



*New record in number of instruments sold, continued strong growth and improved profitability*

**Quarter October-December 2019**

- Net sales amounted to SEK 129.3 million (106.2), up 21.7 percent. Adjusted for the change in exchange rates, this corresponds to an increase of 17.9 percent.
- Number of instruments sold in the quarter was 1,231 (1,104), an increase of 11.5 percent.
- Cash flow from operating activities amounted to SEK 19.7 million (6.6).
- Operating profit was SEK 15.1 million (3.4) which corresponds to an operating margin of 11.7 percent (3.2).
- Net profit amounted to SEK 7.2 million (1.4).
- Earnings per share before and after dilution amounted to SEK 0.37 (0.07).<sup>1</sup>

**Full year January-December 2019**

- Net sales amounted to SEK 498.9 million (424.4), up 17.6 percent. Adjusted for the change in exchange rates, this corresponds to an increase of 12.0 percent.
- Number of instruments sold in the period was 4,598 (4,167), an increase of 10.3 percent.
- Cash flow from operating activities amounted to SEK 54.0 million (22.7).
- Operating profit was SEK 70.0 million (54.8) which corresponds to an operating margin of 14.0 percent (12.9).
- Net profit amounted to SEK 37.5 million (41.0).
- Earnings per share before and after dilution amounted to SEK 1.93 (2.11).<sup>1</sup>
- The Board of Directors proposes a dividend of SEK 0.60 per share for 2019 (0,55).

**Significant events during the quarter**

**JESPER SÖDERQVIST APPOINTED CEO**

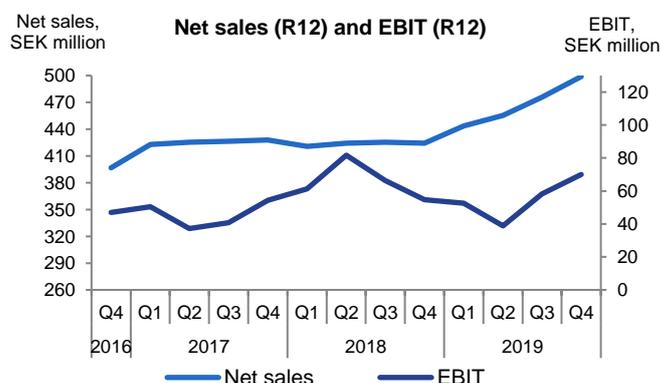
Jesper Söderqvist has been appointed new CEO and Group President with effect no later than May 11, 2020. Jesper has 15 years of experience from senior management positions in medtech companies and a broad experience in sales, marketing, development and production. Jesper arrives most recently from the First North listed company Arcoma AB.

As of January 19, 2020, the date on which Fredrik Dalborg leaves the company, until when Jesper Söderqvist assumes his position, Christina Rubenhag, CFO, will assume the position of acting CEO and Group President. During this period, the Chairman of the Board, Peter Ehrenheim, will assume the role of working Chairman of the Board to support the Management team.

**Significant events after the period**

See note 5 on page 14.

Key figures <sup>2</sup>	Oct-Dec 2019	Oct-Dec 2018	Jan 19-Dec 19 (R12)	Jan 18-Dec 18 (R12)
Growth in sales, %	21.7	-0.9	17.6	-0.8
Net sales, SEK million	129.3	106.2	498.9	424.4
Gross margin, %	44.6	40.7	45.3	44.7
Operating profit/loss, SEK million	15.1	3.4	70.0	54.8
Operating margin, %	11.7	3.2	14.0	12.9
Net debt, SEK million	7.3	-59.7	7.3	-59.7
Return on equity, %	2.2	0.5	11.9	14.6
Net debt/EBIT (R12), times	0.1	-1.1	0.1	-1.1
Earnings per share, after dilution, SEK <sup>1</sup>	0.37	0.07	1.93	2.11



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 the CEO

On January 19 I assumed the position of acting CEO and Group President in addition to my position of CFO, a role I've had since 2017. Although the position of CEO is exciting, I'm looking forward to May 11 when Jesper Söderqvist arrives to Boule.

