

## INTERIM REPORT

January 1 - September 30, 2023

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## January - September 2023

### Third quarter: July 1, 2023 - September 30, 2023 in summary

- Net sales increased to SEK 14.1 M (5.0).
- EBITDA amounted to SEK -30.0 M (-27.8).
- Operating income totaled SEK -32.3 M (-28.2).
- Loss after tax was SEK -31.4 M (-18.5).
- Earnings for the period totaled SEK -31.8 M (-18.5).
- Earnings per share was SEK -0.1 (-0.3).
- Cash flow from operating activities was SEK -6.4 M (-36.1).

### The period: January 1, 2023 - September 30, 2023 in summary

- Net sales increased to SEK 39.8 M (7.5).
- EBITDA amounted to SEK -90.5 M (-99.4).
- Operating income totaled SEK -97.1 M (-101.7).
- Loss after tax was SEK -94.3 M (-88.6).
- Earnings for the period totaled SEK -93.3 M (-88.4).
- Earnings per share was SEK -0.4 (-1.4).
- Cash flow from operating activities was SEK -65.1 M (-122.5).

### Events in the quarter

- On September 25, the outcome was announced of the warrants that were issued in the first quarter of 2023, and the company received approximately SEK 5.5 M less issue costs.
- On September 19, the company took out a bridge loan of SEK 5 M to secure short-term liquidity needs.
- On September 11, the company initiated a cost-saving program to reduce total costs by 30% that it is deemed will be fully implemented in January 2024.
- On September 1, CFO Richard Roa left the company and the company's controller Robin Danielsson Källmark was appointed interim CFO.
- On August 2, the company announced that Emma Strömfeldt had resigned as a Board member of Coala Life Group AB (publ).
- On July 11, the company issued a notice to attend an Extraordinary General Meeting on July 31 for a resolution on a directed new share issue for some of the company's largest owners. The directed new share issue was approved at the Extraordinary General Meeting, which will raise SEK 17 M for the company, less transaction costs.

### Events after the end of the quarter

- On November 21, the company announced that the Board of Directors is proposed to resolve during an Extraordinary General Meeting on December 22, 2023 on an upcoming rights issue of approximately SEK 75.4 M and on warrants of approximately SEK 18,8 M. The rights issue is planned to run from January 8, 2024 to January 22, 2024 and the subscription period for the warrants is planned to run between May 30, 2024 to June 12, 2024.
- On November 21, the company entered into new bridge loan agreements of SEK 20 M together with existing loans of SEK 5 M.

### Contact information

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Interim CFO and Head of IR, Robin Danielsson Källmark	+46 72 188 84 09

This information is such that Coala-Life Group AB is required to disclose according to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the above contact person on November 23, 2023, at 7:00 a.m. (CET).

*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

Year-end Report 2023	February 23, 2024
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# Comments from the CEO

Coala Life's focus is the US market for remote patient monitoring (RPM) in the home environment, where we offer Managed RPM, a full-service solution. Our service provides patients and the health care sector with solutions for non-invasive and patient-centered indicative decision support, using algorithms to predict heart and lung disease and thereby contribute 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 operate in a market undergoing rapid growth. According to Medi-Tech Insight, the global healthcare consultancy, the total RPM market in the US will reach over USD 18 billion by 2026, with an annual rate of growth of 25%. Coala Life is well positioned to take part in this growth, and we have high expectations for our future progress.

Our sales growth has been good, in particular since our operations in the US started up in earnest in the spring of 2022. Sales in the third quarter was SEK 14.1 M, compared with SEK 5.0 M in the year-earlier period. Sales from January to September totaled SEK 39.8 M (SEK 7.5 M in the year-earlier period). The gross margin remained high, totaling 85% (83) for the period.

Our expanded venture in the US market has required a professional organization that is capable both as regards attracting new clinics as part of sales initiatives and delivering on the follow-up, reporting and assistance that patient monitoring requires. This has involved a substantial increase in the organization, and the average number of full-time employees and consultants in the period was 89 (39) and has led us to not yet achieve improvements in operating income, which for the third quarter totaled SEK -32.3 M (-28.2). The company therefore initiated a cost-saving program in September to lower its total costs by 30%. The effect of the measures we have taken to date will be a gradual reduction of costs, and the program is expected to be fully implemented in January of 2024. Further efficiency improvements have now been identified, with savings of just over SEK 5 M on an annual basis, and these will also yield a full effect in Q1 2024.

Since October 2022, we have reported our figures regarding the number of connected patients and the preliminary revenue - measured as annual revenue - on a monthly basis. In Q2, we reported 4,000 connected patients and an annual sales rate of USD 5.6 M. In Q3, the number of patients increased to 4,400 while the annual sales rate fell to USD 5.1 M.



