



## Strong quarter with good margins

### Quarter July–September 2017

- Net sales amounted to SEK 109.7 million (108.5), up 1.1 percent. Adjusted for the change in exchange rates, this corresponds to an increase of 2.6 percent.
- Number of instruments sold in the quarter was 1,116 (1,071), an increase of 4 percent.
- Cash flow from operating activities amounted to SEK 10.1 million (12.7).
- Operating profit was SEK 28.2 million (24.8) which corresponds to an operating margin of 25.7 percent (22.9).
- Net profit amounted to SEK 21.6 million (19.3).
- Earnings per share before dilution amounted to SEK 4.51 (4.11) and after dilution to SEK 4.48 (4.02).

### Significant events during the quarter

#### STRATEGIC AGREEMENTS TO STRENGTHEN AND EXPAND THE PRODUCT PORTFOLIO

In quarter four 2017, Boule will commence sales and distribution of a CRP product from Orion Diagnostica Oy via Boule's own sales organization in Mexico.

Boule has signed a global distribution agreement with CellaVision for their newly developed product for smaller and medium size laboratories. Sales start is planned for 2018.

Boule has also signed a global agreement for the sale of a clinical chemistry product for veterinary applications. The product is a strong complement to the company's own hematology products, and sales start is planned for the first quarter of 2018.

#### NON-RECURRING ITEMS

The quarterly result has been positively affected by SEK 4.5 million for reversed provisions relating to employee bonus and option programs as well as the shutdown of the Chinese production facility.

### Interim period January–September 2017

- Net sales amounted to SEK 320.5 million (294.9), up 8.7 percent. Adjusted for the change in the exchange rates, this corresponds to an increase of 6.9 percent.
- Number of instruments sold in the period was 3,255 (2,761), an increase of 18 percent.
- Cash flow from operating activities amounted to SEK 33.6 million (8.0).
- Operating profit, including efficiency improvements and non-recurring costs was SEK 39.5 million (45.8) which corresponds to an operating margin of 12.3 percent (15.5).
- Net profit amounted to SEK 29.2 million (34.6).
- Earnings per share before dilution amounted to SEK 6.09 (7.34) and after dilution to SEK 6.04 (7.19).

### Significant events after the quarter

#### NEW CFO

Christina Rubenhag joined Boule as CFO on 9 October. She succeeds Fredrik Alpsten who had previously announced that he will leave Boule to take up a position at another company.

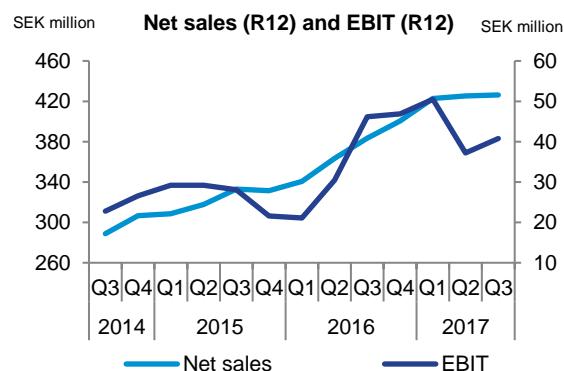
#### AGREEMENT ON LOCAL PRODUCTION IN RUSSIA

To boost growth and profitability and strengthen our local presence in Russia, one of the company's largest markets, Boule has signed an agreement to start local production of reagents. Local production will be set up in collaboration with a local partner. Sales to customers are expected to start in 2018.

#### MAJOR TENDER WON IN MEXICO

In late October, Boule, in partnership with one of its Mexican distributors, won a public tender for hematology systems. The initial value of the order is estimated to SEK 3 million and includes instruments, reagents and controls. Product shipments will start in the fourth quarter of 2017.

Key figures	Jul-Sep 2017	Jul-Sep 2016	Oct 16-Sep 17 (R12)	Oct 15-Sep 16 (R12)
Growth in sales, %	1.1	22.2	11.2	15.1
Net sales, SEK million	109.7	108.5	426.3	383.3
Gross margin, %	51.8	50.2	47.2	47.3
Operating profit/loss, SEK million	28.2	24.8	40.8	46.4
Operating margin, %	25.7	22.9	9.6	12.1
Net debt, SEK million	-89.0	-39.6	-89.0	-39.6
Return on equity, %	9.2	9.1	13.0	17.5
Net debt/EBIT (R12), times	-2.2	-0.9	-2.2	-0.9
Earnings per share, after dilution, SEK	4.48	4.02	6.34	7.45



## Comments from CEO Fredrik Dalborg

The third quarter 2017 was a solid one for Boule. Sales developed well and growth continued, even in comparison with the record third quarter of 2016. In the second quarter 2017 the gross margin declined because of the geographic revenue mix and the EBIT margin also declined due to one-off costs related to activities to increase future efficiency and profitability. In light of this, it is great to see the record profitability in the third quarter, with a gross margin at 51.8% and EBIT margin at 25.7%.

