



## Boule Diagnostics AB (publ) Year-end report 2016

### Continued sales success

#### Quarter October-December 2016

- Net sales amounted to SEK 105.8 million (88.4), up 19.7 percent. Adjusted for the change in the USD and EUR exchange rates, this corresponds to an increase of 14.4 percent.
- Cash flow from operating activities amounted to SEK 11.9 million (12.4).
- Operating profit was SEK 1.3 million (0.6).
- Net profit amounted to SEK 1.5 million (1.3).
- The figures include reserves totaling SEK 7.4 million for social costs for the employee share option program and costs in association with the change of CEO.
- Earnings per share before dilution amounted to SEK 0.31 (0.28), and after dilution to SEK 0.30 (0.27).

#### Significant events during the quarter

##### TENDER WON IN KENYA

Boule won a tender in Kenya for a total of 70 hematology systems. They are being purchased by the Red Cross that will install the systems in 35 public hospitals in Kenya.

#### Interim period January–December 2016

- Net sales amounted to SEK 400.7 million (331.4), up 20.9 percent. Adjusted for the change in the USD and EUR exchange rates, this corresponds to an increase of 19.7 percent.
- Cash flow from operating activities amounted to SEK 19.9 million (22.3).
- Operating profit was SEK 47.1 million (21.6).
- Net profit amounted to SEK 36.0 million (15.4).
- The figures include reserves totaling SEK 9.9 million for social costs for the employee share option program and costs in association with the change of CEO.
- Earnings per share before dilution amounted to SEK 7.65 (3.26), and after dilution to SEK 7.45 (3.23).
- The Board of Directors proposes a dividend of SEK 1.40 per share for 2016 (0.60).

#### Significant events after the quarter

##### TENDER WON IN INDIA

Boule has won yet another public tender in India for a total of 100 Medonic systems. The systems will be shipped in the first quarter 2017. The Medonic systems will be installed at blood banks in the Uttar Pradesh region.

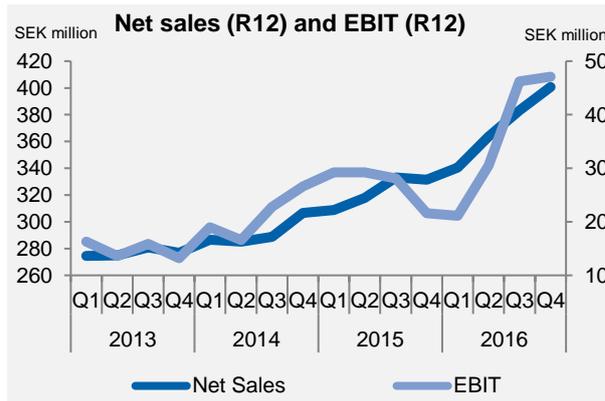
##### NEW CEO AND GROUP PRESIDENT

Ernst Westman has reached agreement with the board to leave his post as CEO and President of the Group after 23 years' service. The board has named Fredrik Dalborg new CEO and Group President starting 3 April 2017. He joins from Terumo BCT.

##### NEW FINANCIAL TARGETS AND DIVIDEND POLICY

The Boule board has resolved to revise the company's financial targets and to amend the dividend policy. For further information on this, see page 12 in the year-end report.

Key figures	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Net sales, SEK million	105.8	88.4	400.7	331.4
Operating profit/loss, SEK million	1.3	0.6	47.1	21.6
Operating margin, %	1.2	0.7	11.8	6.5
Profit after tax, SEK million	1.5	1.3	36.0	15.4
Net debt, SEK million	12.7	20.9	12.7	20.9
Return on equity, %	0.6	0.7	17.2	8.6
Net debt/EBIT (R12)	0.3	1.0	0.3	1.0
Earnings per share, before dilution, SEK	0.31	0.28	7.65	3.26
Earnings per share, after dilution, SEK	0.30	0.28	7.45	3.23



## Comments from CEO Ernst Westman

### EARNINGS AND SALES

We concluded the end of the last quarter of 2016 with record sales of instrument units, which are the very driving engine of our business model. Altogether, we sold more than 1,000 instruments. Total sales for the period October-December amounted to SEK 105.8 million (88.4) which expressed in local currencies is an increase of 14.4% compared to the same period in 2015. Sales for the full year amounted to SEK 400.7 million (331.4) an increase of 19.7% expressed in local currency.

Operating profit for the fourth quarter 2016 amounted to SEK 1.3 million. The operating profit includes reserves totaling SEK 7.4 million, of which SEK 3.6 million are primarily reserves for the social costs of the company's employee share option program as a consequence of the sharp rise in the share price in 2016 and the rest are reserves for costs stipulated in the agreement between the undersigned and the company. Operating profit for the full year amounted to SEK 47.1 million which equates to an operating margin of 11.8% compared to 6.5% for 2015 and is our best performance to date.

Gross margin during the year was 48.6% (45.2), and for the period was 47.4% (41.6). The higher gross margin is primarily due to higher prices and reduced manufacturing costs as a result of our ongoing program of efficiency improvements.

