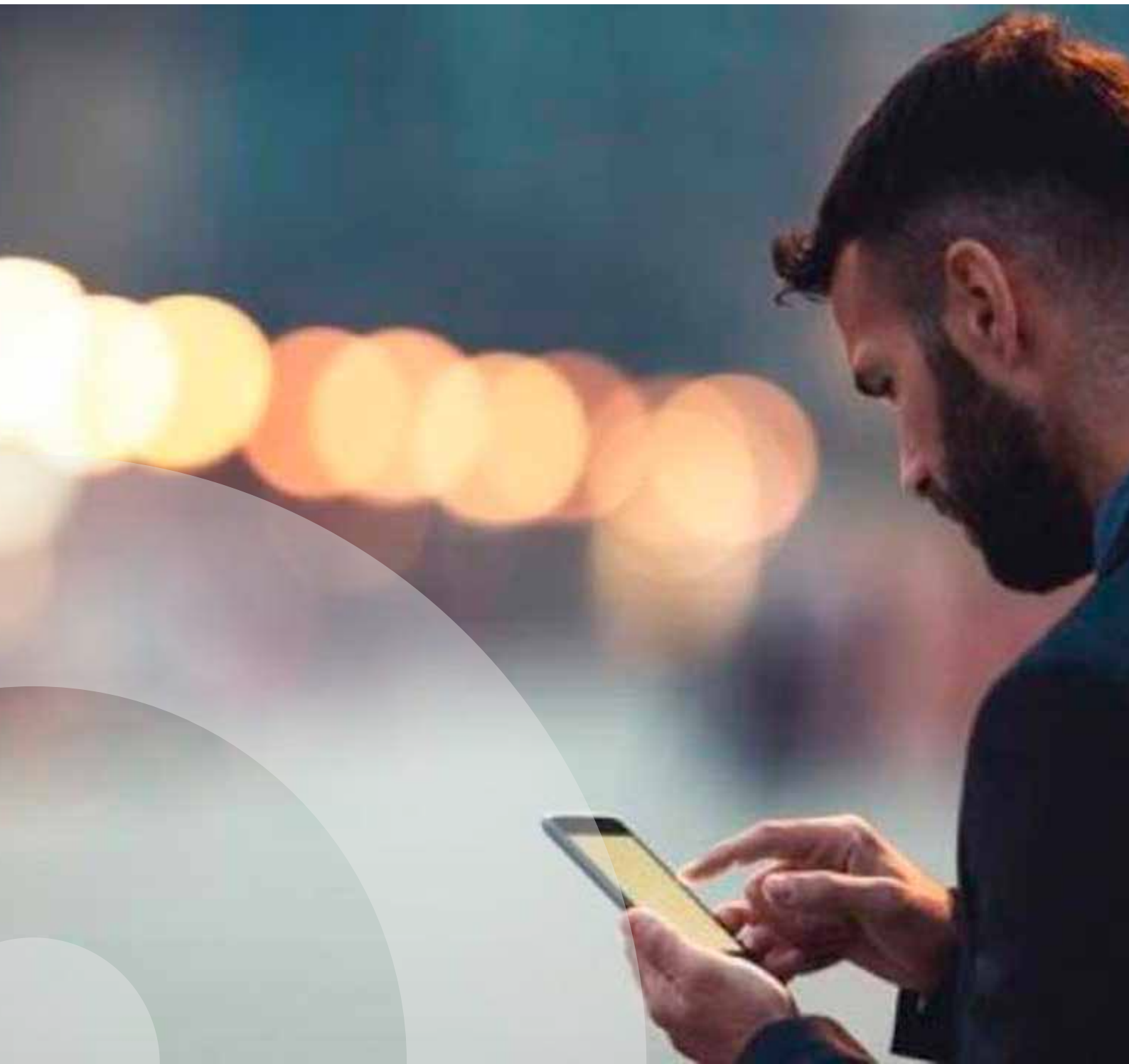




Interim report January–September 2019



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About InCoax

InCoax develops innovative broadband connection solutions. With In:xtnd™ we are offering the world's leading telecom and broadband operators the next generation of smart and sustainable network solutions. Learn more about how we are "Saving the world from complicated" at www.incoax.com.

Quarterly development in brief

Additional evaluation studies started and the first reference customers are in place.