### Fourth quarter 2019

The good sales growth that was established during the first nine months of 2019 continued in the fourth quarter. The number of instruments sold increased by 11.5 percent to a new record of 1,231 instruments, and consumables sales increased by 31 percent. Growth was solid in most regions during the quarter, except for Eastern Europe, which had a slightly weaker development following an otherwise strong year. Growth continued in the US, although the sales development for own instruments during the quarter was somewhat weak. However, the positive development for the OEM products that we saw earlier in 2019 continued in the fourth quarter. The sales of consumables continued to develop well and I am glad to see that the sales of consumables for the instruments sold via the tender in India at the end of 2018 has now started to consume consumables, even if it is somewhat later than expected. A second shipment of consumables, corresponding to approximately one year's of consumption, has been shipped for the African tender won at the end of 2017. The gross margin improved compared to the same period last year thanks to a higher proportion of consumable sales and increased prices, but was slightly weaker than the average for the year due to the geographical mix and a high number of instruments sold, of which a large proportion was delivered to Asia.

### Full year 2019

In 2019, we managed to reverse some of the factors that negatively impacted sales in 2018. New five-part systems were launched and the quality problems with the existing five-part system, Quintus, were solved. The recently launched veterinary products were well received by the market. A strengthened commercial organization could effectively market and sell the updated and broader product portfolio.

Profitability improved significantly in the last six months of the year. This development was partly driven by increased sales of consumables as instruments in previously won tenders were gradually installed and put into large-scale use. Additionally, the changes in the distributor structure implemented in 2018 and 2019 had a positive result in improved margins and increased sales while it at the same time also brought Boule closer to the end customers.

### Trimming the organization

For the production teams, the focus is on further improving the quality work, cost efficiency, preparations for the production of the new five-part platform and establishing the production of consumables in Russia. To increase the pace of this work, a reorganization was made and the responsibility has been divided between production of instruments and production of consumables. Eduardo Pagani, who previously was the production manager for the plant in Florida, has been promoted to the management team with responsibility for the global production of consumables. An external recruitment to the management team has also been made and starting February, Mikael Ekholm, who has long experience from the automotive and truck industries, contract manufacturing and laboratory medicine, will be responsible for the production of instrument.

### Improved quality processes

Since 2017, a strong focus has been to improve quality processes and strengthening resources. In 2019, the action plan based on the warning letter received in 2018 was completed. In July 2019, the FDA conducted a follow-up inspection, and the action plan from that inspection was completed in January 2020. The dialogue with the FDA about the next steps in this process continues in a constructive way. The internal quality processes have achieved new levels that Boule will maintain and further develop.

### Boule 2020

Boule enters 2020 with a strong positive trend in sales growth and with improved profitability. With the six new products launched in 2017 and 2018, and a strengthened commercial organization, the conditions for a continued healthy growth are good. Resources, organization and processes in research and development and production have been strengthened, and the efforts to streamline and improve these areas will continue.

I would like to thank Fredrik Dalborg, who after about three years with Boule left the company on January 18 to become the CEO of another Swedish medical device company.



Christina Rubenhag  
Acting CEO and  
Group President

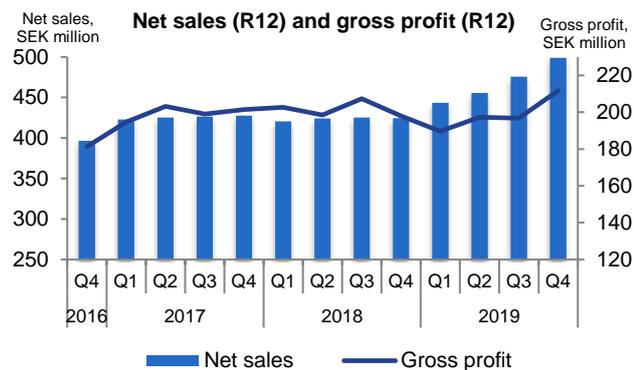
## Group performance January–December 2019

### NET SALES

During the period net sales amounted to SEK 498.9 million (424.4), up 17.6 percent. Net sales increased by 12.0 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 226.2 million (189.7) and the gross margin was 45.3 percent (44.7). The gross margin improved during the year due to increased sales of consumables, higher sell prices and a change in the distributor network in the last six months of 2019.



### EXPENSES

Operating expenses during the period amounted to SEK 158.1 million (138.5). 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 investments to strengthen the sales, development and quality assurance organizations.

Research and development expenditures charged to earnings amounted to SEK 29.9 million (28.8), which represents 6.0 percent (6.8) of net sales. Research and development expenditures of SEK 37.9 million (23.9) were capitalized. In total, research and development expenses corresponded to 13.6 percent (12.4) 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 1.9 million (3.6) and consists primarily of corresponding positive and negative changes in the exchange rates.

