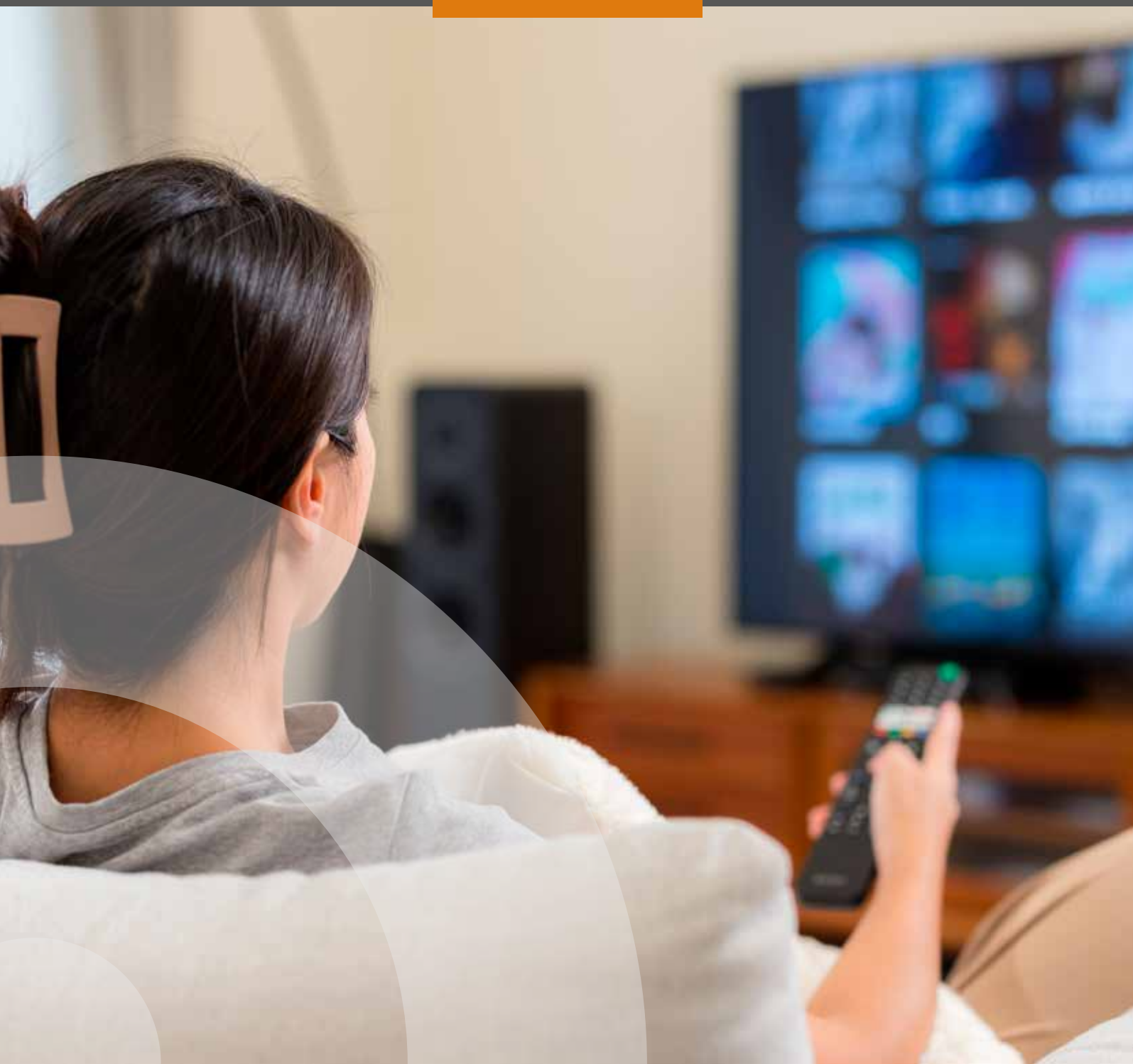
INCOAX

Annual Report 2023



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About InCoax Networks AB

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

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

Reliable and affordable high performance Internet access to all.

InCoax Vision

2023 in figures

- Net sales amounted to SEK 59,619,447 (25,922,260), corresponding to an increase of 130 percent compared to the same period last year.
- The operating result for the year amounted to SEK -16,729,885 (–22,329,647), an improvement driven by higher sales in 2023.
- The year's result after tax amounted to SEK -16,980,631 (–22,815,010), which results in earnings per share of -0.23 SEK (-0.32).
- Cash flow including financing activities for the full year amounted to SEK -21,306,145 (2,012,771).

Key ratios

SEK	2023	2022
Net sales	59,619,447	25,922,260
Gross profit/loss	31,021,930	12,246,228
Gross margin, %	52%	47%
Operating loss (EBIT)	-16,729,885	-22,329,647
Operating margin (EBIT %)	Neg	Neg
Loss after financial items	-16,908,631	-22,815,010
Loss after tax	-16,908,631	-22,815,010
Earnings per share	-0.23	-0.32
Earnings per share after dilution	-0.23	-0.31
Equity ratio, %	69.3%	78.1%
Cash flow, including financing activities	-21,306,146	2,012,771
Cash flow per share	-0.30	0.03
Cash flow per share after dilution	-0.29	0.03
Number of shares outstanding at the end of the period	72,104,729	72,104,729
Number of shares outstanding at the end of the period after dilution	74,089,802	73,349,847
Average number of shares outstanding during the period	72,104,729	56,609,074
Average number of shares outstanding during the period after dilution	73,719,825	57,875,192


Reinventing Connectivity
for smart and cost-effective
high performance Internet
access in existing
property coaxial
networks.
InCoax Mission

CEO's comments

More than doubled sales and improved gross margin

InCoax's sales growth continued in 2023, and the financial goal to double the sales compared to 2022 was exceeded by a margin. The partnership established with Nokia lays the foundation for continued strong growth.

Sales improved during 2023 and exceeded the target previously communicated. The gross margin also developed positively compared to the previous year. This trend has continued during the first quarter of 2024.

Collaboration with Nokia
During 2023, intense work was dedicated to a tender request from Nokia, starting with the compilation of the quotation and then in Nokia's evaluation of our solution. This work led to the signing of a Memorandum of Understanding (MoU) for the collaboration in the fourth quarter, and we expect to have a final agreement in place shortly. Under the MoU, the collaboration with Nokia intensified during the spring, and efforts are ongoing on both sides to integrate InCoax's fiber access solution with Nokia Altiplano™, which is Nokia's system solution for managing and monitoring fiber networks.

The collaboration means that InCoax's MoCA Access™ -based solutions, designed for Fiber Access Extension with multi-gigabit performance over coaxial cable networks in multi-dwelling units (MDU), will be sold globally as part of Nokia's "Gigabit Connect" offering to the operator market. Nokia addresses demanding customers in the highest segments of the operator market and has successfully demonstrated our system solution to operator customers in Europe, Asia, and the USA during the spring. Currently, several interested operator customers are being processed by Nokia, and we already see a significantly expanded reach for our solution through Nokia's operator channels.

To meet the high requirements, InCoax has, during 2023 and continuing into 2024, increased competencies and resources and improved processes and tools in relevant areas such as development, quality assurance, and delivery capability. We assess that the collaboration with Nokia represents a very large business potential for InCoax for many years to come.

Google Fiber
Sales to the US-based Fiber/LAN operator Google Fiber continued to grow, and the collaboration has evolved well in 2023. We have a close collaboration to plan future rollouts. We see good opportunities for a continued successful journey together with Google Fiber.

American Tier-1 operator
In 2023, we received series orders for home network equipment and are currently discussing further orders. The timing of these depends on the pace at which the operator achieves through-sales to private single-family homes in need of fixed home networks.
For the future, we also see potential interest in our Access solution for MDUs, and we have previously conducted successful lab tests with this operator.

Continued interest from several operators
The announced collaboration with Nokia has led to greater interest from several operators, and we are currently receiving significantly more inquiries, also in our own channels. We have also received orders from operators

in Finland and the USA regarding pilot installations in a number of multi-family dwellings. Our goal is for these operators to enter a regular rollout phase with recurring orders during 2024.

FWA is currently growing rapidly in the USA in areas where, for various reasons, properties cannot be reached with fiber. InCoax can demonstrate successful tests and installations for the FWA use case via radio link. InCoax participated in the WISPAMERICA fair in Oklahoma City in March 2024 and made contact with several interested FWA operators that we are currently following up.
It is always difficult to predict how long this type of testing will take since many parties are involved, especially with larger operators.

5G FWA

Work on a new standardization proposal in the Broad-Band Forum (BBF) concerning 5G mm-waves, with significant participation from operators and equipment manufacturers (including Nokia), opens up new opportunities for extending connections into properties where mobile coverage with 5G mm-waves is not possible due to signal attenuation, e.g., in walls. We assess that an agreed standard for 5G FWA will be in place during the latter part of 2024. InCoax is taking an active role in this BBF work and intends to address this large future market with an advanced solution of our system.

Market potential

We continue to see a very large market potential for our system solution for MultiGigabit services over existing coaxial cable networks in multi-family dwellings. Through collaboration with Nokia, we will be able to reach relevant operator channels with great potential faster. The target market is continuously increasing as fiber and FWA networks are expanded, and the challenges of connecting individual users to fiber networks become clear. Our latest product generation is a very interesting alternative for larger operators as it offers good compatibility with the communication standards that operators use in the

Fixed high-speed broadband via 5G will soon be enabled with InCoax technology for so-called 5G (mmWave) FWA.

operation of their broadband networks for customer service, monitoring, and maintenance.

In 2023, several major operators, due to external factors, temporarily reduced their investment budgets and costs associated with major infrastructure expansions. We do not see this affecting our business in the short term as our solution largely addresses so-called "Homes Passed" in existing infrastructure. This means that operators can add more subscribers to existing fiber and FWA networks with relatively small investments using our solutions. For the USA, we also see that various subsidy programs (such as BEAD) for broadband are now available to operators, which is positive for our position. This is a market with complex and long decision processes at larger operators, but on the other hand, it provides long-term viability with deployment over many years once chosen as a supplier.

