

INCOAX

Year-End Report 2021



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About InCoax Networks AB

InCoax Networks AB (publ) is innovating the future of broadband access. InCoax MoCA Access 2.5 platform provides the next generation cost-efficient multi-gigabit Fiber Access Extension solutions to the world's leading telecom, cable- and broadband service providers.

To keep updated on corporate information, visit incoax.com. Augment Partners AB, tel. +46 8-604 22 55 info@augment.se, is the Company's Certified Adviser.

Quarterly development in brief

InCoax has experienced its strongest year ever.

Key ratios

SEK	Oct-Dec 2021	Oct-Dec 2020	Full-year 2021	Full-year 2020
Net sales	3,246,032	2,720,249	20,894,597	3,788,463
Gross profit/loss	1,533,510	-1,377,491	9,084,216	-5,405,535
Gross margin, %	47%	Neg	43%	Neg
Operating loss (EBIT)	-7,813,550	-8,637,219	-24,331,925	-57,405,382
Operating margin (EBIT %)	Neg	Neg	Neg	Neg
Loss after financial items	-7,912,078	-8,662,689	-24,496,941	-57,822,219
Loss after tax	-7,912,078	-8,662,689	-24,496,941	-57,822,219
Earnings per share	-0.19	-0.32	-0.60	-2.11
Earnings per share after dilution	-0.19	-0.30	-0.58	-2.02
Equity ratio, %	73.4%	57.0%	73.4%	57.0%
Cash flow, including financing activities	-12,626,544	13,999,744	-5,167,841	-12,643,002
Cash flow per share	-0.31	0.51	-0.13	-0.46
Cash flow per share after dilution	-0.30	0.49	-0.12	-0.44
Number of shares outstanding at the end of the period	41,113,418	27,442,396	41,113,418	27,442,396
Number of shares outstanding at the end of the period after dilution	42,045,418	28,581,396	42,045,418	28,581,396
Average number of shares outstanding during the period	38,851,640	27,442,396	34,277,907	20,581,797
Average number of shares outstanding during the period after dilution	39,783,640	23,438,164	35,313,407	21,252,782

Financial performance

October–December 2021

- Net sales amounted to SEK 3,246,032 (2,720,249), higher sales than the previous year, driven by sales to the US-based Fiber/LAN operator.
- Operating profit amounted to SEK –7,813,550 (–8,637,219), an improvement driven by increased sales and a positive gross profit.
- Earnings after tax amounted to SEK –7,912,078 (–8,662,689), and earnings per share amounted to SEK –0.19 (–0.32).
- Cash flow incl. financing activities for the quarter were negative, however, a successful new shares issue was carried out, the capital was paid in at the beginning of the year 2022. The quarter's cash flow incl. financing activities SEK –12,626,544 (13,999,744).

Full-year 2021

- Net sales amounted to SEK 20,894,597 (3,788,463), which is the highest annual sales in the company's history. This is driven by sales to the US-based Fiber/LAN operator.
- Operating profit amounted to SEK –24,331,925 (–57,405,382), an improvement driven by increased sales, a positive gross profit, and lower personnel costs.
- Earnings after tax amounted to SEK –24,496,941 (–57,822,219), and earnings per share amounted to SEK –0.60 (–2.11).
- Cash flow incl. Financing activities for the period amounted to SEK –5,167,841 (–12,643,002).


Significant events during the quarter

- The US-based Fiber/LAN-operator commence lab tests of InCoax D2501 DPU.
- North American Tier 1 Operator successfully completes field trials with InCoax MoCA Access™ system solution.
- InCoax enters Master Purchase Agreement with US-based Fiber/LAN operator Google Fiber Inc.
- Follow-on order of SEK 3.6M from the US-based Fiber/LAN operator.

