



## INTERIM REPORT

January 1 - June 30, 2023

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# INTERIM REPORT

## January - June 2023

### Second quarter: April 1, 2023 - June 30, 2023 in summary

- Net sales increased to SEK 14.1 M (1.6).
- EBITDA amounted to SEK -29.8 M (-40.7).
- Operating income totaled SEK -32.3 M (-41.4).
- Loss after tax was SEK -29.2 M (-38.5).
- Earnings for the period totaled SEK -29.6 M (-38.6).
- Earnings per share was SEK -0.1 (-0.6).
- Cash flow from operating activities was SEK -27.3 M (-50.9).

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

- Net sales increased to SEK 25.7 M (2.4).
- EBITDA amounted to SEK -61.9 M (-71.6).
- Operating income totaled SEK -66.2 M (-73.4).
- Loss after tax was SEK -64.3 M (-70.1).
- Earnings for the period totaled SEK -64.5 M (-70.0).
- Earnings per share was SEK -0.8 (-1.3).
- Cash flow from operating activities was SEK -58.7 M (-86.4).

### Events in the quarter

- 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.

### Events after the end of the quarter

- 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.

### 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 Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication through the agency of the above contact person on August 11, 2023, at 7:00 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, third quarter 2023 November 9, 2023  
Year-end Report 2023 February 9, 2024

# Comments from the CEO

Coala Life's main focus is the US market with over 120 million Americans affected by chronic cardiovascular diseases. To qualify as a patient for Remote Patient Monitoring (RPM), you must have an acute or chronic illness, something almost half the U.S. population has. Coala Life offers a full-service service - Managed RPM - for remote monitoring of chronically ill patients in a home environment. It provides patients and healthcare with solutions for non-invasive and patient-centered predictive decision support that, with the help of algorithms, creates the conditions to be able to predict heart and lung diseases and thus help to avoid disease progression. Our strategic goal is to radically improve the quality of life and clinical outcomes for the millions of patients affected by chronic or acute cardiovascular and other diseases.

The US RPM market is a market in strong growth and according to a recently published report from the global healthcare consulting firm Medi-Tech Insight, the US market for remote patient monitoring (RPM) will grow at a faster pace than previously expected. It is projected to reach over \$18 billion by 2026 with an annual growth rate of 25%. The report supports our strategy in the US RPM market and is in line with our own analysis based on the interest we meet from US clinics.

In December, we announced our investment in an expanded service that provides clinics with a robust

basis in the form of patient data. Today, that model is fully implemented so that all connected patients in the US are monitored with the expanded service.

We have high expectations for our future development. In October 2022, we started reporting monthly our numbers on the number of connected patients and on revenue, measured as annual revenue. We reported then, for the month of September 2022, 2,600 patients and USD 2.7 million. For the month of March 2023, these figures were 3,700 patients and USD 4.8 million. For June this year, the figures were 4,100 patients and USD 5.6 million. Growth in revenue in the past quarter has been lower than in the first quarter of the year and ends up at 16.6%. At the same time, thanks to a very strong development at the end of June, growth in the number of patients has been higher in Q2 and ends up at 10.8%.

Simply put, during the first half of the year, we increased our earnings thanks to the fact that we managed to convert patients into the expanded service, which provides a significantly higher compensation per patient. The number of patients has increased significantly only at the end of June. It illustrates very well where we stand today. Our focus has been on maintaining a patient base that adheres to doctors' recommendations in an orderly and safe manner in the expanded service. In this way, we have also succeeded in ensuring adequate remuneration from the remuneration systems. Now, when we have a well-functioning



"The US RPM market is in a phase of robust growth, and according to a recently published report from the global health consulting company Medi-Tech Insight, the US market for RPM will grow more rapidly than previously expected."

organization and the routines are securely in place, it is important to once again increase the pace of sales and connect new clinics and patients. The strong development in the number of connected patients at the end of June shows that we are on the right track. The number of clinics that the company has agreements with has increased by about 40% to over 50, from which we will see continued patient growth during the third and fourth quarters.

We are thus well placed to continue to maintain a good rate of increase in our patient revenues. Even considering that we needed to strengthen the organization to be able to deliver, we are today well in line with our financial target: to reach sales of SEK 250 million in 2024 with a positive operating profit and maintained gross margin of over 80%. At the end of 2022, we had high non-recurring costs, primarily for regulatory issues, but also for our expanded offering in the US. Our costs are currently 20% lower per SEK sold compared to Q4 2022, in accordance with the target presented in November 2022.

