



# RLS GLOBAL

Gentle Methods



YEAR-END REPORT  
OCTOBER–DECEMBER 2022

# Summary



## OCTOBER 1<sup>st</sup>–DECEMBER 31<sup>st</sup> (previous year in brackets)

- Net sales amounted to TSEK 291 (TSEK 219)
- Earnings before interest and taxes (EBIT) amounted to MSEK-7,9 (MSEK-7,8)
- Earnings per share after dilution at SEK-0,10 (SEK 0,09)
- Cash flow from operating activities amounted to TSEK-5 779 (TSEK-4 887)
- Liquid assets at the end of the period MSEK 20,5 (MSEK 11,5)
- Equity ratio was 83 % (75 %)

## JANUARY 1<sup>st</sup> – DECEMBER 31<sup>st</sup> (previous year in brackets)

- Net sales amounted to TSEK 1 198 (TSEK 653)
- Earnings before interest and taxes (EBIT) amounted to MSEK-24,3 (MSEK 11,0)
- Earning per share after dilution at SEK-0,3 (SEK- 0,14)
- Cash flow from operating activities amounted to TSEK-23 569 (TSEK-8 353)
- Liquid assets at the end of the period MSEK 20,5 (MSEK 11,5)
- Equity ratio was 83 % (75 %)

## SUMMARY OF EVENTS DURING FIRST QUARTER

- RLS Global's notified bodies perform quality audits (ISO 13485 and MDD) without remarks
- Karin Fischer hands in her resignation
- ConvaTec is taking over the agreements with Swedish customers
- ChloraSolv is now delivered to ConvaTecs central warehouse on a regular basis
- ChloraSolv is reimbursed in the Netherlands

## SUMMARY OF EVENTS DURING SECOND QUARTER

- Annual General Meeting is held May 19
- RLS signs distribution contract for Middle East
- RLS introduces ChloraSolv for the animal segment in Scandinavia by signing distribution contract with Swevet
- ChloraSolv is approved for leg ulcers in Kuwait

## SUMMARY OF EVENTS DURING THIRD QUARTER

- An article regarding ChloraSolv is published in Journal of Wound Care.
- RLS Global strengthens its solvency by transforming a loan to share capital.

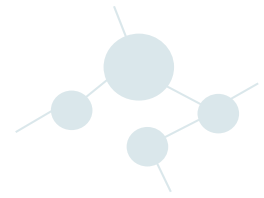
## SUMMARY OF EVENTS DURING FOURTH QUARTER

- Björn Larsson starts as CEO.
- RLS carries out a new share issue (rights issue) and thereby raises SEK 26.8 million in cash and cash equivalents after issue costs.
- The Swedish Medicines Agency approves RLS' application for pressure ulcers.
- RLS takes part in the conference Wounds UK in Harrogate, England.

## SUMMARY OF EVENTS AFTER FOURTH QUARTER

- An extra General Meeting is held February 9, 2023
- Lars Johansson is elected as Chairman of the Board
- RLS visits Arab Health, a global health conference in the Middle East

# CEO Message



## Focus is to further substantiate the commercial opportunity into orders and actual sales

During the fourth quarter, RLS Global continued the focus on launch rollout activities of ChloraSolv in advanced wound management, through our sales channels in Europe, Middle East and in Animal Health in Scandinavia. ChloraSolv was officially launched in the UK, and we received the first commercial orders from the Middle East. In Animal Health, the initial positive customer feedback turned into a number of customer evaluations currently in progress.

Since I took office in October 2022, my focus has been to engage with the RLS Global team and spending time directly with our partners, end customer and patients, in Europe as well as in the Middle East. I have witnessed the positive feedback and experience from customers and how ChloraSolv makes a real difference for patients and healthcare professionals, and creates value for the healthcare providers and society.

Launching innovative products, like ChloraSolv, requires competence and systematic, persistent efforts – and takes time, especially in MedTech with regulatory and reimbursement hurdles. I am fully reassured that the experienced and highly engaged RLS Global team, together with our competent sales partners, will deliver on this.