### OPERATING PROFIT

Operating profit during the period amounted to SEK 70.0 million (54.8). This corresponds to an operating margin of 14.0 percent (12.9). Excluding the non-recurring increase of the bad debt reserve, the operating margin was 15.2 percent and excluding the capitalization of research and development, the operating margin was 6.4 percent (7.3).

### NET FINANCIAL ITEMS

Net financial items excluding the profit/loss from associates amounted to SEK -4.3 million (-0.1). Including the profit/loss from associates the net financial items amounted to SEK -19.5 million.

### BIOSURFIT

The loss from associates stems from 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.

### PROFIT

Profit before tax was SEK 50.6 million (54.7). Profit for the period was SEK 37.5 million (41.0).

## NET SALES BY REGION AND PRODUCT

Net sales by region, SEK million	Oct-Dec 2019	Oct-Dec 2018	Change	Jan 19- Dec 19 (R12)	Jan 18- Dec 18 (R12)	Change (R12)
USA	36.4	33.5	9%	145.4	129.6	12%
Asia	43.0	33.7	28%	144.6	125.8	15%
Eastern Europe	15.3	16.1	-5%	71.0	59.2	20%
Latin America	11.3	8.3	36%	42.1	31.3	35%
Western Europe	10.4	10.0	4%	37.5	34.2	10%
Africa/Middle East	12.9	4.6	181%	58.2	44.4	31%
<b>Total</b>	<b>129.3</b>	<b>106.2</b>	<b>22%</b>	<b>498.9</b>	<b>424.4</b>	<b>18%</b>

Net sales by product, SEK million	Oct-Dec 2019	Oct-Dec 2018	Change	Jan 19- Dec 19 (R12)	Jan 18- Dec 18 (R12)	Change (R12)
Instruments	44,7	39,4	13%	172,7	151,7	14%
Consumables own instruments	57,0	43,6	31%	215,1	178,2	21%
Consumables OEM and CDS-brand	15,3	13,7	11%	65,4	57,5	14%
Other	12,4	9,5	30%	45,7	37,0	23%
<b>Total</b>	<b>129,3</b>	<b>106,2</b>	<b>22%</b>	<b>498,9</b>	<b>424,4</b>	<b>18%</b>

## FINANCING AND CASH FLOW

Thanks to the fourth quarter's improved operating profit, cash flow from operating activities after changes in working capital amounted to SEK 19.7 million (6.6). Cash flow from operating activities for the full year was SEK 54.0 million (22.7). 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 -8.9 million (-69.9) and cash and cash equivalents at the end of the period were SEK 21.6 million (30.3). 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 78.6 million (79.7) at the end of the period. The company's overdraft credit increased during the period by SEK 20.0 million to SEK 57.9 million.

## INVESTMENTS

Total investments amounted to SEK 74.5 million (92.1), of which SEK 37.9 million (23.7) relates to investments in the development of future platforms, SEK 0.0 million (26.1) relates to the acquisition of new technologies and SEK 26.5 million (27.9) relates to acquisition of the Associate biosurfit, see note 3.

## EQUITY AND LIABILITIES

Group equity at the end of the period was SEK 332.9 million (300.9) and the equity/asset ratio was 57 percent (60). The implementation of the leasing standard, IFRS 16, affected the equity ratio by 4.8 percentage points, if previous accounting principles still applied, the equity ratio would have been 62.0 percent. For more information on IFRS 16 see note 1.