Although the US is Coala Life's absolute focus market, it is gratifying to see that conditions continue to improve in Sweden and also in other countries. In the US market, we handle a number of different measuring instruments in our RPM. There, Coala Heart Monitor is an important part of the mix, but outside the US we only work with Coala Heart Monitor. In Sweden, interest and sales have begun to take off. This year, Region Stockholm is launching a major investment in digital home monitoring, where Coala Life is one of three selected partners in the pilot projects. Among other things, about fifty patients with heart problems such as atrial fibrillation will be monitored and followed digitally in their homes. The projects are coordinated by Karolinska University Hospital, but are also conducted at several other large hospitals in the region.

The rapid growth in sales in Coala Life means that our working capital, due to the long payment terms, is increasingly tied up in accounts receivable. With sales of SEK 5.2 million in June and a payment period of almost three months, the company is experiencing major strains on liquidity. In early June, we signed a factoring agreement with Sweden-based Aros Kapital to obtain faster payment on our accounts receivable. This reduced the strain on our strained liquidity to some extent, but not to a sufficient extent. Through the directed share issue presented on July 11, and approved by the Extraordinary General Meeting on July 31, where the company received SEK 17 million before transaction costs, the burden on our liquidity was further reduced. These measures were necessary, but in light of Coala Life's expected continued growth and the long lead times for payments that still remain, further strengthening of the company's liquidity is required. Therefore, the Board continues to review the possibilities of creating necessary working capital financing until Coala Life's cash flow is positive.

Our service has had a strong impact in the market and we deliver in line with our goals. The expanded service in the US has created significantly higher revenue per patient. Now it is important to continue our marketing efforts in the US within managed RPM. I look forward to keeping you informed of our onward journey.

Dan Pitulia  
President and CEO

# Key ratios and forecast

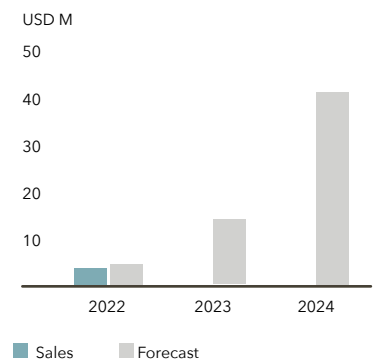
## Growth per quarter - Patients, clinics and sales

Year	Quarter	Number of patients	Average number of patients per clinic	Active clinics	Average value of sales per patient (USD)
2023	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 Q2 2023, the figures are based on sales for June divided by the number of patients at June 30.

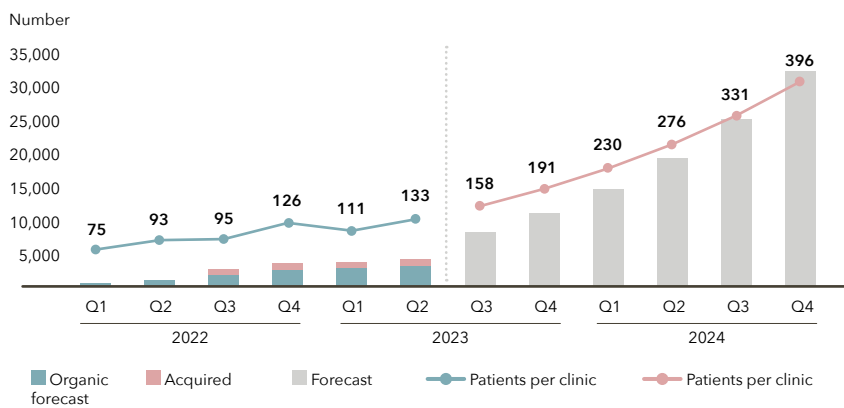
## Forecast

### Forecast annual sales rate

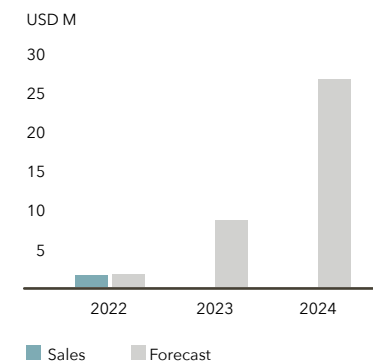


Forecast recurring sales based on December figures in the forecast period 2022-2024.

