

## INTERIM REPORT

January 1, 2021- December 31, 2021

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# INTERIM REPORT

## January - December 2021

### Fourth quarter, October 1, 2021 - December 31, 2021 in summary

- Net sales increased to SEK 1.0 M (0.2).
- EBITDA totaled SEK -118.0 (-15.7).
- Operating income totaled SEK -120.5 M (-16.5).
- Profit after tax was SEK -111.0 M (-16.6).
- Earnings in the period totaled SEK -111.0 M (-16.6).
- Earnings per share was SEK -6.1 (-8.1).
- Cash flow from operating activities was SEK -24.7 M (-15.3).
- The result is affected by a non-recurring cost of -102,3 M relating to the reverse acquisition

### The period, January 1, 2021 - December 31, 2021 in summary

- Net sales increased to SEK 4.1 M (3.4).
- Operating income totaled SEK -160.1 M (-54.0).
- Profit after tax was SEK -150.7 M (-54.1).
- Earnings in the period totaled SEK -150.7 M (-54.1).
- Earnings per share was SEK -25.4 (-26.6).
- Cash flow from operating activities was SEK -60.7 M (-56.3).
- The result is affected by a non-recurring cost of -102,3 M relating to the reverse acquisition.

### Events in period

- On September 27, the company announced its intention to acquire the existing operations in Brothers, resolve debt financing and acquire Coala-Life AB.
- On October 22, the company published a description of the business activities in Coala-Life AB.
- On October 22, Nasdaq Stockholm AB announced that the company satisfied the requirements for listing on Nasdaq First North Growth Market.
- The Extraordinary General Meeting on October 29 reached the following resolutions relating to: a directed new share issue, adjusting the limits applying to the number of shares in the Articles of Association and aggregation of shares, adjusting the limits applying to share capital in the Articles of Association and any reduction in share capital without withdrawing shares, adopting new Articles of Association, approving the divestment of Brothers & Sisters AB, approving the acquisition of Coala-Life AB, authorizing the Board to issue new shares against offset payment, determining the number of Board members, determining Directors' fees, election of Board members.
- On November 1, Richard Roa was appointed CFO of the company.

- On November 8, the company completed the acquisition of Coala-Life AB, the divestment of Brothers & Sisters, the debt conversion process and changed its name to Coala-Life Group, and appointed a new Board of Directors and management.
- On December 14, the company announced that the TITAN-DM study on people with diabetes was fully recruited.
- On December 30, the company divested the shares in the subsidiary Departments and Stores Europe AB.

### Events after the end of the period

- On January 14, the company announced that Johan Eckerdal will be taking up his position as Vice President R&D of Coala Life in March 2022.
- On February 9, the company announced the outcome of a review of the health economics of Coala Heart Monitor Pro carried out by the Swedish Dental and Pharmaceutical Benefits Agency at the request of the Medical Technology Product Council, which demonstrated the cost-effectiveness of the device.
- On February 23 the company announced the intention to complete a preferential rights issue totaling SEK 150 M.

### Contact information

CEO, Dan Pitulia +46 70 972 08 38

Chief Strategy Officer and Head of IR, Philip Siberg +46 70 790 67 34

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 February 23, 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

Annual Report	March 15, 2022
Annual General Meeting	May 30, 2022
Interim Report, first quarter 2022	May 24, 2022
Interim Report, second quarter 2022	August 17, 2022
Interim Report, third quarter 2022	November 16, 2022
Year-end Report 2022	February 22, 2023

# Comments from the CEO

## Unique position in remote heart monitoring

In the fourth quarter 2021, we took a major step on Coala Life's growth journey. On November 9, the company was listed on Nasdaq First North Growth Market in a reverse acquisition of RNB Retail and Brands. The listing increases our ownership base, strengthened our financial position and gives us access to the stock market and the opportunity to accelerate our market expansion. In our first quarterly report as a listed company, I want to outline our current position, provide a business update at the start of 2022, and describe the strategic considerations we face ahead of capitalizing on our unique position on the US market.

Our business concept is to enable long-term monitoring and improved diagnostics for patients with heart and lung disease in everyday life. We achieve this through the Coala Heart Monitor - an award-winning and FDA- and CE-cleared product and service platform that enables long-term monitoring, analysis and algorithm-based remote diagnosis of heart and lungs. The device is ideal for patients suffering from chronic illness or intermittent symptoms, and is connected to healthcare services remotely.

