



INTERIM REPORT

January 1 - September 30, 2022

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INTERIM REPORT

January - September 2022

Third quarter, July 1, 2022 - September 30, 2022 in summary

- Net sales increased to SEK 5.0 M (0.9).
- EBITDA amounted to SEK -27.8 M (-16.0).
- Operating income totaled SEK -28.2 M (-16.9).
- Profit after tax was SEK -18.5 M (-16.0).
- Earnings in the period totaled SEK -18.5 M (-16.0).
- Earnings per share (weighted) was SEK -0.3 (-7.8).
- Cash flow from operating activities was SEK -36.0 M (-13.7).

The period, January 1, 2021 - September 30, 2022 in summary

- Net sales increased to SEK 7.5 M (3.1).
- EBITDA amounted to SEK -99.4 M (-38.2).
- Operating income totaled SEK -101.7 M (-40.7).
- Profit after tax was SEK -88.6 M (-39.8).
- Earnings in the period totaled SEK -88.6 M (-39.8).
- Earnings per share (weighted) was SEK -1.4 (-19.6).
- Cash flow from operating activities was SEK -122.5 M (-38.2).

Events in the quarter

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

Events after the end of 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. The ratios to be reported are the number of patients that the company monitors remotely at the end of each month, and estimated recurring sales in USD based on the latest month's sales, measured at an annual rate.
- On November 15, the company announced that the company had entered into a loan agreement of SEK 25 million with a group of existing owners to secure the company's short-term working capital needs.

Contact information

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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 November 16, 2022, at 07:00 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

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

Comments from the CEO

Our efforts to build a profitable business within Managed RPM in the fast-growing US market increased further during the period, and a clear demand for our solutions shows that we are on the right track.

Coala Life's main focus is the US market. In the United States, more than half of the adult population suffers from one or more chronic diseases which qualifies them as patients for subsidized remote monitoring, Remote Patient Monitoring (RPM). Limited to those suffering from chronic cardiovascular diseases, there are currently over 120 million Americans and the number is expected to increase in the coming years.

It has now been barely a year since we launched our investment in Managed RPM in the US as a full-service under the name Qorum Partners, for remote monitoring of chronically ill patients in a home environment. The service is partly cloud-based and can be compared to a SaaS model where we sign operating and monitoring agreements on behalf of US healthcare providers that are compensated by the new regulations for RPM. In the middle of the past quarter, the acquisition of the American company Vitrics was finalized, which is also active in Managed RPM. These two solutions have shown strong growth during the quarter, which is very reassuring. The key ratios we present in this report are well in line with our financial target: to reach sales of SEK 250 million by 2024 with a positive operating profit and a maintained gross margin of over 80%.

Above all, in the past two quarters, we have learned a lot

about our customers, the clinics, work and the internal processes that govern their daily work. This means that we know what to solve for them so they and their patients can get started and use our platform on a continuous basis.

It is also clear that there are notable differences between clinics. This has led us to focus on a tailored approach. In this work, our experienced sales force is complemented by the forty or so clinical people we have contracted. The goal is always to make customers feel that we are their partner and not just a supplier. Once we have gained that trust, we can clearly see that the use is gaining momentum.

The key ratios we have reported to date are the number of patients monthly and the ongoing revenue this corresponds to on an annual basis. As of the end of September, the number of patients had grown to 2,600, which corresponds to a level of USD 2.7 million measured as annual recurring revenue. By the end of October, these numbers had increased to 2,800 patients corresponding to an annual future turnover of USD 3.2 million.

Managed RPM means that clinics' remote monitoring of patients is handled by external companies. This form was widely used even before Covid, but the pandemic caused a strong acceleration in the use of Managed RPM. Our business model for Managed RPM is the same for both Qorum Partners and Vitrics. We monitor patients 24/7 and the systems notifies any deviations that we report directly to the healthcare provider. We also handle the administration and



“A clear demand for our solutions shows that we are on the right track”

invoicing to the insurance system, which allows clinics to focus on their core business. This model allows for improved margins when we handle patient monitoring, maintain ongoing patient contact and ensure correct and regular monitoring.