Significant events after the end of the quarter

- InCoax wins additional order of SEK 2M from the US-based Fiber/LAN operator.
- InCoax announces the outcome for exercising warrants of series 2021.
- New interim CFO appointed.
- InCoax publicize new financial targets.
- InCoax offers cost-effective fiber extension broadband to UK Housing Associations' Charitable Trust (HACT).
- InCoax secures additional order of SEK 2M from the US-based Fiber/LAN operator.

technical



Removing the

to Broadband S
by Aleksandra Kozarev
Helge Tiainen - InCoax


While many homes and businesses are best served by Fiber to the Premises (FTTP), a "fibre only" strategy will not solve all the various fibre roadblocks. Multi-gigabit broadband services for many more customers, at a much lower cost, are needed. Fiber to the Point (FTTep) is employed where necessary to provide service over existing phone wire, coax cable or wire leading to the customer premises and this article dispels a good number of "fibre only" myths.

Aleksandra Kozarev
MaxLinear Inc.

Aleksandra Kozarev serves as Board Director at the Broadband Forum, and Board Director at the HomeGrid Forum, and leads the FRANCE project stream, developing TR-419 and MR-419. She is Principal Standards Engineer at MaxLinear Inc. with a focus on the multi-gigabit access and home networking technologies. Aleksandra is based in Austria.

Helge Tiainen
InCoax Networks

Helge Tiainen is Head of Product Management at InCoax Networks, chair of MoCA Access Working Group, co-editor of Broadband Forum TR-419 [1], editor of ETSI TS101.548-2 [8] and editor of Broadband Forum WT-338-3 RFP testing over coax networks. Helge is based in Sweden.

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INFORM NETWORK DEVELOP

HELGE TIAINEN, ROBERT MORAU, KEVIN FOSTER THE LAST MILE - BEYOND FIBRE 09



THE LAST MILE - BEYOND FIBRE

Alongside water, gas and electricity, broadband has swiftly become the fourth utility and is now an essential commodity for modern day living and working. This has been particularly evident during the Covid-19 pandemic when much of the UK and indeed the world has been working from home. Multi-megabit access continues to have a transformative effect on both the economy and everyday life and optical fibre technology has long promised the nirvana of almost infinite bandwidth on demand. However, the challenges of the access network create significant economic barriers which have to date inhibited mass deployments of full fibre networks.

Optical fibre technology was pioneered in the 1980s and despite the herculean efforts of researchers and developers, it has only recently begun to penetrate the access network with Passive Optical Network (PON) replacing the twisted pair technology that has been exploited over the last 40 years or so to deliver ever increasing speeds from a few kbit/s to multi-Mbit/s. A full fibre access network promises many benefits and its build out is now continuing at pace in the UK and around the globe. This has been spurred on by customer demand and technological development coupled with more favourable political and regulatory environments whereby return on the substantial investment needed to facilitate large-scale deployments is more certain.

The challenges of taking fibre all the way to the premises
The telecommunications access network is a dendritic structure which has evolved over many years to connect most premises to the serving Local Exchange via twisted pair telephone wires as shown in Figure 1. Copper (or aluminium) wires however are not designed for high-speed digital data and are band limited by the very nature of their construction and dielectric materials and complex DSP technology is required to extract the theoretical information capacity

HELGE TIAINEN, ROBERT MORAU, KEVIN FOSTER
Broadband - the fourth utility

THE JOURNAL



CEO's comments

InCoax has experienced its strongest year ever

Master Purchase Agreement with US-based Fiber/LAN operator and significant interest in InCoax's newly introduced product line.

InCoax has experienced its strongest year ever

The cooperative efforts with the US-based Fiber/LAN operator continue to develop exceptionally well and the operator signed a Master Purchase Agreement (MPA) with InCoax during the fourth quarter. This is an acknowledgment that InCoax is now an officially established vendor and part of the operator's Preferred Supplier List (PSL). Follow-up orders are coming in on schedule and we anticipate a continued expansion through 2022.

Laboratory and field testing with the North American Tier-1 operator is now complete and we are in discussions for the final stage regarding product certification to enable a volume order. Our new product, the InCoax D2501 Distribution Point Unit, has been very well received and with two operators we are currently conducting laboratory and field tests. These tests are expected to be concluded in the second quarter of 2022. In addition to this, we are in discussions with several other operators, both in the U.S. and the EU, about commencing testing.

