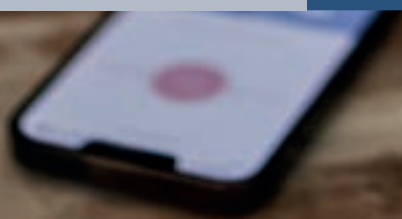




INTERIM REPORT

January 1 - June 30, 2022

2



INTERIM REPORT

January - June 2022

Second quarter, April 1, 2022 - June 30, 2022 in summary

- Net sales increased to SEK 1.6 M (0.9).
- EBITDA amounted to SEK -40.7 M (-9.0).
- Operating income totaled SEK -41.4 M (-9.8).
- Profit after tax was SEK -38.5 M (-9.8).
- Earnings in the period totaled SEK -38.6 M (-9.8).
- Earnings per share (weighted) was SEK -0.6 (-4.8).
- Cash flow from operating activities was SEK -50.9 M (-10.2).

The period, January 1, 2022 - June 30, 2022 in summary

- Net sales increased to SEK 2.4 M (2.2).
- EBITDA amounted to SEK -71.6 M (-22.0).
- Operating income totaled SEK -73.4 M (-23.6).
- Profit after tax was SEK -70.1 M (-23.7).
- Earnings in the period totaled SEK -70.0 M (-24.0).
- Earnings per share (weighted) was SEK -1.3 (-11.8).
- Cash flow from operating activities was SEK -86.4 M (-24.5).

Events in the quarter

- On April 13, the company announced a resolution of a fully guaranteed rights issue of approximately SEK 150 M before transaction costs.
- On April 15, the company announced that it received FDA 510k clearance for remote lung auscultation and enhanced ECG algorithm.
- In April, the company reported that the Coala Heart Monitor had been recommended by the Medical Technology Product Council for introduction into clinical use in Sweden.
- On May 30, the Annual General Meeting of Coala-Life Group AB was held, and Christian Jørgensen was elected as a board member.
- On June 9, the company announced its intention to acquire Vitrics Management, a USA company engaged in patient monitoring.

Events after the end of the quarter

- On July 4, the company launched a new website.
- On July 29, the company announced that the estimated completion date of the acquisition of Vitrics Management was moved back to August 14.
- On August 15, the company announced that the acquisition of Vitrics Management was completed for a purchase price of USD 3.5 M.

Contact information

CEO, Dan Pitulia	+46 70 972 08 38
CFO and Head of IR, Richard Roa	+46 70 816 61 45

This information is such that Coala-Life Group AB is required to disclose according to the EU's Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication through the agency of the above contact person on August 17, 2022, at 07:00 a.m. (CEST).

This report has been prepared in English and Swedish versions. In the event of any discrepancy between the two versions, the Swedish report shall prevail.

Financial calendar

Interim Report, second quarter 2022	August 17, 2022
Interim Report, third quarter 2022	November 16, 2022
Year-end Report 2022	February 22, 2023

Comments from the CEO

During the spring and summer we have continued to work towards a profitable business in the US market. Our venture into Managed RPM, under the name Qorum Partners, has strengthened its position and business is picking up momentum, largely due to an investment in clinical staff. Coala Heart Monitor received an additional FDA 510k clearance in the US, for remote lung auscultation and new ECG analysis algorithm, and, in Sweden, the Medical Technology Product Council (MTP Council) recommended the use of Coala Heart Monitor in Swedish healthcare for patients with symptoms of atrial fibrillation. Shortly before the release of this report, we were also able to complete the acquisition of Vitrics in the US.

Coala Life's main focus is the US market, where over 120 million Americans are affected by chronic cardiovascular diseases. To qualify as an RPM patient, a patient must have an acute or chronic medical condition, which applies to almost half of the US population.

In late 2021, we launched a full service for remote monitoring of chronically ill patients in the home in the US, Remote Patient Monitoring (RPM), and we signed a total of 5 new agreements with clinics in the quarter. The target is to have connected 50 clinics in the US by the end of 2024. The clinics are expected to generate USD 1.0 million each for Coala Life annually, once full patient connection has been achieved over the course of the first twelve months.

In the US, clinics are increasingly demanding "managed RPM", where remote monitoring of patients is handled by external companies. We have established our Managed RPM monitoring center under the name Qorum Partners. This business model allows for improved margins when we manage the patient monitoring, maintain ongoing patient contact, and ensure correct and regular monitoring. Qorum Partners follows patients 24/7 and reports any abnormalities directly to the healthcare provider. We also handle administration and invoicing to the insurance system, which allows clinics to focus on their core business.

Since Qorum Partners is in direct contact with both clinics and patients, during the spring we have also been able to identify some challenges in getting patients to start and use the Coala Heart Monitor correctly. These included shortcomings in the distribution of monitors to patients, and also that patients need hands-on instructions from medically knowledgeable staff to get them started with their regular use. Therefore, we have increased our clinical staff and, at the time of writing, have contracted approximately 40 clinical staff. For more information on how Qorum Partners operates, visit <https://qorumpartners.com>

In June, we announced that we had entered into an agreement to acquire 100 percent of the shares of Vitrics Management Group Inc. ("Vitrics"), a fast-growing US company engaged in managed RPM, for a purchase price of USD 4.5 million. Following due diligence and further



“During the spring and summer we have continued to work towards a profitable business in the US market”

negotiation, we were able to close the deal on August 15, as announced, for a purchase price of USD 3.5 million, based on Vitrics' adjusted revenue recognition. Vitrics has currently 8 active clinics connected. The acquisition is fully in line with Coala Life's strategy, has clear sales and operational synergies, and is expected to contribute positively to results in the first year.