The synergies between Qorum and the acquired company Vitrics also mean that we can manage most of our RPM from the same center going forward, which further contributes to strong gross margins. We continuously evaluate other possibilities to adapt and modify our model to further increase efficiency. I will provide regular updates on this in our quarterly reports going forward.

In Sweden, we have seen that sales are starting to pick up and although the Swedish model does not allow room for the same business model as in the US, it is an important validation for Coala. In April this year, we received formal approval when the Medical Device Council (MTP) recommended the use of Coala Heart Monitor in Swedish healthcare for patients with symptoms of atrial fibrillation. We are now seeing regions begin to require MTP council approval as a shall requirement in the context of procurement. In Sweden, at the end of the period, we had 1,800 patients and private consumers connected to Coala Heart Monitor.

I am delighted that our business has had a strong impact in the market and that we are delivering in line with our ambitious goals. I am also grateful that a group of our major shareholders has made a loan facility of SEK 25 million available to the company to ensure our working capital needs. The loan can be converted into shares, which clearly indicates that our owners believe in our long-term growth journey in the US market. For further information, see the press releases published in connection with this report.

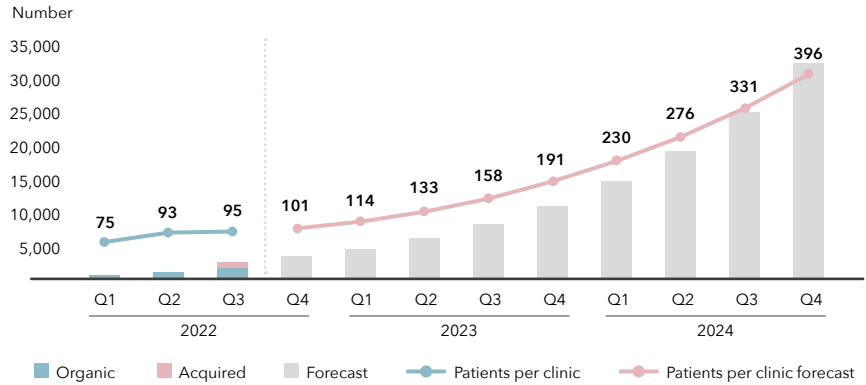
Overall, we are well in line with our ambitious goals. Our Board of Directors continuously evaluates solutions to ensure the company's long-term financial situation. The loan facility allows us to continue our successful marketing efforts in managed RPM in the US. I look forward to keeping you updated about our continued journey.

Dan Pitulia
CEO

Key ratios and forecast

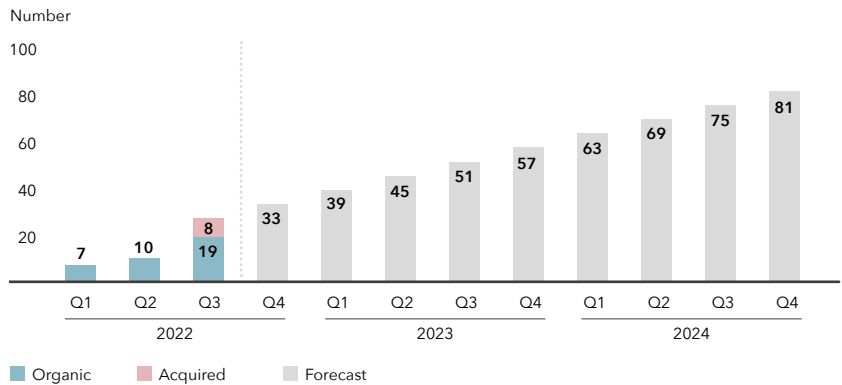
Patients in remote monitoring in the US.

