

## YEAR-END REPORT

January 1, 2022 - December 31, 2022

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# YEAR-END REPORT

## January–December 2022

### Fourth quarter, October 1, 2022 - December 31, 2022 in summary

- Net sales increased to SEK 9.3 M (1.0).
- EBITDA amounted to SEK -42.9 M (-118.0).
- Operating income totaled SEK -46.1 M (-120.5).
- Profit after tax was SEK -53.4 M (-111.0).
- Earnings in the period totaled SEK -53.4 M (-111.0).
- Earnings per share (weighted) was SEK -0.8 (-6.3).
- Cash flow from operating activities was SEK -32.0 M (-24.7).

### The period, January 1, 2022 - December 31, 2022 in summary

- Net sales increased to SEK 16.8 M (4.1).
- EBITDA amounted to SEK -133.6 M (-155.2).
- Operating income totaled SEK -139.1 M (-160.1).
- Profit after tax was SEK -141.9 M (-150.7).
- Earnings in the period totaled SEK -141.7 M (-150.8).
- Earnings per share (weighted) was SEK -2.1 (-25.4).
- Cash flow from operating activities was SEK -127.8 M (-60.7).

### Events in the quarter

- On October 25, the company announced that it will start reporting key ratios on a monthly basis for the company's main market, the US.
- On November 15, the company announced that it had entered into a convertible loan facility of SEK 25 M with existing shareholders.
- On December 23, the company communicated its intention to complete a preferential rights issue of units, 75% guaranteed, totaling some SEK 101 M.

### Events after the end of the quarter

- 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%.
- 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 January 26, the company held an Extraordinary General Meeting which approved the new issue and elected Per Lindeberg to the Board.

### 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 March 31, 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

Year-end Report 2022	March 31, 2023
Annual Report 2022	April 25, 2023
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

**We can conclude that we have successfully developed our business on the US market. We are now also increasing income per patient.**

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.

In February 2022, we launched our initiative aimed at Managed RPM in the US as a complete service offering for remote monitoring of chronically ill patients in the home. During the year, we established our own organization under the name Qorum Partners as well as acquiring US company Vitrics in August, which is also active in Managed RPM. These initiatives produced clear results during the fall. In December, we announced the launch of our expanded service which provides clinics with robust patient data, a model that has been fully introduced at the time of writing. All connected patients in the US are currently monitored with the expanded service which also increases our income per patient significantly.

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. In February 2023, these figures were 3,700 patients and USD 4.6 M (USD 3.7 M in January 2023). This means that the increased patient income resulting from the expanded service is very good. Even considering that we

have strengthened the organization in order to develop the expanded service, the key ratios published in this report are in line with our financial target of sales of SEK 250 million by 2024 with a positive operating profit and a maintained gross margin of over 80%.

Managed RPM means that clinics' remote monitoring of patients is handled by external companies. We monitor patients 24/7, have ongoing contact with patients and ensure that monitoring is carried out correctly and regularly. We report any discrepancies directly to the healthcare provider. We also lessen the administrative burden of the healthcare provider, allowing clinics to focus fully on core operations. The aim is to ensure that our customers always perceive us as a partner and not just as a supplier. We can clearly see that use of the platform starts to take off after we have gained this level of confidence throughout a whole clinic.

The US market is Coala Life's absolute focus but it is pleasing to see that the conditions have also improved in Sweden and elsewhere. On 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, 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.



“We can conclude that we have successfully developed our business on the US market. We are now also increasing income per patient”

At the start of 2023, we won a tender in New Zealand together with a partner, where the national healthcare authorities selected Coala Heart Monitor for remote monitoring of patients. The application is focused 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 centres 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 was well received, particularly from our major shareholder 20 North Street. As one of the investors in that company and through investments, I increased my direct and indirect holding in Coala Life Group with 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 have benefited the company.

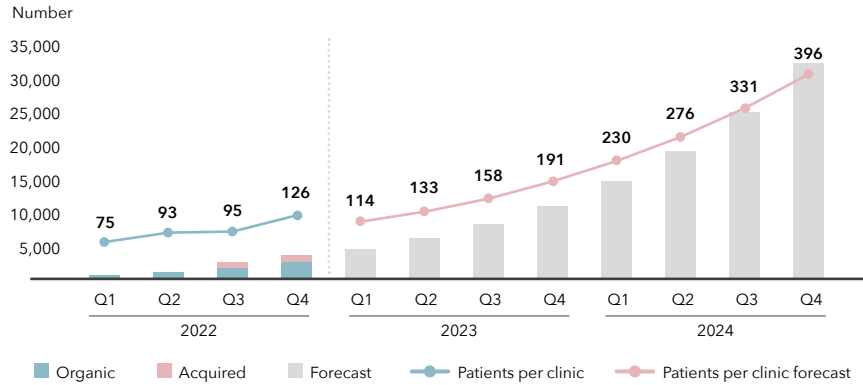
Overall, during 2022 we got the US business up and running and are well in line with our targets. At the start of the year, the expanded services in the US generated significantly higher income per patient. Moreover, through the recent raising of capital we will gain the opportunity to secure continued market penetration in the US in Managed RPM. Our plan is for this capital to put us in a financial position that enables the company to progress to a point where it can manage on its own merits. I look forward to keeping you updated about our continued journey.

