



## Continued strong growth and significantly improved margins

### Quarter July–September 2019

- Net sales amounted to SEK 131.2 million (110.9), up 18.3 percent. Adjusted for the change in exchange rates, this corresponds to an increase of 13.4 percent.
- Number of instruments sold in the quarter was 1,108 (1,161), a decrease of 4.6 percent.
- Cash flow from operating activities amounted to SEK 23.9 million (-0.6).
- Operating profit was SEK 32.3 million (12.8) which corresponds to an operating margin of 24.6 percent (11.5).
- Net profit amounted to SEK 20.3 million (9.8).
- Earnings per share before and after dilution amounted to SEK 1.04 (0.50).<sup>1</sup>

### Interim period January–September 2019

- Net sales amounted to SEK 369.6 million (318.2), up 16.2 percent. Adjusted for the change in exchange rates, this corresponds to an increase of 10.0 percent.
- Number of instruments sold in the period was 3,367 (3,063), an increase of 9.8 percent.
- Cash flow from operating activities amounted to SEK 34.2 million (16.1).
- Operating profit was SEK 54.9 million (51.4) which corresponds to an operating margin of 14.8 percent (16.2). Excluding the bad debt reserve of SEK 5.9 million, the operating margin was 16.4 percent.
- Net profit amounted to SEK 30.4 million (39.6).
- Earnings per share before and after dilution amounted to SEK 1.56 (2.04).<sup>1</sup>

### Significant events during the quarter

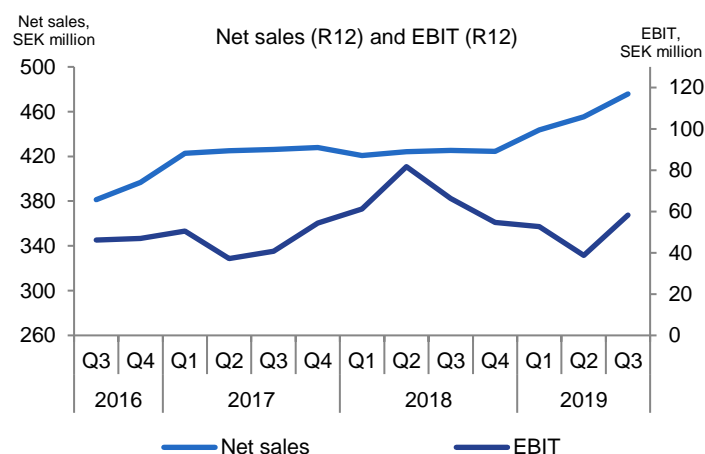
#### FREDRIK DALBORG LEAVES THE POSITION AS CEO OF BOULE

Fredrik Dalborg, CEO and Group President of Boule Diagnostics, has as previously communicated decided to leave the company and continue his career with a new assignment outside the Group as CEO of another, larger, Swedish medical device company. Fredrik will remain in his role during his period of notice and the recruitment process for his successor is in its final phase.

### Significant events after the period

No significant events have occurred in the time between the end of the period and the publishing of this interim report.

Key figures <sup>2</sup>	Jul-Sep 2019	Jul-Sep 2018	Oct 18-Sep 19 (R12)	Oct 17-Sep 18 (R12)
Growth in sales, %	18.3	1.1	11.9	-0.2
Net sales, SEK million	131.2	110.9	475.8	425.4
Gross margin, %	47.5	42.7	44.5	46.5
Operating profit/loss, SEK million	32.3	12.8	58.3	66.3
Operating margin, %	24.6	11.5	12.2	15.6
Net debt, SEK million	22.2	-92.9	22.2	-92.9
Return on equity, %	6.4	3.3	10.1	17.5
Net debt/EBIT (R12), times	0.4	-1.4	0.4	-1.4
Earnings per share, after dilution, SEK <sup>1</sup>	1.04	0.50	1.64	2.46



1) Per share key ratios for the comparative periods have been recalculated to adjust for the stock split in June 2018.  
2) On January 1, 2019, IFRS 16 was implemented, which has affected the Group's financial statements and key figures. The implementation also affects comparisons with earlier periods as they are still reported in accordance with previous accounting principles. For more information on the effects, see Note 1.

## Comments from CEO Fredrik Dalborg

### *The growth initiatives continue to yield results*

The strong growth trend continues with another quarter of record level sales. Net sales in the quarter were SEK 131.2 million, an increase of 18 percent compared to the third quarter of 2018 and an accumulated growth during the first nine months of the year of 16 percent.

It is gratifying to see good growth in both instruments (14 percent) and consumables for own instruments (18 percent). The trend was positive in all product areas, but especially in the five-part segment. OEM-consumables growth was also good during the quarter and throughout 2019.

Sales increased in all regions during the quarter except in Latin America, where a slightly weaker development followed the strong second quarter when growth was 91 percent. Accumulated sales growth in Latin America for the first three quarters of 2019 was 36 percent.

The growth is a result of the strategic initiatives taken in 2017 and 2018, which include a broadened product portfolio in the human and veterinary areas, strengthened sales and marketing resources and the work to improve and develop the distributor structure.

### *Significantly improved margins*

The profitability trend has been very positive as a result of strong sales of consumables, good sales development in countries with good margins and the increased efficiency of the distributor network. The gross margin increased to 47.5 percent, an improvement over the previous quarter and compared with the third quarter of 2018.

The work to further improve the margins, which includes increasing sale price levels and an increased focus on cost-reduction in production, continues.

Following the investments made in research and development, as well as in the commercial organization, operating expenses were kept at a relatively unchanged level compared to the third quarter 2018. Combined with the sales growth and the improved gross margin, this resulted in a significantly improved operating profit; SEK 32.3 million compared to just below SEK 13 million in last year's third quarter. In addition, cash flow from operating activities improved significantly and amounted to SEK 23.9 million.