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



Active clinics

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

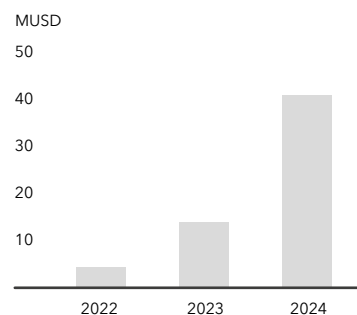


Invoiced average per patient

- 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 the sales for March and the number of patients in remote monitoring as at March 31.

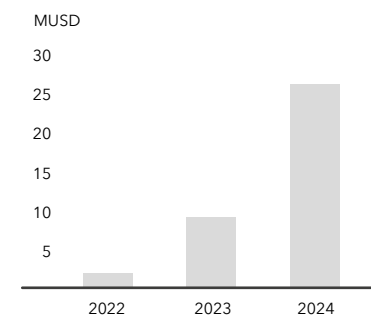
Forecast

Forecasted Annual Revenue Rate



Forecasted recurring revenue based on the last month during the forecasted years 2022-2024.

Forecasted Revenue per year



Forecasted annual revenue during the forecasted years 2022-2024.

Coala Life in brief

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

That is when the idea of creating the stethoscope of tomorrow was born: a solution that replaces subjectivity with objectivity, and enhances and filters sound to improve cardiac auscultation. Originally intended for doctors, it gradually became clear that the individual patient is an equally, if not more, important product user. The digital journey had begun,

and a range of experts within and outside healthcare services became involved. We continued to develop the product enthusiastically for several years, and the technological progress contributed to what would eventually become the end product. After the launch of the smartphone, apps, the cloud and wireless solutions have become commonplace.

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

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

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

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

2022

- In March, Johan Eckerdal assumed the position of VP R&D.
- In March, the company gave an update on its business progress in the US and signed contracts with 10 new clinics during the first quarter.
- In April, the company announced a resolution of a fully guaranteed rights issue of approximately SEK 150 M.
- In April, the company announced that it received FDA 510k clearance for remote lung auscultation and enhanced ECG algorithm.
- In April, the company reported that the Coala Heart Monitor has been recommended by the Medical Technology Product Council for introduction into clinical use in Sweden.
- In May, Christian Jørgensen was elected as a board member.
- The company launched a new website on July 4.
- The acquisition of Vitrics Management Group was completed on August 15.

Revenue and earnings Coala-Life - Group

Third quarter, July 1, 2022 - September 30, 2022

The Group reported net sales of SEK 5.0 M (0.9) in the third quarter. 4.6 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).

The gross profit margin for the Group amounted to 83 percent (100).

Total operating expenses were higher in the third 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 third quarter, the costs associated with this amounted to SEK -2.0 M. In the third quarter, Other external expenses was impacted by a positive adjustment of SEK 3.0 million attributable to Q2.

Depreciation/amortization totaled SEK -0.5 M (-0.9) in the third quarter. EBITDA amounted to SEK -27.8 M (-16.0). Operating income totaled SEK 28.2 M (-16.9). Net financial items totaled SEK 9.7 M and is primarily attributable to exchange rate gains (9.7). Earnings in the period amounted to SEK -18.5 M (-16.0).