We can report, with a high degree of confidence, that in 2021 we made a commercial breakthrough with our solution and are now gradually establishing it as a fully-fledged multigigabit complementary solution for fiber to the home for a very large number of subscribers primarily in condominium/apartment buildings. InCoax's

solution does not compete with the aspiration of operators to pull fiber all the way to all subscribers, but rather complements the ability of the operators to reach more subscribers with multigigabit services in a cost-effective manner.

Sales and order intake on track according to plan

Sales to the US-based Fiber/LAN operator continue according to the projections and we see clear continued growth potential. We also note that the hotel market looks to be progressively improving and we continue to win a number of small orders of in:xtnd for this application.

Many operators have contacted us wanting to know how our system can solve their challenge with extension of fiber in condominium/apartment buildings. This is especially true of US based operators who have a long history of using cable networks for TV and broadband. Reusing coaxial cable networks for data is close at hand for these operators as there is strong technical expertise as well as the opportunity to save both time and money. It also means an attractive solution from a sustainability perspective. Even though InCoax focuses on fiber operators, we are seeing increased interest from cable operators as well.

The dominant globally-recognized telecommunications standard for cable operators is called Data Over Cable Service Interface Specifications (abbreviated as DOCSIS) and is used in the transmission of cable television program signals and data transmission for other applications. The disadvantage of this technology is that the access point needs to be placed very close to the property in order to be able to achieve gigabit which implies a significant investment. We are seeing a trend of cable operators opting out of expensive investments in the latest generation of DOCSIS 4.0 in favor of new fiber networks with FTTH (Fiber To The Home) or FTTEP (Fiber To The Extension Point). The trend and the information we are receiving via operators is strengthening us in our assessment that there is also a significant need for our solution of fiber extension among cable TV operators.

Ongoing discussions with the North American Tier-1 operator

Following successful field tests in the fourth quarter, we discuss the final step in their process involving final productification and commercialization of the InCoax system. We anticipate that these discussions will continue and then be concluded in the second quarter of 2022.

This procurement will be conducted with competitive tendering, and we believe that in such a situation we

will have a major advantage over any competitors with regard to compliance, competitive installation and launch times. InCoax values the individual client's potential investment needs for the solution that InCoax provides at approximately SEK 1.5 billion over a period of two to three years.

D2501

Following the launch of our new DPU (Distribution Point Unit) D2501, it has received a very positive response from several operators. Laboratory and field tests with the existing US-based Fiber/LAN operator and an EU based operator are currently underway and are expected to be concluded in the second quarter of 2022. D2501 primarily addresses smaller multi-family properties with up to 31 apartments/condo units.

The standard that a significantly large percentage (80-90%) of the world's fiber operators have invested in is based on the Passive Optical Network (PON). This is a standard that offers a good foundation for cost-effective investment and centralized network management.

PON technologies exist in several generations, the latest of which, XGS-PON, allows 10 Gbps symmetrical upstream and downstream traffic. In addition to the use cases where in:xtnd is already a good fit, with D2501 we will be able to offer systems for fiber extensions adapted for XGS-PON-based fiber networks. As a result, we are



dramatically increasing the addressable market for InCoax. The D2501 software is compatible with the most common standards used by operators and our system can thus be integrated in a standardized manner in a network without major development requirements for operators.

Market opportunities

We see continued very high market opportunities for our solution. The large US infrastructure package with approximately USD 65 billion allocated for investments in improved broadband will further strengthen InCoax's prospects in the US market.

The need for increased bandwidth among consumers is being continuously accentuated, not least after the pandemic where changed behavior regarding working from home and leisure are placing high demands on broadband capacity. Consumers in developed markets are increasingly demanding gigabit speeds in their internet connections.