## Remote monitoring patients in the US

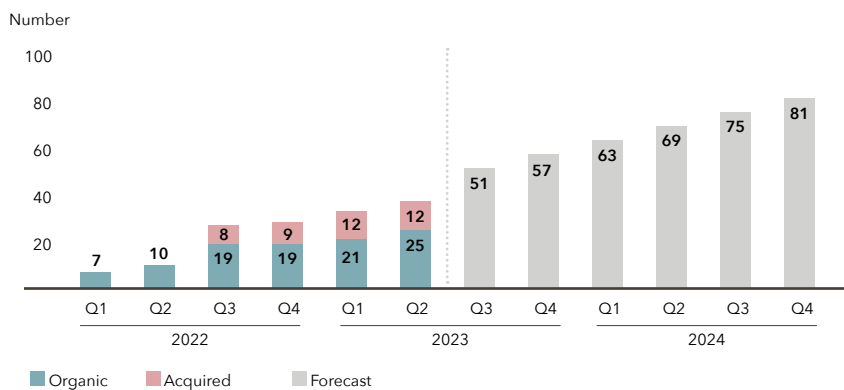


### Forecast annual sales



Forecast annual sales in the forecast period 2022-2024.

## Active clinics





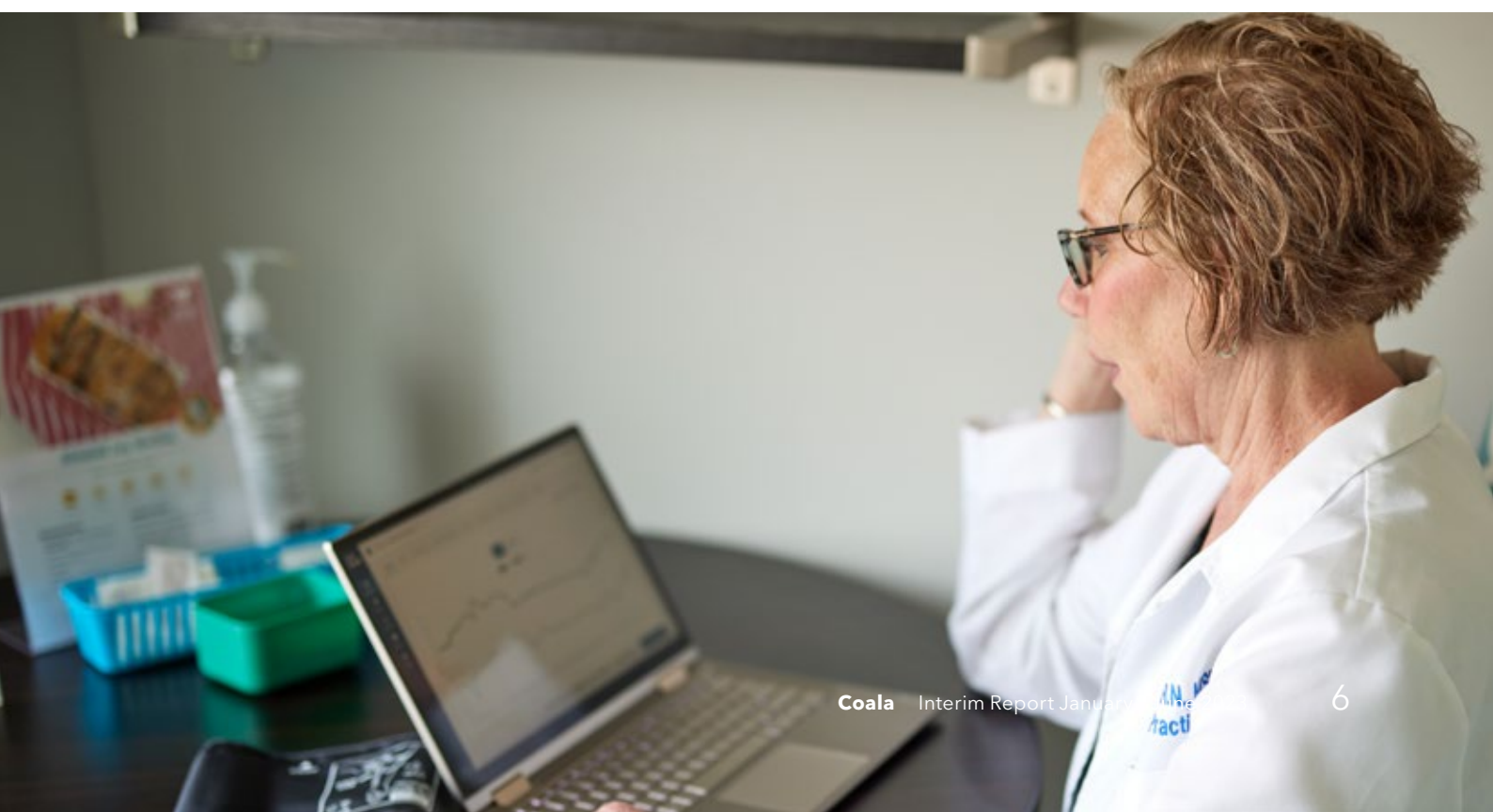
# Coala Life in brief

Coala Life is a cloud-based 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 health care 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 and 24/7 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. 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 digitized health care services.

## 2023

- 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 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 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 - Consolidated

## Second quarter: April 1, 2023 - June 30, 2023

Reported net sales for the Group were SEK 14.1 M (1.6) in the second quarter. SEK 13.6 M of this is attributable to remote monitoring of chronically ill patients in the home environment, managed remote patient monitoring (mRPM).

The gross margin for the Group totaled 70% (80).

Total operating expenses were lower in the second quarter compared to the corresponding quarter of the previous year, mainly due to the fact that development costs for the company's platform were included in the comparative year. In order to boost the development of the mRPM business, the Group has entered into a collaboration agreement. In the second quarter, the costs associated with this agreement totaled SEK -1.3 M.

Depreciation/amortization totaled SEK -2.5 M (-0.7) in the second quarter. The increase consisted primarily of amortization of acquired customer contracts. EBITDA amounted to SEK -29.8 M (-40.7).

Operating income amounted to SEK -32.3 M (-41.4). Net financial items totaled SEK 2.9 M (2.9) and are primarily attributable to unrealized exchange rate fluctuations. Net income for the period amounted to SEK -29.2 M (-38.5).