Over 500 million people are currently affected by chronic heart and lung disease. The US has a disproportionately high proportion of chronically ill patients, and is Coala Life's most important market. In 2019, new legislation and new innovative compensation systems created potential for preventative long-term monitoring and diagnostics of chronically ill patients in the home. Developments have

moved quickly in the US, and millions of patients have been included in a Remote Patient Monitoring (RPM) program which provides access to connected med tech products that allow healthcare providers to regularly monitor patients' vital parameters in daily life. To qualify as an RPM patient, acute or chronic disease is required, which applies to just under half of the US population. Because the Coala Heart Monitor has obtained FDA approval and is available within the RPM reimbursement system in the US, we enjoy a unique position in the area of cardiac health.

However, the pandemic has presented some obstacles to our sales efforts over the past two years. The effects of the Delta and Omicron strains last fall continue to present some temporary obstacles. However, underlying market conditions for telemedicine, remote surveillance and digital healthcare have made very strong progress, which is to our advantage.

In 2021, the management team and myself continued to refine and improve the product platform, intensify our sales initiatives in the US, and review funding opportunities on the capital markets to build on our unique market position as the pandemic recedes.

In the quarter, we strengthened the US organization with the recruitment of six new sales staff. This will continue in the early part of 2022. We connected 20 new clinics in the fourth quarter 2021, as well as a further 6 new clinics in the beginning of 2022. At the time of writing further agreements are awaiting signature by clinics.



“Unique position in remote heart monitoring”

The increased US presence at clinic level means that we also foresee accelerating sales growth and an increased presence on this market. Clinics are increasingly requesting that remote monitoring of patients be handled by external operators. This business model provides us with business opportunities for improved margins by managing patient monitoring, maintaining ongoing patient contacts and ensuring correct and regular monitoring. Our monitoring center will follow patients 24/7 and report deviations directly to health providers. We can also handle administration and invoice insurance providers so that clinics can focus on their core operations. I look forward to presenting more information about this progress shortly.

Our platform is being further developed to collect and process information from many different clinical data sources. This increases our opportunities and we initiated several transactions with clinics to use our system for other indications in the fourth quarter.

In order to fully capitalize on our business opportunities we need to ensure that Coala Life remains at the leading edge in terms of technical development and systems development. This work intensified in Q4, when we further strengthened our position with the recruitment of VP R&D Johan Eckerdal, announced at the start of 2022.

More than 10,000 patients has used, been diagnosed or are under long term monitoring with Coala Heart Monitor to date. The Coala Care platform has over 1,700 doctors and nurses connected and more than 500 healthcare providers. Clinical validation has been obtained through studies required for approval in the US and Europe - but also through the systems being used in numerous clinical trials carried out by researchers and pharmaceuticals developers. Several examples can be found on our website. In the fourth quarter, the recruitment for the TITAN-DM study was completed. This is a clinical observational study with 600 participants, aimed at increasing knowledge about the incidence of atrial fibrillation in people with diabetes through remote monitoring with the Coala Heart Monitor. The study is being carried out under the management of Region Gävleborg and the results are expected to be presented in the second half of 2022. In February, we also presented the results of the Swedish Dental and Pharmaceutical Benefits Agency's evaluation of the health economics of Coala Heart Monitor Pro for diagnosing atrial fibrillation in primary care settings. The evaluation concluded that Coala Heart Monitor Pro engenders increased benefit at a lower cost than the alternatives. Several studies are also in progress on other markets, including Japan, where the results of a major ongoing clinical trial are expected to be published later this year.

We have also made progress closer to home. Region Stockholm chose Coala Life from a large number of contenders as the only company alongside Siemens and Cuviva to participate in the pilot study on remote monitoring scheduled for 2022. In Denmark, a pilot study at Odense University Hospital was completed successfully in Q4. The monitors are already in clinical use with further expansion planned for spring 2022. In India, we initiated a partnership with Vera Healthcare to implement Coala Heart Monitor in primary health care services in rural areas. The collaboration with Vera Healthcare initially encompasses the distribution of 100 monitors.