With a fivefold increase in turnover for the first 9 months we are on the right way and we see a lot of appreciation in the US market for our complete service solution.

Revenue is greatly dependent on patients monitoring their measurements so that they can be approved and invoiced in the insurance system.

The figures for October are 4,400 and USD 4.6 M, since a medium-sized clinic with a large proportion of non-invoiceable patients was terminated. A tightening of procedures that will entail more stringent requirements for compliance has now been introduced.

In the third quarter, a number of measures were taken to improve the company's liquidity, which has been severely burdened owing to the lag in revenue that the lengthy payment periods entail. In conjunction with this, we carried out an additional review of compliance with the agreements with our connected clinics. As part of this effort, we identified a few clinics that have not complied with the regulatory conditions, with the result that remuneration from the insurance systems will not be paid out. We have addressed this and are canceling the agreements with 6 clinics. One key condition for Coala Life's continued success is ensuring that our patient documentation is properly in compliance with physicians' recommendations. If this is deficient, we cannot ensure full remuneration from the payment systems. A more stringent procedure for selecting clinics and patients is expected to lead to improved efficiency in sales initiatives.

In Q3, the compensation system Medicare decided to increase the remuneration for remote monitoring through the possibility of charging one remuneration code three times (against twice, previously) if the activity justifies it. This will have a positive effect toward the end of 2023.

The US market is Coala Life's absolute focus, but our conditions in Sweden - as well as in other countries - continue to improve. In the US market, we offer a number of different monitors in our RPM range. 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, the interest in - and sales of - Coala Heart Monitor have begun to gain momentum. In addition to Region Stockholm's investment in digital remote patient monitoring, with Coala Life as one of the three selected partners in the pilot project, one of Sweden's largest primary care providers has decided to initiate three pilot projects with Coala Heart Monitor.

I would also like to mention that, during the late summer, we achieved two key regulatory goals that are important for our continued growth. On the one hand, we obtained ISO approval under the new ISO 27001:2022 standard, which shows that our procedures for information security fulfill the requirements in this highly recognized standard; on the other hand, Coala Heart Monitor was certified as a Class IIa medical device under (EU) 2017/745, the new European Medical Device Regulation (MDR). In an industry with increasingly stringent regulatory requirements and a large increase in data crimes, this is essential for the future.

The sales growth in Coala Life means that our working capital, owing to the lengthy terms of payment, is increasingly bound up in trade receivables. With a payment period that is close to three months, the company is experiencing serious stresses in its liquidity. Our factoring agreement with Aros Kapital has decreased this pressure on our strained liquidity somewhat, but not to a sufficient degree. To further reduce the burden on our liquidity, in July we carried out a private placement of new shares that raised SEK 17 M before transaction costs for the company. In September, we took out a bridge loan of SEK 5 M to secure short-term liquidity needs. In light of Coala Life's expected continued growth and the long turnaround times for payments that still remain, further strengthening of the company's liquidity is required. That is why the Board of Directors decided, given the approval of an Extraordinary General Meeting on December 22, 2023 to carry out a preferential rights issue totaling SEK 75,4 M that is guaranteed to 75% and is believed will raise SEK 66,7 M, net, for the company.

We see good conditions for regaining our previous rate of increase as regards our patient revenue. A more stringent procedure for selecting clinics and patients is expected to lead to improved efficiency in sales initiatives. In the savings program, the fixed sales costs will be halved by a switch to performance-based remuneration, with external parties being involved to a greater extent. The latter has already proven to work well, and will thus be expanded further.

Our service has enjoyed a robust breakthrough in the market, and despite a tough third quarter with short-term deviations, overall we still take a positive view of being able to deliver continued good growth and returning to positive operating income in the second half of 2024 with a retained gross margin of over 80%. Revised and long-term goals will be presented in the second half of 2024.

Now we are focused to achieve profitability and cash flow positivity and continuing our penetration of the managed RPM market in the US and selecting clinics and patients with even greater care.

I look forward to keeping you informed about our continued journey.