Individual quarters can be affected by major tenders but in the third quarter the good growth was not driven by such an event. Rather, the growth and profitability development are mainly due to previous strategic initiatives as well as a favorable product and geographical mix. With this in mind, it is positive that the growth over the rolling twelve months is 11.9 percent, which is above our growth target of 10 percent on an annual basis. The operating margin for rolling 12 months is 12.2 percent, which is below the target of 15 percent, but was 24.6 percent during the quarter.

### *Continued initiatives for future growth and profitability*

Boule has decided to move forward with plans to establish local manufacturing of hematology reagents in Russia. Boule's products have been present in the Russian market for over 20 years and Boule has built up a strong market share and a significant base of installed instruments in the Russian market. Boule has a strong ambition to further develop the company's position and presence in the Russian market. To support Russian patients, customers and distributors, Boule has established a subsidiary in Russia and hired a local team with long experience in the field.

The local manufacturing initiative in Russia is in line with Boule's global manufacturing strategy to increase production capacity in line with growing demand and strive for regional supply of consumables. The project has already been started and is expected to be completed in 2020.

### *Continuous focus on quality*

Boule continues to drive the quality work and improvements in quality processes with the highest priority. During the third quarter of 2019, Boule has completed the warning letter action plan addressing the seven observations from the May 2018 audit in accordance with the timeline commitments to the FDA. The company received two observations from the audit in July 2019. The two observations from the July 2019 audit are being addressed according to committed plans and will be finalized in mid-January 2020. The organization continues to operate in compliance with the new and improved quality processes. Boule is fully committed to meeting all the requirements from the FDA and the dialogue with the agency continues in a positive way.



Fredrik Dalborg  
CEO and Group President



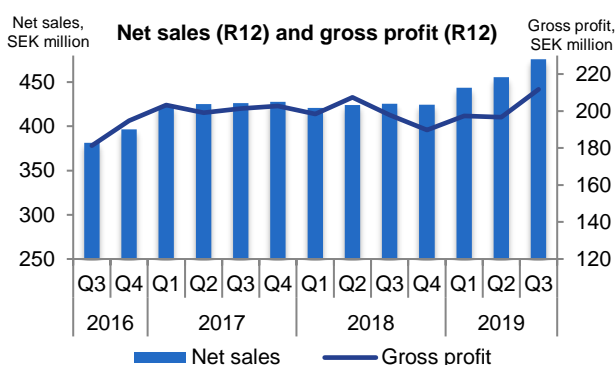
## Group performance January–September 2019

### NET SALES

During the period net sales amounted to SEK 369.6 million (318.2), up 16.2 percent. Net sales increased by 10.0 percent when adjusted for the change in the USD and EUR exchange rates. Net sales have been positively affected by the recently launched five-part systems, the change in the Russian distribution network and the increasing sales of consumables.

### GROSS PROFIT

Gross profit during the period amounted to SEK 168.5 million (146.5) and the gross margin, which improved during the third quarter, was 45.6 percent (46.0). The gross margin for the first six months was negatively affected by the geographic mix with a high proportion of instrument sales to low-price countries but increased during the third quarter following a changed geographic mix.



### EXPENSES

Operating expenses during the period amounted to SEK 116.6 million (98.1). The operating expenses include a bad debt reserve of SEK 5.9 million related to a specific distributor. The reserve corresponds to Boule's share of the total account receivable of SEK 21,2 million of which the remaining part is guaranteed by the EKN. The costs also reflect the drive to strengthen the sales, development and quality assurance departments.

Research and development expenditures charged to earnings amounted to SEK 20.5 million (18.6), which represents 5.5 percent (5.8) of net sales. Research and development expenditures of SEK 28.2 million (15.4) were capitalized. In total, research and development expenses corresponded to 13.2 percent (10.7) of net sales.

The capitalization during the period consists mainly of the next generation hematology platform.

The net of other operating revenues and other operating expenses during the period amounted to a total of SEK 3.0 million (3.1) and consists primarily of corresponding positive and negative changes in the exchange rates.

### OPERATING PROFIT

Operating profit during the period amounted to SEK 54.9 million (51.4). This corresponds to an operating margin of 14.8 percent (16.2). Excluding the non-recurring increase of the bad debt reserve, the operating margin was 16.4 percent and excluding the capitalization of research and development, the operating margin was 7.2 percent (11.3).

### NET FINANCIAL ITEMS

Net financial items excluding the profit/loss from associates amounted to SEK -3.4 million (0.2). Including the profit/loss from associates the net financial items amounted to SEK -15.6 million. The loss from associates concerns biosurfit; the company is in its early commercialization phase and still generate loss. During the second and third quarter new versions of tests for CRP (infection) and HbA1c (diabetes) was launched. The new products are significantly easier to work with, an important aspect in the near-patient market, and the company now has a competitive product. The sales and profit/loss are therefore estimated to improve in the coming quarters.

Profit before tax was SEK 39.3 million (51.6). Profit for the period was SEK 30.4 million (39.6).

### NET SALES BY REGION AND PRODUCT

Net sales by region, SEK million	Jul-Sep 2019	Jul-Sep 2018	Change	Oct 18-Sep 19 (R12)	Oct 17-Sep 18 (R12)	Change (R12)
USA	39.6	34.0	16%	142.8	128.8	11%
Asia	36.4	35.5	2%	135.1	117.3	15%
Eastern Europe	21.9	13.9	58%	71.9	55.7	29%
Latin America	8.0	9.9	-19%	39.0	34.3	14%
Western Europe	8.7	6.9	27%	37.1	34.2	9%
Africa/Middle East	16.5	10.7	54%	49.9	55.2	-10%
<b>Total</b>	<b>131.2</b>	<b>110.9</b>	<b>18%</b>	<b>475.8</b>	<b>425.4</b>	<b>12%</b>

Net sales by product, SEK million	Jul-Sep 2019	Jul-Sep 2018	Change	Oct 18-Sep 19 (R12)	Oct 17-Sep 18 (R12)	Change (R12)
Instruments	45.3	39.9	14%	167.4	148.0	13%
Consumables own instruments	54.2	45.8	18%	201.7	178.3	13%
Consumables OEM and CDS-brand	19.9	15.1	31%	63.8	56.5	13%
Other	11.8	10.1	17%	42.8	42.6	0%
<b>Total</b>	<b>131.2</b>	<b>110.9</b>	<b>18%</b>	<b>475.8</b>	<b>425.4</b>	<b>12%</b>

## FINANCING AND CASH FLOW

Thanks to the third quarter's improved operating profit, cash flow from operating activities after changes in working capital amounted to SEK 34.2 million (16.1). In early 2019, corporate tax of SEK 10.3 million related to previous years was paid as preliminary tax for the corresponding years was too low.