Dan Pitulia  
President and CEO

# Key ratios and forecast

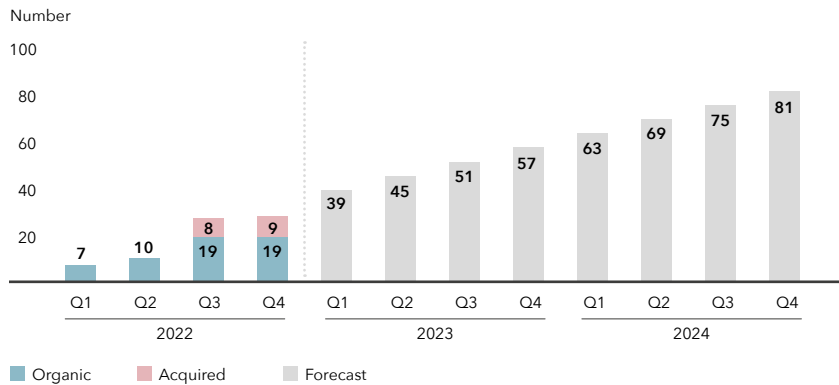
## Remote monitoring patients in the US

- There were approximately 3,500 patients in remote monitoring in the US in Q4 and an average of 126 patients per clinic.
- There were approximately 2,600 patients in remote monitoring in the US in Q3 and an average of 95 patients per clinic.
- There were approximately 900 patients in remote monitoring in the US in Q2 and an average of 93 patients per clinic.
- There were approximately 500 patients in remote monitoring in the US in Q1 and an average of 75 patients per clinic.



## Active clinics

- Q4:28
- Q3:27
- Q2:10
- Q1: 7

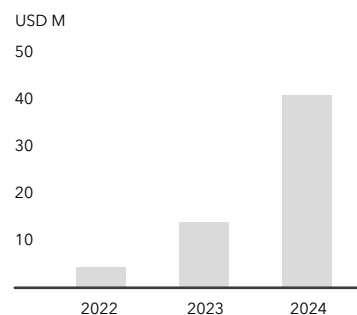


## Invoiced average per patient

- The average invoice value at the end of Q4 was USD 100. This is based on the sales for December and the number of patients in remote monitoring as at December 31.
- The average invoice value at the end of Q3 was USD 110. This is based on the sales for September and the number of patients in remote monitoring as at September 30.
- The average invoice value at the end of Q2 was USD 65. This is based on the sales for June and the number of patients in remote monitoring as at June 30.
- The average invoice value at the end of Q1 was USD 73. This is based on March sales and the number of patients in remote monitoring as of March 31.

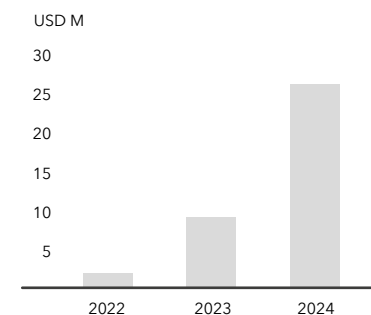
## Forecast

### Forecast annual sales rate



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

### Forecast annual sales



Forecast annual sales in the forecast period 2022-2024.