### MARKET DEVELOPMENT

2016 became a much better year than expected. Several of the markets that had been weak in 2015, have recovered during the year. For example, sales increased in Latin America by 52%, sales in Russia by 39% and sales in India by 46%. At the same time, we have gained new market shares thanks to our market strategy that is based on capturing local demand when this arises via our global presence.

One general trend we have seen during the year is that we are increasingly winning public procurements. Our products are becoming ever more competitive as demand for high quality hematology products rises. For instance, we won major tenders in India and Mexico earlier in the year and in the fourth quarter, we won two large tenders for the Red Cross in Kenya and the Ministry of Defence and Ministry of Health in Egypt.

### LOOKING FORWARD

The fact that we sold more instruments than ever before in 2016 makes us feel secure in that we have an attractive product range and an effective marketing strategy. The increasing sales volume of instruments are also beneficial for our business model, which entails selling consumables that are tied to the instruments. In practice, this means that our future sales of consumables, with good margins, increase with every instrument sold. We can also see that our business

*”I am proud and grateful as CEO, to have been part of building up the company into the international and growth focused business and Swedish export success that Boule is today.”*

model is scalable to an increasing extent, i.e. that sales are increasing without a corresponding rise in costs.

As an overall consequence, this has enabled the board to revise Boule's financial targets, including increasing the target for EBIT-margin, from 13 to 15%.

On a final note, I wish to extend a warm hand in greeting my successor as CEO at Boule to Fredrik Dalborg, who will take over the reins on 3 April this year. I am proud and grateful as CEO, to have been part of building up the company into the international and growth-focused business and Swedish export success that Boule is today.



Ernst Westman  
President and CEO

## Group performance

January–December 2016

### NET SALES

During 2016 net sales amounted to SEK 400.7 million (331.4), up 20.9 percent. Adjusted for the change in the USD and EUR exchange rates, this corresponds to an increase of 19.7 percent.

Instrument sales was strong during the period. Instrument sales accounted for 39 percent (36), consumables for 53 percent (55) and other sales (primarily service, spare parts and freight) for 8 percent (9).

### GROSS MARGIN

During 2016 the gross margin was 48.6 percent (45.2). The increase compared to the previous year is partly due to increased prices and partly to reduced manufacturing costs brought about by the effects of our ongoing streamlining program.

### EXPENSES

Operating expenses during 2016 amounted to 141.1 (129.1). The increase is primarily the result of increased marketing initiatives.

Research and development expenditures charged to earnings amounted to SEK 37.5 (40.1), which represents 9 percent (12) of net sales.

Research and development expenditures of SEK 0.0 million (4.4) were capitalized. Capitalization in 2015 relates to the development of an updated generation of instruments, which was launched at the start of the second quarter of 2015.

The net of other operating revenues and other operating expenses amounted during the year to a total of SEK -6.6 million (0.9). Other operating costs include total reserves of SEK 9.9 million for social costs related to the options program and the costs from 10 July 2017 stipulated in the agreement with Ernst Westman. These costs are reported as other operating costs to make comparisons between periods easier.

### NET SALES BY REGION AND PRODUCT

Net sales by region SEK million	Oct-Dec 2016	Oct-Dec 2015	Change	Jan-Dec 2016	Jan-Dec 2015	Change
USA	33.4	28.7	16%	127.3	117.8	8%
Asia	25.6	20.4	25%	90.2	67.3	34%
Eastern Europe	13.9	10.9	27%	55.6	41.0	35%
Latin America	8.7	9.5	-9%	52.0	34.4	51%
Western Europe	10.0	9.8	2%	35.7	35.8	-1%
Africa/ Middle East	14.3	8.9	61%	40.0	34.9	15%
<b>Total</b>	<b>105.8</b>	<b>88.4</b>	<b>20%</b>	<b>400.7</b>	<b>331.4</b>	<b>21%</b>

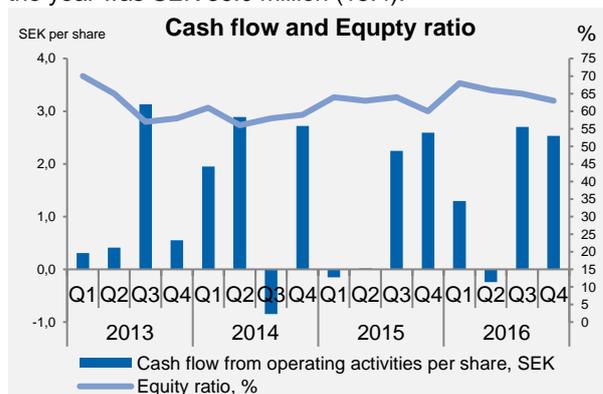
Net sales by product SEK million	Oct-Dec 2016	Oct-Dec 2015	Change	Jan-Dec 2016	Jan-Dec 2015	Change
Instruments	44.1	35.8	23%	155.7	119.0	31%
Consumables own instruments	36.7	32.1	14%	149.9	123.5	21%
Consumables OEM and CDS-brand	17.0	12.3	38%	62.8	59.0	6%
Other	8.0	8.2	-2%	32.3	29.9	8%
<b>Total</b>	<b>105.8</b>	<b>88.4</b>	<b>20%</b>	<b>400.7</b>	<b>331.4</b>	<b>21%</b>

### PROFIT

Gross profit during 2016 rose SEK 44.9 million, from SEK 149.8 million to SEK 194.7 million. The reason is increased sales of instruments and consumables together with improved gross margin.