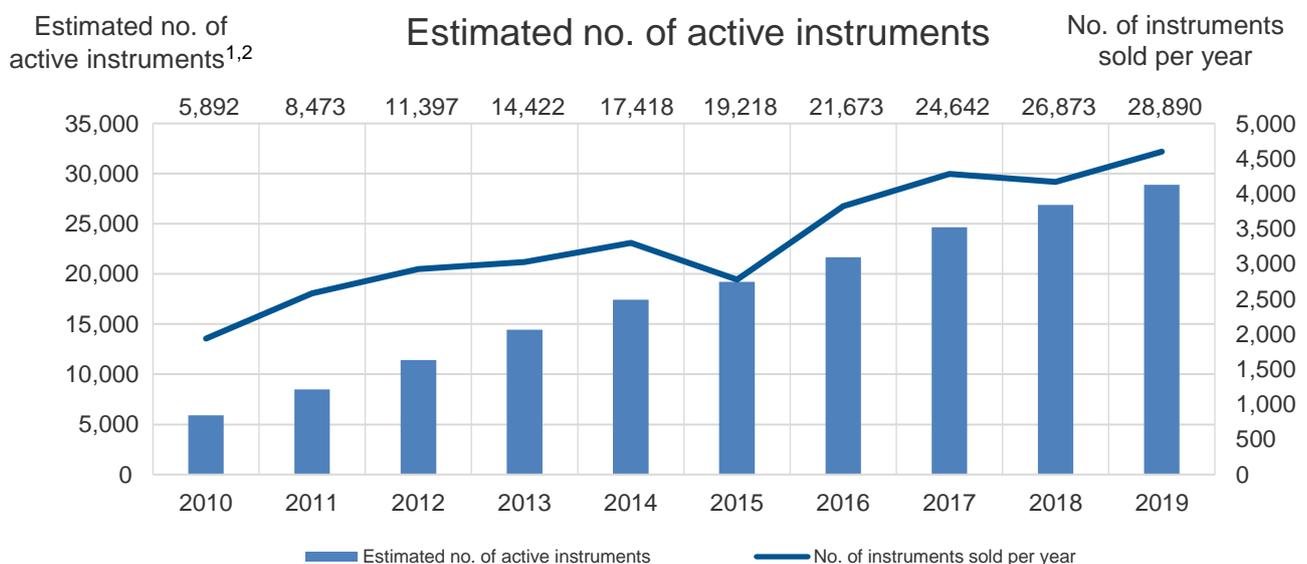
Interest bearing liabilities, primarily pledged accounts receivables guaranteed by EKN, amounted to SEK 153.4 million (74.3) on December 31, 2019. The increase is mainly due to IFRS 16's increased financial leasing of SEK 46.0 million. SEK 25.4 million (11.8) of the interest-bearing liabilities were non-current and SEK 80.2 million (62.6) were current. By December 31, 2019, SEK 1.8 million (0.0) of the overdraft credit had been used and other non-interest-bearing current liabilities and accounts payable totaled to SEK 76.5 million (82.5).

As of December 31, leasing liabilities to the amount of SEK 47.8 million are presented in the balance sheet of which SEK 35.2 million are non-current and SEK 12.7 million are current. Of the total amount, SEK 46.0 million are presented due to the implementation of IFRS 16 of which SEK 34.0 million are non-current and SEK 12.0 million are current.

As of December 31, the net debt amounted to SEK 7.3 million (-59.7). The effect on net debt from IFRS 16 amounted to SEK 46.0 million. Excluding this effect, the net debt was SEK -38.7 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 20.4 million (14.7) respectively.

Long-term provisions are provisions for direct pension of SEK 3.8 million (2.7).



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 December 31, 2019 was 37,363.

## 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. In 2019 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 completed the actions on these two observations in January 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 213 (191) including 8 (9) at the Parent Company. By country the average number in Sweden was 118 (100), USA 87 (88), Mexico 2 (2) and Russia 6 (1). The average number of women in the Group was 92 (81) and the average number of men was 121 (110).

## DIVIDEND

The Board proposes a dividend of SEK 0.60 (0.55) per share for 2019, corresponding to 31.0 (26.0) percent of the year's profit. The company's policy is that dividend in the long-term shall equal to 25-50 percent of the profit for the period, after taking due consideration to company liquidity.

## ANNUAL REPORT 2019

The Swedish version of the annual report 2019 will be published on April 16, 2020 and will be available on the company's web site [www.boule.com](http://www.boule.com). The English version will be published prior to the annual general meeting on May 7 and will be available on the company's English web site [www.boule.com/en](http://www.boule.com/en).

## 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 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 December 31, 2019 (and thereafter known changes)	Number of shares	Proportion of capital/votes
Svolder AB	2,400,535	12.36%
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	1,242,053	6.40%
Länsförsäkringar Fonder	947,627	4.88%
RBC Investor	686,053	3.53%
Société Générale	685,581	3.53%
Core Ny Teknik	590,000	3.04%
CBNY-Norges Bank	502,586	2.59%
Andra AP-Fonden	392,776	2.02%
Fondita Nordic	375,000	1.93%
Other shareholders (2,293)	4,128,355	21.26%
<b>Total number of shares</b>	<b>19,416,552</b>	<b>100.00%</b>
No. of options outstanding ex. hedging	953,959	
<b>Total number of shares incl. options</b>	<b>20,370,511</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 previous CEO Fredrik Dalborg 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. The Board has decided not to exercise that right on the previous CEO's, Fredrik Dalborg, options from the 2017 program. There are no restrictions on transferring the options.