Just before the publication of this report, we announced our intention to complete a preferential rights issue totaling SEK 150 M. The share issue, which is fully underwritten, will allow us to realize our growth plan and accelerate market penetration. But we are also looking at a number of attractive potential acquisitions that would strengthen Coala Life's position in long-term monitoring, analysis and algorithm-based diagnostics. A stronger financial position will significantly improve our opportunities to make selective acquisitions and increase growth.

Coala Life will soon have been listed on Nasdaq First North Growth Market for six months. A key reason for the listing is to access financing opportunities on the stock market. Above I have outlined some of the growth opportunities that exist on the US market. We believe that we need to be able to act quickly in order to take the lead in the paradigm shift towards remote monitoring in healthcare currently underway in the US. The aim of the preferential rights issue is primarily to ensure intensified marketing in the US, but we also foresee many other promising opportunities. In parallel with organic growth, we continuously monitor acquisition opportunities that would allow us to accelerate the pace. I look forward to keeping you up-to-date about our continued journey.

Dan Pitulia  
President and CEO

# 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, at the same time, doctors around the world are still listening to hearts with equipment invented in the mid-1800s and that 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 continue to develop the product enthusiastically for several years. Technological progress generally benefited 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 in an evolved ecosystem that has been approved in Europe, the US and elsewhere. We have invested over SEK 260 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, backed up 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 towards achieving our vision: Winning the fight against the no. 1 cause of death globally, heart disease.

## Significant events in 2021

- Coala is listed on the Nasdaq Stockholm by a reverse takeover
- Coala presented with Frost & Sullivan New 2021 Product Innovation Award Cardiac Monitoring
- Amy Davelle appointed President in the US
- Launch of new functionality including Coala Automated Monitoring Report and cloud-based filters for remote auscultation
- Launch of Managed RPM by Coala on the US market to operate RPM programs in partner collaborations
- TGA market approval in Australia
- Publication of RedHeart Study which showed that Coala Heart Monitor helps to reduce both worry and symptoms, and improves quality of life amongst women experiencing palpitations, in a study carried out on over 800 women

# Revenue and earnings Coala-Life - Group

## Fourth quarter, October 1, 2021 - December 31, 2021

Reported net sales were SEK 1.0 M (0.2) in the fourth quarter. Gross margin for the Group was 110 percent (-400). The unusual margins are due to exchange rate effects and adjustments. Total operating expenses were higher in the fourth quarter year-on-year due to new recruitment of sales staff in the US. Other external expenses were affected by SEK -102.3 M attributable to surplus value in the reverse acquisition of Coala-Life Group AB. Depreciation/amortization totaled SEK -2.5M (-0.8) in the fourth quarter. EBITDA amounted to SEK -118.0 M (-15.7). Operating income totaled SEK -120.5 M (-16.5). Net financial items totaled SEK -9.4 M (0.0). Earnings in the period totaled SEK -111.0 M (-16.6).

## The period, January 1, 2021- December 31, 2021

The Group's net sales totaled SEK 4.1M (3.4) in the period. Gross margin for the Group was 118 percent (75). The unusual margins for the current year are adjustments that relate to the previous year. Total operating expenses were higher in the period year-on-year due to new recruitment of sales staff on the US market in the second half of the year. Other external expenses were affected by SEK -102.3 M attributable to surplus value in the reverse acquisition of Coala-Life Group AB. Depreciation/ amortization for the period totaled SEK -4.9 M (-2.7). EBITDA amounted to SEK -155.2 M (-51.3). Operating income amounted to SEK -160.1 M (-54.0). Net financial items totaled SEK 9.4 M (-0.1). Earnings in the period amounted to SEK -150.7 M (-54.1).