Operating profit was SEK 47.1 million (21.6).

Net financial items amounted to SEK 0.0 million (-1.2). Profit before tax was SEK 47.1 million (20.4). Profit for the year was SEK 36.0 million (15.4).



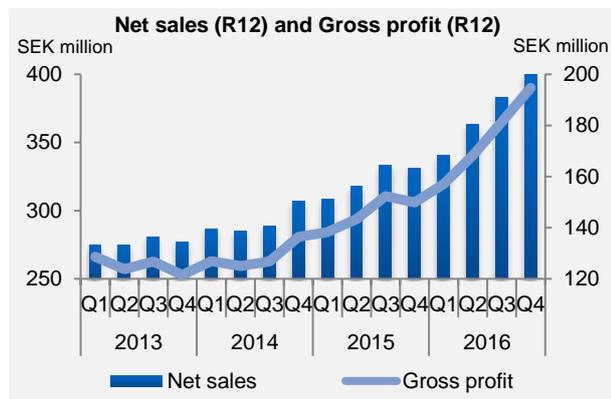
### INVESTMENTS AND CASH FLOW

Cash flow from operating activities after changes in working capital amounted to SEK 19.9 million (22.3). The company has reported accounts receivable for which guarantees have been obtained from the Swedish National Export Credits Guarantee Board (EKN). EKN guarantees 75-95 percent of the total amount of accounts receivable. Receivables can be pledged and liabilities are recognized as interest-bearing liabilities. The change in accounts receivable guaranteed by EKN is included in the cash flow from operating activities, whilst the change in all interest-bearing liabilities is reported in the cash flow under financing activities.

Total net investments amounted to SEK 5.7 million (8.4). This reduction is primarily due to no development costs being activated during 2016.

Cash flow for the period amounted to SEK -6.9 (27.1) and cash and cash equivalents at the end of the period were SEK 44.6 million (50.4). The decrease of cash flow of the period is due to a reduction of SEK 18.2 million in interest bearing liabilities.

Cash and cash equivalents available to the Group, including unutilized credit facilities, amounted to SEK 83.7 million (65.1) at the end of the period.



### EQUITY AND LIABILITIES

Group equity on 31 December 2016 totaled SEK 229.8 (188.5) and the equity/asset ratio was 63 percent (60).

Interest bearing liabilities that are primarily accounts receivable financing and a bank loan at the US subsidiary company, amounted to SEK 57.3 million (71.2) on 31 December 2016. SEK 26.9 million (11.9) of the interest-bearing liabilities were non-current and SEK 30.4 million (59.3) were current. At 31 December 2016, other non-interest-bearing current liabilities and accounts payable totaled SEK 73.8 million (52.1).

The net debt 31 December 2016 amounted to SEK 12.7 million (20.9).

At the end of the period deferred tax assets and deferred tax liabilities totaled SEK 0.5 (9.2) and SEK 3.5 million (3.7) respectively.

### MARKET

Boule markets its products to hospitals, clinics, laboratories and companies within blood diagnostics in both the human and veterinary areas. Blood diagnostics means that only blood is analyzed via e.g. clinical chemical analysis or blood cell counting concerning changes in different blood components. The global market of decentralized hematology diagnostics is valued at around SEK 5 bn of which Boule has a market share of around six-seven percent.

### SIGNIFICANT RISKS AND UNCERTAINTIES

The Group's operations are subjected to a number of risks and uncertainties.

There is always a risk of competitors offering more efficient and better products than Boule and that the customer base will shrink as a result. Faulty and delayed deliveries or non-deliveries from the company's suppliers could in turn result in delayed, defective or faulty deliveries by the company. The company is also always exposed to exchange rate fluctuations.

There is no guarantee that the company's operations will not be subjected to restrictions by government agencies or that they will obtain the regulatory approval they need in the future.

There is also the risk that the company could lose its ability to develop products, or that its products cannot be launched on schedule or that market reception is poorer than expected. These risks could result in lower sales, which would then have a negative impact on the company's earnings. The company is also exposed to customers who are unable to pay and the possibility of the company being unable to finance its operations. For a more detailed description of the risks, see the Annual Report for 2015. Compared with the Annual Report, the risks are deemed to remain unchanged.