Dan Pitulia  
President and CEO

# Key ratios

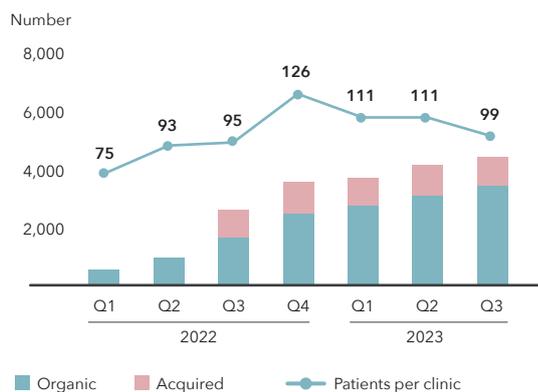
## Growth per quarter - Patients, clinics and sales

Year	Quarter	Number of patients	Average number of patients per clinic	Active clinics	Average value of sales per patient (USD)
2023	Q3	4,400	99	44	94
2023	Q2	4,100	111	37	114
2023	Q1	3,700	111	33	111
2022	Q4	3,500	126	28	100
2022	Q3	2,600	95	27	110
2022	Q2	900	93	10	65
2022	Q1	500	75	7	73

The average value of sales per patient is based on sales in the last month of each quarter divided by the number of patients in remote monitoring as of the last day of

each quarter. For Q3 2023, the figures are based on sales for September divided by the number of patients at September 30.

### Remote monitoring patients in the US



### Active clinics



# Coala Life in brief

Coala Life is a cloud-based Software as a Service supplier, and a developer and distributor of medtech equipment. The company was founded in 2015 and is listed on Nasdaq First North Growth Market.

Coala Life focuses primarily on offering B2B solutions for remote patient monitoring (RPM) of chronically ill patients. In the prioritized US market, the company offers a full service platform solution through its brand, QorumPartners, for remote monitoring and keeps the patient connected to their care provider at all times, year round.

The platform offers US care providers the opportunity, in a scalable and cost-efficient manner, to monitor large volumes of chronically ill patients remotely. 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. With this total

solution, clinics are relieved of much of the administrative burden, including follow-up and monitoring as well as the reimbursement process from government and private health care 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 cloud-based heart and lung diagnostics. The company has developed and launched Coala Heart Monitor which is an FDA- and CE-approved product platform for long-term remote monitoring, analysis and algorithm-based diagnosis of heart and lung conditions.

Approximately SEK 500 M has been invested in the company and development of the Coala system, which is unique, is protected by around 30 patents and represents a close fit with new digitized health care services.

## 2023

- On September 11, the company initiated a cost-saving program to reduce total costs by 30% that it is deemed will be fully implemented in January 2024.
- On September 1, CFO Richard Roa left the company and the company's controller Robin Danielsson Källmark was appointed interim CFO.
- On August 2, the company announced that Emma Strömfeldt had resigned as a Board member of Coala Life Group AB (publ).
- On June 9, the company announced that it had signed an agreement for financing of trade receivables in the US for up to USD 4 million.
- On May 26, it was announced that the company was one of three partners selected to participate in a pilot project as part of a digital venture in remote patient monitoring being conducted by Region Stockholm.
- 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%.

# Revenue and earnings Coala-Life Group - Consolidated

## Third quarter: July 1, 2023 - September 30, 2023 in summary

Reported net sales for the Group were SEK 14.1 M (5.0) in the third quarter. SEK 13.6 M (4.6) of this is attributable to remote monitoring in the US of chronically ill patients in the home environment, managed remote patient monitoring (mRPM).

The gross margin for the Group totaled 85% (83). Total operating expenses in the third quarter were higher compared to the year-earlier period, mainly due to the company's mRPM venture.

In order to accelerate the development of the mRPM business, the Group has entered into a collaboration agreement. In the third quarter, the costs associated with this agreement totaled SEK -1.1 M (-2.0).

Depreciation/amortization for the third quarter totaled SEK -2.3 M (-0.5). The increase consisted primarily of amortization of acquired customer contracts. EBITDA amounted to SEK -30.0 M (-27.8).

Operating income amounted to SEK -32.3 M (-28.2). Net financial items totaled SEK 0.7 M (9.7) and were primarily attributable to unrealized exchange rate fluctuations. Net income for the period amounted to SEK -31.4 M (-18.5).

## The period: January 1, 2023 - September 30, 2023

Reported net sales for the Group were SEK 39.8 M (7.5) in the period. SEK 38.3 M of this is attributable to the venture in remote monitoring in the US of chronically ill patients in the home environment, mRPM. The gross margin for the Group totaled 81% (82). Total operating expenses were higher compared to the year-earlier period, mainly due to the company's mRPM venture. In order to pursue the development of the mRPM business, the Group has entered into a collaboration agreement. Associated costs in the period totaled SEK -6.0 M (-4.8).

Depreciation/amortization for the period totaled SEK -6.6 M (-2.3). The increase consisted primarily of amortization of acquired customer contracts. EBITDA amounted to SEK -90.5 M (-99.4). Operating income amounted to SEK -97.1 M (-101.7). Net financial items totaled SEK 2.4 M (13.0) and were primarily attributable to unrealized exchange rate fluctuations. Net income for the period amounted to SEK -94.3 M (-88.6).

