

# RLS GLOBAL

Gentle Methods



**INTERIM REPORT**  
**JANUARY–MARCH 2022**

# Summary



## RLS has started to transfer contracts to ConvaTec

### 1 JANUARY – 31 MARCH (previous year in brackets)

- Net sales amounted to TSEK 305 (TSEK 50).
- Earnings before interest and taxes (EBIT) amounted to TSEK -5 363 (TSEK -6 263). Earning per share before dilution at SEK -0,07 (SEK-0,09).
- Cash flow from operating activities amounted to TSEK -6 730 (TSEK -5 834).
- Cash and cash equivalents at the end of the period TSEK 4 739 (TSEK 13 163).
- Equity ratio was 77 % (85 %).

### SUMMARY OF EVENTS DURING FIRST QUARTER

- RLS' notified bodies have carried out quality audits (ISO 13485 and MDD) without remarks. RLS is in the MDR review process which will be completed according to plan.
- The CEO Karin Fischer has handed in her resignation and a process to find her successor has started.
- RLS has started to transfer contracts with regions to ConvaTec.
- ChloraSolv is delivered to ConvaTec's central warehouse in the Netherlands on a regular basis.
- ChloraSolv is reimbursed in the Netherlands.
- As RLS has no business in Russia, Ukraine or Belarus, the situation there will have no direct impact on RLS.

# CEO Message



## Gratifying that ChloraSolv has been procured in several regions during Q1 2022

On January 1, 2022, ConvaTec took over the leadership and market responsibility for ChloraSolv in Europe. Now begins the implementation of the marketing strategy. RLS has a strong focus on broadening its presence in the Middle East and establishing a new business in animal care.

### CONVATEC

As of January 1, 2022, ConvaTec has taken over the leadership and market responsibility in Europe. The first batches of ChloraSolv have been shipped to ConvaTec's central warehouse in the Netherlands. RLS has continued its commitment and trained the local teams in the individual markets. RLS and ConvaTec are deepening their collaboration with the aim of producing new, exciting preclinical data that supports the commercialization of ChloraSolv. ConvaTec will participate in the largest European wound congress, EWMA, later this May.

### MARKET ACCESS

As a consequence of the pandemic, most regions in the Nordic region have postponed regional procurements. Since the turn of the year, however, they are starting to catch up with these processes. It is gratifying that ChloraSolv has now been procured in several regions during the first quarter of 2022. These are "Femklövern" (the regions Uppsala, Sörmland, Västmanland, Dalarna and Örebro län), Jönköping, Jämtland and Värmland. In the Nordic countries, ConvaTec has made price adjustments within current agreements.

The work continues with the aim of establishing reimbursement in strategic European countries. In March, ConvaTec applied in the UK and Drug Tariff. In the near future, ChloraSolv is expected to be approved for the hospital segment – National Health Service (NHS). For primary care and home health care, the process is slightly longer. The UK is an important strategic market for advanced wound care.

ChloraSolv has been presented to key opinion leaders (COPD) in France and Germany. These tests and evaluations are an important step for future health economics studies.

### MIDDLE EAST

RLS has great ambitions to increase its presence in the Middle East. The region has the highest prevalence of hard-to-heal wounds in the world. RLS has a dialogue with several strategic companies in the region. The purpose is to establish an infrastructure that aims to start selling ChloraSolv in countries such as Saudi Arabia, Qatar, Dubai and more.

### VETERINARY CARE

Hard-to-heal wounds are a major problem in animal care. During the first quarter, RLS worked in close collaboration with several veterinarians with the aim of evaluating ChloraSolv on cats, dogs and horses. All tests have very good results. RLS is now in dialogue with several stakeholders with the aim of establishing a Nordic distribution network for veterinary care. Once the Nordic network is established, the ambition is to find partners for strategic European countries.

### REGULATORY AUDIT

RLS also started this year with the annual, important quality audits according to the European directive MDD and the standard ISO 13485, with very good results. To meet the requirements of the new regulations for medical devices, MDR, RLS has sent updated technical documentation to our notified body for their review, as one in several stages. This exciting work is currently underway according to plan.

Mölndal,  
May 11, 2022

Karin Fischer  
CEO RLS Global



# Administration Report



## Risk and uncertainties

RLS Global AB is subject to various types of risk in its operations. They can generally be divided into; market related risks, operational risks and financial risks.

### Market related risks

Customers' willingness to buy goods and services is affected, among other things, by the general economic situation and the desire to try new methods as well as the ability of the new methods to increase efficiency. It cannot be guaranteed that current product registrations can be retained if the regulations change. Furthermore, it cannot be guaranteed that new regulatory approvals will be obtained for our products.

### Operational risks

Failure in R&D projects due to lack of effect, inadequate method selection or assumptions, production disruptions, delays in deliveries and launches, as well as misjudgments of demand and growth rate, patent infringement and non-granted patent applications. There are nine employees in the company and if one or more of these leave the company, this could have a negative impact on its operations, result and financial position.

### Financial risks

The company has a negative cashflow and may need additional capital in the future. The company's financing takes place in the long term and with respect for the shareholders' desire to see a steady growth in value. An investment in RLS Global AB is a risk, but also an opportunity for good returns.

## Financial information

### January–March 2022

Net sales for the period January–March amounted to TSEK 305 (TSEK 50).

Other operating income for the period amounted to TSEK 306 (TSEK 91). Other operating income refers mainly to market costs reinvoiced to Convatec that as from 2022 are responsible for sales and marketing of ChloraSolv. Last year's other income refers to freight.

Operating income of MSEK-5,4 (MSEK-6,3) is better than last year. Mainly depending on the higher level of revenue after the pandemic situation.