The trunk networks for fiber are being expanded at an unabated rate; the challenge for operators lies in connecting gigabit performance to each unit in an apartment building in a time- and cost-effective manner, thereby increasing the subscriber base. Competition in the market is increasing, and essential for successful sales for an operator is being able to offer gigabit and multigigabit performance to end-users. At the same time, traditional cable and telecom operators are being challenged by new Internet Service Providers who have invested in new fiber networks and are open to applying new technologies in their networks.

The key figure "Homes Passed," i.e. the number of properties that the fiber network passes by that are still not connected to the fiber network, is growing continuously as the trunk networks are expanded. InCoax's solution for fiber extension is very attractive for an operator to quickly and cost-effectively connect a large number of subscribers in MDUs.

InCoax is addressing a billion-dollar market in sales potential for many years to come.

Strategy

The strategy that InCoax developed in 2020 remains unchanged. The key factor in this 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 that the operators use in the operation of their fiber networks for customer service, monitoring and maintenance.

Given the future-proof hardware platforms we have now established, we will further focus on software development to broaden the number of future use cases in different operator segments. This work will be conducted in close dialog with selected operators, each of which has a large subscriber base and plans for growth.

Even though the operator industry is largely based on standardizations, the various different operators use different parts of the standards that exist and it is important for InCoax to have a very good understanding of this in order to be able to make the correct adaptations to our software. Our ambition is that it should be easy to integrate our system without major adaptations of the network of operators, monitoring systems, etc. As this involves the continuous development of the software, it means that InCoax must focus on a fewer number of operators with for us the appropriate kind of subscriber base and potential for growth.

Partners and organization

In parallel with focusing on the large operators, InCoax also intends to pursue sales in indirect channels for use cases that are standardized and do not require any further development. Here too, we are focusing on partners with the appropriate capabilities and the requisite engineering skills to generate significant sales. This means that the selected partners must gradually be able to drive sales on their own moving forward, with reduced direct involvement from InCoax.

With the focus on better managing potential large orders with Tier-1 operators, coordinated efforts with existing partners to operators can be updated. This refers to software integration as well as manufacturing and logistics for hardware. There are several advantages to establishing coordinated efforts with pre-existing partners of the operators.

Our active participation in relevant standardization forums (such as BBF, MoCA Alliance and ETSI) continues undiminished. The work provides an opportunity to influence, to learn about the latest operator standards, and a possibility to establish contacts with the operators' technology organizations via their representatives in these forums. Compatibility with the communications stan-

dards used by operators is, as previously mentioned, a key factor for being relevant in these higher market segments.

We intend to further bolster our sales resources in 2022 with a focus on Tier-1 operators. To reach this segment, we must with considerable credibility and expertise, be well acquainted with the operators' use cases and provide proposals for system solutions in line with this knowledge.

By focusing our resources to a greater extent on value-adding core competencies, with time we will achieve a more time- and cost-efficient way of developing and supplying the market with our system solution.

The cooperative efforts with external partners in hardware and software development, as well as industrialization and manufacturing, has progressed well in 2021. Under the leadership of our new Head of Product Development, we are laying the groundwork for successful projects within our own organization, in parallel with expanded coordinated efforts with external partners primarily in software development. We envisage a need for additional new hires of engineers as well as strategic initiatives to further strengthen our development capacity.

Sales and financial position

Sales in the fourth quarter have developed according to the forecast and for the full year 2021 we achieved the best performance in the Company's history. To secure future growth we will continue to make selective investments in key areas. For 2021, InCoax has now achieved improvements in all financial metrics and has a balanced growth plan based on realistic estimates of revenues and costs.

As part of the issuance of new shares that InCoax implemented in 2021, the Company raised SEK 22.6 million before issuance costs in January 2022 based on the exercise of stock warrants. In parallel with this, as sales have increased, the Company has also been able to gradually increase operating cash flow in 2021.

In January 2022, the Company adopted new financial targets

We can now rightly say that we have achieved a commercial breakthrough in 2021, among other things through continued sales growth with its existing as well as with new operator customers.

