ten largest shareholders together hold shares equivalent to 71.0%.

Shares and share capital
The company's registered share capital at the end of the period amounted to SEK 18,026,183, divided into 72,104,729 shares of the same type, each with a quota value of SEK 0.25.

All issued shares are fully paid up and are freely transferable.

The shares in the company are denominated in SEK. The shares in the company have been issued in accordance with Swedish law. According to InCoax's Articles of Association, adopted at the Extra General Meeting on October 19, 2022, the share capital may not be less than SEK 10,275,000 and not exceed SEK 41,100,000, divided into no less than 41,100,000 shares and no more than 164,400,000 shares.

Dividend
The InCoax Board of Directors is of the opinion that focus going forward should primarily be on promoting growth and there is no prospect of a dividend in near future.

Ownership structure on December 30, 2022

Name	Number of shares	Holding, %
Saugatuck Invest AB	15,815,892	21.9
Norrlandspojkarna AB	8,586,579	11.9
BLL Invest AB	8,450,292	11.7
Nordea Livförsäkring Sverige AB	7,242,207	10.0
Nordnet Pensionsförsäkring AB	3,448,891	4.8
The Onelife Company SA	2,790,492	3.9
Försäkringsaktiebolaget Avanza Pension	2,105,924	2.9
Tooby, Charles	1,226,410	1.7
Bäckvall Juhlin, Mats	755,772	1.0
Handelsbanken Liv Försäkringsaktiebolag	737,576	1.0
Other shareholders (approximately 1,697)	20,944,694	29.0
Total	**72,104,729**	**100.0**

Source: On the basis of lists from Euroclear on December 30, 2022, and information known by the company from major shareholders.

Directors' Report

The Board of Directors and CEO of InCoax Networks AB, 556794-1363 with registered office GÄVLE, hereby submit the annual report for 2022. The annual report is prepared in Swedish kronor, SEK.

Information about the business

The Company, which was registered on 2009-11-23, develops and sells products for broadband access via coaxial cable.

Market/Sales

During the year, the company has focused its sales activities on the operator markets in Europe and North America. Processing of the market has taken place to the greatest extent possible, travel and customer visits have intensified with the lifting of the Covid 19 restrictions. The company has noted some seasonal variation in its sales, with an emphasis on the second half of the year.

Comments on the Company's financial development in 2022

Revenue

The company's net sales amounted to SEK 25,922,260 (20,984,597), which corresponds to an increase of 24% compared to the same period last year. 91% (89) of the company's net turnover refers to goods and products.

Financial results

The operating profit for the year amounted to SEK -22,329,647 (–24,331,638), an improvement driven by invoicing to e.g. the American Fiber/LAN operator.

Capitalized development costs in the income statement amount to SEK 24,420,428. Capitalized development costs are entirely attributable to the company's development of next-generation products.

The year's profit after tax amounted to SEK -22,815,010 (–24,496,940).

Equity

SEK	Share capital	Share capital under reg.	Share premium reserve under reg.	Retained earnings	Profit/loss for the year
At the beginning of the year	10,278,355	23,451,634	319,115,099	-266,391,292	-24,496,940
New issue	7,747,828		49,367,478		
Warrants					
Ongoing new issue					
Transfer of earnings for the preceding year				-24,496,940	24,496,940
Transfer fund development costs		24,420,337		-24,420,337	
Loss for the year					-22,815,010
At the end of the year	**18,026,183**	**47,871,971**	**368,482,577**	**-315,308,569**	**-22,815,010**

Multi-year summary

SEK	2022	2021	2020*	2019	2018
Net sales	25,922,260	20,894,597	3,788,461	2,822,067	1,486,816
Gross profit/loss	12,246,228	9,084,216	-5,260,697	259,277	-2,657,321
Gross margin, %	47%	43%	Neg.	9%	Neg.
Operating loss	-22,329,647	-24,331,638	-57,405,382	-65,108,321	-49,115,341
Operating margin (EBIT), %	Neg	Neg	Neg.	Neg.	Neg.
Loss after financial items	-22,815,010	-24,496,940	-57,822,219	-65,760,609	-49,315,174
Loss after tax	-22,815,010	-24,496,940	-57,822,219	-65,760,609	-49,315,174
Total assets	123,178,088	83,169,526	42,249,053	53,180,868	40,734,440
Equity ratio, %	78.1	74.5	58.3	74.9	64.3
Earnings per share	-0.32	-0.60	-2.11	-3.59	
Earnings per share after dilution	-0.31	-0.58	-2.03	-3.48	

* The company reported internally processed intangible fixed assets according to the cost accounting model up to and including 2020-06-30.

Costs
The company's cost mass has increased during 2022, mainly as a result of increased personnel costs, increased other external costs and higher cost of merchandise.

The average number of employees has increased to 20 people (17) in 2022. During the year, physical customer contact has been intensified, which affects costs for travel.

