

Second quarter April-June 2014

- Net sales amounted to SEK 69.7 million (71.3), down 2.2 percent. Changes in the USD and EUR exchange rates had a positive impact of SEK 0.1 million on net sales.
- Cash flow from operating activities totaled SEK 13.6 million (1.9).
- Operating profit totaled SEK 3.2 million (5.6).
- Net profit was SEK 1.7 million (5.9).
- Earnings per share amounted to SEK 0.37 (1.25).

Key events during the second quarter

Work on improving cash flow

The efficiency-enhancement program, called the P20 project, that began in the first quarter of 2014 continued and was intensified. The aim is to improve cash flow and profitability to achieve the company's profitability target of an EBITDA margin of 15 percent.

Ownership change

One of the company's largest shareholders, Stiftelsen Industrifonden, sold all of its shares in Boule during the quarter. The buyers include former shareholders Nortal Investment AB (Staffan Persson), Linc AB (Bengt Julander) and Thomas Eklund, which are now the company's second, third and fourth largest shareholders, respectively. Thomas Eklund has been represented on the Board since the Annual General Meeting.

New employee share option program

The Annual General Meeting resolved on a new employee share option program. A total of 178,750 options (including hedging) were issued to management and key individuals in the Group. When fully exercised, the options generate a dilution of 3.8 percent (including hedging). Each option entitles the holder to subscribe for new shares in the company during the second half of 2017 at a price of SEK 68.18 per share.

Key data	Jan-Jun	Jan-Jun	Jan-Dec
	2014	2013	2013
Net sales, SEK million	143.0	134.7	276.8
EBITDA margin, %	8.1	5.9	6.1
Operating profit/loss, SEK million	9.5	6.1	-82.4
Operating margin, %	6.6	4.5	-29.8
Net profit/loss, SEK million	6.0	4.2	-70.1
Earnings per share, SEK	1.27	0.90	-14.90
Return on equity, %	7.1	4.2	-42.9
Equity per share, SEK	28.4	43.3	27.1

Interim period January-June 2014

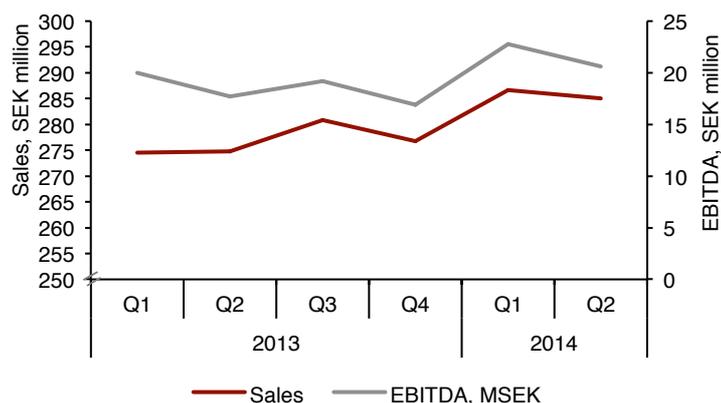
- Net sales totaled SEK 143.0 million (134.7), up 6.2 percent. Changes in the USD and EUR exchange rates had a positive impact of SEK 0.2 million on net sales.
- Cash flow from operating activities totaled SEK 22.7 million (3.4).
- Operating profit totaled SEK 9.5 million (6.1).
- Net profit was SEK 6.0 million (4.2).
- Earnings per share amounted to SEK 1.28 (0.90).

Key events after the period

Relocation of the Swedish operations

In July, the head office and instrument manufacturing operations were relocated from Västberga in southern Stockholm to newly renovated premises in Spånga in northern Stockholm. Despite an increase in the number of square meters, the total rental charge is unchanged. The new premises will lead to more efficient production, enable cost-efficient customer training and facilitate the future expansion of the operations.