Operators have largely focused their resources on pure FTTH solutions in use cases where fiber can be easily and economically drawn all the way to a household. This has resulted in operators largely leaving the more complicated properties unconnected to high-speed broadband. This has gradually built up a very large unserved or underserved subscriber base, reflected in the so-called 'Homes Passed' key figure measured by, among others, the Fiber Broadband Association. This subscriber base, which is primarily located in multi-family dwellings, must sooner or later be able to have access to fiber connections.

The PON and XGS-PON standards, which are used by a very large proportion of all operators, provide good conditions for cost-effective investments and centralized network management. The software in the InCoax MoCA Access™ solution is compatible with these standards, and our system can thus be integrated into the operators' networks. This is a very important aspect for being relevant in the operator market. The integration with Nokia's control and monitoring system, Nokia Altiplano™, is a good example of this type of integration that is particularly demanded by larger operators.

InCoax's solution for fiber extension represents a very attractive solution for an operator to quickly and cost-effectively connect a large number of subscribers in multi-family dwellings. InCoax thus addresses a billion-dollar market in sales potential for many years to come.

Strategy

InCoax's strategy, established in 2020, has been methodically executed, and the collaboration with Nokia gives us clear evidence that it has been correct. We address the highest and volume-heavy segments of the operator market. In addition to multi-gigabit capacity, compatibility and interoperability with the existing systems of operators are important and decisive components in this strategy, and it is also in these areas that we have invested much effort in technology evaluation, product management, quality assurance, and product and business development. Increased volume gives us the conditions to streamline our supply chain to enable better scalability, efficiency, lower product costs, and improved margin. Work on this is progressing according to plan and is expected to have a gradual effect from 2024 and forward.

Organization and resources

To meet the higher demands that come with collaboration with Nokia, and the operators they sell to in their channels, we began strengthening competencies, resources, work processes, and tools in 2023. Although the demands are challenging and labor-intensive to meet, this work has led to us today having strengthened our conditions to operate in a really large operator market. After initiating a review and improvement of our work processes in 2023, we have also successfully completed a formal certification of our quality and environmental management systems according to ISO9001 and ISO14001 this spring.

To handle larger potential orders with Tier-1 operators, collaborations with existing partners to operators may be actualized. This concerns the integration of software and the manufacturing and distribution of hardware. Our active participation in relevant standardization forums has continued during the year and is an important activity also during 2024 and forward. Our participation gives us the opportunity to influence, gain access to the latest operator standards, understand operator priority requirements, and valuable contacts with future operator customers.

In addition to the ongoing resource and competency strengthening in various areas, we have also made changes in the organization in 2023 with the establishment of a separate product management function led by Alf Eriksson (Chief Product and Portfolio Officer) and Jakob Tobieson (Chief Operating Officer) responsible for opera-

tions which include Supply Chain Management and Field Application Engineering. The collaboration with external partners to execute the development of hardware and software as well as industrialization and manufacturing has continued to go well during 2023, and we are developing and deepening these collaborations over time.

Financial position and financial goals

After exceeding our sales target for 2023, InCoax's goal is to continue delivering strong net sales development in the coming years. In addition to our own sales channels, we assess that Nokia will drive significant sales in its channels of our system solution, especially from 2025 and forward. Together with Nokia, we operate in a market with complex and long decision processes at larger operators, which, after qualifying, provides long-term viability with deployment over many years once chosen as a supplier. Furthermore, our focus on software and service sales, continued sales expansion, and an efficient supply chain are expected to contribute to shorter lead times, improved gross margin, and capital tie-up in the long term. With increased sales, we are generating progressively better operating cash flow. For 2024 and forward, we see good opportunities for continued strong growth.

As sales increase, we are generating progressively better operating cash flow. To handle future expansion, we are currently carrying out resource and competency reinforcements of the organization. A larger volume also ties up more capital in the supply chain in combination with the relatively long cash conversion cycle that applies to the higher segments of the operator market. We are continuously analyzing the future financing need and various financing opportunities.

At the beginning of 2024, InCoax conducted a successful preferential rights issue that, before issue costs, provided the company with 52.6 MSEK. The issue was oversubscribed to 123.4%, a proof of strength in today's capital market.
I would like to thank existing and new shareholders for the great confidence shown in the company in connection with this.

To maximize InCoax's flexibility during the implementation of the growth plan, the main owner Saugatuck Invest AB extended the credit facility of up to 10 MSEK during the first quarter of 2024 to be used as needed. The credit facility runs until April 15, 2025, at an annual interest cost of 8% of the utilized amount. No other fees are added.

The board intends to communicate new financial goals during the first half of 2024.

Focus on Sales and Scalability

In addition to securing growth with existing customers, we will continue to work focused during 2024 on converting interested and testing operators to purchasing customers, in order to broaden the customer base and achieve increased and balanced sales. We also see that the availability of semiconductor components has clearly improved and continues to improve, which means a shorter planning horizon for sales and deliveries to customers. As sales increase to more operator customers, we intend to, in a balanced way, strengthen our resources while implementing more scalable work methods. There is a clear and growing interest from large operators to serve premium subscribers with MultiGigabit performance in multi-family dwellings. InCoax is well positioned to meet that demand.

Finally, I would like to extend a big thank you for the confidence and perseverance shown during the year from shareholders, the board, and employees.

Lund in May 2024

Jörgen Ekengren

CEO

Coaxial cable with waterproof connector.

Business overview

InCoax Networks AB re-purposes existing property coaxial networks in fiber and fixed wireless access (FWA) extension deployments for Communication Service Providers (CSP) globally. The technology is a high performance, future proof, reliable and cost-effective complement, that reduces installation time and improves take-up rate, to boost digital inclusion and Internet access for all.

InCoax in brief

InCoax, founded in 2009, is a development company that has launched four generations of products for broadband access via coaxial networks, with the latest based on the MoCA Access 2.5™ standard. These solutions leverage existing coaxial infrastructure in buildings to quickly generate revenue from subscriber connections, particularly in multi-family dwellings often facing technical, legal, and commercial challenges in obtaining broadband connectivity. InCoax is active in standardization bodies such as BBF[1] and MoCA and is a member of the Fiber Broadband Association and BREKO, enabling them to influence standards and establish valuable industry contacts. Their current products offer symmetric multi-gigabit broadband speeds, enabling cost-effective network solutions with simple and stable broadband development.

InCoax provides broadband solutions via coaxial cable[2] that utilize spare network capacity to deliver high-speed internet, IPTV[3], VoIP[4], IoT[5], and web TV without new cabling. Their model focuses on quality and service, meeting high customer expectations with easily installed, cost-effective solutions that can handle speeds up to 2.5 Gbps[6], comparable to pure fiber solutions but at a lower cost. The ongoing development of the InCoax MoCA Access 2.5 platform targets larger and Tier 1 operators, facilitated by partnerships such as one with a North American Tier 1 operator. This platform aims to increase sales volumes through continuous software development. The InCoax solution for gigabit speeds via coaxial cable includes a system consisting of a control unit, in:xtnd Control or InCoax DPU, a diplexer, InCoax Combine, which directs the internet signal through existing coaxial cables to an InCoax Access modem installed in the apartments. The software, InCoax Manage, monitors the system and settings, supporting speeds up to 2.5 Gbps. This setup allows customers to install modems themselves and can be combined with various technologies such as CATV[7], satellite TV, and TV/DOCSIS[8], enhancing compatibility and customer offerings.

Since spring 2020, InCoax's strategic focus has been on designing systems for large operators and selling through partners to increase shareholder and customer value. This strategy benefits from understanding the requirements of operators and continuous software development aimed at broadening the use cases across operator segments. This approach ensures easy integration of InCoax systems with operators' networks, focusing on fewer operators with the right subscriber base and growth potential.

InCoax has 29 employees, including a management team of five and a sales team of three, primarily targeting Europe and North America. The company also maintains partnerships in hardware and software development, manufacturing, and reselling.

Revenue model

Most of InCoax's revenues come from selling its solutions, which include both software and hardware. The company

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

also sells services such as training and support and receives annual revenues from licenses. InCoax's solutions allow customers to make a low initial investment in hardware and services, leading to a customer lock-in effect due to recurring revenues from the annual software and service license fee. The company gets paid for each hardware unit sold plus a license fee.

To handle larger customer orders (i.e., from customers with millions of subscribers), InCoax establishes partnerships with distributors and systems integrators. This means that the company increasingly receives royalties on sales, reducing exposure to inventory and thus capital tied up from manufacturing to distribution and use.

Cost per unit
By using the spare capacity in existing coaxial cables, no new cables need to be installed in the apartments, making InCoax technology an attractive alternative to new fiber installations.

Production
The production of control units and modems is carried out by contract manufacturers (ODM[9]/EMS[10]) in Sweden, China and Vietnam. The company works closely with these manufacturers regarding quality work and production testing.

Financial goals
InCoax is in an expansive phase with increased focus on selling services through the licensing of software and other services. Gradual functional growth in the software will broaden the number of use cases and thereby increase the company's addressable market. Ongoing efforts are expected to create significant sales potential.

The company aims to deliver strong net sales growth over the coming years. Moreover, the company's focus on software and service sales, along with continued expansion, will contribute to improved gross margin and lower capital tie-up. The company's goal for 2023, to double turnover compared to 2022, was exceeded by 30%.

Customers
With its current MoCA Access 2.5-based solution, InCoax primarily targets four different customer groups:

- Fiber/LAN operators.

- FWA operators.

- Internet service providers (ISP).

- Hospitality customers (hotel industry).

InCoax DPU D2501 (Distribution Point Unit).

in:xtnd™ Control C254 (control unit).

InCoax Access A101 (NTE modem).

InCoax Combine (diplexer/triplexer).

9. Retailers who have the opportunity to add other products or software to the consumer when selling.
10. Original Design Manufacturer (ODM) is a company that designs and manufactures a product, according to specification, which is eventually rebranded and gets a new badge on sale.
11. Electronics Manufacturing Services (EMS) is a term used for companies that design, manufacture, test, distribute and provide holds return/repair services for electronic components and devices for original equipment manufacturers.