Other external costs are mainly affected by increased consultancy fees. The consulting fees in 2022 mainly refer to the company's development project, for which work has been intensified during the year.

Costs for merchandise in 2022 amounted to SEK 13,676,033 (11,810,095). The increase is explained by increased sales of goods. During the year, the company has done inventory write-down of SEK 319,682.

Cash flow
During the year 2022, two new issues were carried out. The cash flow in 2022 was positively affected by SEK 57,115,305 as a result of the completed issues.

Cash flow from current operations amounted to SEK -30,682,107 (-28,184,243).

The year's investment activities contributed a cash flow of SEK -24,420,427 (-16,204,086). Realized investments refer exclusively to the company's capitalized development costs linked to the company's ongoing project.

The year's total cash flow adds up to SEK 2,012,771 (17,449,945).

Investments
The company's investments amounted to SEK 24,420,427 (16,204,686) and for 2022 consist of capitalized development costs regarding next-generation products and mainly include costs for own staff and hired consultants who contribute actively to the development work.

Research and development
During 2022, the research and development work, including the submission of patent applications, continued with increased intensity, of the updated version of the InCoax MoCA Access 2.5 platform.

Shares

In 2022, the company has carried out a share issue, where the share capital has been increased by SEK 7,747,828 (3,417,756) and increased the premium fund by SEK 49,367,478. The share capital on December 31 amounted to SEK 18,026,183 (10,278,355) distributed over 72,104,729 (41,113,418) outstanding shares of a single share class.

Convertible debentures
On 31 December 2022, outstanding convertible debentures totaled SEK 3,245,786. The holder has the right to call for conversion of all or part of the amount up to and including 2025-06-30. Conversion rate SEK 9.14.

Warrants
During the year, 42,000 warrants expired without subscription of shares. Overall, outstanding warrants on 31 December amounted to 890,000 (932,000), concerning TO2020/2023.

Significant events during the financial year
During the financial year, InCoax continued to receive orders from the American Fiber/LAN operator Google Fiber and cooperation with the North American Tier1 operator continued.

In order to strengthen its product portfolio, Incoax launched adapters for application in the home environment during the year.

The management team was strengthened during the autumn by the appointment of Mats Svensson as regular CFO. During the year, Kevin Foster left the board and Tobias Lennér was elected to the board at the annual general meeting.

During the financial year, the company carried out new issues of a total of 60,433,056, which increases the share capital to 18,026,183 and the number of shares to 72,104,729. The total issue cost amounted to SEK 3,317,751.

Expected future development as well as significant risks and uncertainty factors

Expected future development
After the restrictions surrounding the pandemic have been removed in 2022, InCoax has been able to gradually work in a more normal way in the market with trips to important potential customers in the USA and EU. We believe that a positive long-term effect of Covid-19 is that the need for increased bandwidth has been clearly identified as an important prerequisite for, for example, enabling work from home. The large stimulus package that was launched in the US in the fall of 2021, as well as continued investments within the EU, also contribute to faster broadband expansion.

The company assesses that this will overall have a positive effect on demand in the medium term.

During 2022, the component market has meant continued challenges in component supply and the logistics around it. In the latter part of 2022, and continuing in 2023, we have noted that the supply situation for semiconductors has improved significantly, although some components still have long lead times. The price points on components have also established themselves at a higher level compared to before the pandemic.
In order to reach higher volumes and operator customers who have the prerequisites for good scalability, the Company focuses on medium-sized and larger fiber and 5G Fixed Wireless Access (FWA) operators. This refers to operators who apply both Fiber/LAN and GPON/XGS-PON based technologies. Pure cable operators are only addressed if they have a clear investment plan for fiber network expansion, i.e. replacing existing cable networks with fiber. The fact that the Company primarily focuses on these segments of operators poses a challenge as the requirements are high both technically and commercially. The company therefore continuously analyzes the challenges this entails through a close dialogue with the customers who use InCoax systems in evaluation and project collaborations. It is a risk to growth to address these demanding segments and this can, on the other hand, mean that development and business processes take longer than initially estimated. InCoax operates in a market with complex and long decision-making processes, but which provides a long-term perspective with rollout over many years once an operator's decision on supplier has been made. For this type of business, a large amount of working capital may be required to be able to carry out a rollout program with a large operator. Therefore, the Company works actively to create collaborations and to develop business models with partners in order to be able to carry out larger deals.

Material risks and uncertainties

There are today a number of different risks and uncertainty factors that the company has identified such as: the risk of not being able to meet a sudden high demand for our technology, competing technologies, supplier dependence, dependence on key personnel and employees, financing and capital needs as well as currencies, prices and access to key components .
The company works continuously with preventive measures to minimize these risks and uncertainty factors as far as possible, such as by deepening the dialogue with subcontractors to increase transparency and become more predictive of material supply risks. Due to macroeconomic factors, the general refinancing risk has increased. The company works continuously with liquidity follow-up and financing issues.

