INCOAX

Annual Report 2020

Contents

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 acting as the company's Certified Adviser.

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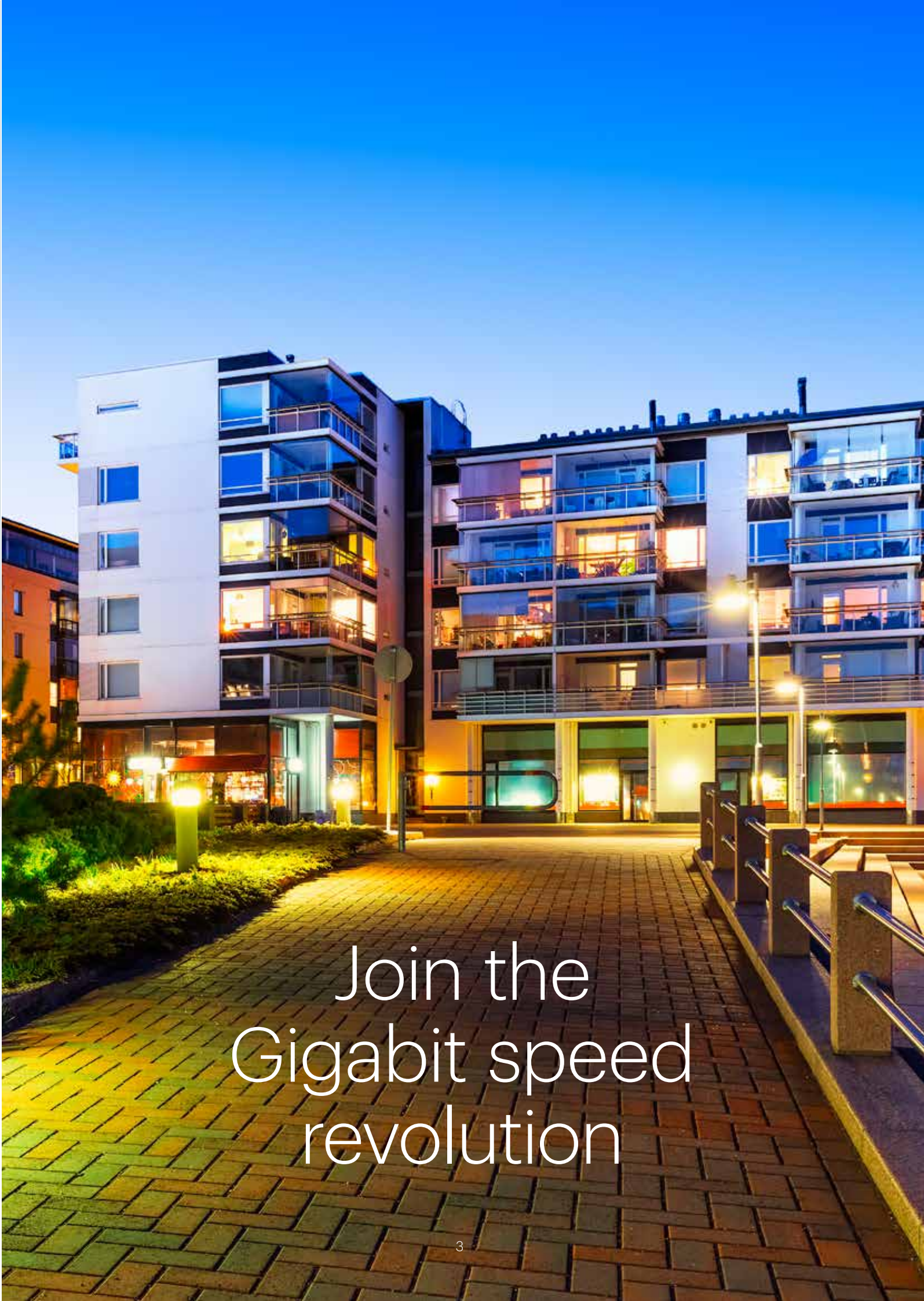


Join the Gigabit speed revolution

This is InCoax

InCoax develops innovative solutions for broadband connections called "Fiber Access Extension" solutions with Gigabit speed. InCoax provides next generation sustainable network products and system solutions to the world's leading telecom and broadband service providers.

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™ 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.

Offerings

InCoax offer solutions for broadband connectivity via coaxial cables. The Company uses free capacity in the existing coaxial network to create connectivity to high-speed broadband, IPTV, VoIP, IoT 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 MoCA Access™ 2.5 platform, in:xtnd™, creates the conditions for customers to achieve internet speeds of up to 2.5 Gbps. 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.

Solution

To be able to offer Gigabit speed via coaxial cable, the apartment buildings must have fiber networks and radio link or 5G equipment, from which the incoming signal is passed on to the Company's control unit, in:xtnd™ Control. The signal is then transmitted via a diplexer, in:xtnd™ Combine, up to the antenna socket in the apartments over the existing coaxial network.

A modem, in:xtnd™ Access, is then connected to the regular TV antenna socket, providing the user with a high-speed internet connection. The control software, in:xtnd™ Manage, then 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 1 Gbps downstream and 1 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, Satellite TV and TV/DOCSIS, 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 four main system components:

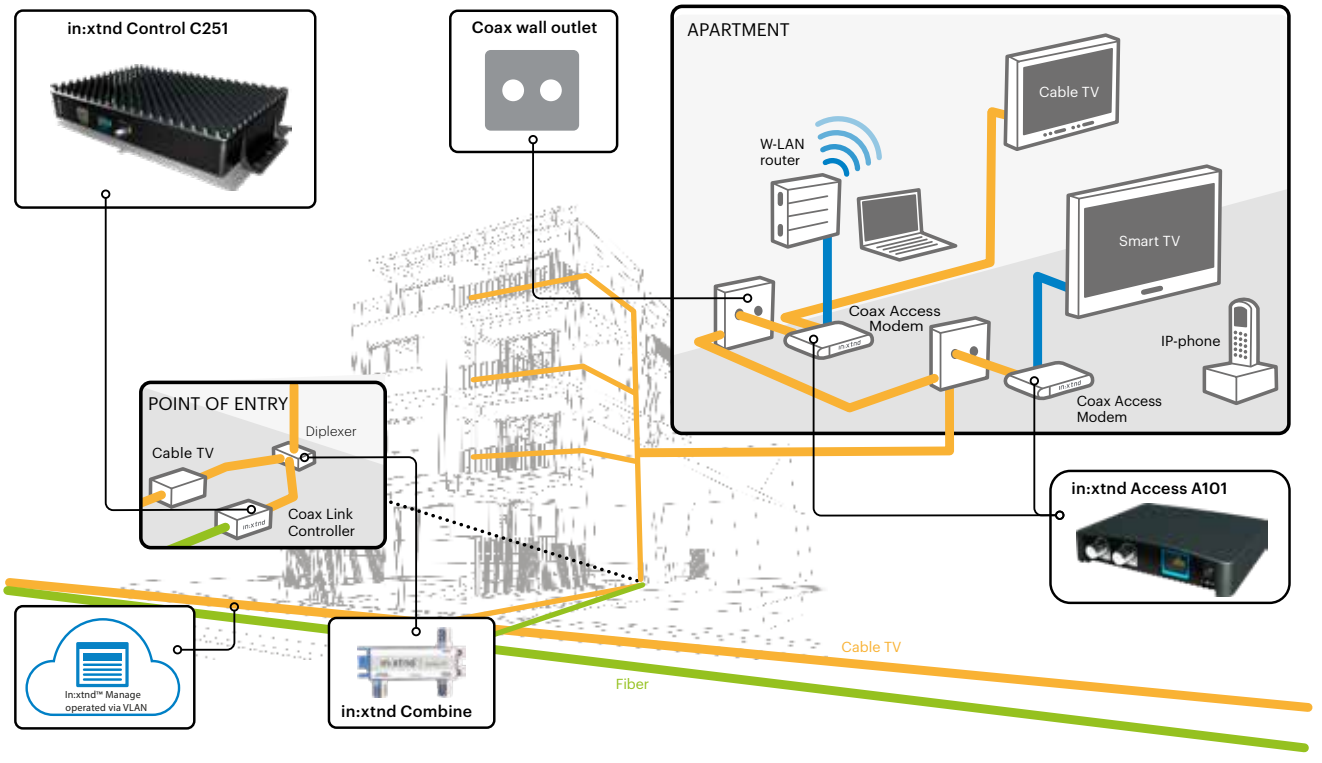
- in:xtnd™ Control
- in:xtnd™ Access
- in:xtnd™ Combine
- in:xtnd™ Manage

in:xtnd™ Manage is an advanced network management system and includes the implementation of in:xtnd™ Control and the service-based implementation of in:xtnd™ Access, as well as the control and monitoring of coaxial link conditions. in:xtnd™ Manage is used for the operator's network management, which entails configuration, monitoring, and control.
The advantages of in:xtnd™ Manage include:

- Automatic control and monitoring of in:xtnd™ Control and in:xtnd™ 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.