The period, January 1, 2021 - September 30, 2022

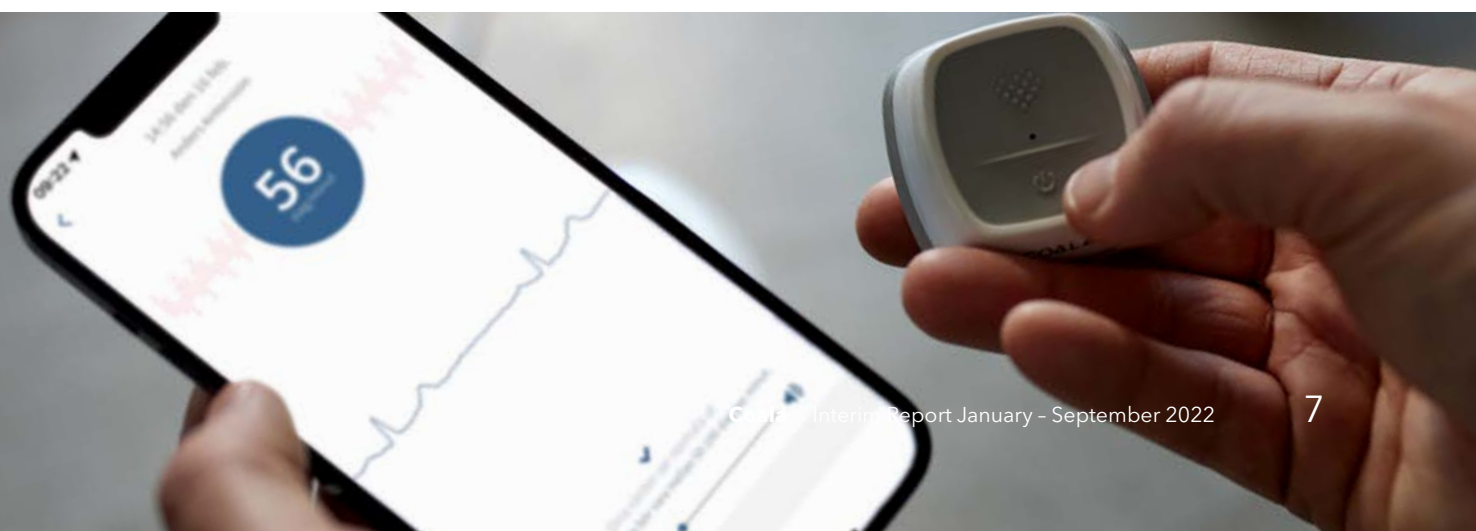
The Group's reported net sales in the period were SEK 7.5 M (3.1). 6.0 M of this is attributable to the new venture into remote monitoring of chronically ill patients in the home environment, managed Remote Patient Monitoring (RPM). The gross profit margin for the Group amounted to 82 percent (100). 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 increased sales force in 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 -4.8 M.

Depreciation/amortization for the period totaled SEK -2.3 M (-2.5).

EBITDA amounted to SEK -99.4 M (-38.2). Operating income totaled SEK 101.7 M (-40.7). Net financial items totaled SEK 13.0 M and is primarily attributable to exchange rate gains (14.2). Earnings in the period amounted to SEK -88.6 M (-39.8).

Group overview	3 months		9 months		12 months	
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct 2021-Sep 2022	Jan-Dec 2021
Net sales, SEK M	5.0	0.9	7.5	3.1	8.5	4.1
Gross profit, SEK M	4.2	0.9	6.1	3.1	7.1	4.1
Gross margin, (%)	83%	100%	82%	100%	84%	100%
EBITDA, SEK M	-27.8	-16.0	-99.4	-38.2	-216.4	-155.2
EBITDA margin, (%)	neg.	neg.	neg.	neg.	neg.	neg.
Operating income, SEK M	-28.2	-16.9	-101.7	-40.7	-221.1	-160.1
Operating margin (%)	neg.	neg.	neg.	neg.	neg.	neg.
Net income for the period, SEK M	-18.5	-16.0	-88.6	-39.8	-198.6	-150.7
Earnings per share (weighted), SEK	-0.3	-7.8	-1.4	-19.6	-3.9	-25.4
Cash flow from operating activities, SEK M	-36.0	-13.7	-122.5	-38.2	-144.3	-60.7



Financial position and liquidity

The Group's total assets amounted to SEK 110,0 M at the end of the quarter, compared to SEK 80.2 M at the end of the previous financial year. Cash flow from changes in working capital was negative in the period at SEK -34.8 M (-0.4). Cashflow from operating activities was SEK -122.5 M (-38.2) in the period. After investments, cash flow was SEK-142.1 M (-38.8).

Total Equity

Group equity was SEK 93.2 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 85 percent (65) at year-end.

Liquidity

The Group's cash and cash equivalents totaled SEK 34.4 M at the end of the period, compared to SEK 30.5 M at the end of the previous financial year.