The rights issue completed at the beginning of the quarter contributed approximately SEK 150 million to the company before deduction of transaction-related costs. This money was a precondition for the offensive investments we are now making in the US. Once again, I would like to thank our shareholders for the confidence they have shown in Coala Life.

Our financial target, to reach sales of SEK 250 million by 2024 with a positive operating result and a maintained gross margin of over 80 percent, remains unchanged. I am pleased to report that so far we continue to deliver according to plan to achieve these goals.

Coala's Board of Directors was strengthened at the Annual General Meeting on May 30 with the election of Christian Jørgensen. Christian has long and valuable experience in the medical device sector, with leading roles in Hill-Rom, Baxter and Coloplast, and as CEO of mobile operator 3 in Denmark.

Overall, this quarter we have also had a strong market presence and we remain in line with our targets. Through the capital raised we have secured our intensified market

penetration in the US, where the acquisition of Vitrics creates additional opportunities in managed RPM. I look forward to keeping you updated about our continued journey.

Dan Pitulia
President and CEO

Coala Life in brief

The story of Coala Life started in Lund in spring 2001. Over dinner, some medical students and IT experts were discussing the problems associated with cardiac auscultation. Their frustration was palpable. Heart problems are one of the main causes of death globally, at the same time, doctors around the world are still listening to hearts with equipment invented in the mid-1800s which has not been updated since the 1930s - the stethoscope. The low frequency sounds of the heart are difficult to hear, even with a stethoscope. Other sounds, such as breathing, also disrupt the diagnostic process. The resulting diagnosis therefore often represents a subjective assessment by the listening doctor, where the practitioner's experience becomes a critical factor. There must be a better way.

That is when the idea of creating the stethoscope of tomorrow was born: a solution that replaces subjectivity with objectivity, and enhances and filters sound to improve cardiac auscultation. Originally intended for doctors, it gradually became clear that the individual patient is an equally, if not more, important product user. The digital journey had begun, and a range of experts within and outside healthcare services became involved. We continue to develop the product enthusiastically for several years. Technological progress generally benefited what would eventually become the end product. After the launch of the smartphone, apps, the cloud and wireless solutions have become commonplace.

The road forward is to connect every individual with a doctor through the cloud, with initial screening carried out by the patient in their own home with technology to enhance and filter the sound, and the doctor's response sent directly to the user's mobile. A patent application was filed and approved. The technology enables us to take on the fight against the no. 1 global cause of death, heart disease.

The next step was to combine heart auscultation technology with an ECG reading done by the patient in their own home. More patents were registered, the solution is unique globally, as there is no one else on the market that combines these two features.

Today, we operate an evolved ecosystem that has been approved in Europe, the US and elsewhere. We have invested over SEK 400 M in the company and the unique Coala system, which is protected by around 30 patents and represents a close fit with digitalized healthcare services.

The patient is the hub, supported by healthcare providers ready to give a diagnosis, and where connectivity means that we are creating a huge database for medical research. The ability to expand opportunities derived from heart diagnostics into other fields where remote diagnostics can be used is what drives our progress toward achieving our vision: Winning the fight against the no. 1 cause of death globally, heart disease.

2022

- In March, Johan Eckerdal started the position as VP R&D.
- In March, the company updated its business progress in the US and signed contracts with 10 new clinics during the first quarter.
- In April, the company announced a resolution of a fully guaranteed rights issue of approximately SEK 150 M.
- In April, the company announced that it received FDA 510k clearance for remote lung auscultation and enhanced ECG algorithm.
- In April, the company reported that the Coala Heart Monitor has been recommended by the Medical Technology Product Council for introduction into clinical use in Sweden.
- In May, Christian Jørgensen was elected as a board member.

Revenue and earnings Coala-Life - Group

Second quarter, April 1, 2022 - June 30, 2022

The Group's reported net sales totaled SEK 1.6 M (0.9) in the second quarter of the year. SEK 0.7 M of this was attributable to the new initiative in remote monitoring of chronically ill patients in the home environment, Remote Patient Monitoring (RPM). Start-up problems in quarter one led to an assessment error in the calculation of the net turnover attributable to this new venture, the net turnover was calculated at SEK 1.0 million, according to the new assessment, net sales amounted to SEK 0.2 million in the first quarter, a correction has been made, please refer to note 1. Since these figures were changed, the calculation basis has improved and the figures shows an upward trend.

The gross profit margin for the group amounted to 80 percent (100). The margin for the first quarter of 2021 is misleading due to a correction made to the inventory.

Total operating expenses were higher in the second quarter compared to the corresponding quarter of the previous year, mainly due to increased sales force in the US market, start-up costs for the company's RPM and development costs for the company's platform. In order to boost the development of the RPM business, the Group has entered into a collaboration agreement with an external party; in the second quarter, the costs associated with this amounted to SEK -2.0 M.