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

Reported net sales for the Group were SEK 25.7 M (2.4) in the period. SEK 24.7 M of this is attributable to the venture in remote monitoring of chronically ill patients in the home environment, mRPM. The gross margin for the Group totaled 74% (79). Total operating expenses were lower compared to the year-earlier period, mainly due to start-up costs for the company's mRPM venture and development costs for the company's platform. 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 -4.3 M.

Depreciation/amortization for the period totaled SEK -4.2 M (-1.8). The increase consisted primarily of amortization of acquired customer contracts. EBITDA amounted to SEK -61.9 M (-71.6). Operating income amounted to SEK -66.2 M (-73.4). Net financial items totaled SEK 1.6 M (3.3) and were primarily attributable to unrealized exchange rate fluctuations. Net income for the period amounted to SEK -64.3 M (-70.1).

### Group overview

	3 months		6 months		12 months	
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Dec 2021
Net sales, SEK M	14.1	1.6	25.7	2.4	16.8	4.1
Gross profit, SEK M	9.9	1.3	19.0	1.9	13.0	4.1
Gross margin, (%)	70%	80%	74%	79%	77%	100%
EBITDA, SEK M	-29.8	-40.7	-61.9	-71.6	-133.6	-155.2
EBITDA margin, (%)	-211%	-2547%	-241%	-2983%	-797%	-3824%
Operating income, SEK M	-32.3	-41.4	-66.2	-73.4	-139.1	-160.1
Operating margin, (%)	-229%	-2,589%	-258%	-3,058%	-830%	-3,946%
Net income for the period, SEK M	-29.2	-38.5	-64.3	-70.1	-141.9	-150.7
Earnings per share, SEK	-0.1	-0.6	-0.8	-1.3	-2.1	-25.4
Cash flow from operating activities, SEK M	-27.3	-50.9	-58.7	-86.4	-127.8	-60.7



# Financial position and liquidity

The Group's total assets amounted to SEK 103.2 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 11.3 M (-19.9) for the period. Cash flow from operating activities was SEK -58.7 M (-86.4) in the period. After investments, cash flow was SEK -63.0 M (-68.7).