Liabilities

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

Investments and depreciation/amortization

Investments during the period, excluding investments in subsidiaries, totaled SEK-19.6 M (-0.6). Depreciation/amortization totaled SEK -2.3 M (-2.5). 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). During the period, Vitrics Management Group, a service company in mRPM, was acquired in the third quarter. During the period, the sale of Departments & Stores Europe AB was completed in the first quarter.

Organization and employees

The average number of full-time employees and contractors in the period was 39 (24). 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 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, is the acting replacement for Larry Carrier until further notice. The company is seeking a permanent replacement.

Transactions with related parties

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

Tax

During the period, the Group paid tax totaling SEK 0.0 M (-0.1). 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 -6.7 M. Investments amounted to SEK 0.0 M.

Risks and uncertainties

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

Company and industry-related risks

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

Legal risks

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

Financial risks

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

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

Assessment of going concern

The Board and CEO continuously 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. If the business does not develop sufficiently or if adequate funding is not obtained, there is a risk that the conditions for going concern will not be met.

Review

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

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

Stockholm, Sweden, November 16, 2022
Coala-Life Group AB (publ)

Ebba Fåhraeus
Board member

Per Carendi
Chairman

Christian Jørgensen
Board member

Peter Troija
Board member

Dan Pitulia
CEO

Consolidated Statement of Comprehensive Income

SEK M	3 months		9 months		12 months	
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct 2021- Sep 2022	Jan-Dec 2021
Net sales	5.0	0.9	7.5	3.1	8.5	4.1
Goods for resale	-0.9	0.0	-1.4	0.0	-1.4	0.0
Gross income	4.2	0.9	6.1	3.1	7.1	4.1
Other operating income	0.0	0.0	2.3	0.0	5.8	3.5
Other external expenses*	-4.4	-10.0	-50.7	-23.7	-168.6	-134.8
Personnel expenses	-27.5	-6.9	-57.1	-17.6	-60.7	-27.9
EBITDA	-27.8	-16.0	-99.4	-38.2	-216.4	-155.2
Depreciation/amortization of non-current assets	-0.5	-0.9	-2.3	-2.5	-4.7	-4.9
Operating income	-28.2	-16.9	-101.7	-40.7	-221.1	-160.1
Profit/loss from Group companies	-	-	-	-	-	-
Financial income etc.	9.6	0.8	14.5	1.0	24.0	9.6
Financial expenses etc.	0.1	0.0	-1.4	-0.1	-1.5	-0.1
Net financial items	9.7	0.8	13.0	0.9	22.5	9.5
Profit/loss after financial items	-18.5	-16.0	-88.6	-39.7	-198.6	-150.7
Tax on profit for the period	0.0	0.0	0.0	-0.1	0.0	-0.1
Net income for the period	-18.5	-16.0	-88.6	-39.8	-198.6	-150.7
Net income for the period attributable to:						
Parent Company shareholders	-18.5	-16.0	-88.6	-39.8	-198.6	-150.7
	-18.5	-16.0	-88.6	-39.8	-198.6	-150.7
Translation differences	0.0	0.2	0.2	-0.1	0.1	-0.1
Comprehensive income	-18.5	-15.8	-88.4	-39.8	-198.4	-150.8
Earnings per share (weighted) before dilution (SEK)	-0.3	-7.8	-1.4	-19.6	-3.9	-25.4
Earnings per share (weighted) after dilution (SEK)	-0.3	-7.8	-1.4	-19.6	-3.9	-25.4
Number of shares outstanding as of the reporting date	79,481,634	2,034,731	79,481,634	2,034,731	79,481,634	35,325,171