Depreciation/amortization totaled SEK -0.7 M (-0.8) in the second quarter.

EBITDA amounted to SEK -40.7 M (-9.0). Operating income totaled SEK -41.4 M (-9.8). Net financial items totaled SEK -2.9 M and are mainly an effect of FX gains (-0.0). Earnings in the period amounted to SEK -38.5 M (-9.8).

The period, January 1, 2022 - June 30, 2022

The Group's reported net sales in the second quarter were SEK 2.4 M (2.2). SEK 0.9 M of this is attributable to the new initiative in remote monitoring of chronically ill patients in the home environment, Remote Patient Monitoring (RPM). Start-up problems in quarter one led to an assessment error in the calculation of the net turnover attributable to this new venture, the net turnover was calculated at SEK 1.0 million, according to the new assessment, net sales amounted to SEK 0.2 million in the first quarter, a correction has been made, please refer to note 1. Since these figures were changed, the calculation basis has improved and the figures shows an upward trend.

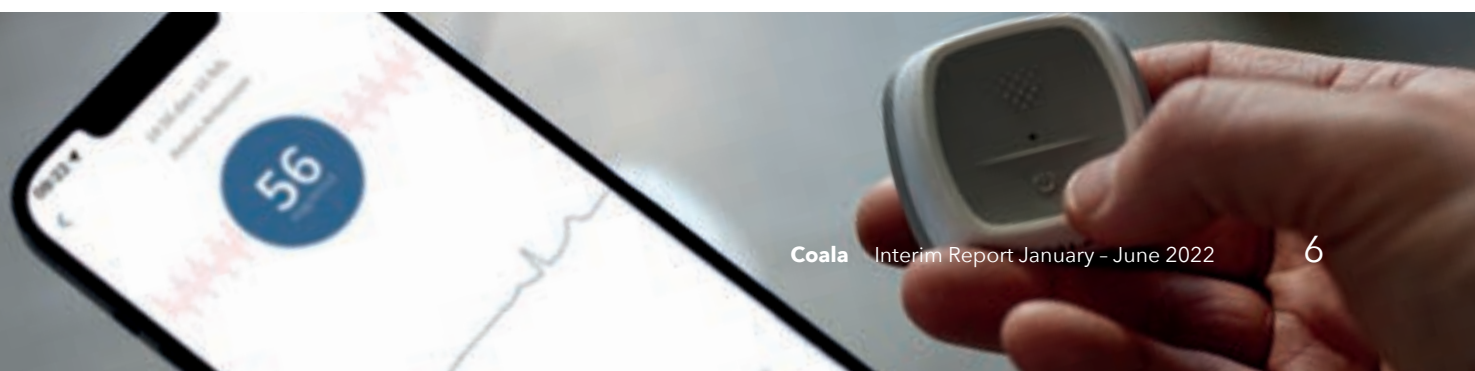
The gross profit margin for the group amounted to 80 percent (100). The margin for the period 2021 is misleading due to a correction made to the inventory.

Total operating expenses were higher in the second quarter compared to the corresponding quarter of the previous year mainly due to increased sales force in the US market and start-up costs for the company's RPM and development costs for the company's platform. In order to boost the development of the RPM business, the Group has entered into a collaboration agreement with an external party; in the period, the costs associated with this amounted to SEK -4.8 M.

Depreciation/amortization for the period totaled SEK -1.8 M (-1.6).

EBITDA amounted to SEK -71.6 M (-22.0). Operating income totaled SEK -73.4 M (-23.6). Net financial items totaled SEK 3.3 M (-0.0). Earnings in the period amounted to SEK -70.1 M (-23.7).

Group overview	3 months		6 months		12 months	
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021-Jun 2022	Jan-Dec 2021
Net sales, SEK M	1.6	0.9	2.4	2.2	4.3	4.1
Gross profit, SEK M	1.3	0.9	1.9	2.2	3.8	4.1
Gross margin, (%)	80%	100%	79%	100%	88%	100%
EBITDA, SEK M	-40.7	-9.0	-71.6	-22.0	-204.8	-155.2
EBITDA margin, (%)	neg.	neg.	neg.	neg.	neg.	neg.
Operating income, SEK M	-41.4	-9.8	-73.4	-23.6	-209.9	-160.1
Operating margin (%)	neg.	neg.	neg.	neg.	neg.	neg.
Net income for the period, SEK M	-38.5	-9.8	-70.1	-23.7	-197.1	-150.7
Earnings per share (weighted), SEK	-0.6	-4.8	-1.3	-11.8	-6.4	-25.4
Cash flow from operating activities, SEK M	-50.9	-10.2	-86.4	-24.5	-122.5	-60.7



Financial position and liquidity

The Group's total assets amounted to SEK 133.7 M at the end of the quarter, compared to SEK 80.2 M at the end of the previous financial year. Cash flow from changes in working capital was negative in the period at SEK -19.9 M (-1.6). Cashflow from operating activities was SEK -86.4 M (-24.5) in the period. After investments, cash flow was SEK -68.7 M (-24.9).

Total Equity

Group equity was SEK 114.7 M at the end of the period, compared to SEK - 52.3 M at the end of the previous financial year, implying an equity/assets ratio of 86 percent (- 65) at year-end.

