

Boule Diagnostics AB (publ)

Year-end report 2015



Business model and market strategy – our strength in weaker markets



Quarter, October - December 2015

- Net sales amounted to SEK 88.4 million (90.1), down 1.8 percent. Adjusted for changes in the USD and EUR exchange rates, this represents a decrease of 12.1 percent.
- Cash flow from operating activities amounted to SEK 12.2 million (12.2).
- Operating profit was SEK 0.6 million (7.1).
- Net profit amounted to SEK 1.3 million (14.8).
- Earnings per share before dilution amounted to SEK 0.28 (3.14) and after dilution to SEK 0.27 (3.14).

Significant events during the quarter

INCREASED SALES IN MEXICO

October saw the final delivery of 65 Quintus and Swelab blood cell counting instruments to 35 primary care laboratories (medical care facilities) in Mexico.

THREE NEW OWNERS

Svolder AB, Nordea Fonder and AB Grenspecialisten have acquired 11.6 percent, 11.6 percent and 10.2 percent respectively of shares in the company. These shares were sold by Siem Capital AB, which has divested its complete shareholding, equivalent to 33.4 percent of the capital and votes.

EXCLUSIVE US MARKET DISTRIBUTION AGREEMENT FOR CRP DIAGNOSTIC

An agreement has been reached with Finnish company Orion Diagnostica Oy to launch and sell a CRP analysis system in the US. The product, QuikRead® go CRP, will be sold exclusively by Boule

Interim period, January - December 2015

- Net sales amounted to SEK 331.4 million (306.7), up 8.1 percent. Adjusted for changes in the USD and EUR exchange rates, this represents a decrease of 3.8 percent.
- Cash flow from operating activities amounted to SEK 22.1 million (31.0).
- Operating profit was SEK 21.6 million (26.6).
- Net profit amounted to SEK 15.4 million (30.3).
- Earnings per share before dilution amounted to SEK 3.26 (6.44) and after dilution to SEK 3.23 (6.44).
- The Board of Directors proposes a dividend of SEK 0.60 per share for 2015 (0.60).

Significant events after the period

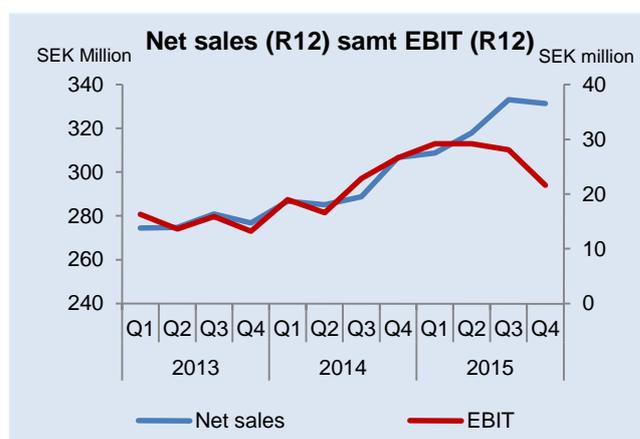
AGREEMENT ON THE SALE OF A CLINICAL CHEMISTRY SYSTEM IN THE US

An agreement has been reached with American company Medica Corporation Inc. to market and sell their EasyRA® product in the US. The product has been approved for marketing and sale by the FDA. Boule will start to market the product during first quarter of 2016.

NEW CHAIRMAN OF THE BOARD

At the Board of Directors meeting held on January 25, Board Member Peter von Ehrenheim was elected as Chairman, a post he will retain until the Annual General Meeting. He succeeds Lars-Olof Gustavsson, who left the Board after the company he represented, Siem Capital AB, sold its stock.