In 2022, the uncertainty surrounding the possibility of receiving component deliveries has decreased somewhat and as the effects of the Covid-19 pandemic have decreased and the demand for semiconductor components has decreased somewhat as an effect of generally higher interest rates and the slowdown of the world economy. The potential effects of the continued conflict in Ukraine mean an uncertainty that management and the board continue to follow closely. The weak development of the Swedish krona against the US dollar means that the Company works actively to secure the SEK/USD exchange rate based on planned inflows and outflows. The US dollar is the predominant currency exposure for the Company's cost of goods sold but on the other hand the largest currency exposure in the Company's sales.

Proposal for profit distribution

SEK	2022
The amount at the disposal of the Board of Directors	
Retained earnings	-315,308,569
Share premium reserve	368,482,576
Loss for the year	-22,815,010
Total	**30,358,997**
To be carried forward	30,358,997
Total	**30,358,997**

For information about the company's profit/loss and position in general, refer to the following income statement and balance sheet with accompanying notes.

Income statement

SEK	Note	Jan 1, 2022–Dec 31, 2022	Jan 1, 2021–Dec 31, 2021
Operating income			
Net sales	1	25,922,260	20,894,597
Capitalized development costs	2	24,420,428	16,205,145
Other operating income	3	1,730,506	1,297,096
		52,073,194	**38,396,838**
Operating expenses			
Goods for resale		-13,676,033	-11,810,095
Other external costs	4	-35,201,341	-30,447,301
Personnel costs	5	-24,071,242	-19,412,971
Depreciation, amortization and impairment of tangible and intangible assets		-707,430	-860,714
Other operating expenses		-746,795	-197,395
Operating loss		**-22,329,647**	**-24,331,638**
Profit from financial items			
Interest expenses and similar profit/loss items		-485,364	-165,029
Loss after financial items		**-22,815,010**	**-24,496,940**
Loss before tax		**-22,815,010**	**-24,496,940**
Loss for the year		**-22,815,010**	**-24,496,940**

Balance sheet

SEK	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenses for development work and similar work	6	47,871,971	23,451,543
		47,871,971	**23,451,543**
Tangible assets			
Machinery and other technical equipment	7	1,060,640	1,768,070
Total non-current assets		**48,932,611**	**25,219,614**
Current assets			
Inventories, etc.			
Finished products and goods for resale		9,515,550	9,249,593
Advances to suppliers		4,074,296	4,812,407
		13,589,845	**14,062,000**
Current receivables			
Trade receivables		21,818,537	6,478,749
Current tax claim		274,913	273,619
Other receivables		1,144,933	908,987
Prepaid expenses and accrued income		1,121,041	1,943,120
		24,359,423	**9,604,475**
Cash and bank balances		36,296,208	34,283,437
Total current assets		**74,245,477**	**57,949,912**
TOTAL ASSETS		**123,178,088**	**83,169,617**

Equity and liabilities

SEK	Note	Jan 1, 2022–Dec 31, 2022	Jan 1, 2021–Dec 31, 2021
Equity			
Restricted equity			
Share capital		18,026,183	10,278,355
Unregistered share capital		47,871,971	23,451,634
		65,898,154	**33,729,989**
Unrestricted equity			
Share premium reserve under registration		368,482,577	319,115,099
Retained profit or loss		-315,308,570	-266,391,292
Loss for the year		-22,815,010	-24,496,940
		30,358,998	**28,226,867**
Total equity		**96,257,151**	**61,956,855**
Non-current liabilities			
Convertible debt instruments	8	3,245,786	3,245,786
Other non-current liabilities		900,453	
		4,146,239	**3,245,786**
Current liabilities			
Trade payables		5,812,294	4,232,831
Other current liabilities		4,272,896	5,396,346
Accrued expenses and deferred income		12,689,507	8,337,798
Total current liabilities		**22,774,697**	**17,966,975**
Total liabilities		**26,920,937**	**21,212,762**
TOTAL EQUITY AND LIABILITIES		**123,178,088**	**83,169,617**

Cash flow statement

SEK	Jan 1, 2022–Dec 31, 2022	Jan 1, 2021–Dec 31, 2021
Operating activities		
Loss after financial items	-22,815,010	-24,496,940
Adjustment for non-cash items	1,149,238	1,058,108
Income tax paid		
Cash flow from operating activities before changes in working capital	**-21,665,772**	**-23,438,832**
Cash flow from changes in working capital		
Increase/decrease in inventories	-585,639	2,156,023
Increase/decrease in receivables	-15,013,589	-10,480,065
Increase/decrease in operating liabilities	6,582,893	3,578,630
Cash flow from operating activities	**-30,682,107**	**-28,184,243**
Acquisition of tangible assets		
Acquisition of intangible assets	-24,420,427	-16,204,686
Cash flow from investing activities	**-24,420,427**	**-16,204,686**
Financing activities		
Share options redeemed		27,500
New issue	60,433,056	63,781,378
Issuance costs	-3,317,751	-1,970,095
Cash flow from financing activities	**57,115,305**	**61,838,783**
Cash flow for the year	**2,012,771**	**17,449,945**
Cash and cash equivalents at the beginning of the year	**34,283,437**	**16,833,493**
Cash and cash equivalents at the end of the year	**36,296,208**	**34,283,437**