## Assessment of going concern

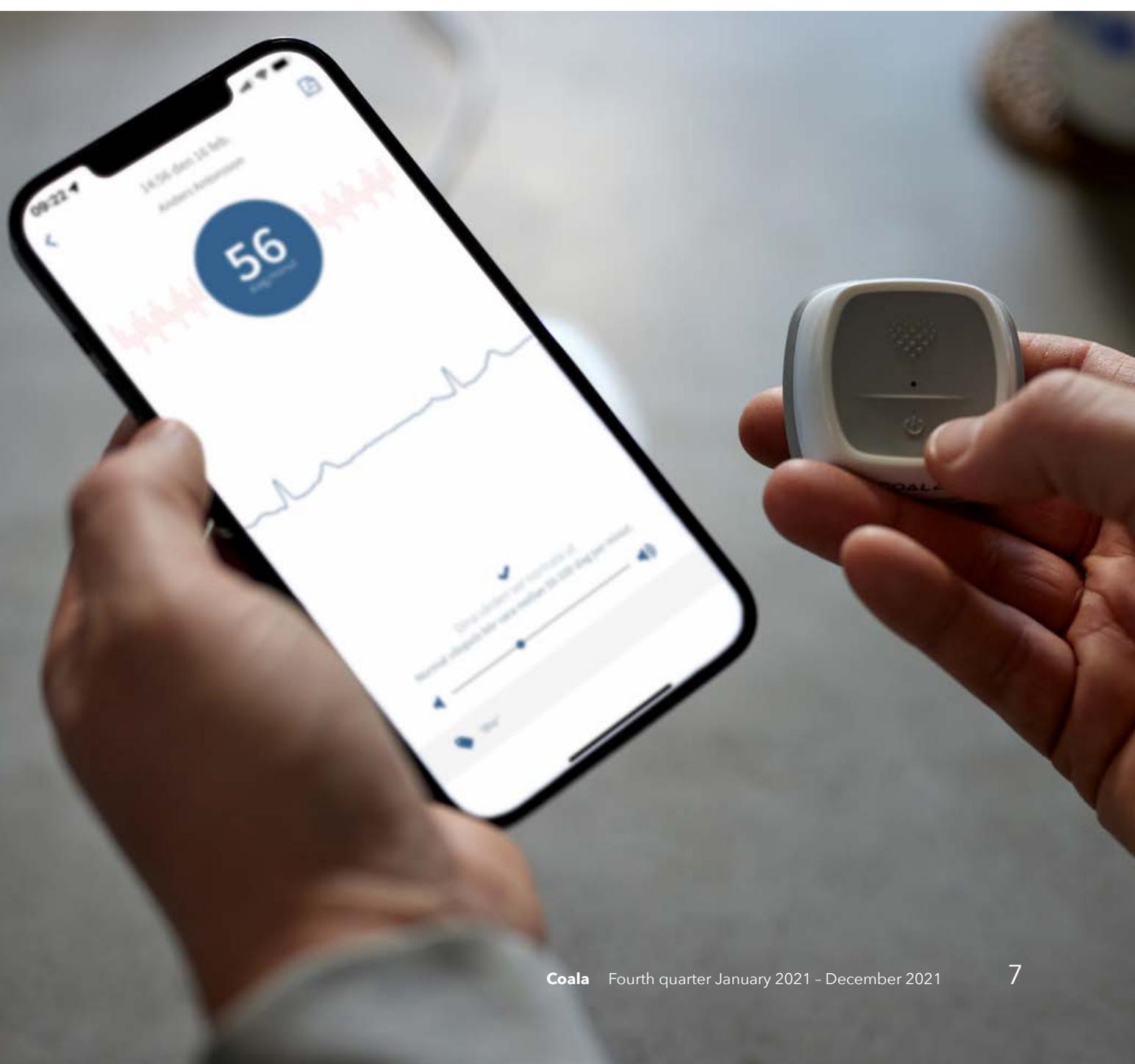
The Board and CEO continuously monitor Group liquidity and financial resources in the short and long term. This report has been prepared on the basis of the assumption that the company's ability to continue operations for the coming 12-month period could be conditional on further financing in the period. On February 23, the Board announced that the company intends to complete a preferential rights issue that is partly intended to be

used for ongoing management and partly for expansion. Accordingly, in the Board's and CEO's assessment, provided that the planned preferential rights issue is completed, the Group is expected to have sufficient liquidity and cash flow for continued operations in the coming 12-month period. Should this not materialize, a risk arises to the Group's continued operations.