SYSTEM OUTLINE



2020 in figures

- Net sales amounted to SEK 3,788,463 (2,822,067), corresponding to a year-on-year increase of 34%.
- The operating loss was SEK –57,405,382 (–65,108,321), an increase driven by a much-improved Q4 compared to previous year. This year's result has affected by stock devaluation in one product segment which has been met by the product development capitalization model implemented in Q3.
- The loss after tax was SEK –57,822,219 (–65,760,609), corresponding to earnings per share of SEK –2.11 (–3.59)
- Cash flow including financing activities during the period was SEK -12,643,002 (21,745,099).
- The result for the year was charged with inventory write-downs within a segment and had a positive effect on the result of the capitalization model being introduced starting during the third quarter regarding development costs.

Key ratios

SEK	2020	2019
Net sales	3,788,461	2,822,067
Gross profit/loss	-5,260,697	259,277
Gross margin, %	Neg.	9
Operating loss (EBIT)	-57,405,382	–65,108,321
Operating margin (EBIT %)	Neg.	Neg.
Loss after financial items	-57,822,219	–65,760,609
Loss after tax	-57,822,219	–65,760,609
Earnings per share	-2.11	–3.59
Earnings per share after dilution	-2.03	–3.48
Equity ratio, %	58.3	74.9
Cash flow, including financing activities	-12,643,002	21,745,098
Cash flow per share	0.46	1.19
Cash flow per share after dilution	0.44	1.15
Number of shares outstanding at the end of the period	27,442,396	18,294,931
Number of shares outstanding at the end of the period after dilution	28,531,396	18,909,899
Average number of shares outstanding during the period	20,581,797	12,423,128
Average number of shares outstanding during the period after dilution	21,252,782	13,293,376

Light up your coax with fiber speed

CEO's comments

Breakthrough order in the US

Sales improved significantly in the latter part of 2020. InCoax has established collaborations with strategically important operators with good future growth potential. InCoax's strategy has been focused on selected market segments.

Since I took over as CEO at the end of the first quarter of 2020, the work has primarily focused on the following areas:

- Identifying market segments in the short term and securing customer orders within these segments with our current product portfolio.
- Further developing InCoax's system solution to address Tier 1 segments of the market and securing collaboration with leading operators with high-volume potential
- Clarifying strategic focus areas to create added value for our operator customers.
- Reducing overhead costs and improving cash flow in combination with increased sales.

In 2020, we made clear progress in all these areas and established a new platform for InCoax's continued development.

A clearer focus on selected market segments

InCoax operates in a very large and international market for broadband solutions. Consumer demand for bandwidth continues to increase, and this trend has been accentuated during the ongoing Covid-19 pandemic. Consumers in developed markets are demanding ever-higher gigabit speeds in their internet connections. The backbone networks for fiber are being expanded at an undiminished pace and from a time and cost perspective, the challenge of providing a high-performance gigabit connection to every flat in a multi-family building persists. For our operators, this is an obstacle to growing their subscriber base. The key figure "Homes Passed", i.e., the number of buildings the fiber passes out on the street, continues to climb.

In the internet service market, we are seeing more and more of a "Gigabit Race" between traditional telecom, cable and fiber operators, who are all trying to attract new subscribers and win over existing ones. InCoax thus operates in a very large and growing market. This entails both great opportunity and a risk of becoming unfocused and opportunistic. Therefore, in 2020 it was crucially important that we identified the market segments and use cases to which we can start marketing and selling our launched system without having to add additional functionality. The analysis resulted in a focus on fiber/LAN operators with medium-high demands in terms of functionality. This segment consists of many small and medium-sized operators, both in the EU and the US. However, we noted during the year that due to the Covid-19 pandemic, the North American market was more open than the EU. This led us to engage in more active canvassing for potential customers in this segment in the United States. Our efforts paid off, and during the second half of 2020 we gradually developed a deal with a US based fiber/LAN ISP that we can now call a regular, returning customer.

In parallel with this, we also continued to broaden our customer base in this segment. This has resulted in some interesting contacts and initial orders for evaluation/testing or smaller field installations.

Cooperation with a large Tier 1 operator is progressing according to plan

At the same time that we increased sales of our current system during 2020, we also worked purposefully to start a collaboration with a really large operator in order to be able to access a larger subscriber base and completely new and larger customer segments. However, success in this venture demanded upgrades to the functionality of our system to meet the requirements of larger operators for, e.g., compatibility with their existing network.

We succeeded in making the necessary changes and in

the second half of the year we were able to start a joint project with a large North American Tier 1 operator. The scope was initially limited to lab evaluation, but in the third quarter the operator decided to expand our collaboration to include a more finished product closer to those in the series, for an evaluation starting at the end of the second quarter of 2021. It is very satisfying that we have been able to start this project collaboration (which is also funded in part by the customer), and the experience has provided us with crucial knowledge about this operator and what we need to develop in order to fit into their network. In addition, in this segment several of these functionalities are generic, which means that with this development we also gain a compatible and future-proof system for sale to large operators. Compatibility with operators' system monitoring and operation systems play a key role in differentiating InCoax from the competition and being chosen as a supplier.

Expense reductions and improved cash flow

The sales we initiated in 2020 were largely the result of direct sales activities by InCoax. As before, we are of the opinion that moving forward, we need to generate more sales through indirect partners so-called "VARs" (value-added resellers). During the year, we entered into resale agreements with additional partners in the EU and North America.

In combination with a more focused strategy, several measures were taken in 2020 to reduce our overhead costs and negative cash flow. We also took advantage of the possibility of using short-time furloughs during the Covid-19 pandemic. During the year, we have used external partners to a greater extent to further develop our system to execute this work. Among other advantages, this measure enables InCoax to reduce its fixed overhead costs and focus on the areas where we will primarily add customer value as a system solution partner to the operator industry. Based on the sales opportunities we identified over the course of the year, the Board of Directors made a decision to activate development costs starting in the second half of 2020. Overall, the measures we have implemented have led to a positive impact on our financial results, cash flow and balance sheet.

Revenue growth and improved financial results

In 2020, we increased our net sales by 35 percent, to SEK 3,788,463 (2,822,067). The main contributing factor was deliveries of in:xtnd™ to an American Fiber/LAN operator, made in the second half of the year. Our net operating loss also improved compared to the previous year; SEK –57,405,382 (–65,108,321), and the loss per share amounted to SEK –2.11 (–3.59). However, inventory write-downs in the third quarter of a previous product generation had a negative impact on our overall numbers. The company's financial standing was strengthened during the year through a new share issue totaling SEK 48 million. Our year-end equity/assets ratio was 57 percent (74.9) and our liquid assets amounted to SEK 16,833,493 (29,476,495). During the second half of 2020, we experienced increased sales and collaboration with operators who have a good profile and strategy. I see the successes as clear signs that we are on the right track with these customers that will produce orders in the coming years.

In 2020, the Board of Directors decided to focus on cash flow. InCoax's financial target is to achieve cash flow neutrality on a monthly basis by the second half of 2021.

Continued focus on sales

In 2020, we continued to strengthen InCoax and lay the foundation for increased sales. The need for increased bandwidth for end consumers remains and has also increased in many markets. Operators continue to face challenges related to getting their fiber all the way to every flat (FTTH) in a multi-family building in a timely and cost-effective manner. This provides a favorable market position for InCoax, and our FTTep-based "Fiber Extension" solution is a good system offering for operators confronted with these obstacles.

Activity in the hospitality market (hotels, etc.) was very limited during 2020 as a result of the Covid-19 pandemic. in 2021, we expect this market to gradually rebound.