Component availability for semiconductors is an ongoing global challenge that affects many industries, including the one in which we operate. We're working hard together with our partners to ensure the component supply needed to meet our sales forecasts. Our current assessment is that we have largely secured our components needs for 2022, although this involves a continual effort. The shortages in the components market are expected to continue into 2022.

The Company is in an expansionary phase with an intensified focus on the sale of services via licensing of software and other services. Gradual successive functionality growth in the software will broaden the number of use cases and thus increase the Company's addressable market. The ongoing initiatives are expected to yield significant potential for the Company.

The newly adopted new financial targets includes:

- For the year 2022, the Company's target is to double net sales compared to the previous year.
- For the year 2023, the Company's target is to deliver continued strong net revenue growth.

Not including a potential repeat order from the North American Tier-1 operator, we expect growth to exceed 50% by 2023.

Furthermore, the Company's focus on software/sale of services as well as continued expansion will over the long term contribute to significantly improved gross margins and lower levels of tied-up capital.

Continued focus on sales

We intend to actively pursue increased sales in two phases: direct sales to larger operators requiring customer customization, and strategic partnerships with Value Added Resellers (VARs) in standardized use cases to address mid-sized operators.

The new D2501 DPU product has the potential to address more use cases with both US and EU based operators. We are continuing our ongoing discussions with the North American Tier-1 operator with the goal of securing a volume order in 2022.

Gävle, March 2022

Jörgen Ekengren
Chief Executive Officer

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.

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 variety 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 diminishing 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.

The company's development

Net sales and earnings

October–December 2021

- Net sales amounted to SEK 3,246,032 (2,720,249), continued higher sales than the previous year, driven by sales to a US-based FiberLAN operator.
- Operating profit amounted to SEK -7,813,550 (-8,637,219), an improvement driven by increased sales and a positive gross profit. Earnings after tax amounted to SEK -7,912,078 (-8,662,689), and earnings per share amounted to SEK -0.19 (-0.32).
- Cash flow incl. financing activities for the quarter were negative, however, a successful issue had been made during the quarter, the capital was paid in at the beginning of the year 2022. The quarter's cash flow incl. financing activities -12,626,544 (13,999,744).

Full-year 2021

- Net sales amounted to SEK 20,894,597 (3,788,463), which is the highest annual sales in the company's history. This is driven by sales to a US-based Fiber/LAN operator.
- Operating profit amounted to -24,331,925 (-57,405,382), an improvement driven by increased sales, a positive gross profit, and lower personnel costs.
- Earnings after tax amounted to SEK -24,496,941 (-57,822,219), and earnings per share amounted to -0.60 SEK (-2.11).
- Cash flow incl. financing activities for the period amounted to SEK -5,167,841 (-12,643,002).

Net financial items and tax

- Net financial items in the quarter were SEK -98,258 (-25,470), interest expenses to Norrlandsfonden.
- Net financial items for the full year 2021 were -165,016 (-416,837), interest expenses were divided between Norrlandsfonden 89,254, deferred interest to the Swedish Tax Agency 82,300, and the remaining income interest on the tax account.

Cash flow

- Cash flow from operating activities during the quarter amounted to SEK -8,184,013 (-26,102,024).
- Cash flow from investments in the quarter amounted to SEK -3,903,429 (-5,773,849), capitalization of development costs.
- Cash flow from financing activities for the quarter amounted to SEK -539,101 (45,875,616), the company completed a successful new share issue during the quarter, the capital was paid up during Q1 2022.
- The total cash flow for the quarter amounted to SEK -12,626,544 (13,999,744) and for the full year to -5,167,841 SEK (-12,643,002).

Investments

- The company's investments during the quarter amounted, SEK 3,903,429 (5,773,849) and for the full year to SEK 16,204,595 (8,437,849).

Financial position

- The company's total assets at the end of the quarter amounted to SEK 84,377,053 (43,172,044). The equity / assets ratio was 73.4 percent (57.0) and cash and cash equivalents at the end of the period amounted to SEK 11,665,652 (16,833,493).