***** *Adjustments for items that are not included in cash flow, etc.*

Depreciation	707,430	860,714
Unrealized exchange rate differences	122,126	197,395
Write-downs / reversal of write-downs	319,682	
Adjustments for items that are not included in cash flow, etc., total	**1,149,238**	**1,058,108**

Supplementary disclosures

Accounting and valuation principles

General accounting principles

The annual report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general recommendation, BFNAR 2012:1 Annual reports and consolidated financial statements (K3). The accounting principles are unchanged from last year.

Foreign currency

Monetary items in foreign currency are translated at the closing day rate. Non-monetary items are not translated but instead recognized at the rate on the acquisition date.

Valuation principles, etc.

Receivables are recognized at the amount at which they are expected to accrue. Other assets and liabilities are recognized at cost, unless otherwise indicated below.

Revenue recognition

Revenue is recognized at the fair value of the amount that has been received or will be received and recognized to the extent that it is probable that the financial benefits will accrue to the company and if the revenue can be reliably calculated. Invoiced revenues linked to service agreements are accrued and dissolved during the length of the service agreement.

Sale of goods

When selling goods, revenue is reported on delivery.

Government assistance

Government assistance received is reported as other income.

Financial assets and liabilities

Financial assets and liabilities are accounted for in accordance with chapter 11 (Financial instruments valued at acquisition cost) in BFNAR 2012:1.

Accounting in and derecognition from the balance sheet

Financial assets are valued at acquisition value at initial recognition, including any transaction expenses that are directly attributable to the acquisition of the asset.

Financial current assets are valued after the first reporting date at the lower of acquisition value and net sales value on the balance sheet date.

Accounts receivable and other receivables that constitute current assets are valued individually at the amount that is expected to be received.

Financial fixed assets are valued after the first reporting occasion at acquisition value less any write-downs and with supplements for any revaluations.

Interest-bearing financial assets are valued at accrued acquisition value.

Valuation of financial liabilities

Financial liabilities are valued at amortised cost.

Research and development expenditures

Expenditures on research, i.e., planned and systematic inquiry for the purposes of obtaining new scientific or technical knowledge and insights, are accounted for as costs when they arise. When accounting for development expenses, the activation model is applied. This means that an expenditure incurred during the development phase is recognized as an asset, provided that all of the following conditions are met:

- It is technically possible to complete the fixed asset so that it can be used or sold.
- The intention is to complete the intangible fixed asset and to use or sell it. - Conditions exist for using or selling the intangible fixed asset.
- It is likely that the fixed asset will generate future economic benefits
- The expenses attributable to the fixed asset can be reliably calculated.
- Necessary and adequate technical, financial and other resources exist to complete the development and to use or sell the intangible fixed asset.

Internally generated intangible fixed assets are reported as the cost of acquisition less accumulated depreciations and write-downs. The cost of acquisition of an internally generated intangible fixed asset consists of all directly attributable expenses (e.g., materials and salaries). Indirect manufacturing costs that represent a more than insignificant part of the total cost of production and amount to more than an insignificant sum are included in the cost. The reported balanced expenditures for development work are subject to management's write-down review. The most critical assumption, evaluated by management, concerns whether the intangible asset can be expected to generate future economic benefits that correspond, at minimum, to the book value of the intangible asset. Management's assessment is that the expected future cash flows are sufficient to justify the book value of the intangible asset, which is why no write-down has been made. However, this evaluation is based and dependent on the existence of conditions for continued operation.

Intangible assets

The company reported internally generated intangible fixed assets according to the expense recognition model up to and including 30 June 2020.

This meant that all expenses relating to the development of an internally generated intangible fixed asset were not capitalized but were expensed directly. From 2020-07-01, the Company applies the so-called The "capitalization model" for internally generated intangible fixed assets. The method means that all expenses that meet the criteria in K3 are capitalized as an intangible fixed asset and depreciated during the asset's estimated useful life.

Fixed assets
Intangible and tangible fixed assets are reported at acquisition value less accumulated depreciation and any write-downs.

Depreciation takes place on a straight-line basis over the expected useful life, taking into account significant residual value. The following depreciation percentage:

- Machinery and other technical facilities - 5 years
- Capitalized expenses for development work - 5 years

Leases
The company recognizes all leases, both finance and operating, as operating leases. Operating leases are recognized as an expense on a straight-line basis over the lease term.

Inventories
The inventory has been valued at the lower of its acquisition value and its net sales value on the balance sheet date.

Net sales value refers to the goods' estimated sales price less sales costs. The chosen valuation method means that obsolescence in the inventory has been taken into account.

The acquisition value is calculated according to weighted average prices.