Our collaboration with the North American Tier 1 operator progressed very well in 2020, and I look forward to demonstrating our competitive solution to the operator in 2021. With both this operator and others with similar use cases, the next steps are brimming with potential.

In 2021, I look forward to working with my team to further develop InCoax's operations and gradually build a successful company with satisfied customers and increased shareholder value.

Gävle May 2021

Jörgen Ekengren

Chief Executive Officer

Market and trends

Investments in fiber network expansion continue unabated. The time and cost challenges of providing a high-performance fiber connection to every flat in a multi-family building persist.

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 (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.

Available technologies

- On the market there are currently a number of different technologies that can offer so-called fiber access extension (Fiber Access Extension) which can be summarized in four variants:
- MoCA Access™ 2.5 using free frequency space in the property's existing coaxial network (TV network) for symmetrical Gigabit or MultiGigabit services
- G.hn using either the property's existing telephone wires or the property's coaxial network for asymmetric Gigabit services.
- G.fast that utilizes either the property's existing telephone wires and whether the coaxial network supports point to point connection up to 300Mbit. Gigabit asymmetric service over the coaxial network.
- Fiber networks that require new fiber routing or alternatively data cable routing in existing properties from the fiber access point for symmetrical Gigabit or Multigigabit services. The different technologies differ in terms of connection speed, symmetry, installation cost, operator bonding, etc. Traditionally, telecom operators have used the telephone cable/copper wire (ADSL/VDLS/G.Fast) found in all existing buildings. However, in recent years, the telephone cable/copper wire has limited the speed of the connection and resulted in alternative solutions being sought.
  Like telephone cable/copper wire, coaxial cables for cable TV are included in all apartment buildings and are today an accepted way to lead connectivity up to apartments for TV distribution.
  In newly built houses there is mainly a mix of Fiber and Data cable networks, but in several markets such as Germany, still applies to a large extent building standards which provide for coaxial networks even in newly built buildings.[1]
  The new fiber networks being built today are therefore largely of the passive optical network type ("PON"). It is therefore important that a fiber extension solution has PON compatibility in order for the operator to be able to control the network all the way out to the consumer.

[1] Statistisches Bundesamt (ref i rapport av F+B Forschung und Beratung für Wohnen, Immobilien und Umwelt GmbH, juli 2020

Market size

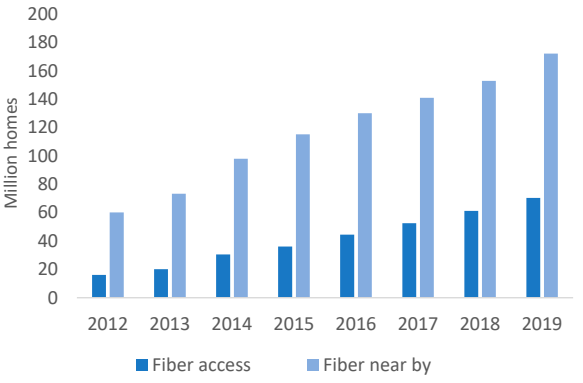
European Market

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

On the right, 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. According to FTTH Council Europe and Idate, the number of households with fiber was close to 172 million in the EU39 area, of which 19 countries have more than 2 million passed through homes. Tier 1 operators have a share of 41% of homes passed through and their share is projected to increase as the market shifts from telephone networks to fiber networks. [3]

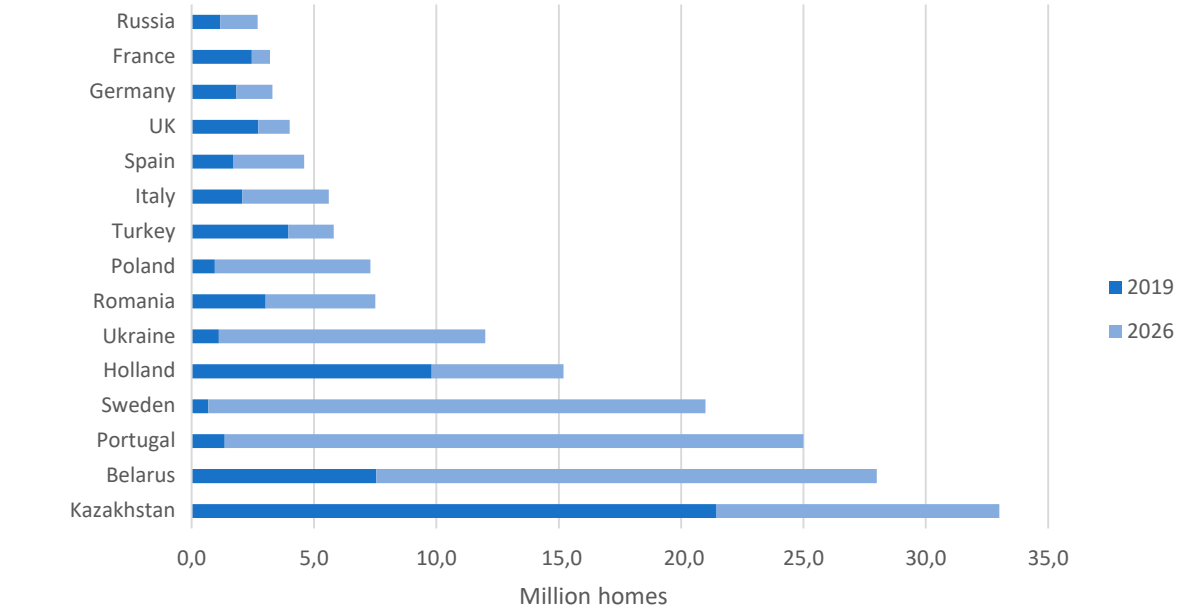
In absolute terms, the largest increase in passing homes is estimated in 2020 in France, where 3.5 million were added. The corresponding figure for Italy was 1.9 million and Spain 1.5 million homes. The chart below shows that the growth of nearby fiber households is expected to increase significantly between 2019 and 2026. A driving factor is COVID-19, which has meant more home work, school education and changed media consumption with, among other things, more streamed TV.

Overview homes with fiber access in Europe (2020)



Source: Idate for FTTH Council Europe (2020)

Millions of homes with fiber near by, 2019 & 2026



Source: https://www.oecd.org/coronavirus/policy-responses/keeping-the-internet-up-and-running-in-time-of-crisis-4017c4c9/

Market size

The North American Market

There are a total of 2,785 Internet service providers in the United States. Most suppliers use several technologies in parallel and are distributed accordingly: DSL (896), Copper/Lan (248), Cable TV (465), Fiber (1435), Wireless Broadband (1671), Mobile Broadband (51) and Satellite (2).[1]

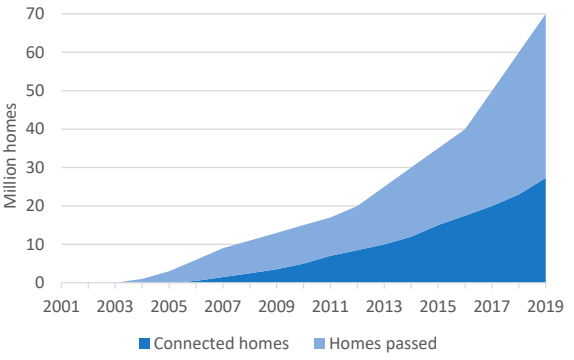
According to the Fiber Broadband Association (FBA), there are 70 million homes passed through and just over 27 million connected homes. During 2019, passed homes increased by 15 percent compared to 2018.

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 20.5 million U.S. homes were connected to fiber broadband in 2019, a significant increase from 18.4 million the year before.[2]

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.