Key data	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Net sales, SEK million	88.4	90.1	331.4	306.7
EBITDA margin, %	3.1	10.3	8.5	10.1
Operating profit/loss, SEK million	0.6	7.1	21.6	26.6
Operating margin, %	0.7	7.9	6.5	8.7
Profit after tax, SEK million	1.3	14.8	15.4	30.3
EBIT (R12)/ Net debt	1.8	0.9	1.8	0.9
Return on equity, %	0.7	9.2	8.6	20.4
Equity per share, before dilution, SEK	40.05	36.11	40.05	36.11
Earnings per share, before dilution, SEK	0.28	3.14	3.26	6.44
Earnings per share, after dilution, SEK	0.27	3.14	3.23	6.44



Comments from the CEO

COMMENTS ON KEY RATIOS

During 2015, many of our most important markets suffered from weak development, resulting in sales levels not reaching the targets we had set. This was offset by increased sales activity in other markets, for example Mexico and Asia. Unfortunately, this was still not enough. Full year sales increased by 8 percent, amounting to SEK 331 (307) million. In local currency, this corresponds to a reduction of 4 percent. Sales development for the fourth quarter was also unsatisfactory, amounting to SEK 88 (90) million. In local currency, this corresponds to a sales drop-off of 12 percent.

Gross margin during the quarter amounted to 42 (44) percent. This reduction can be attributed to increased sales to countries with lower margins, which, to a certain extent, compensated for the loss of sales on our major, problematic markets. Gross margin for the entire year amounted to 45 (44) percent. This increase can, at least in part, be attributed to the higher USD exchange rate, but is also the result of us increasing the proportion of consumables sold.

Full-year operating profit for 2015 amounted to SEK 22 million, which is SEK 5 million lower than for the previous year. The result was impacted negatively by a number of factors, including the costs associated with the development of a new product area - clinical chemistry. In addition, there was no activation of R&D costs during the second quarter of 2015. This resulted in written-off R&D costs rising sharply. Another reason for the increase in operating costs was the higher USD exchange rate as a significant proportion of the company's costs are borne by its US subsidiary. The weak 2015 results mean that work on efficiency improvements during 2016 will be intensified.

MARKET DEVELOPMENT

During 2015, sales continued to grow as the result of positive currency effects. However, development on the important markets of Brazil, China, Russia and Turkey was weak. We only partially succeeded in compensating for this downturn by increasing sales in other markets, for example Asia and Mexico. On the European markets, we are seeing natural sales cycles characteristic of a mature market where the majority of new instrument sales are made up of replacements and upgrades. In addition to developments in Asia and Mexico, the Middle East also made a positive contribution to the increase in sales. Sales of OEM and CDS brand products remained unchanged in local currency. Overall, we are not satisfied with neither sales development nor results during 2015. However, we believe that our marketing strategy has been successful as we can offset our underperforming markets by growing on other markets.

CONTINUED INCREASE IN SOLD CONSUMABLES

Consumables, reagents and blood checks increased their proportion of sales during 2015. In total, they represented 55 percent of our net sales for the year, compared to 51 percent in 2014. This upward trend has contributed to a more stable sales and higher gross margins. It is important that to remember that, for each new instrument customer, the sales volume of

consumables increases. Figures clearly show that, on markets where sales of instruments have fallen recently, sales of consumables still continue to increase. This fact demonstrates the strength of our business model.

PUBLIC PROCUREMENTS WON

During the year, we won two important public procurement contracts (ISSSTE in Mexico and Östergötland County Council). This speaks volumes about the quality and competitiveness of our instruments and provides us with some excellent customer references. We believe these successes prove that our instruments are of a high quality and put us in a strong position compared to our competitors.

THE FUTURE

2016 is set to be an interesting year thanks to our expanded product range as the result of the recently signed collaboration agreements with Finnish company Orion Diagnostic Oy and US company Medica Corporation Inc. Both agreements concern sales in the US, which is the single biggest market in the world for in vitro diagnostics. Orion's product, QuikRead® go CRP, is an analysis system that indicates whether a patient has been exposed to an infection or inflammation, making physicians better able to determine whether or not a course of antibiotic treatment is appropriate or necessary. Medica Corporation's product, EasyRA®, is a clinical chemistry system used to diagnose patients by means of blood analysis. Both systems are logical complements to our own products and mean that we can offer patient-centered care facilities in the US a highly comprehensive blood analysis and diagnostic concept.

It is pleasing to see that sales of our new generation of instruments started to take off during the year. So far, these instruments have started to be sold mostly in Europe and parts of Asia. It is expected that the new systems will be released on other major markets, such as the US, China, Russia and Brazil, during 2017 once they have received the necessary regulatory approval. However, the considerable uncertainty we have in respect of many regions means that it will take us longer to achieve our operating margin target of 13 percent.