Liquidity

The Group's cash and cash equivalents totaled SEK 106.9 M at the end of the period, compared to SEK 30.5 M at the end of the previous financial year.

Liabilities

The Group's liabilities consist of current operating liabilities such as liabilities to suppliers, etc.

Investments and depreciation/amortization

Investments during the period, excluding investments in subsidiaries, totaled SEK -2.4 M (-0.4). Depreciation/amortization totaled SEK -1.8 M (-1.6). The Group has set up a new company to run the Group's business in remote monitoring of chronically ill patients in the home environment, Remote Patient Monitoring (RPM). During the period, the sale of Departments & Stores Europe AB was completed.

Organization and employees

The average number of full-time employees in the period was 34 (25). On June 30, Philip Siberg left his operational role at the company as Chief Strategy Officer & Head of IR. New IR responsible is CFO, Richard Roa and CEO, Dan Pitulia is responsible for strategy.

Transactions with related parties

There have been no transactions between the Coala Life Group and related parties during the financial year that have materially affected the Group's position and results, other than the acquisition of options as described in note 6. For more information on transactions with related parties, see the 2021 Annual Report.

Tax

During the period, the Group paid tax totaling SEK -0.1 M (-0.2). As the company has non-capitalized loss carry-forwards, tax expenses are expected to remain low. For further information, see the 2021 Annual Report.

Effects from reverse takeover

On 8 November 2021, the acquisition of Coala-Life AB was completed. The accounts of the Parent Company are included in the consolidated accounts as of November 2021.

Parent Company

The Parent Company now reports according to the same period as the Group after changing the financial year from September-August to January-December. Comparative figures for the most recent financial year of 16 months are also reported in the Parent Company's Income Statement. The Parent Company's other operating income in the period amounted to SEK 2.1 M and relates to re-invoicing of office premises to former subsidiaries. Profit after net financial items amounted to SEK -12.5 M. Investments amounted to SEK 0.0 M.

Risks and uncertainties

Coala Life is exposed to a number of risk factors that are wholly or partly outside the company's control, but which could affect the Group's earnings and operations.

Company and industry-related risks

- Risks related to key personnel and employees.
- Risks related to competition.
- Risks related to suppliers and sub-contractors.
- Risks related to Covid-19.
- Risks related to market acceptance.
- Risks related to macroeconomics and the external environment.
- Risks related to geopolitics.

Legal risks

- Risks related to regulatory requirements and approvals, compliance, registration and approval from authorities.
- Risks related to intellectual property rights.
- GDPR and handling personal data.

Financial risks

- Risks associated with Coala Life's funding requirement
- Currency risk

For a more detailed description of the Group's risks and risk management, see the 2021 Annual Report.

Assessment of going concern

The Board and CEO continuously assess the group's liquidity and financial resources in the short and long term. The company is continuously working to generate the necessary working capital until Coala Life's cash flow is positive. In view of the ongoing work on operational financing and the recent development of the company, the Board and the CEO believe that the prospects are good for the continued development of the business and the achievement of the

targets set. Should the business not develop to a sufficient extent or if adequate funding is not obtained, there is a risk that the conditions for continued operation will not be met.

Review

This Interim Report has not been subject to review by the company's Auditors.

The Board of Directors and President provide their assurance that the Interim Report provides a fair and accurate view of the company's and Group's operations, financial position and results of operations, and describes the material risks and uncertainties the company and the companies included in the Group face.

Stockholm, Sweden, August 17, 2022
Coala-Life Group AB (publ)

Ebba Fåhraeus
Board member

Per Carendi
Chairman

Christian Jørgensen
Board member

Peter Troija
Board member

Dan Pitulia
CEO

Consolidated Statement of Comprehensive Income

SEK M	3 months		6 months		12 months	
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021- Jun 2022	Jan-Dec 2021
Net sales	1.6	0.9	2.4	2.2	4.3	4.1
Goods for resale	-0.3	0.0	-0.5	0.0	-0.5	0.0
Gross income	1.3	0.9	1.9	2.2	3.8	4.1
Other operating income	0.2	0.0	2.3	0.2	5.6	3.5
Other external expenses*	-26.5	-5.0	-46.2	-13.7	-167.3	-134.8
Personnel expenses	-15.7	-4.8	-29.6	-10.6	-46.9	-27.9
Depreciation/amortization of non-current assets	-0.7	-0.8	-1.8	-1.6	-5.1	-4.9
Operating income	-41.4	-9.8	-73.4	-23.6	-209.9	-160.1
Financial income etc.	4.2	-	4.8	-	14.4	9.6
Financial expenses etc.	-1.4	-0.0	-1.5	0.0	-1.6	-0.1
Net financial items	2.9	0.0	3.3	0.0	12.8	9.5
Profit/loss after financial items	-38.5	-9.8	-70.1	-23.7	-197.1	-150.7
Tax on profit for the period	-0.0	-0.0	0.0	-0.1	0.0	-0.1
Net income for the period	-38.5	-9.8	-70.1	-23.7	-197.1	-150.7
Net income for the period attributable to:						
Parent Company shareholders	-38.5	-9.8	-70.1	-23.7	-197.1	-150.7
	-38.5	-9.8	-70.1	-23.7	-197.1	-150.7
Other comprehensive income						
Translation differences	-0.0	0.0	0.2	-0.3	0.3	-0.1
Comprehensive income	-38.6	-9.8	-70.0	-24.0	-196.7	-150.8
Earnings per share (weighted) before dilution (SEK)	-0.6	-4.8	-1.3	-11.8	-6.4	-25.4
Earnings per share (weighted) after dilution (SEK)	-0.6	-4.8	-1.3	-11.8	-6.4	-25.4
Number of shares outstanding as of the record date	79,481,634	2,034,731	79,481,634	2,034,731	79,481,634	35,325,171

*SEK -102.3 M in the fourth quarter of 2021 is related to the reverse acquisition of Coala-Life Group AB that took place in that quarter.