During the third quarter Boule made significant progress to develop and strengthen the product portfolio in line with previously communicated priorities. In November Boule will be introducing a new veterinary hematology instrument, which will be launched in combination with a new platform for veterinary clinical chemistry. Sales start for both these platforms is scheduled for the first quarter 2018. Boule also signed an agreement with Orion Diagnostica Oy to distribute the QuickRead go CRP system in Mexico. In addition, a global distribution agreement with CellaVision has been signed. According to the agreement Boule will promote and distribute the new CellaVision platform for digital morphology in small and medium sized labs, Boules core customer segment. Sales start is planned for the second half of 2018.

### EARNINGS AND SALES

Revenue growth continued in the third quarter of 2017, and at SEK 109.7 million a new record for quarterly sales was established. In September, thanks to strong efforts from the Sales, Order and Production departments, a new record for monthly instrument shipments was set at 592 units. During the full quarter 1,116 instruments were sold, an increase of 4%. Compared to the second quarter 2017 the revenue growth was 5.2% and compared to the strong third quarter 2016, when major tenders in Latin America strengthened revenues, the growth was 1.1% (2.6% at constant currencies). Solid growth in Asia, Africa and Middle East continued while a slow-down in the US market was observed. In the US market, two out of three distributors are showing strong growth, while the third is facing some challenges. The Boule team is working closely with the distributor in question to address these challenges.

Both the gross margin and the EBIT margin were strong in the third quarter 2017. This is a favorable development mainly driven by higher sales and a favorable geographic mix combined with the efficiency and margin improvement initiatives.

### LOOKING FORWARD

Significant progress was made during the quarter to strengthen and develop the company for the future in line with established priorities. Among other things, multiple distribution agreements have been signed in order to strengthen our product portfolio. Boule will also strengthen the position in the important Russian market by starting up local manufacturing of reagents. The reagent manufacturing will be set up in collaboration with a local partner and will start during 2018.

In addition to this a thorough proof of concept study has been completed, and a development project has been started that will lead to the launch of our next generation

hematology platform. During the course of the project the share of capitalized R&D is expected to increase.

As previously communicated, Boule's priorities are:

1. Further measures to support and strengthen the company's sales and profitability growth.
2. To continue to improve current products and develop new ones.
3. To strengthen and expand our product portfolio via distribution agreements, OEM contracts and possible acquisitions.



Fredrik Dalborg  
President and CEO

## Group performance January-September 2017

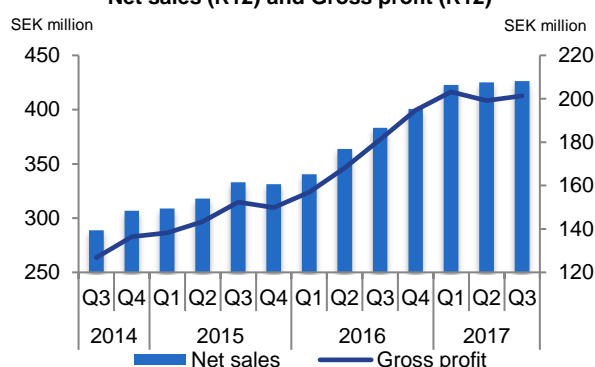
### NET SALES

During the period net sales amounted to SEK 320.5 million (294.9), up 8.7 percent. Adjusted for the change in the USD and EUR exchange rates, this corresponds to an increase of 6.9 percent.

### GROSS PROFIT

Gross profit during the period amounted to SEK 151.2 million (144.5). The gross margin was 47.2 percent (49.0). The lowered gross margin can in part be explained by the drop in averaged selling price of instruments that has occurred as an increased share of sales has taken place in countries with lower price levels and the unused capacity of the Chinese production facility, that was discontinued at the end of the second quarter.

Net sales (R12) and Gross profit (R12)



### EXPENSES

Operating expenses during the period amounted to SEK 110.3 million (101.7). Operating expenses include reserves which are assessed as possibly arising in association with a review of the company's OEM agreements, costs that arose with the CEO succession and costs for the efficiency improvements.