**Group overview**

	3 months		12 months	
	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales, SEK M	1.0	0.2	4.1	3.4
Gross profit, SEK M	1.1	-1.0	4.8	2.5
Gross margin,(%)	110%	neg.	118%	75%
EBITDA, SEK M	-118.0	-15.7	-155.2	-51.3
EBITDA margin, (%)	neg.	neg.	neg.	neg.
Operating income, SEK M	-120.5	-16.5	-160.1	-54.0
Operating margin (%)	neg.	neg.	neg.	neg.
Net income for the period, SEK M	-111.0	-16.6	-150.7	-54.1
Earnings per share (weighted number), SEK	-6.3	-8.1	-25.4	-26.6
Cash flow from operating activities, SEK M	-24.7	-15.3	-60.7	-56.3

Based on unaudited financials



# Financial position and liquidity

The Group's total assets amounted to SEK 80.2 M, compared to SEK 34.0 M at the end of the previous financial year. Cash flow from changes in working capital was positive in the period at SEK -51.1 M (-53.3). Cash flow from operating activities was SEK -60.7 M (-56.3) in the period. After investments, cash flow was SEK -17.4 M (-58.0).

## Total Equity

Group equity was SEK -52.3 M at the end of the period, against SEK 22.9 M at the end of the previous financial year, implying an equity/assets ratio of 65 percent compared to 67 percent at the start of the financial year. Coala-Life Group AB was acquired in a reverse acquisition in the fourth quarter. The change in equity includes the associated non-cash issue on a separate line. The surplus value that arose in connection with the transaction, the difference between the value of the non-cash issue and acquired equity in Coala-Life Group AB, totaled SEK 102.3 M and was recognized in the Group Income Statement as an expense under Other external expenses.

## Liquidity

The Group's cash and cash equivalents totaled SEK 30.5 M at the end of the period, compared to SEK 11.8 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 0.7 M (1.7). Depreciation/amortization totaled SEK - 4.9 M (-2.7).

## Employees

The average number of full time employees in the period was 22 (20).

## Transactions with related parties

There were no transactions in the financial year between the Coala Life Group and related parties that materially impacted the Group's financial position and results of operations. More information about transactions with related parties can be found in the forthcoming Annual Report for 2021 and the Annual Report for 2020.

## Tax

During the financial year, the Group paid tax totaling SEK -0.1 M (-0.0). As the company has non-capitalized loss carry-forwards, tax expenses are expected to remain low. For more information, see the forthcoming Annual Report 2021 and the Annual Report for 2020.

## Parent Company

The Parent Company applies a different reporting period to the Group due to the reverse acquisition and the Parent Company's decision to change the reporting period from a split financial year to the calendar year in August 2021. The Parent Company's reporting periods in the report are 4 months for 1 Sep 2021 - 31 Dec 2021 with the comparative period 1 Sep 2020 - 31 Dec 2020, and 16 months for 1 Sep 2020 - 31 Dec 2021 with a 12 month comparative period for 1 Sep 2019 - 31 Aug 2020. From 2022 onwards, the Parent Company will apply the same reporting periods as the Group. Parent Company net sales were SEK 23.5 M in the extended period September 2020 - December 2021 and profit/loss after net financial items was SEK - 176.5 M. Investments totaled SEK 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

- Tax.
- 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.

## 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, February 23, 2022  
The Board of Directors and Chief Executive Officer of  
Coala-Life Group AB (publ)

Ebba Fåhraeus  
*Board member*

Per Carendi  
*Chairman*

Beverly Huss  
*Board member*

Peter Troija  
*Board member*

Dan Pitulia  
*CEO*

# Consolidated Income Statement

SEK M	3 months		12 months	
	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	1.0	0.2	4.1	3.4
Goods for resale	0.1	-1.2	0.7	-0.8
<b>Gross income</b>	<b>1.1</b>	<b>-1.0</b>	<b>4.8</b>	<b>2.5</b>
Other operating income	2.5	0.8	3.5	1.0
Other external expenses*	-111.2	-8.8	-135.5	-29.6
Personnel expenses	-10.4	-6.8	-27.9	-25.3
<b>EBITDA</b>	<b>-118.0</b>	<b>-15.7</b>	<b>-155.2</b>	<b>-51.3</b>
Depreciation/amortization and impairment of non-current assets	-2.5	-0.8	-4.9	-2.7
<b>Operating income</b>	<b>-120.5</b>	<b>-16.5</b>	<b>-160.1</b>	<b>-54.0</b>
Profit/loss from divestment of subsidiaries		-		-
Financial income etc.	9.5	-	9.5	-
Financial expenses etc.	-0.0	0.0	-0.1	-0.1
<b>Net financial items</b>	<b>9.4</b>	<b>0.0</b>	<b>9.4</b>	<b>-0.1</b>
<b>Profit/loss after financial items</b>	<b>-111.0</b>	<b>-16.5</b>	<b>-133.7</b>	<b>-54.1</b>
Tax on profit for the period	-0.0	-0.0	-0.1	-0.0
<b>Net income for the period</b>	<b>-111.0</b>	<b>16.6</b>	<b>-150.7</b>	<b>-54.1</b>
<b>Net income for the period attributable to:</b>				
Parent Company shareholders	-111.0	-16.6	-150.7	-54.1
<b>Earnings per share (weighted number) before dilution, SEK</b>	<b>-6.3</b>	<b>-8.1</b>	<b>-25.4</b>	<b>-26.6</b>