The Swedish National Export Credits Guarantee Board (EKN) guarantees part of Boules accounts receivables to 75-95 percent of the accounts receivable's total amount. Receivables can be pledged, and the liabilities are then recognized as interest-bearing liabilities. The change in accounts receivables guaranteed by EKN is included in the cash flow from operating activities, whilst the change in other interest-bearing liabilities is reported in the cash flow from financing activities. Earlier in the period, the amount of pledged accounts receivables guaranteed by EKN increased and were later matched to outstanding accounts receivables.

Cash flow for the period amounted to SEK -12.0 million (-61.0) and cash and cash equivalents at the end of the period were SEK 19.2 million (39.1). The decrease is explained by strategic investments; the partnership with biosurfit and the investments in the development of the next generation hematology platform.

Cash and cash equivalents available to the Group, including unutilized credit facilities and guaranteed but not pledged accounts receivables, amounted to SEK 69.8 million (116.1) at the end of the period. The company's overdraft credit increased during the period by SEK 20.0 million to SEK 59.8 million.

## INVESTMENTS

Total investments amounted to SEK 62.6 million (45.9), of which SEK 28.2 million (17.0) relates to investments in the development of future platforms, SEK 0.0 million (22.7) relates to the acquisition of new technologies and SEK 26.5 million (0.0) relates to acquisition of the Associate biosurfit, see note 3.

## EQUITY AND LIABILITIES

Group equity at the end of the period totaled SEK 333.4 million (298.7) and the equity/asset ratio was 56 percent (69). The implementation of the leasing standard, IFRS 16, affected the equity ratio by 4.6 percentage points, if previous accounting principles still applied, the equity ratio would have been 60.4 percent. For more information on IFRS 16 see note 1.

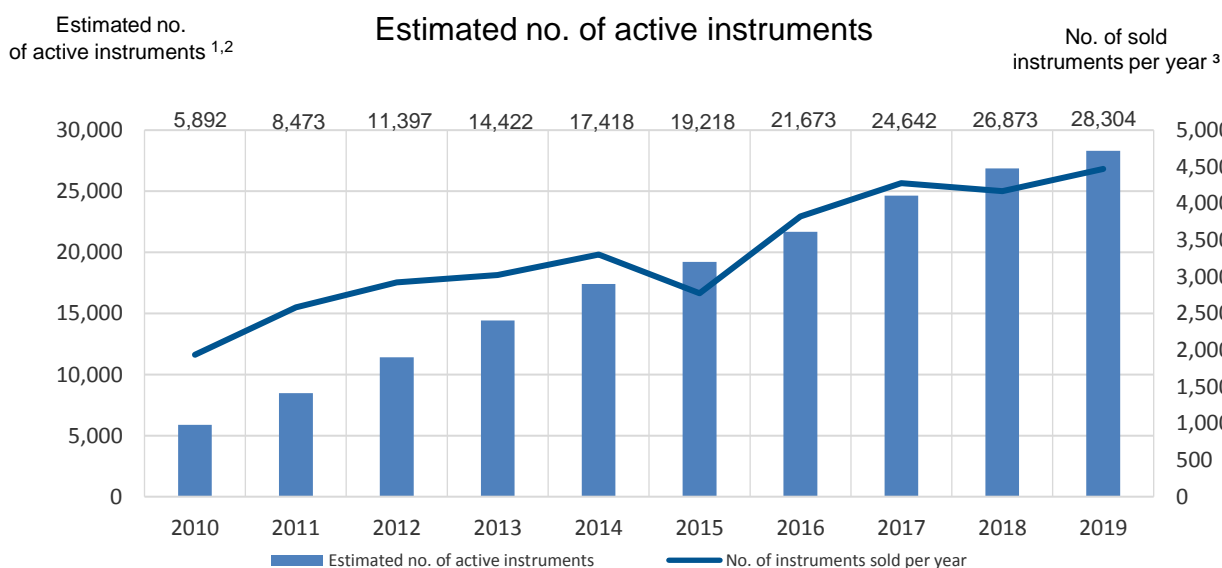
Interest bearing liabilities, primarily pledged accounts receivables guaranteed by EKN, amounted to SEK 107.5 million (43.9) on September 30, 2019. The increase is mainly due to IFRS 16's increased financial leasing of SEK 44.9 million. SEK 22.0 million (12.5) of the interest-bearing liabilities were non-current and SEK 85.5 million (31.1) were current. By September 30, 2019, SEK 12.3 million (0.0) of the overdraft credit had been used and other non-interest-bearing current liabilities and accounts payable totaled to SEK 88.5 million (80.4).

As of September 30, leasing liabilities to the amount of SEK 46.9 million are presented in the balance sheet of which SEK 35.0 million are non-current and SEK 11.8 million. Of the total amount, SEK 44.9 million are presented in accordance with IFRS 16 of which SEK 33.6 million are non-current and SEK 11.3 million are current.

As of September 30, the net debt amounted to SEK 22.2 million (-95.4). The effect on net debt from IFRS 16 amounted to SEK 44.9 million. Excluding this effect, the net debt was SEK -22.7 million. When negative, the net debt shows that interest-bearing assets exceeds interest-bearing liabilities.

At the end of the period, deferred tax assets and deferred tax liabilities totaled SEK 0.0 million (0.0) and SEK 18.3 million (12.4) respectively.

Long-term provisions are provisions for direct pension of SEK 2.7 million (0,0).



1) Estimated number of instruments installed is based on an estimated lifespan of eight years for the instruments.