Research and development expenditures charged to earnings amounted to SEK 26.8 million (26.5), which represents 8 percent (9) of net sales. Research and development expenditures of SEK 4.6 million (0.0) were

capitalized. A veterinary version of the company's updated instrument platform accounts for the 2017 capitalization.

The net of other operating revenues and other operating expenses amounted during the period to a total of SEK -1.4 million (3.0). To facilitate comparison with previous and future periods, the social fees of SEK 2.4 million from Boule's option programs are included in other operating expenses.

### PROFIT

Operating profit during the period amounted to SEK 39.5 million (45.8). This corresponds to an operating margin of 12.3 percent (15.5).

### NET FINANCIAL ITEMS

Net financial items amounted to SEK -0.5 million (-0.3). Profit before tax was SEK 39.0 million (45.5). Profit for the period was SEK 29.2 million (34.6).

### FINANCING AND CASH FLOW

Cash flow from operating activities after changes in working capital amounted to SEK 33.6 million (8.0). 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.

In the third quarter of 2017, a total of 99,000 shares have been issued as part of the company's two outstanding options programs. This has injected SEK 5.5 million into the company.

Cash flow for the period amounted to SEK 31.2 million (-13.7) and cash and cash equivalents at the end of the period were SEK 74.6 million (37.0).

Cash and cash equivalents available to the Group, including unutilized credit facilities, amounted to SEK 112.7 million (77.9) at the end of the period.

## NET SALES BY REGION AND PRODUCT

Net sales by region SEK million	Jul-Sep 2017	Jul-Sep 2016	Change	Oct 16- Sep 17 (R12)	Oct 15- Sep 16 (R12)	Change (R12)
USA	28.7	32.3	-11%	128.5	122.7	5%
Asia	27.9	24.3	14%	110.3	85.1	30%
Eastern Europe	19.4	19.9	-3%	63.6	52.6	21%
Latin America	8.2	14.6	-44%	29.3	52.9	-45%
Western Europe	8.4	7.7	9%	36.4	35.5	3%
Africa/Middle East	17.1	9.5	80%	58.3	34.6	68%
<b>Total</b>	<b>109.7</b>	<b>108.5</b>	<b>1%</b>	<b>426.3</b>	<b>383.3</b>	<b>11%</b>

Net sales by product SEK million	Jul-Sep 2017	Jul-Sep 2016	Change	Oct 16- Sep 17 (R12)	Oct 15- Sep 16 (R12)	Change (R12)
Instruments	43.3	42.9	1%	164.8	147.4	12%
Consumables own instruments	43.6	42.1	4%	160.8	145.3	11%
Consumables OEM and CDS-brand	13.2	15.5	-15%	65.4	58.1	13%
Other	9.6	8.0	15%	35.3	32.5	13%
<b>Total</b>	<b>109.7</b>	<b>108.5</b>	<b>1%</b>	<b>426.3</b>	<b>383.3</b>	<b>11%</b>

## INVESTMENTS

Total investments amounted to SEK 6.7 million (3.5).

## EQUITY AND LIABILITIES

Group equity on 30 September 2017 totaled SEK 247.1 million (223.3) and equity/asset ratio was 63 percent (66).

Interest bearing liabilities, that are primarily accounts receivable financing and a bank loan at the US subsidiary company, amounted to SEK 62.6 million (55.9) on 30 September 2017. SEK 28.1 million (22.8) of the interest-bearing liabilities were non-current and SEK 34.5 million (33.1) were current. At 30 September 2017, other non-interest-bearing current liabilities and accounts payable totaled to SEK 73.5 million (59.1).

The net debt on 30 September 2017 amounted to SEK -89.0 million (-39.6).

At the end of the period deferred tax assets and deferred tax liabilities totaled SEK 0.2 million (0.5) and SEK 11.9 million (3.4) 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 billion of which Boule has a market share of around 8 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.

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.

Boule is currently exposed to currency exchange risks. +/- 10% of the exchange rate USD/SEK affects the net sales by +/- SEK 20 million and net profit by +/- SEK 4 million. We are continuously working on operationally reducing our exchange rate exposure.

For a more detailed description of the risks, see the Annual Report for 2016. Compared with the Annual Report, the risks are deemed to remain unchanged.