### TRANSACTIONS WITH RELATED PARTIES

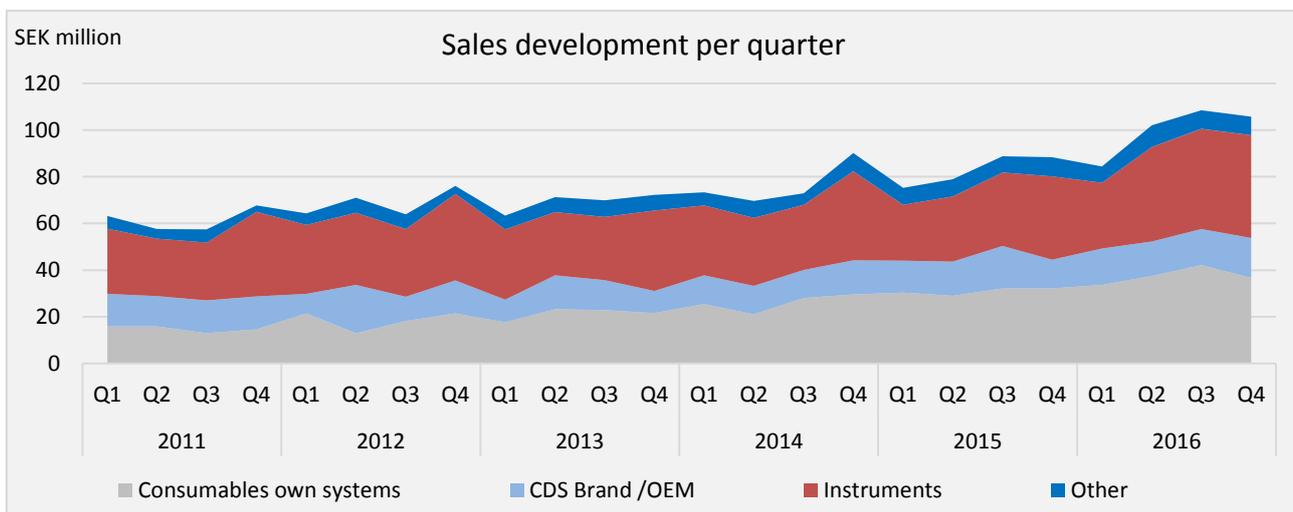
There were no transactions with related parties in this period.

### PARENT COMPANY

Boule Diagnostics AB (publ.), Corporate Registration Number 556535-0252 is a Swedish corporation with its registered address in Stockholm. The address of its headquarters is Domnarvsgatan 4, SE-163 53 Spånga, Sweden.

The Parent Company's revenues derive from Group-wide services.

Receivables from Group companies mainly relate to receivables from the Swedish subsidiary Boule Medical AB. Risks and uncertainties in the Parent Company indirectly match those of the Group.



## NUMBER OF SHARES

The number of shares and voting rights in Boule Diagnostics AB amount to 4,707,138. The company has also issued 30,000 warrants and 178,750 employee options (see the section on Options below).

Shareholders 31 December 2016 (and thereafter known changes)	Number of shares	Proportion of capital/votes
AB Grenspecialisten	493,317	10.48%
Svolder AB	480,000	10.20%
Thomas Eklund incl. company	444,638	9.45%
Swedbank Robur Fonder AB	404,000	8.58%
Linc Invest AB	368,920	7.84%
Tredje AP-fonden	358,068	7.61%
SEB Asset Management	333,400	7.08%
Handelsbanken Fonder	298,276	6.34%
Humle Kapitalförvaltning	167,155	3.55%
Société Générale	113,841	2.42%
Länsförsäkringar Småbolag Sverige	112,970	2.40%
Other shareholders (1,731)	1,132,553	24.06%
<b>Total</b>	<b>4,707,138</b>	<b>100.00%</b>

## OPTIONS

The Annual General Meeting in May 2014 resolved on a new employee share option program. A total of 178,750 options (including hedging) were issued to management and key individuals in the Group. The President received 32,000 options, other senior executives, a total of five, received 11,000 options each and other key employees received 6,000 options each. There were no changes in outstanding options in this quarter.

When fully exercised, the options generate dilution of 3.8 percent (including hedging). Each option entitles the holder to subscribe for new shares in the company during the second half of 2017 at a rate of SEK 68.18

per share, provided that the employee is still employed in the Group.

As a result of the employee share option program, Boule Diagnostics AB has, through a subsidiary, a holding of 43,750 warrants for hedging purposes. The underlying warrants have conditions that, in all material aspects, match the employee options relating to the respective hedge. These warrants will ensure share delivery should all the employee options be fully exercised, and, if fully exercised, the surplus number of warrants is also expected to cover the potential charge against the company's equity and liquidity resulting from the employer's contributions caused by the tax imposed on fringe benefits. The recognized impact on earnings if the employee share options are fully exercised, will not, as such, be eliminated by this hedge.

30,000 warrants have already been issued to three key individuals in the Group. These options were issued on market-based conditions. When fully exercised the options result in dilution of 0.6 percent. Each option entitles the holder to subscribe for new shares in the company during the second half of 2017 at a rate of SEK 54.46 per share.