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

Consolidated Balance Sheet, in summary

SEK M	Note	9/30/2022	9/30/2021	12/31/2021
Assets				
Intangible assets	6	46.0	5.8	1.0
Tangible assets		4.5	1.1	1.1
Right-of-use assets		1.0	1.8	4.0
Financial non-current assets		0.2	0.3	0.3
<i>Total non-current assets</i>		<i>51.7</i>	<i>9.0</i>	<i>6.4</i>
Goods for resale		12.6	11.9	11.9
Current receivables		11.3	2.8	26.5
Cash and cash equivalents		34.4	12.4	30.5
<i>Total current assets</i>		<i>58.3</i>	<i>27.2</i>	<i>68.9</i>
Total assets		110.0	36.2	75.3
Equity and Liabilities				
Equity attributable to Parent Company shareholders		93.2	22.3	52.3
<i>Total equity</i>		<i>93.2</i>	<i>22.3</i>	<i>52.3</i>
Long-term lease liabilities		0.8	0.7	0.8
Deferred tax liabilities		-	0.3	-
Current lease liabilities		0.4	0.9	3.2
Other current liabilities		15.7	12.0	23.8
<i>Total liabilities</i>		<i>16.8</i>	<i>13.8</i>	<i>27.8</i>
Total equity and liabilities		110.0	36.2	80.2

Changes in shareholders' equity, in summary

SEK M	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Opening balance	52.3	22.8	22.9
Net income for the period	-88.6	-39.8	-150.7
Translation differences	0.2	-0.1	-0.1
Total comprehensive income for the year	-88.4	-39.8	-150.8
Stock option plan	2.2	0.0	-
Non-cash issue	-	-	141.3
Costs, rights issue	-23.0	0.0	-
Rights issue	150.2	39.3	39.0
Balance at the end of the period	93.2	22.3	52.3

Consolidated Cash Flow Statement, in summary

SEK M	3 months		9 months		12 months	
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct 2021- Sep 2022	Jan-Dec 2021
Operating activities						
Operating income	-28.2	-16.9	-101.7	-40.7	-221.1	-160.1
Interest received and other financial income	-4.3	0.0	0.3	0.0	0.8	0.5
Interest paid	0.0	0.0	-1.4	-0.1	-1.5	-0.1
Tax paid	-0.2	0.0	-0.3	-0.1	-0.5	-0.3
Adjustments for items not included in cash flow	11.5	1.9	15.4	3.0	122.0	108.9
Cash flow before change in working capital	-21.2	-14.9	-87.7	-37.8	-100.4	-51.1
Cash flow from change in working capital						
Change in inventories	-0.1	0.3	0.1	-2.8	-0.2	-3.1
Change in accounts receivable	-3.5	-0.2	-2.6	-0.1	-2.4	0.0
Decrease (+) / increase (-) in current receivables	-1.6	-0.3	-1.4	0.6	1.2	3.2
Decrease (+) / increase (-) in current liabilities	-9.6	1.3	-30.9	1.8	-42.5	-9.8
Change in working capital	-14.8	1.2	-34.8	-0.4	-44.0	-9.6
Cash flow from operating activities	-36.1	-13.7	-122.5	-38.2	-144.3	-60.7
Acquisitions of equipment and software	-1.3	-0.2	-3.7	-0.6	-3.4	-0.3
Acquisition of subsidiaries	-35.9	-	-35.9	-	52.7	52.7
Divestment of subsidiaries	-	-	20.0	-	10.8	-9.2
Cash flow from investing activities	-37.2	-0.2	-19.6	-0.6	60.1	43.3
Cash flow after investments	-73.3	-13.9	-142.1	-38.8	-84.2	-17.4
Financing activities						
Change in other debt	-	-	15.0	-	15.0	-
Amortization of loan	-	-	-15.0	-	-15.5	-0.5
Amortization of lease liability	-	-	0.0	-	-2.9	-2.9
Warrants	0.0	-	2.2	-0.01	2.2	-
Rights issue	-	0.7	142.8	39.3	142.2	39.3
Cash flow from financing activities	0.0	0.7	145.0	39.3	141.0	36.0
Cash flow for the period	-73.3	-13.2	2.9	0.5	56.8	18.5
Cash and cash equivalents at beginning of period	107.0	25.5	30.5	11.8	12.4	11.8
Exchange rate difference in cash and cash equivalents	0.7	0.1	1.0	0.2	1.0	0.2
Cash and cash equivalents at end of period	34.4	12.4	34.4	12.4	70.3	30.5