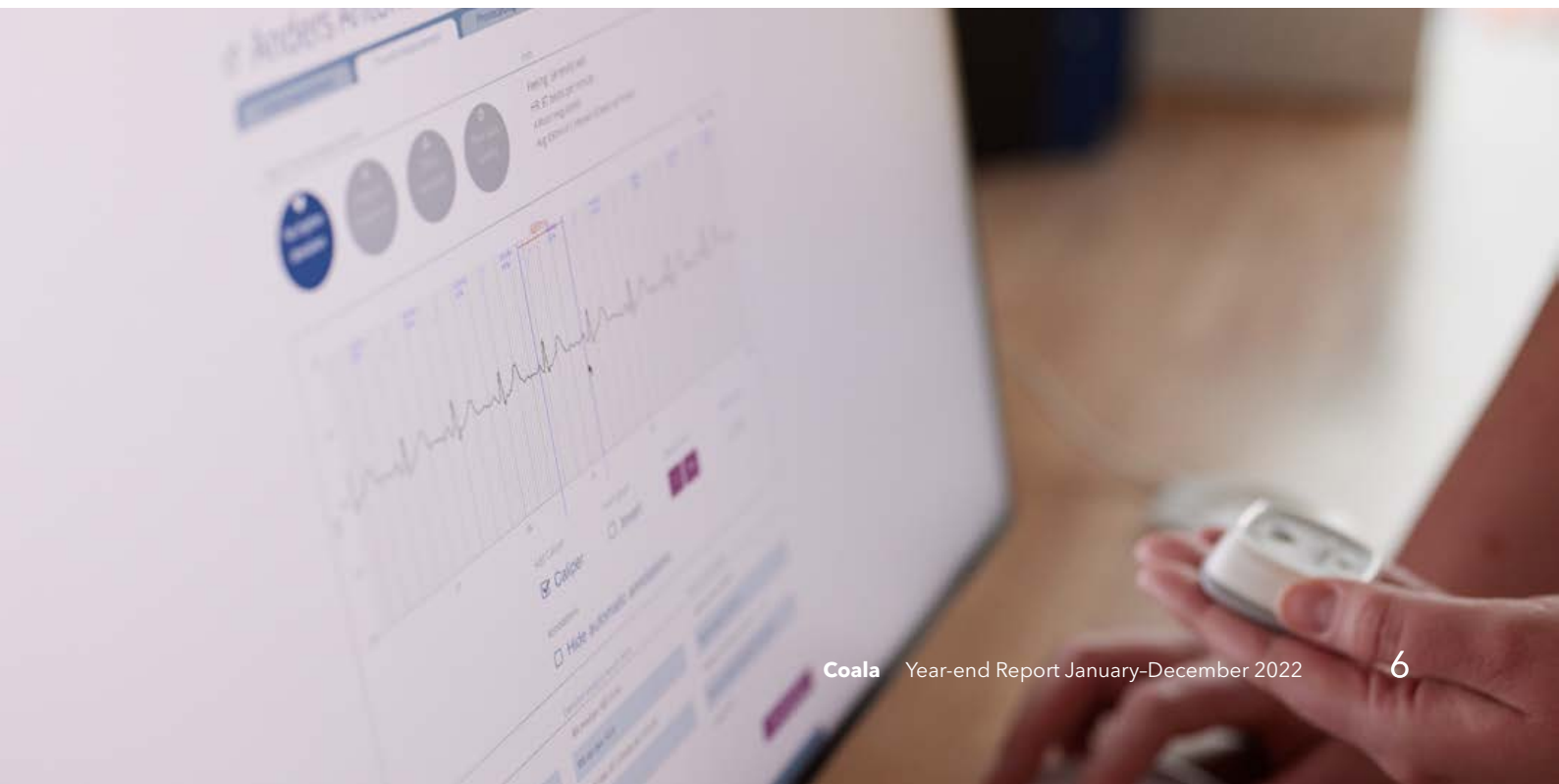
# Coala Life in brief

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.

## 2022

- In March, Johan Eckerdal assumed the position of VP R&D.
- In March, the company informed the business progress in the US and that the company signed contracts with 10 new clinics during the first quarter.
- In April, the company announced that it had received FDA 510k approval for remote lung auscultation and an enhanced ECG algorithm.
- In April, the company reported that the Coala Heart Monitor has been recommended by the Medical Technology Product Council for introduction into clinical use in Sweden.
- In May, Christian Jørgensen was elected to the Board.
- The company launched a new website on July 4.
- The acquisition of Vitrics Management Group was completed on August 15.
- On 22 August, Tomas Tiseus was appointed International Sales & Marketing Director.
- On 15 October, Jasmin Gasi was appointed Interim Director of Regulatory & Quality affairs, and the position was made permanent as of 31 December.



# Revenue and earnings Coala-Life - Group

## Fourth quarter, October 1, 2022 - December 31, 2022

Reported net sales for the Group were SEK 9.3 M (1.0) in the fourth quarter. 8.8M of this is attributable to the new venture into remote monitoring of chronically ill patients in the home environment, managed Remote Patient Monitoring (RPM).

Gross margin for the Group totaled 74 percent (100).