Fiber/LAN operators
Fiber/LAN operators install a data network in the property at a cost of approximately 300-450 EUR per apartment. Often, it is not acceptable to lay conduits in stairwells and mount on the walls within apartments. As Fiber/LAN operators are typically challengers, they often offer higher speeds up to 1 Gbps to attract customers from telecom and cable operators. InCoax's current solution fits well into this segment as these operators' fiber is of the active Ethernet type. This means they use management systems suited for Ethernet networks and can offer symmetrical 1 Gbps services. For this use case, InCoax's solution integrates well without requiring extensive customization.

Internet service providers
It is crucial for internet service providers to have access to a high-speed network to efficiently deliver their services. In addition to expanding fixed fiber networks, operators invest in so-called 5G Fixed Wireless Access (FWA) networks for distributing internet to multi-family buildings. Customers can be offered individually tailored services such as connection speed.

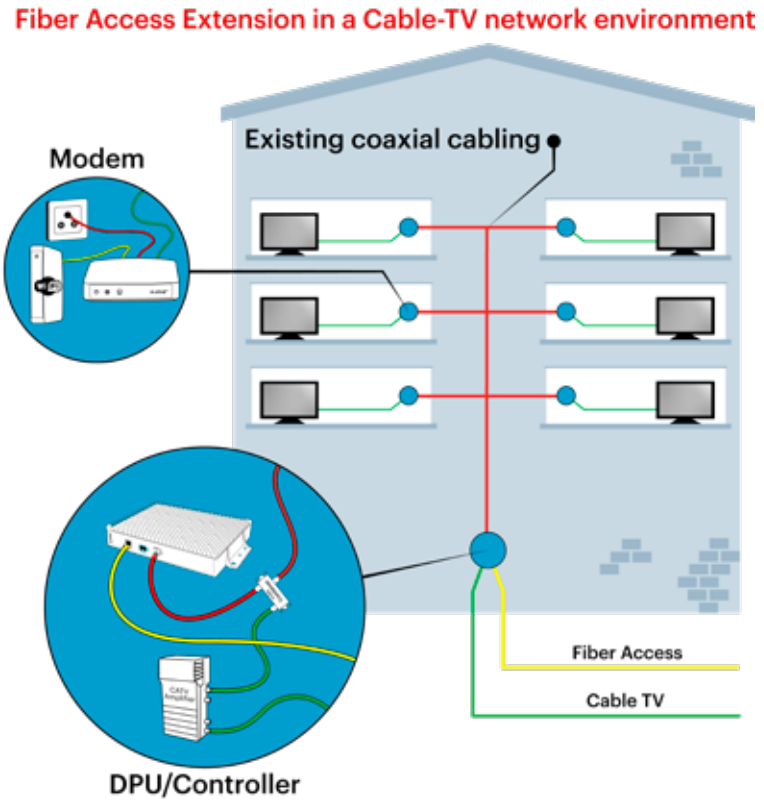
Hospitality customers
InCoax actively works with partner companies that install the company's products for hotel chains. As media consumption has changed and become increasingly on-demand-based, and as more people use their mobile devices for entertainment or video calls, the load on existing access points is significant. For hotels, it is very attractive to avoid interruptions in operations for major renovations and cable installations. The quick and easy installation can be done alongside regular operations.

Tier I operators
This segment includes telecom and cable operators with millions of subscribers. The segment demands extensive specifications and operational reliability. Compatibility with a Tier 1 operator's existing network is a prerequisite for becoming a supplier. This is achieved by implementing software that adheres to established standards and communication protocols.

Installation and service companies
The company believes that another customer segment that can see significant business benefits with InCoax's solution is installation and service companies. With expertise in coaxial cable networks and MoCA Access 2.5, they can update their offerings, grow, and become more competitive.

Distributors and resellers
To effectively scale up and reach an increased customer base, InCoax is working to build a European and North American distributor and reseller network. Market forces and dynamics vary between markets and segments, which is why deep insight into market players is important. Distributors and local resellers are important partners to better leverage sales activities against smaller operators and the hospitality industry and to reach desired sales volumes. 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 to the larger operators.

Outlook and future challenges
To After the pandemic restrictions were lifted in 2022, InCoax has gradually been able to work in a more normal way in the market with trips to key potential customers in the USA and EU. A positive long-term effect of Covid-19, we assess, is that the need for increased bandwidth has



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

been clearly identified as an important prerequisite for enabling, for example, work from home.

The large stimulus package launched in the USA in fall 2021, as well as continued investments within the EU, also contribute to a faster broadband rollout. The company assesses that this will positively impact demand in the medium term.

To achieve higher volumes and operator customers that have conditions for good scalability, the company focuses on medium and larger fiber, Fixed Wireless Access (FWA), and 5G FWA operators. This refers to operators that apply both Fiber/LAN and GPON/XGS-PON-based technologies. Pure cable operators are only addressed if they have a clear investment plan for fiber network expansion, i.e., replacing existing cable networks with fiber. The fact that InCoax primarily targets these segments of operators poses a challenge as the demands are high both technically and commercially. The company therefore continuously analyzes the challenges this entails through close dialogue with the customers who use the InCoax system in evaluation and project collaborations. Addressing these demanding segments is a prerequisite for growth, which can, on the other hand, mean that development and business processes take longer than initially estimated. InCoax operates in a market with complex and long decision-making processes but provides longevity with rollouts over many years once an operator's decision on a supplier is made.

For this type of business, significant working capital may be required to carry out a rollout program with a large operator. Therefore, InCoax actively works to create partnerships and develop business models with partners to be able to conduct larger transactions.

Available fixed comparable technologies for broadband connectivity in multi-family residences

	MoCA Access 2.5 P2MP	MoCA Access 2.5 P2P	G.hn P2MP	G.hn P2P	G.hn P2P	G.fast P2P	G.fast P2P	Fiber P2P	CAT6 P2P
Maximum speed 200m cable downstream/upstream	3.2 Gbps	3.2 Gbps	1.5 Gbps	1.5 Gbps	0.85 Gbps	2.0 Gbps	1 Gbps	20 Gbps	10 Gbps, max 100m cable
Number of users	Max 31	Max 1	Max 15	Max 1	Max 1	Max 1	Max 1	Max 1	Max 1
Symmetrical download/upload	Yes	Yes	No	No	No	No	No	Yes	Yes
Cable infrastructure	Shared Coax	Dedicated Coax	Shared Coax	Dedicated Coax	Dedicated twisted pair	Dedicated Coax	Dedicated twisted pair	Dedicated fiber	Dedicated ETH/LAN
Cost per apartment €	130 - 150	250 - 280	135 - 190	265 - 300	265 - 300	250 - 300	250 - 300	300 - 450	200 - 300
Additional cost for connecting apartments	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Additional cost for apartment network €	No	No	No	No	Yes, +100	No	Yes, +100	Yes, +100	Yes, +100

Data according to InCoax's own estimates.

Market overview

Need for bandwidth

Today, a large portion of households worldwide lack high-speed broadband, despite intensive expansion of fiber backbone networks, which has significantly increased the availability of "fiber in the street" in most developed countries. However, the connection from the backbone network to the building/property significantly lags due to the lack of a sufficiently cost-effective way to extend and connect the connection to each individual apartment, especially in multi-family dwellings. This is known as the "Last Mile Challenge," describing the difficulties of bringing the connection from the street into the property and to each consumer.

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

Building new networks to existing properties is often not accepted by property or apartment owners, complicating the installation of new fiber and data networks. In cases where fiber or data cable can be drawn to individual apartments, it is often after a time-consuming process and at a higher cost. This makes InCoax's solution also interesting for cable operators who are building new fiber networks instead of investing further in DOCSIS 4.0[13].

Alongside the expansion of fiber, there has been a significant expansion of broadband over radio link, known as Fixed Wireless Access (FWA), primarily in rural areas, but also in urban environments where fiber access can be challenging. In these cases, InCoax technology can be used instead of running cables to individual apartments.

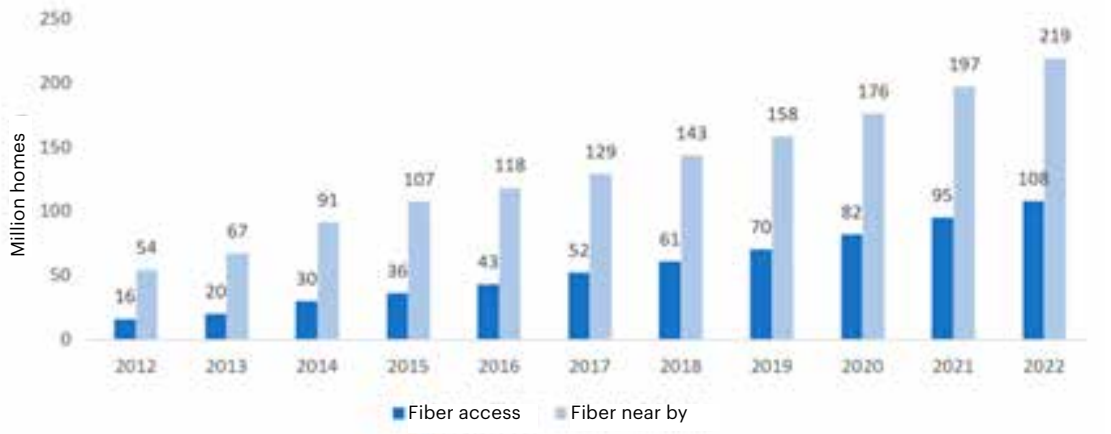
There is also a large investment in the expansion of the 5G network both in the EU and the USA. To increase transmission speed in 5G networks, operators use frequencies higher than 24 GHz, which means shorter wavelengths (known as mmWaves). This means that the signal is attenuated by, for example, thick walls. As a result, a use case known as 5G-FWA has emerged. The technology means that, for example, multi-family dwellings, instead of getting broadband via fiber, get Internet access via a 5G receiver on the property. Like with FWA, InCoax technology can eventually be used to connect apartments in this use case (5G-FWA).