Parent Company Income Statement

SEK M	3 months		9 months		12 months		16 months
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct 2021-Sep 2022	Jan-Dec 2021	Sep. 2020-Dec. 2021
Net sales	-	-	-	-	-	-	-
Other operating income	0.0	2.5	2.1	10.1	4.6	12.6	24.4
	0.0	2.5	2.1	10.1	4.6	12.6	24.4
Operating expenses							
Other external expenses	2.0	-5.8	-11.6	-46.3	-37.6	-72.3	-86.3
Personnel expenses	0.0	-1.8	-1.2	-7.5	-3.7	-10.0	-13.4
Depreciation/amortization of non-current assets	-	-0.6	0.0	-6.5	-0.6	-7.1	-8.7
Operating income	2.1	-5.7	-10.7	-50.1	-37.4	-76.8	-84.0
Profit from participations in Group companies	-	14.6	0.0	45.6	-121.7	-76.1	-76.1
Financial income etc.	3.7	0.6	4.1	2.9	4.3	3.2	3.7
Financial expenses etc.	0.0	-1.7	0.0	-11.4	-0.1	-11.5	-20.1
Profit/loss from divestment of shares	-	-	-	-	-	-	-
Profit/loss after financial items	5.8	7.9	-6.7	-13.1	-154.8	-161.1	-176.5
Taxes	-	-	-	-	-	-	-
Net income for the period	5.8	7.9	-6.7	-13.1	-154.8	-161.1	-176.5

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

Parent Company Balance Sheet, in summary

SEK M	9/30/2022	9/30/2021	12/31/2021
Assets			
Intangible assets	-	5.8	0.4
Tangible assets	-	0.8	0.0
Financial non-current assets	486.1	0.0	400.1
Other current receivables	59.6	17.7	22.8
Cash and cash equivalent	23.3	10.5	20.5
Total assets	569.0	34.7	443.7
Equity and Liabilities			
<i>Restricted equity</i>			
Share capital	19.9	2.0	8.8
<i>Total restricted equity</i>	19.9	2.0	8.8
<i>Non-restricted equity</i>			
Retained earnings	534.9	59.9	593.1
Net income for the period	-6.7	-39.1	-176.5
<i>Total non-restricted equity</i>	528.1	20.8	416.5
Total Equity	548.0	22.8	425.4
Non-current liabilities	0.0	0.0	0.0
Current liabilities	23.1	12.0	18.4
Total equity and liabilities	571.1	34.7	443.7

Notes

Note 1 Accounting principles

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

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

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		9 months		12 months	
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct 2021-Sep 2022	Jan-Dec 2021
Sales						
Sweden	0.4	0.8	1.5	2.8	2.2	3.5
USA	4.6	0.1	6.0	0.3	6.3	0.6
Other national markets	-	-	-	-	-	-
Total	5.0	0.9	7.5	3.1	8.5	4.1

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. On October 29, 2021, the company announced that the number of outstanding shares

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

SEK M	3 months		9 months		12 months	
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct 2021-Sep 2022	Jan-Dec 2021
Earnings per share (weighted) before dilution, SEK	-0.3	-7.8	-1.4	-19.6	-3.9	-25.4
Earnings per share (weighted) after dilution, SEK	-0.3	-7.8	-1.4	-19.6	-3.9	-25.4
Weighted number of shares for the period before dilution	69,178,459	2,034,731	61,461,901	2,034,731	50,427,977	5,929,404
Weighted number of shares for the period after dilution	69,178,459	2,034,731	61,461,901	2,034,731	50,427,977	5,929,404
Number of shares as of the reporting date	79,481,634	2,034,731	79,481,634	2,034,731	79,481,634	35,325,171
Number of shares as of the reporting date after dilution	79,481,634	2,034,731	79,481,634	2,034,731	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 period, the 10-day period from April 28, 2022 to May 11, 2022, risk-free interest rate of 1.67 percent, and volatility of 42.5 percent. The company has the right, but not the obligation, to repurchase these options if the employee terminates employment during the term. The subscription price per share in the warrant program, if the warrants were to be exercised, amounts to SEK 5.16 which is 200% of the volume-weighted average share price over the 10-day period from April 28, 2022 to May 11, 2022. The warrants expire on December 31, 2025 and can be exercised during the last six months before their expiration.