Consolidated Balance Sheet, in summary

SEK M	6/30/2022	6/30/2021	12/31/2021
Assets			
Intangible assets	5.3	6.0	5.9
Tangible assets	2.2	1.2	1.1
Right-of-use assets	1.0	2.1	4.0
Financial non-current assets	0.2	0.4	0.3
<i>Total non-current assets</i>	<i>8.6</i>	<i>9.7</i>	<i>11.3</i>
Goods for resale	12.1	12.0	11.9
Current receivables	6.2	2.4	26.5
Cash and cash equivalents	106.9	25.5	30.5
<i>Total current assets</i>	<i>125.1</i>	<i>39.9</i>	<i>68.9</i>
Total assets	133.7	49.6	80.2
Equity and Liabilities			
Equity attributable to Parent Company shareholders	114.7	37.4	52.3
<i>Total equity</i>	<i>114.7</i>	<i>37.4</i>	<i>52.3</i>
Long-term lease liabilities	0.6	0.9	0.8
Deferred tax liabilities	-	0.4	-
Current lease liabilities	0.5	1.0	3.2
Other current liabilities	18.0	9.9	23.8
<i>Total liabilities</i>	<i>19.1</i>	<i>12.2</i>	<i>27.8</i>
Total equity and liabilities	133.7	49.6	80.2

Changes in shareholders' equity, in summary

SEK M	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Opening balance	52.3	22.9	22.9
Net income for the period	-70.2	-23.7	-150.7
Other comprehensive income			
Translation differences	0.2	-0.3	-0.1
Total comprehensive income for the year	-70.0	-24.0	-150.8
Stock option plan	2.1	0.0	-
Non-cash issue	-	-	141.3
Costs, rights issue	-23.3	-	-
Rights issue	153.5	38.6	39.0
Balance at the end of the period	114.7	37.4	52.3

Consolidated Cash Flow Statement, in summary

SEK M	3 months		6 months		12 months	
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021- Jun 2022	Jan-Dec 2021
Operating activities						
Operating income	-41.4	-9.8	-73.4	-23.6	-209.9	-160.1
Interest received and other financial income	4.3	-	4.5	-	5.0	0.5
Interest paid	-1.4	0.0	-1.4	0.0	-1.5	-0.1
Tax paid	0.0	0.0	-0.1	-0.2	-0.3	-0.3
Adjustments for items not included in cash flow	0.5	0.8	4.0	0.9	112.0	108.9
Cash flow before change in working capital	-38.1	-9.1	-66.4	-22.9	-94.6	-51.1
Cash flow from change in working capital						
Change in inventories	0.1	-2.1	0.2	-3.1	0.2	-3.1
Change in accounts receivable	0.9	0.0	0.9	0.0	0.9	0.0
Decrease (+) / increase (-) in current receivables	-1.5	-0.1	0.2	0.9	2.5	3.2
Decrease (+) / increase (-) in current liabilities	-12.3	1.1	-21.3	0.5	-31.6	-9.8
Change in working capital	-12.9	-1.1	-19.9	-1.6	-27.9	-9.6
Cash flow from operating activities	-50.9	-10.2	-86.4	-24.5	-122.5	-60.7
Acquisitions of equipment and software	-1.6	-0.2	-2.4	-0.4	-2.3	-0.3
Acquisition of subsidiaries	-	-	-	-	52.7	52.7
Divestment of subsidiaries	-	-	20.0	-	10.8	-9.2
Cash flow from investing activities	-1.6	-0.2	17.6	-0.4	61.3	43.3
Cash flow after investments	-52.5	-10.4	-68.7	-24.9	-61.2	-17.4
Financing activities						
Change in other debt	-	-	15.0	-	15.0	-
Amortization of loan	-15.0	-	-15.0	-	-15.5	-0.5
Amortization of lease liability	-	-	-	-	-2.9	-2.9
Warrants	2.1	-	2.1	-0.0	2.1	-
Rights issue	142.8	-	142.8	38.6	143.5	39.3
Cash flow from financing activities	129.9	0.0	144.9	38.6	142.3	36.0
Cash flow for the period	77.4	-10.4	76.2	13.7	81.1	18.5
Cash and cash equivalents at beginning of period	29.3	35.9	30.5	11.8	25.5	11.8
Exchange rate difference in cash and cash equivalents	0.3	0.0	0.3	0.1	0.5	0.2
Cash and cash equivalents at end of period	106.9	25.5	106.9	25.5	106.9	30.5