In addition to expenses for purchases, the acquisition value also includes expenses for bringing the goods to their current location and condition.

Income tax
Total taxes comprise current tax and deferred tax. Taxes are recognized in the income statement except when an underlying transaction is recognized directly against equity, in which case the related tax effect is also recognized in equity.

Current tax is income tax relating to the current financial year and the portion of income tax not yet recognized from previous financial years. Current tax is calculated using the tax rate prevailing at the end of the reporting period.

Deferred tax is income tax pertaining to future financial years arising from previous events. Deferred tax is recognized according to the balance sheet method. According to this method, deferred tax liabilities and deferred tax assets for temporary differences between the recognized and taxable values of assets and liabilities are recognized as are other taxable deductions or deficits.

Deferred tax assets are recognized net against deferred tax liabilities only if they can be paid in a net amount. Deferred tax is calculated using the tax rate applicable at the end of the reporting period. The effects of changes to applicable tax rates are recognized in the period when the change was legislated. Deferred tax assets are recognized as financial assets and deferred tax as a provision.

Deferred tax assets pertaining to loss carryforwards or other forward-looking taxable deductions are recognized to the extent that it is probable that the deduction can be set off against a future taxable surplus.

Due to the correlation between accounting and taxation, the deferred tax liability attributable to untaxed provisions is not recognized separately.

Taxable deficits amounted to SEK –290,121,657. The company has elected not to recognize deferred tax on loss carryforwards.

Remuneration of employees
Remuneration of employees pertains to all forms of remuneration that the company offers to its employees. Short-term remuneration includes salaries, paid holidays, paid leave, healthcare and bonuses. Short-term remuneration is recognized as a cost and liability when there is a legal or informal obligation to disburse remuneration as a result of an earlier event and a reliable estimation of the amount can be made.

Compensation in the event of termination, to the extent that the remuneration does not give the company any future financial benefits, is only recognized as a liability and an expense when the company has a legal or informal obligation to either:

(a) terminate the employment of an employee or group of employees prior to the normal date of termination of employment; or

(b) provide compensation upon termination by offering to encourage voluntary resignation.

Severance payments are only reported when the company has a detailed plan for the termination and has no realistic opportunity to cancel the plan.

Pensions
The company's pension plans for remuneration after termination of employment consist solely of defined contribution pension plans. For defined contribution plans, the company pays fixed contributions to a separate legal entity. When the contribution is paid, the company has no further obligations. Defined contribution plans are recognized as a cost as the pension is earned.

Notes

Not 1 Net sales

Net sales per business branch

SEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
Sale of services	2,390,414	2,151,979
Sale of products	23,531,846	18,742,618
Other		
Total	**25,922,260**	**20,894,597**

Net sales per geographical area

SEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
EU	613,915	1,301,431
North America	23,897,829	16,597,809
Other	1,410,516	2,995,357
Total	**25,922,260**	**20,894,597**

Not 2 Capitalized development costs

The company began to apply the activation model starting 1 July 2020. Refers to the capitalization of expenses for employees and consultants with the development of the updated version of the InCoax MoCA Access 2.5 Platform.

Annual development costs

SEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
Personnel costs	3,584,506	3,192,255
Consultant costs	20,835,922	13,012,431
Total	**24,420,428**	**16,204,686**

Not 3 Other operating income

Annual other operating income

SEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
Exchange rate gains	1,730,506	1,297,555
Total	**1,730,506**	**1,297,555**

Not 4 Operating leases – lessee

Lease costs for leases during the year amounted to SEK 1,317,717 (1,133,655) and pertained to SEK 1,161,304 in lease of premises and SEK 20,543 in machinery leases.

Lease costs for the year

SEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
Lease costs for the year	1,317,617	1,133,655
Of which lease of premises	1,161,304	945,527
Machinery leases	20,543	23,058

Future lease payments relating to lease of premises

SEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
Within 1 year	1,192,703	929,305
Between 1–5 years	3,262,798	548,312
>5 years		
Total	**4,455,501**	**1,477,817**

Not 5 Employees, personnel costs and fees to the board

Average number of employees

	Dec 31, 2022	*Proportion women*	Dec 31, 2021	*Proportion women*
Employees	20	14%	17	17%
Total	**20**	**14%**	**17**	**17%**

Gender distribution in company management

	Dec 31, 2022 *Prop. women*	Dec 31, 2021 *Prop. women*
Board	0%	0%
Other senior executives	0%	0%

Salaries and other remuneration as well as social security costs, including pension costs

SEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
Salaries and other remuneration	15,943,747	13,619,709
Social security costs	7,544,703	5,477,800
(of which, pension costs)	2,600,815	1,944,751

1) Of the company's pension costs, SEK 471,390 (455,536) relate to the company's CEO and board..