The Board of Directors and the President and CEO 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, February 7, 2020  
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

Christina Rubenhag  
Acting President and CEO

## AUDIT REVIEW

This year-end report has not been reviewed by the company's auditor.

## Consolidated statement of comprehensive income and other comprehensive income

SEK million	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales	129.3	106.2	498.9	424.4
Cost of goods sold	-71.6	-63.0	-272.7	-234.7
<b>Gross profit</b>	<b>57.7</b>	<b>43.3</b>	<b>226.2</b>	<b>189.7</b>
<i>Gross margin</i>	<i>44.6%</i>	<i>40.7%</i>	<i>45.3%</i>	<i>44.7%</i>
Other operating revenues	0.7	1.5	11.1	10.5
Selling and marketing expenses	-24.9	-23.6	-102.6	-86.2
Administrative expenses	-7.1	-6.4	-25.5	-23.5
Research and development expenses	-9.4	-10.3	-29.9	-28.8
Other operating expenses	-1.9	-1.1	-9.2	-6.9
<b>Operating profit/loss</b>	<b>15.1</b>	<b>3.4</b>	<b>70.0</b>	<b>54.8</b>
<i>Operating margin</i>	<i>11.7%</i>	<i>3.2%</i>	<i>14.0%</i>	<i>12.9%</i>
Financial income	0.9	0.5	1.8	1.7
Financial expenses	-1.8	-0.8	-6.1	-1.7
Profit/Loss Associates	-3.0	-	-15.2	-
<b>Net financial items</b>	<b>-3.9</b>	<b>-0.3</b>	<b>-19.5</b>	<b>-0.1</b>
<b>Profit/loss before tax</b>	<b>11.3</b>	<b>3.1</b>	<b>50.6</b>	<b>54.7</b>
Income tax	-4.1	-1.7	-13.0	-13.7
<b>Net profit/loss</b>	<b>7.2</b>	<b>1.4</b>	<b>37.5</b>	<b>41.0</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	-7.7	1.2	4.6	6.4
<b>Other comprehensive income/loss for the period</b>	<b>-7.7</b>	<b>1.2</b>	<b>4.6</b>	<b>6.4</b>
<b>Total comprehensive income/loss for the period</b>	<b>-0.5</b>	<b>2.6</b>	<b>42.1</b>	<b>47.4</b>
Earnings per share, before dilution, SEK	0.37	0.07	1.93	2.11
Earnings per share, after dilution, SEK	0.37	0.07	1.93	2.11

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

## Consolidated statement of financial position

SEK million	Note	Dec 31 2019	Dec 31 2018
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Capitalized development expenses		118.6	80.7
Goodwill		80.5	78.2
<b>Total intangible assets</b>		<b>199.1</b>	<b>158.9</b>
<b>Tangible fixed assets</b>			
Right-of-use assets	1	46.5	-
Plant and machinery		5.1	4.5
Equipment, tools, fixtures and fittings		13.1	10.3
Leasehold improvements		5.7	8.4
<b>Total tangible fixed assets</b>		<b>70.4</b>	<b>23.1</b>
<b>Financial fixed assets</b>			
Shares in Associates	3	40.0	53.6
Other financial fixed assets		3.2	2.2
Long-term accounts receivables (guaranteed 75-95 % by EKN)		47.3	41.1
<b>Total financial fixed assets</b>		<b>90.6</b>	<b>97.0</b>
<b>Total fixed assets</b>		<b>360.1</b>	<b>278.9</b>
<b>Current assets</b>			
<b>Inventory</b>			
Raw materials and supplies		39.1	37.4
Intermediate goods		4.5	2.1
Finished goods and goods for resale		14.0	18.5
<b>Total inventory</b>		<b>57.6</b>	<b>58.0</b>
<b>Current receivables</b>			
Tax assets		7.0	6.0
Accounts receivable		50.1	48.3
Accounts receivable (guaranteed 75-95 % by EKN)		77.3	62.6
Other receivables		3.1	7.3
Prepaid expenses and accrued income		10.2	9.4
<b>Total current receivables</b>		<b>147.6</b>	<b>133.6</b>
<b>Cash and cash equivalents</b>		<b>21.6</b>	<b>30.3</b>
<b>Total current assets</b>		<b>226.8</b>	<b>221.9</b>
<b>Total assets</b>		<b>586.9</b>	<b>500.8</b>