Total operating expenses were higher in the fourth quarter compared to the corresponding quarter of the previous year, mainly due to an increased sales force in the US market, start-up costs for the company's RPM and development costs for the company's platform. In order to boost the development of the mRPM business, the Group has entered into a collaboration agreement with an external party; in the fourth quarter, the costs associated with this amounted to SEK -3.3 M.

Depreciation/amortization totaled SEK -3.2 M (-2.5) in the fourth quarter. EBITDA amounted to SEK -42.9 M (-118.0). Operating income amounted to SEK -46.1 M (-120.5). Net financial items totaled SEK -4.0 M and is primarily attributable to unrealized exchange rate losses of SEK -3.9 M. The Group has a deferred tax liability of SEK -3,6 M as a result of an final tax payable increase for the income year 2021 in the subsidiary Portwear AB. Earnings in the period amounted to SEK -53.4 M (-111.0).

## The period, January 1, 2022- December 31, 2022

The Group's reported net sales in the period were SEK 16.8 M (4.1). SEK 14.8 M of this is attributable to the new venture into remote monitoring of chronically ill patients in the home environment, managed Remote Patient Monitoring (RPM). Gross margin for the Group totaled 77 percent (100). The margin for the period 2021 is misleading due to a correction made to the inventory during the first half of the year.

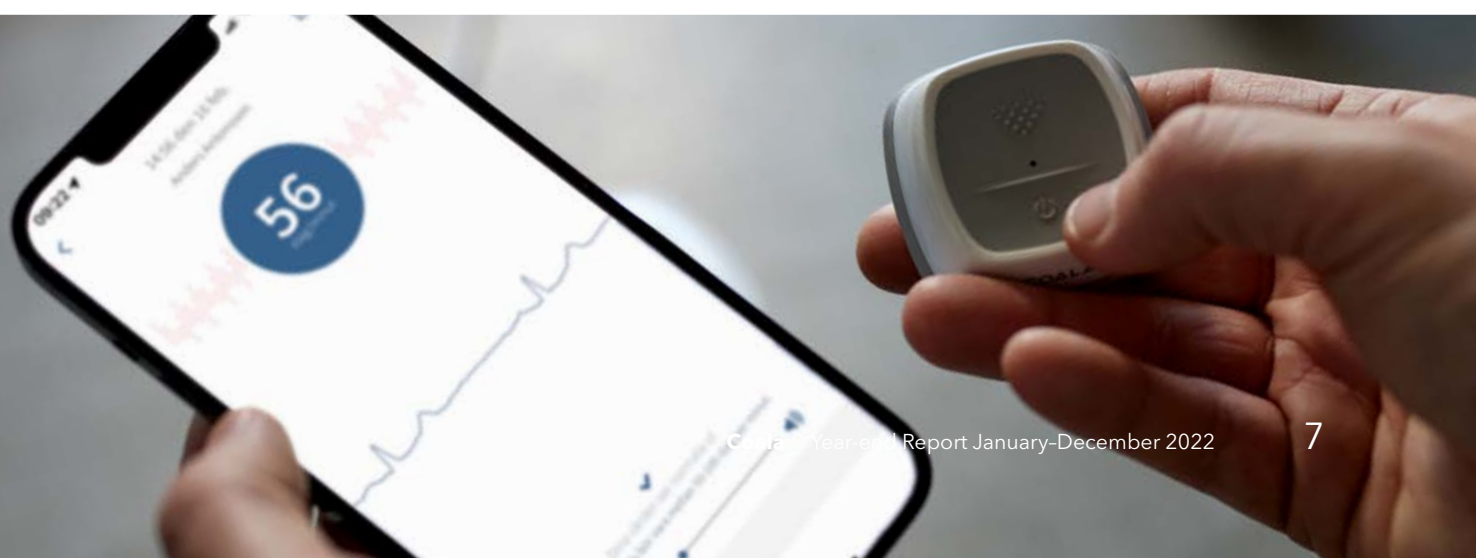
Total operating expenses were higher in the period compared to the corresponding quarter of the previous year mainly due to an increased sales force on the US market and start-up costs for the company's mRPM and development costs for the company's platform. In order to boost the development of the mRPM business, the Group has entered into a collaboration agreement, in the period, the costs associated with this amounted to SEK -10.1 M.

Depreciation/ amortization for the period totaled SEK -5.5 M (-4.9).

EBITDA amounted to SEK -133.6 M (-155.2). Operating income totaled SEK -139.1 M (-160.1). Net financial items totaled SEK 0.5 M and was primarily attributable to unrealized exchange rate gains (2.1). Earnings in the period amounted to SEK -141.9 M (-150.7).