Parent Company Income Statement

SEK M	3 months		6 months		12 months		16 months
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021- Jun 2022	Jan 2021- Dec 2021	Sep. 2020- Dec. 2021
Net sales	-	-	-	-	-	-	-
Other operating income	0.2	2.5	2.1	7.6	7.1	12.6	24.4
	0.2	2.5	2.1	7.6	7.1	12.6	24.4
Operating expenses							
Other external expenses	-7.4	-8.0	-13.2	-40.5	-45.1	-72.3	-86.3
Personnel expenses	-0.3	-3.1	-1.6	-5.7	-5.9	-10.0	-13.4
Depreciation/amortization of non-current assets	-	-0.6	0.0	-5.8	-1.3	-7.1	-8.7
Operating income	-7.5	-9.3	-12.8	-44.5	-45.1	-76.8	-84.0
Profit from participations in Group companies		-0.5	-	31.0	-107.1	-76.1	-76.1
Financial income etc.	0.1	1.8	0.3	2.3	1.2	3.2	3.7
Financial expenses etc.	-	-3.8	0.0	-9.7	-1.7	-11.5	-20.1
Profit/loss from divestment of shares	-	-	-	-	-	-	-
Profit/loss after financial items	-7.4	-11.7	-12.5	-21.0	-152.7	-161.1	-176.5
Taxes	-	-	-	-	-	-	-
Net income for the period	-7.4	-11.7	-12.5	-21.0	-152.7	-161.1	-176.5

Comprehensive income for the period corresponds to net income for the period

Parent Company Balance Sheet, in summary

SEK M	6/30/2022	6/30/2021	12/31/2021
Assets			
Intangible assets	-	5.0	0.4
Tangible assets	-	0.0	0.0
Financial non-current assets	451.1	124.1	400.1
Other current receivables	16.0	136.5	22.8
Cash and cash equivalent	100.6	22.0	20.5
Total assets	567.7	287.6	443.7
Equity and Liabilities			
<i>Restricted equity</i>			
Share capital	19.9	4.1	8.8
<i>Total restricted equity</i>	19.9	4.1	8.8
<i>Non-restricted equity</i>			
Retained earnings	537.8	111.1	593.1
Net income for the period	-12.5	-21.0	-176.5
<i>Total non-restricted equity</i>	525.3	90.2	416.5
Total Equity	545.2	94.2	425.4
Non-current liabilities	0.0	186.5	0.0
Current liabilities	22.5	6.9	18.4
Total equity and liabilities	567.7	287.6	443.7

Notes

Note 1 Accounting principles

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The Interim Report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2—Accounting for Legal Entities. The accounting policies applied correspond to the information provided in the Annual Report for 2021. Disclosures in accordance with IAS 34.16A appear in addition to the Financial Statements and accompanying notes in other parts of this Interim Report.

This report includes critical estimates and judgments. For more information, see Note 2 of the Annual Report for 2021.

Correction of errors

In the first quarter, an assessment error was made in the calculation of net sales related to the company's new venture in RPM. The net turnover was calculated at SEK 1.0 M. According to the new assessment, net sales amounted to SEK 0.2 million in the first quarter. A correction of SEK -0.8 M has therefore been made to quarter one. In quarter one, the costs attributable to a collaboration agreement in the RPM business, which is described on page 6 - Revenues and results Coala-Life Group, amounted to SEK 2.8 million. This cost was not booked in the income statement for quarter one and is corrected in this report. All in all, SEK 3.6 million too high result was reported in the report for quarter one.

New IFRS standards issued but not yet applied

None of the IFRS or IFRIC interpretations that have not yet become effective are expected to have any material impact on the Financial Statements of the Group and Parent Company.

Note 2 Financial assets and liabilities valued at fair value

The Group's financial instruments consist of cash and cash equivalents, trade receivables, accrued income, other receivables, trade payables, interest-bearing liabilities, accrued expenses and other liabilities. Trade receivables and trade payables are reported at estimated fair value.

NOTE 3 Lease agreements IFRS 16

Coala Life applies the standard IFRS 16 Leases, whereby lease agreements are reported in the Balance Sheet and all lease expenses are reported as amortization and interest expenses (the company applies exemptions, for more information see paragraph 3 below). The Group's lease agreements are mainly rent agreements for office premises. The lease period is determined by the contractual non-cancellable period governing extension or expected cancellation of the agreement. If it cannot be determined with reasonable certainty that an extension or cancellation will take place, the extension is not included in the calculation of the lease liability. Rent agreements are reviewed continuously. Coala Life also applies the practical exemptions regarding reporting payments attributable to short-term lease agreements and lease agreements for assets of low value as an expense in the Income Statement.

Note 4 IFRS 15 Revenue recognition

SEK M	3 months		6 months		12 months	
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021-Jun 2022	Jan-Dec 2021
Sales						
Sweden	0.4	0.8	1.1	2.0	2.6	3.5
USA	1.2	0.1	1.3	0.2	1.7	0.6
Other national markets	-	-	-	-	-	-
Total	1.6	0.9	2.4	2.2	4.3	4.1

Note 5 Earnings per share

Coala Life has no outstanding equity instruments that imply dilution. The calculation of the average number of shares is based on the reconciliation items indicated in the following table. On October 29, 2021, the company announced that the number of outstanding shares

would be reduced in a 50:1 share merger. For the comparative figure for the average number of outstanding shares, the number of shares has been adjusted for the 50:1 share merger to accurately reflect the average number of outstanding shares.