Ernst Westman
President and CEO



Group performance January–December 2015

NET SALES

During the 2015 net sales amounted to SEK 331.4 million (306.7) up 8.1 percent. Adjusted for changes in the USD and EUR exchange rates, this represents a decrease of 3.8 percent.

Instrument sales accounted for 36 percent (41) of total net sales, consumables for 55 percent (51) and other sales (primarily service, spare parts and freight) for 9 percent (8).

Net sales by region SEK million	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Western Europe	9.9	8.7	35.8	38.2
Eastern Europe	10.9	16.4	41.0	50.6
North America	28.7	31.6	117.8	104.5
Latin America	9.5	6.6	34.4	28.0
Asia	20.4	18.3	67.3	53.8
Africa	4.4	3.8	15.8	15.5
Middle East	4.6	4.7	19.4	16.1
Total	88.4	90.1	331.4	306.7

Net sales by product SEK million	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Instruments	35.8	38.1	119.0	125.2
Consumables own instruments	32.1	30.2	123.5	105.2
Consumables OEM and CDS-brand	12.3	14.0	59.0	50.6
Other	8.2	7.8	29.9	25.7
Total	88.4	90.1	331.4	306.7

GROSS MARGIN

During 2015 the gross margin was 45.2 percent (44.5). The increase on the previous year was mostly due to the higher dollar rate and to higher sales of consumables.

EXPENSES

Operating expenses during 2015 amounted to SEK 129.1 (111.2) million. Most of the increase can be attributed to higher sales and research and development expenditures. Sales costs increased as the result of the higher USD exchange rate (a significant proportion of Boule's market costs are generated by the US subsidiary, which is exposed to fluctuations in the USD exchange rate). Research and development expenditures have increased partly due to no costs being activated since the second quarter 2015, and partly due to the higher USD exchange rate (as some development is undertaken in the US subsidiary). None of the development projects run during the last three quarters of the year are currently at a stage to allow expenses to be activated as an asset, which is why they instead load the result on a rolling basis.

Research and development expenditures charged to earnings amounted to SEK 40.1 million (23.6), which represents 12 percent (8) of net sales.

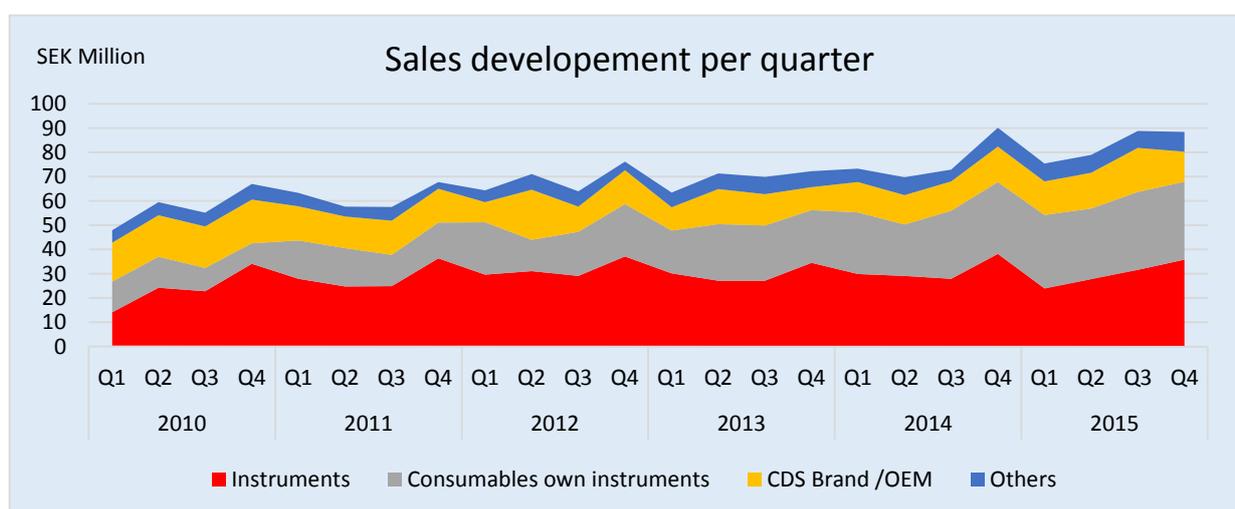
Research and development expenditures of SEK 3.8 million (16.8) were capitalized. Capitalization in 2015 relates to the development of an updated generation of instruments, which was launched at the start of the second quarter of 2015.