Sales (rolling full-year) and EBITDA (rolling full-year)



Comments from the CEO

Instrument sales during the first six months of the year were slightly higher than in the preceding year and sales of reagents for proprietary instruments continued to increase in line with expectations. However, the period was affected by a certain level of cautiousness from the emerging markets of Brazil, Russia and China. India, which noted a weak first quarter, recovered slightly at the end of the period. **We can see that fluctuations between individual quarters are persisting, but we believe that we will continue to capture market shares in our key markets. It is gratifying that cash flow continued to improve, which is largely a result of our efficiency-enhancement program.**

Sales for the second quarter of 2014 were slightly lower year-on-year, although sales rose slightly more than 6 percent during the first six months of the year, which highlights the stability of our business model. Nevertheless, we see customers' decision-making times are longer due to the weak economic trend in several of our largest markets. The gross margin declined marginally during the period due to the price pressure on instruments. However, we reported an improved operating profit for the first six months of 2014 compared with the year-earlier period. Our efficiency-enhancement program that was initiated in the first quarter is continuing and contributed to the improved cash flow from operating activities.

Sales of instruments and reagents for proprietary systems increased during the first six months of 2014. In Europe, primarily sales of instruments for veterinary systems rose, while sales of human systems increased at a slower rate. Latin America and Africa noted favorable sales during the first six months. Asia was negatively impacted by our sales changes in India and the continued weak sales trend in five-part systems. Sales in India recovered slightly during the second quarter.

In the US, sales of instruments for human systems were slightly weaker year-on-year. This was also the case for sales of veterinary systems in the US. As in the past, sales vary between different quarters due to unforeseen variations in purchasing patterns in the many countries – more than 100 – that we export to. Accordingly, it is not possible to draw any conclusions for one specific quarter. The same applies to sales of OEM products (consumables for other diagnostic companies under their brands), where we noted slightly lower sales in the quarter, which was primarily due to delays from some of our new OEM customers. However, we believe that the long-term trend will be positive.

“It is gratifying that cash flow continued to improve, which is largely a result of our efficiency-enhancement program.”

Sales of the CDS Brand (consumables for other manufacturers' instruments under own brands) remained unchanged in the US, which to date has been the dominant geographical market. We are now focusing intently on markets outside the US and we believe that this venture will have an impact during the current year.

Finally, we relocated the Swedish companies to new tailor-made premises. The move will enhance the efficiency of production, provide greater flexibility in training users and customers and also provide a platform for future expansion. In conjunction with the move, we also implemented an extensive upgrade of our entire IT environment.



Ernst Westman
President and CEO



Group development January-June 2014

Net sales

Net sales for the first six months of 2014 totaled SEK 143.0 million (134.7), up 6.2 percent. Changes in the USD and EUR exchange rates had a positive impact of SEK 0.2 million on net sales.

Instrument sales accounted for 41 percent (42) of total net sales, consumables for 50 percent (48) and other sales (service, spare parts and freight) for 9 percent (10).

Consumables' share of total sales is expected to continue to increase.

Net sales by region

	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013
SEK million			
Western Europe	23.3	13.6	30.7
Eastern Europe	21.3	17.4	46.7
North America	47.4	53.4	106.3
Latin America	12.3	7.2	21.3
Asia	22.9	28.5	48.6
Africa	8.2	6.3	10.6
Middle East	8.3	8.3	12.6
Total	143.7	134.7	276.8

Net sales by product

	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013
SEK million			
Instruments	59.2	57.2	118.8
Consumables	71.5	65.0	131.8
Other	13.0	12.5	26.2
Total	143.7	134.7	276.8

Gross margin

The gross margin weakened slightly from 45.4 percent to 45.2 percent.

Expenses

Operating expenses for the first six months amounted to SEK 55.5 million (55.9). Marketing and selling expenses increased as a consequence of increased investment, including in Latin America and the Middle East. Administrative expenses were lower since the preceding year was charged with diverse nonrecurring costs connected to a management change in the US operations.

Research and development expenses charged to earnings totaled SEK 13.8 million (12.7), corresponding to 10 percent (9) of net sales.

Research and development expenses of SEK 7.1 million (12.9) were capitalized. Capitalization in 2014 pertains to the development of an updated product platform that will be launched during the year, while capitalization in 2013 primarily referred to the development of POC projects.