Market size

European market

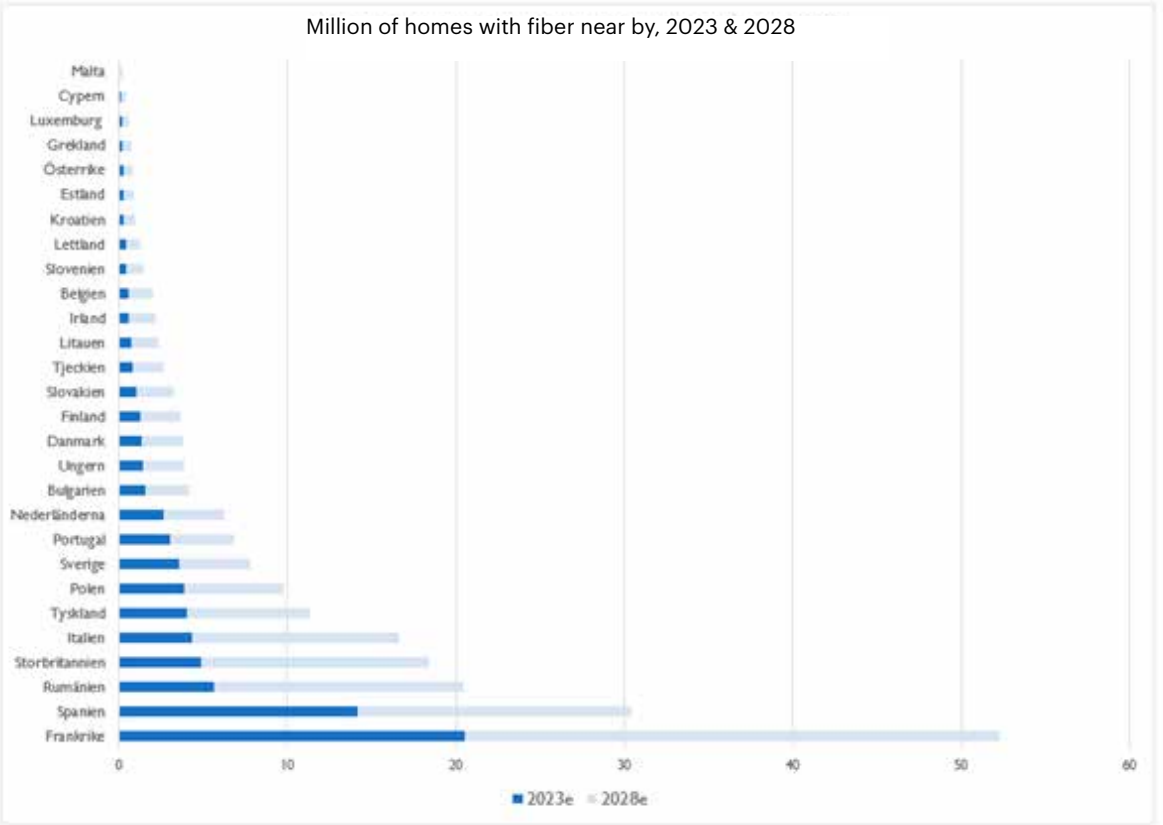
The EU's strategic goal is that by 2025, all households should have a broadband connection of at least 100

Overview homes with fiber access in Europe



Source: FTTHCE Forecast for Europe 2023-2028

12. ADSL (Asymmetric Digital Subscriber Line) is a type of digital subscriber connection that uses copper wire connected to the telephone network. VDSL stands for "Very High Speed Digital Subscriber Line", a digital subscriber connection with a very high speed.
13. The dominant technology for cable operators. Used for cable TV and Internet and available in several generations such as 3.0 and 3.1, with which MoCA Access™ 2.5 can coexist. The latest version is called DOCSIS 4.0.



Source: FTTHCE Forecast for Europe 2023-2028

Megabits per second (Mbps)[14]. In Sweden, the target is set even higher; by 2025, 98 percent of households should have a broadband connection of more than 1 Gigabit per second (Gbps)[15].

The chart ["Overview of the proportion of fiber-connected households in Europe (2020)"] below provides an overview of the proportion of fiber-connected homes in Europe relative to homes where fiber is pulled to an outdoor cabinet or a property cabinet.

In 2020, Tier 1 operators had a share of 43 percent of the passed homes, and their share is expected to increase as the market transitions from telephone networks to fiber networks. According to the FTTH Council Europe and Idate, the number of households with fiber nearby was 198.4 million in the EU-39 area as of September 2021, with 7 countries having a penetration rate of more than 50 percent[16]. In absolute numbers, the largest increase in passed homes during 2021 occurred in France, where 4.3 million were added. The corresponding figure for the UK was 3.4 million, Germany 2.4 million, and Italy 1.5 million. The chart ["Number of millions of households with fiber nearby 2023 and 2028"] shows that the growth of households with fiber nearby is expected to increase significantly between 2023 and 2028. A driving factor is the COVID-19 pandemic, which has led to more homeworking, school teaching, and changed media consumption, including more streamed TV[17].

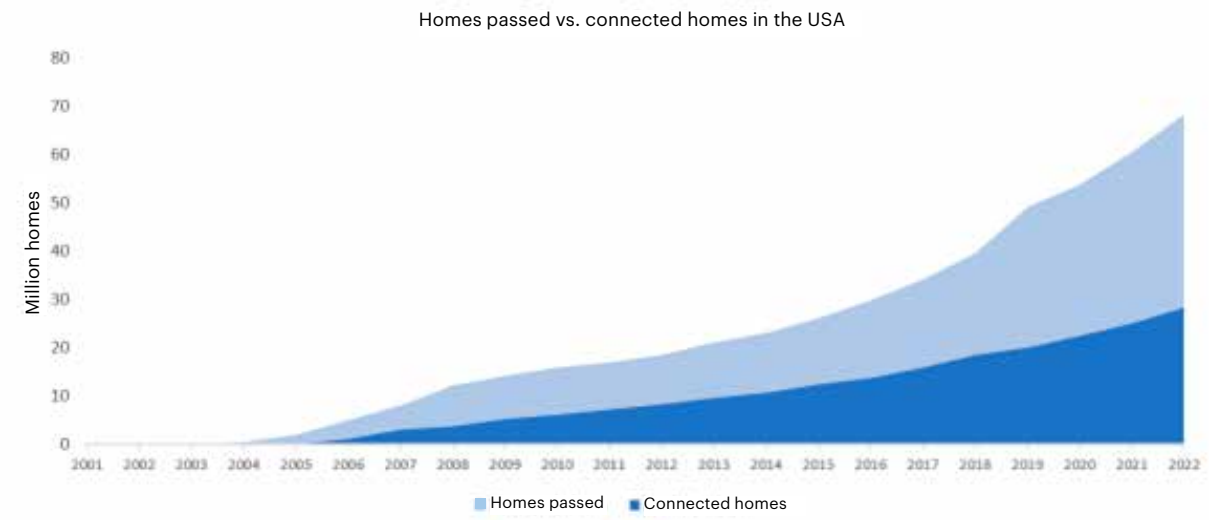
North American market

In the USA, there are a total of 2,938 internet service providers. Most providers use several technologies in parallel, distributed as follows: DSL (853), copper/LAN (210), cable TV (436), fiber (1,726), wireless broadband (FWA) (1,759), and mobile broadband (48)[18]. According to the Fiber Broadband Association (FBA), there were 60.5 million passed homes and just over 25 million connected homes in September 2021. During 2021, passed homes increased by 12 percent[19].

Broadband development in the USA

ADSL/DSL has been on a declining trend for many years, and in 2018, the number of fiber-connected homes

14. https://digital-strategy.ec.europa.eu/en/policies/broadband-support
15. https://www.regeringen.se/informationsmaterial/2016/12/sverige-helt-uppkopplat-2025---en-bredbandsstrategi/
16. Idate for FTTH Council Europe (2022).
17. "Keeping the internet up and running in times of crisis" – 2020. From oecd.org
18. broadbandnow.com, information retrieved 2022-10-13.
19. RVA/Fiber Broadband Association.



Source: RVA/Fiber Broadband Association.

surpassed the number of ADSL/DSL-connected homes. Approximately 28.3 million American homes were connected to fiber broadband in 2022, marking a significant increase from 20.5 million in 2019. The American market differs from the European one in that cable TV operators traditionally dominate the market compared to traditional telecom operators. Early on, cable TV operators built coaxial networks for pay-TV with point-to-point connections in multi-family homes, known as "Home Run." This enables a dedicated connection from, for example, the basement to each apartment. Inside the apartment, there is often also a home network to achieve good broadband coverage of the entire apartment. The MoCA standard has been used for home networks for the past ten years. MoCA as a technology is thus strongly established and accepted in North America, whereas in Europe, coaxial networks have traditionally been built as so-called cascade or star networks, meaning several subscribers share the same coaxial cable and the traffic is "dropped off" to each user. Since the MoCA standard allows traffic on different frequency bands, the Company assesses that InCoax's solution can enable co-traffic with, for example, existing cable TV in a property that uses its own frequency band.

Market demand

The need for faster broadband connections has increased in recent years and is expected to continue to rise sharply, primarily due to increased use of TV, video-on-demand, tablets, mobile phones, online gaming, and more homeworking due to COVID-19, which requires ever faster and better quality connections. Furthermore, the development of innovative applications for communication and the increasing number of smart devices are putting more pressure on operators to stay ahead. In October 2023, Statista estimated that there are 5.3 billion internet users worldwide, representing about 66 percent of the world's population. In 2018, the same figure was 3.9 billion (51 percent) of the world's population according to Cisco. In the same report, Cisco estimated that the expected number of connected devices in 2023 would have increased to 29.3 billion, a significant rise from 18.4 billion in 2018, representing an annual growth rate (CAGR) of 9.8 percent from 2018 to 2023.