Salaries and other remuneration distributed between board members, CEO and other employees

	Jan 1 - Dec 31, 2022		Jan 1 - Dec 31, 2021	
	Board and CEO	*Other employees*	*Board and CEO*	*Other employees*
Wages and other compensation (of which royalties etc.)	2,583,923 (-)	13,359,824 (-)	2,086,301 (-)	11,530,408 (-)

Senior executives' remuneration

2022 (SEK)	*Basic salary, boardfee*	*Others benefits*	*Pension costs*
Chairman of the Board	200,000		
Board member (4pcs)	747,153		
CEO	1,638,770	4,737	471,390
Other leading executives	2,182,733	15,964	336,456
Totalt	**4,766,656**	**20,701**	**807,846**

Remuneration in the event of termination of employment
In the event of the CEO's employment being terminated, a mutual six-month (6) notice period will apply. If employment is terminated by the company, the CEO – in addition to the termination payment – has the right to receive severance pay corresponding to six (6) times the fixed monthly salary upon termination of employment. For other senior executives, a mutual period of notice is applied of between one (1) and four (4) months. However, CTO Thomas Svensson has a notice period of six (6) months if notice is given by the employee and a notice period of twelve (12) months if notice is issued by the company.

Not 6 Capitalized expenditure for development work and similar activities

The company began to apply the activation model starting 1 July 2020. Refers to the capitalization of expenses for employees and consultants with the development of the updated version of the Incoax MoCA Access 2.5 Platform.

SEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
Accumulated cost		
At the beginning of the year	23,451,634	7,246,948
Acquisitions for the year	24,420,428	16,204,686
Scrapping		
At the end of the year	47,872,062	23,451,634
Accumulated amortization		
Amortization for the year		
Scrapping		
At the end of the year		
Carrying amount at the end of the year	**47,872,062**	**23,451,634**

Not 7 Machinery and other technical equipment

SEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
Accumulated cost		
At the beginning of the year	5,377,029	5,377,029
New purchases		
Reclassification		
At the end of the year	5,377,029	5,377,029
Accumulated amortization	-3,608,959	-2,748,245
Amortization for the year	-707,430	-860,714
Reclassification		
At the end of the year	-4,316,389	-3,608,958
Carrying amount at the end of the year	**1,060,640**	**1,768,071**

Not 8 Non-current liabilities

SEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
Liabilities that fall due for payment more than one year from the end of the reporting period		
Convertible debt instruments*	3,245,786	3,245,786
Deferral from Skatteverket (Tax Agency)	900,453	
Total	**4,146,239**	**3,245,786**

On August 17, 2020, a resolution was approved to issue a convertible debt instrument of SEK 3,245,786.25 to Norrlandsfonden, which was paid by through a set-off of existing debt instruments of SEK 3,245,786.25. The repayment date was set at July 31, 2025 and the conversion rate at SEK 9.14 per share.

Not 9 Transactions with related parties

kSEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
Bayhood Management AB	1,692	1,521
getITsafe Security Partner Norden AB	1,860	1,891
Saugatuck Invest AB	170	0
Totalt	**3,722**	**3,412**

The hired companies are wholly or partly owned by senior executives who have shares in InCoax Networks AB.

Compensation to Saugatuck Invest refers to interest on loans, interest rate 8%. The loan is paid in full during the financial year. Other compensation refers to technical consulting services.

All transactions have taken place on market terms.

Not 10 Events after the balance sheet date

February
- InCoax Networks AB announces change of Certified Adviser to Vator Securities AB.

March
- Alf Eriksson appointed Chief Product and Portfolio Officer.

April
- InCoax Networks AB strengthens the management team with Jakob Tobieson as Chief Operations Officer, COO.

Based on the industry in which the company operates, the conflict in Ukraine has not affected order intake to any great extent. Nor have any serious delivery problems arisen or any major increases in raw material prices. It cannot be ruled out that a far-reaching conflict in Ukraine could have greater consequences on the company's order intake, the possibility of receiving deliveries and increased raw material prices.

Signatures of the Board of Directors and auditor

Lund May 15, 2023

Peter Agardh
Chairman of the Board

Tobias Lennér

Anders Nilsson

Pär Thuresson

Alf Eriksson

Jörgen Ekengren
CEO

Our auditor's report was submitted
KPMG AB

Niklas Antonsson
Authorized Public Accountant

Auditor´s Report

To the general meeting of the shareholders of InCoax Networks AB, corp. id 556794-1363

Report on the annual accounts
Opinions
We have audited the annual accounts of InCoax Networks AB for the year 2022. The annual accounts of the company are included on pages 22-33 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of InCoax Networks AB as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of InCoax Networks AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Information other than the annual report
This document also contains information other than the annual report and can be found on pages 1-21 and 34-40. The Board of Directors and the CEO are responsible for this other information.

Our statement regarding the annual report does not include this information and we do not make a statement with confirmation regarding this other information.

In connection with our audit of the annual report, it is our responsibility to read the information identified above and consider whether the information is materially incompatible with the annual report. In this review, we also take into account the knowledge we otherwise acquired during the audit and assess whether the information otherwise appears to contain significant inaccuracies.