### Group overview

	3 months		12 months	
	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales, SEK M	9.3	1.0	16.8	4.1
Gross profit, SEK M	6.9	1.1	13.0	4.1
Gross margin, (%)	74%	100%	77%	100%
EBITDA, SEK M	-42.9	-118.0	-133.6	-155.2
EBITDA margin, (%)	-462%	-11,800%	-797%	-3824%
Operating income, SEK M	-46.1	-120.5	-139.1	-160.1
Operating margin (%)	-496%	-12,050%	-830%	-3,946%
Net income for the period, SEK M	-53.4	-111.0	-141.9	-150.7
Earnings per share, SEK	-0.8	-6.3	-2.1	-25.4
Cash flow from operating activities, SEK M	-32.0	-24.7	-127.8	-60.7



# Financial position and liquidity

The Group's total assets amounted to SEK 143.2 M at the end of the quarter, compared to SEK 80.2 M at the end of the previous financial year. Cash flow from changes in working capital totaled SEK 1.2 M (-9.6). Cash flow from operating activities was SEK -127.8 M (-60.7) in the period. After investments, cash flow was SEK -153.3 M (-17.4).

## Equity

Group equity was SEK 39.3 M at the end of the period, compared to SEK 52.3 M at the end of the previous financial year, implying an equity/assets ratio of 27 percent (65) at year-end.

## Liquidity

The Group's cash and cash equivalents totaled SEK 19.6 M at the end of the period, compared to SEK 30.5 M at the end of the previous financial year. In the first quarter 2023, the company completed a new issue that raised SEK 44.7 M for the company after issue expenses and debt offset.

## Liabilities

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

## Investments and depreciation/amortization

Investments for the year amounted to SEK -25.5 M (-43.3) of which SEK -36.4 M related to the acquisition of Vitrics. Depreciation/amortization totaled SEK -5.5 M (-4.9). The Group has set up a new company to run the Group's business in remote monitoring of chronically ill patients in the home environment, managed Remote Patient Monitoring (mRPM). Vitrics Management Group, a service company in mRPM, was acquired in the third quarter. The sale of Departments & Stores Europe AB was completed in the first quarter.

## Organization and employees

The average number of full-time employees and consultants in the period was 42 (25). On June 30, Philip Siberg left his operational role at the company as Chief Strategy Officer & Head of IR. The new Head of IR is CFO Richard Roa and the Chief Strategy Officer is CEO Dan Pitulia. On 22 August, Tomas Tiseus was appointed International Sales & Marketing Director. On October 13, Larry Carrier left his role in the company as Global VP of Regulatory and Quality. Jasmin Gasi, who has been employed by the company in this area since February 2021, was the acting replacement for Larry Carrier from October 15 and accepted a permanent role on December 31.

## Transactions with related parties

On 15 November, the company signed a loan facility agreement with 20 North Street totaling SEK 11 M as part of the convertible loan totaling SEK 25 M. An incentive program was introduced in the year, see Note 5. For more information on transactions with related parties, see the 2021 Annual Report.

## Tax

During the period, the Group paid tax totaling SEK 0.0 M (-0.1). The Swedish Tax Authority has reviewed the final tax payable for the subsidiary Portwear AB in 2021 and increased tax to SEK 3.6 M and has added an additional tax charge of SEK 3.2 M. Coala has appealed the additional tax charge in the Stockholm Administrative Court in 2023. As the company has non-capitalized loss carry-forwards, tax expenses are expected to remain low. For further information, see the 2021 Annual Report.

## Effects from reverse takeover

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

## Parent Company

The Parent Company now reports according to the same period as the Group after changing the financial year from September-August to January-December. Comparative figures for the most recent financial year of 16 months are also reported in the Parent Company's Income Statement. The Parent Company's other operating income for the period amounted to SEK 2.1 M and relates to re-invoicing of office premises to former subsidiaries in the first quarter. Profit after net financial items amounted to SEK -111.7 M. No investments in intellectual property rights 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 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 2021 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, March 31, 2023  
Coala-Life Group AB (publ)

