



## INTERIM REPORT

January 1 - March 31, 2023

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# INTERIM REPORT

## January – March 2023

### First quarter, January 1, 2023 – March 31, 2023 in summary

- Net sales increased to SEK 11.6 M (1.0).
- EBITDA amounted to SEK -32.2 M (-30.5).
- Operating income totaled SEK -33.9 M (-31.6).
- Profit after tax was SEK -35.1 M (-31.4).
- Earnings in the period totaled SEK -35.0 M (-31.4).
- Earnings per share (weighted) was SEK -0.3 (-0.9).
- Cash flow from operating activities was SEK -31.3 M (-35.4).

### Events in the quarter

- On February 23, the company announced the outcome of the preferential rights issue, raising SEK 44.7 M after deductions of issue expenses and debt offset.
- On January 28, the company announced an agreement relating to an expanded service offering in RPM, covering just over 40% of connected patients. On March 24, the company announced that the number of connected patients had increased to over 90%.
- On January 26, the company held an Extraordinary General Meeting which was called for on December 23, 2022. At the General Meeting, a decision was made about a rights issue and the election of Per Lindeberg as a board member.

### 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 May 4, 2023, 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, first quarter 2023  | May 4, 2023      |
| Annual General Meeting 2023         | May 16, 2023     |
| Interim Report, second quarter 2023 | August 4, 2023   |
| Interim Report, third quarter 2023  | November 9, 2023 |
| Year-end Report 2023                | February 9, 2024 |

# Comments from the CEO

During the quarter we successfully transferred all connected patients in the US, who are now monitored using the expanded service. This also means that our income per patient continues to increase.

Coala Life's main focus is the US market, with over 120 million Americans affected by chronic cardiovascular diseases. To qualify for Remote Patient Monitoring (RPM), a patient must have an acute or chronic medical condition, which applies to almost half of the US population. Coala Life offers patients and healthcare services solutions for non-invasive and patient-centered predictive decision support, using algorithms to predict heart and lung disease and thereby contributing to avoiding certain conditions developing. Our strategic goal is to dramatically improve quality of life and clinical outcomes for the millions of patients affected by chronic or acute cardiovascular and other diseases.

We focus on Managed RPM in the US, where we offer a complete service for remote monitoring of chronically ill patients in the home. In December, we announced the launch of our expanded service, which provides clinics with robust decision support in the form of patient data. The past quarter was characterized by the work associated with signing new agreements with clinics, transferring patients, and implementing the expanded service. This work was

successful and the model has now been fully implemented so that all connected patients in the US are monitored using the expanded service.

We have high expectations for our future progress. In October, we started to present monthly reports on the numbers of connected patients as well as income, measured as annual revenue. At that time, we reported 2,600 patients and USD 2.7 M for September 2022. For March 2023, the corresponding figures were 3,700 patients and USD 4.8 M. Calculated from September 2022 to March 2023 we have reached a cumulative (CAGR) revenue growth of 10% a month and counting from March 2022, the monthly CAGR is 23%.

This means that the increased patient income resulting from the expanded service is very good. Even given the need to strengthen the organization to develop the expanded service, we are now well in line with our financial targets: sales of SEK 250 M by 2024, positive operating profit and a maintained gross margin of over 80%. Towards the end of 2022, we experienced high non-recurring costs, mainly relating to regulatory issues, but also from our expanded offering in the US. During the past quarter, we successfully implemented cost cuts that are set to reduce costs by 20% per SEK of sales made from Q2 2023 onwards, in line with the target presented on November 22, 2022.



"During the quarter we successfully transferred all connected patients in the US, who are now monitored using the expanded service. This also means that our income per patient continues to increase."

The US market is Coala Life's absolute focus but it is pleasing to see that conditions have also improved in Sweden and elsewhere. On the US market, we offer a number of different monitors in our RPM range. On that market, Coala Heart Monitor is an important part of this mix, although outside of the US we work exclusively with the Coala Heart Monitor. In Sweden, sales are picking up momentum. In April 2022, we received formal approval in Sweden after the Medical Technology Product Council (MTP Council) recommended the use of the Coala Heart Monitor in Swedish healthcare for patients with symptoms of atrial fibrillation, an approval that will play an important role in future regional procurement processes.

At the start of 2023, we won a tender in New Zealand alongside a partner, where the national healthcare authorities selected Coala Heart Monitor for remote monitoring of patients. The application focuses on rural areas in this sparsely populated country. Coala Heart Monitor's ability to deliver simple but advanced ECG readings to mobile medical stations or local healthcare centers was a decisive factor. Even given that we operate through a local distributor, the gross margin is well in excess of 80%. We are currently working to ensure that use of the monitor gets off the ground in order to capitalize on the contract.

At the start of 2023, Coala Heart Monitor received another important validation for diagnostic precision compared to the reference standard 12-lead ECG for diagnosing atrial tachyarrhythmia (ATA) and atrial fibrillation (AF). The study clearly shows that the quality of our heart monitor is on a par with those used in a clinical environment.

I am delighted that our service has gained strong market presence and that we are delivering in line with our targets. I am also pleased that the recently completed new issue received strong support, particularly from our major shareholders. As one of the investors in 20 North Street and through further investments, the share issue increased my direct and indirect holding in Coala Life Group by SEK 8 M to correspond to a total of around 7.5% of the company's shares. As my individual holding is lower, I think it is important that all investors see that I have consistently invested over SEK 20 M over the years which has benefited the company.