If, based on the work that has been done regarding this information, we conclude that the other information contains a material error, we are obliged to report this.

We have nothing to report in that regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company,

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements
Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of InCoax Networks AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of InCoax Networks AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Sundsvall May 15, 2023
KPMG AB

Niklas Antonsson
Authorized Public Accountant

Board of Directors

Peter Agardh

MBA. Born 1967.

Chairman of the Board since 2020
Board member since 2019.

CEO of Agenta Investment Management AB. Chairman of the Board of Agenta Advisors AB. Board member of AB Apriori and Saugatuck Invest AB. Deputy Board member of Admera Education AB and Nordic Economics Consulting AB.

Shareholding: 15,815,892 through companies.

Alf Eriksson

Engineer. Born 1961.

Board member since 2020.

CPO i Skugga Technology AB, Advisor in Home Ice Consulting.

Formerly CEO at ESKADENIA Software AB, Advisor at Skugga Technology AB, and VP Product Management at CLX Communications AB.

Shareholding: 54,000

Tobias Lennér

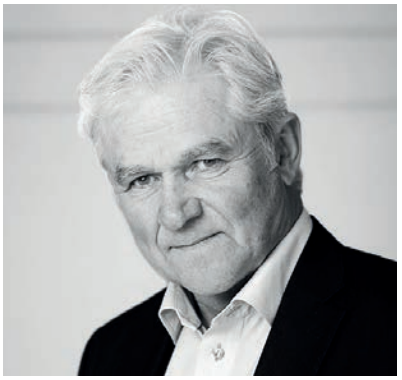
Executive Management Program Graduate, IFL and BA. Born 1968.

Board member since 2022.

CEO and partner at Rippler Communication, Board member Genexis Broadband Technology.

Formerly own business in consultancy, Business area manager B2B at ComHem and CEO at Phonera.

Shareholding: 7,000



Anders Nilsson

Master of Engineering. Born 1951.

Board member since 2017.

Chairman of the Board of NP3 Properties AB and Board member of Lime Technologies AB, Eurocon Consulting AB and Softronic AB as well as Chairman of the Board/Board member of a number of unlisted companies.

Shareholding: 58,713 & 105,000 though companies.

Pär Thuresson

Master of Engineering. Born 1964.

Board member since 2018.

Senior Vice President R&D for GN Hearing A/S and deputy Board member of ManyNames AB.

Shareholding: 8,739

Management group

Jörgen Ekengren

Chief Executive Officer (CEO)
Employed since 2018.Bachelor of Science in Engineering. Born 1963.

2013–2018: Sony Mobile Communications Taiwan – Director ODM/EMS Business Operations and Deputy Head of Global Manufacturing.
1995–2013: Ericsson Radio Systems/Ericsson Mobile Communications/Sony Ericsson/Sony Mobile – General Manager and Director positions in Operations and Sourcing.

Shareholding: 49,500
Warrants: 300,000 TO 2020/2023

Helge Tiainen

Chief Sales & Marketing Officer (CSMO)
Co-founder, active in InCoax since 2009, most recently as Director Business Development. Faculty of Science and Engineering, Linköping, Nokia Landscape, Nokia intern MBA.
Born 1956.

2001–2009: Active in about 60 companies, including as COO of Clavister.
1998–2000: CEO, MultiQ.
1989–1997: Vice President, Nokia Multimedia.

Shareholding: 138,062, privately, though companies and under management.
Warrants: 200,000 TO 2020/2023

Mats Svensson

*Chief Financial Officer, interim (CFO)**
Employed since 2022.
MBA. Born 1967.

Mats' previous appointment was at Scancoin AB/Suzohapp where he worked as Business Controller/Finance Manager.

2019-2020: Finance Manager, ScanCoin / Suzohapp

2014-2019: Finance Manager, Imperial Logistics AB

2008-2014: Senior Accounting Manager, Flint Group Sweden AB

2003-2007: Business Controller, Nestle Purina PetCare AB

Shareholding: 0
Warrants: 0

* Emil Bendroth was CFO until March 31, 2022.

Thomas Svensson

Chief Technology Officer (CTO)
Employed since 2011.
Technical college graduate. Born 1955.

2011–2017: InCoax Networks AB – Chief Executive Officer (CEO). 1981–2017: TEDAKO – Operating sole proprietorship.
2000–2005: Service Factory AB – Founder and Head of Marketing/Sales and Product Management.
1995–2000: Telia AB – Vice President Network Services and Head of Router Net and Internet Division.
1976–1995: Telia AB – Various senior positions.

2009–current: getITsafe Security Partner Norden AB – Chairman of the Board.

Shareholding: 33,000
Warrants: 0

Morten Werther

Head of Development
Employed since 2021.
MSc Ph Eng, PhD Physics. Born 1965.

2018-2021: Management Consultant

2000-2017: Ericsson, SonyEricsson, Sony Mobile Communications, Senior Development Manager positions

1995-1999: Jacobsson&Werther, Founder ML

Shareholding: 0
Warrants: 0

Definitions

Financial

Total assets The company's combined assets.