Ebba Fåhraeus  
*Board member*

Per Carendi  
*Chairman*

Christian Jørgensen  
*Board member*

Peter Troija  
*Board member*

Dan Pitulia  
*CEO*

# Consolidated Income Statement

SEK M	3 months		12 months	
	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	9.3	1.0	16.8	4.1
Change in inventories	-2.4	0.1	-3.8	0.0
<b>Gross income</b>	<b>6.9</b>	<b>1.1</b>	<b>13.0</b>	<b>4.1</b>
Other operating income	0.0	2.5	2.3	3.5
Other external expenses*	-18.3	-111.2	-60.3	-134.8
Personnel expenses	-31.5	-10.4	-88.6	-27.9
<b>EBITDA</b>	<b>-42.9</b>	<b>-118.0</b>	<b>-133.6</b>	<b>-155.2</b>
Depreciation/amortization of non-current assets	-3.2	-2.5	-5.5	-4.9
<b>Operating income</b>	<b>-46.1</b>	<b>-120.5</b>	<b>-139.1</b>	<b>-160.1</b>
Financial income etc.	-3.9	9.5	2.1	9.6
Financial expenses etc.	-0.1	-	-1.6	-0.1
<b>Net financial items</b>	<b>-4.0</b>	<b>9.4</b>	<b>0.5</b>	<b>9.5</b>
<b>Profit/loss after financial items</b>	<b>-50.1</b>	<b>-111.0</b>	<b>-138.6</b>	<b>-150.7</b>
Tax on profit for the period	-3.4	-	-3.4	-0.1
<b>Net income for the period</b>	<b>-53.4</b>	<b>-111.0</b>	<b>-141.9</b>	<b>-150.7</b>
<b>Net income for the period attributable to:</b>				
Parent Company shareholders	-53.4	-111.0	-141.9	-150.7
	<b>-53.4</b>	<b>-111.0</b>	<b>-141.9</b>	<b>-150.7</b>
Translation differences	0.0	-	0.2	-0.1
<b>Comprehensive income</b>	<b>-53.4</b>	<b>-111.0</b>	<b>-141.7</b>	<b>-150.8</b>
Earnings per share (weighted) before dilution (SEK)	-0.8	-6.3	-2.1	-25.4
Earnings per share (weighted) after dilution (SEK)	-0.8	-6.3	-2.1	-25.4
Number of shares outstanding as of the reporting date	79,481,634	35,325,171	79,481,634	35,325,171

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

## Consolidated Balance Sheet, in summary

SEK M	Note	12/31/2022	12/31/2021
<b>Assets</b>			
Intangible assets	6	42.8	5.9
Tangible assets		7.9	1.1
Right-of-use assets		4.3	4.0
Financial non-current assets		0.9	0.3
<i>Total non-current assets</i>		<i>55.8</i>	<i>11.3</i>
Inventories		9.8	11.9
Current receivables		58.0	26.5
Cash and cash equivalents		19.6	30.5
<i>Total current assets</i>		<i>87.4</i>	<i>68.9</i>
<b>Total assets</b>		<b>143.2</b>	<b>80.2</b>
<b>Equity and Liabilities</b>			
Equity attributable to Parent Company shareholders		39.3	52.3
<i>Total equity</i>		<i>39.3</i>	<i>52.3</i>
Long-term lease liabilities		2.9	0.8
Deferred tax liabilities		3.3	-
Current lease liabilities		1.3	3.2
Other non-current liabilities		0.1	-
Other current liabilities		96.3	23.8
<i>Total liabilities</i>		<i>103.9</i>	<i>27.8</i>
<b>Total equity and liabilities</b>		<b>143.2</b>	<b>80.2</b>

## Changes in shareholders' equity, in summary

SEK M	Jan-Dec 2022	Jan-Dec 2021
Opening balance	52.3	22.9
<b>Net income for the period</b>	<b>-141.9</b>	<b>-150.7</b>
Translation differences	0.2	-0.1
<b>Total comprehensive income for the year</b>	<b>-141.7</b>	<b>-150.8</b>
Stock option plan	1.9	-
Non-cash issue	-	141.3
Rights issue	150.2	39.0
Costs, rights issue	-23.4	-
<b>Balance at the end of the period</b>	<b>39.3</b>	<b>52.3</b>