## Group overview

	3 months		9 months		12 months
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Net sales, SEK M	14.1	5.0	39.8	7.5	16.8
Gross profit, SEK M	11.9	4.2	32.3	6.1	13.0
Gross margin, (%)	85%	83%	81%	82%	77%
EBITDA, SEK M	-30.0	-27.8	-90.5	-99.4	-133.6
EBITDA margin, (%)	-213%	-556%	-228%	-1325%	-797%
Operating income, SEK M	-32.3	-28.2	-97.1	-101.7	-139.1
Operating margin, (%)	-230%	-564%	-244%	-1356%	-830%
Net income for the period, SEK M	-31.4	-18.5	-94.3	-88.6	-141.9
Earnings per share, SEK	-0.1	-0.3	-0.4	-1.4	-2.1
Cash flow from operating activities, SEK M	-6.4	-36.0	-65.1	-122.5	-127.8

# Financial position and liquidity

The Group's total assets amounted to SEK 105.8 M at the end of the quarter, compared to SEK 105.4 M at the start of the financial year. Cash flow from changes in working capital totaled SEK 34.9 M (-34.8) for the period. Cash flow from operating activities was SEK -65.1 M (-122.5) in the period, and was lower primarily as a result of the company's factoring solution that promoted lower levels of trade receivables. After investments, cash flow was SEK -72.5 M (-142.1).

## Equity

Group equity was SEK 40.4 M at the end of the period, compared to SEK 39.3 M at the start of the financial year, corresponding to an equity/assets ratio of 38% compared to 37% at the start of the financial year. 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. In the third quarter, a share issue without preferential rights of 44,736,846 shares was carried out and the redemption of the warrants was completed, which increased the number of shares by 24,934,353.

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

Shares as of Dec 31, 2022	79,481,634
Change, new issue	234,651,166
Shares as of Sep 30, 2023	314,132,800

## Liquidity

The Group's cash and cash equivalents totaled SEK 12.3 M at the end of the period, compared to SEK 19.6 M at the start of the 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% of the preferential rights issue. Remaining and as yet unutilized warrants issued under the preferential rights issue conferred holders with the right to subscribe for new shares in the company during September 2023, which raised a further SEK 5.8 M for the company less issue expenses. At an Extraordinary General Meeting on July 31, the Board of Directors decided on a private placement of 44,736,846 shares, which raised SEK 16.6 M less issue expenses for the company.

To ensure financial stamina in conjunction with continued robust growth, the company signed a factoring agreement to finance its trade receivables in the US that will facilitate the receipt of faster payments on trade receivables. In September, the Group raised a bridge loan of SEK 5 M from an external creditor to strengthen the company's liquidity over the short term.

## Liabilities

The Group's liabilities consist of current operating liabilities such as liabilities to suppliers and the like.

## Investments, depreciation/amortization and impairment

Investments for the year totaled SEK -7.5 M (19.6). In the comparative period, SEK 20 M related to the divestment of the subsidiary Departments & Stores Europe AB. Depreciation/amortization and impairment totaled SEK -6.6 M (-2.3).

## Organization and employees

The average number of full-time employees and consultants in the period was 89 (39). The increase is attributable to the new venture into remote monitoring in the US of chronically ill patients in the home environment, mRPM.

## Transactions with related parties

On November 15, 2022, the company signed loan facility agreements of SEK 11 M with 20 North Street and SEK 8 M with Otiva J/F 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 0.4 M in the period. As the Group 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 7.2 M (2.1) pertaining to internal invoicing for management services. The comparative period includes re-invoicing of office premises to former subsidiaries. The Parent Company posted a loss after net financial items of SEK -80.0 M (-6.7) from participations 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 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 linked to exposure to the company's US operations and factoring solution, which is traded in USD.

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 the event that the operations do not progress as expected or financing becomes unavailable, this would entail 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, November 23, 2023  
Coala-Life Group AB (publ)