2) Accumulated number of instruments sold per September 30, 2019 was 36,132.

3) Number of instruments sold 2019 is presented as rolling twelve months.

## 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 6 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 that customers may be unable to pay and the possibility of the company being unable to finance its operations.

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

In October 2018, Boule received a warning letter from the US Food and Drug Administration (FDA). Boule is determined to meet the FDA's requirements, and this holds the highest priority for the organization. The warning letter does not limit the production or sale of products. During the quarter, Boule completed the work on the plan of action for the seven observations from the inspection in May, 2018. During the inspection in July 2019 the FDA had two observations. Boule will complete the actions on these two observations in the first quarter 2020. For more information about the warning letter, see the Annual Report 2018.

For a more detailed description of the risks, see the Annual Report 2018. Compared to the Annual Report, the risks are considered to remain unchanged.

## TRANSACTIONS WITH RELATED PARTIES

Other than remuneration to members of the board and management 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.

## PERSONNEL

The average number of employees in the Group during the period was 223 (194) including 8 (9) at the Parent Company. By country the average number in Sweden was 121 (106), USA 95 (86), Mexico 2 (2) and Russia 5 (0). The average number of women in the Group was 94 (85) and the average number of men was 124 (109).

## FORWARD-LOOKING INFORMATION

Forward-looking information in this report is based on the company's expectations at the point in time of publishing. Though Boule considers these expectations reasonable, there are no guaranties that the expectations are, or will be, correct. Therefore, future results may vary significantly from the presented forward-looking information depending on among other things; demand for the company's services and products, more general market conditions such as changes in the world economy, rules and regulations or fluctuation in exchange rates. Boule does not assume any obligation to update or correct such forward-looking information except as is required by applicable laws.

## NUMBER OF SHARES

The total number of shares and votes in Boule Diagnostics AB has remained unchanged during the first nine months of 2019. Comparative figures for key figures that include the number of shares have been retroactively recalculated following the division of shares (4:1) in June 2018 to facilitate comparison between the periods.

Shareholders September 30, 2019 (and thereafter known changes)	Number of shares	Proportion of capital/votes
Svolder AB	2,326,889	11.98%
AB Grenspecialisten	2,073,268	10.68%
Thomas Eklund incl. companies	1,956,955	10.08%
Swedbank Robur Fonder AB	1,809,992	9.32%
Tredje AP-fonden	1,625,771	8.37%
Nordea	1,112,254	5.73%
Länsförsäkringar Fonder	911,417	4.69%
Société Générale	748,698	3.86%
RBC Investor	716,752	3.69%
Core Ny Teknik	590,000	3.04%
CBNY-Norges Bank	548,685	2.83%
Andra AP-Fonden	392,776	2.02%
Fondita Nordic	375,000	1.93%
Other shareholders (2,131)	4,228,095	21.78%
<b>Total number of shares</b>	<b>19,416,552</b>	<b>100.00%</b>
No. of options outstanding ex. hedging	981,024	
<b>Total number of shares incl. options</b>	<b>20,397,576</b>	

## OPTIONS

The company has two options programs outstanding. Following a resolution at the 2019 Annual General Meeting, the company will issue a maximum of 490,500 options. Each option entitles the holder to acquire a share at the price of SEK 67.50 per share no later than December 30, 2022. During the third quarter, 463,435 of the options have been allocated and acquired by employees at market value. Of these, 280,080 were acquired by senior executives and 183,354 by other employees. The market value was calculated using the Black & Scholes model and was at the time of allocation SEK 1.10 per option.

Following a resolution by the 2017 Annual General Meeting, the company has previously determined to issue a maximum of 122,631 options. Each option entitles the holder to subscribe for four shares at a price of SEK 97.50 per share, adjusted for the recalculation following the 4:1 stock split, by 30 December 2020 at the latest. In 2017, 58,631 of these options were awarded and on market terms acquired by employees. Of these, 48 631 was acquired by the CEO and the remaining 10,000 was acquired by other senior executives. No further allocation of the remaining 64,000 options in the 2017 program will occur.

For both programs it applies that if the employee ends their employment at Boule, Boule has the offer of first refusal and may choose to exercise that right. There are no restrictions on transferring the options.

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 October 30, 2019  
Boule Diagnostics AB

Peter Ehrenheim  
Chairman of the Board

Thomas Eklund  
Board member

Karin Dahllöf  
Board member

Jon Risfelt  
Board member

Charlotta Falvin  
Board member

Fredrik Dalborg  
President and CEO

## AUDIT REVIEW

This report was reviewed by the company's auditors.

## Consolidated statement of comprehensive income and other comprehensive income

SEK million	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Net sales	131.2	110.9	369.6	318.2
Cost of goods sold	-68.9	-63.6	-201.1	-171.7
<b>Gross profit</b>	<b>62.3</b>	<b>47.3</b>	<b>168.5</b>	<b>146.5</b>
<i>Gross margin</i>	<i>47.5%</i>	<i>42.7%</i>	<i>45.6%</i>	<i>46.0%</i>
Other operating revenues	4.1	1.1	10.3	9.0
Selling and marketing expenses	-22.8	-21.0	-77.7	-62.5
Administrative expenses	-6.1	-5.8	-18.4	-17.0
Research and development expenses	-4.9	-6.9	-20.5	-18.6
Other operating expenses	-0.3	-2.1	-7.3	-5.9
<b>Operating profit/loss</b>	<b>32.3</b>	<b>12.8</b>	<b>54.9</b>	<b>51.4</b>
<i>Operating margin</i>	<i>24.6%</i>	<i>11.5%</i>	<i>14.8%</i>	<i>16.2%</i>
Financial income	0.5	0.5	1.0	1.2
Financial expenses	-1.9	-0.6	-4.3	-1.0
Profit/Loss Associates	-4.4		-12.2	
<b>Net financial items</b>	<b>-5.8</b>	<b>-0.1</b>	<b>-15.6</b>	<b>0.2</b>
<b>Profit/loss before tax</b>	<b>26.5</b>	<b>12.7</b>	<b>39.3</b>	<b>51.6</b>
Income tax	-6.2	-2.9	-8.9	-12.0
<b>Net profit/loss</b>	<b>20.3</b>	<b>9.8</b>	<b>30.4</b>	<b>39.6</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	8.9	-1.2	12.2	5.2
<b>Other comprehensive income/loss for the period</b>	<b>8.9</b>	<b>-1.2</b>	<b>12.2</b>	<b>5.2</b>
<b>Total comprehensive income/loss for the period</b>	<b>29.2</b>	<b>8.6</b>	<b>42.6</b>	<b>44.8</b>
Earnings per share, before dilution, SEK	1.04	0.50	1.56	2.04
Earnings per share, after dilution, SEK	1.04	0.50	1.56	2.04

As the Group has no non-controlling influences, the entire earnings accrue to the Parent Company.