Gross margin Gross profit/loss as a ratio of net sales.

Gross profit/loss Net sales less cost of goods sold.

Net sales Main revenue from operations, invoiced costs, subsidiary income and income adjustments.

Profit/loss after financial items Profit/loss after financial income and expenses, but before extraordinary income and expenses.

Profit/loss after tax Profit/loss after financial items, including tax costs.

Operating margin (EBIT) Operating profit/loss as a ratio of net sales.

Operating profit/loss Profit/loss before net financial items and tax.

Equity ratio (%) Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of total assets.

Other

VAR Value Added Reseller.

Tier-1 Operator An Operator who own and operate a network with subscribers counted by the million.

Internet Service Provider ISP A supplier of broadband connections and services operating in own or hired access network capacity.

Hospitality Customer segment that includes hotels, holiday parks, hospitals, prisons, cruise ships and accommodation platforms.

Technical

CAT cable CAT cable is a twisted-pair signal cable, comprising twisted conductors. The conductors are twisted to counteract disturbance, primarily cross-talk. Cat6 cable is primarily used in data communication. The two main disadvantages of twisted-pair cable are its high power loss, referred to as dampening per meter, which means that no more than a score or maximum of 100 meters of this cable can be laid without needing a repeater station.

Fiber Optical fiber contains a special type of mineral glass fiber for the transfer of light signals over long distances at very high capacity, such as for data and telecommunication.

Coaxial cable Coaxial cable is a two-pole electrical cable comprising a metallic conductor, the center conductor, surrounded by insulating material, the dielectric, which in turn is enclosed by a conductive casing, the screen. Coaxial cables can transfer signals at high frequencies with low dampening, meaning they can transfer data traffic at high capacity.

Chip-set A chip-set is a set of integrated chips designed to work together on the motherboard.

Symmetrical products Symmetrical products can handle communication at the same data speed in both directions.

XGS-PON An updated standard for Passive Optical Networks (PON) that can support higher speed 10 Gbps symmetrical data transfer and is part of the family of standards known as Gigabit-capable PON, or G-PON.

5G FWA A type of 5G mmWave wireless technology that enables fixed broadband access using radio frequencies instead of cables.

G.fast A protocol standard for DSL (Digital Subscriber Line) for copper phone networks capable of Internet access rates of 100Mbps to (under perfect conditions) 1Gbps.

G.hn A specification for home networks with up to to 2 Gbps data rates over four types of medium: telephone, coaxial or power wires, and optical fibers.

DOCSIS The dominating technology for cable operators, used for CATV and Internet. Present in multiple generations such as 3.0 and 3.1, and able to co-exist with MoCA Access 2.5. DOCSIS 4.0 is the latest version.

FTTH Fiber To The Home, includes deploying optical fiber all the way to the customer premises.

FTTep Fiber To The Extension Point, includes deploying optical fiber to a point in or outside the building where the fiber is extended with alternative broadband technologies such as MoCA Access™.

Financial calendar

Annual General Meeting 2023	June 15, 2023
Interim report Apr–Jun 2023	August 18, 2023
Interim report Jul–Sep 2023	November 3, 2023
Interim report Oct–Dec 2023	March 8, 2024

Annual Report 2022

This publication constitutes the annual accounts of InCoax Networks AB, Corporate Registration Number SE 556794 1363.

The annual report can be obtained through the channels below.

Denna Årsredovisning finns även tillgänglig på svenska.

Financial reports

Further operational information is available from InCoax Networks AB's website: www.incoax.com

For questions concerning the report, please contact:

Jörgen Ekengren, CEO
jorgen.ekengren@incoax.com

or

Mats Svensson, CFO
mats.svensson@incoax.com

Financial statements in digital form are available on the company's homepage (www.incoax.com) and can be ordered by e-mailing info@incoax.com or phoning +46 26 420 90 42.

Other contact

InCoax Networks AB - Lund
Ideon Science Park
Mobilvägen 10, SE-223 62 Lund
Sweden

Tel: +46 (0)26-420 90 42
Email: info@incoax.com

www.incoax.com

InCoax Networks AB
Utmarksvägen 4
SE-802 91 Gävle
Sweden

About InCoax Networks AB

InCoax Networks AB (publ) is reusing existing property coaxial networks for broadband access in Fiber-To-The-Home (FTTH) deployments for Communication Service Providers (CSP) globally.
The technology is a high performance, future proof, reliable and cost-effective complement to fiber, that reduces installation time and improves take-up rate, to boost digital inclusion and Internet access for all.

Since January 3, 2019, the company's share (INCOAX) has been admitted to trading on Nasdaq First North Stockholm, with Vator Securities AB, tel. +46 8-5800 6599, ca@vatorsec.se, as its Certified Adviser. Pareto Securities AB is the company's liquidity provider.

INCOAX