## PERSONNEL

The average number of employees in the Group during 2016 was 169 (168) including 9 (9) at the Parent Company. By country the average number in Sweden was 71 (76), USA 80 (76), China 17 (14), Switzerland 0 (1), Mexico 1 (1). The average number of women in the Group was 64 (64) and the average number of men was 105 (104).

## ANNUAL GENERAL MEETING 2017

The Company's Annual General Meeting will be held at 6 pm on May 11 2017 in the company's offices at Domnarvsgatan 4 in Spånga. The convening notice will be published on [www.boule.se](http://www.boule.se). The Annual Report will be available on the website from 20 April 2017.

The Board of Directors and the President certify that this year-end report provides a fair and accurate review of the operations, financial position and earnings of the Parent Company and the Group and that it describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm 15 February 2017

Boule Diagnostics AB

Peter Ehrenheim  
Chairman of the Board

Thomas Eklund  
Board member

Ernst Westman  
President and CEO

Karin Dahllöf  
Board member

Jon Risfelt  
Board member

## AUDIT REVIEW

This report has not been reviewed by the company's auditors.

## Consolidated statement of comprehensive income and other comprehensive income

SEK million	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Net sales	105.8	88.4	400.7	331.4
Cost of goods sold	-55.7	-51.6	-206.1	-181.6
<b>Gross profit</b>	<b>50.1</b>	<b>36.8</b>	<b>194.7</b>	<b>149.8</b>
Other operating revenues	2.5	1.2	6.9	4.8
Selling and marketing expenses	-19.4	-16.7	-73.2	-66.2
Administrative expenses	-9.0	-4.7	-30.4	-22.8
Research and development expenses	-11.0	-13.0	-37.5	-40.1
Other operating expenses	-11.9	-3.0	-13.5	-3.9
<b>Operating profit/loss</b>	<b>1.3</b>	<b>0.6</b>	<b>47.1</b>	<b>21.6</b>
Financial income	0.0	0.0	0.0	0.0
Financial expenses	-0.1	-0.2	-0.7	-1.5
Exchange rate differences	0.4	0.3	0.7	0.2
Net financial items	0.3	0.1	0.0	-1.2
<b>Profit/loss before tax</b>	<b>1.6</b>	<b>0.7</b>	<b>47.1</b>	<b>20.4</b>
Income tax	-0.2	0.6	-11.1	-5.0
<b>Net profit/loss</b>	<b>1.5</b>	<b>1.3</b>	<b>36.0</b>	<b>15.4</b>
<b>Other comprehensive income</b>				
<b>Items that may be allocated to net profit/loss for the period</b>				
Translation differences for the period from the translation of foreign operations	4.9	-1.0	7.8	5.5
<b>Other comprehensive income/loss for the period</b>	<b>4.9</b>	<b>-1.0</b>	<b>7.8</b>	<b>5.5</b>
<b>Total comprehensive income/loss for the period</b>	<b>6.4</b>	<b>0.3</b>	<b>43.9</b>	<b>20.9</b>
Earnings per share, before dilution, SEK	0.31	0.28	7.65	3.26
Earnings per share, after dilution, SEK	0.30	0.27	7.45	3.23
Average number of shares outstanding before dilution	4,707,138	4,707,138	4,707,138	4,707,138
Average number of shares outstanding after dilution	4,833,431	4,753,689	4,833,431	4,753,689

Since the Group has no controlling influence, the entire earnings accrue to the Parent Company.

## Consolidated statement of financial position

SEK million	Dec 31 2016	Dec 31 2015
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible assets</b>		
Capitalized development expenses	24.6	27.7
Goodwill	79.1	74.0
<b>Total intangible assets</b>	<b>103.7</b>	<b>101.7</b>
<b>Tangible fixed assets</b>		
Plant and machinery	4.2	4.4
Equipment, tools, fixtures and fittings	12.0	13.2
Leasehold improvements	4.3	2.8
<b>Total tangible fixed assets</b>	<b>20.5</b>	<b>20.3</b>
<b>Financial fixed assets</b>		
Long-term non-interest-bearing receivables (guaranteed 75-95 % by EKN)	28.1	18.6
Deferred tax assets	0.5	9.2
<b>Total financial fixed assets</b>	<b>28.6</b>	<b>27.8</b>
<b>Total fixed assets</b>	<b>152.8</b>	<b>149.9</b>
<b>Current assets</b>		
<b>Inventory</b>		
Raw materials and supplies	36.1	37.6
Intermediate goods	5.5	3.7
Finished goods and goods for resale	17.6	13.5
<b>Total inventory</b>	<b>59.2</b>	<b>54.8</b>
<b>Current receivables</b>		
Tax assets	1.9	2.0
Accounts receivable	53.9	36.5
Accounts receivable (guaranteed 75-95 % by EKN)	40.5	16.2
Other receivables	5.0	2.3
Prepaid expenses and accrued income	6.6	3.4
<b>Total current receivables</b>	<b>107.8</b>	<b>60.5</b>
<b>Cash and cash equivalents</b>	<b>44.6</b>	<b>50.4</b>
<b>Total current assets</b>	<b>211.6</b>	<b>165.6</b>
<b>Total assets</b>	<b>364.3</b>	<b>315.5</b>