Overall, during 2022 we got the US business up and running and are well in line with our targets. The expanded service in the US generated significantly higher income per patient in the quarter. Moreover, through the recent raising of capital we will gain the opportunity to secure continued market penetration in the US in managed RPM. We also investigate factoring solutions to finance the fast growing accounts receivable. I look forward to keeping you informed of our continued journey.

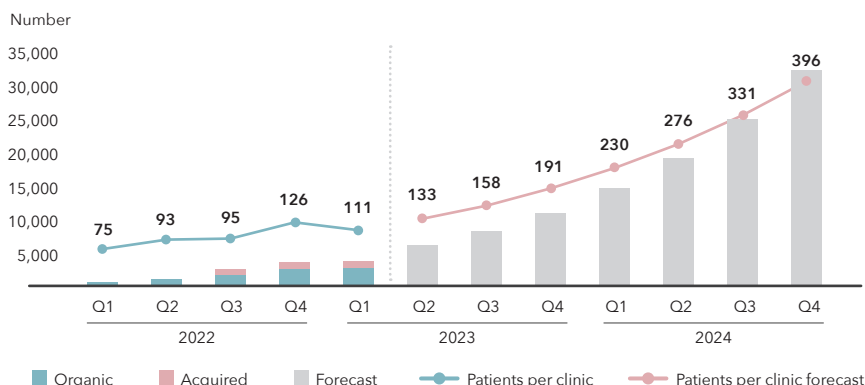
Dan Pitulia  
President and CEO



# Key ratios and forecast

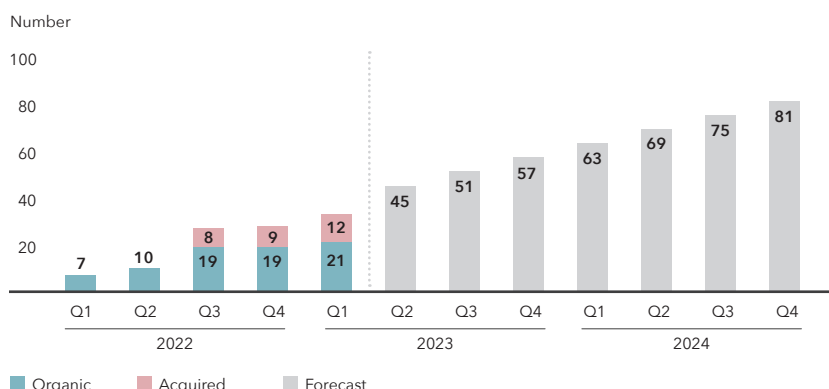
## Remote monitoring patients in the US

- There were approximately 3,700 patients in remote monitoring in the US in Q1 2023 and an average of 111 patients per clinic.
- There were approximately 3,500 patients in remote monitoring in the US in Q4 2022 and an average of 126 patients per clinic.
- There were approximately 2,600 patients in remote monitoring in the US in Q3 2022 and an average of 95 patients per clinic.
- There were approximately 900 patients in remote monitoring in the US in Q2 2022 and an average of 93 patients per clinic.



## Active clinics

- Q1 2023: 33
- Q4 2022: 28
- Q3 2022: 27
- Q2 2022: 10



## Invoiced average per patient

- The average invoice value at the end of Q1 2023 was USD 111. This is based on March sales divided by the number of patients in remote monitoring as of March 31.
- The average invoice value at the end of Q4 was USD 100. This is based on March sales divided by the number of patients in remote monitoring as of December 31.
- The average invoice value at the end of Q3 was USD 110. This is based on March sales divided by the number of patients in remote monitoring as of September 30.
- The average invoice value at the end of Q2 was USD 65. This is based on March sales divided by the number of patients in remote monitoring as of June 30.

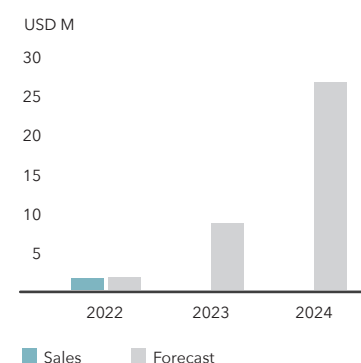
## Forecast

### Forecast annual sales rate



Forecast recurring sales based on December month's figures in the forecast period 2022-2024.

### Forecast annual sales



Forecast annual sales in the forecast period 2022-2024.