Homes passed vs. connected homes in the USA



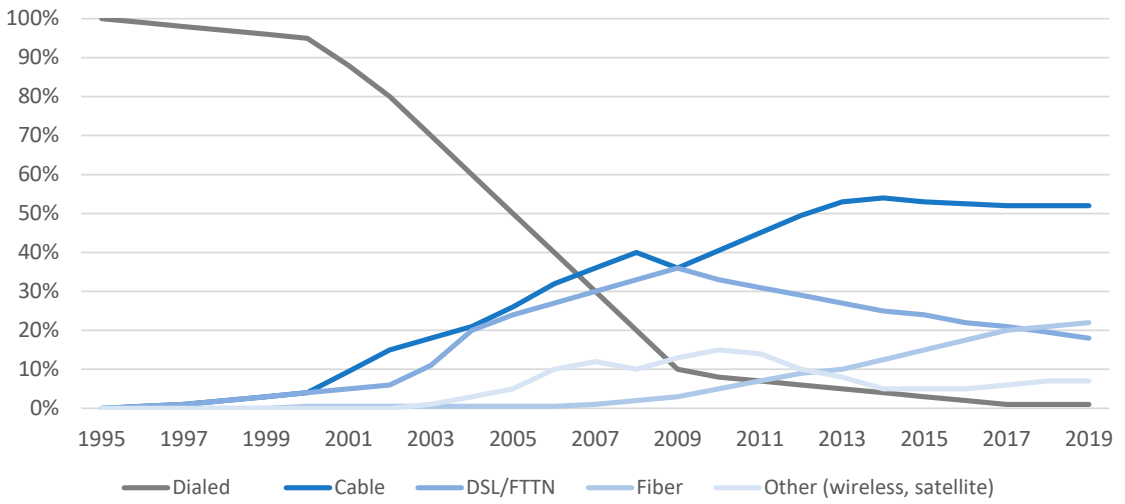
Source: Fiber Broadband Association

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 "lost" 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[2]

[1] Broadbandnow.com

[2] 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, global IP traffic is expected to triple in the period 2016-2021 and increase 127 times between 2005 to 2021. Overall, IP traffic is expected to grow at an annual growth rate (CAGR) of 24 percent from 2016 to 2021. Of the total IP traffic in 2021, around 79 per cent are expected to cross the fixed network.[1]

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.[2]

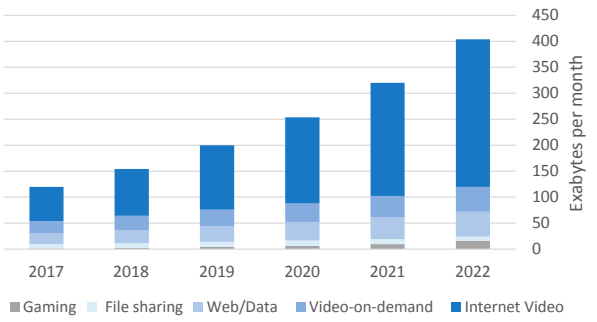
The number of devices connected to IP networks is expected to be three times higher than the global population in 2021, which is expected to greatly increase overall internet use. There are expected to be 3.5 network devices per capita by 2021, compared to 2.3 network devices per capita in 2016.[3]

[1] Cisco Visual Networking Index: Forecast and Methodology, 2016–2021, Juni 2017

[2] Broadband Forum

[3] Cisco Visual Networking Index: Forecast and Methodology, 2016–2021, Juni 2017

Global Internet traffic per application (2017 - 2022)



Source: Cisco Visual Networking Index: Forecast and Trends, 2017 - 2022

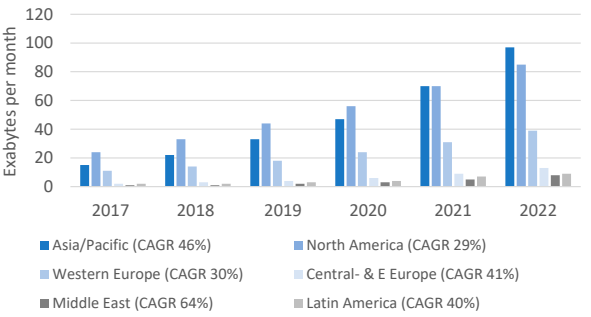
Homes with fiber available

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 2018, the number of fiber-connected households (households with fiber indented to the basement or all the way to the apartment/house) in Europe amounted to approximately 60 million. Since 2010, the roll-out of fiber to real estate has grown by about 600 percent. Despite this, the number of households with the possibility to connect, i.e. households with fiber drawn within 300 meters of the house, is still large and in 2018 amounted to 160 million households in Europe.[4]

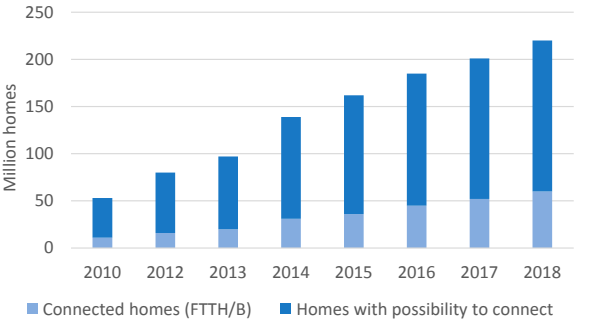
[4] FTTH Council Europe - Europe Broadband Status (2018)

Internet traffic growth, by geography (2017 - 2022)



Source: Cisco Visual Networking Index: Forecast and Trends, 2017 - 2022

Connected homes vs. homes with the possibility to connect (EU39 2010 - 2018)



Connected homes are defined by homes with (at least) fiber access in the basement (FTTH/FTTB). Homes with possibility to connect are defined by fiber access within 300 meters from the building.

Source: FTTH Council Europe - Europe Broadband Status (2018)

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 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 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 AccessTM 2.5.[5] The company's short-term main competitors use other technologies that deliver FTTH services, such as G.hn 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 [6] has developed MoCA Access 2.5 products intended primarily for the Chinese market. Chinese ZTE cable [7] had planned products based on MoCA AccessTM 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.

[5] www.incoax.com
[6] http://en.lusterinc.com
[7] www.zte.com.cn/global/

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	2.5/2.0Gbps	1/0.5Gbps	0.5/0.1Gbps	1/0.3Gbps	0.5/0.3	10/10Gbps	1/1Gbps
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	Ja

Source: Multimedia over Coax Alliance (MoCA) - Broadband Access Technology Comparison.


PLEASE
MAKE UP
ROOM
..and
upgrade
broadband!

Business Overview

New strategic focus results in increased sales, a greater focus on the customer, and reduced costs.

InCoax in brief
InCoax develops innovative solutions for broadband connections called "Fiber Access Extension" solutions with Gigabit speed and provides next generation sustainable network products and system solutions to the world's leading telecom and broadband service providers. 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™ standard. InCoax's value creation is based on the use of spare capacity in real estate's existing coaxial network (antenna cable network) for connecting fiber and allows for a short time to revenue from subscribers to the operator. InCoax is an active member of the standardization organization MoCA and BBF and is represented on its Board of Directors. In addition, InCoax is a member of FTTH Counsil and the Fiber Broadband Association.

Being active in these forums is an explicit strategy as it both provides the opportunity to influence standards and provides valuable contacts of operators who are also potential customers of InCoax system solutions.
This also provides a good opportunity to drive product development based on a good knowledge of upcoming standards. The company's current product generation, in:xtnd™ is the first product on the market based on the new MoCA Access™ 2.5 standard that enables broadband with symmetrical Gigabit speed. With the Company's solution, in:xtnd™, the customer receives a cost-effective network solution with Gigabits speed for easy, fast and stable rollout of broadband. In the further developed version of the InCoax MoCA Access™ 2.5 platform, InCoax will address larger and Tier 1 operators with full compatibility both in Fiber/LAN and Passive Optical Networks (PON).

Strategy
Following a strategic review, the Company has in the spring of 2020 changed its strategy to more clearly position the Company towards system design and solutions for larger operators and sales through partners to create greater customer and shareholder values. A consolidation of the business with a focus on the reduction of fixed costs has taken place in 2020. The increased focus on solutions for larger operators means that the Company will strengthen its expertise in project management, MoCA reference design, system architecture, system design, requirements specifications and test/verification. The company will also intensify work on specific projects for larger operators where it has the opportunity to create great added value and where design and development can take place in consultation with the operators for faster commercial roll-out. Sales of the current MoCA Access 2.5 solution (in:xtnd™)are made with a higher focus on pure use cases (mainly Fiber/LAN) where the Company knows that in:xtnd™ fits in and quickly provides a high customer value. This market segment consists of small and medium-sized fiber operators, ISPs and hospitality chains (Hospitality). The company will also focus on fewer market segments and focus on these only customers who have the best potential to reach volume orders without further development of the current product line. The more focused strategy has so far resulted in the Company winning orders from a North American Fiber/LAN operator with good potential for growth in the second half of 2020 and in the first quarter of 2021.
In addition, the Company has won smaller initial orders from a smaller operator in the US and has received inquiries from two other North American operators with good potential. In cases where the customer has a very large volume potential i.e. in the Tier 1 segment, the Company has initiated further development of its MoCA Access™ 2.5 solution to fully become compatible and cost-effective in this high volume segment of the market. This further development will continue in spring 2021 in close cooperation with a Tier 1 operator in North America. Development includes making InCoax solution PON compliant with a Carrier Grade of the software. This means that the management interfaces and communication protocols that Tier 1 operators use being implemented directly into InCoax systems. Tier 1 operator expanded

in September 2020 the scope of the project to apply to a "Proof of Concept" of a product that is close to the final serial product. This means that InCoax after successful testing and evaluation in mid-2021 may enter the market more quickly with the next generation product and system solution. The strategy therefore aims to gradually have a capability in the product portfolio that addresses the really interesting high volume segments in the operator market. This means an opportunity to integrate the Company's systems into the operator's network, which is a prerequisite for achieving sales in the Tier 1 operator segment.