Key ratios

SEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full-year 2018
Net sales	178,947	408,972	2,245,520	1,315,976	1,486,816
Gross loss	-71,572	-1,581,890	-162,072	-2,015,048	-2,657,321
Gross margin, %	Neg.	Neg.	Neg.	Neg.	Neg.
Operating loss (EBIT)	-13,624,785	-11,347,662	-47,085,489	-31,711,770	-49,115,341
Operating margin (EBIT %)	Neg.	Neg.	Neg.	Neg.	Neg.
Loss after financial items	-13,856,735	-11,408,943	-47,400,864	-31,829,385	-49,315,174
Loss after tax	-13,856,735	-11,408,943	-47,400,864	-31,829,385	-49,315,174
Earnings per share	-1.12	-1.38	-3.83	-3.84	-5.29
Earnings per share after dilution	-1.03	-1.24	-3.53	-3.45	-4.77
Equity ratio, %	32.2	26.1	32.2	26.1	64.3
Cash flow, including financing activities	-3,788,271	3,213,001	14,836,369	1,219,859	4,379,126
Cash flow per share	-0.31	0.39	1.20	0.15	0.47
Cash flow per share after dilution	-0.28	0.35	1.11	0.13	0.42
Number of shares outstanding at the end of the period	12,361,442	8,292,126	12,361,442	8,292,126	9,321,442
Number of shares outstanding at the end of the period after dilution	13,410,730	9,232,414	13,410,730	9,232,414	10,328,730
Average number of shares outstanding during the period	12,361,442	7,493,376	10,548,109	6,596,524	7,126,094
Average number of shares outstanding during the period after dilution	13,410,730	8,363,664	11,576,397	6,888,665	7,975,385

Financial performance

July–September 2019

- Net sales amounted to SEK 178,947 (408,972), which is equivalent to a decrease of 56% compared with the corresponding period in the preceding year.
- The company posted an operating loss of SEK -13,624,785 (-11,347,662), a reduction driven primarily by organizational growth.
- The loss after tax was SEK -13,856,735 (-11,408,943), corresponding to earnings per share of SEK -1.12 (-1.38).
- Cash flow including financing activities during the quarter was SEK -3,788,271 (3,213,001) and cash and cash equivalents amounted to SEK 22.6 million at the end of the quarter.

January–September 2019

- Net sales amounted to SEK 2,245,520 (1,315,976), which is equivalent to an increase of 71% compared with the corresponding period in the preceding year.
- The company posted an operating loss of SEK -47,085,489 (-31,711,770), a reduction driven primarily by organizational growth.
- The loss after tax was SEK -47,400,864 (-31,829,385), corresponding to earnings per share of SEK -3.83 (-3.84).
- Cash flow including financing activities during the period was SEK 14,836,369 (1,219,859).

Significant events during the quarter

- On August 20, 2019, InCoax raised bridge financing of SEK 15 million and on September 9, 2019 an Extraordinary General Meeting approved a rights issue of approximately SEK 59 million.
- The company strengthened its sales organization, appointing business developers in North America and a sales manager in Germany.
- The first order was received from the Swedish operator A3 for In:xtnd™.

Significant events after the end of the quarter

- The rights issue contributed SEK 47.5 million to the company, of which approximately SEK 5.8 million was used to offset bridge financing.
- Two new In:xtnd™ products were launched and an agreement was signed with a new partner for contract development and production of In:xtnd™ Access.
- Retailer agreement signed with FCA in the Polish market.
- Order secured from Deutsche Telenetz for rural services via radio link/fixed wireless access (FWA).

CEO's comments

26 potential customers are in test phase and commercial discussion are underway. Ongoing work with five major operators is providing exciting opportunities in the short and medium term.



Priorities in 2019

- Commercialize In:xtnd™ in Europe
- Expand geographically in Europe, the US and the Middle East
- Expand our leading role within MoCA Access™:
 - Fiber extension
 - 5G/Fixed mobile convergence
- Broaden the In:xtnd™ product portfolio
- Further develop the patent portfolio
- Financing

During the third quarter, a focus on sales has remained the guiding thread for our overall work. Our priorities for 2019 stand firm and we are continuing to deliver on the basis of these.

Commercialization of In:xtnd™ and expanded product portfolio

Following the commercial launch of our new product generation, In:xtnd™, in April 2019, our solution has allowed operators to offer their subscribers broadband

speeds of up to 1 Gbps since the middle of the summer. Reactions to In:xtnd™ have been highly positive since sales started, and we have high expectations for additional and larger incoming orders based on the wide base of customer tests and dialogues in progress. The new share issue has provided capital for continued focus on our main priority to increase our sales. It is gratifying to have already received important confirmation of the product's application, as the Swedish fiber operator Arkaden and the Swiss cable operator Databaar are

using our solution and have agreed to act as reference customers in the future.