The net of other operating revenues and other operating expenses amounted to a total of SEK 0.9 million (1.3) for the period. This item primarily comprised realized and unrealized exchange rate losses from operations.

PROFIT

Gross profit during 2015 rose SEK 13.4 million, from SEK 136.4 million to SEK 149.8 million. A stronger dollar as well as increased selling of consumables has compensated for a decrease in the selling of instruments.

Operating profit was SEK 21.6 million (26.6). Net financial items amounted to SEK -1.2 million (-1.7). Profit before tax was SEK 20.4 million (24.9). Profit for the period was SEK 15.4 million (30.3)



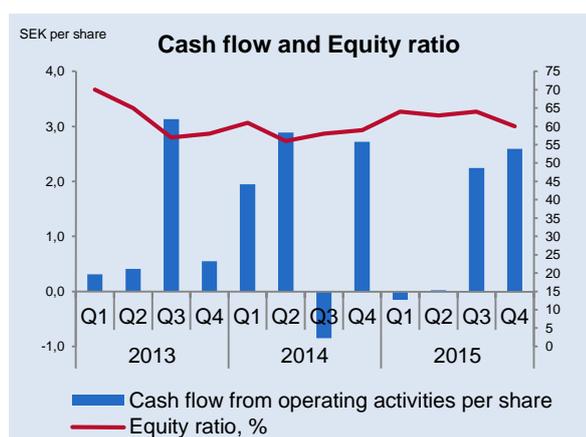
INVESTMENTS AND CASH FLOW

Cash flow from operating activities after changes in operating capital amounted to SEK 22.1 (31.0) million. This deterioration in cash flow has primarily been caused by more capital being tied up (increased stocks as the result of the new instrument integration and lower operating liabilities).

Total net investments amounted to SEK 8.2 (22.8) million. This fall-off is a result of a reduction in investment in intangible fixed assets (lower activated development costs) and reduced investment in production equipment.

At the end of the period, net cash flow amounted to SEK 27.1 million (10.2), with cash and cash equivalents amounting to SEK 50.4 million (22.7). The increase is due to lower active development costs and an increase in short-term financial liabilities.

Cash and cash equivalents available to the Group, including unutilized credit facilities, amounted to SEK 65.1 million (50.0) at the end of the period.



EQUITY AND LIABILITIES

Group equity on December 31, 2015 totaled SEK 188.5 million (170.0) and the equity/asset ratio was 60 percent (59).

Interest-bearing liabilities, which primarily comprise bank overdraft facilities, factoring and a loan in the Parent Company, amounted to SEK 62.2 million (50.8) on December 31, 2015. SEK 7.4 million (9.0) of the interest-bearing liabilities were non-current and SEK 54.9 million (41.8) were current. As at December 31, 2015 other non-interest-bearing current liabilities and accounts payable totaled SEK 56.5 million (57.8).

At the end of the year deferred tax assets and deferred tax liabilities totaled SEK 9.2 million (13.1) and SEK 3.7 million (1.4) respectively.

Net sales (R12) and Gross profit (R12)



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 and delayed deliveries or non-deliveries from the company's suppliers could in turn result in delayed, defective or faulty deliveries by the company. The company is also always exposed to exchange rate fluctuations.

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

There is also the risk that the company could lose its ability to develop products, or that its products cannot be launched on schedule or that market reception is poorer than expected. These risks could result in lower sales, which would then have a negative impact on the company's earnings. For a detailed description of risks and uncertainties refer to the 2014 Annual Report.

TRANSACTIONS WITH RELATED PARTIES

There were no significant 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. The Parent Company's administrative costs were higher year-on-year. This was mostly due to a number of employees transferring from the Boule Medical AB subsidiary during the period.