# Consolidated Cash Flow Statement, in summary

SEK M	3 months		12 months	
	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Operating activities</b>				
Operating income	-46.1	-120.5	-139.1	-160.1
Interest received and other financial income	0.2	-	0.5	0.5
Interest paid	-0.1	-	-1.6	-0.1
Tax paid	5.9	-	5.6	-0.3
Adjustments for items not included in cash flow	-1.2	104.5	5.6	108.9
<b>Cash flow before change in working capital</b>	<b>-41.2</b>	<b>-16.0</b>	<b>-129.0</b>	<b>-51.1</b>
<b>Cash flow from change in working capital</b>				
Change in inventories	2.5	0.1	2.7	-3.1
Change in accounts receivable	-36.7	-0.2	-39.3	-
Decrease (+) / increase (-) in current receivables	-6.0	-2.3	-7.4	3.2
Decrease (+) / increase (-) in non-current liabilities	0.1	-	0.1	-
Decrease (+) / increase (-) in current liabilities	49.3	-6.4	45.1	-9.8
<b>Change in working capital</b>	<b>9.3</b>	<b>-8.7</b>	<b>1.2</b>	<b>-9.6</b>
<b>Cash flow from operating activities</b>	<b>-32.0</b>	<b>-24.7</b>	<b>-127.8</b>	<b>-60.7</b>
Acquisitions of equipment and software	-5.9	-0.3	-9.6	-0.3
Acquisition of subsidiaries	-	52.7	-35.9	52.7
Divestment of subsidiaries	-	-9.2	20.0	-9.2
<b>Cash flow from investing activities</b>	<b>-5.9</b>	<b>43.1</b>	<b>-25.5</b>	<b>43.3</b>
<b>Cash flow after investments</b>	<b>-37.8</b>	<b>18.4</b>	<b>-153.3</b>	<b>-17.4</b>
<b>Financing activities</b>				
Change in other debt	25.0	-	40.0	-
Amortization of loan	-	-	-15.0	-0.5
Amortization of lease liability	-0.9	-	-0.9	-2.9
Warrants	-0.2	-0.3	1.9	-
Rights issue	-	-	139.1	39.3
Costs, rights issue	-0.4	-	23.4	-
<b>Cash flow from financing activities</b>	<b>-23.5</b>	<b>-0.3</b>	<b>141.8</b>	<b>36.0</b>
<b>Cash flow for the period</b>	<b>-14.4</b>	<b>18.1</b>	<b>-11.5</b>	<b>18.5</b>
Cash and cash equivalents at beginning of period	34.4	12.4	30.5	11.8
Exchange rate difference in cash and cash equivalents	-0.4	0.0	0.6	0.2
<b>Cash and cash equivalents at end of period</b>	<b>19.6</b>	<b>30.5</b>	<b>19.6</b>	<b>30.5</b>

# Parent Company Income Statement

SEK M	3 months		12 months		16 months
	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021	Sep 2020-Dec 2021
Net sales	-	-	-	-	-
Other operating income	-	2.5	2.1	12.6	24.4
	<b>0.0</b>	<b>2.5</b>	<b>2.1</b>	<b>12.6</b>	<b>24.4</b>
<b>Operating expenses</b>					
Other external expenses	-4.4	-153.9	-16.0	-72.3	-86.3
Personnel expenses	-0.7	-2.5	-1.9	-10.0	-13.4
Depreciation/amortization of non-current assets	-	-0.2	0.0	-7.1	-8.7
<b>Operating income</b>	<b>-5.1</b>	<b>-154.1</b>	<b>-15.9</b>	<b>-76.8</b>	<b>-84.0</b>
Profit from participations in Group companies*	-100.0	5.8	-100.0	-76.1	-76.1
Financial income etc.	0.2	0.2	4.3	3.2	3.7
Financial expenses etc.	-0.1	0.0	-0.1	-11.5	-20.1
Profit/loss from divestment of shares	-	-	-	-	-
<b>Profit/loss after financial items</b>	<b>-105.0</b>	<b>-148.1</b>	<b>-111.7</b>	<b>-161.1</b>	<b>-176.5</b>
Taxes	-	-	-	-	-
<b>Net income for the period</b>	<b>-105.0</b>	<b>-148.1</b>	<b>-111.7</b>	<b>-161.1</b>	<b>-176.5</b>

Comprehensive income for the period corresponds to net income for the period  
 \*SEK 100 M in 2022 relates to impairment of the shares in Coala Life AB

# Parent Company Balance Sheet, in summary

SEK M	12/31/2022	12/31/2021
<b>Assets</b>		
Intangible assets	-	0.4
Tangible assets	-	0.0
Financial non-current assets	424.6	400.1
Other current receivables	55.8	23.0
Cash and cash equivalent	12.0	20.5
<b>Total assets</b>	<b>492.4</b>	<b>444.0</b>
<b>Equity and Liabilities</b>		
<i>Restricted equity</i>		
Share capital	19.9	8.8
<i>Total restricted equity</i>	19.9	8.8
<i>Non-restricted equity</i>		
Retained earnings	534.4	593.1
Net income for the period	-111.7	-176.5
<i>Total non-restricted equity</i>	422.7	416.5
<b>Equity</b>	<b>442.5</b>	<b>425.4</b>
Non-current liabilities	-	-
Current liabilities	49.8	18.4
<b>Total equity and liabilities</b>	<b>492.4</b>	<b>444.0</b>