### LAUNCH IN EUROPE, MIDDLE EAST AND IN ANIMAL HEALTH

Convatec has continued the launch rollout in Europe with focus on the UK, the Nordics and the Netherlands. UK is an important market for advanced wound management and serves as reference to other European countries. I attended the official UK launch of ChloraSolv in Wounds UK conference in November and felt the enthusiasm of the Convatec sales team and the positive feedback from the customers. Since early 2023 ChloraSolv is available on the NHS Drug Tariff list, enabling reimbursement and broadening the access of ChloraSolv in the primary care and home care settings – a good basis for sales uptake onwards.

In the Middle East region, we received the first commercial orders in Q4 from Kuwait, one of them a tender from the Ministry of Health, which has now placed ChloraSolv into the country's central supply chain system. The next regulatory approvals and market launches are United Arab Emirates expected in late Q1, and both Saudi Arabia and Qatar expected during Q2. To drive solid launch execution, RLS' team visited Dubai in January 2023, holding a series of business meetings and sales training sessions with our distributors.

In the Animal Health segment, the launch in Sweden continued during Q4 together with our partner Swevet. The initial positive feedback from veterinarians and animal hospitals during the start-up phase in Q3 has translated into a number of customer evaluations with positive customer experience

and feedback. Focus onwards is to drive the positive customer experience from the evaluations, and the positive momentum, into actual sales and the expansion to other Nordic countries.

### NEW CLINICAL INDICATIONS, GEOGRAPHICAL EXPANSION, AND AUTOMATED MANUFACTURING

In October we received approval to initiate a clinical study with the goal of getting ChloraSolv approved for pressure ulcers, an important commercial indication. The study is expected to include the first patient during Q1, slightly behind schedule.

“Our focus and priority is to further substantiate the great commercial opportunity and positive customer feedback into commercial traction and actual sales – together with our partners.”

Concerning the US, we continuously assess optimal next steps for US regulatory approval, based on dialogue and feedback from the FDA.

To efficiently meet the expected significantly increased demand over the next few years, work has continued according to plan to drive the project to automate the production of ChloraSolv.

Our focus and priority is to further substantiate the great commercial opportunity and positive customer feedback into commercial traction and actual sales – together with our partners.

I look forward to working with the RLS Global team and our partners to continue to create value and to communicate the progress of the ChloraSolv launch – in close dialogue with you shareholders. Thank you for your confidence in RLS Global!

Möln dal,  
28 February 2023  
Björn Larsson  
CEO, RLS Global





# Group Performance



## Risk and uncertainties

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

## Market related risks

Customer's 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, results and financial position.

The company has no business in Russia, Ukraine or Belarus and is not directly affected by what is happening in that region.

## Financial risks

The company has a negative cashflow and 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 October–December 2022

Net sales for the period October–December amounted to TSEK 291 (TSEK 219).

Other operating income for the period amounted to TSEK 129 (TSEK 368). Other operating income refers mainly to reimbursed costs and freight. Last year refers to freight.

Operating income of MSEK-7,9 (MSEK-7,5) is lower than last year. Mainly depending on the consulting costs related to the automatization project.

Net investments for the period of MSEK 3,9 (SEK 0). The investment is related to machine parts to the automatization project.

## Financial information January–December 2022

Net sales for the period January–December amounted to TSEK 1 198 (TSEK 653).

Other operating income for the period amounted to TSEK 554 (TSEK 15 954). Other operating income refers to costs that are invoiced to ConvaTec, last year refers to the milestone payment ConvaTec paid in accordance with the contract as of June 2021.

Earnings before interest and taxes (EBIT) amounting to TSEK-24 368 (TSEK-11 021) is lower than last year. Mainly depending on the milestone payment from ConvaTec.

Net investments for the period of TSEK 3 902 (SEK 0) refers to machine parts for the automatization project.

## Audit review

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

## Next report

The next financial report is the Q1 report for January–March 2023 and will be published on May 12, 2023. The Annual Report will be published week 18. The Annual General Meeting is planned for June 15, 2023. The Q2 report will be published on August 25, 2023, the Q3 report will be published on November 23, 2023 and the year-end report will be published on February 29, 2024. The reports will be published on the website: [rls.global/investor/calendar/](https://rls.global/investor/calendar/)

## Assurance

The Board of Directors and the CEO have, to the best of their abilities, ensured that this Year-end 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 has 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.