The net of other operating revenues and other operating expenses was revenues of SEK 0.4 million (revenues: 0.8). This item primarily comprised realized and unrealized exchange-rate losses from operations.

Profit

Gross profit rose SEK 3.6 million, from SEK 61.1 million to SEK 64.7 million. The reason was primarily increased sales of consumables.

Operating profit for the period was SEK 9.5 million (6.1).

Net financial items amounted to an expense of SEK 0.6 million (expense: 0.8).

Profit before tax was SEK 8.9 million (5.2).

Net profit for the period was SEK 6.0 million (4.2).

Investments and cash flow

Cash flow from operating activities, after changes in working capital, totaled SEK 22.7 million (3.4). The improved cash flow from operating activities was attributable to the improved earnings and the lower tied-up working capital as a result of our efficiency-enhancement program.

Net investments totaled SEK 9.2 million (15.6). The decline mainly comprises lower capitalized development expenses.

During the first six months, the use of the company's overdraft facility increased by SEK 2.4 million (18.2).

Cash flow for the first six months amounted to SEK 12.6 million (3.6) and cash and cash equivalents at the end of the period to SEK 23.4 million (19.3).

Cash and cash equivalents available to the Group, including unutilized credit facilities, amounted to SEK 42.5 million (26.9) at the end of the period.

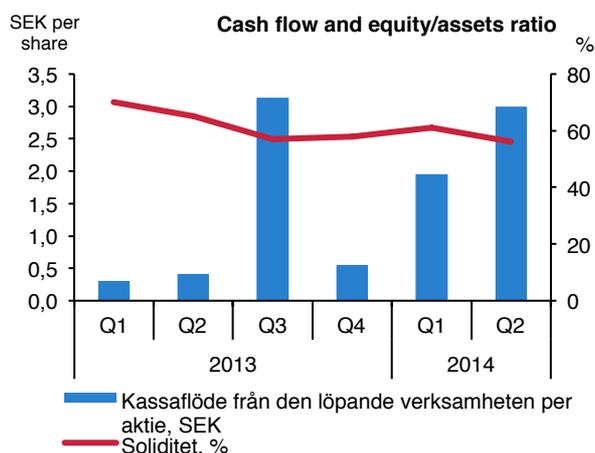
Equity and liabilities

Group equity on June 30, 2014 totaled SEK 133.8 million (203.7) and the equity/assets ratio was 56 percent (65). The decline in equity and lower equity/assets ratio are attributable to the impairment of the capitalized development expenses at the end of 2013 for the previous POC project.

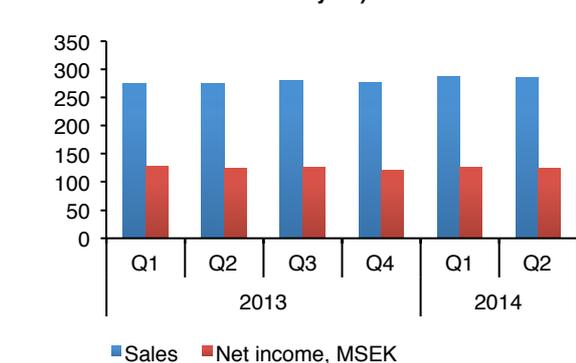
Interest-bearing liabilities, which primarily comprise bank overdraft facilities and a loan in the Parent Company, amounted to SEK 47.7 million (39.4) on June 30, 2014. Of these interest-bearing liabilities, SEK 7.4 million (0.9) are non-current and SEK 40.3 million (38.5) are current. At June 30, 2014, other non-interest-bearing current

liabilities and accounts payable amounted to SEK 31.6 million (56.3).

At the end of the quarter, deferred tax assets and deferred tax liabilities amounted to SEK 10.1 million (1.8) and SEK 7.2 million (12.8), respectively.



Sales (rolling full-year) and gross profit (rolling full-year)



Significant risks and uncertainties

The Group's operations are subject 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 deliveries, delayed delivery or non-delivery from the company's suppliers could in turn lead to delayed, defective or faulty delivery by the company.