Currently, we have about 250 potential customers that we are in regular contact with, 26 of which are in a test phase of our products and commercial discussions are taking place. In addition, we are building relationships and working with five major operators, which we hope will lead to large contracts moving forward. These five operators are providing very exciting opportunities for the company in the short and medium term. Three of them have a the potential of several million apartments each. Two of them have a potential of several hundred thousand apartments each, one of which is the customer in the Middle East we previously released information on, and where the cooperation now has intensified.

After the end of the quarter we gained a customer in Germany that is planning to use our solution together with a radio link, to remove the need to bury fiber in rural areas. I see this as a very exciting and cost-efficient solution with interesting potential in several countries.

“These five operators are providing very exciting opportunities for the company in the short and medium term. Three of them have a potential of several million apartments each. Two of them have a potential of several hundred thousand apartments each...”

During the autumn, we entered into an agreement with our first resellers, which feels like a major step in the development of InCoax. Together with the Polish system integrator and retailer FCA, we met several interesting potential customers at the PIKE conference in Poland. Other important exhibitions and meetings for us in the autumn have included SCTE Cable Tech Expo in New Orleans, together with our chipset supplier MaxLinear, and in conjunction with the Broadband World Forum (BBWF) in Amsterdam, where we held in-depth meetings with both existing contacts and a large number of new contacts, which expressed great interest.

During the Broadband World Forum (BBWF), we also introduced two new products, a new In:xtnd™ control unit, optimized for small multi-family buildings and commercial buildings, and an optimized modem. The new products will allow us to strengthen our market offering, at the same time as they meet the expressed needs of several of our customers to provide lower cost per connected apartment, even in smaller properties. Delivery of the new products will begin in the first quarter of 2020 and we have already received our first orders for these.

After the end of the quarter, we signed an agreement with a new Original Design Manufacturer (ODM). The reason for this is our desire to ensure access to the In:xtnd™ Access modem moving forward and to make it easy to upscale production in line with our sales plan.

Comments on the financial results for the third quarter

In terms of sales, the third quarter was weaker compared with the year-earlier quarter. We achieved net sales of SEK 178,947 (408,972), which corresponds to a reduction of 56 per cent. The main contributing factor is related to the launch of In:xtnd™ in April, and work since then has primarily generated sales of evaluation packages, meaning smaller volumes. The operating loss for the quarter was SEK -13,624,785 (-11,347,662), a wider loss compared with the year-earlier period, mainly attributable to building up an organization ahead of the commercialization phase. Our cash amounted to SEK 22,567,766 on 30 September 2019.

Recruitments in key markets

In October, our In:xtnd™ control unit was approved in both the US and Canadian markets. We have also contracted an employee to drive business development and to work with these markets. MoCA® and its standards are well-established in the North American market and we can see a substantial underlying interest in In:xtnd™. This has been confirmed by the number of inquiries we have already received.

During the quarter, we employed a sales manager in Germany, in order to accelerate sales in the key German market.

“...the products will allow us to strengthen our market offering, at the same time as they meet the expressed needs of several of our customers to provide lower cost per connected apartment, even in smaller properties”

Rights issue provides strong and secure financing

During the quarter, the General Meeting approved a rights issue of up to approximately SEK 59 million. The issue was closed in November and was 80% subscribed. The issue strengthens and secures in a satisfactory manner our future financing needs. The proceeds of approximately SEK 47 million before issuance costs is to be used to repay the bridge financing, to cover costs related to marketing and sales initiatives and support, the delivery organization and other working capital needs in order to deliver to customers.

Right conditions to meet established delivery priorities

Sales of In:xtnd™ began in April. Customers are conducting extensive evaluations of the system at start-up to minimize risks, as this is a new solution in the market.

Moreover, evaluation by several customers was stopped during the summer/vacation period. Since September, we have noted a gradual increase in interest for In:xtnd™ and increased activity among potential customers.

As I mentioned at the outset, our focus looking ahead, is to utilise the investments made in the company to focus on a sharp increase in our sales volumes, at the same time as we maintain good cost control. We have a strong foundation to stand on at InCoax, both in terms of our organization and financial position, and our patent portfolio, with six patent families including 21 granted patents and 22 submitted patent applications. In addition, we are continuing to establish relationships with large potential customers and cooperate with various partners, including MoCA® and BBF. All of these things, together with our positive customer dialogues make me optimistic about the future and I have great hopes that we can continue to deliver on our established priorities and that sales will gain momentum.

Gävle, November 2019

Peter Carlsson

CEO

This is InCoax

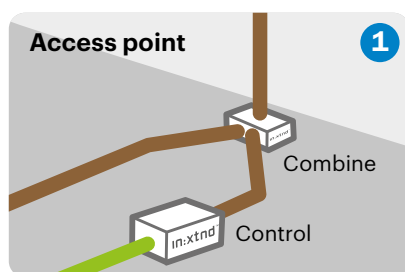
InCoax develops innovative broadband connection solutions at Gigabit speeds. The company provides the next generation of smart and sustainable network products and solutions to the world's leading suppliers of telecom and broadband services.

InCoax was established in 2009 and is the first company in the world to create products and solutions for broadband access via coaxial networks based on MoCA Access™.

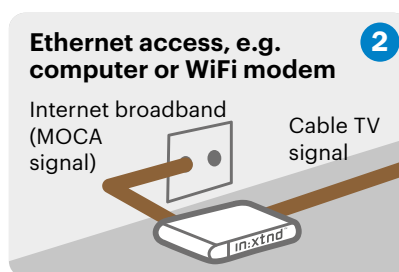
InCoax has driven the development of the MoCA Access™ 2.5 standard since 2016 and is now an active member and represented on the board of Multimedia over Coax Alliance (MoCA®). The company's new product generation, In:xtnd™, is based on this standard,

which provides broadband at Gigabit speeds. MoCA Access™ is a standard mainly for apartment blocks and is based on the well-established, robust MoCA standard for home networks to which more than 270 million units have been delivered. With In:xtnd™, an operator can offer its customers the same performance as a fiber LAN solution at a much lower cost.

InCoax already has a broadband solution comprising a control unit and modem, which was primarily aimed



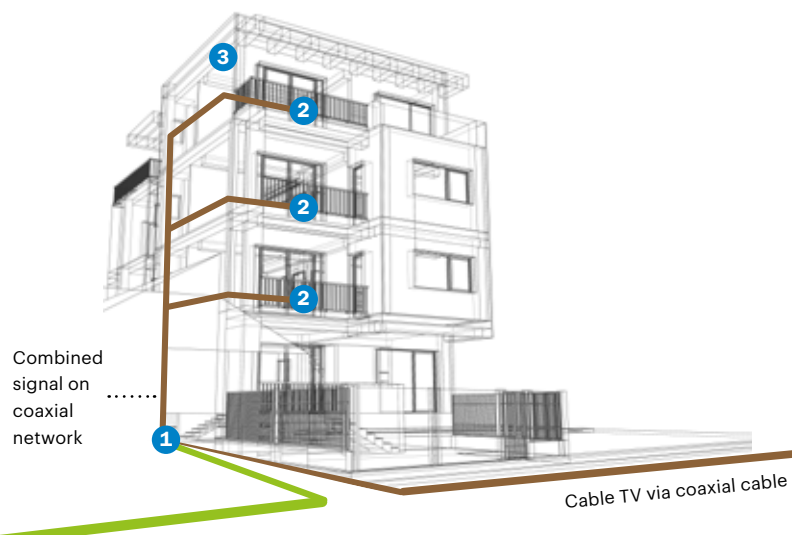
Connection of In:xtnd™ Control and In:xtnd™ Combine



Connect In:xtnd™ Access



Configure and monitor via In:xtnd™ Manage



at hospitality customers (such as hotels), but has now developed a new broadband solution in order to broaden its customer base. The newly developed broadband solution, comprising both hardware and software, includes four main system components:

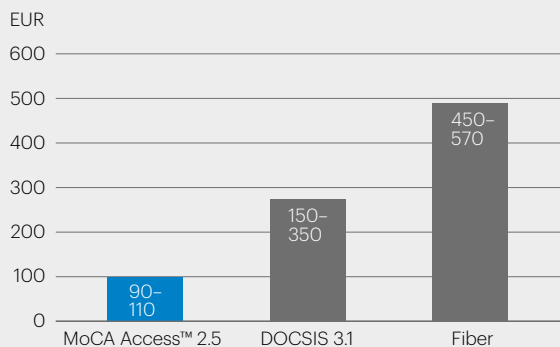
- In:xtnd™ Control
- In:xtnd™ Access
- In:xtnd™ Combine
- In:xtnd™ Manage

The company's operating activities are focused on Gävle and Malmö in Sweden, where around 30 employees, including consultants, are located.

InCoax targets two different customer groups:

- Cable TV Operators (Fiber, Cable TV, Telecom)
- Hospitality customers (hotel & care facilities)

Cost per installation, per apartment



Creating value by using free capacity in existing coaxial networks

- Provide broadband at Gigabit speeds.
- Easy installation and maintenance
- Short conversion time and rapid commissioning
- Minimal disruption and impact on residents
- Low environmental impact
- Upgradable, future-proof technology

Financial goals and ambitions

The Board of Directors of InCoax has adopted the following financial goals and ambitions:

- Sales: The goal is net sales exceeding SEK 300 million for the 2020 financial year, with the ambition of net sales exceeding SEK 1,000 million in the 2023 financial year.
- EBIT margin: The company has a long-term EBIT margin target of 20%.

Market and trends

A large share of countries in the world still lack high-speed broadband, making the broadband market highly attractive for InCoax.

Market potential

The global use of the internet and internet-based services is continuing to grow sharply. The number of internet users is expected to grow from 3.4 billion in 2017 to 4.8 billion in 2022. During the same period, the number of connected devices is forecast to increase from 18 billion to just over 28 billion, which will require a substantial increase in bandwidth. By far the strongest demand will continue to be from various streaming services, which will account for 82% of all traffic, but new technologies, such as virtual and augmented reality, are expected to grow rapidly.

The EU's strategic goal that all households must have a broadband connection of at least 100 Megabit per second (Mbps) by 2025 will require extensive measures. The goal in Sweden is even higher, namely that 98% of households must have a broadband connection that is more than (1) Gbps by 2025.¹ InCoax estimates that up to 500 million apartments in the EU, China and the US, among other countries, will need to be upgraded to meet the demand for internet capacity over the coming years. A number of these apartments already have coaxial cables installed, with the capacity to deliver internet speeds of up to 100 Gbps with future technological developments.

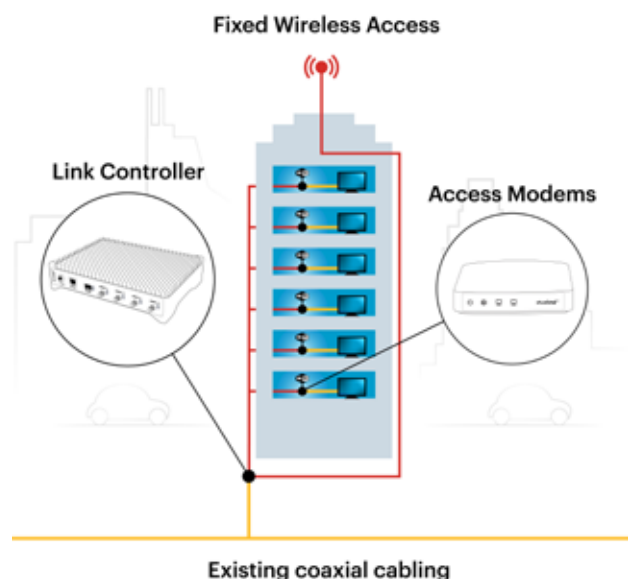
This means Gigabit speeds can be delivered using existing coaxial cables, without the need to install fiber all the way into the apartments.

In order to provide Gigabit speeds in coaxial cables, fiber networks must be present along roads and streets. Such networks are present to varying degrees in countries and cities worldwide, but work to extend these networks is ongoing in a number of locations. Due to the very high cost of extending fiber-to-the-home (FTTH), mainly for apartment buildings, there exists significant potential in some of the major economies of the EU, such as the UK, Germany, Italy and Poland, to cut costs

through the use of existing coaxial cables and InCoax's new product generation, In:xtn[™]. Investments in fiber infrastructure become more profitable and the price for end consumers can potentially be reduced by using a cost-efficient connection to a large number of apartments. One alternative to fiber as a carrier of broadband access that is attracting an increasing amount of attention is broadband via fixed wireless access (FWA). 3G, 4G and in particular the forthcoming roll-out of the 5G network offers sufficient broadband to support a larger number of access points in a building with broadband.

Here too, InCoax can play an important role in implementing systems to achieve full geographical coverage in accordance with established EU objectives.

Considering the number of households that will require access to the internet with Gigabit speeds, InCoax estimates that the market will be valued at EUR 10-60 billion per year, depending on the type of technology used.



¹) Government Offices of Sweden – A Completely Connected Sweden by 2025 – a Broadband Strategy.

Industry associations

In order to break through with new telecom technology, it is important that the technology supports the industry's standards.

Industry associations

For several years, InCoax has been engaged in MoCA® and led the working group that created the standard for Access, which is the new product generation on which MoCA® Access™ 2.5 is based.

In the first quarter of 2018, InCoax moved from Contributor to Promoter member status, and was in conjunction with this elected to the Board of MoCA®. InCoax is the Board's only European member, and the only one that is solely active in the Access market. Like MoCA®, InCoax has joined the Broadband Forum, whose duties include defining standards for telecom operators. The aim is to influence how MoCA® Access™ can be integrated into the teleoperators' networks and systems, in order to facilitate the upcoming application of MoCA®. Early in 2019, InCoax was elected to the Board of Directors of the Broadband Forum. InCoax also participates in Small Cell Forum, which focuses on the backhaul solutions that will be necessary with 5G, entailing opportunities for the technology.

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® has more than 225 certified products and 27 members. MoCA® Access™, which is a further development of the in-home technology to provide a connection to the home, is a solution that can be used in many market segments where network access could be offered, including:

- Broadband operators installing fiber deep into networks or to buildings (FTTB), and who wish to use existing cables without diminishing performance.
- Cable TV operators that already have coaxial networks available and wish to offer symmetrical broadband services and higher guaranteed capacity than today's cable TV DOCSIS.

- Internet providers building fiber-based 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.
- Mobile operators using 4G/5G/Wi-Fi in residential areas and that need a connection between the core network and the local access network, without installing new cables.
- Commercial operators that design and install networks in hotels, restaurants, offices and other buildings where coaxial cables are already installed and in new buildings.
- MoCA Access™ 2.5, which is the latest standard solution, creates the conditions for speeds of up to 2.5 Gbit/s to be achieved in an existing coaxial network.

Broadband Forum (BBF)

The Broadband Forum is a consortium of around 200 leading operators within telecommunication, equipment, computers, networks and service providers. The BBF's work ensures that service providers can enter the market with new services rapidly and effectively, with the help of standardized platforms and methods to ensure a good financial basis and scalability.

Small Cell Forum

Small Cell Forum works to facilitate the large-scale introduction of small base stations and is tasked with increasing the rate of delivery of integrated, heterogeneous networks. Small Cell Forum promotes the adoption of industry-wide standards, the introduction of positive legislation, and the creation of shared architecture and operational compatibility. Small Cell Forum markets the potential of small base stations to the entire industry through communication with journalists, analysts, supervisory authorities, interest groups and standardization bodies.

The company's development

Net sales and earnings

July–September 2019

Net sales amounted to SEK 178,947 (408,972), which is equivalent to a decrease of 56% compared with the corresponding period in the preceding year. The main contributing factor for the decrease is related to the launch of In:xtnd™ in April, and work since then has primarily generated sales of evaluation packages, meaning smaller volumes. The company posted an operating loss of SEK –13,624,785 (–11,347,662), a reduction driven primarily by organizational growth. The loss after tax was SEK –13,856,735 (–11,408,943), corresponding to earnings per share of SEK –1.12 (–1.38).

January–September 2019

The company's net sales amounted to SEK 2,245,520 (1,315,976), which is equivalent to an increase of 71% compared with the corresponding period in the preceding year. The operating loss for the period was SEK –47,085,489 (–31,711,770), a wider loss compared with the year-earlier period, mainly attributable to higher costs linked to the growth of the organization. The loss after tax for the period was SEK –47,400,864 (–31,829,385), corresponding to earnings per share of SEK –3.53 (–3.84).

Net financial items and tax

Net financial items in the quarter amounted to SEK –231,950 (–61,281), a year-on-year reduction attributable to higher interest costs. Net financial items for the January–September period amounted to SEK –315,376 (–117,615).

Cash flow

Cash flow from operating activities during the quarter amounted to SEK –17,396,370 (–12,131,501), which was lower than in the year-earlier period, partly due to increased operating expenses. For the January–September period, cash flow from operating activities amounted to SEK –50,757,438 (–34,974,604). Cash flow from investments during the quarter amounted to SEK 0 (–38,498) and for the January–September period to SEK –685,633 (–38,498). Cash flow from financing activities for the quarter amounted to SEK 13,608,100 (15,383,000) and the for the January–September period to SEK 66,279,440 (36,232,961), with the positive change compared with the year-earlier period attributable to the new share issues completed.

Cash flow including financing activities during the quarter was SEK –3,788,271 (3,213,001) and for the January–September period to SEK 14,836,369 (1,219,859).

Investments

The company's investments during the quarter amounted to SEK 0 (–38,498) and for the January–September period to SEK –685,633 (–38,498).

Financial position

The company's total assets at the end of the quarter amounted to SEK 45,812,801 (17,526,079). The equity ratio was 32.2% (26.1) and cash and cash equivalents at the end of the period were SEK 22,567,767 (4,572,131).

The company's net liabilities at the end of the quarter amounted to a negative amount of SEK –3,487,081 (2,508,555). The change in net liabilities is mainly related to increased cash and cash equivalents as a result of new share issues and raising bridge financing.

Other company information

Accounting policies

The interim report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general recommendation, BFNAR 2012:1 Annual reports and consolidated financial statements (K3). The accounting policies applied correspond to the accounting policies applied to the presentation of the annual report for 2018. Amounts are stated in Swedish kronor unless otherwise indicated. Figures in parenthesis concern the corresponding period in the preceding year.

Risks and uncertainties

The company has identified a number of different risks and uncertainties, such as: Customer demand for InCoax's technology and products, competing technologies, product liability, supplier dependence, dependence on key persons and employees, financing and capital requirements, and currencies and prices of key components.

The company continuously engages in preventive measures to minimize these risks and uncertainties as far as possible. For a full account of the risks to which the company is subject, refer to the prospectus created in conjunction with the company's rights issue in the third quarter of 2019.

Related-party transactions

No related-party transactions took place.

Seasonal variations

InCoax does not experience any seasonal variations in its sales.

Significant events during the quarter

- On August 20, 2019, InCoax raised bridge financing of SEK 15 million and on September 9, 2019 an Extraordinary General Meeting approved a rights issue of approximately SEK 59 million.
- The company strengthened its sales organization, appointing business developers in North America and a sales manager in Germany.
- The first order was received from the Swedish operator A3 for In:xtnd™.

Significant events after the end of the quarter

- The rights issue contributed SEK 47.5 million to the company, of which approximately SEK 5.8 million was used to offset bridge financing.
- Two new In:xtnd™ products were launched and an agreement was signed with a new ODM for In:xtnd™ Access.
- Retailer agreement signed with FCA in the Polish market.
- Order secured from Deutsche Telenetz for rural services via radio link/fixed wireless access (FWA).

Income statement

SEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full-year 2018
Sale of services	54,326	23,721	1,408,506	-9,586	7,003
Sale of goods (including discounts)	111,899	385,261	824,464	1,304,131	1,458,604
Other	12,722	-10	12,550	21,430	21,210
Total net sales	178,947	408,972	2,245,520	1,315,976	1,486,816
Other operating income	37,417	343,227	365,714	343,016	134,447
Total sales	216,364	752,198	2,611,234	1,658,992	1,621,264
Cost of sales	-287,936	-2,334,089	-2,773,306	-3,674,039	-4,278,585
Gross loss	-71,572	-1,581,890	-162,072	-2,015,048	-2,657,321
Gross profit margin	Neg.	Neg.	Neg.	Neg.	Neg.
Premises costs	-316,586	-254,207	-1,049,289	-991,547	-1,383,441
Market costs, including sales fees	-924,002	-1,558,172	-4,521,162	-4,186,242	-6,207,824
Data/tele	-98,050	-44,186	-273,846	-192,149	-343,741
Accounting/auditing	-260,040	-54,085	-932,555	-105,545	-140,851
Other (including consulting fees)	-6,338,199	-3,300,936	-21,602,909	-10,502,308	-17,332,879
Total other expenses	-7,936,877	-5,211,586	-28,379,761	-15,977,792	-25,514,280
Personnel expenses	-5,460,341	-4,192,209	-18,155,291	-12,327,219	-19,273,676
Total personnel	-5,460,341	-4,192,209	-18,155,291	-12,327,219	-19,273,676
Depreciation and amortization	-118,857	-361,977	-351,227	-1,080,573	-1,670,064
Other operating expenses	-37,137		-37,137	-311,139	
Loss before financial items	-13,624,785	-11,347,662	-47,085,489	-31,711,770	-49,115,341
Interest income	3,442	0	3,442	0	0
Interest expenses	-235,392	-61,281	-318,818	-117,615	-199,833
Total financial items	-231,950	-61,281	-315,376	-117,615	-199,833
Loss after financial income and expenses	-13,856,735	-11,408,943	-47,400,864	-31,829,385	-49,315,174

Balance sheet

SEK	Sep 30, 2019	Sep 30, 2018	Full-year 2018
Equity subscribed for, not paid in			15,321,320
Non-current assets	1,638,930	900,247	1,304,526
Inventories	16,177,421	10,071,244	13,415,884
Current receivables	5,428,682	1,982,457	2,961,313
Cash and cash equivalents	22,567,767	4,572,131	7,731,397
Total current assets	44,173,870	16,625,832	24,108,594
Total assets	45,812,801	17,526,079	40,734,440
Equity	14,741,515	4,565,967	26,184,260
Non-current liabilities	3,245,786	3,245,786	3,245,786
Current liabilities	27,825,499	9,714,325	11,304,394
Total equity and liabilities	45,812,801	17,526,079	40,734,440

Cash flow

SEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full-year 2018
Opening cash flow	26,356,037	1,359,130	7,731,397	3,352,272	3,352,272
Cash flow from operating activities	-17,396,370	-12,131,501	-50,757,438	-34,974,604	-52,215,892
Cash flow from investments	0	-38,498	-685,633	-38,498	-1,032,268
Cash flow from financing activities	13,608,100	15,383,000	66,279,440	36,232,961	57,627,286
Closing cash flow	22,567,766	4,572,131	22,567,766	4,572,131	7,731,397
Cash flow for the period	-3,788,271	3,213,001	14,836,369	1,219,859	4,379,126

Changes in equity

SEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full-year 2018
Equity at the start of the period	29,990,150	3,591,910	26,184,260	1,405,893	1,405,893
New share issues, subscription rights	-1,391,901	12,383,000	35,958,120	34,989,460	74,093,541
Loss for the period	-13,856,735	-11,408,943	-47,400,864	-31,829,385	-49,315,174
Equity at the end of the period	14,741,515	4,565,967	14,741,515	4,565,967	26,184,260
Changes in equity for the period	-15,248,635	974,057	-11,442,745	3,160,074	24,778,367

Share and shareholders

Shareholders

The number of shareholders at September 30, 2019, was 1,007. The largest shareholder was Saugatuck Invest AB, with 25.5% of the shares and votes in InCoax. The company's ten largest shareholders together hold shares equivalent to 76.9%.

Shares and share capital

The company's share capital at the end of the period amounted to SEK 3,090,360.5, distributed between 12,361,442 shares of the same type, each with a quota value of SEK 0.25. Shares in the company are denominated in SEK. Shares in the company were issued in accordance with Swedish law. All shares issued are fully

paid and freely transferable. According to InCoax's Articles of Association, adopted by an extraordinary general meeting on November 20, 2018, the share capital must not be less than SEK 1,825,000 and not exceed SEK 7,300,000, distributed between no fewer than 7,300,000 shares and no more than 29,200,000 shares.

Dividend

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

Ownership structure on September 30, 2019

Name	Number of shares	Holding, %
Saugatuck Invest AB	3,150,000	25.5
BLL Invest AB	1,888,216	15.3
Norrlandspojkarna AB	1,308,830	10.6
Charles Tooby	1,279,914	10.4
Richard Tooby	595,634	4.8
Lars Axelsson	395,278	3.2
GetITsafe Security Partner Norden AB	288,132	2.3
Handelsbanken Liv	290,577	2.4
Peter Carlsson	214,375	1.7
BNY Mellon SA/NV	92,815	0.8
Other shareholders (approximately 1,000)	2,857,671	23.1
Total	12,361,442	100.0

Source: Source: On the basis of lists from Euroclear on September 30, 2019, and information known by the company from major shareholders.

Definitions

Financial

Total assets The company's combined assets.

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

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

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

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

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

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

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

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

Technical

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

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

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

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

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

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

Financial calendar

Interim report Jan–Dec 2019
Annual Report 2019
Interim report Jan–Mar 2020
Interim report Apr–Jun 2020
Interim report Jul–Sep 2020

February 6, 2020
April 3, 2020
May 8, 2020
August 14, 2020
November 5, 2020

This interim report has not been reviewed by the company's auditors.

The Board of Directors certifies that the interim report gives a true and fair view of the company's operations, financial position and results.

Contact details, addresses

Please direct any questions concerning the report to CEO Peter Carlsson or CFO Marie Svensson:

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About InCoax Networks AB

InCoax is innovating the future of broadband access. In:xtnd™ provides the next generation of smart and sustainable networking products and solutions to the world's leading telecom and broadband service providers.

InCoax was founded in 2009, with its headquarters located in Gävle and offices in Malmö, Sweden. Since 3 January 2019, the company's share (INCOAX) has been admitted to trading on Nasdaq First North Stockholm, with Augment Partners AB, tel. +46 8 505 651 72 and info@augment.se, as its Certified Adviser. Pareto Securities AB is the company's liquidity provider.



INCOAX