## TRANSACTIONS WITH RELATED PARTIES

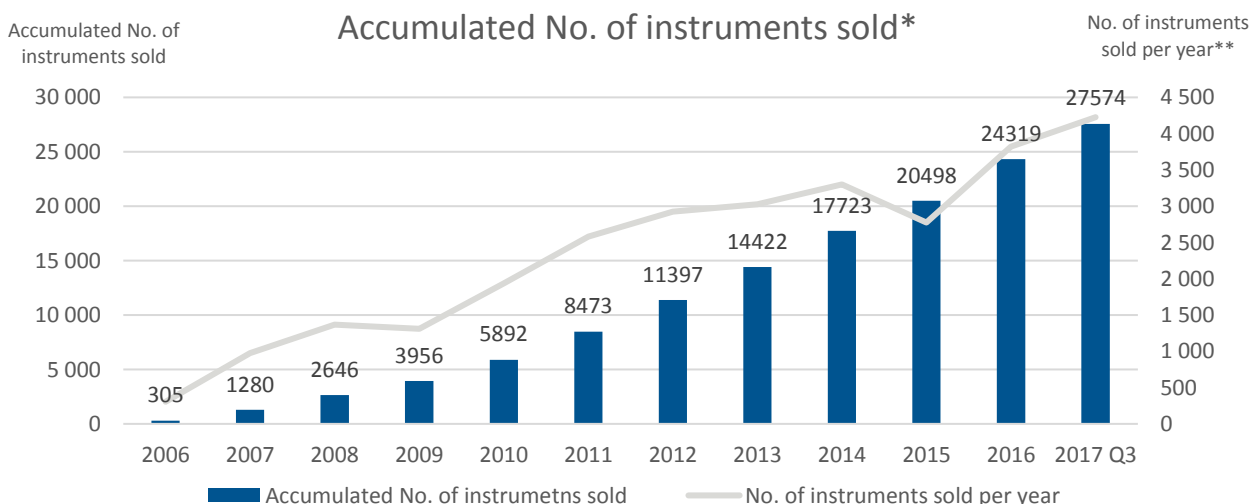
There were no transactions with related parties in this period.

## 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.



\*Boule tied instruments.

\*\* Number of instruments sold are accumulated for the last twelve months.

## NUMBER OF SHARES

The number of shares and votes in Boule Diagnostics AB was 4,707,138 at the beginning of the quarter. During the quarter, the number of shares and votes, rose by 82,000 following the new share issue as a consequence of employee options and as of 30 September, amounted to 4,789,138. A further 17,000 shares have been issued after the quarter, due to the exercising of employee options. Altogether, the number of shares and votes amounted to 4,806,138 on 8 November 2017.

Shareholders 30 September 2017 (and thereafter known changes)	Number of shares	Proportion of capital/votes
Svolder AB	515,000	10.75%
AB Grenspecialisten	493,317	10.30%
Thomas Eklund incl. companies	449,638	9.39%
Swedbank Robur Fonder AB	414,896	8.66%
SEB Asset Management	414,086	8.65%
Tredje AP-fonden	322,233	6.73%
Handelsbanken Fonder	285,945	5.97%
Linc Invest AB	265,291	5.54%
SSB Client Omnibus	217,557	4.54%
Länsförsäkringar Småbolag Sverige	146,356	3.06%
Société Générale	141,784	2.96%
Humble Småbolagsfond	127,155	2.66%
Other shareholders (1,277)	995,880	20.79%
<b>Total number of shares</b>	<b>4,789,138</b>	<b>100.00%</b>
No. of options outstanding ex. hedging	176,631	
<b>Total number of shares incl. options</b>	<b>4,965,769</b>	

## OPTIONS

The company has three outstanding options programs. As of 8 November 2017, there are 20,000 outstanding options in the options program from 2013, which all expire on 30 December 2017. The employee options program from 2014 has 34,000 outstanding options, which all expire on 30 December 2017. This program also includes 43,750 options for cash flow hedging purposes which are held by the group.

Following a resolution by the 2017 Annual General Meeting, the company has resolved to issue a maximum of 122,631 options. Each option entitles the holder to buy one share at a price of SEK 390 per share by 30 December 2020. The options can be acquired by employees at the market value. The market value has been set by the Black & Scholes pricing model and the currently value is SEK 16.90 per option. There are no restrictions on transferring the options. The CEO has been awarded and has acquired on market terms, 48,631 of these options. There are 74,000 options outstanding for future allocation.

## PERSONNEL

The average number of employees in the Group during the period was 174 (170) including 9 (9) at the Parent Company. By country the average number in Sweden was 72 (71), USA 84 (85), China 17 (13), Mexico 1 (1). The average number of women in the Group was 72 (67) the average number of men was 102 (103).