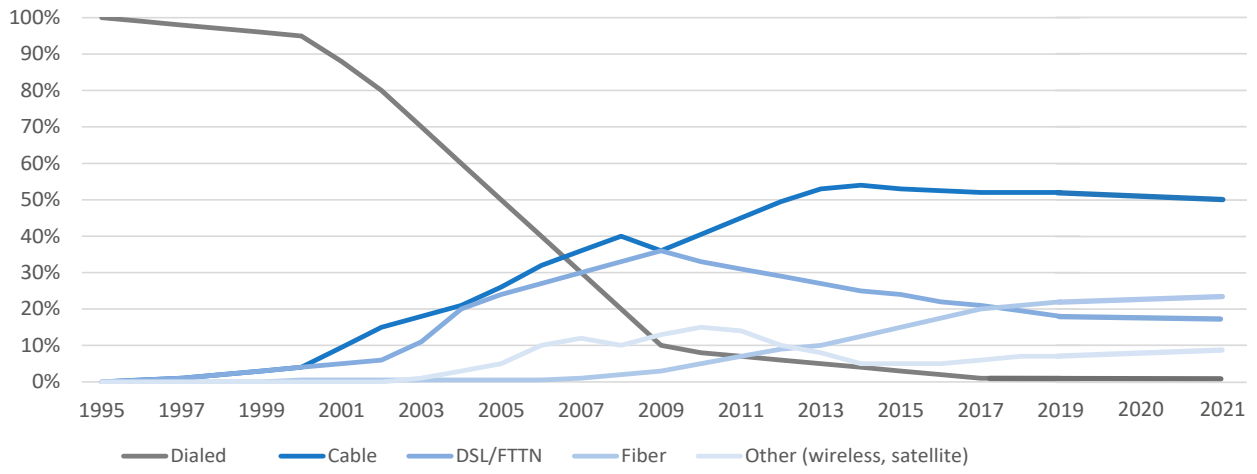
The expansion of the 5G network will not replace the fixed network but will rather accelerate the expansion of the fixed network. The 5G network's frequency bands do not reach into households in urban areas without an unreasonable number of masts. The telecom industry is therefore driving "Fixed-Mobile Convergence," where the aim is to use fixed networks to provide 5G services via apartment owners' routers.

Households with fiber availability

For a household to use high-speed broadband, fiber must be connected from the telecom or fiber operator's central hub, through the fiber in the streets, to the properties. As previously mentioned, various technologies are then used to extend the connection to the apartments. In 2022, the number of fiber-connected households (households with fiber drawn to the basement or all the way to the apartment/house) in Europe (EU-39) amounted to approximately 108 million. The rollout of

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

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



Source: RVA/Fiber Broadband Association

fiber to properties is continuously progressing, and more than half of all households in Europe now have the opportunity to connect to fiber. The number of households with the opportunity to connect, i.e., households with fiber drawn within 300 meters of the house, is large and amounted to 219 million households in Europe (EU-39) in 2022.

Competition

The market is characterized by high competition, and technologies, patents, and services are developed at a rapid pace. Currently, the broadband market is primarily divided between telecom and cable TV operators and emerging fiber operators. Telecom operators primarily build passive optical networks (PON), while cable TV operators mainly install DOCSIS, which uses coaxial networks. Fiber operators build either passive or active fiber networks. Of these, it is primarily telecom and fiber operators who need a Fiber Access Extension technology to facilitate installations in multi-family houses, in particular. In all these cases, InCoax's solution is applicable as an extension into the property. The traditional broadband solutions offered by telecom operators are today mainly ADSL/VDSL, which use equipment from a variety of suppliers such as TPLink Technology and ZyXEL Communications Corp. However, with ADSL/VDSL technology, operators cannot offer services over 80 Mbps.

Some operators market G.fast over copper, which cannot offer gigabit speed but still enables an improvement compared to ADSL/VDSL. Because the speed at best reaches 500 Mbps, operators do not see G.fast as a future-proof solution. Equipment for G.fast is offered by Huawei, Nokia, Adtran, and ZTE, among others.

InCoax was the first company to launch products based on MoCA Access™ 2.5. The most important short-term competitors use other technologies that deliver FTTH services, such as G.hn and G.fast over coaxial cables. Several companies are developing products based on MoCA AccessTM 2.5, which means competition but at the same time lends more credibility to the overall solution and drives volumes, which will reduce chipset costs, etc. To date, Chinese company Luster has developed MoCA AccessTM 2.5 products primarily for the Chinese market. Chinese company ZTE Cable had planned products based on MoCA AccessTM 2.5. However, they were banned for a period from buying the necessary chipsets from American suppliers due to U.S. export control. German company GiAX and French company Teamly Digital have presented products based on MoCA Access™ 2.5. No other known competitors have so far been identified to use the MoCA Access™ 2.5 standard.

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

Partner organizations

To be compatible with the operator´s networks and influence future industry standards, InCoax is member of key organizations. The forums are also great platforms to reach out to potential customers.

Partner organizations
InCoax has been actively engaged with MoCA® for several years and has been elected to its board. Among other contributions, InCoax has led the working group that developed the MoCA Access™ 2.5 standard, upon which the current product generation is based. InCoax is also deeply involved in the development of the next generation MoCA 10, which enables 10 Gbps symmetric communication over coaxial cable.

InCoax is also a member of the Broadband Forum (BBF), which among other activities, defines standards for telecom operators. The aim is to influence how MoCA Access™ can be integrated into telecom operators' networks and systems. Membership also provides a strong platform for communication and marketing of InCoax to the industry's leading players.

To strengthen market knowledge and presence in the American market, InCoax became a member of the Fiber Broadband Association in 2021 and the Wireless Internet Service Providers Association in 2023.

InCoax is also a member of BREKO (2022), which organizes a significant portion of suppliers and customers for broadband expansion in Germany.

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

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

Fiber Broadband Association (FBA)
The FBA 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.

Wireless Internet Service Providers Association (WISPA)
Broadband Without Boundaries represents the interests of the evolving wireless Internet service provider (WISP) ecosystem: small innovative entrepreneurs who provide fixed wireless, fiber and other connectivity solutions to consumers, businesses, first responders and community anchor institutions.

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

Share and shareholders

Ownership structure
The number of shareholders December 31, 2023 was 1,668. The largest shareholder was Saugatuck Invest AB, with 22.09% of the shares and votes in InCoax.
The company's ten largest shareholders together hold shares equivalent to 71.30%.

Shares and share capital
The company's registered share capital at the end of the period amounted to SEK 18,026,182, divided into 72,104,729 shares of the same type, each with a quota value of SEK 0.25.

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

The shares in the company are denominated in SEK. The shares in the company have been issued in accordance with Swedish law.

According to InCoax's Articles of Association, adopted at the General Meeting on June 15, 2023, the share capital may not be less than SEK 18,000,000 and not exceed SEK 72,000,000, divided into no less than 72,000,000 shares and no more than 288,000,000 shares.

Ownership structure on December 31, 2023

Name	Number of shares	Holding, %
Saugatuck Invest AB	15,950,000	22.1
BLL Invest AB	8,450,292	11.7
Norrlandspojkarna Aktiebolag	8,112,417	11.3
Nordea Livförsäkring Sverige AB	7,635,098	10.6
Nordnet Pensionsförsäkring AB	3,277,104	4.5
The Onelife Company SA	3,052,005	4.2
Bäckvall Juhlin Mats	1,600,000	2.2
Försäkringsaktiebolaget Avanza Pension	1,384,569	1.9
Tooby Charles	1,226,115	1.7
Handelsbanken Liv Försäkringsbolag	741,156	1.0
Other shareholders (approximately 1,658)	20,675,973	28.7
Total	**72,104,729**	**100.0**

Source: On the basis of lists from Euroclear on December 29, 2023, and information known by the company from major shareholders.

Directors' Report

The Board of Directors and the CEO of InCoax Networks AB, registration number 556794-1363, based in Lund, hereby present the annual report for 2023. The annual report has been prepared in Swedish kronor (SEK).

Information about the business

Information about the Business The company, registered on November 23, 2009, develops and sells products for broadband access via coaxial cable.

Market/Sales

During the year, the company focused its sales activities on the operator markets in Europe and North America, carrying out market activities to the fullest extent according to the established strategy.
The company noted some seasonal variations in its sales in 2023, with a marginal decline in quarters 2 and 3, which is governed by the current customers' purchasing patterns.

Comments on the financial development for 2023

Revenue

The company's net sales amounted to SEK 59,619,447 (25,922,260), corresponding to an increase of 130 percent compared to the same period last year, mainly due

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	18,026,183	47,871,971	368,482,577	-315,308,569	-22,815,011
New issue					
Warrants				277,092	
Ongoing new issue					
Transfer of earnings for the preceding year				-22,815,010	22,815,010
Transfer fund development costs		19,201,472		-19,201 472	
Loss for the year					-16,908,631
At the end of the year	**18,026,183**	**67,073,443**	**368,482,577**	**-357,047,959**	**-16,908,632**

Multi-year summary

SEK	Full year 2023	Full year 2022	Full year 2021	Full year 2020	Full year 2019
Net sales	59,619,447	25,922,260	20,894,597	3,788,461	2,822,067
Gross profit/loss	31,021,930	12,246,228	9,084,216	-5,260,697	259,277
Gross margin, %	52%	47%	43%	Neg	9%
Operating loss (EBIT)	-16,729,885	-22,329,647	-24,331,638	-57,405,382	-65,108,321
Operating margin (EBIT), %	Neg	Neg	Neg	Neg	Neg
Loss after financial items	-16,908,631	-22,815,010	-24,496,940	-57,822,219	-65,760,609
Loss after tax	-16,908,631	-22,815,010	-24,496,940	-57,822,219	-65,760,609
Result per share	-0.23	-0.32	-0.60	-2.11	-3.59
Result per share after dilution	-0.23	-0.31	-0.58	-2.03	-3.48
Equity ratio (%)	69.3%	78.1%	74.5%	58.3%	74.9%
Cash flow incl. financing activities	-21,306,145	2,012,771	17,449,945	-12,643,002	21,745,098
Cash flow per share	-0.30	0.03	0.42	0.46	1.19
Cash flow per share after dilution	-0.29	0.03	0.42	0.44	1.15
Number of outstanding shares at the end of the period	72,104,729	72,104,729	41,113,418	27,442,396	18,294,931
Number of outstanding shares after dilution at the end of the period	74,089,802	73,349,847	42,400,536	28,531,396	18,909,899
Average number of shares during the period	72,104,729	56,609,074	34,277,907	20,581,797	12,423,128
Average number of shares after dilution during the period	73,719,825	57,875,192	35,490,966	21,252,782	13,293,376

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

to increased rollout of the company's products through Google Fiber. Of the company's net sales, 94% (91) pertains to goods and products.