## Consolidated statement of financial position

SEK million	Note	Sep 30 2019	Sep 30 2018	Dec 31 2018
<b>Assets</b>				
<b>Fixed assets</b>				
<b>Intangible assets</b>				
Capitalized development expenses		109.0	68.3	80.7
Goodwill		83.8	77.4	78.2
<b>Total intangible assets</b>		<b>192.8</b>	<b>145.8</b>	<b>158.9</b>
<b>Tangible fixed assets</b>				
Right-of-use assets	1	45.4	-	-
Plant and machinery		5.6	1.9	4.5
Equipment, tools, fixtures and fittings		9.8	10.7	10.3
Leasehold improvements		9.4	6.6	8.4
<b>Total tangible fixed assets</b>		<b>70.1</b>	<b>19.2</b>	<b>23.1</b>
<b>Financial fixed assets</b>				
Shares in Associates	3	44.5	-	53.6
Other financial fixed assets		2.2	-	2.2
Long-term accounts receivables (guaranteed 75-95 % by EKN)		45.3	40.7	41.1
<b>Total financial fixed assets</b>		<b>92.0</b>	<b>40.7</b>	<b>97.0</b>
<b>Total fixed assets</b>		<b>354.9</b>	<b>205.8</b>	<b>278.9</b>
<b>Current assets</b>				
<b>Inventory</b>				
Raw materials and supplies		42.3	31.4	37.4
Intermediate goods		4.3	3.5	2.1
Finished goods and goods for resale		14.8	17.8	18.5
<b>Total inventory</b>		<b>61.3</b>	<b>52.7</b>	<b>58.0</b>
<b>Current receivables</b>				
Tax assets		17.7	4.8	6.0
Accounts receivable		61.4	60.7	48.3
Accounts receivable (guaranteed 75-95 % by EKN)		67.7	57.0	62.6
Other receivables		3.0	2.4	7.3
Prepaid expenses and accrued income		12.0	13.0	9.4
<b>Total current receivables</b>		<b>161.8</b>	<b>137.8</b>	<b>133.6</b>
<b>Cash and cash equivalents</b>		<b>19.2</b>	<b>39.1</b>	<b>30.3</b>
<b>Total current assets</b>		<b>242.3</b>	<b>229.6</b>	<b>221.9</b>
<b>Total assets</b>		<b>597.2</b>	<b>435.4</b>	<b>500.8</b>



## Consolidated statement of financial position (cont.)

SEK million	Note	Sep 30 2019	Sep 30 2018	Dec 31 2018
<b>EQUITY</b>				
Share capital		4.9	4.9	4.9
Other contributed capital		201.7	201.2	201.2
Translation reserve		27.1	13.7	14.9
Retained earnings including net profit/loss for the period		99.7	79.0	80.0
<b>Total equity</b>		<b>333.4</b>	<b>298.7</b>	<b>300.9</b>
<b>LIABILITIES</b>				
<b>Long-term liabilities</b>				
Long-term interest-bearing liabilities		3.2	1.4	1.0
Long-term interest-bearing liabilities (of EKN guaranteed receivables)		18.8	11.0	10.7
Long-term lease liabilities	1	35.0	-	-
Provisions		2.7	-	2.7
Deferred tax liabilities		18.3	12.4	14.7
<b>Total long-term liabilities</b>		<b>78.1</b>	<b>24.9</b>	<b>29.1</b>
<b>Current liabilities</b>				
Current interest-bearing liabilities		12.3	0.5	0.4
Current interest-bearing liabilities (of EKN guaranteed receivables)		73.2	30.6	61.7
Current lease liabilities	1	11.8	0.3	0.6
Liabilities to Associates	3	-	-	25.7
Accounts payable		29.7	26.1	35.3
Tax liabilities		12.1	14.7	13.3
Other liabilities		15.0	8.8	5.6
Accrued liabilities and deferred income		30.8	29.9	27.4
Provisions		1.0	1.0	1.0
<b>Total current liabilities</b>		<b>185.8</b>	<b>111.8</b>	<b>170.8</b>
<b>Total liabilities</b>		<b>263.9</b>	<b>136.7</b>	<b>200.0</b>
<b>Total equity and liabilities</b>		<b>597.2</b>	<b>435.4</b>	<b>500.8</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, 2018</b>	4.9	201.2	8.5	47.2	261.8
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				39.6	39.6
Other comprehensive income for the period			5.2	1.8	7.0
<b>Total comprehensive income/loss for the period</b>			<b>5.2</b>	<b>41.4</b>	<b>46.6</b>
<b>Transactions with shareholders</b>					
Dividend				-9.7	-9.7
<b>Equity, closing balance, September 30, 2018</b>	<b>4.9</b>	<b>201.2</b>	<b>13.7</b>	<b>79.0</b>	<b>298.7</b>
<b>Equity, opening balance, Jan. 1, 2019</b>	<b>4.9</b>	<b>201.2</b>	<b>14.9</b>	<b>80.0</b>	<b>300.9</b>
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				30.4	30.4
Other comprehensive income for the period			12.2		12.2
<b>Total comprehensive income/loss for the period</b>			<b>12.2</b>	<b>30.4</b>	<b>42.6</b>
<b>Transactions with shareholders</b>					
Options		0.5			0.5
Dividend				-10.7	-10.7
<b>Equity, closing balance, September 30, 2019</b>	<b>4.9</b>	<b>201.7</b>	<b>27.1</b>	<b>99.7</b>	<b>333.4</b>