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The Board of Directors and the President and CEO certify that this interim 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 8 November 2017

Boule Diagnostics AB

Peter Ehrenheim  
Chairman of the Board

Thomas Eklund  
Board member

Fredrik Dalborg  
President and CEO

Karin Dahllöf  
Board member

Jon Risfelt  
Board member

## Consolidated statement of comprehensive income and other comprehensive income

SEK million	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
Net sales	109.7	108.5	320.5	294.9
Cost of goods sold	-52.8	-54.0	-169.4	-150.4
<b>Gross profit</b>	<b>56.8</b>	<b>54.5</b>	<b>151.2</b>	<b>144.5</b>
<i>Gross margin</i>	<i>51.8%</i>	<i>50.2%</i>	<i>47.2%</i>	<i>49.0%</i>
Other operating revenues	6.1	2.5	4.7	4.4
Selling and marketing expenses	-19.6	-16.6	-62.3	-53.8
Administrative expenses	-7.3	-6.8	-21.3	-21.4
Research and development expenses	-7.9	-8.2	-26.8	-26.5
Other operating expenses	0.0	-0.5	-6.1	-1.5
<b>Operating profit/loss</b>	<b>28.2</b>	<b>24.8</b>	<b>39.5</b>	<b>45.8</b>
<i>Operating margin</i>	<i>25.7%</i>	<i>22.9%</i>	<i>12.3%</i>	<i>15.5%</i>
Financial income	0.7	0.0	1.7	0.0
Financial expenses	-0.7	-0.1	-1.4	-0.6
Exchange rate differences	-0.4	-0.1	-0.7	0.2
<b>Net financial items</b>	<b>-0.5</b>	<b>-0.2</b>	<b>-0.5</b>	<b>-0.3</b>
<b>Profit/loss before tax</b>	<b>27.8</b>	<b>24.6</b>	<b>39.0</b>	<b>45.5</b>
Current tax	-0.7	-0.5	-0.7	-2.5
Deferred tax	-5.4	-4.8	-9.1	-8.4
<b>Net profit/loss</b>	<b>21.6</b>	<b>19.3</b>	<b>29.2</b>	<b>34.6</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	-4.0	1.6	-11.1	2.9
<b>Other comprehensive income/loss for the period</b>	<b>-4.0</b>	<b>1.6</b>	<b>-11.1</b>	<b>2.9</b>
<b>Total comprehensive income/loss for the period</b>	<b>17.6</b>	<b>20.9</b>	<b>18.1</b>	<b>37.5</b>
Earnings per share, before dilution, SEK	4.51	4.11	6.09	7.34
Earnings per share, after dilution, SEK	4.48	4.02	6.04	7.19

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

## Consolidated statement of financial position

SEK million	30 Sep 2017	30 Sep 2016	31 Dec 2016
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Capitalized development expenses	26.6	25.6	24.6
Goodwill	72.4	75.8	79.1
<b>Total intangible assets</b>	<b>98.9</b>	<b>101.4</b>	<b>103.7</b>
<b>Tangible fixed assets</b>			
Plant and machinery	2.8	6.5	4.2
Equipment, tools, fixtures and fittings	9.9	10.8	12.0
Leasehold improvements	4.6	3.9	4.3
<b>Total tangible fixed assets</b>	<b>17.3</b>	<b>21.2</b>	<b>20.5</b>
<b>Financial fixed assets</b>			
Long-term accounts receivables (guaranteed 75-95 % by EKN)	31.9	22.6	28.1
Deferred tax assets	0.2	0.5	0.5
<b>Total financial fixed assets</b>	<b>32.1</b>	<b>23.1</b>	<b>28.6</b>
<b>Total fixed assets</b>	<b>148.3</b>	<b>145.7</b>	<b>152.8</b>
<b>Current assets</b>			
<b>Inventory</b>			
Raw materials and supplies	30.8	35.6	36.1
Intermediate goods	4.5	5.9	5.5
Finished goods and goods for resale	14.6	12.1	17.6
<b>Total inventory</b>	<b>49.8</b>	<b>53.6</b>	<b>59.2</b>
<b>Current receivables</b>			
Tax assets	2.7	2.6	1.9
Accounts receivable	57.6	56.5	53.9
Accounts receivable (guaranteed 75-95 % by EKN)	45.1	35.9	40.5
Other receivables	4.3	2.0	5.0
Prepaid expenses and accrued income	12.6	8.3	6.6
<b>Total current receivables</b>	<b>122.4</b>	<b>105.3</b>	<b>107.8</b>
<b>Cash and cash equivalents</b>	<b>74.6</b>	<b>37.0</b>	<b>44.6</b>
<b>Total current assets</b>	<b>246.8</b>	<b>195.9</b>	<b>211.6</b>
<b>Total assets</b>	<b>395.1</b>	<b>341.6</b>	<b>364.3</b>