Financial targets

The company remains of the opinion that commercial breakthrough is expected in 2021 and to a significant extent in cooperation with distribution partners where InCoax's future revenues may be partly in the form of license revenues. The company has therefore chosen to communicate the following financial objectives:

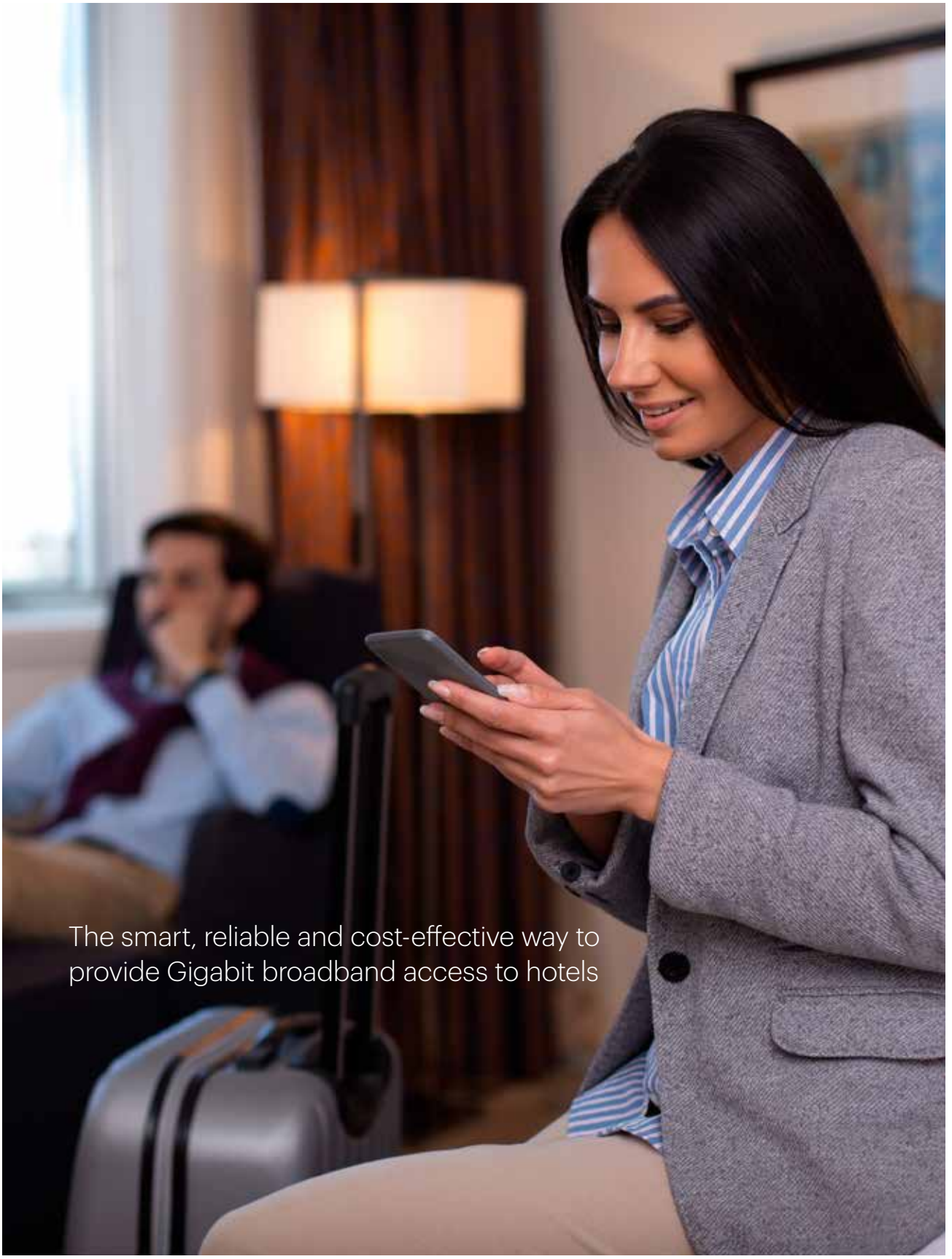
• Volume deliveries to at least two Tier 1 operators and achieve positive cash flow on a monthly basis in the second half of 2021.

Offer

InCoax operates in the broadband connection market, via the coaxial network, into buildings, apartments and individual rooms. The company uses free capacity in the existing coaxial network to create connectivity to high-speed broadband, IPTV, VoIP, IoT and web TV without the need to install new cables. The company's technology works for all coaxial cable networks used for the distribution of TV signal. InCoax's value creation model is based on meeting customers' high demands on quality and service with equipment and solutions that are cost-effective, easy to install and that offers a fast and stable broadband connection. With the Company's current MoCA AccessTM 2.5 platform, In:xtndTM, conditions are created for customers to be able to reach internet speeds of up to 2.5 Gbps. This means that customers using InCoax products will be able to offer their final consumers the same quality of service as in a clean fiber solution, but at a significantly lower cost. In the ongoing further development of InCoax MoCA AccessTM 2.5 platform for larger and Tier 1 operators, the really large volumes will be available to InCoax. This development takes place in close cooperation with a Tier 1 operator under a joint project agreement.

Solution

In order to offer Gigabit speed in coaxial cable, there needs to be fiber networks into the apartment buildings, from which the incoming signal is passed on to the Company's control unit, In:xtndTM Control. The signal then goes through a diplexer, In:xtndTM combine, up to the antenna socket in the apartments over the existing coaxial network. An In:xtnd™ Access is then merged into the regular TV antenna socket which, through one of its outputs, offers the user a new high-speed internet connection. Via the control software In:xtnd™ Manage, the system is then checked and monitored and the necessary settings and measurements can be made. This broadband connection can currently reach internet speeds of up to 1 Gbps downstream and 1 Gbps upstream. To make things easier for the customer, the In:xtndTM Access product is designed so that the customer can install the home modem 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 solution can coexist in parallel with other technologies, such as TV/DOCSIS, which is a great advantage for MoCA®actors like InCoax.


The smart, reliable and cost-effective way to
provide Gigabit broadband access to hotels

Our solutions

InCoax's value creation is based on using spare capacity in properties' existing coaxial networks (antenna cable networks) for connecting fiber and enables a short time to revenue from subscribers to the operator. With our in:xtnd™ solution, the customer receives a cost-effective network solution with Gigabit speed for easy, fast and stable rollout of broadband.