There is no guarantee that the company's operations will not be subjected to restrictions by government agencies or that it will obtain requisite regulatory approval 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 according to schedule or that the market reception is poorer than expected. These risks could result in lower sales and thus adversely affect the

company's earnings. For a detailed description of risks and uncertainties, refer to the 2013 Annual Report.

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, Stockholm, Sweden.

The Parent Company's revenues derive from Group-wide services. The Parent Company's administrative costs were higher year-on-year, mainly due to there being more employees during the current period.

Receivables from Group companies primarily pertain to receivables from the Swedish subsidiary Boule Medical AB.

Risks and uncertainties in the Parent Company indirectly match those of the Group.

Number of shares

The number of shares and voting rights in Boule Diagnostics AB amounted to 4,707,138.

Shareholder	Number of shares	Prop. of capital/votes
Siem Capital AB	1,570,084	33.36%
Nortal Investments AB	620,402	13.18%
Linc AB	470,715	10.00%
Thomas Eklund incl. companies	444,638	9.45%
Ernst Westman incl. family	127,892	2.72%
Leif Ek	116,672	2.48%
Avanza	95,941	2.04%
Société Générale	75,000	1.59%
Other shareholders	1,185,794	25.18%
Total	4,707,138	100.00%

Personnel

The average number of employees in the Group during the period was 180 (176), with the Parent Company accounting for 5 (5). Distributed by country, the average number in Sweden was 81 (79), the US 77 (73), China 18 (19), Switzerland 3 (3), Mexico 1 (1) and Poland 0 (1).

The average number of women in the Group was 59 (58) and men 121 (118).

Accounting policies

This condensed consolidated interim report was prepared in accordance with IAS 34 Interim Financial Reporting, as well as International Financial Reporting Standards (IFRS) as adopted by the EU, applicable International Accounting Standards (IAS) and current interpretive statements by the International Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC). In addition, the

consolidated financial statements comply with the recommendation of the Swedish Financial Reporting Board RFR 1, Supplementary Accounting Regulations for Groups and the Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Annual Accounts Act and the recommendation from the Swedish Financial Reporting Board RFR 2, Accounting for Legal Entities.

For all financial assets and liabilities, carrying amount is a good approximation of fair value.

This interim report for the Parent Company was prepared in accordance with Chapter 9 of the Annual Accounts Act on Interim Reports.

The Board of Directors and the President 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, August 27, 2014
Boule Diagnostics AB

Lars-Olof Gustavsson
Chairman of the Board

Ernst Westman
President and CEO

Britta Dalunde
Board member

Eva-Lotta Kraft
Board member

Thomas Eklund
Board member

Tord Lendau
Board member

Audit review

This report was not reviewed by the company's auditors.

Consolidated statement of other comprehensive income

SEK million	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013
Net sales	69.7	71.3	143.0	134.7	276.8
Cost of goods sold	-38.4	-38.1	-78.3	-73.6	-155.3
Gross profit	31.3	33.2	64.7	61.1	121.5
Other operating revenues	0.7	0.9	0.7	0.9	0.9
Selling and marketing expenses	-15.5	-15.1	-30.0	-28.5	-59.1
Administrative expenses	-5.9	-7.2	-11.7	-14.7	-25.1
Research and development expenses ¹⁾	-7.2	-6.4	-13.8	-12.7	-119.6
Other operating expenses	-0.1	0.2	-0.3	-0.1	-1.0
Operating profit/loss	3.2	5.6	9.5	6.1	-82.4
Financial income	0.0	0.0	0.0	0.1	0.0
Financial expenses	-0.2	-0.3	-0.6	-0.6	-1.2
Exchange rate differences	0.4	0.1	-0.0	-0.3	-0.6
Net financial items	0.2	-0.1	-0.6	-0.8	-1.8
Profit/loss before tax	3.4	5.4	8.9	5.2	-84.2
Current tax	-0.9	0.2	-1.5	-0.1	-0.7
Deferred tax	-0.8	0.3	-1.4	-0.9	14.8
Profit/loss for the period	1.7	5.9	6.0	4.2	-70.1
Other comprehensive income					
Items that may be allocated to net profit/loss for the period					
Translation differences for the period from the translation of foreign operations	2.5	2.2	0.3	2.2	0.3
Other comprehensive income for the period	2.5	2.2	0.3	2.2	0.3
Comprehensive income/loss for the period	4.2	8.1	6.3	6.4	-69.8
Earnings per share before and after dilution (SEK)	0.37	1.25	1.27	0.90	-14.90