## Consolidated statement of financial position (cont.)

SEK million	30 Sep 2017	30 Sep 2016	31 Dec 2016
<b>EQUITY</b>			
Share capital	4.8	4.7	4.7
Other contributed capital	196.1	190.6	190.6
Translation reserve	6.7	12.9	17.8
Retained earnings including net profit/loss for the period	39.5	15.1	16.6
<b>Total equity</b>	<b>247.1</b>	<b>223.3</b>	<b>229.8</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	1.5	7.6	4.7
Long-term interest-bearing liabilities (of EKN guaranteed receivables)	26.6	15.3	22.3
Deferred tax liabilities	11.9	3.4	3.5
<b>Total long-term liabilities</b>	<b>40.0</b>	<b>26.2</b>	<b>30.4</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	0.8	8.5	2.1
Current interest-bearing liabilities (of EKN guaranteed receivables)	33.7	24.6	28.3
Accounts payable	21.6	17.5	21.9
Tax liabilities	0.6	2.2	3.8
Other liabilities	15.5	10.0	8.6
Accrued liabilities and deferred income	34.7	28.8	38.5
Provisions	1.0	0.5	1.0
<b>Total current liabilities</b>	<b>108.0</b>	<b>92.1</b>	<b>104.2</b>
<b>Total liabilities</b>	<b>148.0</b>	<b>118.3</b>	<b>134.6</b>
<b>Total equity and liabilities</b>	<b>395.1</b>	<b>341.6</b>	<b>364.3</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, 2016</b>	<b>4.7</b>	<b>190.6</b>	<b>10.0</b>	<b>-16.8</b>	<b>188.5</b>
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				34.6	34.6
Other comprehensive income for the period			2.9		2.9
<b>Total comprehensive income/loss for the period</b>			<b>2.9</b>	<b>34.6</b>	<b>37.6</b>
<b>Transactions with shareholders</b>					
Option programs					0.0
Dividends				-2.8	-2.8
<b>Equity, closing balance, Sep. 30, 2016</b>	<b>4.7</b>	<b>190.6</b>	<b>12.9</b>	<b>15.1</b>	<b>223.3</b>
<b>Equity, opening balance, Jan. 1, 2017</b>	<b>4.7</b>	<b>190.6</b>	<b>17.8</b>	<b>16.6</b>	<b>229.8</b>
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				29.2	29.2
Other comprehensive income for the period			-11.1		-11.1
<b>Total comprehensive income/loss for the period</b>			<b>-11.1</b>	<b>29.2</b>	<b>18.1</b>
<b>Transactions with shareholders</b>					
Shares issued through the exercise of options	0.1	5.5			5.6
Option programs				0.1	0.1
Dividends				-6.6	-6.6
<b>Equity, closing balance, Sep. 30, 2017</b>	<b>4.8</b>	<b>196.1</b>	<b>6.7</b>	<b>39.5</b>	<b>247.1</b>