## Equity

Group equity was SEK 46.4 M at the end of the period, compared to SEK 114.7 M at the start of the financial year, corresponding to an equity/assets ratio of 45% compared to 86% 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.

### 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 Jun 30, 2023	244,461,601

## Liquidity

The Group's cash and cash equivalents totaled SEK 2.9 M at the end of the period, compared to SEK 106.9 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 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. 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. On July 31, a directed new share issue was approved that will raise SEK 17 M for the company, less transaction costs.

## 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 -4.3 M (17.6). In the comparative period, SEK 20 M related to the divestment of the subsidiary Departments & Stores Europe AB. Depreciation/amortization and impairment totaled SEK -4.2 M (-1.8).

## Organization and employees

The average number of full-time employees and consultants in the period was 86 (35). The increase is attributable to the new venture into remote monitoring 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 0.3 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 0.0 M (2.1). The comparative period includes re-invoicing of office premises to former subsidiaries. The Parent Company posted a loss after net financial items of SEK -60.8 M (-12.5) 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

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, August 11, 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		6 months		12 months	
		Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Dec 2021
Net sales	3	14.1	1.6	25.7	2.4	16.8	4.1
Change in inventories		-4.2	-0.3	-6.7	-0.5	-3.8	0.0
<b>Gross income</b>		<b>9.9</b>	<b>1.3</b>	<b>19.0</b>	<b>1.9</b>	<b>13.0</b>	<b>4.1</b>
Other operating income		0.0	0.2	0.0	2.3	2.3	3.5
Other external expenses		-11.4	-26.5	-26.7	-46.2	-60.3	-134.8
Personnel expenses		-28.2	-15.7	-54.3	-29.6	-88.6	-27.9
<b>EBITDA</b>		<b>-29.8</b>	<b>-40.7</b>	<b>-61.9</b>	<b>-71.6</b>	<b>-133.6</b>	<b>-155.2</b>
Depreciation/amortization and impairment of non-current assets		-2.5	-0.7	-4.2	-1.8	-5.5	-4.9
<b>Operating income</b>		<b>-32.3</b>	<b>-41.4</b>	<b>-66.2</b>	<b>-73.4</b>	<b>-139.1</b>	<b>-160.1</b>
Financial income etc.		2.9	4.2	2.9	4.8	2.1	9.6
Financial expenses etc.		0.0	-1.4	-1.3	-1.5	-1.6	-0.1
<b>Net financial items</b>		<b>2.9</b>	<b>2.9</b>	<b>1.6</b>	<b>3.3</b>	<b>0.5</b>	<b>9.5</b>
<b>Loss after financial items</b>		<b>-29.4</b>	<b>-38.5</b>	<b>-64.6</b>	<b>-70.1</b>	<b>-138.6</b>	<b>-150.7</b>
Tax on profit for the period		0.1	0.0	0.3	0.0	-3.4	-0.1
<b>Net income for the period</b>		<b>-29.2</b>	<b>-38.5</b>	<b>-64.3</b>	<b>-70.1</b>	<b>-141.9</b>	<b>-150.7</b>
<b>Net income for the period attributable to:</b>							
Parent Company shareholders		-29.2	-38.5	-64.3	-70.1	-141.9	-150.7
		<b>-29.2</b>	<b>-38.5</b>	<b>-64.3</b>	<b>-70.1</b>	<b>-141.9</b>	<b>-150.7</b>
Translation differences		-0.4	0.0	-0.3	0.2	0.2	-0.1
<b>Comprehensive income</b>		<b>-29.6</b>	<b>-38.6</b>	<b>-64.5</b>	<b>-70.0</b>	<b>-141.7</b>	<b>-150.8</b>
Earnings per share (weighted) before dilution (SEK)		-0.1	-0.6	-0.8	-1.3	-2.1	-25.4
Earnings per share (weighted) after dilution (SEK)		-0.1	-0.6	-0.8	-1.3	-2.1	-25.4
Number of shares outstanding as of the reporting date		244,461,601	79,481,634	244,461,601	79,481,634	79,481,634	35,325,171

\* SEK 102.3 M in Q4 2021 is attributable to the reverse acquisition of Coala-Life Group AB, which took place in Q4 2021.