Per Carendi  
*Chairman*

Peter Troija  
*Board member*

Per Lindeberg  
*Board member*

Christian Jørgensen  
*Board member*

Dan Pitulia  
*CEO*

# Consolidated Income Statement

SEK M	Note	3 months		9 months		12 months
		Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Net sales	3	14.1	5.0	39.8	7.5	16.8
Change in inventories		-2.1	-0.9	-7.4	-1.4	-3.8
<b>Gross income</b>		<b>11.9</b>	<b>4.2</b>	<b>32.3</b>	<b>6.1</b>	<b>13.0</b>
Other operating income		2.2	0.0	2.2	2.3	2.3
Other external expenses		-14.5	-4.4	-41.2	-50.7	-60.3
Personnel expenses		-29.6	-27.5	-83.9	-57.1	-88.6
<b>EBITDA</b>		<b>-30.0</b>	<b>-27.8</b>	<b>-90.5</b>	<b>-99.4</b>	<b>-133.6</b>
Depreciation/amortization and impairment of non-current assets		-2.3	-0.5	-6.6	-2.3	-5.5
<b>Operating income</b>		<b>-32.3</b>	<b>-28.2</b>	<b>-97.1</b>	<b>-101.7</b>	<b>-139.1</b>
Financial income etc.		1.2	9.6	4.2	14.5	2.1
Financial expenses etc.		-0.5	0.1	-1.8	-1.4	-1.6
<b>Net financial items</b>		<b>0.7</b>	<b>9.7</b>	<b>2.4</b>	<b>13.0</b>	<b>0.5</b>
<b>Loss after financial items</b>		<b>-31.5</b>	<b>-18.5</b>	<b>-94.7</b>	<b>-88.6</b>	<b>-138.6</b>
Tax on profit for the period		0.1	0.0	0.4	0.0	-3.4
<b>Net income for the period</b>		<b>-31.4</b>	<b>-18.5</b>	<b>-94.3</b>	<b>-88.6</b>	<b>-141.9</b>
<b>Net income for the period attributable to:</b>						
Parent Company shareholders		-31.4	-18.5	-94.3	-88.6	-141.9
		<b>-31.4</b>	<b>-18.5</b>	<b>-94.3</b>	<b>-88.6</b>	<b>-141.9</b>
Translation differences		-0.4	0.0	1.0	0.2	0.2
<b>Comprehensive income</b>		<b>-31.8</b>	<b>-18.5</b>	<b>-93.3</b>	<b>-88.4</b>	<b>-141.7</b>
Earnings per share (weighted) before dilution (SEK)		-0.1	-0.3	-0.4	-1.4	-2.1
Earnings per share (weighted) after dilution (SEK)		-0.1	-0.3	-0.4	-1.4	-2.1
Number of shares outstanding as of the reporting date		314,132,800	79,481,634	314,132,800	79,481,634	79,481,634

## Consolidated Balance Sheet, in summary

SEK M	Note	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>Assets</b>				
Intangible assets	7	45.7	46.0	42.8
Property, plant and equipment		8.9	4.5	7.9
Right-of-use assets		3.5	1.0	4.3
Financial non-current assets		1.0	0.2	0.9
<i>Total non-current assets</i>		<i>59.1</i>	<i>51.7</i>	<i>55.8</i>
Inventories		11.8	12.6	9.8
Current receivables		22.5	11.3	20.2
Cash and cash equivalents		12.3	34.4	19.6
<i>Total current assets</i>		<i>46.6</i>	<i>58.3</i>	<i>49.6</i>
<b>Total assets</b>		<b>105.8</b>	<b>110.0</b>	<b>105.4</b>
<b>Equity and liabilities</b>				
Equity attributable to Parent Company shareholders		40.4	93.2	39.3
<i>Total equity</i>		<i>40.4</i>	<i>93.2</i>	<i>39.3</i>
Long-term lease liabilities		1.9	0.8	2.9
Deferred tax liabilities		2.8	–	3.3
Current lease liabilities		1.5	0.4	1.3
Other non-current liabilities		1.3	–	0.1
Other current liabilities		57.9	15.7	58.5
<i>Total liabilities</i>		<i>65.3</i>	<i>16.8</i>	<i>66.1</i>
<b>Total equity and liabilities</b>		<b>105.8</b>	<b>110.0</b>	<b>105.4</b>

## Changes in equity, in summary

SEK M	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Opening balance	39.3	52.3	52.3
<b>Net income for the period</b>	<b>-94.3</b>	<b>-88.6</b>	<b>-141.9</b>
Translation differences	1.0	0.2	0.2
<b>Comprehensive income for the year</b>	<b>-93.3</b>	<b>-88.4</b>	<b>-141.7</b>
Stock option plan	0.3	2.2	1.9
Rights issue	107.4	150.2	150.2
Costs, rights issue	-13.3	-23.0	-23.4
<b>Balance at end of period</b>	<b>40.4</b>	<b>93.2</b>	<b>39.3</b>