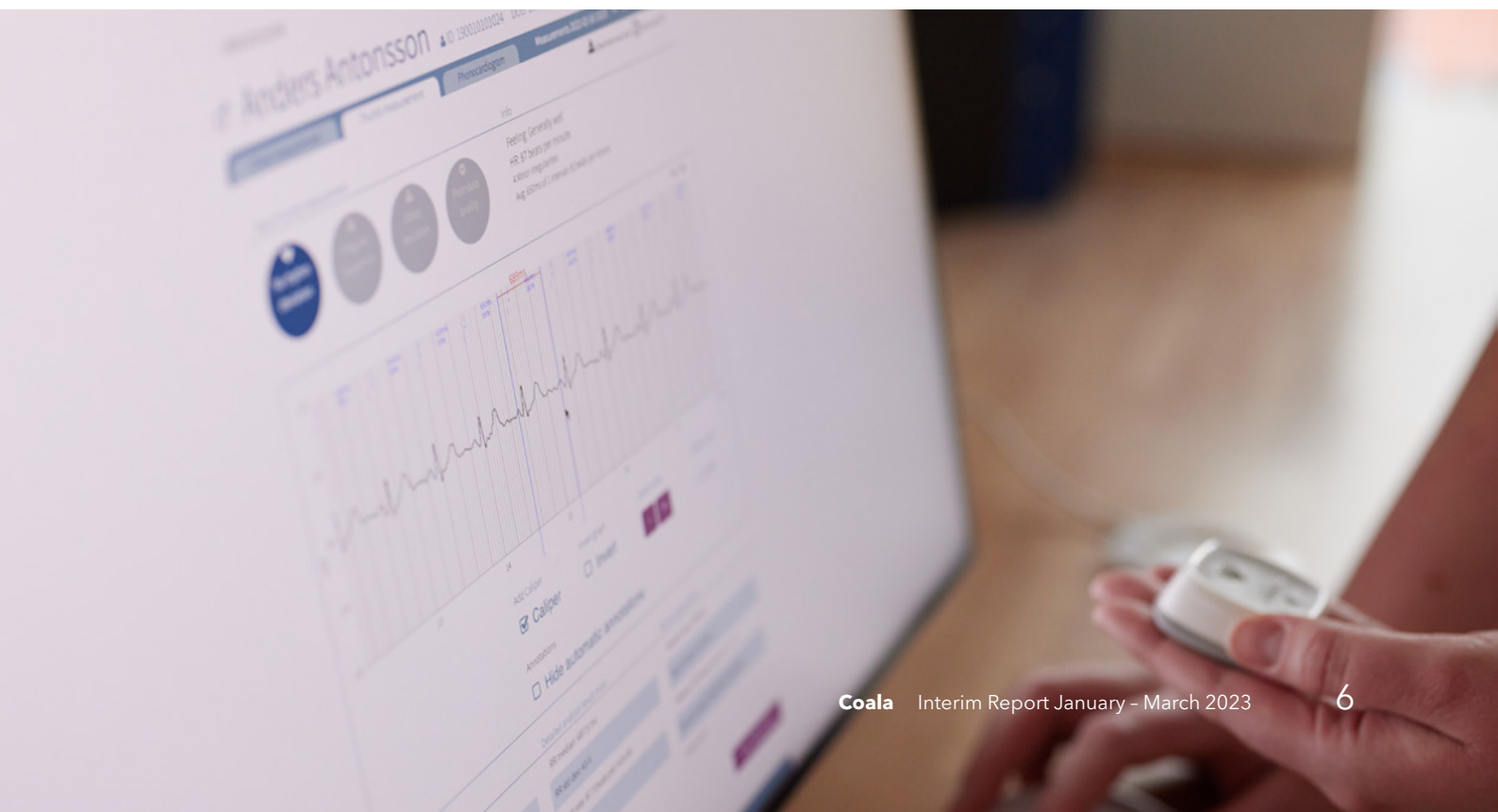
# Coala Life in brief

Coala Life is a cloudbased Software as a Service supplier, and a developer and distributor of medical equipment. The company was founded in 2015 and is listed on Nasdaq First North Growth Market. The company focuses on B2B solutions in remote patient monitoring, where the company offers US healthcare providers a scalable and cost-efficient platform solution that enables remote monitoring of high volumes of patients with chronic diseases. Remote monitoring is carried out with Coala Heart Monitor, but also with third party equipment, and can include parameters such as ECG, blood pressure, glucose levels, oxygenation, weight and lung capacity. The company offers a total solution and reduces the administrative burden on clinics, including follow-up, 24/7 monitoring, as well as the compensation process from government and private healthcare insurance providers. The patients that Coala Life monitors frequently suffer from diabetes, obesity and/or cardiovascular diseases.

Coala Life is originally a Swedish medtech company active in smartphone and cloudbased heart and lung diagnostics. The company has developed and launched Coala Heart Monitor which is a FDA- and CE-approved product platform for long-term remote monitoring, analysis and algorithm-based diagnosis of heart and lung conditions. We have invested over SEK 500 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.

## 2023

- On February 23, the company announced the outcome of the preferential rights issue, raising SEK 84.1 M before deductions of issue expenses and debt offset.
- On February 8, the company announced that it was expanding the guarantee consortium for the new issue to some 83 percent.
- On February 6, the company published the prospectus related to the preferential rights issue.
- On January 28, the company announced an agreement relating to an expanded service offering in RPM, covering just over 40% of connected patients. On March 24, the company announced that the number of connected patients had increased to over 90%.
- On January 26, the company held an Extraordinary General Meeting which approved the new issue and elected Per Lindeberg to the Board.



# Revenue and earnings Coala-Life - Group

## First quarter, January 1, 2023 - March 31, 2023

Reported net sales for the Group were SEK 11.6 M (1.0) in the first quarter. SEK 11.1 M of this is attributable to remote monitoring of chronically ill patients in the home environment, managed Remote Patient Monitoring (RPM).

Gross margin for the Group totaled 79 percent (74).