## Consolidated statement of financial position (cont.)

SEK million	Dec 31 2016	Dec 31 2015
<b>EQUITY</b>		
Share capital	4.7	4.7
Other contributed capital	190.6	190.6
Translation reserve	17.8	10.0
Retained earnings including net profit/loss for the period	16.6	-16.7
<b>TOTAL EQUITY</b>	<b>229.8</b>	<b>188.5</b>
<b>LIABILITIES</b>		
<b>Long-term liabilities</b>		
Long-term interest-bearing liabilities	4.7	7.4
Long-term interest-bearing liabilities (invoice discounting of EKN guaranteed receivables)	22.3	4.5
Deferred tax liabilities	3.5	3.7
<b>Total long-term liabilities</b>	<b>30.4</b>	<b>15.6</b>
<b>Current liabilities</b>		
Current interest-bearing liabilities	2.1	54.9
Current interest-bearing liabilities (invoice discounting of EKN guaranteed receivables)	28.3	4.4
Accounts payable	21.9	18.1
Tax liabilities	3.8	0.0
Other liabilities	8.6	6.4
Accrued liabilities and deferred income	38.5	27.1
Provisions	1.0	0.5
<b>Total current liabilities</b>	<b>104.2</b>	<b>111.4</b>
<b>TOTAL LIABILITIES</b>	<b>134.6</b>	<b>127.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>364.3</b>	<b>315.5</b>

## Consolidated statement of changes of equity

SEK million	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. profit/loss for period	Total equity capital
<b>Equity, opening balance, Jan. 1, 2015</b>	4.7	190.6	4.5	-29.8	170.0
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				15.4	15.4
Other comprehensive income for the period			5.5		5.5
<b>Total comprehensive income/loss for the period</b>			<b>5.5</b>	<b>15.4</b>	<b>20.8</b>
<b>Transactions with shareholders</b>					
Share-based payments				0.5	0.5
Dividends				-2.8	-2.8
<b>Equity, closing balance, Dec. 31, 2015</b>	<b>4.7</b>	<b>190.6</b>	<b>10.0</b>	<b>-16.7</b>	<b>188.5</b>
<b>Equity, opening balance, Jan. 1, 2016</b>	<b>4.7</b>	<b>190.6</b>	<b>10.0</b>	<b>-16.7</b>	<b>188.5</b>
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period			-	36.0	36.0
Other comprehensive income for the period			7.8		7.8
<b>Total comprehensive income/loss for the period</b>			<b>7.8</b>	<b>36.0</b>	<b>43.9</b>
<b>Transactions with shareholders</b>					
Share-based payments				0.2	0.2
Dividends				-2.8	-2.8
<b>Equity, closing balance, Dec. 31, 2016</b>	<b>4.7</b>	<b>190.6</b>	<b>17.8</b>	<b>16.6</b>	<b>229.8</b>

## Consolidated cash flow statement

SEK million	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
<b>Operating activities</b>				
Operating profit/loss	1.3	0.6	47.1	21.6
Adjustments for non-cash items <sup>1)</sup>	3.6	1.1	8.6	8.4
Interest received	0.0	0.0	0.0	0.0
Interest paid	-0.1	-0.2	-0.7	-1.5
Income tax paid	1.8	1.3	1.0	-0.7
<b>Cash flow from operating activities before changes in working capital</b>	<b>6.6</b>	<b>2.8</b>	<b>56.0</b>	<b>27.8</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/Decrease (+) in inventory	-4.4	3.2	-2.7	-7.8
Increase (-)/Decrease (+) in operating receivables	-1.3	7.6	-21.0	6.1
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)	-6.2	-1.1	-33.8	-2.5
Increase (+)/Decrease (-) in operating liabilities	17.2	-0.1	21.3	-1.3
<b>Cash flow from operating activities</b>	<b>11.9</b>	<b>12.4</b>	<b>19.9</b>	<b>22.3</b>
<b>Investing activities</b>				
Acquisition of tangible fixed assets	-2.2	-1.4	-5.7	-4.9
Investments in other financial fixed assets	0.0	0.1	0.0	0.1
Disposal of tangible fixed assets	0.0	0.0	0.0	0.2
Capitalized development expenses	0.0	0.0	0.0	-3.8
<b>Cash flow from investing activities</b>	<b>-2.1</b>	<b>-1.3</b>	<b>-5.7</b>	<b>-8.4</b>
<b>Financing activities</b>				
Loans raised	-1.2	4.4	1.9	6.1
Amortization of loans	-1.7	-1.6	-4.6	-3.2
Increase (+)/Decrease (-) in current financial liabilities (EKN financing)	6.3	6.5	37.3	8.3
Increase (+)/Decrease (-) in current financial liabilities	-6.4	10.9	-52.8	4.8
Dividends	0.0	0.0	-2.8	-2.8
<b>Cash flow from financing activities</b>	<b>-2.9</b>	<b>20.3</b>	<b>-21.1</b>	<b>13.2</b>
<b>Cash flow for the period</b>	<b>6.9</b>	<b>31.3</b>	<b>-6.9</b>	<b>27.1</b>
Cash and cash equivalents at the beginning of the period	37.0	19.1	50.4	22.7
Exchange rate differences in cash and cash equivalents	0.8	-0.1	1.1	0.6
<b>Cash and cash equivalents at the end of the period</b>	<b>44.6</b>	<b>50.4</b>	<b>44.6</b>	<b>50.4</b>
<sup>1)</sup> Of which, depreciation and amortization	4.4	1.6	7.9	6.9