¹⁾ Including SEK 95.5 million for impairment of the POC project in the January–December 2013 period.

Consolidated statement of financial position

SEK million	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalized development expenses	19.1	86.6	12.1
Goodwill	63.1	62.9	61.6
<i>Total intangible assets</i>	<i>82.2</i>	<i>149.5</i>	<i>73.7</i>
<i>Tangible fixed assets</i>			
Plant and machinery	2.2	2.0	2.1
Equipment, tools, fixtures and fittings	11.3	12.2	11.6
Leasehold improvements	2.3	1.7	2.0
<i>Total tangible fixed assets</i>	<i>15.8</i>	<i>16.0</i>	<i>15.8</i>
<i>Financial fixed assets</i>			
Long-term non-interest-bearing receivables	0.2	0.0	0.2
Deferred tax assets	10.1	1.8	10.0
<i>Total financial fixed assets</i>	<i>10.3</i>	<i>1.8</i>	<i>10.2</i>
Total fixed assets	108.3	167.3	99.7
Current assets			
<i>Inventories</i>			
Raw materials and supplies	20.7	31.6	26.8
Intermediate goods	2.0	3.5	2.7
Finished goods and goods for resale	24.6	17.0	18.3
<i>Total inventories</i>	<i>47.2</i>	<i>52.1</i>	<i>47.9</i>
<i>Current receivables</i>			
Tax assets	1.7	1.4	2.1
Accounts receivable	48.8	55.8	50.1
Other receivables	5.7	7.7	6.4
Prepaid expenses and accrued income	3.4	8.7	3.5
<i>Total current receivables</i>	<i>59.5</i>	<i>73.6</i>	<i>62.1</i>
<i>Cash and cash equivalents</i>	<i>23.4</i>	<i>19.3</i>	<i>11.1</i>
Total current assets	130.1	145.0	121.0
TOTAL ASSETS	238.3	312.2	220.7

Consolidated statement of financial position (cont.)

SEK million	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
EQUITY			
Share capital	4.7	4.7	4.7
Other paid-in capital	188.2	190.6	190.6
Translation reserve	-7.6	-7.9	-9.8
Retained earnings including net profit/loss for the period	-51.6	16.4	-58.0
TOTAL EQUITY	133.8	203.7	127.5
LIABILITIES			
<i>Long-term liabilities</i>			
Long-term interest-bearing liabilities	7.4	0.9	8.5
Deferred tax liabilities	7.2	12.8	5.6
<i>Total long-term liabilities</i>	<i>14.6</i>	<i>13.7</i>	<i>14.1</i>
<i>Current liabilities</i>			
Current interest-bearing liabilities	40.3	38.5	37.9
Accounts payable	17.1	17.8	14.7
Tax liabilities	0.6	0.0	0.0
Other liabilities	2.2	11.6	4.5
Accrued liabilities and deferred income	29.3	26.3	21.5
Provisions	0.5	0.5	0.5
<i>Total current liabilities</i>	<i>90.0</i>	<i>94.8</i>	<i>79.1</i>
TOTAL LIABILITIES	104.6	108.5	93.2
TOTAL EQUITY AND LIABILITIES	238.3	312.2	220.7
Pledged assets and contingent liabilities			
Pledged assets	48.5	40.0	48.5