# Group Performance



## 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

Björn Larsson, CEO  
E-mail: [bjorn.larsson@rlsglobal.se](mailto:bjorn.larsson@rlsglobal.se)  
Telephone: +46 766 20 17 25

Eva Jagenheim, CFO  
E-mail: [eva.jagenheim@rlsglobal.se](mailto:eva.jagenheim@rlsglobal.se)  
Telephone: +46 730 23 13 57

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

Gothenburg, February 28th, 2023

Lars Johansson  
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)

	OCT-DEC 2022	OCT-DEC 2021	JAN-DEC 2022	JAN-DEC 2021
Net sales	291	219	1 198	653
Other operating income	129	368	544	15 954
<b>TOTAL OPERATING INCOME</b>	<b>420</b>	<b>587</b>	<b>1 742</b>	<b>16 607</b>
Operating expenses	-7 991	-7 833	-24 448	-26 149
Depreciation and writedowns	-416	-232	-1 662	-1 479
<b>EARNINGS BEFORE INTEREST AND TAXES (EBIT)</b>	<b>-7 987</b>	<b>-7 478</b>	<b>-24 368</b>	<b>-11 021</b>
Net financial income/expense	-168	-95	1	-218
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>-8 155</b>	<b>-7 573</b>	<b>-24 367</b>	<b>-11 239</b>
Tax for the period				
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-8 155</b>	<b>-7 573</b>	<b>-24 367</b>	<b>-11 239</b>

## BALANCE SHEET (TSEK)

	Note	DEC 31, 2022	DEC 31, 2021
<b>NON-CURRENT ASSETS</b>			
Intangible assets		8 397	10 017
Tangible assets		3 933	72
Financial assets		2 214	2 211
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14 544</b>	<b>12 300</b>
<b>CURRENT ASSETS</b>			
Inventories		582	591
Current receivables		3 056	2 241
Cash and bank		20 532	11 469
<b>TOTAL CURRENT ASSETS</b>		<b>24 170</b>	<b>14 301</b>
<b>TOTAL ASSETS</b>		<b>38 714</b>	<b>26 601</b>
Stockholder's equity	2	32 048	19 881
<b>CURRENT LIABILITIES</b>			
Current non-interest bearing liabilities		6 666	6 720
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38 714</b>	<b>26 601</b>



# Financial Information in Summary

## KEY RATIOS (TSEK)

	OCT–DEC 2022	OCT–DEC 2021	JAN–DEC 2022	JAN–DEC 2021
Number of shares at period end	79 874 705	66 717 695	79 874 705	66 717 695
Average number of shares*	75 613 399	66 717 695	68 941 621	66 717 695
Equity ratio, percent	83	75	83	75
Return on equity, percent	-25	-38	-76	-57
Return on total assets, percent	-21	-28	-63	-42
EQUITY PER SHARE, AFTER DILUTION, SEK	0,48	0,30	0,48	0,30
EARNINGS PER SHARE* AFTER DILUTION, SEK	-0,12	-0,11	-0,37	-0,17

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

## CASH FLOW (TSEK)

	OCT–DEC 2022	OCT–DEC 2021	JAN–DEC 2022	JAN–DEC 2021
Cash flow from operating activities	-5 779	-4 887	-23 569	-8 353
Cash flow from investment activities	-3 902		-3 902	
Cash flow from financing activities	26 517		36 534	825
CASH FLOW FOR THE PERIOD	16 836	-4 887	9 063	-7 528
Liquid assets at the beginning of the period	3 696	16 356	11 469	18 997
LIQUID ASSETS AT THE END OF THE PERIOD	20 532	11 469	20 532	11 469

# 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)

	OCT–DEC 2022	OCT–DEC 2021	JAN–DEC 2022	JAN–DEC 2021
EQUITY AT THE BEGINNING OF THE PERIOD	13 686	27 454	19 881	30 295
Warrants				825
New shares issued	26 517		36 534	
Profit/loss for the period	-8 155	-7 573	-24 367	-11 239
EQUITY AT THE END OF THE PERIOD	32 048	19 881	32 048	19 881