# Consolidated Cash Flow Statement, in summary

SEK M	3 months		9 months		12 months
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Operating activities</b>					
Operating income	-32.3	-28.2	-97.1	-101.7	-139.1
Interest received and other financial income	-0.2	-4.3	-0.2	0.3	0.5
Interest paid and other financial expenses	-0.2	0.0	-0.7	-1.4	-1.6
Tax paid	-0.1	-0.2	-6.8	-0.3	5.6
Adjustments for items not included in cash flow	1.5	11.5	4.8	15.4	5.6
<b>Cash flow before change in working capital</b>	<b>-31.3</b>	<b>-21.2</b>	<b>-99.9</b>	<b>-87.7</b>	<b>-129.0</b>
<b>Cash flow from change in working capital</b>					
Change in inventories	-1.0	-0.1	-2.0	0.1	2.7
Change in trade receivables	9.0	-3.5	-1.7	-2.6	-1.5
Decrease (+) / increase (-) in current receivables	8.3	-1.6	6.3	-1.4	-7.4
Decrease (+) / increase (-) in non-current liabilities	0.0	0.0	0.0	–	0.1
Decrease (+) / increase (-) in current liabilities	8.7	-9.6	32.2	-30.9	7.3
<b>Change in working capital</b>	<b>25.0</b>	<b>-14.8</b>	<b>34.9</b>	<b>-34.8</b>	<b>1.2</b>
<b>Cash flow from operating activities</b>	<b>-6.4</b>	<b>-36.1</b>	<b>-65.1</b>	<b>-122.5</b>	<b>-127.8</b>
Acquisitions of equipment and software	-3.1	-1.3	-7.5	-3.7	-9.6
Acquisitions of subsidiaries	–	-35.9	–	-35.9	-35.9
Divestment of subsidiaries	–	–	–	20.0	20.0
<b>Cash flow from investing activities</b>	<b>-3.1</b>	<b>-37.2</b>	<b>-7.5</b>	<b>-19.6</b>	<b>-25.5</b>
<b>Cash flow after investments</b>	<b>-9.5</b>	<b>-73.3</b>	<b>-72.5</b>	<b>-142.1</b>	<b>-153.3</b>
<b>Financing activities</b>					
Change in other debt	-5.0	–	-5.0	15.0	40.0
Amortization of loan	-0.1	–	-25.6	-15.0	-15.0
Amortization of lease liability	–	–	–	0.0	-0.9
Warrants	0.0	0.0	0.3	2.2	1.9
Rights issue	23.2	–	107.4	153.5	139.1
Costs, rights issue	-0.5	–	-13.3	-10.7	-23.4
<b>Cash flow from financing activities</b>	<b>17.6</b>	<b>0.0</b>	<b>63.8</b>	<b>145.0</b>	<b>141.8</b>
<b>Cash flow for the period</b>	<b>8.0</b>	<b>-73.3</b>	<b>-8.8</b>	<b>2.9</b>	<b>-11.5</b>
Cash and cash equivalents at beginning of period	2.9	107.0	19.6	30.5	30.5
Exchange rate difference in cash and cash equivalents	1.3	0.7	1.5	1.0	0.6
<b>Cash and cash equivalents at end of period</b>	<b>12.3</b>	<b>34.4</b>	<b>12.3</b>	<b>34.4</b>	<b>19.6</b>

# Parent Company Income Statement

SEK M	3 months		9 months		12 months
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Other operating income	0.0	0.0	7.2	2.1	2.1
	<b>0.0</b>	<b>0.0</b>	<b>7.2</b>	<b>2.1</b>	<b>2.1</b>
<b>Operating expenses</b>					
Other external expenses	-0.9	2.0	-2.8	-11.6	-16.0
Personnel expenses	-0.6	0.0	-1.4	-1.2	-1.9
Depreciation/amortization and impairment of non-current assets	0.0	–	0.0	0.0	0.0
<b>Operating income</b>	<b>-1.6</b>	<b>2.1</b>	<b>3.0</b>	<b>-10.7</b>	<b>-15.9</b>
Profit/loss from participations in Group companies*	-40.0	–	-85.0	0.0	-100.0
Financial income etc.	0.3	3.7	2.3	4.1	4.3
Financial expenses etc.	2.0	0.0	-0.3	0.0	-0.1
<b>Loss after financial items</b>	<b>-39.3</b>	<b>5.8</b>	<b>-80.0</b>	<b>-6.7</b>	<b>-111.7</b>
Taxes	–	–	–	–	–
<b>Net income for the period</b>	<b>-39.3</b>	<b>5.8</b>	<b>-80.0</b>	<b>-6.7</b>	<b>-111.7</b>

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

\*In 2023, the Parent Company made shareholder contributions to the subsidiary Coala Life AB of SEK 85 M. SEK 100 M in 2022 relates to impairment of the shares in Coala Life AB.