SEK M	3 months		6 months		12 months	
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021-Jun 2022	Jan-Dec 2021
Earnings per share (weighted) before dilution, SEK	-0.6	-4.8	-1.3	-11.8	-6.4	-25.4
Earnings per share (weighted) after dilution, SEK	-0.6	-4.8	-1.3	-11.8	-6.4	-25.4
Weighted number of shares for the period before dilution	69,178,459	2,034,731	52,251,815	2,034,731	30,853,485	5,929,404
Weighted number of shares for the period after dilution	69,178,459	2,034,731	52,251,815	2,034,731	30,853,485	5,929,404
Number of shares as of the record date	79,481,634	2,034,731	79,481,634	2,034,731	79,481,634	35,325,171
Number of shares as of the record date after dilution	79,481,634	2,034,731	79,481,634	2,034,731	79,481,634	35,325,171

Note 6 Incentive program

Stock Option Plan Sweden 2022/2025:1A

The warrants in the program are for participants outside the United States. Participants refer to current and future employees and contractors of the Group. Participants in the program have acquired warrants from the company at fair value, which has been calculated at SEK 0.27 per option. The fair value has been calculated based on the share price during the measurement period, the 10-day period from April 28, 2022 to May 11, 2022, risk-free interest rate of 1.67 percent, and volatility of 42.5 percent. The company has the right, but not the obligation, to repurchase these options if the employee terminates employment during the term. The subscription price per share in the option scheme, if the warrants were to be exercised, amounts to SEK 5.16 which is 200% of the volume-weighted average share price over the 10-day period from April 28, 2022 to May 11, 2022. The warrants expire on December 31, 2025 and can be exercised during the last six months before their expiration.

Options issued under the plan 2022/2025:1A

(Number)	Total number issued
CEO	1,271,706
Senior executives	953,780
Other employees	834,557
Total	3,060,043

Stock Option Plan Sweden 2022/2025:2A

The warrants in the program are intended for participants outside the United States. Participants refer to current and future employees and contractors of the Group. Participants in the program have acquired warrants from the company at fair value, which has been calculated at SEK 0.27 per option. The fair value has been calculated based on the share price during the measurement period, the 10-day period from April 28, 2022 to May 11, 2022, risk-free interest rate of 1.67 percent, and volatility of 42.5 percent. The company has the right, but not the obligation, to repurchase these options if the employee terminates employment during the term. The subscription price per share in the warrant program, if the warrants were to be exercised, amounts to SEK 5.16 which is 200% of the volume-weighted average share price over the 10-day period from April 28, 2022 to May 11, 2022. The warrants expire on December 31, 2025 and can be exercised during the last six months before their expiration.

Options issued under the plan 2022/2025:2A

(Number)	Total number issued
Chairman	596,112
Other Board members	317,927
Total	914,039

Employee stock options USA 2022/2025:1B

The employee stock options in the program are for participants in the United States. Participants refer to current and future employees and contractors of the Group. Participants in the program have subscribed for options free of charge. The company has the right, but not the obligation, to revoke these options if the employee terminates employment during the term. The subscription price per share in the warrant program, if the employee stock options were to be exercised, amounts to SEK 5.16 which is 200% of the volume-weighted average share price over the 10-day period from April 28, 2022 to May 11, 2022. The employee stock options expire on December 31, 2025 and can be exercised during the last six months before their expiration. The costs as at June 30, 2022 amount to SEK 19,446 in total for this program and the social security contributions amount to SEK 1,716, based on the current tax rate of 7.65 percent, volatility of 42.5 percent and risk-free interest rate of 1.85 percent.

Options issued and subscribed under the program 2022/2025:1B

(Number)	Total number issued
President in the USA	794,816
Senior executives	317,927
VP USA	317,927
Other employees	635,853
Total	2,066,523

Employee stock options USA 2022/2025:2B

The employee stock options in the program are for participants in the United States. Participants refer to current and future employees and contractors of the Group. Participants in the program have subscribed for options free of charge. The company has the right, but not the obligation, to revoke these options if the employee terminates employment during the term. The subscription price per share in the warrant program, if the employee stock options were to be exercised, amounts to SEK 5.16 which is 200% of the volume-weighted average share price over the 10-day period from April 28, 2022 to May 11, 2022. The employee stock options expire on December 31, 2025 and can be exercised during the last six months before their expiration. The costs as at June 30, 2022 amount to SEK 2,992 in total for this program and the social security contributions amount to SEK 264, based on the current tax rate of 7.65 percent, volatility of 42.5 percent and risk-free interest rate of 1.85 percent.

Options issued under the plan 2022/2025:2B

(Number)	Total number issued
Other Board members	317,927
Total	317,927

Note 7 Business combinations

On August 15, 2022 Coala Life acquired 100 percent of the share capital of the US company Vitrics Management Group, Inc. (VMG). VMG is a service company offering Remote Patient Monitoring (RPM). VMG was founded by physicians and entrepreneurs in Houston, Texas, to provide RPM services to healthcare providers. Vitric's turnkey solutions in RPM include various types of monitoring services and platform solutions for monitoring chronically ill patients at home, commissioned by US healthcare providers. Today, the company has more than 1,000 chronically ill patients who are monitored over time with various connected medical devices in their homes.