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

NUMBER OF SHARES

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

Shareholders December 31, 2015 and thereafter known changes	Number of shares	Proportion of capital/vote
Nortal Investments AB	620,402	13.18 %
Nordea Fonder	552,933	11.75 %
Svolder AB	510,000	10.83 %
AB Grenspecialisten	488,084	10.37 %
Linc Invest AB	470,715	10.00 %
Thomas Eklund inkl. bolag	444,638	9.45 %
Ernst Westman inkl. familj och bolag	127,892	2.72 %
Société Générale	122,804	2.61 %
Avanza Pension	74,872	1.59 %
Daniel Rammeskov	71,015	1.51 %
Other shareholders (497)	1,267,627	26.93 %
Total	4,707,138	100.00 %

OPTIONS

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

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

As a result of the employee share option program, Boule Diagnostics AB has, through a subsidiary, a holding of 43,750 warrants for hedging purposes. The underlying warrants have conditions that, in all material respects, match the employee options relating to the respective hedge. These warrants will ensure share delivery should all the employee options be fully exercised, and, if fully exercised, the surplus number of warrants is also

expected to cover the potential charge against the company's equity and liquidity resulting from the employer's contributions caused by the tax imposed on fringe benefits. The recognized impact on earnings if the employee share options are fully exercised, will not, as such, be eliminated by this hedge.

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

PERSONNEL

The average number of employees in the Group during the period was 171 (179), including 9 (8) at the Parent Company. By country the average number in Sweden was 71 (76), USA 85 (73), China 14 (16), Switzerland 0 (3) and Mexico 1 (1). The average number of women in the Group was 67 (64) and the average number of men was 104 (115).

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, 2014. The accounting policies match the policies applied in the preceding fiscal year. As of December 31, 2015, the Group reclassified customer receivables with a maturity of more than 12 months as fixed assets. A similar reclassification was made to the comparable financial information as of December 31, 2014, which saw receivables of SEK 14.9 million being moved to fixed assets. For all financial assets and liabilities, carrying amount is a good approximation of fair value.

ANNUAL GENERAL MEETING 2016

The Company's Annual General Meeting will be held at 6 pm on May 12, 2016 in the company's offices at Domnarvsgatan 4 in Spånga. The convening notice will be published on www.boule.se. The Annual Report will be available on the website from April 21, 2016.

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 February 17, 2015

Boule Diagnostics AB

Peter von Ehrenheim
Chairman of the board

Karin Dahllöf
Board member

Ernst Westman
President and CEO

Thomas Eklund
Board member

Tord Lendau
Board member

Consolidated statement of comprehensive income and other comprehensive income

SEK million	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Net sales	88.4	90.1	331.4	306.7
Cost of goods sold	-51.6	-50.8	-181.6	-170.2
Gross profit	36.8	39.3	149.8	136.4
Other operating revenues	1.2	2.4	4.8	5.9
Selling and marketing expenses	-16.7	-18.5	-66.2	-62.6
Administrative expenses	-4.7	-8.8	-22.8	-25.0
Research and development expenses	-13.0	-3.9	-40.1	-23.6
Other operating expenses	-3.0	-3.3	-3.9	-4.6
Operating profit/loss	0.6	7.1	21.6	26.6
Financial income	0.0	0.0	0.0	0.0
Financial expenses	-0.2	-0.1	-1.5	-1.3
Exchange rate differences	0.3	-0.1	0.2	-0.4
Net financial items	0.1	-0.2	-1.2	-1.7
Profit/loss before tax	0.7	6.9	20.4	24.9
Current tax	0.6	-0.6	-0.6	-1.2
Deferred tax	0.0	8.4	-4.4	6.5
Net profit/loss	1.3	14.8	15.4	30.3
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	-1.0	6.7	5.5	14.4
Other comprehensive income/loss for the period	-1.0	6.7	5.5	14.4
Total comprehensive income/loss for the period	0.3	21.5	20.9	44.7
Earnings per share, before dilution, SEK	0.28	3.14	3.26	6.44
Earnings per share, after dilution, SEK	0.27	3.14	3.23	6.44