## Parent Company income statement

SEK million	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Net sales	5.7	10.2	23.0	23.7
Administrative expenses	-9.1	-20.0	-26.8	-25.5
Other operating revenues	0.0	0.0	0.0	0.0
Other operating expenses	-3.9	0.0	-3.9	0.0
<b>Operating profit/loss</b>	<b>-7.3</b>	<b>-9.8</b>	<b>-7.7</b>	<b>-1.9</b>
Profit/loss from financial items	0.0	0.0	0.0	0.0
<b>Loss after financial items</b>	<b>-7.3</b>	<b>-9.8</b>	<b>-7.7</b>	<b>-1.9</b>
Group contribution	25.0	1.8	25.0	1.8
<b>Profit/loss before tax</b>	<b>17.7</b>	<b>-8.0</b>	<b>17.2</b>	<b>-0.1</b>
Tax	4.7	0.0	4.7	0.0
<b>Net profit/loss</b>	<b>22.4</b>	<b>-8.0</b>	<b>22.0</b>	<b>-0.1</b>

Since no items are recognized in Other comprehensive income the Parent Company's results correspond to comprehensive income.

## Parent Company balance sheet

SEK million	Dec 31 2016	Dec 31 2015
<b>Assets</b>		
<b>Financial fixed assets</b>		
Shares in Group companies	157.3	157.3
Deferred tax asset	4.7	0.0
<b>Total financial fixed assets</b>	<b>162.0</b>	<b>157.3</b>
<b>Total fixed assets</b>	<b>162.0</b>	<b>157.3</b>
<b>Current assets</b>		
Receivables from Group companies	52.0	3.4
Other receivables	2.0	1.6
<b>Total current receivables</b>	<b>54.0</b>	<b>5.0</b>
<b>Cash and bank balances</b>	<b>0.4</b>	<b>27.7</b>
<b>Total current assets</b>	<b>54.4</b>	<b>32.6</b>
<b>TOTAL ASSETS</b>	<b>216.3</b>	<b>189.9</b>
<b>Equity and liabilities</b>		
<b>Total equity</b>	<b>196.7</b>	<b>177.4</b>
<b>Long-term liabilities</b>		
Long-term interest-bearing liabilities	0.0	1.3
<b>Current liabilities</b>		
Current interest-bearing liabilities	0.0	1.3
Liabilities to Group companies	0.6	0.5
Other liabilities	19.1	9.4
<b>Total current liabilities</b>	<b>19.7</b>	<b>11.2</b>
<b>Total liabilities</b>	<b>19.7</b>	<b>12.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>216.3</b>	<b>189.9</b>

### NOTE 1 ACCOUNTING POLICIES

Boule Diagnostics AB (publ.) applies IFRS (International Financial Reporting Standards) as adopted by the EU. This year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, Chapter 9 and RFR 2 Accounting for Legal Entities. The interim report should be read together with the Annual Report for the fiscal year that ended on December 31, 2015. The accounting policies match the policies applied in the preceding fiscal year. Liabilities arising from invoice discounting of EKN guaranteed receivables are reported as interest bearing liabilities. For all financial assets and liabilities, carrying amount is a good approximation of fair value. The interim information found on page 1-13 is an integrated part of this financial report.

### USE OF KEY PERFORMANCE INDICATORS NOT DEFINED IN IFRS

The Boule Group report is prepared in accordance with IFRS. IFRS only defines a few key performance indicators. Boule applies the ESMA (European Securities and Market Authority) guidelines for alternative key performance indicators (Alternative Performance Measures). In brief, an alternative performance measure is a financial measure of historical or future earnings development, financial position, or cash flow that is not defined or specified in IFRS. In order to support management's and other stakeholders' analysis of the Group's development, Boule reports some key performance indicators

that are not defined in IFRS. Management believes that this information will facilitate an analysis of the Group's development. This additional data is acts as a complement to IFRS and does not replace the key performance indicators defined in IFRS. Boule's definitions of metrics not defined in IFRS shown on page 13 may differ from those of other companies. Calculations of all key performance indicators may be reconciled against items in the income statement and balance sheet.

### NOTE 2

	2016	2015
<b>Group</b>		
Pledged assets	133.1	91.7
Contingent liabilities	1.8	1.8
<b>Parent company</b>		
Pledged assets	85.8	83.3
Contingent liabilities	51.7	55.8

The company has been in discussion with an OEM customer during the year on compensation for certain, in their opinion, faulty products. Boule disputes this and denies any wrongdoing. No reserves for a claim by the customer have been allocated in the annual accounts.