# Notes

## Note 1 Accounting principles

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

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

### New IFRS standards issued but not yet applied

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

## Note 2 Financial assets and liabilities valued at fair value

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

## Note 3 IFRS 15 Revenue recognition

SEK M	3 months		12 months	
	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<b>Sales</b>				
Sweden	0.4	0.7	1.9	3.5
USA	8.8	0.3	14.8	0.6
Other national markets	0.0	-	0.0	-
<b>Total</b>	<b>9.3</b>	<b>1.0</b>	<b>16.8</b>	<b>4.1</b>

## 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	
	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Earnings per share (weighted) before dilution, SEK	-0.8	-6.3	-2.1	-25.4
Earnings per share (weighted) after dilution, SEK	-0.8	-6.3	-2.1	-25.4
Weighted number of shares for the period before dilution	69,178,459	17,613,422	66,016,339	5,929,404
Weighted number of shares for the period after dilution	69,178,459	17,613,422	66,016,339	5,929,404
Number of shares as of the reporting date	79,481,634	35,325,171	79,481,634	35,325,171
Number of shares as of the reporting date after dilution	79,481,634	35,325,171	79,481,634	35,325,171

## Note 5 Incentive program

### 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	798,309
<b>Total</b>	<b>3,316,393</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	1,042,209
<b>Total</b>	<b>2,130,058</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 Business combinations

### On August 15, 2022 Coala Life acquired 100 percent of the share capital of the US company Vitrics Management Group, Inc. (VMG).

VMG is a service company offering managed Remote Patient Monitoring (mRPM). VMG was founded by physicians and entrepreneurs in Houston, Texas, to provide RPM services to healthcare providers. Vitric's turnkey solutions in RPM include various types of monitoring services and platform solutions for monitoring chronically ill patients at home, commissioned by US healthcare providers. At the time of the acquisition, the company had more than 1,000 chronically ill patients monitored long-term using various connected medical devices in their homes.

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

### Information about purchase consideration and information about acquired net assets are indicated below

#### Purchase consideration and net asset analysis as of 15 August 2022

The purchase consideration and distribution of Group excess values for each acquired asset.

SEK M

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#### Purchase price

Cash and cash equivalents	36.4
<b>Total purchase consideration</b>	<b>36.4</b>

#### Acquired net assets

Distributed as follows:

Goodwill	26.9
Customer agreements	12.1
Deferred tax	-2.6

#### Net asset analysis as at December 31, 2022

The distribution of Group excess values for each acquired asset follows. Fair value of acquired net assets is SEK 36.5 M.

SEK M

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Goodwill	27.0
Customer agreements	12.1
Deferred tax	-2.6
Exchange rate effect	0.1
<b>Total</b>	<b>36.5</b>

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



# Key ratios

SEK M	3 months		12 months	
	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Gross profit, SEK M	6.9	1.1	13.0	4.1
Gross margin, %	74%	100%	77%	100%
EBITDA, SEK M	-42.9	-118.0	-133.6	-155.2
EBITDA, %	-462%	-11,800%	-797%	neg.
Profit/loss after financial items	-50.1	-111.0	-138.6	-150.7
Profit/loss after financial items, %	-496%	-11,100%	-830%	neg.
Equity/assets ratio, %	27%	65%	27%	65%
Earnings per share (weighted) (SEK)	-0.8	-6.3	-2.1	-25.4
Average number of employees and contractors	52	31	42	25

See Definition of key ratios on page 18

# Shareholders

## Largest shareholders as of 12/31/2022

	Number of shares	Share capital/votes, %
20 North Street Co AB	10,853,629	13.7
SEB Life International	8,729,613	11.0
Konsumentföreningen Stockholm	4,765,874	6.0
Åke Sundvall Holding AB	3,555,583	4.5
CBLDN-EQ Nordic Small Cap Fund	3,500,000	4.4
Sörlander, Klas Anders Magnus	2,930,604	3.7
JRS Asset Management AB, Client Account	1,656,577	2.1
SHB Luxembourg, Client Account SWE	1,589,968	2.0
Regovita AB	1,555,967	2.0
SEB Life International Assurance	900,000	1.1
<b>Total, 10 largest shareholders</b>	<b>40,037,815</b>	<b>50.4</b>
Other	39,443,819	49.6
<b>Total</b>	<b>79,481,634</b>	<b>100.0</b>

Source: Euroclear Sweden AB

CEO Dan Pitulia owned 3,811,279 shares corresponding to 4.8 percent of the outstanding shares in Coala-Life Group AB, indirectly through related parties and companies at the end of 2022.

# 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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