## Consolidated Balance Sheet, in summary

SEK M	Note	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
<b>Assets</b>				
Intangible assets	7	44.7	5.3	42.8
Property, plant and equipment		8.7	2.2	7.9
Right-of-use assets		3.8	1.0	4.3
Financial non-current assets		0.8	0.2	0.9
<i>Total non-current assets</i>		<i>58.0</i>	<i>8.6</i>	<i>55.8</i>
Inventories		10.8	12.1	9.8
Current receivables		31.5	6.2	20.2
Cash and cash equivalents		2.9	106.9	19.6
<i>Total current assets</i>		<i>45.2</i>	<i>125.1</i>	<i>49.6</i>
<b>Total assets</b>		<b>103.2</b>	<b>133.7</b>	<b>105.4</b>
<b>Equity and liabilities</b>				
Equity attributable to Parent Company shareholders		46.4	114.7	39.3
<i>Total equity</i>		<i>46.4</i>	<i>114.7</i>	<i>39.3</i>
Long-term lease liabilities		2.2	0.6	2.9
Deferred tax liabilities		3.0	–	3.3
Current lease liabilities		1.5	0.5	1.3
Other non-current liabilities		0.3	–	0.1
Other current liabilities		49.7	18.0	58.5
<i>Total liabilities</i>		<i>56.7</i>	<i>19.1</i>	<i>66.1</i>
<b>Total equity and liabilities</b>		<b>103.2</b>	<b>133.7</b>	<b>105.4</b>

## Changes in equity, in summary

SEK M	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Opening balance	39.3	52.3	52.3
<b>Net income for the period</b>	<b>-64.3</b>	<b>-70.2</b>	<b>-141.9</b>
Translation differences	-0.3	0.2	0.2
<b>Comprehensive income for the year</b>	<b>-64.5</b>	<b>-70.0</b>	<b>-141.7</b>
Stock option plan	0.3	2.1	1.9
Rights issue	84.1	153.5	150.2
Costs, rights issue	-12.8	-23.3	-23.4
<b>Balance at end of period</b>	<b>46.4</b>	<b>114.7</b>	<b>39.3</b>

# Consolidated Cash Flow Statement, in summary

SEK M	3 months		6 months		12 months	
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Dec 2021
<b>Operating activities</b>						
Operating income	-32.3	-41.4	-66.2	-73.4	-139.1	-160.1
Interest received and other financial income	0.0	4.3	0.1	4.5	0.5	0.5
Interest paid and other financial expenses	-0.1	-1.4	-0.4	-1.4	-1.6	-0.1
Tax paid	0.0	0.0	-6.7	-0.1	5.6	-0.3
Adjustments for items not included in cash flow	2.8	0.5	3.3	4.0	5.6	108.9
<b>Cash flow before change in working capital</b>	<b>-29.5</b>	<b>-38.1</b>	<b>-70.0</b>	<b>-66.4</b>	<b>-129.0</b>	<b>-51.1</b>
<b>Cash flow from change in working capital</b>						
Change in inventories	-0.4	0.1	-1.0	0.2	2.7	-3.1
Change in trade receivables	-7.6	0.9	-10.7	0.9	-1.5	0.0
Decrease (+) / increase (-) in current receivables	1.2	-1.5	-1.9	0.2	-7.4	3.2
Decrease (+) / increase (-) in non-current liabilities	0.0	–	0.0	–	0.1	–
Decrease (+) / increase (-) in current liabilities	9.1	-12.3	24.9	-21.3	7.3	-9.8
<b>Change in working capital</b>	<b>2.2</b>	<b>-12.9</b>	<b>11.3</b>	<b>-19.9</b>	<b>1.2</b>	<b>-9.6</b>
<b>Cash flow from operating activities</b>	<b>-27.3</b>	<b>-50.9</b>	<b>-58.7</b>	<b>-86.4</b>	<b>-127.8</b>	<b>-60.7</b>
Acquisitions of equipment and software	-3.5	-1.6	-4.3	-2.4	-9.6	-0.3
Acquisitions of subsidiaries	–	–	–	–	-35.9	52.7
Divestment of subsidiaries	–	–	–	20.0	20.0	-9.2
<b>Cash flow from investing activities</b>	<b>-3.5</b>	<b>-1.6</b>	<b>-4.3</b>	<b>17.6</b>	<b>-25.5</b>	<b>43.3</b>
<b>Cash flow after investments</b>	<b>-30.8</b>	<b>-52.5</b>	<b>-63.0</b>	<b>-68.7</b>	<b>-153.3</b>	<b>-17.4</b>
<b>Financing activities</b>						
Change in other debt	–	–	–	15.0	40.0	–
Amortization of loan	-0.2	–	-25.5	-15.0	-15.0	-0.5
Amortization of lease liability	–	–	–	–	-0.9	-2.9
Warrants	0.3	–	0.3	2.1	1.9	–
Rights issue	–	–	84.1	153.5	139.1	39.3
Costs, rights issue	-0.6	–	-12.8	-10.7	-23.4	–
<b>Cash flow from financing activities</b>	<b>-0.5</b>	<b>129.9</b>	<b>46.2</b>	<b>144.9</b>	<b>141.8</b>	<b>36.0</b>
<b>Cash flow for the period</b>	<b>-31.3</b>	<b>77.4</b>	<b>-16.8</b>	<b>76.2</b>	<b>-11.5</b>	<b>18.5</b>
Cash and cash equivalents at beginning of period	34.2	29.3	19.6	30.5	30.5	11.8
Exchange rate difference in cash and cash equivalents	0.1	0.3	0.1	0.3	0.6	0.2
<b>Cash and cash equivalents at end of period</b>	<b>2.9</b>	<b>106.9</b>	<b>2.9</b>	<b>106.9</b>	<b>19.6</b>	<b>30.5</b>