# Parent Company Balance Sheet, in summary

SEK M	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>Assets</b>			
Financial non-current assets	424.6	486.1	424.6
Other current receivables	64.7	61.6	55.8
Cash and bank balances	0.8	23.3	12.0
<b>Total assets</b>	<b>490.1</b>	<b>571.1</b>	<b>492.4</b>
<b>Equity and liabilities</b>			
<i>Restricted equity</i>			
Share capital	78.5	19.9	19.9
<i>Total restricted equity</i>	78.5	19.9	19.9
<i>Non-restricted equity</i>			
Retained earnings	457.9	534.9	534.4
Net income for the period	-80.0	-6.7	-111.7
<i>Total non-restricted equity</i>	377.9	528.1	422.7
<b>Equity</b>	456.5	548.0	442.5
Current liabilities	33.7	23.1	49.8
<b>Total equity and liabilities</b>	<b>490.1</b>	<b>571.1</b>	<b>492.4</b>

\*In 2023, the Parent Company made shareholder contributions to the subsidiary Coala Life AB of SEK 85 M.

# Notes

## Note 1 Accounting policies

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. In addition to the Financial Statements and accompanying notes, disclosures in accordance with IAS 34.16A appear 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.

### New IFRS 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.

### Transfer of financial assets

The company applies factoring. Through agreements, the company has transferred receivables from the US to a factoring company in exchange for cash and cash equivalents. The receivables thus cannot be sold or pledged to another party. The company has transferred the credit risk to the factoring company, and thereby does not recognize transferred assets in the balance sheet.

### Intellectual property rights - software

Costs for software maintenance are expensed as they arise. Development costs that are directly attributable to development and testing of identifiable and unique software products that are controlled by the Group are recognized as intangible assets when it is the intent of the company to complete the software and to use it. Directly attributable expenses that are capitalized as part of the software include employees costs and a reasonable share of indirect costs. Capitalized development costs are recognized as intangible assets and are amortized from the point in time when the asset is ready for use.

## Note 4 Earnings per share

Coala Life has no outstanding equity instruments that give rise to dilution. The calculation of the average number of shares is based on the reconciliation items indicated in the following table.

SEK M	3 months		9 months		12 months
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Earnings per share (weighted) before dilution, SEK	-0.1	-0.6	-0.4	-1.3	-2.1
Earnings per share (weighted) after dilution, SEK	-0.1	-0.6	-0.4	-1.3	-2.1
Weighted number of shares for the period before dilution	275,820,056	69,178,459	213,707,857	52,251,815	66,016,339
Weighted number of shares for the period after dilution	275,820,056	69,178,459	213,707,857	52,251,815	66,016,339
Number of shares as of the reporting date	314,132,800	79,481,634	314,132,800	79,481,634	79,481,634
Number of shares as of the reporting date after dilution	314,132,800	79,481,634	314,132,800	79,481,634	79,481,634

## Note 2 Financial assets and liabilities measured 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 recognized at amortized cost.

## Note 3 IFRS 15 revenue recognition

SEK M	3 months		9 months		12 months
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Sales</b>					
Sweden	0.5	0.4	1.5	1.5	1.9
USA	13.6	4.6	38.3	6.0	14.8
Other national markets	0.0	–	0.0	–	0.0
<b>Total</b>	<b>14.1</b>	<b>5.0</b>	<b>39.8</b>	<b>7.5</b>	<b>16.8</b>

## Note 5 Incentive program

In connection with a preferential rights issue in 2023, outstanding warrants were recalculated under the applicable warrants terms. This means that the subscription price per warrant after recalculation 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 US. 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 warrant. The fair value has been calculated based on the share price during the measurement period - the ten-day period from April 28, 2022 to May 11, 2022 - with a risk-free interest rate of 1.67% and volatility of 42.5%. The company has the right, but not an obligation, to repurchase these warrants if the employee terminates their employment during the term. The subscription price per share in the warrant program, if the warrants were to be exercised, amounts to SEK 3.82 after recalculation, which is 200% of the volume-weighted average share price over the ten-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.

Warrants issued under the plan 2022/2025:1A

(Number)	Total number issued
CEO	1,397,479
Senior executives	890,020
Other employees	969,282
<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 US. 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 warrant. The fair value has been calculated based on the share price during the measurement period - the ten-day period from April 28, 2022 to May 11, 2022 - with a risk-free interest rate of 1.67% and volatility of 42.5%. The company has the right, but not an obligation, to repurchase these warrants if the employee terminates their employment during the term. The subscription price per share in the warrant program, if the warrants were to be exercised, amounts to SEK 3.82 after recalculation, which is 200% of the volume-weighted average share price over the ten-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 US. 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 an obligation, to revoke these options if the employee terminates their employment during the term. The subscription price per share in the warrant program, if the warrants were to be exercised, amounts to SEK 3.82 after recalculation, which is 200% of the volume-weighted average share price over the ten-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 September 30, 2023 amount to SEK 273,029 in total for this program and the social security contributions amount to SEK 7, based on the current tax rate of 7.65%, volatility of 42.5% and risk-free interest rate of 2.28%.