Other company information

Accounting policies

The interim report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general recommendation, BFNAR 2012:1 Annual reports and consolidated financial statements (K3).

The accounting policies applied correspond to the accounting policies applied to the presentation of the Annual Report for 2019.

Amounts are stated in Swedish kronor unless otherwise indicated. Figures in parenthesis pertain to the corresponding period in the preceding year.

Risks and uncertainties

There are today several different risks and uncertainties that the company has identified such as: Customer demand for InCoax technology and products, competing technologies, product responsibility, supplier dependence, dependence on key people and employ-

ees, financing and capital requirements, currency movements and access to and prices of key components.

The company works continuously with preventive measures to minimize these risks and uncertainties as far as possible. For a complete account of the risks that affect the company, please refer to the prospectus that was produced in connection with the company's rights issue in the spring of 2021.

Related-party transactions

GetITsafe Security Partner Norden AB, in which company InCoax CTO Thomas Svensson is a partner and chairman of the board, has performed consulting services for InCoax. The total invoiced amount amounts to SEK 622,132 during the fourth quarter.

Seasonal variation

InCoax has noted some seasonal variation in its sales with a marginal focus in the second half of the year.



Income statement

SEK	Oct-Dec 2021	Oct-Dec 2020	Full-year 2021	Full-year 2020
Sales of services	124,934	63,784	2,151,978	104,390
Sales of goods (including discounts)	3,121,098	2,656,465	18,742,619	3,684,073
Other	0	0	0	0
Total net sales	3,246,032	2,720,249	20,894,597	3,788,463
Capitalized development costs	3,903,979	4,582,948	16,205,145	7,246,948
Other operating income	755,056	390,686	1,297,095	1,865,300
Total sales	7,905,068	7,693,883	38,396,837	12,900,711
Cost of sales	-1,712,522	-4,097,740	-11,810,381	-9,088,608
Gross profit/loss	1,533,510	-1,377,491	9,084,216	-5,405,535
Gross profit margin	47%	Neg.	43%	Neg.
Premises costs	-303,934	-293,293	-1,215,420	-1,393,942
Market costs, including sales feesj	-1,308,189	-1,561,460	-2,472,266	-5,978,718
Data/tele	-503,388	-353,119	-672,683	-765,414
Accounting/auditing	-379,100	-884,238	-1,313,704	-2,067,367
Other (including consulting fees)	-5,526,219	-4,365,617	-24,773,229	-21,367,825
Total other expenses	-8,020,829	-7,457,727	-30,447,301	-31,573,266
Personnel costs	-5,355,608	-4,066,071	-19,412,971	-28,256,425
Total personnel	-5,355,608	-4,066,071	-19,412,971	-28,256,425
Depreciation and amortization	-443,470	-592,126	-860,714	-1,053,965
Other operating expenses	-186,188	-117,438	-197,395	-333,829
Loss before financial items	-7,813,550	-8,637,219	-24,331,925	-57,405,382
Interest income	0	0	0	0
Interest expenses	-98,528	-25,470	-165,016	-416,837
Total financial items	-98,528	-25,470	-165,016	-416,837
Loss after financial income and expenses	-7,912,078	-8,662,689	-24,496,940	-57,822,219

Balance sheet

SEK	Full-year 2021	Full-year 2020
Equity subscribed for, not paid-up	22,617,785	0
Non-current assets	25,219,614	9,875,732
Inventories	9,249,593	11,405,617
Current receivables	15,624,409	5,057,203
Cash and cash equivalents	11,665,652	16,833,492
Total current assets	36,539,654	33,296,313
Total assets	84,377,053	43,172,044
Equity	61,956,856	24,615,013
Non-current liabilities	3,245,786	3,245,789
Current liabilities	19,174,411	15,311,242
Total equity and liabilities	84,377,053	43,172,044