# Parent Company Income Statement

SEK M	3 months		6 months		12 months	
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Dec 2021
Other operating income	0.0	0.2	0.0	2.1	2.1	12.6
	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>2.1</b>	<b>2.1</b>	<b>12.6</b>
<b>Operating expenses</b>						
Other external expenses	-0.9	-7.4	-1.8	-13.2	-16.0	-72.3
Personnel expenses	-0.6	-0.3	-1.0	-1.6	-1.9	-10.0
Depreciation/amortization and impairment of non-current assets	0.0	–	0.0	0.0	0.0	-7.1
<b>Operating income</b>	<b>-1.6</b>	<b>-7.5</b>	<b>-2.8</b>	<b>-12.8</b>	<b>-15.9</b>	<b>-76.8</b>
Profit from participations in Group companies*	-40.0	–	-60.0	–	-100.0	-76.1
Financial income etc.	0.3	0.1	0.5	0.3	4.3	3.2
Financial expenses etc.	2.0	–	1.5	0.0	-0.1	-11.5
<b>Loss after financial items</b>	<b>-39.3</b>	<b>-7.4</b>	<b>-60.8</b>	<b>-12.5</b>	<b>-111.7</b>	<b>-161.1</b>
Taxes	–	–	–	–	–	–
<b>Net income for the period</b>	<b>-39.3</b>	<b>-7.4</b>	<b>-60.8</b>	<b>-12.5</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 the subsidiary Coala Life AB of SK 60 M. SEK 100 M in 2022 relates to impairment of the shares in Coala Life AB.

# Parent Company Balance Sheet, in summary

SEK M	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
<b>Assets</b>			
Financial non-current assets	424.6	451.1	424.6
Other current receivables	56.1	16.0	55.8
Cash and bank balances	0.2	100.6	12.0
<b>Total assets</b>	<b>480.8</b>	<b>567.7</b>	<b>492.4</b>
<b>Equity and liabilities</b>			
<i>Restricted equity</i>			
Share capital	61.1	19.9	19.9
<i>Total restricted equity</i>	61.1	19.9	19.9
<i>Non-restricted equity</i>			
Retained earnings	452.7	537.8	534.4
Profit from participations in Group companies*	-60.0	–	–
Net income for the period	-0.8	-12.5	-111.7
<i>Total non-restricted equity</i>	391.9	525.3	422.7
<b>Equity</b>	453.0	545.2	442.5
Current liabilities	27.8	22.5	49.8
<b>Total equity and liabilities</b>	<b>480.8</b>	<b>567.7</b>	<b>492.4</b>