## Consolidated statement of financial position (cont.)

SEK million	Note	Dec 31 2019	Dec 31 2018
<b>EQUITY</b>			
Share capital		4.9	4.9
Other contributed capital		201.7	201.2
Translation reserve		19.5	14.9
Retained earnings including net profit/loss for the period		106.9	80.0
<b>Total equity</b>		<b>332.9</b>	<b>300.9</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities		2.4	1.0
Long-term interest-bearing liabilities (of EKN guaranteed receivables)		23.0	10.7
Long-term lease liabilities	1	35.2	-
Provisions		3.8	2.7
Deferred tax liabilities		20.4	14.7
<b>Total long-term liabilities</b>		<b>84.7</b>	<b>29.1</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities		2.4	0.4
Current interest-bearing liabilities (of EKN guaranteed receivables)		77.7	61.7
Current lease liabilities	1	12.7	0.6
Liabilities to Associates	3	-	25.7
Accounts payable		30.1	35.3
Tax liabilities		6.0	13.3
Other liabilities		7.4	5.6
Accrued liabilities and deferred income		32.0	27.4
Provisions		1.0	1.0
<b>Total current liabilities</b>		<b>169.3</b>	<b>170.8</b>
<b>Total liabilities</b>		<b>254.0</b>	<b>200.0</b>
<b>Total equity and liabilities</b>		<b>586.9</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
Equity, opening balance, Jan. 1, 2018	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				41.0	41.0
Other comprehensive income for the period			6.4	1.4	7.8
<b>Total comprehensive income/loss for the period</b>			<b>6.4</b>	<b>42.4</b>	<b>48.8</b>
<b>Transactions with shareholders</b>					
Dividend				-9.7	-9.7
Equity, closing balance, December 31, 2018	4.9	201.2	14.9	80.0	300.9
Equity, opening balance, Jan. 1, 2019	4.9	201.2	14.9	80.0	300.9
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				37.5	37.5
Other comprehensive income for the period			4.6		4.6
<b>Total comprehensive income/loss for the period</b>			<b>4.6</b>	<b>37.5</b>	<b>42.1</b>
<b>Transactions with shareholders</b>					
Options		0.5			0.5
Dividend				-10.7	-10.7
Equity, closing balance, December 31, 2019	4.9	201.7	19.5	106.8	332.9

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## Consolidated cash flow statement

SEK million	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
<b>Operating activities</b>				
Operating profit/loss	15.1	3.4	70.0	54.8
Adjustments for non-cash items	5.3	1.8	27.8	7.9
Interest received	0.8	0.5	1.8	1.3
Interest paid	-1.8	-0.7	-5.9	-1.7
Income tax paid	2.9	-2.5	-15.9	-9.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>22.3</b>	<b>2.5</b>	<b>77.9</b>	<b>53.3</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/Decrease (+) in inventory	2.9	-5.1	1.3	-5.7
Increase (-)/Decrease (+) in operating receivables	11.4	11.4	1.3	1.4
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)	-11.6	-6.0	-27.2	-24.4
Increase (+)/Decrease (-) in operating liabilities	-5.2	3.8	0.8	-2.0
<b>Cash flow from operating activities</b>	<b>19.7</b>	<b>6.6</b>	<b>54.0</b>	<b>22.7</b>
<b>Investing activities</b>				
Investments in Associates	-	-27.9	-26.5	-27.9
Acquisition of tangible fixed assets	-1.2	-5.3	-6.1	-11.5
Investments in capitalized development expenses	-10.8	-13.0	-41.9	-52.7
<b>Cash flow from investing activities</b>	<b>-12.0</b>	<b>-46.2</b>	<b>-74.5</b>	<b>-92.1</b>
<b>Finansieringsverksamheten</b>				
Loans raised/Amortization of loans	-0.8	-0.1	2.4	0.6
Increase (+)/Decrease (-) in current financial liabilities (EKN financing)	8.8	30.9	28.3	8.7
Increase (+)/Decrease (-) in current financial liabilities	-9.9	-	2.1	-
Lease amortization	-2.7	-	-10.5	-
Dividends	-	-	-10.7	-9.7
<b>Cash flow from financing activities</b>	<b>-4.7</b>	<b>30.8</b>	<b>11.6</b>	<b>-0.4</b>
<b>Cash flow for the period</b>	<b>3.1</b>	<b>-8.9</b>	<b>-8.9</b>	<b>-69.9</b>
Cash and cash equivalents at the beginning of the period	19.2	39.1	30.3	99.2
Exchange rate differences in cash and cash equivalents	-0.7	0.0	0.3	1.0
<b>Cash and cash equivalents at the end of the period</b>	<b>21.6</b>	<b>30.3</b>	<b>21.6</b>	<b>30.3</b>