Results
The operating result for the year amounted to SEK -16,729,885 (-22,329,647), an improvement driven by billing to, among others, the American Fiber/LAN operator. The company has increased its costs during the fiscal year mainly due to increased personnel costs and other external costs as a result of the company's execution of its expansion plan.

Activated development costs in the income statement amounted to SEK 19,201,472. Activated development costs are entirely attributable to the company's development of next-generation products.

The year's result after tax amounted to SEK -16,980,631 (-22,815,010).

Costs
The company's cost base has increased in 2023, in addition to increased costs for trade goods, mainly due to increased personnel costs, and increased other external costs.

The average number of employees in 2023 increased to 27 (20). During the year, physical customer contact intensified, affecting travel expenses.

Other external costs are mainly affected by increased consulting fees. The consulting fees in 2023 primarily pertain to the company's development projects, parts of these costs have been activated during the year.

Costs for trade goods in 2023 amounted to SEK 28,597,518 (13,676,033). The increase is explained by an increased sale of goods.

Cash flow
No new issues were conducted during 2023. However, the company has initiated a new issue which concluded in Q1 2024, which added SEK 52.6 million to the company before issue costs. Cash flow from operating activities amounted to SEK -10,039,491 (-30,682,107).

The year's investment activities contributed a cash flow of SEK -20,999,050 (-24,420,427).

Investments made are largely related to the company's activated development costs linked to the ongoing project within the company.

The year's total cash flow sums up to SEK -21,306,145 (2,012,771).

Investments
The company's investments amounted to SEK 20,999,050 (24,420,427) in 2023 and consist of activated development costs, SEK 19,201,474, regarding next-generation products and primarily include costs for own personnel and hired consultants actively involved in development work. The remaining SEK 1,797,576 pertains to other costs in tangible investments.

Research and development
Research and development work continued in 2023, including the filing of patent applications, with increased intensity on the updated version of the InCoax MoCA Access 2.5 platform.

The stock
The company did not conduct any new issues in 2023, and the share capital on December 31 amounted to SEK 18,026,183 (18,026,183) distributed over 72,104,729 (72,104,729) outstanding shares of a single class.

Convertible bonds
Outstanding convertible bonds on December 31 amounted to SEK 3,245,786. The holder has the right to demand conversion of all or part of the amount until June 30, 2025, at a conversion rate of SEK 9.14.

Subscription options
During the year, 890,000 subscription options expired without the subscription of shares. During the year, options were issued to employees, totaling 1,629,955. In total, outstanding subscription options on December 31 amounted to 1,629,955 (890,000), concerning TO2023/2026.

Significant events during the fiscal year
InCoax continued to receive orders from the American Fiber/LAN operator Google Fiber during the fiscal year, and the collaboration with the North American Tier-1 operator continued.

The management team was strengthened during the year, partly by appointing Alf Eriksson as CPPO, who also left the board. He was replaced on the board by Filip Näsholm. The management was further strengthened in the second quarter with Jakob Tobieson taking up the position as the company's COO.

In the fourth quarter, a Memorandum of Understanding (MoU) for cooperation with Nokia was signed, the collaboration pertains to InCoax's MoCA Access-based solutions, designed for Fiber Access Extension with multi-gigabit performance over coaxial cable networks in

multi-family dwellings, Multiple Dwelling Unit (MDU), which will be sold globally as part of Nokia's "Gigabit Connect" offering to the operator market.

To increase InCoax's flexibility during the implementation of the growth plan, the main owner, Saugatuck Invest AB, issued a credit facility to the company of up to SEK 10 million to be used as needed; as of December 31, 2023, SEK 10,000,000 was utilized. The utilized amount has been fully repaid including interest during Q1-2024.

The credit facility runs until April 15, 2025, at an annual interest cost of 8% of the utilized amount. No other fees are added.

Expected future development, significant risks and uncertainty factors

Expected Future Development

The company sees a very large market potential for its system solution for MultiGigabit services over existing coaxial cable networks in multi-family dwellings. Through Nokia, we will be able to reach out faster in relevant operator channels with great potential. The target market is continuously increasing as fiber and FWA networks are expanded, and the challenges of connecting individual users to fiber networks become clear. InCoax addresses a billion-dollar market in sales potential for many years to come. Our latest product generation is a very interesting alternative for larger operators as it offers good compatibility with the communication standards that operators use in the operation of their broadband networks for customer service, monitoring, and maintenance. The integration with Nokia Altiplano™ is a good example of this.

In 2023, several major operators temporarily reduced their investment budgets and costs associated with major infrastructure expansions due to external factors. We do not see this affecting our business in the short term as our solution largely addresses so-called "Homes Passed" in existing infrastructure. This means that operators with relatively small investments can add more subscribers to existing fiber and FWA networks with our solutions.

For the USA, we also see that various subsidy programs (such as BEAD) for broadband are now available to operators, which is positive for our position. This is a market with complex and long decision processes at larger operators, but on the other hand, it provides long-term viability with deployment over many years once chosen as a supplier.

Significant risks and uncertainty factors

There are currently a number of different risks and uncertainty factors that the company has identified such as: risks related to competition, technological development, suppliers, key personnel, and financing. The company operates in an industry characterized by high competition and the rapid development of technologies, patents, and services. In order to manufacture, sell, and deliver goods, the Company depends on external suppliers' quality assurance, capacity, and deliveries of key components.

InCoax's success and future growth are largely dependent on the skills and long experience regarding the Company's solution and area of operation held by certain key personnel in the Company, which particularly refers to employees and consultants in the Company's corporate management (including the Company's co-founders who are still active in the Company) and its development function. The efforts of each of these key personnel will continue to be important for InCoax and the implementation of the Company's updated business plan and strategy.

There may be some risk that the company will not find adequate financing to be able to complete its strategic plan.

The future need for capital depends on several factors, including the costs of developing and commercializing the Company's products, as well as the timing and extent of sales revenue from current and future products. This is an issue that the board is working with continuously.

Proposal for profit distribution

SEK	2023
The amount at the disposal of the Board of Directors	
Retained earnings	-357,047,960
Share premium reserve	368,482,576
Loss for the year	-16,908,631
Total	**-5,474,014**
To be carried forward	-5,474,014
Total	**-5,474,014**

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, 2023–Dec 31, 2023	Jan 1, 2022–Dec 31, 2022
Operating income			
Net sales	1	59,619,447	25,922,260
Capitalized development costs	2	19,201,472	24,420,428
Other operating income	3	34,396	1,730,506
		78,855,315	**52,073,194**
Operating expenses			
Goods for resale		-28,597,518	-13,676,033
Other external costs	4	-36,382,521	-35,201,341
Personnel costs	5	-29,351,640	-24,071,242
Depreciation, amortization and impairment of tangible and intangible assets		-852,605	-707,430
Other operating expenses		-400,916	-746,795
Operating loss		**-16,729,885**	**-22,329,647**
Profit from financial items			
Interest profit and similar profit/loss items		179,036	0
Interest expenses and similar profit/loss items		-357,782	-485,364
Loss after financial items		**-16,908,631**	**-22,815,010**
Loss before tax		**-16,908,631**	**-22,815,010**
Loss for the year		**-16,908,631**	**-22,815,010**

Balance sheet

SEK	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenses for development work and similar work	6	67,073,444	47,871,971
		67,073,444	**47,871,971**
Tangible assets			
Machinery and other technical equipment	7	2,005,611	1,060,640
Total non-current assets		**69,079,056**	**48,932,611**
Current assets			
Inventories, etc.			
Finished products and goods for resale		21,596,302	9,515,550
Advances to suppliers		4,927,749	4,074,296
		26,524,051	**13,589,845**
Current receivables			
Trade receivables		519,306	21,818,537
Current tax claim		90,025	274,913
Other receivables		2,319,113	1,144,933
Prepaid expenses and accrued income		1,407,921	1,121,041
		4,336,365	**24,359,423**
Cash and bank balances		14,990,063	36,296,208
Total current assets		**45,850,479**	**74,245,477**
TOTAL ASSETS		**114,929,534**	**123,178,088**

Equity and liabilities

SEK	Note	Jan 1, 2023–Dec 31, 2023	Jan 1, 2022–Dec 31, 2022
Equity			
Restricted equity			
Share capital		18,026,183	18,026,183
Unregistered share capital		67,073,443	47,871,971
		85,099,626	**65,898,154**
Unrestricted equity			
Share premium reserve under registration		368,482,577	368,482,577
Retained profit or loss		-357,047,960	-315,308,570
Loss for the year		-16,908,631	-22,815,010
		-5,474,014	**30,358,998**
Total equity		**79,625,612**	**96,257,151**
Non-current liabilities			
Convertible debt instruments	8	3,245,786	3,245,786
Other non-current liabilities		299,601	900,453
		3,545,387	**4,146,239**
Current liabilities			
Trade payables		10,580,099	5,812,294
Other current liabilities		11,137,384	4,272,896
Accrued expenses and deferred income	9	10,041,052	12,689,507
Total current liabilities		**31,758,535**	**22,774,697**
Total liabilities		**35,303,922**	**26,920,937**
TOTAL EQUITY AND LIABILITIES		**114,929,534**	**123,178,088**

Cash flow statement

SEK	Jan 1, 2023–Dec 31, 2023	Jan 1, 2022–Dec 31, 2022
Operating activities		
Loss after financial items	-16,908,631	-22,815,010
Adjustment for non-cash items	744,134	1,149,238
Income tax paid		
Cash flow from operating activities before changes in working capital	**-16,164,497**	**-21,665,772**
Cash flow from changes in working capital		
Increase/decrease in inventories	-12,934,206	-585,639
Increase/decrease in receivables	20,573,016	-15,013,589
Increase/decrease in operating liabilities	-1,513,804	6,582,893
Cash flow from operating activities	**-10,039,491**	**-30,682,107**
Acquisition of tangible assets	-1,797,576	
Acquisition of intangible assets	-19,201,474	-24,420,427
Cash flow from investing activities	**-20,999,050**	**-24,420,427**
Financing activities		
Share options redeemed	277,092	
New issue		60,433,056
Issuance costs	-544,697	-3,317,751
Received loans	10,000,000	
Cash flow from financing activities	**9,732,395**	**57,115,305**
Cash flow for the year	**-21,306,146**	**2,012,771**
Cash and cash equivalents at the beginning of the year	**36,296,208**	**34,283,437**
Cash and cash equivalents at the end of the year	**14,990,063**	**36,296,208**

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

Depreciation	852,605	707,430
Unrealized exchange rate differences	-108,471	122,126
Write-downs		319,682
Adjustments for items that are not included in cash flow, etc., total	**744,134**	**1,149,238**

Supplementary disclosures

Accounting and valuation principles

General accounting principles

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

Foreign currency

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

Valuation principles, etc.