Net investments for the period of SEK 0 (SEK 0).

### Audit review

This report has not been subject to review by the company's auditor.

### Next report

The next financial report is the Q2 report for January–June 2022 and will be published on August 26, 2022.

### Assurance

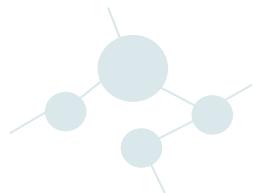
The board of directors and the CEO have, to the best of their abilities, ensured that this interim report provides a true and fair view of the company's operations, position and results, and describes significant risks and uncertainties that the company faces.

### Trading place and certified advisor

RLS Global's shares have been listed on the Nasdaq First North Growth Market since May 17th, 2017 and trading takes place under the short name RLS.

Certified Adviser is Redeye Aktiebolag, phone +46 8 121 576 90, email: certifiedadviser@redeye.se.

# Administration Report



## Other information

For further information on RLS Global AB's operations, please refer to the company's website: [www.rls.global](http://www.rls.global)

## Contact information

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RLS Global AB (publ)  
Company Identity No 556726-3495

Gothenburg, May 11, 2022

Steve Krognes  
Chairman of the Board

Karin Eliasson  
Member of the Board

Christer Hägglund  
Member of the Board

Roland Frösing  
Member of the Board

Mathias Leijon  
Member of the Board



# Financial Information in Summary

## INCOME STATEMENT (TSEK)

	JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
Net sales	305	50	653
Other operating income	306	91	15 954
<b>TOTAL OPERATING INCOME</b>	<b>611</b>	<b>141</b>	<b>16 607</b>
Operating expenses	-5 558	-5 988	-26 149
Depreciation and writedowns	-416	-416	-1 479
<b>EARNINGS BEFORE INTEREST AND TAXES (EBIT)</b>	<b>-5 363</b>	<b>-6 263</b>	<b>-11 021</b>
Net financial income/expense	208	-24	-218
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>-5 155</b>	<b>-6 287</b>	<b>-11 239</b>
Tax for the period			
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-5 155</b>	<b>-6 287</b>	<b>-11 239</b>

## BALANCE SHEET (TSEK)

	Note	MAR 31, 2022	MAR 31, 2021	DEC 31, 2021
<b>NON-CURRENT ASSETS</b>				
Intangible assets		9 612	11 079	10 017
Tangible assets		61	96	72
Financial assets		2 211	2 171	2 211
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11 884</b>	<b>13 346</b>	<b>12 300</b>
<b>CURRENT ASSETS</b>				
Inventories		1 089	792	591
Current receivables		1 370	1 026	2 241
Cash and bank		4 739	13 163	11 469
<b>TOTAL CURRENT ASSETS</b>		<b>7 198</b>	<b>14 981</b>	<b>14 301</b>
<b>TOTAL ASSETS</b>		<b>19 082</b>	<b>28 327</b>	<b>26 601</b>
Stockholder's equity	2	14 726	24 008	19 881
<b>CURRENT LIABILITIES</b>				
Current non-interest bearing liabilities		4 356	4 319	6 720
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19 082</b>	<b>28 327</b>	<b>26 601</b>



# Financial Information in Summary

## KEY RATIOS (TSEK)

	JAN–MAR 2022	JAN–MAR 2021	JAN–DEC 2021
Number of shares at year end, before dilution	66 717 695	66 717 695	66 717 695
Average number of shares before dilution*	66 717 695	66 717 695	66 717 695
Equity ratio, percent	77	85	88
Return on equity, percent	Neg	Neg	Neg
Return on total assets, percent	Neg	Neg	Neg
<b>EQUITY PER SHARE, BEFORE DILUTION, SEK</b>	<b>0,22</b>	<b>0,36</b>	<b>0,45</b>
<b>EARNINGS PER SHARE BEFORE DILUTION</b>	<b>-0,07</b>	<b>-0,09</b>	<b>-0,34</b>
P/E-ratio	Neg	Neg	Neg

\* Average number of shares is calculated as a weighted average during the period.

## CASH FLOW (TSEK)

	JAN–MAR 2022	JAN–MAR 2021	JAN–DEC 2021
Cash flow from operating activities	-6 730	-5 834	-9 546
Cash flow from investment activities	0	0	-40
Cash flow from financing activities**	0	0	825
<b>CASH FLOW FOR THE PERIOD</b>	<b>-6 730</b>	<b>-5 834</b>	<b>-7 528</b>
Liquid assets at the beginning of the period	11 469	18 997	18 997
<b>LIQUID ASSETS AT THE END OF THE PERIOD</b>	<b>4 739</b>	<b>13 163</b>	<b>11 469</b>

\*\* Payment for warrant premiums in an employee stock option program that runs from 2021 to 2024.

# Supplementary Disclosures



## NOTE 1. ACCOUNTING PRINCIPLES

RLS Global AB applies the Swedish Annual Accounts Act (1995: 1554) and the Swedish Accounting Standards Board's general advice BFNAR 2016: 1 Annual report and consolidated accounts. The same accounting principles and calculation bases have been applied as in the latest annual report.

The cash flow statement has been prepared in accordance with the indirect method.

## NOTE 2. STATEMENT OF CHANGES IN EQUITY (TSEK)

	JAN–MAR 2022	JAN–MAR 2021	JAN–DEC 2021
EQUITY AT THE BEGINNING OF THE PERIOD	19 881	30 295	30 295
Warrants	0	0	825
Profit/loss for the period	-5 155	-6 287	-11 239
EQUITY AT THE END OF THE PERIOD	14 726	24 008	19 881