Cash flow

SEK	Oct-Dec 2021	Oct-Dec 2020	Full-year 2021	Full-year 2020
Opening cash position	24,292,196	2,833,749	16,833,493	29,476,495
Cash flow from operating activities	-8,184,013	-26,102,024	-28,184,243	-50,080,769
Cash flow from investments	-3,903,429	-5,773,849	-16,204,595	-8,437,849
Cash flow from financing activities	-539,101	45,875,616	39,220,998	45,875,616
Closing cash position	11,665,652	16,833,493	11,665,652	16,833,493
Cash flow for the period	-12,626,544	13,999,744	-5,167,841	-12,643,002

Changes in equity

SEK	Oct-Dec 2021	Oct-Dec 2020	Full-year 2021	Full-year 2020
Equity at the start of the period	47,532,141	23,041,010	24,615,013	39,807,405
New share issues and subscription rights	22,336,791	10,236,692	61,838,782	42,629,827
Loss for the period	-7,912,078	-8,662,689	-24,496,941	-57,822,219
Equity at the end of the period	61,956,855	24,615,013	61,956,855	24,615,013
Changes in equity for the period	14,424,714	1,574,003	37,341,842	-15,192,392



Share and shareholders

Ownership structure

The number of shareholders December 30, 2021, was 1,656. The largest shareholder was Saugatuck Invest AB, with 23,7% of the shares and votes in InCoax.

The company's ten largest shareholders together hold shares equivalent to 68,3%.

Shares and share capital

The company's registered share capital at the end of the period, including unregistered new share issue, amounted to SEK 10,278,354, divided into 41,113,418 shares of the same type, each with a quota value of SEK 0.25.

Of the 41,113,418 shares, 4,523,557 relate to subscribed but not allotted, paid shares as of 30 December 2021.

All issued shares, except 4,523,557, are fully paid up and are freely transferable. The remaining 4,523,557 shares were included in an unregistered new share issue during

the financial statements of the year. The shares were paid in and are freely transferable from February 2022.

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 Annual General Meeting on June 30, 2020, the share capital may not be less than SEK 4,550,000 and not exceed SEK 18,200,000, divided into no less than 18,200,000 shares and no more than 72,800,000 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, 2021

Name	Number of shares	Holding, %
Saugatuck Invest AB	8,654,762	23.7
Norrlandspojkarna AB	4,696,933	12.8
BLL Invest AB	4,622,384	12.6
Nordnet Pensionsförsäkring AB	2,361,823	6.5
Försäkringsaktiebolaget Avanza Pension	1,971,562	5.4
Nodea Livförsäkring Sverige AB	990,624	2.7
Handelsbanken Liv Försäkringsaktiebolag	575,271	1.6
Juhlin, Mats	410,000	1.1
SEB Life International Assurance	400,000	1.1
Axelsson, Lars	319,998	0.9
Other shareholders (approximately 1,646)	11,586,504	31.7
Total	36,589,861	100.0

Source: On the basis of lists from Euroclear on December 30, 2021, and information known by the company from major shareholders.

Note that the table does not include the additional shares in the issue that was completed on 31 December 2021.

Definitions

Financial

Total assets The company's combined assets.

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.

XGSPON A standard for data links, capable of delivering shared Internet access rates up to 10 Gbps over fiber.

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.



Financial calendar

Interim report Jan–Mar 2022	May 17, 2022
Annual Report 2021	June 16, 2022
Interim report Apr–Jun 2022	August 25, 2022
Interim report Jul–Sep 2022	November 24, 2022

This year-end report has not been reviewed by the company's auditors. The Board of Directors certifies that the interim report gives a true and fair view of the company's operations, financial position and results.

Financial reports

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

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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.

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About InCoax Networks AB

InCoax Networks AB (publ) is innovating the future of broadband access. InCoax MoCA Access 2.5 platform provides the next generation cost-efficient multi-gigabit Fiber Access Extension solutions to the world's leading telecom, cable and broadband service providers.

Since January 3, 2019, the company's share (INCOAX) has been admitted to trading on Nasdaq First North Stockholm, with Augment Partners AB, tel. +46 8 604 22 55, info@augment.se, as its Certified Adviser. Pareto Securities AB is the company's liquidity provider.



INCOAX