## Parent Company income statement

SEK million	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales	11.9	5.2	25.8	17.7
Administrative expenses	-6.7	-6.6	-23.1	-23.0
Other operating expenses	-1.2	-1.1	-5.0	-5.5
<b>Operating profit/loss</b>	<b>4.0</b>	<b>-2.5</b>	<b>-2.3</b>	<b>-10.7</b>
Profit/loss from financial items	0.0	0.0	0.0	0.0
<b>Profit/loss after financial items</b>	<b>4.0</b>	<b>-2.5</b>	<b>-2.3</b>	<b>-10.7</b>
Group contribution	1.8	8.2	1.8	8.2
<b>Profit/loss before tax</b>	<b>5.8</b>	<b>5.7</b>	<b>-0.5</b>	<b>-2.5</b>
Tax	-1.3	-1.8	0.0	0.0
<b>Net profit/loss</b>	<b>4.5</b>	<b>3.9</b>	<b>-0.5</b>	<b>-2.5</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	Dec 31 2019	Dec 31 2018
<b>Assets</b>		
<b>Intangible assets</b>		
Capitalized development expenses	0.7	0.0
<b>Total intangible assets</b>	<b>0.7</b>	<b>0.0</b>
<b>Tangible fixed assets</b>		
Inventory	0.2	0.1
<b>Total tangible fixed assets</b>	<b>0.2</b>	<b>0.1</b>
<b>Financial fixed assets</b>		
Shares in Group companies	153.5	153.5
Shares in Associates	54.4	53.6
Other fixed financial assets	3.0	2.2
<b>Total financial fixed assets</b>	<b>211.0</b>	<b>209.3</b>
<b>Total fixed assets</b>	<b>211.9</b>	<b>209.4</b>
<b>Current assets</b>		
Tax assets	1.1	0.8
Receivables from Group companies	44.1	30.9
Other receivables	-	0.4
Prepaid expenses and accrued income	1.6	1.5
<b>Total current receivables</b>	<b>46.7</b>	<b>33.6</b>
Cash and bank balances	-	0.7
<b>Total current assets</b>	<b>46.7</b>	<b>34.3</b>
<b>Total assets</b>	<b>258.7</b>	<b>243.7</b>
<b>Equity and liabilities</b>		
<b>Total equity</b>	<b>190.9</b>	<b>201.5</b>
<b>Long-term liabilities</b>		
Other provisions	3.8	2.7
<b>Total long-term liabilities</b>	<b>3.8</b>	<b>2.7</b>
<b>Current liabilities</b>		
Liabilities to Group companies	54.0	1.2
Liabilities to Associates	-	25.7
Other liabilities	10.0	12.5
<b>Total current liabilities</b>	<b>64.0</b>	<b>39.4</b>
<b>Total liabilities</b>	<b>67.8</b>	<b>42.1</b>
<b>Total equity and liabilities</b>	<b>258.7</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 marginal loan rate is estimated to remain at 3.5%.

As of December 31, financial leasing agreements for rent are reported as a right-of-use asset, which, after depreciation of SEK 10.7 million, is valued at SEK 46.5 million. The corresponding leasing liabilities are distributed on long-term and short-term lease liabilities of SEK 34.0 million and SEK 12.0 million respectively. This has an effect on the profit for the period after tax of SEK -0.6 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 1.7 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 10.0 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	December 31, 2019 (IFRS 16)	Effect from IFRS 16	December 31, 2019 (IAS 17)
EBIT, SEK million	70.0	0.9	69.1
Fixed assets, SEK million	70.4	46.5	23.8
Current accounts receivables, SEK million	147.6	-1.3	148.9
Long-term liabilities, SEK million	84.7	34.0	50.7
Current liabilities, SEK million	169.3	12.0	157.3
Equity, SEK million	332.9	-0.6	333.5
Deferred tax liabilities, SEK million	20.4	-0.2	20.5
Cash flow from operating activities, SEK million	54.0	10.0	44.0
Cash flow from financing activities, SEK million	11.6	-10.0	21.6
Equity ratio, %	56.7	-4.8	61.6
Net debt, SEK million	7.3	46.0	-38.7
Net debt/EBIT r12, times	0.1	0.7	-0.6