Products

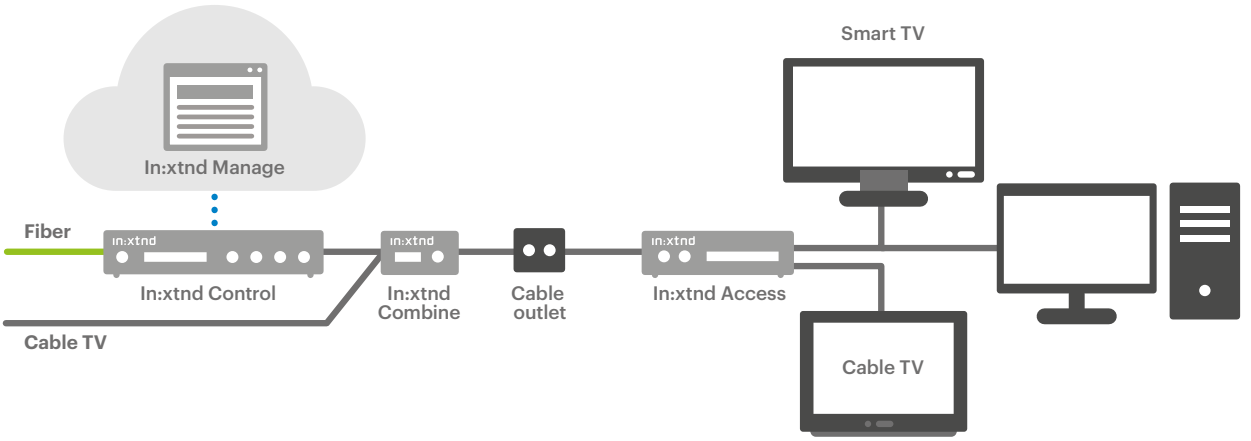
InCoax has a broadband solution consisting of both hardware and software, includes four main system components:

- in:xtnd™ Control
- in:xtnd™ Access
- in:xtnd™ Combine
- in:xtnd™ Manage

in:xtnd™ Manage is an advanced network management system and includes In:xtnd™ Control implementation, service-based in:xtnd ™ Access implementation, and control and monitoring of coaxial link conditions. in:xtnd™ Manage is used for operator network management, which includes configuration, monitoring, and control. Advantages of in:xtnd™ Manage are:

- Automatic control and monitoring of In:xtnd™ Control and In:xntd™ Access.
- Advanced service and policy management.
- Fast and easy third-party system integration.
- Wide range of network statistics.

As part of the ongoing collaboration project with a North American Tier 1 operator, all features are implemented necessary to have full compatibility with the control and monitoring solutions that large operators use for their network.



in:xtnd Control C251

in:xtnd Combine

in:xtnd Access A101

Revenue model
The majority of InCoax's revenue is initially expected to come from the sale of the Company's solutions consisting of software and hardware. The company also sells services in the form of training and support and receives annual revenue from licenses. InCoax's solution means that customers receive hardware and services at a low initial investment cost, enabling a customer lock-in effect for InCoax in terms of recurring revenues from the annual software and service license fee. The Company receives payment per hardware unit sold plus a license fee that is invoiced annually. In order to be able to take larger customer orders (i.e. from customers with millions of subscribers), the Company establishes collaborations with distributors and system integrators. This mean that the Company will increasingly recieve royalties on the sale and be less exposed to stocks of products and will have less need for working capital to finance the value chain from manufacturing to distribution.

Cost per unit
By using free capacity in the existing coaxial cables, no new cables need to be routed in apartments, making InCoax technology to an attractive option instead of new installations of fiber all the way to the apartment.

Production
The company's production for control unit and modem is carried out by contract manufacturers (ODM/EMS) in Sweden and China. The company works in close cooperation with the contract manufacturers in terms of quality work and production tests. All of the Company's products and solutions such as control unit, modem and control system are developed by the Company.

Our customers

InCoax works actively to offer cost-effective, easy and fast broadband connections in close relationships our customers. We also collaborate closely with selected distributors and retailers to effectively market our offerings to third-party customers.

CUSTOMERS

In a close relationship with customers, InCoax works actively with the offer of cost-effective, easy and fast broadband connection in the property. InCoax has also started to establish close cooperation with selected distributors and retailers to effectively market the offer to third-party customers. With its current in:xtnd™solution, InCoax mainly caters to three different customer groups:

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

With the further development of InCoax MoCA Access™ 2.5 platform underway under a project agreement with an operator, InCoax can offer solutions to Tier 1 operators as well.

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. These are often installed in the corridors of hotels, which is why access with sufficient connectivity in the rooms for the many handheld devices is difficult to achieve.

Hotels today build advanced service and infotainment systems, which also require a good connection. In other words, access to high-speed networks in hotel rooms is becoming a hygiene factor. The use of free capacity In existing coaxial cables, on which InCoax's product solution is based, is a cost-effective and attractive solution to solve this. For hotels, it is very attractive to avoid interruptions in operations for major renovations and wiring.

The quick and easy installation of in:xtnd™ can be done in parallel with regular operations.

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 in:xtnd™ 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 in:xtnd™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. With in:xtnd™, the property can be easily updated to cover their need for speed, flexibility and manageability. Customers can be individually offered services tailored to their wishes such as connection speed.

Tier 1 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 in:xtnd™ is installation and service companies. With expertise in coaxial cable networks and in:xtnd™ 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.

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.
InCoax also participate in the Small Cell Forum, where work is done with the backhaul solutions necessary for 5G, which present possibilities for the technology.
To strengthen knowledge and presence on the US market, InCoax also became a member of the Fiber Broadband Association in 2021.

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.

Small Cell Forum
Small Cell Forum works for large scale implementation of small base stations and has the task of increasing the pace in the delivery of integrated and heterogeneous networks. Small Cell Forum is acting for overall trade standard implementation, positive legislative implementation and that a common architecture and interoperability is achieved. Small Cell Forum is marketing the potential in the small base station through communication with journalists, analysts, regulators, interest groups and standardization bodies.

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.

Share and shareholders

Ownership structure
The number of shareholders at December 30, 2020, was 1,677. The largest shareholder was Saugatuck Invest AB, with 23.6% of the shares and votes in InCoax. The company's nine largest shareholders together hold shares equivalent to 64.9%.

Shares and share capital
The company's share capital at the end of the period amounted to SEK 6,860,599, distributed between 27,442,396 shares of the same type, each with a quota value of SEK 0.25. Shares in the company are denominated in SEK. Shares in the company were issued in accordance with Swedish law.

All shares issued are fully paid and freely transferable. According to InCoax's Articles of Association, adopted by the general meeting on June 30, 2020, the share capital must not be less than SEK 4,550,000 and not exceed SEK 18,200,000, distributed between no fewer 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 the near future.

Ownership structure on December 30, 2020

Name	Number of shares	Holding, %
Saugatuck Invest AB	6,468,572	23.6
Norrlandspojkarna AB	3,522,700	12.8
BLL Invest AB	3,466,788	12.6
Nordnet Pensionsförsäkring AB	2,133,999	7.8
Försäkringsaktiebolaget Avanza Pension	704,724	2.6
Handelsbanken Liv Försäkringsaktiebolag	530,140	1.9
Six SIS AG	407,273	1.5
Axelsson Lars	300,000	1.1
Getitsafe Security Partner Norden AB	288,132	1.0
Other shareholders (approximately 1,668)	9,620,068	35.1
Total	**27,442,396**	**100.0**

Source: On the basis of lists from Euroclear on December 30, 2020, 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 2020. 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
The sales are mainly made to operators and the hospitality segment within North America and the EU. As regards the operator segment, the Company's ability to market the new product generation of in:xtnd™ within the EU was limited by the Covid-19 pandemic. This led us to engage in more active canvassing for potential customers in this segment in the United States.

Comments on the Company's financial development in 2020

Revenue
The company's net sales amounted to SEK 3,788,461 (2,822,067), which corresponds to an increase of 34%. Compared to the same period last year.

Financial results
Our net operating loss for the year amounted to SEK –57,405,382 (–65,108,321), an improvement driven by a significantly better fourth quarter compared to the previous year.
The overall financial results for the year were negatively affected by inventory write-downs within one segment, but was buoyed by a positive earnings effect from the introduction of the activation model starting in the third quarter (relating to development costs). After tax, the loss for the year amounted to SEK –57,822,219 (–65,760,609).

Costs
The reduced costs in 2020 are primarily explained by reduced personnel and consulting costs and generally lowered costs.

Cash flow
Cash flow was positively impacted by the new issues carried out during the year. For the full year, cash flow from operating activities totaled SEK –46,834,980 (–72,038,579).
The year's cash flow from financing activities totaled SEK 42,629,827 (94,705,075). For the full year, cash flow incl. financing activities totaled SEK –12,643,002 (21,745,098).

Organization/Staff
In the course of 2020, the Company streamlined its organization. At year-end, InCoax's organization consisted of 16 (24) employees.

Investments
The company's investments totaled SEK 8,437,849 (921,399), and consisted mainly of the activation of development costs.

Research and development
In 2020, research and development work continued.
This included intensified efforts to file patent applications for the updated version of the InCoax MoCa Access 2.5 platform.