Total operating expenses were higher in the first quarter compared to the corresponding quarter of the previous year, mainly due to an increased sales force on 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 mRPM business, the Group has entered into a collaboration agreement. In the first quarter, the costs associated with this totaled to SEK -2.9 M.

Depreciation/amortization totaled SEK -1.7 M (-1.1) in the first quarter. EBITDA amounted to SEK -32.2 M (-30.5). Operating income amounted to SEK -33.9 M (-31.6). Net financial items totaled SEK -1.3 M and is primarily attributable to unrealized exchange rate losses of SEK -1.0 M. Earnings in the period amounted to SEK -35.1 M (-31.4).

### Group overview

|  | 3 months     |              | 12 months    |              |
|--|--------------|--------------|--------------|--------------|
|  | Jan-Mar 2023 | Jan-Mar 2022 | Jan-Dec 2022 | Jan-Dec 2021 |
| Net sales, SEK M                           | 11.6         | 1.0          | 16.8         | 4.1          |
| Gross profit, SEK M                        | 9.1          | 0.7          | 13.0         | 4.1          |
| Gross margin, (%)                          | 79%          | 74%          | 77%          | 100%         |
| EBITDA, SEK M                              | -32.2        | -30.5        | -133.6       | -155.2       |
| EBITDA margin, (%)                         | -277%        | -3,181%      | -797%        | -3,824%      |
| Operating income, SEK M                    | -33.9        | -31.6        | -139.1       | -160.1       |
| Operating margin (%)                       | -292%        | -3,297%      | -830%        | -3,946%      |
| Net income for the period, SEK M           | -35.1        | -31.4        | -141.9       | -150.7       |
| Earnings per share, SEK                    | -0.3         | -0.9         | -2.1         | -25.4        |
| Cash flow from operating activities, SEK M | -31.3        | -35.4        | -127.8       | -60.7        |



# Financial position and liquidity

The Group's total assets amounted to SEK 123.3 M at the end of the quarter, compared to SEK 105.4 M at the end of the previous financial year. Cash flow from changes in working capital totaled SEK 9.1 M (-4.4). Cash flow from operating activities was SEK -31.3 M (-35.4) in the period. After investments, cash flow was SEK -32.2 M (-16.2).

## Equity

Group equity was SEK 76.2 M at the end of the period, compared to SEK 39.3 M at the end of the previous financial year, implying an equity/assets ratio of 62 percent compared to 37 percent at year-end. The number of shares at the start of the financial year was 79,481,634. In the quarter, the company completed a new issue which increased the number of shares to 244,461,601. 164,979,967 warrants were also issued under the new issue, for further information see Note 6.

### No. of shares before and after new issue

|                           |             |
|---------------------------|-------------|
| Shares as of Dec 31, 2022 | 79,481,634  |
| Change, new issue         | 164,979,967 |
| Shares as of Mar 31, 2023 | 244,461,601 |

## Liquidity

The Group's cash and cash equivalents totaled SEK 34.2 M at the end of the period, compared to SEK 19.6 M at the end of the previous financial year. In the preferential rights issue completed on February 21, 2023, the company raised SEK 44.7 M after issue expenses and debt offset. The preferential rights issue comprised a maximum of 198,704,085 units, of which a total of 164,979,967 units were subscribed for, corresponding to some 83 percent of the preferential rights issue. Remaining and as yet unutilized warrants issued under the preferential rights issue confer holders with the right to subscribe for new shares in the company during September 2023, which could potentially raise a further SEK 13.7-38.5 M for the company before issue expenses, which are estimated at a maximum of some SEK 2.2 M. In order to ensure financial sustainability in case of continued strong growth, the company is investigating the possibility of factoring or otherwise financing the accounts receivable in the US, which would enable the company to receive faster payment for all accounts receivable.

## Liabilities

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

## Investments and depreciation/amortization

Investments for the year totaled SEK -0.8 M (19.2), for the comparative period SEK 20 M related to the divestment of the subsidiary Departments & Stores Europe AB. Depreciation/amortization totaled SEK -1.7 M (-1.1).

## Organization and employees

The average number of full-time employees and consultants in the period was 76 (32). The increase is attributable to the new venture into remote monitoring of chronically ill patients in the home environment, managed Remote Patient Monitoring (mRPM).

## Transactions with related parties

On November 15, 2022, the company signed a loan facility agreement with 20 North Street totaling SEK 11 M and Otiva J/T of SEK 8 M as part of the convertible loan totaling SEK 25 M. In the first quarter 2023, these loans were repaid in full. There were no other transactions in the financial year between the Group and related parties that materially impacted the Group's financial position and results of operations.

## Tax

During the period, the Group paid tax totaling SEK 0.0 M (0.0). The Group recognized accrued tax of SEK 0.1 M in the period. As the company has non-capitalized loss carry-forwards, tax expenses are expected to remain low. For further information, see the 2022 Annual Report.

## Parent Company

The Parent Company's other operating income amounted to SEK 0.0 M (1.9), the comparative period includes re-invoicing of office premises to former subsidiaries. Profit after net financial items amounted to SEK -21.5 M (-5.1) from shares in Group companies relating to shareholder contributions. No investments in intangible assets or property, plant and equipment were made in the year.

## 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.

### Operations 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 patient liability.
- 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 personal data processing.