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

Consolidated statement of financial position

SEK million	Dec 31 2015	Dec 31 2014
ASSETS		
Fixed assets		
Intangible assets		
Capitalized development expenses	27.7	28.3
Goodwill	74.0	70.4
Total intangible assets	101.7	98.7
Tangible fixed assets		
Plant and machinery	4.4	4.0
Equipment, tools, fixtures and fittings	13.2	10.7
Leasehold improvements	2.8	2.8
Total tangible fixed assets	20.3	17.6
Financial fixed assets		
Long-term non-interest-bearing receivables	18.6	14.9
Deferred tax assets	9.2	13.1
Total fixed assets	149.9	144.2
Current assets		
Inventory		
Raw materials and supplies	37.6	31.6
Intermediate goods	3.7	2.6
Finished goods and goods for resale	13.5	11.9
Total inventory	54.8	46.2
Current receivables		
Tax assets	2.0	2.3
Accounts receivable	52.7	54.2
Other receivables	2.3	4.9
Prepaid expenses and accrued income	3.4	5.5
Total current receivables	60.5	66.9
Cash and cash equivalents	50.4	22.7
Total current assets	165.6	135.7
TOTAL ASSETS	315.5	280.0

Consolidated statement of financial position (cont.)

SEK million	Dec 31 2015	Dec 31 2014
EQUITY		
Share capital	4.7	4.7
Other contributed capital	186.0	188.2
Translation reserve	10.0	4.5
Retained earnings including net profit/loss for the period	-12.3	-27.5
TOTAL EQUITY	188.5	170.0
LIABILITIES		
Long-term liabilities		
Long-term interest-bearing liabilities	7.4	9.0
Other long-term liabilities	4.5	0.0
Deferred tax liabilities	3.7	1.4
Total long-term liabilities	15.5	10.4
Current liabilities		
Current interest-bearing liabilities	54.9	41.8
Accounts payable	18.1	21.0
Tax liabilities	0.0	0.4
Other liabilities	10.8	6.2
Accrued liabilities and deferred income	27.1	29.7
Provisions	0.5	0.5
Total current liabilities	111.4	99.6
TOTAL LIABILITIES	127.0	110.0
TOTAL EQUITY AND LIABILITIES	315.5	280.0
Pledged assets and contingent liabilities		
Pledged assets	71.9	71.4
Contingent liabilities	1.8	1.8

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, 2014	4.7	190.6	-9.8	-58.0	127.5
Total comprehensive income/loss for the period					
Net profit/loss for the period				30.3	30.3
Other comprehensive income for the period			14.4		14.4
Total comprehensive income/loss for the period			14.4	30.3	44.7
Transactions with shareholders					
Share-based payments		0.1			0.1
Dividends		-2.4			-2.4
Equity, closing balance, Dec. 31 2014	4.7	188.3	4.6	-27.6	170.0
Equity, opening balance, Jan. 1, 2015	4.7	188.3	4.6	-27.6	170.0
Total comprehensive income/loss for the period					
Net profit/loss for the period				15.4	15.4
Other comprehensive income for the period			5.5		5.5
Total comprehensive income/loss for the period			5.5	15.4	20.9
Transactions with shareholders					
Share-based payments		0.5			0.5
Dividends		-2.8			-2.8
Equity, closing balance, Dec. 31, 2015	4.7	186.0	10.0	-12.3	188.5