## About Boule Diagnostics

*Boule Diagnostics AB (publ) is one of the few companies on the global diagnostics market that develops, manufactures and markets instruments and consumable products for blood diagnostics under its own direction. The company serves hospitals, clinics, laboratories and companies within blood diagnostics in both the human and veterinary areas. The group has an annual sale of SEK 331 million and around 170 employees. Sales are made via distributors in over 100 countries and directly in Sweden and the USA. The company operates via subsidiary operating companies in Sweden, USA and China. Since 2011, Boule shares have been listed on the Nasdaq Stockholm.*

### VISION

Boule is to establish a global position as one of the three leading companies within decentralized blood diagnostics.

### MISSION

Boule is to help its customers obtain better blood test results to enable more effective treatment of patients.

### BUSINESS CONCEPT

Boule develops, manufactures and markets high quality, user friendly systems for automated blood cell counting on the global human and veterinarian markets.

### DIVIDEND POLICY

The annual dividend should correspond to 25-50 percent of profit for the period, after taking due consideration to company liquidity.

### FINANCIAL TARGETS

Boule should achieve:

- An annual operating margin (EBIT-margin) above 15 percent.
- Average long term growth in sales above 10 percent per year.
- Net debt (interest bearing debts minus cash and cash equivalents) no greater than three times operating profit (EBIT) on an annualized basis.

### STRATEGIES

- To commercialize high quality systems for the decentralized market for blood diagnostics.
- Global sales via parallel distribution channels to quickly meet local demand.
- Tie instruments to our proprietary consumable products to ensure quality and added sales.
- Active acquisition and cooperation strategy to broaden our product offer.



### BOULE AS AN INVESTMENT

#### Business model

The model entails selling consumable goods tied to Boule's own instruments, to a continuously increasing installed base of instruments.

#### Growth

Over the past five years, Boule has enjoyed average annual growth of 10 percent and the company envisages continued good growth potential at global level. Boule has long experience of both organic growth and growth by acquisitions.

#### Dividend

The general goal of the Boule board is to give shareholders a dividend that reflects both a good direct return and dividend growth. Over the long term, the annual dividend should correspond to 25-50 percent of profits.

## Quarterly overview

	2016				2015			
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net sales, SEK million	105.8	108.5	102.0	84.4	88.4	88.8	78.9	75.3
Gross profit, SEK million	50.1	54.5	47.7	42.3	36.8	41.3	35.5	35.2
Gross margin, %	47.4	50.2	46.8	50.1	41.6	46.6	46.2	46.8
EBITDA, SEK million	5.7	25.5	13.3	10.4	2.7	10.5	5.1	9.8
EBITDA margin, %	5.4	23.5	13.0	12.3	3.1	11.9	6.5	13.0
EBIT, SEK million	1.3	24.8	12.6	8.4	0.6	8.9	3.2	8.9
EBIT margin, %	1.2	22.9	12.4	9.9	0.7	10.0	4.1	11.8
Profit after tax, SEK million	1.5	19.3	9.0	6.3	1.3	5.1	2.4	6.6
Earnings per share, before dilution, SEK	0.31	4.11	1.91	1.33	0.28	1.07	0.51	1.40
Earnings per share, after dilution, SEK	0.30	4.02	1.89	1.33	0.27	1.07	0.51	1.39
Cash flow from operating activities per share, SEK	2.53	2.70	-0.24	1.30	2.59	2.25	0.02	-0.15
Return on equity, %	0.6	9.1	4.5	3.3	0.7	2.7	1.3	3.7
Net debt/EBIT (R12)	0.3	0.4	0.1	0.1	1.0	1.0	1.2	1.1
Equity/assets ratio, %	63	65	66	68	60	64	63	64

### Definitions

*Gross profit* is net sales less costs for goods sold

*Gross margin* is gross profit divided by net sales

*EBITDA* (Earnings before interest, taxes, depreciation and amortization) is profit before net financial items, taxes and depreciation/amortization of tangible and intangible assets

*EBITDA margin* is EBITDA divided by net sales

*EBIT* (Earnings Before Interest and Taxes) is operating profit before net financial items and taxes

*EBIT margin* (operating margin) is EBIT divided by net sales

*Working capital* is inventories, accounts receivable and cash less accounts payable

*Interest coverage ratio* is operating profit plus financial income divided by financial expenses

*Net debt* is interest-bearing assets less interest-bearing liabilities

*Net debt/equity ratio* is net debt divided by equity

*Equity/assets ratio* is equity divided by total assets

*Return on equity* is profit for the year after tax divided by average equity

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### CALENDAR

Annual General meeting	May 11, 2017
Interim report first quarter	May 11, 2017
Interim report second quarter	August 31, 2017
Interim report third quarter	November 8, 2017

This information is information that Boule Diagnostics AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:45 am CET on February 16, 2017.