### Financial risks

- Risks associated with Coala Life's funding requirement
- Exchange rate risk

For a more detailed description of the Group's risks and risk management, see the 2022 Annual Report.



### Assessment of going concern

The Board and CEO continuously monitor Group 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. In the event that the operations do not progress as expected or financing becomes unavailable, this would imply a material uncertainty factor that could generate significant doubts about the company's ability to continue operations according to the current plan.

### Review

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

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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, May 03, 2023  
Coala-Life Group AB (publ)

Ebba Fåhraeus  
*Board member*

Per Carendi  
*Chairman*

Christian Jørgensen  
*Board member*

Peter Troija  
*Board member*

Per Lindeberg  
*Board member*

Dan Pitulia  
*CEO*

# Consolidated Income Statement

| SEK M   | Note | 3 months        |                 | 12 months       |
|---|------|-----------------|-----------------|-----------------|
|   |      | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Jan-Dec<br>2022 |
| Net sales   | 3    | 11.6            | 1.0             | 16.8            |
| Change in inventories                                 |      | -2.5            | -0.2            | -3.8            |
| <b>Gross income</b>                                   |      | <b>9.1</b>      | <b>0.7</b>      | <b>13.0</b>     |
| Other operating income                                |      | 0.0             | 2.2             | 2.3             |
| Other external expenses                               |      | -15.3           | -16.7           | -60.3           |
| Personnel expenses                                    |      | -26.0           | -16.7           | -88.6           |
| <b>EBITDA</b>   |      | <b>-32.2</b>    | <b>-30.5</b>    | <b>-133.6</b>   |
| Depreciation/amortization of non-current assets       |      | -1.7            | -1.1            | -5.5            |
| <b>Operating income</b>                               |      | <b>-33.9</b>    | <b>-31.6</b>    | <b>-139.1</b>   |
| Financial income etc.                                 |      | 0.0             | 0.3             | 2.1             |
| Financial expenses etc.                               |      | -1.3            | -0.1            | -1.6            |
| <b>Net financial items</b>                            |      | <b>-1.3</b>     | <b>0.2</b>      | <b>0.5</b>      |
| <b>Profit/loss after financial items</b>              |      | <b>-35.2</b>    | <b>-31.4</b>    | <b>-138.6</b>   |
| Tax on profit for the period                          |      | 0.1             | 0.0             | -3.4            |
| <b>Net income for the period</b>                      |      | <b>-35.1</b>    | <b>-31.4</b>    | <b>-141.9</b>   |
| <b>Net income for the period attributable to:</b>     |      |                 |                 |                 |
| Parent Company shareholders                           |      | -35.1           | -31.4           | -141.9          |
|   |      | <b>-35.1</b>    | <b>-31.4</b>    | <b>-141.9</b>   |
| Translation differences                               |      | 0.1             | 0.0             | 0.2             |
| <b>Comprehensive income</b>                           |      | <b>-35.0</b>    | <b>-31.4</b>    | <b>-141.7</b>   |
| Earnings per share (weighted) before dilution (SEK)   |      | -0.3            | -0.9            | -2.1            |
| Earnings per share (weighted) after dilution (SEK)    |      | -0.3            | -0.9            | -2.1            |
| Number of shares outstanding as of the reporting date |      | 244,461,601     | 35,325,171      | 79,481,634      |

## Consolidated Balance Sheet, in summary

| SEK M  | Note | 03/31/2023   | 03/31/2022  | 12/31/2022   |
|--|------|--------------|-------------|--------------|
| <b>Assets</b>                                      |      |              |             |              |
| Intangible assets                                  |      | 42.0         | 5.3         | 42.8         |
| Property, plant and equipment                      |      | 7.8          | 1.7         | 7.9          |
| Right-of-use assets                                |      | 4.1          | 1.1         | 4.3          |
| Financial non-current assets                       |      | 0.8          | 0.2         | 0.9          |
| <i>Total non-current assets</i>                    |      | <i>54.7</i>  | <i>8.3</i>  | <i>55.8</i>  |
| Inventories  |      | 10.3         | 11.8        | 9.8          |
| Current receivables                                |      | 24.1         | 6.3         | 20.2         |
| Cash and cash equivalents                          |      | 34.2         | 29.3        | 19.6         |
| <i>Total current assets</i>                        |      | <i>68.6</i>  | <i>47.4</i> | <i>49.6</i>  |
| <b>Total assets</b>                                |      | <b>123.3</b> | <b>55.7</b> | <b>105.4</b> |
| <b>Equity and Liabilities</b>                      |      |              |             |              |
| Equity attributable to Parent Company shareholders |      | 76.2         | 8.5         | 39.3         |
| <i>Total equity</i>                                |      | <i>76.2</i>  | <i>8.5</i>  | <i>39.3</i>  |
| Long-term lease liabilities                        |      | 2.5          | 0.7         | 2.9          |
| Deferred tax liabilities                           |      | 3.2          |             | 3.3          |
| Current lease liabilities                          |      | 1.5          | 0.6         | 1.3          |
| Other non-current liabilities                      |      | 0.2          |             | 0.1          |
| Other current liabilities                          |      | 39.7         | 46.0        | 58.5         |
| <i>Total liabilities</i>                           |      | <i>47.1</i>  | <i>47.2</i> | <i>66.1</i>  |
| <b>Total equity and liabilities</b>                |      | <b>123.3</b> | <b>55.7</b> | <b>105.4</b> |