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	4,573,733	0	220,840,611	-119,846,330	-65,760,609
New issue	2,286,866		39,880,961		
Warrants				462,000	
Transfer of earnings for the preceding year				-65,760,609	65,760,609
Transfer fund development costs		7,246,948		-7,246,948	
Loss for the year					-57,822,219
At the end of the year	**6,860,599**	**7,246,948**	**260,721,572**	**-192,391,887**	**-57,822,219**

Multi-year summary

SEK	2020	2019	2018	2017	2016
Net sales	3,788,461	2,822,067	1,486,816	2,715,816	1,819,716
Gross profit/loss	-5,260,697	259,277	–2,657,321	669,953	–279,762
Gross margin, %	Neg.	9	Neg.	25	Neg.
Operating loss	-57,405,382	–65,108,321	–49,115,341	–27,793,723	–15,419,642
Operating margin (EBIT), %	Neg.	Neg.	Neg.	Neg.	Neg.
Loss after financial items	-57,822,219	–65,760,609	–49,315,174	–27,968,223	–15,720,953
Loss after tax	-57,822,219	–65,760,609	–49,315,174	–27,968,223	–15,720,953
Total assets	42,249,053	53,180,868	40,734,440	12,085,048	16,255,265
Equity ratio, %	58.3	74.9	64.3	11.6	64.3

Shares
In 2020, the Company carried out a new share issue, increasing the share capital by SEK 2,286,866.00 (2,434,888.75) and increasing the share premium reserve by SEK 39,880,960.62.
On 31 December 2020, the share capital totaled SEK 6,860,598.75 (4,573,732.75) divided among 27,442,396 (18,294,931) outstanding shares of a single class of shares.

Convertible debentures
On 31 December 2020, outstanding convertible debentures totaled SEK 3,245,786.

Warrants
The Company's employees/members were offered warrants, and 8 people chose to exercise their warrants for a total of 890,000 options.
During the year, 189,313 warrants expired without the subscription of shares. In total, there were 1,139,000 (438,313) warrants as of 31 December 2020.

Significant events during the financial year
Breakthrough for in:xtnd™ in North America. During the year, InCoax both streamlined its operations with cost savings and succeeded in adjusting its strategy to external influences. The company signed an agreement with a US-based fiber/LAN ISP customer and started field testing with this customer during the summer. This customer then placed an initial series order in the autumn and since then has continued to roll out its expansive plan in several cities to date. In parallel, another customer in North America (referred to as "Tier 1 operator" in PRs) started a project with InCoax at the beginning of the second half of the year. During the autumn, the Tier 1 operator chose to expand the project with InCoax and placed orders for field tests. InCoax has thus both strengthened its relevance in the market with its existing product portfolio and taken major steps towards the creation of a forthcoming product generation developed in collaboration with one of our customers.

Expected future developments and significant risks and uncertainties
Expected future development
Due to the Covid-19 pandemic, the Company has seen major effects on the market both in terms of customer availability and their progress in evaluations and investment programmes. This has been especially evident in the hospitality segment.
The company has therefore chosen to focus on the operator segment where the impact of Covid-19 has not significantly affected customers' activities.
Above all, the European market has been negatively affected. In the case of North American customers, business has progressed more continuously, as demonstrated by
the fact that the Company has been able to make progress with two North American customers.
One positive long-term effect of Covid-19 is considered to be that the need for increased bandwidth has clearly been identified as an important prerequisite for, e.g., working from home. The company believes that this will have a positive impact on demand in the medium term.

In order to achieve higher volumes with a high degree of scalability, the Company will focus on larger operators moving forward. The Company's decision to primarily focus on this segment presents a challenge, as both the technical and commercial demands are quite high. The Company is therefore continuously analyzing the challenges this entails through a close dialogue with the customers who use InCoax's systems in evaluation and project collaborations. Addressing these demanding segments is a prerequisite for growth, and this may mean that development and business processes take longer than initially estimated. Commercially, the Company recognizes that a large working capital may be necessary in order to be able to accept a major order from a large operator. To this end, the Company is actively working to create collaborations and develop business models with partners that enable it to accomplish major deals.

Significant risks and uncertainties
There are currently a number of different risks and uncertainties that the Company has identified. These include: the risk of not being able to meet a sudden high demand for our technology, competing technologies, supplier dependence, dependence on key persons and employees, financing and capital needs, and currencies, prices and availability of key components.
The Company is continuously working to implement preventive measures to minimize these risks and uncertainties as far as possible.

Proposal for profit distribution

SEK	2020
The amount at the disposal of the Board of Directors	
Retained earnings	-192,391,887
Share premium reserve	260,721,572
Loss for the year	-57,822,219
Total	**10,507,466**
To be carried forward	10,507,466
Total	**10,507,466**

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, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Operating income			
Net sales		3,788,461	2,822,067
Capitalized development costs	1	7,246,948	
Other operating income	2	1,825,852	467,630
		12,861,261	**3,289,697**
Operating expenses			
Goods for resale		-9,049,158	–3,030,420
Other external costs	3	-31,573,266	–39,337,086
Personnel costs	4	-28,256,425	–25,436,961
Depreciation, amortization and impairment of tangible and intangible assets		-1,053,965	–550,743
Other operating expenses		-333,829	–42,808
Operating loss		**-57,405,382**	**–65,108,321**
Profit from financial items			
Interest income and similar profit/loss items		0	3,529
Interest expenses and similar profit/loss items		-416,837	–655,817
Loss after financial items		**-57,822,219**	**–65,760,609**
Loss before tax		**-57,822,219**	**–65,760,609**
Loss for the year		**-57,822,219**	**–65,760,609**

Balance sheet

SEK	Note	Dec 31, 2020	Dec 31, 2019
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenses for development work and similar work	5	7,246,948	
		7,246,948	**0**
Tangible assets			
Machinery and other technical equipment	6	2,628,784	1,675,181
Total non-current assets		**9,875,732**	**1,675,181**
Current assets			
Inventories, etc.			
Finished products and goods for resale		11,405,617	16,311,679
Advances to suppliers		1,851,264	1,527,136
		13,256,881	**17,838,815**
Current receivables			
Trade receivables		668,524	539,664
Other receivables		803,247	1,911,618
Prepaid expenses and accrued income		811,177	1,739,094
		2,282,948	**4,190,376**
Cash and bank balances		16,833,492	29,476,495
Total current assets		**32,373,321**	**51,505,686**
TOTAL ASSETS		**42,249,053**	**53,180,868**

Equity and liabilities

SEK	Note	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Equity			
Restricted equity			
Share capital (18,294,931 shares)		6,860,599	4,573,733
Unregistered share capital		7,246,948	0
		14,107,547	**4,573,733**
Unrestricted equity			
Share premium reserve under registration		260,721,572	220,840,611
Retained profit or loss		-192,391,887	–119,846,330
Loss for the year		-57,822,219	–65,760,609
		10,507,466	**35,233,673**
Total equity		**24,615,013**	**39,807,405**
Non-current liabilities	7		
Convertible debt instruments	7	3,245,786	0
		3,245,786	**0**
Current liabilities			
Trade payables		5,963,482	3,381,017
Current tax liabilities		623,949	981,539
Other current liabilities		3,449,168	4,702,476
Accrued expenses and deferred income		4,351,655	4,308,431
Total current liabilities		**14,388,254**	**13,373,462**
Total liabilities		**17,634,040**	**13,373,462**
TOTAL EQUITY AND LIABILITIES		**42,249,053**	**53,180,868**

Cash flow statement

SEK	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Operating activities		
Loss after financial items	-57,822,219	–65,760,609
Adjustment for non-cash items	4,944,965	550,743
	-52,877,254	–65,209,866
Income tax paid		469,788
Cash flow from operating activities before changes in working capital	**-52,877,254**	**–64,740,078**
Cash flow from changes in working capital		
Increase/decrease in inventories	690,934	–4,422,931
Increase/decrease in receivables	1,090,761	–1,229,063
Increase/decrease in operating liabilities	4,260,579	–1,646,505
Cash flow from operating activities	**-46,834,980**	**–72,038,579**
Acquisition of tangible assets	-1,190,901	–921,399
Acquisition of intangible assets	-7,246,948	
Cash flow from investing activities	**-8,437,849**	**–921,399**
Financing activities		
Share options redeemed	462,000	47,880
New issue	48,024,188	100,789,233
Issuance costs	- 5,856,361	–6,132,038
Cash flow from financing activities	**42,629,827**	**94,705,075**
Cash flow for the year	**-12,643,002**	**21,745,098**
Cash and cash equivalents at the beginning of the year	**29,476,495**	**7,731,397**
Cash and cash equivalents at the end of the year	**16,833,493**	**29,476,495**

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

Depreciation	1,053,965	550,743
Write-downs / reversal of write-downs	3,891,000	
Adjustments for items that are not included in cash flow, etc., total	**4,944,965**	**550,743**

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.