\*Other external expenses were affected by a non-recurring item relating to the surplus value in the reverse acquisition of Coala-Life Group AB of SEK -102.3 M.

Based on unaudited financials

## Consolidated Balance Sheet, in summary

SEK M	12/31/2021	12/31/2020
<b>Assets</b>		
Intangible assets	5.9	6.6
Tangible assets	1.1	1.3
Right-of-use assets	4.0	2.4
Financial non-current assets	0.3	0.0
<i>Total non-current assets</i>	<i>11.3</i>	<i>10.2</i>
Inventories		
Current interest-bearing receivables	11.9	8.8
Current receivables	26.5	3.2
Cash and cash equivalents	30.5	11.8
<i>Total current assets</i>	<i>68.9</i>	<i>23.8</i>
<b>Total assets</b>	<b>80.2</b>	<b>34.0</b>
<b>Equity and liabilities</b>		
Equity attributable to Parent Company shareholders	52.3	22.9
<i>Total equity</i>	<i>52.3</i>	<i>22.9</i>
Long-term lease liabilities	0.8	1.3
Current lease liabilities	3.2	1.3
Other current liabilities	23.8	8.5
<i>Total liabilities</i>	<i>27.8</i>	<i>11.1</i>
<b>Total equity and liabilities</b>	<b>80.2</b>	<b>34.0</b>

Based on unaudited financials

## Changes in shareholders' equity, in summary

SEK M	Jan-Dec 2021	Jan-Dec 2020
Opening balance	22.9	76.9
<b>Net income for the period</b>	<b>-150.7</b>	<b>-54.1</b>
<b>Other comprehensive income</b>		
Translation differences	0.0	0.0
<b>Total comprehensive income for the year</b>	<b>-150.7</b>	<b>-54.1</b>
Non-cash issue	141.3	-
Rights issue	39.0	0.1
<b>Balance at the end of the period</b>	<b>52.3</b>	<b>22.9</b>

Based on unaudited financials

# Consolidated Cash Flow Statement, in summary

SEK M	3 months		12 months	
	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Operating activities</b>				
Operating income	-120.5	-16.5	-160.1	54.0
Interest received and other financial income	-	-	0.5	-
Interest paid	-0.0	-0.0	-0.1	-0.1
Tax paid	-0.0	-0.0	-0.3	-0.0
Adjustments for items not included in cash flow	104.5	2.1	108.9	0.8
<b>Cash flow before change in working capital</b>	<b>-16.0</b>	<b>-14.4</b>	<b>-51.1</b>	<b>-53.3</b>
<b>Cash flow from change in working capital</b>				
Change in inventories	0.1	-1.3	-3.1	-3.4
Change in accounts receivable	-0.2	-0.1	0.0	-0.2
Change in current receivables	-2.3	-0.5	3.2	-1.4
Change in current liabilities	-6.4	0.9	-9.8	2.0
<b>Change in working capital</b>	<b>-8.7</b>	<b>-0.9</b>	<b>-9.6</b>	<b>-3.0</b>
<b>Cash flow from operating activities</b>	<b>-24.7</b>	<b>-15.3</b>	<b>-60.7</b>	<b>-56.3</b>
Acquisition of property, plant and equipment and intangible assets	-0.3	-0.5	-0.3	-1.7
Acquired subsidiaries	52.7	-	52.7	-
Divestment of subsidiaries	-9.2	-	-9.2	-
<b>Cash flow from investing activities</b>	<b>43.1</b>	<b>-0.5</b>	<b>43.3</b>	<b>-1.7</b>
<b>Cash flow after investments</b>	<b>18.4</b>	<b>-15.8</b>	<b>-17.4</b>	<b>-58.0</b>
<b>Financing activities</b>				
Change in other debt	-	1.1	-	2.5
Amortization of loan	-	-	-0.5	-
Amortization of lease liabilities	-0.0	-0.2	-2.9	-0.7
Rights issue	-0.3	-	39.3	0.1
<b>Cash flow from financing activities</b>	<b>-0.3</b>	<b>0.9</b>	<b>36.0</b>	<b>1.9</b>
<b>Cash flow for the period</b>	<b>18.1</b>	<b>-14.9</b>	<b>18.5</b>	<b>-56.1</b>
Cash and cash equivalents at beginning of year	12.4	26.8	11.8	68.0
Exchange rate difference in cash and cash equivalents	0.0	-0.1	0.2	-0.2
<b>Cash and cash equivalents at end of year</b>	<b>30.5</b>	<b>11.8</b>	<b>30.5</b>	<b>11.8</b>