## Changes in shareholders' equity, in summary

| SEK M  | Jan-Mar 2023 | Jan-Mar 2022 | Jan-Dec 2022  |
|--|--------------|--------------|---------------|
| Opening balance                                | 39.3         | 52.3         | 52.3          |
| <b>Net income for the period</b>               | <b>-35.1</b> | <b>-31.4</b> | <b>-141.9</b> |
| Translation differences                        | 0.1          | 0.0          | 0.2           |
| <b>Total comprehensive income for the year</b> | <b>-35.0</b> | <b>-31.4</b> | <b>-141.7</b> |
| Stock option plan                              | -            | -            | 1.9           |
| Rights issue                                   | 84.1         | -            | 150.2         |
| Costs, rights issue                            | -12.2        | -12.2        | -23.4         |
| <b>Balance at the end of the period</b>        | <b>76.2</b>  | <b>8.5</b>   | <b>39.3</b>   |

# Consolidated Cash Flow Statement, in summary

| SEK M  | 3 months        |                 | 12 months        |                 |
|--|-----------------|-----------------|------------------|-----------------|
|  | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Jan- Dec<br>2022 | Jan-Dec<br>2021 |
| <b>Operating activities</b>                            |                 |                 |                  |                 |
| Operating income                                       | -33.9           | -31.6           | -139.1           | -160.1          |
| Interest received and other financial income           | 0.0             | 0.0             | 0.5              | 0.5             |
| Interest paid  | -0.3            | -0.1            | -1.6             | -0.1            |
| Tax paid   | -6.7            | -0.1            | 5.6              | -0.3            |
| Adjustments for items not included in cash flow        | 0.5             | 0.7             | 5.6              | 108.9           |
| <b>Cash flow before change in working capital</b>      | <b>-40.4</b>    | <b>-31.0</b>    | <b>-129.0</b>    | <b>-51.1</b>    |
| <b>Cash flow from change in working capital</b>        |                 |                 |                  |                 |
| Change in inventories                                  | -0.5            | 0.2             | 2.7              | -3.1            |
| Change in accounts receivable                          | -3.1            | 0.1             | -1.5             | 0.0             |
| Decrease (+) / increase (-) in current receivables     | -3.1            | 1.6             | -7.4             | 3.2             |
| Decrease (+) / increase (-) in non-current liabilities | 0.0             | -               | 0.1              | -               |
| Decrease (+) / increase (-) in current liabilities     | 15.8            | -6.2            | 7.3              | -9.8            |
| <b>Change in working capital</b>                       | <b>9.1</b>      | <b>-4.4</b>     | <b>1.2</b>       | <b>-9.6</b>     |
| <b>Cash flow from operating activities</b>             | <b>-31.3</b>    | <b>-35.4</b>    | <b>-127.8</b>    | <b>-60.7</b>    |
| Acquisitions of equipment and software                 | -0.8            | -0.8            | -9.6             | -0.3            |
| Acquisition of subsidiaries                            | -               | -               | -35.9            | 52.7            |
| Divestment of subsidiaries                             | -               | 20.0            | 20.0             | -9.2            |
| <b>Cash flow from investing activities</b>             | <b>-0.8</b>     | <b>19.2</b>     | <b>-25.5</b>     | <b>43.3</b>     |
| <b>Cash flow after investments</b>                     | <b>-32.2</b>    | <b>-16.2</b>    | <b>-153.3</b>    | <b>-17.4</b>    |
| <b>Financing activities</b>                            |                 |                 |                  |                 |
| Change in other debt                                   | -               | 15.0            | 40.0             | -               |
| Amortization of loan                                   | -25.2           | -               | -15.0            | -0.5            |
| Amortization of lease liability                        | -               | -               | -0.9             | -2.9            |
| Warrants   | -               | -               | 1.9              | -               |
| Rights issue   | 84.1            | -               | 139.1            | 39.3            |
| Costs, rights issue                                    | -12.2           | -               | -23.4            | -               |
| <b>Cash flow from financing activities</b>             | <b>46.7</b>     | <b>15.0</b>     | <b>141.8</b>     | <b>36.0</b>     |
| <b>Cash flow for the period</b>                        | <b>14.5</b>     | <b>-1.2</b>     | <b>-11.5</b>     | <b>18.5</b>     |
| Cash and cash equivalents at beginning of period       | 19.6            | 30.5            | 30.5             | 11.8            |
| Exchange rate difference in cash and cash equivalents  | 0.1             | 0.0             | 0.6              | 0.2             |
| <b>Cash and cash equivalents at end of period</b>      | <b>34.2</b>     | <b>29.3</b>     | <b>19.6</b>      | <b>30.5</b>     |