Consolidated statement of changes of equity

SEK million	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. net profit/loss for the period	Total equity capital
Equity, opening balance, Jan. 1, 2013	4.7	191.2	-10.1	13.9	199.7
Comprehensive income/loss for the period					
Net loss for the period	-	-	-	-70.1	-70.1
Other comprehensive income for the period	-	-	0.3	-	0.3
Comprehensive income/loss for the period	-	-	0.3	-70.1	-69.8
Transactions with shareholders					
Dividends	-	-0.6	-	-1.8	-2.4
Equity, closing balance, Dec. 31, 2013	4.7	190.6	-9.8	-58.0	127.5
Equity, opening balance, Jan. 1, 2014	4.7	190.6	-9.8	-58.0	127.5
Comprehensive income/loss for the period					
Net profit for the period	-	-	-	6.0	6.0
Other comprehensive income for the period	-	-	2.2	-	2.2
Comprehensive income for the period	-	-	2.2	6.0	8.2
Transactions with shareholders					
Dividends	-	-2.4	-	-	-2.4
Equity, closing balance, June 30, 2014	4.7	188.2	-7.6	-51.6	133.8

Consolidated cash flow statement

SEK million	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013
Operating activities					
Operating profit/loss	3.2	5.6	9.5	6.1	-82.4
Adjustments for non-cash items ¹⁾	1.7	0.9	2.1	1.9	104.5
Interest received	0.1	0.1	0.1	0.1	0.0
Interest paid	-0.3	-0.5	-0.7	-0.8	-1.6
Income tax paid	0.0	-0.3	0.0	-0.3	-0.3
Cash flow from operating activities before changes in working capital	4.7	5.7	11.0	6.9	20.2
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in inventories	-0.7	-3.1	0.7	-6.1	-1.9
Increase (-)/Decrease (+) in operating receivables	-2.4	-13.9	2.6	-11.2	-0.3
Increase (+)/Decrease (-) in operating liabilities	12.0	13.2	8.4	13.7	-2.3
Total change in working capital	8.9	-3.8	11.7	-3.6	-4.5
Cash flow from operating activities	13.6	1.9	22.7	3.4	15.7
Investing activities					
Acquisitions of tangible fixed assets	-0.5	-1.6	-2.1	-2.7	-9.9
Disposal of tangible fixed assets	-	-	-	-	0.1
Capitalized development expenses	-4.0	-5.3	-7.1	-12.9	-23.3
Cash flow from investing activities	-4.5	-6.9	-9.2	-15.6	-33.1
Financing activities					
Borrowings	0.0	0.0	0.0	0.0	5.0
Amortization of loans	-0.8	0.0	-1.1	0.0	-5.5
Increase (+)/Decrease (-) in current financial liabilities	6.3	11.0	2.4	18.2	15.8
Dividends	-2.4	-2.4	-2.4	-2.4	-2.4
Cash flow from financing activities	3.2	8.6	-1.0	15.8	12.9
Cash flow for the period	12.4	3.7	12.6	3.6	-4.5
Cash and cash equivalents at the beginning of the period	11.6	15.8	11.1	15.9	15.9
Exchange-rate differences in cash and cash equivalents	-0.6	-0.2	-0.3	-0.2	-0.3
Cash and cash equivalents at the end of the period	23.4	19.3	23.4	19.3	11.1
¹⁾ Of which, depreciation and amortization	1.1	1.0	2.1	1.9	99.3

Parent Company income statement

SEK million	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013
Net sales	2.2	4.9	9.8
Administrative expenses	-12.3	-12.6	-22.5
Other operating revenues	0.0	0.0	0.0
Other operating expenses	0.0	0.0	0.0
Operating loss	-10.1	-7.7	-12.7
Loss from financial items:			
Other interest income and similar income items	0.0	0.0	0.0
Interest expenses and similar expense items	-0.1	0.0	0.0
Loss before tax	-10.2	-7.7	-12.7
Tax	0.0	0.0	0.0
Loss for the period	-10.2	-7.7	-12.7

Parent Company statement of comprehensive income

SEK million	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013
Loss for the period	-10.2	-7.7	-12.7
Other comprehensive income for the period	-	-	-
Comprehensive loss for the period	-10.2	-7.7	-12.7