Options issued under the plan 2022/2025:1A

(Number)	Total number issued
CEO	1,397,479
Senior executives	953,780
Other employees	877,791
Total	3,229,050

Stock Option Plan Sweden 2022/2025:2A

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

Options issued under the plan 2022/2025:2A

(Number)	Total number issued
Chairman	655,068
Other Board members	349,369
Total	1,004,437

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 September 30, 2022 amount to SEK 69,202 in total for this program and the social security contributions amount to SEK 2,157, 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	349,369
VP USA	214,425
Other employees	893,290
Total	2,330,508

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 September 30, 2022 amount to SEK 10,374 in total for this program and the social security contributions amount to SEK 323, 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
Total	349,369

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. Today, the company has more than 1,000 chronically ill patients who are monitored over time with 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.

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

SEK M

Purchase price

Cash and cash equivalents	35.5
Total purchase price	35.5

Preliminary net asset analysis as at September 30, 2022

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

SEK M

Goodwill	35.5
Total	35.5

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

Key ratios

SEK M	3 months		9 months		12 months	
	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Oct 2021-Sep 2022	Jan-Dec 2021
Gross profit, SEK M	4.2	0.9	6.1	3.1	7.1	4.1
Gross margin, %	83%	100%	82%	100%	84%	100%
EBITDA, SEK M	-27.8	-16.0	-99.4	-38.2	-216.4	-155.2
EBITDA, %	neg.	neg.	neg.	neg.	neg.	neg.
Profit/loss after financial items	-28.2	-16.9	-101.7	-40.7	-221.1	-160.1
Profit/loss after financial items, %	neg.	neg.	neg.	neg.	neg.	neg.
Equity/assets ratio, %	85%	62%	85%	62%	85%	65%
Earnings per share (weighted) (SEK)	-0.3	-7.8	-1.4	-19.6	-3.9	-25.4
Average number of employees and contractors	46	24	39	24	40	25

See Definition of key ratios on page 17

Shareholders

Largest shareholders as of 9/30/2022

	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
Clearstream Banking S.A., W8IMY	1,650,069	2.1
SHB Luxembourg, Client Account SWE	1,589,968	2.0
Regovita AB	1,555,967	2.0
Total, 10 largest shareholders	40,787,884	51.4
Other	38,693,750	48.6
Total	79,481,634	100.0

Source: Euroclear Sweden AB

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

Definition of key ratios

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

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

MARGIN METRICS

Gross profit margin

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

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

EBITDA margin

EBITDA as a percentage of net sales.

Purpose: The measure is used to measure operational profitability.

Profit/loss after financial items - margin

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

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

FINANCIAL METRICS

Gross profit

Sales less goods for resale

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

EBITDA

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

Purpose: Illustrates profitability of operations.

Profit/loss after financial items

Operating income after financial income and expense, before tax.

Purpose: Illustrates profitability before tax in the operations.

Equity/assets ratio

Shareholders' equity in relation to total assets.

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

SHARE-BASED METRICS

Earnings per share

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

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

OTHER TERMS

Average number of employees and contractors

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

Average number of shares

Weighted average of outstanding ordinary shares in the period.

Total expenses

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

Patients under remote monitoring

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

Active Clinics

Number of clinics the company has agreements with regarding remote monitoring of patients, that also have patients under monitoring.

Invoiced average per patient

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

Forecasted Annual Revenue Rate

Forecasted recurring revenue based on given period.

Forecasted Revenue per year

Forecasted revenue per year.



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