## Consolidated cash flow statement

SEK million	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
<b>Operating activities</b>				
Operating profit/loss	32.3	12.8	54.9	51.4
Adjustments for non-cash items	9.3	2.9	22.5	6.1
Interest received	0.5	0.5	1.0	0.7
Interest paid	-1.8	-0.6	-4.0	-1.0
Income tax paid	-4.9	-1.6	-18.7	-6.5
<b>Cash flow from operating activities before changes in working capital</b>	<b>35.4</b>	<b>13.9</b>	<b>55.6</b>	<b>50.8</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/Decrease (+) in inventory	-1.7	0.9	-1.6	-0.6
Increase (-)/Decrease (+) in operating receivables	-11.4	-5.6	-10.1	-9.9
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)	-2.9	-9.5	-15.6	-18.3
Increase (+)/Decrease (-) in operating liabilities	4.5	-0.3	6.0	-5.8
<b>Cash flow from operating activities</b>	<b>23.9</b>	<b>-0.6</b>	<b>34.2</b>	<b>16.1</b>
<b>Investing activities</b>				
Investments in Associates	-0.2	-	-26.5	-
Acquisition of tangible fixed assets	-0.9	-3.6	-4.9	-6.2
Investments in capitalized development expenses	-9.3	-5.6	-31.2	-39.7
<b>Cash flow from investing activities</b>	<b>-10.4</b>	<b>-9.2</b>	<b>-62.6</b>	<b>-45.9</b>
<b>Finansieringsverksamheten</b>				
Loans raised/Amortization of loans	0.2	0.2	3.2	0.7
Increase (+)/Decrease (-) in current financial liabilities (EKN financing)	-2.3	-12.6	19.6	-22.2
Increase (+)/Decrease (-) in current financial liabilities	-7.5	-	11.9	-
Lease amortization	-2.4	-	-7.7	-
Dividends	-	-	-10.7	-9.7
<b>Cash flow from financing activities</b>	<b>-12.0</b>	<b>-12.4</b>	<b>16.3</b>	<b>-31.2</b>
<b>Cash flow for the period</b>	<b>1.5</b>	<b>-22.2</b>	<b>-12.0</b>	<b>-61.0</b>
Cash and cash equivalents at the beginning of the period	17.0	61.9	30.3	99.2
Exchange rate differences in cash and cash equivalents	0.6	-0.6	1.0	1.0
<b>Cash and cash equivalents at the end of the period</b>	<b>19.2</b>	<b>39.1</b>	<b>19.2</b>	<b>39.1</b>

## Parent Company income statement

SEK million	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Net sales	3.7	4.8	13.9	12.6
Administrative expenses	-4.9	-5.7	-16.4	-16.4
Other operating expenses	-0.9	-1.3	-3.8	-4.4
<b>Operating profit/loss</b>	<b>-2.1</b>	<b>-2.2</b>	<b>-6.3</b>	<b>-8.2</b>
Profit/loss from financial items	0.0	0.0	0.0	0.0
<b>Profit/loss after financial items</b>	<b>-2.1</b>	<b>-2.2</b>	<b>-6.3</b>	<b>-8.2</b>
Group contribution	0.0	0.0	0.0	0.0
<b>Profit/loss before tax</b>	<b>-2.1</b>	<b>-2.2</b>	<b>-6.3</b>	<b>-8.2</b>
Tax	0.5	0.5	1.3	1.8
<b>Net profit/loss</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-5.0</b>	<b>-6.4</b>

As no items are recognized in Other comprehensive income the Parent Company's profit and loss correspond to comprehensive income.

## Parent Company balance sheet

SEK million	Sep 30 2019	Sep 30 2018	Dec 31 2018
<b>Assets</b>			
<b>Intangible assets</b>			
Capitalized development expenses	0.8	0.0	0.0
<b>Total intangible assets</b>	<b>0.8</b>	<b>0.0</b>	<b>0.0</b>
<b>Tangible fixed assets</b>			
Inventory	0.1	0.1	0.1
<b>Total tangible fixed assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Financial fixed assets</b>			
Shares in Group companies	153.5	153.5	153.5
Shares in Associates	56.7	-	53.6
Other fixed financial assets	2.2	-	2.2
<b>Total financial fixed assets</b>	<b>212.4</b>	<b>153.5</b>	<b>209.3</b>
<b>Total fixed assets</b>	<b>213.3</b>	<b>153.6</b>	<b>209.4</b>
<b>Current assets</b>			
Tax assets	3.0	1.2	0.8
Receivables from Group companies	29.8	47.7	30.9
Other receivables	-	1.9	0.4
Prepaid expenses and accrued income	1.3	1.5	1.5
<b>Total current receivables</b>	<b>34.1</b>	<b>52.3</b>	<b>33.6</b>
Cash and bank balances	0.5	3.7	0.7
<b>Total current assets</b>	<b>34.6</b>	<b>56.0</b>	<b>34.3</b>
<b>Total assets</b>	<b>247.9</b>	<b>209.6</b>	<b>243.7</b>
<b>Equity and liabilities</b>			
<b>Total equity</b>	<b>188.7</b>	<b>197.6</b>	<b>201.5</b>
<b>Long-term liabilities</b>			
Other provisions	2.7	-	2.7
<b>Total long-term liabilities</b>	<b>2.7</b>	<b>0.0</b>	<b>2.7</b>
<b>Current liabilities</b>			
Liabilities to Group companies	48.5	0.7	1.2
Liabilities to Associates	-	-	25.7
Other liabilities	8.0	11.2	12.5
<b>Total current liabilities</b>	<b>56.5</b>	<b>12.0</b>	<b>39.4</b>
<b>Total liabilities</b>	<b>59.3</b>	<b>12.0</b>	<b>42.1</b>
<b>Total equity and liabilities</b>	<b>247.9</b>	<b>209.6</b>	<b>243.7</b>

## NOTE 1 ACCOUNTING POLICIES

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, 2018. The accounting policies match the policies applied in the preceding fiscal year with the exception of the implementation of IFRS 16 Leases on January 1, 2019. For all financial assets and liabilities carrying amount is a good approximation of fair value. The interim information found on page 1-6 is an integrated part of this financial report that comprises page 1-17.