Based on unaudited financials

# Parent Company Income Statement

SEK M	4 months		16/12 months	
	Sep-Dec 2021	Sep-Dec 2020	Sep 2020-Dec 2021	Sep 2019-Aug 2020
Net sales	3.4	11.7	23.5	41.0
Other operating income	-	-	0.9	0.2
	<b>3.4</b>	<b>11.7</b>	<b>24.4</b>	<b>41.2</b>
<b>Operating expenses</b>				
Other external expenses	-26.6	-11.2	-86.6	-43.3
Personnel expenses	-3.0	-3.4	-13.4	-19.1
Depreciation/amortization of non-current assets	-0.4	-1.8	-4.5	-5.7
<b>Operating income</b>	<b>-26.7</b>	<b>-4.7</b>	<b>-80.0</b>	<b>-26.9</b>
Profit from participations in Group companies	-129.6	-	-76.1	-200.9
Financial income etc.	9.9	1.3	3.7	6.5
Financial expenses etc.	0.0	-9.2	-24.1	-32.2
<b>Profit/loss after financial items</b>	<b>-146.4</b>	<b>-12.6</b>	<b>-176.5</b>	<b>-253.5</b>
Taxes	-	-	-	-
<b>Net income for the period</b>	<b>-146.4</b>	<b>-12.6</b>	<b>-176.5</b>	<b>-253.5</b>

Based on unaudited financials

# Parent Company Balance Sheet, in summary

SEK M	12/31/2021	8/31/2020
<b>Assets</b>		
Intangible assets	0.4	12.1
Tangible assets	0.0	0.7
Financial assets	400.1	462.7
Other current receivables	22.8	56.4
Cash and cash equivalent	20.5	0.0
<b>Total assets</b>	<b>444.7</b>	<b>531.9</b>
<b>Equity and liabilities</b>		
<i>Restricted equity</i>		
Share capital	8.8	30.5
<i>Total restricted equity</i>	<i>8.8</i>	<i>30.5</i>
<i>Non-restricted equity</i>		
Retained earnings	593.1	268.6
Net income for the period	-176.5	-253.5
<i>Total non-restricted equity</i>	<i>416.5</i>	<i>15.1</i>
<b>Total Equity</b>	<b>425.4</b>	<b>45.6</b>
Non-current liabilities	-	412.3
Current liabilities	18.4	74.0
<b>Total equity and liabilities</b>	<b>443.7</b>	<b>531.9</b>

Based on unaudited financials

# 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.

In November 2021, Coala-Life AB was acquired in a non-cash issue. The acquisition is considered a reverse acquisition as control over Coala-Life Group AB (publ), formerly RNB Retail and Brands AB, has reverted to the former shareholders of Coala-Life AB as a result of the acquisition. Because of this, the Group's financial reports have been prepared for the same accounting period as Coala-Life AB's calendar year, i.e. Jan 2021 - Dec 2021 and the comparative period Jan 2020 - Dec 2020. The Parent Company's financial reports have been prepared in accordance with the Parent Company's extended financial year of 16 months, Sep 2020 - Dec 2021 with a 12 month comparative period, Sep 2019 - Aug 2020.