#### NOTE 2 PLEDGED ASSETS AND CONTINGENT LIABILITIES

December 31, SEK million	Group		Parent company	
	2019	2018	2019	2018
Pledged assets	196.3	173.8	2.5	2.5
Contingent liabilities	0.0	0.0	102.6	73.7

#### 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

Net sales by region, SEK million	Oct-Dec 2019	Oct-Dec 2018	Change	Jan 19- Dec 19 (R12)	Jan 18- Dec 18 (R12)	Change (R12)
USA	36.4	33.5	9%	145.4	129.6	12%
Asia	43.0	33.7	28%	144.6	125.8	15%
Eastern Europe	15.3	16.1	-5%	71.0	59.2	20%
Latin America	11.3	8.3	36%	42.1	31.3	35%
Western Europe	10.4	10.0	4%	37.5	34.2	10%
Africa/Middle East	12.9	4.6	181%	58.2	44.4	31%
<b>Total</b>	<b>129.3</b>	<b>106.2</b>	<b>22%</b>	<b>498.9</b>	<b>424.4</b>	<b>18%</b>

Net sales by product, SEK million	Oct-Dec 2019	Oct-Dec 2018	Change	Jan 19- Dec 19 (R12)	Jan 18- Dec 18 (R12)	Change (R12)
Instruments	44.7	39.4	13%	172.7	151.7	14%
Consumables own instruments	57.0	43.6	31%	215.1	178.2	21%
Consumables OEM and CDS-brand	15.3	13.7	11%	65.4	57.5	14%
Other	12.4	9.5	30%	45.7	37.0	23%
<b>Total</b>	<b>129.3</b>	<b>106.2</b>	<b>22%</b>	<b>498.9</b>	<b>424.4</b>	<b>18%</b>

#### NOTE 5 SIGNIFICANT EVENTS AFTER THE PERIOD

##### Strengthening of production

To strengthen the production organization, responsibility has been divided between the production of instruments and consumables. Eduardo Pagani, production manager for the site in Florida, assumes global responsibility for the production of consumables. In February, the responsibility for the production of instruments will be assumed by Mikael Ekholm. Both of whom will be part of the management team, as a part of this change, Hans Johansson, SVP of Production, will leave the company after many years of service.

##### Fredrik Ekdahl leaves Boule

Fredrik Ekdahl, head of Boule's system development, has after seven years with the company decided to seek new challenges. Fredrik will continue to drive the system development with a strong commitment until June 10, 2020. The recruitment process of his replacement is underway.

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

	2019				2018				2017
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec
Net sales, SEK million	129.3	131.2	119.7	118.6	106.2	110.9	107.8	99.5	107.2
Gross profit, SEK million	57.7	62.3	52.0	54.1	43.3	47.3	52.6	46.5	51.5
Gross margin, %	44.6	47.5	43.4	45.6	40.7	42.7	48.8	46.8	48.0
EBITDA, SEK million	20.3	37.8	11.6	21.7	5.7	14.8	22.2	20.5	18.8
EBITDA margin, %	15.7	28.8	9.7	18.3	5.4	13.4	20.6	20.7	17.5
EBIT, SEK million	15.1	32.3	5.9	16.7	3.4	12.8	19.8	18.8	14.9
EBIT margin, %	11.7	24.6	5.0	14.1	3.2	11.5	18.4	18.9	13.9
Profit after tax, SEK million	7.2	20.3	0.3	9.8	1.4	9.8	14.9	14.9	8.1
Earnings per share before dilution, SEK <sup>2</sup>	0.37	1.04	0.01	0.51	0.07	0.50	0.77	0.77	0.42
Earnings per share after dilution, SEK <sup>2</sup>	0.37	1.04	0.01	0.51	0.07	0.50	0.77	0.77	0.42
Cash flow from operating activities per share, SEK <sup>2</sup>	1.02	1.23	0.80	-0.25	0.34	-0.03	0.50	0.35	1.25
Return on equity, %	2.2	6.4	0.1	3.2	0.5	3.3	5.3	5.5	3.2
Net debt/EBIT (R12)	0.1	0.4	0.7	0.3	-1.1	-1.4	-1.1	-1.9	-2.1
Equity/assets ratio, %	57	56	55	57	60	69	66	66	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 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 cash and cash equivalents and interest-bearing assets guaranteed by EKN

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 about SEK 500 million and over 200 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

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

Christina Rubenhag, CFO and acting CEO, present and comment on the year-end report via a conference call. After the presentation there will be time for audience questions. The presentation will be held in English.

Time: 16.00 CET, February 7, 2020  
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 February 7, 2020.