Consolidated cash flow statement

SEK million	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Operating activities				
Operating profit/loss	0.6	7.2	21.6	26.7
Adjustments for non-cash items ¹⁾	0.9	1.3	8.2	3.7
Interest received	0.0	-0.1	0.0	0.0
Interest paid	-0.2	0.1	-1.4	-1.3
Income tax paid	1.3	-0.8	-0.7	-1.2
Cash flow from operating activities before changes in working capital	2.6	7.6	27.7	27.8
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventory	3.2	5.1	-7.8	6.4
Increase (-)/Decrease (+) in operating receivables	6.5	-11.8	3.6	-16.2
Increase (+)/Decrease (-) in operating liabilities	-0.1	11.3	-1.3	13.0
Cash flow from operating activities	12.2	12.2	22.1	31.0
Investing activities				
Acquisition of tangible fixed assets	-1.4	-1.6	-4.3	-5.9
Investments in other financial fixed assets	0.0	0.0	0.1	0.0
Disposal of tangible fixed assets	-0.4	0.1	-0.2	0.1
Capitalized development expenses	0.7	-6.5	-3.8	-16.8
Cash flow from investing activities	-1.1	-8.2	-8.2	-22.8
Loans raised	4.4	0.4	6.1	2.4
Amortization of loans	-1.6	0.1	-3.2	-1.4
Increase (+)/Decrease (-) in current financial liabilities	17.4	-7.5	13.1	3.3
Dividends	0.0	0.0	-2.8	-2.4
Cash flow from financing activities	20.3	-7.0	13.2	1.9
Cash flow for the period	31.4	-3.0	27.1	10.2
Cash and cash equivalents at the beginning of the period	19.1	24.9	22.7	11.1
Exchange rate differences in cash and cash equivalents	-0.1	0.7	0.6	1.4
Cash and cash equivalents at the end of the period	50.4	22.7	50.4	22.7
1) Of which, depreciation and amortization	2.1	2.2	6.5	4.4

Parent Company income statement

SEK million	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Net sales	5.8	2.2	23.7	16.1
Administrative expenses	-7.8	-8.0	-25.5	-26.7
Other operating revenues	0.0	0.0	0.0	0.0
Other operating expenses	0.0	0.0	0.0	0.0
Operating profit/loss	-2.0	-5.7	-1.9	-10.6
Profit/loss from financial items:	0.0	0.0	0.0	0.0
Other interest income and similar income items	0.0	0.0	0.0	0.0
Interest expenses and similar expense items	0.1	0.0	-0.1	-0.1
Loss after financial items	-2.0	-5.8	-1.9	-10.7
Group contribution	1.8	10.7	1.8	10.7
Profit/loss before tax	-0.2	4.9	-0.1	-0.1
Tax	0.0	0.0	0.0	0.0
Net profit/loss	-0.2	4.9	-0.1	-0.1

Parent Company balance sheet

SEK million	Dec 31 2015	Dec 31 2014
Assets		
Financial fixed assets		
Shares in Group companies	157.3	157.3
Total financial fixed assets	157.3	157.3
Total fixed assets	157.3	157.3
Current assets		
Current receivables	0.0	0.0
Receivables from Group companies	3.4	31.1
Tax assets	0.7	0.5
Other receivables	0.2	0.5
Prepaid expenses and accrued income	0.7	0.9
Total current receivables	5.0	33.0
Cash and bank balances	27.7	3.3
Total current assets	32.6	36.3
TOTAL ASSETS	189.9	193.6
Equity and liabilities		
Equity		
<i>Restricted equity</i>		
Share capital (4,707,138 shares)	4.7	4.7
Statutory reserve	141.9	141.9
<i>Unrestricted equity</i>		
Share premium reserve	43.7	46.3
Retained earnings	-12.6	-12.6
Net profit for the period	-0.1	-0.1
Total equity	177.4	180.3
Long-term liabilities		
Long-term interest-bearing liabilities	1.3	2.2
Current liabilities		
Current interest-bearing liabilities	1.3	1.3
Accounts payable	1.5	1.5
Liabilities to Group companies	0.5	0.5
Tax liabilities	0.0	0.0
Other liabilities	0.9	0.6
Accrued expenses and deferred income	7.1	7.3
Total current liabilities	11.2	11.2
Total liabilities	12.5	13.4
TOTAL EQUITY AND LIABILITIES	189.9	193.6
Pledged assets and contingent liabilities for the Parent Company		
Pledged assets	83.3	83.3
Contingent liabilities	46.9	35.9

Introducing Boule Diagnostics

Boule Diagnostics AB is active within the field of hematology, a branch of medicine that deals with blood, its functions and its diseases. Blood cell counting is currently the most widely used diagnostic test in clinical laboratories throughout the world and analyses are carried out in both human and veterinary diagnostics. Boule is one of the few players in the world that develops, manufactures and markets all strategically important components for automated blood cell counting based on its own expertise and technology.

VISION

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

MISSION

Boule will help its customers to make better diagnostic decisions for a more effective treatment of patients.