\*In 2023, the Parent Company made a shareholder contribution to the subsidiary Coala Life AB of SK 60 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 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		6 months		12 months	
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Dec 2021
<b>Sales</b>						
Sweden	0.5	0.8	0.9	1.1	1.9	3.5
USA	13.6	0.1	24.7	1.8	14.8	0.6
Other national markets	0.0	–	0.0	–	0.0	–
<b>Total</b>	<b>14.1</b>	<b>0.9</b>	<b>25.7</b>	<b>2.9</b>	<b>16.8</b>	<b>4.1</b>

## 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		6 months		12 months	
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Dec 2021
Earnings per share (weighted) before dilution, SEK	-0.1	-0.6	-0.8	-1.3	-2.1	-25.4
Earnings per share (weighted) after dilution, SEK	-0.1	-0.6	-0.8	-1.3	-2.1	-25.4
Weighted number of shares for the period before dilution	244,461,601	69,178,459	182,135,836	52,251,815	66,016,339	5,929,404
Weighted number of shares for the period after dilution	244,461,601	69,178,459	182,135,836	52,251,815	66,016,339	5,929,404
Number of shares as of the reporting date	244,461,601	79,481,634	244,461,601	79,481,634	79,481,634	35,325,171
Number of shares as of the reporting date after dilution	244,461,601	79,481,634	244,461,601	79,481,634	79,481,634	35,325,171

## 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 warrant 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 5.16 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	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 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 5.16 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 option 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 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 June 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 option 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 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 June 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 confer 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 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 approximately SEK 2.2 M (excluding costs of practical management). The complete terms of the warrants can be found in the prospectus.

## Note 7 Software and other intellectual property rights

	Software	Customer contracts	Goodwill	Patents	Total
<b>Jun 30, 2023</b>					
Opening cost	8,692	12,140	27,030	1,594	49,456
Acquisitions for the year	–	–	–	–	–
Capitalized development expenditure*	2,218	–	–	–	2,218
Translation differences	–	481	1,072	–	1,553
<b>Closing accumulated cost</b>	<b>10,910</b>	<b>12,621</b>	<b>28,102</b>	<b>1,594</b>	<b>53,227</b>
Opening amortization	-5,151	-910	–	-638	-6,699
Amortization for the year	-435	-1,281	–	-80	-1,796
<b>Closing accumulated amortization</b>	<b>-5,586</b>	<b>-2,191</b>	<b>–</b>	<b>-717</b>	<b>-8,495</b>
<b>Closing residual value according to plan</b>	<b>5,324</b>	<b>10,430</b>	<b>28,102</b>	<b>877</b>	<b>44,732</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		6 months		12 months	
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022-Jun 2023	Jan-Dec 2022
Gross profit, SEK M	9.9	1.3	19.0	1.9	13.0	4.1
Gross margin, %	70%	80%	74%	79%	77%	100%
EBITDA, SEK M	-29.8	-40.7	-61.9	-71.6	-133.6	-155.2
EBITDA, %	-211%	-2547%	-241%	-2983%	-797%	-3824%
Loss after financial items	-29.4	-38.5	-64.6	-70.1	-138.6	-150.7
Loss after financial items, %	-229%	-2,589%	-258%	-3,058%	-830%	-3,946%
Equity/assets ratio, %	45%	86%	45%	86%	37%	65%
Earnings per share (weighted) (SEK)	-0.1	-0.6	-0.8	-1.3	-2.1	-25.4
Average number of employees and contractors	96	35	86	35	42	25

See Definition of key ratios on page 18

## Shareholders

### Largest shareholders as of June 30, 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	12,200,000	5.0%
Avanza Pension	10,925,619	4.5%
Klas Anders Magnus Sörlander	6,930,604	2.8%
Redeye	6,705,313	2.7%
Regovita AB	5,445,884	2.2%
Konsumentföreningen Stockholm	4,765,874	1.9%
Nils-Holger Olsson	4,617,194	1.9%
<b>Total, 10 largest shareholders</b>	<b>136,802,417</b>	<b>56.0%</b>
Other	107,659,184	44.0%
<b>Total</b>	<b>244,461,601</b>	<b>100.0%</b>

Source: Euroclear Sweden AB

CEO Dan Pitulia held 18,918,936 shares corresponding to 7.74% of the outstanding shares in Coala-Life Group AB, indirectly through related parties and companies, at the end of the second quarter of 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*

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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