Parent Company balance sheet

SEK million	Jun 2014	Jun 2013	Dec 2013
ASSETS			
Fixed assets			
<i>Tangible fixed assets</i>			
Equipment	0.0	0.1	0.1
<i>Total tangible fixed assets</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>
<i>Financial fixed assets</i>			
Shares in Group companies	157.3	157.3	157.3
<i>Total financial fixed assets</i>	<i>157.3</i>	<i>157.3</i>	<i>157.3</i>
Total fixed assets	157.3	157.5	157.4
Current assets			
<i>Current receivables</i>			
Receivables from Group companies	57.0	34.0	35.1
Tax assets	0.3	0.0	0.4
Other receivables	0.9	1.2	0.8
Prepaid expenses and accrued income	1.1	0.3	0.6
<i>Total current receivables</i>	<i>59.3</i>	<i>35.5</i>	<i>36.9</i>
<i>Cash and bank balances</i>	<i>1.2</i>	<i>0.5</i>	<i>0.1</i>
Total current assets	60.5	36.0	37.0
TOTAL ASSETS	217.8	193.4	194.4
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital (4,707,138 shares)	4.7	4.7	4.7
Statutory reserve	141.9	141.9	141.9
<i>Unrestricted equity</i>			
Share premium reserve	46.4	48.7	48.7
Retained earnings	-12.7	-	-
Net loss for the period	-10.2	-7.7	-12.7
Total equity	170.0	187.6	182.6
Liabilities			
<i>Long-term liabilities</i>			
Long-term interest-bearing liabilities	2.8	0.0	3.4
<i>Current liabilities</i>			
Current interest-bearing liabilities	1.3	0.0	1.3
Accounts payable	2.8	1.1	1.9
Liabilities to Group companies	36.1	0.3	0.5
Other liabilities	0.6	0.6	0.4
Accrued expenses and deferred income	4.2	3.8	4.3
<i>Total current liabilities</i>	<i>45.0</i>	<i>5.8</i>	<i>8.4</i>
Total liabilities	47.8	5.8	11.8
TOTAL EQUITY AND LIABILITIES	217.8	193.4	194.4
Pledged assets and contingent liabilities for the Parent Company			
Pledged assets	83.3	83.3	83.3

Introducing Boule

Boule Diagnostics AB is active in the field of hematology, a branch of medicine concerned with the study of the blood, blood diseases and other diseases that can be diagnosed based on a complete blood count (CBC). Today, the CBC is one of the world's most common diagnostic tests performed at clinical laboratories and analyses are conducted in both human and veterinary diagnostics.

Operations

The company's core operations comprise proprietary development, manufacturing and marketing of CBC systems (instruments, reagents, calibrators and controls). The company's products are sold through distributors in more than 100 countries via subsidiaries in Sweden, the US, Mexico and China. The company focuses on the decentralized market segment, meaning near-patient testing at, for example, small and midsize hospitals, clinics and laboratories in out-patient care.

Boule is one of the few players in the world to develop, produce and market all strategically important components for automated CBC based on proprietary expertise and technology.

In addition to development, manufacturing and sales of consumables for the Group's proprietary systems, the company also develops reagents, calibrators and controls for other manufacturers' instruments for sales under the Group's own brand or to OEM customers.

Vision

Boule will establish a global position as one of the three main companies in its market segment.

Business concept

Boule develops, manufactures and markets high-quality and user-friendly automated blood cell count systems for both the global human and veterinary markets.

Financial objectives

Boule aims to achieve:

- annual average sales growth exceeding 10 percent over a five-year period,
- an annual EBITDA margin that exceeds 15 percent,
- an equity/assets ratio of 30-50 percent.

Business model

The company's business model is based on sales of cell-counting instruments in the global hematology market and then sharing the recurring revenue streams through sales of reagents, controls, calibrators and service/support for the instruments. The company's instruments are locked to its proprietary reagents, thus providing more accurate analysis results and recurring revenue over the life of the instruments.

Another key component of the business model is to sell reagents, calibrators and controls to OEM customers, meaning customers that sell the products under their own brand.