## Consolidated cash flow statement

SEK million	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
<b>Operating activities</b>				
Operating profit/loss	28.2	24.8	39.5	45.8
Adjustments for non-cash items	2.4	0.6	7.1	5.0
Interest received	0.6	0.0	1.7	0.0
Interest paid	-0.7	-0.1	-1.4	-0.6
Income tax paid	-0.5	-0.4	-4.1	-0.9
<b>Cash flow from operating activities before changes in working capital</b>	<b>30.1</b>	<b>24.9</b>	<b>42.7</b>	<b>49.4</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/Decrease (+) in inventory	4.3	-1.0	6.9	1.7
Increase (-)/Decrease (+) in operating receivables	-13.9	-3.2	-12.0	-19.7
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)	-5.1	-11.3	-10.1	-27.6
Increase (+)/Decrease (-) in operating liabilities	-5.4	3.4	6.1	4.2
<b>Cash flow from operating activities</b>	<b>10.1</b>	<b>12.7</b>	<b>33.6</b>	<b>8.0</b>
<b>Investing activities</b>				
Acquisition of tangible fixed assets	-0.7	-0.3	-2.1	-3.5
Investments in other financial assets	0.0	0.0	0.0	0.0
Divestment of tangible assets	0.0	0.0	0.0	0.0
Investments in capitalized development expenses	-2.1	0.0	-4.6	0.0
<b>Cash flow from investing activities</b>	<b>-2.8</b>	<b>-0.3</b>	<b>-6.7</b>	<b>-3.5</b>
<b>Financing activities</b>				
New share issue	5.5	0.0	5.5	0.0
Loans raised	0.0	3.1	0.0	3.1
Amortization of loans	-0.1	-0.3	-3.1	-2.9
Increase (+)/Decrease (-) in current financial liabilities (EKN financing)	-4.1	10.1	9.8	30.9
Increase (+)/Decrease (-) in current financial liabilities	-0.2	-5.1	-1.3	-46.4
Dividends	0.0	0.0	-6.6	-2.8
<b>Cash flow from financing activities</b>	<b>1.1</b>	<b>7.8</b>	<b>4.3</b>	<b>-18.1</b>
<b>Cash flow for the period</b>	<b>8.4</b>	<b>20.2</b>	<b>31.2</b>	<b>-13.7</b>
Cash and cash equivalents at the beginning of the period	66.6	16.6	44.6	50.4
Exchange rate differences in cash and cash equivalents	-0.4	0.2	-1.2	0.3
<b>Cash and cash equivalents at the end of the period</b>	<b>74.6</b>	<b>37.0</b>	<b>74.6</b>	<b>37.0</b>

## Parent Company income statement

SEK million	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
Net sales	5.6	5.7	17.1	17.3
Administrative expenses	-2.9	-6.6	-21.0	-17.7
Other operating income	0.0	0.0	0.0	0.0
Other operating expenses	0.0	0.0	0.0	0.0
<b>Operating profit/loss</b>	<b>2.7</b>	<b>-0.9</b>	<b>-4.0</b>	<b>-0.4</b>
Profit/loss from financial items	0.0	0.0	0.0	0.0
<b>Loss after financial items</b>	<b>2.7</b>	<b>-0.9</b>	<b>-4.0</b>	<b>-0.4</b>
Group contribution	0.0	0.0	0.0	0.0
<b>Profit/loss before tax</b>	<b>2.7</b>	<b>-0.9</b>	<b>-4.0</b>	<b>-0.4</b>
Tax	0.0	0.0	0.0	0.0
<b>Net profit/loss</b>	<b>2.7</b>	<b>-0.9</b>	<b>-4.0</b>	<b>-0.4</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	30 Sep 2017	30 Sep 2016	31 Dec 2016
<b>Assets</b>			
<b>Financial fixed assets</b>			
Shares in Group companies	157.3	157.3	157.3
Deferred tax asset	4.7	0.0	4.7
<b>Total financial fixed assets</b>	<b>162.0</b>	<b>157.3</b>	<b>162.0</b>
<b>Total fixed assets</b>	<b>162.0</b>	<b>157.3</b>	<b>162.0</b>
<b>Current assets</b>			
Receivables from Group companies	42.3	26.2	52.0
Other receivables	1.8	1.5	2.0
<b>Total current receivables</b>	<b>44.1</b>	<b>27.8</b>	<b>54.0</b>
Cash and bank balances	3.0	0.8	0.4
<b>Total current assets</b>	<b>47.1</b>	<b>28.6</b>	<b>54.4</b>
<b>Total assets</b>	<b>209.1</b>	<b>185.8</b>	<b>216.4</b>
<b>Equity and liabilities</b>			
<b>Total equity</b>	<b>191.8</b>	<b>174.3</b>	<b>196.7</b>
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	0.0	0.0	0.0
<b>Current liabilities</b>			
Current interest-bearing liabilities	0.0	0.0	0.0
Liabilities to Group companies	0.6	0.6	0.6
Other liabilities	16.7	11.0	19.1
<b>Total current liabilities</b>	<b>17.3</b>	<b>11.5</b>	<b>19.7</b>
<b>Total liabilities</b>	<b>17.3</b>	<b>11.5</b>	<b>19.7</b>
<b>Total equity and liabilities</b>	<b>209.1</b>	<b>185.8</b>	<b>216.4</b>

**NOTE 1 ACCOUNTING POLICYS**

Boule Diagnostics AB (publ.) applies IFRS (International Financial Reporting Standards) as adopted by the EU. This interim 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, 2016. The accounting policies match the policies applied in the preceding fiscal year. For all financial assets and liabilities carrying amount is a good approximation of fair value. The interim information found on page 1-15 is an integrated part of this financial report.