# Parent Company Income Statement

| SEK M   | 3 months        |                 | 12 months       |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Jan-Dec<br>2022 | Jan-Dec<br>2021 |
| Other operating income                          | 0.0             | 1.9             | 2.1             | 12.6            |
|   | <b>0.0</b>      | <b>1.9</b>      | <b>2.1</b>      | <b>12.6</b>     |
| <b>Operating expenses</b>                       |                 |                 |                 |                 |
| Other external expenses                         | -0.9            | -5.9            | -16.0           | -72.3           |
| Personnel expenses                              | -0.4            | -1.0            | -1.9            | -10.0           |
| Depreciation/amortization of non-current assets | -               | -0.4            | 0.0             | -7.1            |
| <b>Operating income</b>                         | <b>-1.2</b>     | <b>-5.3</b>     | <b>-15.9</b>    | <b>-76.8</b>    |
| Profit from participations in Group companies*  | -20.0           | -               | -100.0          | -76.1           |
| Financial income etc.                           | 0.2             | 0.3             | 4.3             | 3.2             |
| Financial expenses etc.                         | -0.5            | -0.1            | -0.1            | -11.5           |
| <b>Profit/loss after financial items</b>        | <b>-21.5</b>    | <b>-5.1</b>     | <b>-111.7</b>   | <b>-161.1</b>   |
| Taxes   | -               | -               | -               | -               |
| <b>Net income for the period</b>                | <b>-21.5</b>    | <b>-5.1</b>     | <b>-111.7</b>   | <b>-161.1</b>   |

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

\*In 2023, the Parent Company made a shareholder contribution to subsidiary Coala Life AB of SK 20 M. \*SEK 100 M in 2022 relates to impairment of the shares in Coala Life AB.

# Parent Company Balance Sheet, in summary

| SEK M  | 03/31/2023   | 03/31/2022   | 12/31/2022   |
|--|--------------|--------------|--------------|
| <b>Assets</b>                                  |              |              |              |
| Financial non-current assets                   | 424.6        | 423.1        | 424.6        |
| Other current receivables                      | 75.0         | 15.3         | 55.8         |
| Cash and cash equivalent                       | 24.4         | 22.9         | 12.0         |
| <b>Total assets</b>                            | <b>523.9</b> | <b>461.2</b> | <b>492.4</b> |
| <b>Equity and Liabilities</b>                  |              |              |              |
| <i>Restricted equity</i>                       |              |              |              |
| Share capital                                  | 61.1         | 8.8          | 19.9         |
| <i>Total restricted equity</i>                 | 61.1         | 8.8          | 19.9         |
| <i>Non-restricted equity</i>                   |              |              |              |
| Retained earnings                              | 453.3        | 403.9        | 534.4        |
| Profit from participations in Group companies* | -20.0        | -            | -            |
| Net income for the period                      | -1.5         | -5.1         | -111.7       |
| <i>Total non-restricted equity</i>             | 431.8        | 398.9        | 422.7        |
| <b>Equity</b>                                  | 492.9        | 407.7        | 442.5        |
| Current liabilities                            | 31.0         | 53.5         | 49.8         |
| <b>Total equity and liabilities</b>            | <b>523.9</b> | <b>461.2</b> | <b>492.4</b> |

\*In 2023, the Parent Company made a shareholder contribution to subsidiary Coala Life AB of SK 20 M.

# 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 2022. 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 2022.

### Correction of errors

In Q1 2022, an error of judgment was made in a calculation relating to the company's new initiative in RPM, net sales were estimated at SEK 1.0 M and according to the new assessment, net sales amounted to SEK 0.2 M in the first quarter. Accordingly, the comparative figures for the first quarter 2022 have been adjusted by SEK -0.8 M. In the first quarter 2022, costs associated with a collaboration agreement under the RPM transaction totaled SEK 2.8 M. This cost was not posted to the Income Statement for Q1 2022, and has been adjusted in the comparative figures. Overall, this meant that the company posted results that were SEK 3.6 M too high in the Q1 2022 report, which has been corrected in the comparative figures.

### 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 4 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.

| SEK M  | 3 months     |              | 12 months    |              |
|--|--------------|--------------|--------------|--------------|
|  | Jan-Mar 2023 | Jan-Mar 2022 | Jan-Dec 2022 | Jan-Dec 2021 |
| Earnings per share (weighted) before dilution, SEK       | -0.3         | -0.9         | -2.1         | -25.4        |
| Earnings per share (weighted) after dilution, SEK        | -0.3         | -0.9         | -2.1         | -25.4        |
| Weighted number of shares for the period before dilution | 118,409,491  | 35,325,171   | 66,016,339   | 5,929,404    |
| Weighted number of shares for the period after dilution  | 118,409,491  | 35,325,171   | 66,016,339   | 5,929,404    |
| Number of shares as of the reporting date                | 244,461,601  | 35,325,171   | 79,481,634   | 35,325,171   |
| Number of shares as of the reporting date after dilution | 244,461,601  | 35,325,171   | 79,481,634   | 35,325,171   |

## 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 IFRS 15 Revenue recognition

| SEK M                  | 3 months     |              | 12 months    |              |
|------------------------|--------------|--------------|--------------|--------------|
|                        | Jan-Mar 2023 | Jan-Mar 2022 | Jan-Dec 2022 | Jan-Dec 2021 |
| <b>Sales</b>           |              |              |              |              |
| Sweden                 | 0.5          | 0.7          | 1.9          | 3.5          |
| USA                    | 11.1         | 1.1          | 14.8         | 0.6          |
| Other national markets | -            | -            | 0.0          | -            |
| <b>Total</b>           | <b>11.6</b>  | <b>1.8</b>   | <b>16.8</b>  | <b>4.1</b>   |

## Note 5 Incentive program

In connection with a new issue in 2023, outstanding warrants were recalculated under the applicable warrants terms. This means that the subscription price per option is SEK 3.82 and confers the right to 1.35 shares.