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

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a part of the financial instrument's contractual agreement. A financial asset is derecognised from the balance sheet when the contractual right to the cash flow from the asset has expired or been settled. The same applies for when the risks and benefits that are associated with the holding in all material aspects are transferred to another party and the Company does not possess any control over the financial asset. A financial liability is derecognized from the balance sheet when the contractual obligation has been fulfilled or expired.

Valuation of financial assets

Financial assets are at the first recognition date valued at their acquisition cost, including possible transaction expenditures that are directly attributable to the acquisition of the asset.

Financial current assets are at the first recognition date valued at the lowest of the acquisition cost and the net selling price at the balance sheet date.

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

Financial non-current assets are after the first recognition date valued at acquisition cost with deduction of potential impairments and with addition of potential revaluations.

Interest-bearing financial assets are valued at amortised cost.

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 intan-

gible 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 recognizes internal accumulated intangible assets in accordance with the expensing development model. This entails that any expenditure pertaining to the preparation of an internal accumulated intangible asset is not capitalized but expensed directly.

Non-current assets
Intangible and tangible assets are recognized at cost, less accumulated depreciation, amortization and any impairment.

Depreciation and amortization take place on a straight-line basis over the expected useful life, taking into account any significant residual value. The following rates of depreciation and amortization are applied:

- Machinery and other technical facilities – 5 years
- Capitalized expenditure 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
Inventories are measured at the lower of cost and net realizable value at the end of the reporting period. Net realizable value refers to the expected selling price of the good less selling costs. The valuation method chosen means inventory obsolescence has been taken into account.

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 –185,487,271. 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 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, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Personnel costs	1,212,500	0
Consultant costs	6,034,448	0
Total	**7,246,948**	**0**

Not 2 Other operating income

Annual other operating income

SEK	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Government assistance	1,605,345	0
Other income	220,507	467,630
Totalt	**1,825,852**	**467,630**

Not 3 Operating leases – lessee

Lease costs for leases during the year amounted to SEK 1,729,066 (1,725,416) and pertained to SEK 902,842 in lease of premises, SEK 70,732 in machinery leases and SEK 96,158 for company car.

Lease costs for the year

SEK	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Lease costs for the year	1,729,066	1,725,416
Of which lease of premises	902,842	1,136,766
Machinery leases	70,732	492,292
Company cars	96,158	96,158

Future lease payments relating to lease of premises

SEK	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Within 1 year	930,400	1,163,226
Between 1–5 years	2,173,167	2,975,567
>5 years	0	0
Total	**3,103,567**	**4,138,793**

Not 4 Employees and personnel costs

Average number of employees

	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Men	18	19
Women	2	2
Total	**20**	**21**

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

SEK	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Salaries and other remuneration	18,829,902	16,376,808
Social security costs	9,146,786	8,761,404
(of which, pension costs)	3,084,166	3,292,337

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 5 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, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Accumulated cost		
At the beginning of the year	6,126,540	6,126,540
Acquisitions for the year	7,246,948	
Scrapping	-6,126,540	
At the end of the year	7,246,948	6,126,540
Accumulated amortization	–6,126,540	–6,126,540
Amortization for the year	0	0
Scrapping	6,126,540	
At the end of the year	0	–6,126,540
Carrying amount at the end of the year	**7,246,948**	**0**

Not 6 Machinery and other technical equipment

SEK	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Accumulated cost		
At the beginning of the year	3,186,128	2,264,729
New purchases	1,190,901	921,399
Reclassification	1,000,000	
At the end of the year	5,377,029	3,186,128
Accumulated amortization	-1,510,947	–960,204
Amortization for the year	-1,053,965	–550,743
Reclassification	-183,333	
At the end of the year	-2,748,245	–1,510,947
Carrying amount at the end of the year	**2,628,784**	**1,675,181**

Not 7 Non-current liabilities

SEK	Jan 1, 2020–Dec 31, 2020	Jan 1, 2019–Dec 31, 2019
Liabilities that fall due for payment more than one year from the end of the reporting period		
Convertible debt instruments*	3,245,786	0
Other liabilities	0	0
Total	**3,245,786**	**0**

* Since Dec 31, 2019, reported under current receivables as expiry date is less than one year.

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 8 Events after the balance sheet date

January
- InCoax receives follow-on order of SEK 3.2M from US Fiber/LAN operator.
- North American Tier 1 operator extends cooperation with InCoax and the product development proceeds according to plan.
- InCoax, BBF and MoCA articles published on the release of the BBF TR-419 standard for Fiber Access Extension over coax networks. InCoax gained international media recognition with approximately 100 articles published.

February
- *Initial order (via VAR) from US based system integrator specialized in Garden Style Apartment Complexes.*
- *InCoax becomes member of US based Fiber Broadband Association.*

March
- InCoax announces a rights issue release of SEK 41M fully guaranteed by one of the majority owners, Saugatuck Invest AB.

April
- InCoax receives two follow-on orders of SEK 5M total from US Fiber/LAN operator.
- InCoax intensify marketing and communication strategy through panel discussion participation with leading broadband technology actors such as; the Broadband Forum, British Telecom and Verizon/MoCA. Additional articles are published with significant impact in the trade press and cost-effective targeted marketing through social media.
- The subscription period for the rights issue ended on April 26, 2021 and the aggregation shows that the issue was subscribed for approximately 219 percent.

Signatures of the Board of Directors and auditor

Gävle, 18 maj 2021

Peter Agardh
Chairman of the Board

Jörgen Ekengren
CEO

Anders Nilsson

Pär Thuresson

Alf Eriksson

Kevin Foster

Our auditor's report was submitted May 18, 2021
KPMG AB

Mikael Larsson
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 2020. The annual accounts of the company are included on pages 26-36 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 2020 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.

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.

We also:

- 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 2020 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 18, 2021
KPMG AB

Mikael Larsson
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: 6,468,572 through companies.

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: 24,106 & 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: 5,833.

Alf Eriksson

Engineer. Born 1961.

Board member since 2020.

CEO i ESKADENIA Software AB, Advisor in Home Ice Consulting and Skugga Technology AB.

Shareholding: 54,000.

Kevin Foster

Master of Engineering. Born 1960.

Board member since 2020.

Formerly General Manager of Architecture, Innovation & Engineering at British Telecommunications plc. Former Chairman of the Board of Broadband Forum and the UK's NICC DSL Task Group. Founding Director Kevin Foster Consulting Ltd.

Shareholding: 0
Warrants: 200 000 TO 2020/2023.

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: 46 000
Warrants: 50 000 TO 2018/2021
300 000 TO 2020/2023.

* Peter Carlsson was CEO until 16 March 2020.

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.

* Håkan Rusk was CSMO until 5 April 2020.

Peter Hasselberg

*Chief Financial Officer, interim (CFO)**
Employed since 2020.
MBA. Born 1966.

Interim Head of Business Control (2019) Euromaster AB, Interim Business Unit Controller (2018-2019) Trelleborg Engineered Coated Fabric. Global Purchasing Manager (2016 – 2018) Toyota Material Handling

Shareholding: 0.
Warrants: 0.

* Marie Svensson was CFO until 5 April 2020.
Emil Bendroth is permanent CFO, employed since 2020.

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.

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.

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.

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

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.

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

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.

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

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.

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

Financial calendar

2021 Annual General Meeting	June 15, 2021
Interim report Apr–Jun 2021	August 20, 2021
Interim report Jul–Sep 2021	November 25, 2021

Annual Report 2020

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
Peter Hasselberg, CFO
peter.hasselberg@incoax.com

Financial statements in digital form can be ordered by e-mailing info@incoax.com or phoning +46 26 420 90 42.

Other contact

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About InCoax Networks AB

InCoax Networks AB (publ.) is innovating the future of broadband access. The InCoax MoCA Access 2.5 platform provides the next generation cost-effective MultiGigabit Fiber Access Extension solutions to the World's leading telecom 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 and info@augment.se, as its Certified Adviser. Pareto Securities AB is the company's liquidity provider.

INCOAX