BUSINESS CONCEPT

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

FINANCIAL OBJECTIVES

Boule aims to achieve:

- An average sales growth over 5 years to exceed 10 percent a year
- An annual operating margin (EBIT margin) in excess of 13 percent
- Net debt should not exceed three times operating profit on a full year basis

STRATEGIES

- Commercialize high quality systems for the decentralized market for laboratory diagnostics
- Lock the instruments to proprietary consumables to ensure quality
- Sell products with their own brand in parallel distribution channels
- Focus on big and growing markets suitable for our products
- Sell consumables and systems to OEM customers
- Sell generic consumables under their own brand to open systems
- Active acquisition strategy to broaden the product offering

BUSINESS MODEL

Boule's business model seeks to develop, manufacture and sell complete blood cell counting systems. The company grows by selling cell counting instrument on the global hematology market and then generates recurrent revenue by selling reagents, controls, calibration services and service/support agreements. The instruments are locked to Boule's own reagents, creating more reliable analysis results and generating recurrent revenue streams during the service life of the instrument. Boule also sells consumables to OEM customers, who put their own branding on the products they buy.



BOULE AS AN INVESTMENT Growth

In the last five years Boule has had an average growth in turnover of 12 percent. Boule has continued great global growth potential and has experience of growing both organically and through acquisitions.

Increasing margins

Boule has an increasing installed base of proprietary systems that generates sales of consumables with good profitability.

Dividends

The Board aims to provide shareholders a favorable dividend yield and dividend growth. The annual dividend will in the long-term be the equivalent of 15-50 percent of the profits.

Value chain



Quarterly overview

	2015				2014			
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net sales, SEK million	88.4	88.8	78.9	75.3	90.1	73.6	69.7	73.3
Gross profit, SEK million	36.8	41.3	35.5	35.2	39.2	32.5	31.1	33.4
Gross margin, %	41.6	46.6	46.2	46.8	43.6	44.2	44.9	45.6
EBITDA, SEK million	2.7	10.5	5.1	9.8	9.3	11.1	4.3	7.3
EBITDA margin, %	3.1	11.9	6.5	13.0	10.3	15.1	6.2	10.0
EBIT, SEK million	0.6	8.9	3.2	8.9	7.1	10.0	3.2	6.3
EBIT margin, %	0.7	10.0	4.1	11.8	7.9	13.6	4.6	8.6
Profit after tax, SEK million	1.3	5.1	2.4	6.6	14.8	9.5	1.7	4.3
Earnings per share, before dilution, SEK	0.28	1.07	0.51	1.40	3.14	2.02	0.36	0.91
Earnings per share, after dilution, SEK	0.27	1.07	0.51	1.39	3.01	1.93	0.35	0.87
Cash flow from operating activities per share, SEK	2.59	2.25	0.02	-0.15	2.72	-0.85	2.89	1.95
Return on equity, %	0.7	2.7	1.3	3.7	9.2	6.7	1.3	Neg
EBIT (R12)/ Net debt	1.8	11	1.3	0.9	0.9	0.7	-3.3	-2.6
Equity/assets ratio, %	60	64	63	64	59	58	56	61

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CALENDAR

Interim report first quarter	May 12, 2016
Annual general meeting	May 12, 2016
Interim report second quarter	August 31, 2016
Interim report third quarter	November 9, 2016

The information in this interim report is such that Boule Diagnostics AB (publ) org.nr 556535-0252 is obligated to publish under the Swedish Securities Market Act. The information was submitted for publication in Swedish on February 18, 2016 at 08:45 am (CET).



Auditor's report of the review of the summary of the financial information (interim report) in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act

Introduction

We have reviewed the summary of the financial information (interim report) of Boule Diagnostics AB (publ), as of the period January to December 2015. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Scope and focus of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial 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 less in scope than an audit conducted in accordance with the Standards on Auditing in Sweden (ISA) and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain such assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, a conclusion expressed on the basis of a review does not provide the same level of assurance as an opinion expressed on the basis of an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 for the Group and in accordance with the Swedish Annual Accounts Act for the Parent Company.

Stockholm, February 18, 2016

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant