

**INCOAX**

Interim report  
April – June 2022



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## About InCoax Networks AB

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

To keep updated on corporate information, visit [incoax.com](http://incoax.com). Augment Partners AB, tel. +46 8-604 22 55 [info@augment.se](mailto:info@augment.se), is acting as the company’s Certified Adviser.

# Quarterly development in brief

**Collaboration with Google Fiber continues according to plan. New business opportunity with the US Tier 1 operator under discussion and with potential order in 2022.**

## Key ratios

SEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full-year 2021
Net sales	4,140,375	4,854,654	9,828,524	10,025,343	20,894,597
Gross profit/loss	2,365,973	3,015,798	5,713,604	3,330,777	9,084,216
Gross margin, %	57%	62%	58%	33%	43%
Operating loss (EBIT)	-5,051,549	-5,730,826	-11,344,719	-12,841,631	-24,331,926
Operating margin (EBIT %)	Neg	Neg	Neg	Neg	Neg
Loss after financial items	-5,076,491	-5,760,364	-11,402,103	-12,891,586	-24,496,941
Loss after tax	-5,076,491	-5,760,364	-11,402,103	-12,891,586	-24,496,941
Earnings per share	-0.12	-0.14	-0.28	-0.30	-0.60
Earnings per share after dilution	-0.12	-0.15	-0.27	-0.34	-0.58
Equity ratio, %	68.6	70.6	68.6	70.6	73.4
Cash flow, including financing activities	-11,021,625	25,360,137	2,312,976	17,955,482	-5,167,841
Cash flow per share	-0.27	0.69	0.06	0.49	-0.13
Cash flow per share after dilution	-0.26	0.59	0.06	0.42	-0.12
Number of shares outstanding at the end of the period	41,113,418	36,589,861	41,113,418	36,589,861	41,113,418
Number of shares outstanding at the end of the period after dilution	42,045,418	42,657,711	42,045,418	42,657,711	42,045,418
Average number of shares outstanding during the period	41,113,418	32,016,129	38,851,640	30,491,551	34,277,907
Average number of shares outstanding during the period after dilution	42,045,418	38,083,979	42,351,565	31,985,669	35,313,407

## Financial performance

### April-June 2022

- Net sales amounted to SEK 4,140,375 (4,854,654), sales in line with previous year, driven by sales to a US-based FiberLAN operator.
- Operating profit amounted to SEK -5,051,549 (-5,730,826), an improvement driven by increased of the RoD investment and a positive gross profit.
- Earnings after tax amounted to SEK -5,076,491 (-5,760,364), and earnings per share amounted to SEK -0,12 (-0,16).
- The quarter's cash flow incl. financing activities was SEK -11,021,625 (25,360,137).

### January-June 2022

- Net sales amounted to SEK 9,828,524 (10,025,343), sales in line with previous year, driven by sales to a US-based FiberLAN operator.
- Operating profit amounted to SEK -11,344,719 (-12,841,631), an improvement driven by increased of the R&D investment and a positive gross profit.
- Earnings after tax amounted to SEK -11,402,103 (-12,891,586), and earnings per share amounted to SEK -0,28 (-0,35).
- The quarter's cash flow incl. financing activities was SEK 2,312,976 (17,955,482).

**Significant events during the quarter**

- InCoax wins additional order of 3MSEK from US Fiber-LAN operator.
- Kevin Foster steps down as a board member of InCoax at the 2022 Annual General Meeting.
- Tobias Lennér is elected as new member of the board at the 2022 Annual General Meeting.

**Significant events after the end of the quarter**

- InCoax informs about the business situation and communicates updated financial targets.



Tobias Lennér



InCoax D2501



## CEO's comments

# InCoax making progress with Tier-1 operator.

**Collaboration with Google Fiber continues according to plan. New business opportunity with the US Tier-1 operator under discussion and with potential order in 2022.**

### **InCoax making progress with Tier-1 operator**

We're summing up a second quarter in which we've continued to make steps in the right direction but with certain delays in operators' decision-making processes. As announced in a press release during the quarter, the Tier-1 operator signaled a strong interest in InCoax's MoCA Access solution. However, the operator has decided to wait until the financial year 2023 to proceed in the process. Besides budgetary aspects, this is also due to the operator's ongoing technology updates that are currently consuming major resources. This delay is not in line with what we had hoped for and what we've previously communicated, but it is nevertheless positive that there is still considerable interest and that close dialogue is continuing. It also gives us more time to complete final productization based on the Tier-1 operator's requirements. As mentioned previously, this type of operator has a long implementation process that we have to take into consideration. InCoax values the Tier-1 operator's potential investment needs for the solution InCoax provides at approximately SEK 1.5 billion over a period of two to three years following the rollout decision.

Good evidence of our close cooperation and good relationship is that the operator requested a quote for

our products addressing a use case for single-family homes. We have consequently put considerable focus during the summer on quickly finalizing the quotation. During the summer, InCoax together with the operator has also conducted a full-scale field test in 10 buildings in the US with good results. The solution comprises standard products with little need for customization, which is why development of the solution and the decision-making process could be significantly shortened. We believe that we can win an initial order in 2022. The operator has a need to convert approximately four million single-family homes over a period of 3 to 5 years and gradually replace an older existing system.

These two potential orders, individually or in combination, represent a very large business opportunity for InCoax.

### **Sales and order intake**

The US-based fiber/LAN operator Google Fiber continues to place orders according to plan with some minor offsets. Our picture of a clear continued growth plan for our system solution has been confirmed in the dialogue we have with the operator.

For more than two years, the pandemic has placed major constraints on our ability to take action in the market.

During the first half of the year, we saw a gradual easing of the restrictions, which has meant that we have been able to conduct more face-to-face meetings with potential customers. We intend to increase the proportion of in-person meetings on site in the second half of 2022.

Even though InCoax’s main focus is on fiber operators, we are also seeing increased interest from cable operators. The dominant globally recognized telecommunications standard for cable operators is called Data Over Cable Service Interface Specifications (abbreviated as DOCSIS) and is used in the transmission of cable television and Internet data transmission. We are seeing a trend of cable operators opting out of expensive investments in the latest generation of DOCSIS 4.0 in favor of new fiber networks with FTTH (Fiber To The Home) or FTTP (Fiber To The Extension Point). During the year the trend and the information we are receiving via operators has strengthened us in our assessment that there is also a significant need for our solution for fiber extension among cable TV operators.

**Several operators have D2501 tests underway**

Our new product, the InCoax D2501 Distribution Point Unit, has been very well received and we are currently

conducting lab and field tests with three operators and a system integrator. We expect to have the final results of these in the second half of 2022. We are putting considerable effort into making them regular buyers of our system as well. In addition to this, we are in discussions with several other operators, both in the US and the EU, on initiating collaboration. The trade shows we participated in during May and June have provided us with additional contacts with operators who have shown interest in our system solution, and work is underway to win them over.

**Market Potential**

We see continued very high market potential for our solution. The major US infrastructure package, with approximately \$65 billion allocated for investments in improved broadband services, will further strengthen InCoax’s prospects in the American market. Some of this money are allocated to the Affordable Housing programs. This involves US federal and state financial support for governmental programs dealing with the “digital divide” and are aimed at ensuring broadband deployment with good bandwidth to broader consumer groups. For just over a year now, InCoax has had an



*Stoneridge Apartments*

installation in operation in one of these residential areas along with the non-profit enterprise PCs for People. This installation, due to its performance and cost-effectiveness, has received considerable attention at trade shows and in the media, primarily in the US. The interest shown has led to discussions on collaboration with several similar enterprises in this area.

Operators in developed markets are increasingly demanding gigabit speeds in their Internet connections. The trunk networks for fiber are being expanded at an unabated rate; the challenge for operators lies in connecting gigabit performance to each unit in an apartment building in a time- and cost-effective manner, thereby increasing the subscriber base. Competition in the market is increasing, and essential for successful sales for an operator is being able to offer gigabit and multi-gigabit performance to end-users. At the same time, traditional cable and telecom operators are being challenged by new Internet service providers who have invested in new fiber networks and are open to applying new technologies in their networks. The key figure Homes Passed, i.e. the number of properties that the fiber network passes by that are still not connected to the fiber network, is growing continuously as the trunk networks are expanded. InCoax's solution for fiber extension is very attractive for an operator in quickly and cost-effectively connecting a large number of subscribers in multi-family properties, and is why the targeted market is steadily increasing. InCoax is addressing a billion-dollar market in sales potential for many years to come.

The pandemic has presented challenges that include limited opportunities for sales activities and travel. Moreover, we have seen perhaps the most difficult situation ever in the component market. Nevertheless, InCoax has been able to handle the situation in the best possible manner.

The conflict in Ukraine has also brought challenges and, as a result, we have had extended transport times for our products due to it no longer being possible to transport by land from China via Russia.

### **Strategy**

In 2022, InCoax continues to operate according to the strategy developed during 2020. The key factor in this is the focus on the right customer segment based on a solid understanding of identified operators' requirements for both hardware and software. It is especially important

to be able to provide systems that are compatible with the communications standards that the operators use in the operation of their fiber networks for customer service, monitoring and maintenance.

### **Partners and Organization**

We have continued in the second quarter to develop working relationships with selected partners with a focus on pursuing sales in indirect channels for use cases that are standardized and do not require extensive customization to meet customer needs. Here as well, we are focusing on partners with the appropriate capabilities and the requisite engineering skills to generate sales. This means that the selected partners must gradually be able to drive sales on their own moving forward, with reduced direct involvement from InCoax. In particular, our collaboration with Technetix has continued to develop in a positive direction.

To manage potential larger orders with Tier-1 operators, collaboration with existing partners to operators can be established. This concerns software integration as well as manufacturing and logistics for hardware. We intend to continue to strengthen our sales efforts in 2022 with a focus on Tier-1 operators. To establish ourselves in this segment, we must be well acquainted with the operators' use cases and provide proposals for system solutions in line with this knowledge, and with considerable credibility and expertise. Collaboration with external partners in hardware and software development, as well as industrialization and manufacturing, went well during the first half of 2022. To further sharpen our software focus, during the second quarter we have strengthened our expertise and resources in system architecture.

### **Sales and financial standing**

Sales have basically gone according to plan in the second quarter but some delays in orders primarily from the US Fiber/LAN operator have led to us not fully achieving the targets we set. We will continue to make selective investments in core areas to secure future growth, and InCoax has a focused and balanced growth plan based on realistic estimates of revenues and costs. To maximize the company's flexibility during implementation of the growth plan, the principal owner Saugatuck Invest AB has in the second quarter of 2022 issued a credit facility up to SEK 10 million to be used if necessary. The credit facility runs until March 31, 2023 and with 8% annual interest on the amount used. No other fees apply.

**Financial objectives**

We can clearly see that we achieved a commercial breakthrough with our system solution. The availability of semiconductor components and transport/logistics is a global problem, not least in our industry.

For 2022, this presented continuing challenges with the situation worsened by the conflict in Ukraine. We expect improvements no earlier than 2023. Based on this and our analysis of sales in the second quarter as well as the remainder of the year, the InCoax board of directors has decided to revise the company's financial goals for 2022. The assessment is that InCoax will have net sales of SEK 25 million for 2022. The previously communicated growth targets remain.

The company is in an expansionary phase with an intensified focus on the sale of services via licensing of software and other services. Continued functionality growth in the software will broaden the number of use cases and thus increase the company's addressable market.

The ongoing initiatives are expected to create significant potential for the company. For 2023, the company's target is for continued strong net revenue growth.

We estimate growth to exceed 50% by 2023.

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

**Continued focus on sales**

In addition to securing growth with existing customers, for the remainder of 2022, we will focus on converting interested operators into purchasing customers.

We have a firm focus on broadening our customer base and achieving balanced sales over time. We intend to actively pursue increased sales in two phases: direct sales to larger operators, which often require customization to customer needs; and strategic partnerships with value added resellers to address mid-sized operators in more standardized use cases. Our D2501 product provides the opportunity to address more use cases with operators in both the United States and Europe.

Gävle August 2022

Jörgen Ekengren

Chief Executive Officer



# Partner organizations

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

## Partner organizations

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

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

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

## Multimedia over Coax Alliance

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

- Broadband operators installing fiber deep into networks or to buildings (FTTB), and who wish to use the existing coax cables of the property without diminishing performance.
- Cable TV operators that wish to offer symmetrical broadband services and higher guaranteed capacity

than today's DOCSIS on their existing coax networks.

- Internet service providers building fiberbased networks where the optical signal ends in the basement and who wish to use existing coaxial cables to reach every unit or apartment in the property.
- Operators using 4G/5G/Wi-Fi in residential areas and need a connection between the wireless network and the individual apartment, without installing new cables.
- Companies that design and install networks in hotels, restaurants, offices and other buildings.
- MoCA Access™ 2.5 creates the conditions for speeds of up to 2.5 Gbit/s to be achieved in an existing coaxial network.

## Broadband Forum (BBF)

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

## Fiber Broadband Association

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

## BREKO

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

# The company's development

## Net sales and earnings

### April-June 2022

Net sales amounted to SEK 4,140,375 (4,854,654), sales inline with previous year, driven by sales to a US-based FiberLAN operator.

Operating profit amounted to SEK -5,051,549 (-5,730,826), an improvement driven by increased of the RoD investment and a positive grossprofit.

Earnings after tax amounted to SEK -5,076,491 (-5,760,364), and earnings per share amounted to SEK -0,12 (-0,16).

The quarter's cash flow incl. financing activities was SEK -11,021,625 (25,360,137).

### January-June 2022

Net sales amounted to SEK 9,828,524 SEK (10,025,343), sales in line with previous year, driven by sales to a US-based FiberLAN operator.

Operating profit amounted to SEK -11,344,719 SEK (-12,841,631), an improvement driven by increased of the RoD investment and a positive grossprofit.

Earnings after tax amounted to SEK -11,402,103 SEK (-12,891,586), and earnings per share amounted to SEK -0,28 SEK (-0,35).

The quarter's cash flow incl. financing activities was SEK 2,312,976 (17,955,482).

## Net financial items and tax

Net financial items in the quarter were SEK -24,942 (-29,417), interest expenses to the Norrland Fund.

Net financial items for the six-month period amounted to SEK -57,385 (-49,955).

## Cash flow

Cash flow from operating activities during the quarter amounted to SEK -5,102,911 (-10,285,944).

Cash flow from investments in the quarter amounted to SEK -5,918,714 (-4,114,018), capitalization of development costs.

Cash flow from financing activities for the quarter amounted to SEK 0 (39,760,099).

The total cash flow for the quarter amounted to SEK -11,021,625 (25,360,137) and SEK 2,312,976 (17 955 482) for the first half year.

## Investments

The company's investments during the quarter amounted to SEK 5,918,714 (4,114,018) and for the six months period to SEK 11,159,545 (8,898,129).

## Financial position

The company's total assets at the end of the quarter amounted to SEK 73,746,209 (72,628,853).

The equity/assets ratio was 68,6 percent (70,6) and cash and cash equivalents at the end of the period amounted to SEK 13,978,629 (34,788,975).

# Other company information

## Accounting policies

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

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

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

## Risks and uncertainties

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

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

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

## Related-party transactions

GetITsafe Security Partner Norden AB, in which company InCoax CTO Thomas Svensson is a partner and chairman of the board, has performed consulting services for InCoax. The total invoiced amount amounts to SEK 627,672 during the second quarter.

## Seasonal variation

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



# Income statement

SEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full-year 2021
Sales of services	732,610	1,028,590	1,483,534	1,607,263	2,151,978
Sales of goods (including discounts)	3,407,764	3,826,064	8,344,990	8,418,080	18,742,619
Other					
<b>Total net sales</b>	<b>4,140,375</b>	<b>4,854,654</b>	<b>9,828,524</b>	<b>10,025,343</b>	<b>20,894,597</b>
Capitalized development costs	5,918,714	4,114,018	11,159,545	8,898,129	16,205,145
Other operating income	1,418,444	158,018	2,052,733	158,018	1,297,095
<b>Total sales</b>	<b>11,477,533</b>	<b>9,126,690</b>	<b>23,040,802</b>	<b>19,081,490</b>	<b>38,396,837</b>
<b>Cost of sales</b>	<b>-1,774,402</b>	<b>-1,838,856</b>	<b>-4,114,919</b>	<b>-6,694,566</b>	<b>-11,810,381</b>
<b>Gross profit/loss</b>	<b>2,365,973</b>	<b>3,015,798</b>	<b>5,713,604</b>	<b>3,330,777</b>	<b>9,084,216</b>
Gross profit margin	57%	62%	58%	33%	43%
Premises costs	-324,028	-299,409	-635,266	-602,809	-1,215,420
Market costs, including sales feesj	-1,003,177	-437,528	-2,083,952	-913,628	-2,472,266
Data/tele	-29,876	-48,584	-122,933	-136,084	-672,683
Accounting/auditing	512,538	-91,866	-260,800	-907,143	-1,313,704
Other (including consulting fees)	-7,414,341	-6,150,755	-14,131,371	-13,155,522	-24,773,229
<b>Total other expenses</b>	<b>-8,258,883</b>	<b>-7,028,142</b>	<b>-17,234,322</b>	<b>-15,715,186</b>	<b>-30,447,302</b>
Personnel costs	-6,197,754	-5,877,433	-12,235,867	-9,279,866	-19,412,971
<b>Total personnel</b>	<b>-6,197,754</b>	<b>-5,877,433</b>	<b>-12,235,867</b>	<b>-9,279,866</b>	<b>-19,412,971</b>
Depreciation and amortization	-207,228	-113,085	-414,457	-233,503	-860,714
Other operating expenses	-90,815		-385,955		-197,395
<b>Loss before financial items (EBIT)</b>	<b>-5,051,549</b>	<b>-5,730,826</b>	<b>-11,344,719</b>	<b>-12,841,631</b>	<b>-24,331,926</b>
Interest income					
Interest expenses	-24,942	-29,538	-57,385	-49,955	-165,016
<b>Total financial items</b>	<b>-24,942</b>	<b>-29,538</b>	<b>-57,385</b>	<b>-49,955</b>	<b>-165,016</b>
<b>Loss after financial income and expenses</b>	<b>-5,076,491</b>	<b>-5,760,364</b>	<b>-11,402,103</b>	<b>-12,891,586</b>	<b>-24,496,940</b>

# Balance sheet

SEK	Jun 31, 2022	Jun 31, 2021	Full-year 2021
Equity subscribed for, not paid-up			22,617,785
Non-current assets	35,964,702	18,540,358	25,219,614
Inventories	9,516,138	5,851,122	9,249,593
Current receivables	14,286,741	13,448,398	15,624,409
Cash and cash equivalents	13,978,629	34,788,975	11,665,652
Total current assets	37,781,507	54,088,495	36,539,654
<b>Total assets</b>	<b>73,746,209</b>	<b>72,628,853</b>	<b>84,377,053</b>
Equity	50,554,752	51,304,590	61,956,856
Non-current liabilities	3,245,786	3,245,786	3,245,786
Current liabilities	19,945,671	18,078,477	19,174,411
<b>Total equity and liabilities</b>	<b>73,746,209</b>	<b>72,628,853</b>	<b>84,377,053</b>

# Cash flow

SEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full-year 2021
Opening cash flow	25,000,254	9,428,838	11,665,652	16,833,493	16,833,493
Cash flow from operating activities	-5,102,911	-10,285,944	-20,321,863	-12,906,488	-28,184,243
Cash flow from investments	-5,918,714	-4,114,018	-11,159,545	-8,898,129	-16,204,595
Cash flow from financing activities		39,760,099	22,617,785	39,760,099	39,220,998
Closing cash flow	13,978,629	34,788,975	13,978,629	34,788,975	11,665,652
<b>Cash flow for the period</b>	<b>-11,021,625</b>	<b>25,360,137</b>	<b>2,312,976</b>	<b>17,955,482</b>	<b>-5,167,841</b>

# Changes in equity

SEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full-year 2021
Equity at the start of the period	55,631,242	17,483,791	61,956,855	24,615,013	24,615,013
New share issues and subscription rights		39,581,163		39,581,163	61,838,782
Loss for the period	-5,076,491	-5,760,364	-11,402,103	-12,891,586	-24,496,941
Equity at the end of the period	50,554,752	51,304,590	50,554,752	51,304,590	61,956,855
<b>Changes in equity for the period</b>	<b>-5,076,490</b>	<b>33,820,799</b>	<b>-11,402,103</b>	<b>26,689,577</b>	<b>37,341,842</b>



# Share and shareholders

## Ownership structure

The number of shareholders June 30, 2022 was 1.613. The largest shareholder was Saugatuck Invest AB, with 23,7% of the shares and votes in InCoax. The company's ten largest shareholders together hold shares equivalent to 68,0%.

## Shares and share capital

The company's registered share capital at the end of the period amounted to SEK 10,278,354, divided into 41,113,418 shares of the same type, each with a quota value of SEK 0.25. 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 Annual General Meeting on June 15, 2021, the share capital may not be less than SEK 4,550,000 and not exceed SEK 18,200,000, divided into no less than 18,200,000 shares and no more than 72,800,000 shares.

## Ownership structure on June 30, 2022

Name	Number of shares	Holding, %
Saugatuck Invest AB	9,732,857	23.7
Norrlandspojkarna AB	5,284,049	12.8
BLL Invest AB	5,200,182	12.6
Nordnet Pensionsförsäkring AB	2,944,806	7.2
Försäkringsaktiebolaget Avanza Pension	1,572,786	3.9
Nordea Livförsäkring Sverige AB	1,202,141	2.9
Handelsbanken Liv Försäkringsaktiebolag	634,376	1.5
Mats Bäckvall Juhlin	566,803	1.4
SEB Life International Insurance	450,000	1.1
Lars Axelsson	363,222	0.9
Other shareholders (approximately 1,603)	13,162,196	32.0
<b>Total</b>	<b>41,113,418</b>	<b>100.0</b>

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

# Definitions

## Financial

**Total assets** The company's combined assets.

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

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

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

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

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

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

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

## Other

**VAR** Value Added Reseller.

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

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

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

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

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

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



## Financial calendar

Interim report Jul–Sep 2022	November 24, 2022
Interim report Oct–Dec 2022	March 10, 2023
Interim report Jan–Mar 2023	May 5, 2023

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.

## Financial reports

Further operational information is available from InCoax Networks AB's website: [www.incoax.com](http://www.incoax.com)

For questions concerning the report, please contact:

Jörgen Ekengren, CEO  
[jorgen.ekengren@incoax.com](mailto:jorgen.ekengren@incoax.com)

or

Mats Svensson, CFO  
[mats.svensson@incoax.com](mailto:mats.svensson@incoax.com)

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

## Other contact

InCoax Networks AB  
Utmarksvägen 4  
SE-802 91 Gävle  
Sweden

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

[www.incoax.com](http://www.incoax.com)

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

## About InCoax Networks AB

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

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



# INCOAX