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

Revenue recognition

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

Sale of goods

When selling goods, revenue is reported on delivery.

Government assistance

Government assistance received is reported as other income.

Financial assets and liabilities

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

Accounting in and derecognition from the balance sheet

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

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

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

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

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

Valuation of financial liabilities

Financial liabilities are valued at amortised cost.

Research and development expenditures

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

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

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

Intangible assets

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

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

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

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

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

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

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

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

The acquisition value is calculated according to weighted average prices.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes

Not 1 Net sales

Net sales per business branch

SEK	Jan 1, 2023 -Dec 31, 2023	Jan 1, 2022 -Dec 31, 2022
Sale of services	3,546,240	2,390,414
Sale of products	56,073,207	23,531,846
Other		
Total	**59,619,447**	**25,922,260**

Net sales per geographical area

SEK	Jan 1, 2022 -Dec 31, 2022	Jan 1, 2021 -Dec 31, 2021
EU	3,846,069	613,915
North America	52,056,010	23,897,829
Other	3,717,369	1,410,516
Total	**59,619,447**	**25,922,260**

Not 2 Capitalized development costs

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

Annual development costs

SEK	Jan 1, 2023 -Dec 31, 2023	Jan 1, 2022 -Dec 31, 2022
Personnel costs	3,820,044	3,584,506
Consultant costs	15,381,428	20,835,922
Total	**19,201,472**	**24,420,428**

Not 3 Other operating income

Annual other operating income

SEK	Jan 1, 2023 -Dec 31, 2023	Jan 1, 2022 -Dec 31, 2022
Exchange rate gains	34,396	1,730,506
Total	**34,396**	**1,730,506**

Not 4 Operating leases – lessee

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

Lease costs for the year

SEK	Jan 1, 2023 -Dec 31, 2023	Jan 1, 2022 -Dec 31, 2022
Lease costs for the year	1,635,744	1,317,617
Of which lease of premises	1,398,112	1,161,304
Machinery leases	79,115	20,543

Future lease payments relating to lease of premises

SEK	Jan 1, 2023 -Dec 31, 2023	Jan 1, 2022 -Dec 31, 2022
Within 1 year	1,551,876	1,192,703
Between 1–5 years	772,529	3,262,798
>5 years		
Total	**2,324,405**	**4,455,501**

Not 5 Employees, personnel costs and fees to the board

Average number of employees

	Dec 31, 2023	*Proportion women*	Dec 31, 2022	*Proportion women*
Employees	27	10%	20	14%
Total	**27**	**10%**	**20**	**14%**

Gender distribution in company management

	Dec 31, 2023 *Prop. women*	Dec 31, 2022 *Prop. women*
Board	0%	0%
Other senior executives	0%	0%

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

SEK	Jan 1, 2023 -Dec 31, 2023	Jan 1, 2022 -Dec 31, 2022
Salaries and other remuneration	19,925,965	15,943,747
Social security costs	8,791,497	7,544,703
(of which, pension costs)	3,171,133	2,600,815

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

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

	Jan 1 - Dec 31, 2023		Jan 1 - Dec 31, 2022	
	Board and CEO	*Other employees*	*Board and CEO*	*Other employees*
Wages and other compensation (of which royalties etc.)	2,426,059 (-)	17,499,906 (-)	2,583,923 (-)	13,359,824 (-)

Senior executives' remuneration

2022 (SEK)	*Basic salary, boardfee*	*Others benefits*	*Pension costs*
Chairman of the Board	200,000		
Board member (4pcs)	600,000		
CEO	1,758,705	4,882	511,164
Other leading executives	2,213,603	9,763	336,456
Totalt	**4,722,308**	**14,645**	**847,620**

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

Not 6 Capitalized expenditure for development work and similar activities

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

SEK	Jan 1, 2023 -Dec 31, 2023	Jan 1, 2022 -Dec 31, 2022
Accumulated cost		
At the beginning of the year	47,872,062	23,451,634
Acquisitions for the year	19,201,472	24,420,428
Scrapping		
At the end of the year	67,073,534	47,872,062
Accumulated amortization		
Amortization for the year		
Scrapping		
At the end of the year		
Carrying amount at the end of the year	**67,073,534**	**47,872,062**

Not 7 Machinery and other technical equipment

SEK	Jan 1, 2023 -Dec 31, 2023	Jan 1, 2022 -Dec 31, 2022
Accumulated cost		
At the beginning of the year	5,377,029	5,377,029
New purchases	1,797,576.20	
Reclassification		
At the end of the year	7,174,605	5,377,029
Accumulated amortization	-4,316,389	-3,608,959
Amortization for the year	-852,605	-707,430
Reclassification		
At the end of the year	-5,168,994	-4,316,389
Carrying amount at the end of the year	**2,005,611**	**1,060,640**

Not 8 Non-current liabilities

SEK	Jan 1, 2023 -Dec 31, 2023	Jan 1, 2022 -Dec 31, 2022
Liabilities that fall due for payment more than one year from the end of the reporting period		
Convertible debt instruments*	3,245,786	3,245,786
Deferral from Skatteverket (Tax Agency)	299,601	900,453
Total	**3,545,387**	**4,146,239**

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

Not 9 Accrued expenses and deferred income

SEK	Jan 1, 2023 -Dec 31, 2023	Jan 1, 2022 -Dec 31, 2022
Of which prepaid income	5,379,375	8,115,258
Personnel related costs	3,297,531	3,064,156
Other	1,364,145	1,510,094
Totalt	**10,041,052**	**12,689,507**

Not 10 Transactions with related parties

kSEK	Jan 1, 2023 -Dec 31, 2023	Jan 1, 2022 -Dec 31, 2022
Bayhood Management AB	1,638	1,664
getITsafe Security Partner Norden AB	2,362	1,860
Home-Ice Consulting AB	1,439	
Saugatuck Invest AB	96	170
Totalt	**5,535**	**3,694**

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

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

All transactions have taken place on market terms.

Not 11 Events after the balance sheet date

January
- Bulletin from the extraordinary general meeting in InCoax Networks AB.
- InCoax publishes prospectus in connection with rights issue.
- InCoax secures orders of 545 kUSD (5.4 MSEK) from US-Based FiberLAN operator.
- InCoax publishes supplementary prospectus.
- InCoax announces the outcome of the rights issue, which was subscribed to 123% and provides the company with 52.6 MSEK before issue costs.

February
- InCoax receives orders totaling 2 million USD (current value approximately 21 million SEK) from the US-based FiberLAN operator.

March
- Andreas Bergman has been appointed Chief Commercial Officer (CCO) and member of the executive team at InCoax as of March 1, 2024. Helge Tiainen remains in InCoax's executive team, responsible for Business Development and Standardization.
- InCoax Networks AB Year-End Report 2023.

Based on the industry in which the company operates, the conflicts in Ukraine and the Middle East have not yet affected the order intake. Nor have there been any serious delivery problems or major increases in raw material prices. It cannot be ruled out that a protracted conflict in Ukraine or an expanded conflict in the Middle East could have consequences on the company's order intake, the ability to obtain deliveries, and increased raw material prices

Signatures of the Board of Directors and auditor

Lund the date indicated by the electronic signature

Peter Agardh
Chairman of the Board

Tobias Lennér

Anders Nilsson

Pär Thuresson

Filip Näsholm

Jörgen Ekengren
CEO

Our auditor's report was submitted the date indicated by the electronic signature
KPMG AB

Niklas Antonsson
Authorized Public Accountant

Auditor´s Report

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

Report on the annual report
Statements
We have audited the annual report of InCoax Networks AB for the year 2023. The company's annual report is included on pages 20-31 of this document.

In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and provides, in all material respects, a fair and accurate representation of InCoax Networks AB's financial position as of December 31, 2023, and its financial results and cash flow for the year in accordance with the Annual Accounts Act. The management report is consistent with the other parts of the annual report.

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

Basis for statements
We have conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing practices in Sweden. Our responsibility under these standards is further described in the Auditor's Responsibility section. We are independent in relation to InCoax Networks AB, according to good auditing practices in Sweden, and have fulfilled our ethical responsibilities according to these requirements.

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

Information other than the annual report
This document also contains information other than the This document also contains other information than the annual report, which can be found on pages 1-19 and 35-38. The board and the CEO are responsible for this other information.

Our statement regarding the annual report does not cover this other information, and we make no statement assuring this other information.

As part of our audit of the annual report, we are responsible for reading the information identified above and considering whether it is materially inconsistent with the annual report. In this review, we also consider the knowledge we have obtained during the audit and assess whether the information appears to contain any material errors.

If we conclude, based on the work carried out on this information, that the other information contains a material error, we are obligated to report this. We have nothing to report in this regard.

Responsibilities of the Board and CEO
The board and the CEO are responsible for preparing the annual report to present a fair and accurate view per the Annual Accounts Act.

The board and the CEO are also responsible for the internal controls they deem necessary to prepare an annual report that is free from material misstatements, whether due to fraud or error.

When preparing the annual report, the board and the CEO are responsible for assessing the company's ability to continue its operations. They disclose, as applicable, matters that may affect the ability to continue operating and apply the assumption of going concern. However, the assumption does not apply if the board and the CEO intend to liquidate the company, cease operations, or have no realistic alternative to doing so.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our statements. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with ISA and good auditing practices in Sweden will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions users make based on the annual report.