### New accounting standards 2019

IFRS 16 Leases was published by the IASB in January 2016 and approved by the EU in October 2017. IFRS 16 replaces IAS 17 Leases and associated interpretations IFRIC 4, SIC-15 and SIC-27. With the new standard a lessee must recognize all contracts that meet the definition of a lease, except for those contracts of a maximum of 12 months and contracts of individual low value, as assets and liabilities in the statement of financial position. The reporting in accordance with IFRS 16 is based on the view that the lessee has a right to use an asset for a specific period and at the same time has an obligation to pay for that right. The liability is reported at a discounted present value of future leasing fees. The asset is reported at the value of the liability adjusted for any initial expenses, restoration costs, advance payments and benefits. The cost of the leased asset consists of depreciation of the asset and interest on the leasing debt. Agreements that previously constituted operational leases will thus be reported in the balance sheet, with the result that previous operating expenses, the period's lease fees, are replaced by depreciation and interest expense in the income statement. Only the leasing component of a contract is to be reported in the balance sheet, the service components are reported as an operational cost.

### Transition approach

Boule applies IFRS 16 from January 1, 2019 using the simplified transition method, which means that comparative figures have not been restated. The margin loan rate of 3.5 percent has been used in the calculation of the transition effects.

### Transition effects

IFRS 16 affected the Group's financial statements solely through the Group's building leases, with the effect of increases in the balance sheet total, operating profit and financial expenses as well as moving the corresponding cash flows from operating activities to financing activities. The opening effect on the Group's balance sheet as of January 1, 2019 is that a right-of-use asset of SEK 39.8 million and corresponding leasing liabilities are presented, the transition had no effect on equity. During the third quarter, the lease term for the company's manufacturing spaces in the US was extended with an option of two years and thus a new assessment of the leasing contracts was made. The total right-of-use assets increased by SEK 13.2 million, the marginal loan rate is estimated to remain at 3.5%. As of September 30, financial leasing agreements for rent are reported as a right-of-use asset, which, after depreciation of SEK 7.9 million, is valued at SEK 43.3 million. The corresponding leasing liabilities are distributed on long-term and short-term lease liabilities of SEK 33.6 million and SEK 11.3 million respectively. This has an effect on the profit for the period after tax of SEK -0.5 million, including deferred tax liability. Interest expense for the leasing liabilities has been calculated with a marginal interest rate of 3.5% and is reported in the statement of comprehensive income as a financial cost of SEK 1.3 million for the period. Unlike previous reporting of rental cost as operational leasing, in which the cost was linear over future periods, the financial interest rate will decrease during the lease term. The cash flow for the period was affected by the fact that an outflow of SEK 7.3 million that would previously have been reported under the operating activities instead is reported under the financing activities.

For the Group's alternative performance measures, the main effects from the transition on January 1, 2019 were on net debt, which increased by SEK 39.8 million to SEK -19.9 million. This also increased net debt/EBIT, a key figure used in the Group's financial targets, from -1.1 to -0.4 and the equity ratio, as with the increased debt fell from 60 percent to 56 percent.

Effects from IFRS 16 during the period	September 30, 2019 (IFRS 16)	Effect from IFRS 16	September 30, 2019 (IAS 17)
EBIT, SEK million	54.9	0.7	54.2
Fixed assets, SEK million	70.1	45.4	24.8
Current accounts receivables, SEK million	161.8	-1.1	162.9
Long-term liabilities, SEK million	78.1	33.6	44.5
Current liabilities, SEK million	185.8	11.3	174.5
Equity, SEK million	333.4	0.5	332.9
Deferred tax liabilities, SEK million	18.3	-0.1	18.4
Cash flow from operating activities, SEK million	34.2	7.3	26.9
Cash flow from financing activities, SEK million	16.3	-7.3	23.6
Equity ratio, %	55.8	-4.6	60.4
Net debt, SEK million	22.2	44.9	-22.7
Net debt/EBIT r12, times	0.4	0.8	-0.4

**NOTE 2 PLEDGED ASSETS  
AND CONTINGENT LIABILITIES**

September 30, SEK million	Group		Parent company	
	2019	2018	2019	2018
Pledged assets	181.9	158.3	2.5	2.5
Contingent liabilities	0.0	0.0	93.5	42.9

**NOTE 3 INVESTMENT IN STRATEGIC NEAR-PATIENT  
PARTNERSHIP WITH BIOSURFIT**

On December 14, 2018, Boule entered a strategic partnership with the Portuguese diagnostic company biosurfit. Biosurfit develops and manufactures spinit®, a system for near-patient diagnostics in hematology, immunology and clinical chemistry. Boule acquired shares in biosurfit corresponding to 24.99% of the total share capital and the number of votes in return for an investment of EUR 5 million, corresponding to SEK 53.6 million, in conjunction with the strategic partnership. EUR 2.5 million of the investment was disbursed in December 2018 and the remaining EUR 2.5 million was disbursed in January 2019. In the period up to the end of 2021, Boule has the option to acquire an additional 24.99% for EUR 5 million plus interest, and in 2022 the possibility to acquire the remaining shares according to a predetermined multiple valuation formula. Boule's holding in biosurfit is reported in the Parent Company's and the Group's balance sheets as Shares in Associates. In the consolidated statement of income, the profit and loss from Associates are presented in the net financial items and the translation differences are presented in other comprehensive income/loss.