### Stock Option Plan Sweden 2022/2025:1A

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 1.67 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 2022/2025:1A

| (Number)          | Total number issued |
|-------------------|---------------------|
| CEO               | 1,397,479           |
| Senior executives | 1,120,605           |
| Other employees   | 738,697             |
| <b>Total</b>      | <b>3,256,781</b>    |

### 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 67 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            | 655,068             |
| Other Board members | 698,738             |
| <b>Total</b>        | <b>1,353,806</b>    |

### 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 December 31, 2022 amount to SEK114,036 in total for this program and the social security contributions amount to SEK 163, based on the current tax rate of 7.65 percent, volatility of 42.5 percent and risk-free interest rate of 2.28 percent.

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

| (Number)             | Total number issued |
|----------------------|---------------------|
| President in the USA | 873,424             |
| Senior executives    | -                   |
| VP USA               | 214,425             |
| Other employees      | 911,194             |
| <b>Total</b>         | <b>1,999,043</b>    |

### 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 December 31, 2022 amount to SEK17,095 in total for this program and the social security contributions amount to SEK 24, based on the current tax rate of 7.65 percent, volatility of 42.5 percent and risk-free interest rate of 2.28 percent.

#### Options issued under the plan 2022/2025:2B

| (Number)            | Total number issued |
|---------------------|---------------------|
| Other Board members | 349,369             |
| <b>Total</b>        | <b>349,369</b>      |

## Note 6 Warrants

In connection with the preferential rights issue completed on February 21, 2023, the company issued 164,979,967 warrants of series TO 1 which will be utilized to subscribe for new shares in the period September 11, 2023 – September 22, 2023. Three (3) warrants of series TO 1 confer the holder the right to subscribe for one (1) new share in the company at a subscription price corresponding to seventy (70) percent of the volume weighted average price (VWAP) of the company's share on Nasdaq First North Growth Market for a period of ten (10) trading days immediately preceding, and including, September 8, 2023, subject to a minimum of SEK 0.25 and a maximum of SEK 0.7 per share. Upon full utilization of all warrants of series TO 1, the number of shares in the company will increase by a further 54,993,322 shares, increasing the share capital by SEK 13,748,330.50 and raising some further SEK 13.7-38.5 M before issue expenses of some SEK 2.2 M (excluding costs of practical management). The complete terms of the warrants can be found in the Prospectus.



# Key ratios

| SEK M                                       | 3 months        |                 | 12 months       |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Jan-Dec<br>2022 | Jan-Dec<br>2021 |
| Gross profit, SEK M                         | 9.1             | 0.7             | 13.0            | 4.1             |
| Gross margin, %                             | 79%             | 74%             | 77%             | 100%            |
| EBITDA, SEK M                               | -32.2           | -30.5           | -133.6          | -155.2          |
| EBITDA, %                                   | -277%           | -3,181%         | -797%           | -3,824%         |
| Profit/loss after financial items           | -35.2           | -31.4           | -138.6          | -150.7          |
| Profit/loss after financial items, %        | -292%           | -3,297%         | -830%           | -3,946%         |
| Equity/assets ratio, %                      | 62%             | 15%             | 37%             | 65%             |
| Earnings per share (weighted) (SEK)         | -0.3            | -0.9            | -2.1            | -25.4           |
| Average number of employees and contractors | 76              | 32              | 42              | 25              |

See Definition of key ratios on page 18

# Shareholders

## Largest shareholders as of 03/31/2023

|                                       | Number of shares   | Share capital/votes, % |
|---------------------------------------|--------------------|------------------------|
| 20 North Street Co AB                 | 38,245,117         | 15.6                   |
| Otiva J/F AB                          | 30,553,645         | 12.5                   |
| Åke Sundvall Holding AB               | 16,413,167         | 6.7                    |
| eQ Asset Management Oy                | 13,064,969         | 5.3                    |
| Redeye                                | 8,980,477          | 3.7                    |
| Avanza Pension                        | 8,727,423          | 3.6                    |
| Klas Anders Magnus Sörlander          | 6,930,604          | 2.8                    |
| Nordnet Pensionsförsäkring            | 5,931,528          | 2.4                    |
| Regovita AB                           | 5,445,884          | 2.2                    |
| Konsumentföreningen Stockholm         | 4,765,874          | 1.9                    |
| <b>Total, 10 largest shareholders</b> | <b>139,058,688</b> | <b>56.9</b>            |
| Other                                 | 105,402,913        | 43.1                   |
| <b>Total</b>                          | <b>244,461,601</b> | <b>100.0</b>           |

Source: Euroclear Sweden AB

CEO Dan Pitulia held 18,218,936 shares corresponding to 7.45 percent of the outstanding shares in Coala-Life Group AB, indirectly through related parties and companies, at the end of the first quarter 2023.

# 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.

### *Patients in remote monitoring*

Number of patients remotely monitored by the company in the US at the end of each period.

### *Active clinics*

Number of clinics where the company has agreements relating to the remote monitoring of patients, that also have patients under remote monitoring.

### *Invoiced average per patient*

The average value per patient the company can invoice per given period.

### *Forecast annual sales*

Forecast recurring sales for the given period.

### *Forecast annual sales*

Forecast annual sales.

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