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 US. 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 an obligation, to revoke these options if the employee terminates their employment during the term. The subscription price per share in the warrant program, if the warrants were to be exercised, amounts to SEK 3.82 after recalculation, which is 200% of the volume-weighted average share price over the ten-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 September 30, 2023 amount to SEK 40,930 in total for this program and the social security contributions amount to SEK 1, based on the current tax rate of 7.65%, volatility of 42.5% and risk-free interest rate of 2.28%.

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 conferred the holder the right to subscribe for one (1) new share in the company at a subscription price corresponding to seventy percent (70%) 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 increased by a further 54,993,322 shares, increasing the share capital by SEK 13,748,330.50 and raised approximately a further SEK 13.7-38.5 M before issue expenses of approximately SEK 2.2 M (excluding costs of practical management). The complete terms of the warrants can be found in the prospectus.

A total of 74,803,059 warrants were exercised for subscription of 24,934,353 shares at a subscription price of SEK 0.25, corresponding to a utilization rate of approximately 45%.

## Note 7 Software and other intellectual property rights

KSEK	Software	Customer contracts	Goodwill	Patents	Total
<b>Sep 30, 2023</b>					
Opening cost	8,692	12,140	27,030	1,594	49,456
Capitalized development expenditure*	4,064	–	–	–	4,064
Translation differences	–	470	1,047	–	1,517
<b>Closing accumulated cost</b>	<b>12,756</b>	<b>12,610</b>	<b>28,077</b>	<b>1,594</b>	<b>55,037</b>
Opening amortization	-5,151	-910	–	-638	-6,699
Amortization for the year	-652	-1,913	–	-119	-2,684
<b>Closing accumulated amortization</b>	<b>-5,803</b>	<b>-2,824</b>	<b>-</b>	<b>-757</b>	<b>-9,383</b>
<b>Closing residual value according to plan</b>	<b>6,953</b>	<b>9,786</b>	<b>28,077</b>	<b>837</b>	<b>45,653</b>
<b>Dec 31, 2022</b>					
Opening cost	9,046	–	–	1,594	10,640
Acquisitions for the year	–	12,093	26,898	–	38,991
Sales/disposals for the year	-354	–	–	–	-354
Translation differences	–	47	132	–	179
<b>Closing accumulated cost</b>	<b>8,692</b>	<b>12,140</b>	<b>27,030</b>	<b>1,594</b>	<b>49,456</b>
Opening amortization	-4,282	–	–	-478	-4,760
Amortization for the year	-869	-910	–	-159	-1,938
<b>Closing accumulated amortization</b>	<b>-5,151</b>	<b>-910</b>	<b>-</b>	<b>-638</b>	<b>-6,699</b>
<b>Closing residual value according to plan</b>	<b>3,540</b>	<b>11,229</b>	<b>27,030</b>	<b>956</b>	<b>42,756</b>

\*Capitalized development expenditure that pertains to an internally developed intangible asset. Refer also to Note 1.

## Key ratios

SEK M	3 months		9 months		12 months
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Gross profit, SEK M	11.9	4.2	32.3	6.1	13.0
Gross margin, %	85%	83%	81%	82%	77%
EBITDA, SEK M	-30.0	-27.8	-90.5	-99.4	-133.6
EBITDA, %	-213%	-556%	-228%	-1325%	-797%
Loss after financial items	-31.5	-18.5	-94.7	-88.6	-138.6
Loss after financial items, %	-230%	-564%	-244%	-1356%	-830%
Equity/assets ratio, %	36%	85%	36%	85%	37%
Earnings per share (weighted) (SEK)	-0.1	-0.3	-0.4	-1.4	-2.1
Average number of employees and contractors	93	46	89	39	42

See Definition of key ratios on page 18.

## Shareholders

### Largest shareholders as of September 30, 2023

	Number of shares	Share capital/votes, %
20 North Street co AB	53,113,539	16.9%
Otiva J/F AB	38,448,382	12.2%
Åke Sundvall Holding AB	22,992,115	7.3%
eQ Asset Management Oy	17,163,208	5.5%
Dan Pitulia	16,726,316	5.3%
Avanza Pension	11,088,306	3.5%
Nils-Holger Olsson	5,932,984	1.9%
Klas Anders Magnus Sörländer	5,846,644	1.9%
Regovita AB	5,445,884	1.7%
Konsumentföreningen Stockholm	4,765,874	1.5%
<b>Total, 10 largest shareholders</b>	<b>181,523,252</b>	<b>57.8%</b>
Other	132,609,548	42.2
<b>Total</b>	<b>314,132,800</b>	<b>100.0%</b>

Source: Euroclear Sweden AB

# 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*

Equity in relation to total assets.

Purpose: Equity/assets ratio 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 rate*

Forecast recurring sales for the given period.

### *Forecast annual sales*

Forecast annual sales.



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