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 5 Earnings per share

Coala Life has no outstanding equity instruments that imply a dilution effect. The calculation of the average number of outstanding shares is based on reconciliation items as shown in the table below.

On 29 October 2021, the company announced that the number of outstanding shares would be reduced in an aggregation of 50 shares

SEK M	3 months		12 months	
	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Earnings per share (weighted number) before dilution, SEK	-6.3	-8.1	-25.4	-26.6
Earnings per share (weighted number) after dilution, SEK	-6.3	-8.1	-25.4	-26.6
Weighted number of shares for the period before dilution	17,613,422	2,034,731	5,929,404	2,034,731
Weighted number of shares for the period after dilution	17,613,422	2,034,731	5,929,404	2,034,731
Number of shares per balance sheet date	35,325,171	2,034,731	35,325,171	2,034,731
Number of shares per balance sheet date after dilution	35,325,171	2,034,731	35,325,171	2,034,731

Based on unaudited shares

## Note 3 Lease agreements IFRS 16

Coala Life applies the standard IFRS 16 Leases, whereby lease agreements are reported in the Balance Sheet and all lease expenses are reported as amortization and interest expenses (the company applies exemptions, for more information see paragraph 3 below). The Group's lease agreements are mainly rent agreements for office premises. The lease period is determined by the contractual non-cancellable period governing extension or expected cancellation of the agreement. If it cannot be determined with reasonable certainty that an extension or cancellation will take place, the extension is not included in the calculation of the lease liability. Rent agreements are reviewed continuously. Coala Life also applies the practical exemptions regarding reporting payments attributable to short-term lease agreements and lease agreements for assets of low value as an expense in the Income Statement.

## Note 4 IFRS 15 Revenue recognition

SEK M	3 months		12 months	
	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Sales</b>				
Sweden	0.7	0.2	3.5	3.0
USA	0.3	0.1	0.6	0.3
Other national markets	-	-	-	-
<b>Total</b>	<b>1.0</b>	<b>0.2</b>	<b>4.1</b>	<b>3.4</b>

to 1. The reconciliation item for 31 December 2020, and the comparative figure for the average number of outstanding shares, have been adjusted from 50 to 1 to indicate an accurate number of outstanding shares.

## Key ratios

SEK M	Jan-Dec 2021	Jan-Dec 2020
Gross profit, SEK M	4.8	2.5
Gross margin, %	118%	75%
EBITDA, SEK M	-155.2	-51.3
EBITDA, %	neg.	neg.
Profit/loss after financial items	-150.7	-54.1
Profit/loss after financial items,%	neg.	neg.
Equity/assets ratio, %	65%	67%
Earnings per share	-25.4	-26.6
Average number of employees	22	20

See Definition of key ratios at page 16

Based on unaudited financials

## Shareholders

### Largest shareholders as of 12/31/2021

	Number of shares	Share capital/votes, %
20 North Street Co AB	6,983,467	19.8
Konsumentföreningen Stockholm	3,295,289	9.3
SEB Life International	2,834,077	8.0
Sörlander, Klas Anders Magnus	2,059,596	5.8
Åke Sundvall Holding AB	1,858,038	5.3
JRS Asset Management AB, Client Account	1,114,482	3.1
SHB Luxembourg, Client Account	947,673	2.7
CDMAR Invest AB	700,000	2.0
Regovita AB	691,542	2.0
Blue Seed AB	672,398	1.9
<b>Total, 10 largest shareholders</b>	<b>21,156,562</b>	<b>59.9</b>
Other	14,168,609	40.1
<b>Total</b>	<b>35,325,171</b>	<b>100.0</b>

Source: Euroclear Sweden AB

Based on unaudited shares

# 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*

Average number of full time employees 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.



**Postal address:**

Kålsängsgränd 10B  
SE-753 19 Uppsala

**Visitors:**

Kålsängsgränd 10B  
SE-753 19 Uppsala

**www.coalalife.com**

Corp. ID no.  
556495-4682

**Ticker:**

Coala in Nasdaq OMX  
ISIN code:  
SE0005223674

**Questions about this report** should be directed to [dan.pitulia@coalalife.com](mailto:dan.pitulia@coalalife.com) and [philip.siberg@coalalife.com](mailto:philip.siberg@coalalife.com)