RPM is a new healthcare model in the US that is developing rapidly accelerated by Covid-19. RPM is now reimbursed by all US insurance companies and millions of patients are now regularly followed remotely by their healthcare providers. To qualify as an RPM patient, a person must have an acute or chronic medical condition, which over 150 million Americans have. The challenge of RPM for healthcare providers is that the management of products, data and patient follow-up is extensive. Vitrics has developed a holistic service that efficiently runs RPM programs on behalf of healthcare providers and shares reimbursement.

Details of the purchase price and preliminary information on net assets acquired and goodwill are shown hereafter

SEK M

Purchase price	
Cash and cash equivalents	35.5
Total purchase price	35.5

Preliminary net asset analysis as at August 15, 2022

At the time of publication of this report, the company does not have sufficient information to make an allocation of consolidated excess value to each asset; it is intended to be presented in the Interim Report for the third quarter. The fair value of the net assets acquired is SEK 35.5 million and is preliminarily allocated as follows:

SEK M

Goodwill	35.5
Total	35.5

Goodwill is mainly related to the company's Intellectual capital, such as know-how, working methods, processes, etc. and the company's workforce.

Key ratios

SEK M	3 months		6 months		12 months	
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021-Jun 2022	Jan-Dec 2021
Gross profit, SEK M	1.3	0.9	1.9	2.2	3.8	4.1
Gross margin, %	80%	100%	79%	100%	88%	100%
EBITDA, SEK M	-40.7	-9.0	-71.6	-22.0	-204.8	-155.2
EBITDA, %	neg.	neg.	neg.	neg.	neg.	neg.
Profit/loss after financial items	-41.4	-9.8	-73.4	-23.6	-209.9	-160.1
Profit/loss after financial items, %	neg.	neg.	neg.	neg.	neg.	neg.
Equity/assets ratio, %	86%	75%	86%	75%	86%	65%
Earnings per share (weighted) (SEK)	-0.6	-4.8	-1.3	-11.8	-6.4	-25.4
Average number of employees and contractors	39	23	34	25	34	25

See Definition of key ratios on page 17

Shareholders

Largest shareholders as of 6/30/2022

	No. of shares	Share capital/votes, %
20 North Street Co AB	10,853,629	13.7
SEB Life International	8,729,613	11.0
Konsumentföreningen Stockholm	4,765,874	6.0
Åke Sundvall Holding AB	3,555,583	4.5
CBLDN-EQ Nordic Small Cap Fund	3,500,000	4.4
Sörländer, Klas Anders Magnus	2,930,604	3.7
Nordnet Pensionsförsäkring AB	2,042,685	2.6
Clearstream Banking S.A., W8IMY	1,717,173	2.2
JRS Asset Management AB, Client Account	1,656,577	2.1
SHB Luxembourg, Client Account SWE	1,589,968	2.0
Total, 10 largest shareholders	41,341,706	52.2
Other	38,139,928	47.8
Total	79,481,634	100.0

Source: Euroclear Sweden AB

CEO Dan Pitulia owns 3,511,279 shares corresponding to 4.42 percent of the outstanding shares in Coala-Life Group AB, indirectly through related parties and companies.

Definition of key ratios

This report contains financial metrics not defined in IFRS. These financial metrics are used to follow-up, analyze and control operations and to provide the Group's stakeholders with financial information about the Group's financial position, results and performance. These financial targets are considered necessary to follow and control progress of the Group's financial goals and are relevant to present on a continual basis.

A list of definitions of the key ratios used in this report follows.

MARGIN METRICS

Gross profit margin

Net sales less goods for resale in relation to net sales.

Purpose: The margin illustrates the proportion of net sales remaining to cover other expenses.

EBITDA-margin

EBITDA as a percentage of net sales.

Purpose: The measure is used to measure operational profitability.

Profit/loss after financial items - margin

Profit/loss after financial items as a percentage of net sales.

Purpose: The measure is used to measure profitability before tax in the business.

FINANCIAL METRICS

Gross profit

Sales less goods for resale

Purpose: This illustrates the proportion of net sales remaining to cover other expenses.

EBITDA

Operating income before interest, tax, impairment losses, depreciation and amortization, and goodwill amortization.

Purpose: Illustrates profitability of operations.

Profit/loss after financial items

Operating income after financial income and expense, before tax.

Purpose: Illustrates profitability before tax in the operations.

Equity/assets ratio

Shareholders' equity in relation to total assets.

Purpose: Equity/assets illustrates the proportion of assets financed by equity.

SHARE-BASED METRICS

Earnings per share

Net income for the period after deductions for the hybrid bond divided by the weighted average number of shares during the period.

Purpose: The performance measure is used to evaluate investment performance from a shareholder perspective.

OTHER TERMS

Average number of employees and contractors

Average number of full-time employees and contractors in a defined period.

Average number of shares

Weighted average of outstanding ordinary shares in the period.

Total expenses

Total expenses include: other external expenses, personnel expenses and depreciation/amortization.



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