A number of new or revised IFRS Standards, as well as statements of interpretation of these, will come in to effect only

in the coming financial years and have not been applied in the preparation of these financial statements. Preparations for the implementation of IFRS 9 and IFRS 15 are ongoing.

**NOTE 2**

30 September, SEK million	Group		Parent company	
	2017	2016	2017	2016
Pledged assets	133.6	119.8	85.8	83.3
Contingent liabilities	0.0	1.8	63.1	36.8

## Quarterly overview

	2017			2016				2015	
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales, SEK million	109.7	104.3	106.6	105.8	108.5	102.0	84.4	88.4	88.8
Gross profit, SEK million	56.8	43.6	50.8	50.1	54.5	47.7	42.3	36.8	41.3
Gross margin, %	51.8	41.8	47.6	47.4	50.2	46.8	50.1	41.6	46.6
EBITDA, SEK million	30.2	1.4	14.1	5.7	25.5	13.3	10.4	2.7	10.5
EBITDA margin, %	27.5	1.3	13.2	5.4	23.5	13.0	12.3	3.1	11.9
EBIT, SEK million	28.2	-0.7	12.0	1.3	24.8	12.6	8.4	0.6	8.9
EBIT margin, %	25.7	-0.7	11.2	1.2	22.9	12.4	9.9	0.7	10.0
Profit after tax, SEK million	21.6	-1.1	8.7	1.5	19.3	9.0	6.3	1.3	5.1
Earnings per share before dilution, SEK	4.51	-0.24	1.84	0.32	4.11	1.91	1.33	0.28	1.07
Earnings per share after dilution, SEK	4.48	-0.24	1.79	0.31	4.02	1.89	1.33	0.27	1.07
Cash flow from operating activities per share, SEK	7.02	4.96	3.93	2.53	2.70	-0.24	1.30	2.59	2.25
Return on equity, %	9.2	-0.5	3.7	0.6	9.1	4.5	3.3	0.7	2.7
Net debt/EBIT (R12)	-2.2	-1.9	-1.6	-1.2	-0.9	-0.8	-0.9	-0.7	-0.5
Equity/assets ratio, %	63	59	63	63	65	66	68	60	64

### Definitions (boule.com)

#### 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 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.

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 (non-current and current) and cash less accounts payable

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

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

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 period after tax divided by average equity

## 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 a little over SEK 400 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 and USA. 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 and user-friendly systems for automated blood cell count analysis on the global human and veterinarian markets.

### 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 cell count analysis.
- To tie consumables to our proprietary instruments to assure quality and ensure added sales.
- Global presence and parallel distribution channels to quickly meet local demand.
- Actively work to broaden our product offer via acquisition and partnerships.

## Boule as an investment

### BUSINESS MODEL

The model entails selling consumables of high quality and good profitability that are 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 acquisition.

### DIVIDEND

The general goal of the Boule board is to give shareholders a dividend that reflects both a good direct return and dividend growth. The annual dividend should correspond to 25-50 percent of profit for the period, after taking due consideration to company liquidity.

## Our hematology systems



Medonic



Swelab



Quintus



Exigo

## Information to shareholders

### CALENDAR

Year-end report	2018-02-16
Interim report first quarter	2018-05-14
Annual General Meeting 2018	2018-05-14
Interim report second quarter	2018-08-15
Interim report third quarter	2018-11-06

### FOR FURTHER INFORMATION, PLEASE CONTACT:



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This information is information that Boule Diagnostics AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.45 CET on November 8, 2017



## Auditor's Report

Boule Diagnostics AB (publ) Co no 556535-0252

### Introduction

We have conducted a general review of the financial interim report information in the summary for Boule Diagnostics AB (publ) as of 30 September 2017 and the nine-month period that ended on this date. It is the responsibility of the Board of Directors and the Chief Executive Officer to prepare and present these interim financial statements in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our general review.

### The scope and focus of the review

We have conducted our general review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of interim financial report information performed by the independent auditor of the entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially limited in scope compared to the focus and scope of an audit conducted in accordance with ISA and generally accepted auditing practice. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant circumstances that might be identified in an audit. Therefore, the opinion expressed based on a review does not give the same level of assurance as an opinion expressed on the basis of an audit.

### Opinion

On the basis of our review, nothing has come to our attention that causes us to believe that the interim report was not, in all material aspects, prepared for the Group's part in accordance with IAS 34 and the Annual Accounts Act and, in the case of the parent company, the Annual Accounts Act.

Stockholm 08 November 2017

Öhrlings PricewaterhouseCoopers AB

Leonard Daun  
Authorized Public Accountant