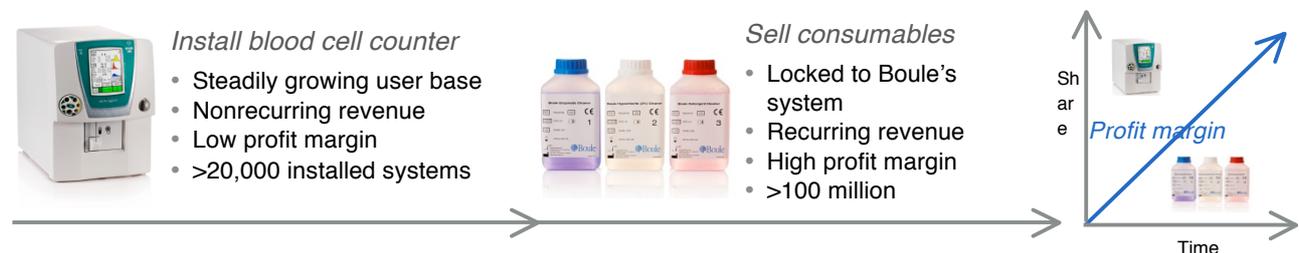
Market

Boule's target group comprises small and midsize clinical laboratories responsible for the world's most common laboratory test, the complete blood count (CBC). The products are marketed in more than one hundred countries via selected and trained distributors. In certain strategic markets, proprietary sales are conducted. To date, more than 20,000 instruments have been installed and several hundred million patient samples have been analyzed using Boule's systems.

Products

The company's product portfolio comprises a number of product families/brands, of which CDS, Medonic, Swelab and Exigo are the most important. The instruments come in a range of designs and primarily target the human diagnostics market but are also sold to the veterinary market. The products are currently marketed via a well-developed distribution network in more than 100 countries, and directly in a few key markets.

Boule's business model



Quarterly overview

	2014			2013			2012	
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales, SEK million	69.7	73.3	72.2	69.9	71.3	63.4	76.3	63.8
Gross profit, SEK million	31.3	33.4	29.6	30.7	33.2	27.9	34.9	27.8
Gross margin, %	44.9	45.5	41.0	43.9	46.6	44.0	45.7	43.6
EBITDA, SEK million	4.3	7.3	4.6	4.4	6.5	1.4	6.9	2.9
EBITDA margin, %	6.2	10.0	6.2	6.3	9.1	2.2	9.0	4.5
EBIT, SEK million	3.2	6.3	3.3	-91.7	5.6	0.5	6.0	1.5
EBIT margin, %	4.6	8.6	4.4	-131.2	7.8	0.8	7.9	2.4
Net profit/loss, SEK million	1.7	4.3	-1.9	-72.4	5.9	-1.7	3.3	0.9
Earnings/loss per share, SEK	0.36	0.91	-0.41	-15.38	1.25	-0.36	0.69	0.19
Cash flow from operating activities per share, SEK	2.89	1.95	0.55	3.13	0.41	0.31	-0.75	1.52
Return on equity, %	1.3	-38.9	-42.9	-40.0	4.2	3.7	5.6	5.1
Equity per share, SEK million	28.4	27.9	27.1	27.3	43.3	42.1	42.4	41.7
Equity/assets ratio, %	56	61	58	57	65	70	73	78

Definitions

Gross profit is net sales less costs for goods sold

Gross margin is gross profit divided by net sales

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is profit before net financial items, taxes and depreciation/amortization of tangible and intangible assets

EBITDA margin is EBITDA divided by net sales

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

EBIT margin is EBIT divided by net sales

Capital employed is total assets less deferred tax liabilities and non-interest-bearing liabilities

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

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

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

Net debt/equity ratio is net debt divided by equity

Equity/assets ratio is equity divided by total assets

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

Return on capital employed is profit after net financial items plus financial expenses divided by the average capital employed

Return on total capital is operating profit plus financial income divided by average total capital

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Financial calendar

Interim report, third quarter 2014

Year-end report 2014

November 5, 2014

February 13, 2015

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