**NOTE 4 DISAGGREGATION OF REVENUE**

Revenue by region SEK million	Jul-Sep 2019	Jul-Sep 2018	Change	Oct 18- Sep 19 (R12)	Oct 17- Sep 18 (R12)	Change (R12)
USA	39.6	34.0	16%	142.8	128.8	11%
Asia	36.4	35.5	2%	135.1	117.3	15%
Eastern Europe	21.9	13.9	58%	71.9	55.7	29%
Latin America	8.0	9.9	-19%	39.0	34.3	14%
Western Europe	8.7	6.9	27%	37.1	34.2	9%
Africa/Middle East	16.5	10.7	54%	49.9	55.2	-10%
<b>Total</b>	<b>131.2</b>	<b>110.9</b>	<b>18%</b>	<b>475.8</b>	<b>425.4</b>	<b>12%</b>

Revenue by product SEK million	Jul-Sep 2019	Jul-Sep 2018	Change	Oct 18- Sep 19 (R12)	Oct 17- Sep 18 (R12)	Change (R12)
Instruments	45.3	39.9	14%	167.4	148.0	13%
Consumables own instruments	54.2	45.8	18%	201.7	178.3	13%
Consumables OEM and CDS-brand	19.9	15.1	31%	63.8	56.5	13%
Other	11.8	10.1	17%	42.8	42.6	0%
<b>Total</b>	<b>131.2</b>	<b>110.9</b>	<b>18%</b>	<b>475.8</b>	<b>425.4</b>	<b>12%</b>

## Quarterly overview<sup>1</sup>

	2019			2018				2017	
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales, SEK million	131.2	119.7	118.6	106.2	110.9	107.8	99.5	107.2	109.7
Gross profit, SEK million	62.3	52.0	54.1	43.3	47.3	52.6	46.5	51.5	56.8
Gross margin, %	47.5	43.4	45.6	40.7	42.7	48.8	46.8	48.0	51.8
EBITDA, SEK million	37.8	11.6	21.7	5.7	14.8	22.2	20.5	18.8	30.2
EBITDA margin, %	28.8	9.7	18.3	5.4	13.4	20.6	20.7	17.5	27.5
EBIT, SEK million	32.3	5.9	16.7	3.4	12.8	19.8	18.8	14.9	28.2
EBIT margin, %	24.6	5.0	14.1	3.2	11.5	18.4	18.9	13.9	25.7
Profit after tax, SEK million	20.3	0.3	9.8	1.4	9.8	14.9	14.9	8.1	21.6
Earnings per share before dilution, SEK <sup>2</sup>	1.04	0.01	0.51	0.07	0.50	0.77	0.77	0.42	1.13
Earnings per share after dilution, SEK <sup>2</sup>	1.04	0.01	0.51	0.07	0.50	0.77	0.77	0.42	1.12
Cash flow from operating activities per share, SEK <sup>2</sup>	1.23	0.80	-0.25	0.34	-0.03	0.50	0.35	1.25	0.53
Return on equity, %	6.4	0.1	3.2	0.5	3.3	5.3	5.5	3.2	9.2
Net debt/EBIT (R12)	0.4	0.7	0.3	-1.1	-1.4	-1.1	-1.9	-2.1	-2.2
Equity/assets ratio, %	56	55	57	60	69	66	66	63	63

- 1) On January 1, 2019, IFRS 16 was implemented, which has affected the Group's financial statements and key figures. The implementation also affects comparisons with earlier periods as they are still reported in accordance with previous accounting principles. For more information on the effects, see Note 1.
- 2) Per share key ratios for the comparative periods have been recalculated to adjust for the stock split in June 2018.

## Definitions

### 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 14 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.

*Growth in sales is the net sales of the period divided by the net sales of the comparative period, expressed as a percentage change*

*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 over SEK 400 million and around 220 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, Mexico and Russia. Since 2011, Boule shares have been listed on the Nasdaq Stockholm.

### VISION

Improving health for everyone, everywhere.

### MISSION

We work closely with our customers and partners to provide user friendly, high quality, near patient diagnostics solutions everywhere in the world.

### BUSINESS CONCEPT

We efficiently develop, manufacture and provide complete solutions for the human and veterinary 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

- Protect and grow our core business: Continued efficiency improvements and capacity expansion, quality and regulatory compliance. Developing and launching next generation product platforms
- Grow in emerging markets: Evolving distributor relationships and strengthening local presence.
- Grow in new customer segments and markets: Expand in new geographic markets and in new customer segments by improved sales strategies and resources and with together with partners.
- Evolve OEM and CDS brand business: Selective initiatives in profitable growth segments.
- Broaden the product portfolio: Develop new product platforms and broaden the product portfolio through partnerships and acquisitions.

## Boule as an investment

### BUSINESS MODEL

Boule offers a broad portfolio of high-quality blood diagnostics instruments, consumables and services to small and mid-sized health-care units all over the world.

### GROWTH

Over the past five years, Boule has enjoyed average annual growth of around nine 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 systems



Medonic  
Human diagnostics  
3-part system



Swelab  
Human diagnostics  
3-part system



Medonic  
Human diagnostics  
5-part system



Swelab  
Human diagnostics  
5-part system



Quintus  
Human diagnostics  
5-part system



Exigo H400  
Veterinary diagnostics  
4-part system



Exigo C200  
Veterinary clinical  
chemistry analyzer



## Information to shareholders

### CALENDER

Year-end report	2020-02-07
Annual report 2019	2020-04-16
Interim report first quarter	2020-05-07
Annual General Meeting	2020-05-07
Interim report second quarter	2020-08-17
Interim report third quarter	2020-11-05

### PRESENTATION OF THE INTERIM REPORT

Fredrik Dalborg, CEO, and Christina Rubenhag, CFO, present and comment on the interim report. After the presentation there will be time for audience questions. The presentation will be held in English.

Time: 16.00 CET, October 30, 2019  
Phone number: +46(0) 8-744 77 22  
Code: 1212

### 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 15:00 CET on October 30, 2019.



## 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 2019 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 30 October 2019

Öhrlings PricewaterhouseCoopers AB

Leonard Daun  
Authorized Public Accountant