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

Additionally:

- We identify and assess the risks of material misstatements in the annual report, 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 statements. The risk of not detecting a material misstatement resulting from fraud is higher than that for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- We obtain an understanding of the relevant internal control measures for our audit to design audit procedures appropriate to the circumstances but not to express an opinion on the effectiveness of internal control.
- We evaluate the appropriateness of the accounting policies used and the reasonableness of the board's and the CEO's estimates and related disclosures in the financial statements.
- We conclude on the appropriateness of the board's and the CEO's use of the going concern assumption when preparing the annual report. Based on the audit evidence obtained, we determine whether there is any material uncertainty regarding events or conditions that may cast significant doubt on the company's ability to continue operations. If we conclude there is material uncertainty, we are required to draw attention to related disclosures in the annual report or, if inadequate, modify the opinion. Our conclusions are based on the audit evidence obtained until the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the annual report, including the disclosures, and whether the annual report represents the underlying transactions and events in a manner that achieves a fair representation.

We must inform the board about, among other things, the audit's planned scope, focus, and timing. We must also inform about significant findings during the audit, including any significant deficiencies in internal control identified.

Report on other legal and regulatory requirements

Statements

In addition to our audit of the annual report, we have also audited the board's and the CEO's management for InCoax Networks AB for 2023 and the proposal for profit or loss distribution concerning the company's profit or loss.

We recommend that the general meeting addresses the loss as proposed in the management report and discharges the board members and the CEO from liability for the financial year.

Basis for Statements

We have conducted the audit in accordance with good auditing practices in Sweden. Our responsibility is further described in the Auditor's Responsibility section. We are independent in relation to InCoax Networks AB according to good auditing practices in Sweden and have fulfilled our ethical responsibilities according to these requirements.

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

Responsibilities of the Board and CEO

The board is responsible for the proposal for profit or loss distribution. When proposing a dividend, this includes assessing whether it is justifiable, considering the company's nature, size, risks, and need for consolidation, liquidity, and financial position.

The board is responsible for the company's organization and management. This includes continuously assessing the company's financial position and ensuring the organization is designed to manage bookkeeping, asset management, and other financial affairs securely.

The CEO is to manage the daily operations following the board's guidelines and take necessary actions to ensure bookkeeping is completed per the law and that asset management is conducted securely.

Auditor's responsibility

Our objective regarding the audit of the management and our liability statement is to obtain audit evidence to reasonably assess whether any board member or the CEO has, in any material respect:

- Taken any action or been guilty of any negligence that could result in liability towards the company, or
- Acted contrary to the Companies Act, Annual Accounts Act, or the company's bylaws.

Our objective regarding the audit of the proposal for profit or loss distribution and the liability statement is to reasonably assess whether the proposal aligns with the Companies Act.

Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with good auditing practices in Sweden will always detect actions or omissions that may lead to liability towards the company or that a profit or loss distribution proposal is not aligned with the Companies Act.

As part of an audit following good auditing practices in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit.

Our review of management and the proposal for profit or loss distribution is based primarily on the audit of the accounts. Additional audit measures are based on our professional judgment, considering risk and materiality. This means we focus on actions, areas, and conditions essential to the business and where deviations would be significant for the company. We review and assess decisions, supporting documents, actions taken, and other relevant aspects for our liability statement. For our statement regarding the board's proposal for profit or loss distribution, we have reviewed whether the proposal aligns with the Companies Act.

Sundsvall the date indicated by the electronic signature

KPMG AB

Niklas Antonsson
Authorized Public Accountant

Board of Directors

Peter Agardh

MBA. Born 1967.

Chairman of the Board since 2020
Board member since 2019.

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

Shareholding: 15,950,000 through companies.

Tobias Lennér

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

Board member since 2022.

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

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

Shareholding: 7,000

Anders Nilsson

Master of Engineering. Born 1951.

Board member since 2017.

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

Shareholding: 24,106 & 105,000 though companies.

Filip Näsholm

B.S. in Cognitive Science. Born 1994.

Board member since 2023.

CEO at Dryckesbolaget Gustav Vasa AB. Co-founder and Business Development Manager at the health supplement company DNA Greens AB.

Board member and former CEO in Cura of Sweden AB

Shareholding: 326,625

Pär Thuresson

Master of Engineering. Born 1964.

Board member since 2018.

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

Shareholding: 8,749

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: 74,500
Warrants: 170,000

Andreas Bergman

Chief Commercial Officer (CCO)
Employed since 2018.
Business Economics and Marketing Courses, University of Gothenburg. Born 1974.

2017-2018 Telenor, Strategic Account Management, mobile commmunication and IoT solutions.
2008-2015 Besedo, CMO & VP Sales
2006-2008 Interim Sales & Marketing
1999-2006 Telia, Team leader, Account Management data communication and IoT solutions.

Shareholding: 32,375 private, 24,815 through company
Warrants: 0

Alf Eriksson

Chief Product and Portfolio Officer (CPPO)
Employed since 2023.
Board member 2020-2023.
Engineer. Born 1961.

CPO, Skugga Technology AB, Advisor in Home Ice Consulting.
Formerly CEO at ESKADENIA Software AB, Advisor at Skugga Technology AB, and VP Product Management at CLX Communications AB.

Shareholding: 54,000
Warrants: 12,000

Mats Svensson

Chief Finance Officer (CFO)
Employed since 2022.
MBA. Born 1967.

2019-2020: Business Controller/Finance Manager, ScanCoin/Suzohapp
2014-2019: Finance Manager, Imperial Logistics AB
2008-2014: Senior Accounting Manager, Flint Group Sweden AB
2003-2007: Business Controller, Nestle Purina PetCare AB

Shareholding: 0
Warrants: 166,667

Thomas Svensson

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

2009–current: getITsafe Security Partner Norden AB – Chairman of the Board.
2011–2017: InCoax Networks AB – 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.

Shareholding: 33,000
Warrants: 100,000

Helge Tiainen

Business Development & Standardization
Co-founder, operational in InCoax since 2009.
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: 186,213, privately, though companies and under management.
Warrants: 200,000

Jakob Tobieson

Chief Operation Officer (COO)
Employed since 2023.
MSc in Mechanical Engineering, Lund University.
Born 1980.

2012-2022: Telia Company, Director Purchasing, including a global leader in IT software and services. Hyperscalers/Big5, Partner programs, Supplier Relationship Management, Mobile phones and FMCG

2007-2012: Tetra Pak, management roles in Sourcing, Capital Equipment and Spare Parts.

Shareholding: 0
Warrants: 213,333

Morten Werther

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

2018-2021: Management Consultant
2000-2017: Ericsson, SonyEricsson, Sony Mobile Communications, Senior Development Manager
1995-1999: Jacobsson&Werther, Founder ML

Shareholding: 22,000
Warrants: 200,000

Definitions

Financial

Total assets The company's combined assets.

Gross margin Gross profit in relation to 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 that owns and operates its own network infrastructure, serving millions of subscribers.

ISP (Internet Service Provider) A company that provides internet access, using its own or leased network infrastructure.

Hospitality A customer segment that includes hotels, holiday parks, hospitals, prisons, cruise ships, and residential platforms.

Technical

CAT Cable (Category Cable) A twisted pair cable consisting of twisted conductors, which is where the name comes from. The conductors are twisted to counteract interference, primarily in the form of crosstalk. Cat6 cable is primarily used for data communication. The two main disadvantages of twisted pair cable are that it has high power loss, known as attenuation per meter, meaning that you cannot lay more than a few tens or at most 100 meters of such cable before needing a repeater station.

Fiber Optic Optical fiber contains a special type of mineral glass fibers, intended for transmitting light signals with very high capacity over long distances, such as for data and telecommunications.

Coaxial Cable A two-pole electric cable, which consists of a metallic conductor, the center conductor, surrounded by an insulating material, dielectric, which in turn is surrounded by a conductive casing, the shield. Coaxial cable is intended for transmitting signals with high frequencies and low attenuation, in other words, it can transmit data traffic with high capacity.

Chipset A set of integrated circuits ("chips") that are designed to work together on a motherboard.

Symmetric Products Symmetric products or technologies are capable of communication at the same data rate in both directions.

XGS-PON A network standard for data transmission capable of delivering symmetric Internet traffic with speeds exceeding 10Gbps over fiber and is part of the PON (Passive Optical Networks) family with G-PON.

FWA (Fixed Wireless Access) Refers to wireless technology that enables fixed broadband access over a radio link.

5G FWA A type of wireless 5G technology (mmWave) that enables fixed broadband access over mobile networks.

G.fast A protocol standard for DSL (Digital Subscriber Line) for telephone or coaxial networks with transmission speeds between 100Mbps and (in some favorable cases) 1Gbps.

G.hn Specification for home networking with data rates up to 1.5 Gbps, operating over four types of wires: telephone, coaxial, or power cable.

DOCSIS (Data Over Cable Service Interface Specification) The dominant technology used by cable operators for cable TV and Internet. It exists in several generations such as 3.0 and 3.1, with which MoCA Access 2.5 can coexist. The latest version is 4.0.

FTTH (Fiber To The Home) Refers to the installation of optical fiber all the way to the user's premises.

FTTB/FTTep (Fiber To The Building/Extension Point) Refers to the installation of optical fiber to a point in or just outside a building where extension is done with the help of complementary broadband technologies such as MoCA Access™.

Financial calendar

Annual General Meeting 2024	June 13, 2024
Interim report Apr–Jun 2024	August 15, 2024
Interim report Jul–Sep 2024	November 1, 2024
Interim report Oct–Dec 2024	March 6, 2025

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.

The annual report is prepared in both Swedish and English. In case of any discrepancies in the information, the Swedish version prevails.

Denna Årsredovisning finns även tillgänglig på svenska.

Financial reports

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

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

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About InCoax Networks AB

InCoax Networks AB (publ) re-purposes existing property coaxial networks in fiber and fixed wireless access (FWA) extension deployments for Communication Service Providers (CSP) globally.

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

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

INCOAX