

Annual Report 2021

Boule Diagnostics AB (publ)





Boule works to ensure that all people have access to safe diagnoses

Boule Diagnostics AB is a global diagnostics company specialized on decentralized blood diagnostics. The company is one of the few companies in the global diagnostics market that develops, manufactures and markets instruments and consumables for blood diagnostics under its own direction. Boule mainly targets small and medium-sized hospitals, clinics, laboratories, and veterinary clinics, and other diagnostics companies.



28 600
active instruments



Strong brands

Boule offers several brands to better reach different target groups and meet their needs, and to increase penetration in all markets.

142+
tests per year, millions



Humans and animals

Boule offers complete solutions for hematology in both the human and veterinary markets.

100+
countries



Global presence

Boule has a global network of distributors who market and sell Boule's high-quality instruments and consumables to labs in the near-patient market.

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The year ends with record sales



The year in brief

The beginning of 2021 continued to be strongly affected by the Covid-19 pandemic, and due to the many restrictions around the world, this had a negative impact on sales. Over the year we saw a turnaround with growth in both instruments and consumables and continued positive development of our OEM products.

Increasing test volumes with increasing vaccination coverage

Boule has a large installed base worldwide, and sales have been affected by shutdowns as non-emergency medical visits have fallen dramatically. In many countries, vaccination rates increased towards the end of 2021, which has had a positive impact on Boule's sales. In the longer term, we expect test volumes to return to more normal levels, which will contribute to continued sales growth.

Expansion in emerging markets

We are focused on continued expansion in emerging markets where a local presence, combined with our expertise in hematology and robust technology solutions, gives us competitive advantages. In the second half of 2021, we established a local presence in the Middle East and Africa. This is a slightly longer-term investment, but one that has already resulted in new business opportunities in these regions in 2021.

Start of serial production for OEM customer

The OEM business, where we sell consumables to other manufacturers, has continued to develop well, thanks in part to a ten-year agreement signed in 2020. There are also several promising projects in progress with the potential to increase revenue in the years to come.

Local production in Russia

In September, our factory was completed and the first deliveries of consumables were shipped from the new production facility to customers in Russia. The decision regarding this investment was made in 2019, when local production meant direct advantages in public procurement, shorter lead times, lower transportation expenses and a reduced environmental impact from transportation. Given the war in Ukraine, the potential is now very uncertain.

Continuing improvement of our digital communication

An important part of strengthening relationships with our distributors is increasing our digital presence. By offering marketing and sales support and attractive digital product training, we can deliver added value that simplifies procedures for distributors and deepens customer relationships. During the year, we increased the offerings of the Boule Academy, our training platform, where we share application, service and clinical interpretation knowledge that is valuable to both our distributors and end users.

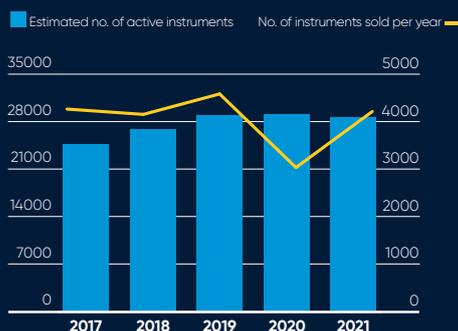
Milestones for IVDR alignment

Updates to comply with the new regulatory requirements in Europe, IVDR, passed an important milestone in November when a second and final external audit of the Boule quality system was completed without remarks. The EU has decided on a deferred and phased introduction of the new regulatory framework for certain risk classes of products, which means May 2027 for Boule's instruments. We will be well prepared, as we have already submitted the first technical file.

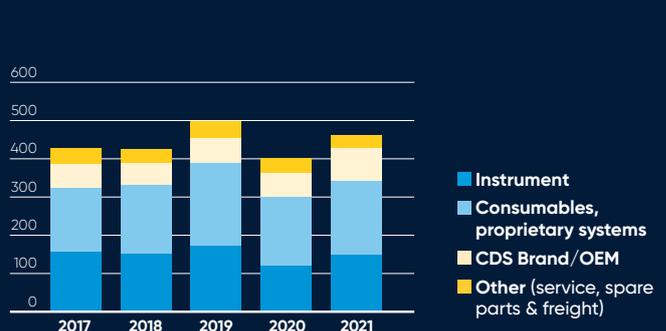
Development of a new product platform

The intensive development work that sets the foundation for Boule to be a global leader in the future of decentralized blood diagnostics has continued during the year. In addition to the development of new products, the development of our own cloud service is an important part of our strategy. A proof of concept solution was delivered in mid-2021. Initially, we will offer cloud services that are used for service and maintenance. New functionality will be added over time, and through connected services, Boule will increase customer value and create differentiated solutions.

Estimated number of active instruments



Sales



Record quarter ended 2021

I would like to start by thanking all our employees, distributors and suppliers for fantastic results in 2021. It has been a year of continually coping with the effects of the pandemic. It has certainly not been easy to conduct sales, given all the restrictions, or production with the globally challenging situation of logistics and material supply. Despite these challenges, we ended 2021 with Boule's highest quarterly sales ever.

Market recovery and growth as the pandemic gradually subsides

After two years of pandemic, we have now seen three quarters of clear recovery in demand, thanks to increased vaccination rates and reduced restrictions. While the market is still affected by the pandemic, we expect the post-pandemic effects to continue to fade in 2022. Unfortunately, we are now experiencing a war in Ukraine and an escalating humanitarian tragedy that touches us deeply and will affect the world economy, as well as our sales.

In the longer term, the decentralized market that Boule addresses is expected to grow by five percent annually. Most of this market concerns 3-part instruments, where Boule is ranked among the very best and has a strong market position. For more advanced 5-part instruments, growth is eight percent, a market we will better address with an expanded product portfolio and new solutions in 2023.

Strategy update with three clear ambitions

During the year, we updated Boule's long-term strategy and set three ambitions for our continued development:

- We want to have the most satisfied customers
- We want to be a highly valued employer
- 500M tests to be carried out annually with Boule's products

Three challenging, but important and realistic goals that we are working to achieve in the long term. In 2021, we carried out activities and made significant progress towards achieving these ambitions.

Expanded local presence and cooperation with distributors

To increase cooperation with distributors and help with business development, we have recruited our own staff in the Middle East and Africa. We will continue to expand our local presence to reach new markets or increase our market share where we are already established. With a local presence, we can customize our business even more and better, to add value for both distributors and users.

A priority activity is to continue to increase the offer of the Boule Academy, our training platform, where we share and develop knowledge for all our partners and end users.

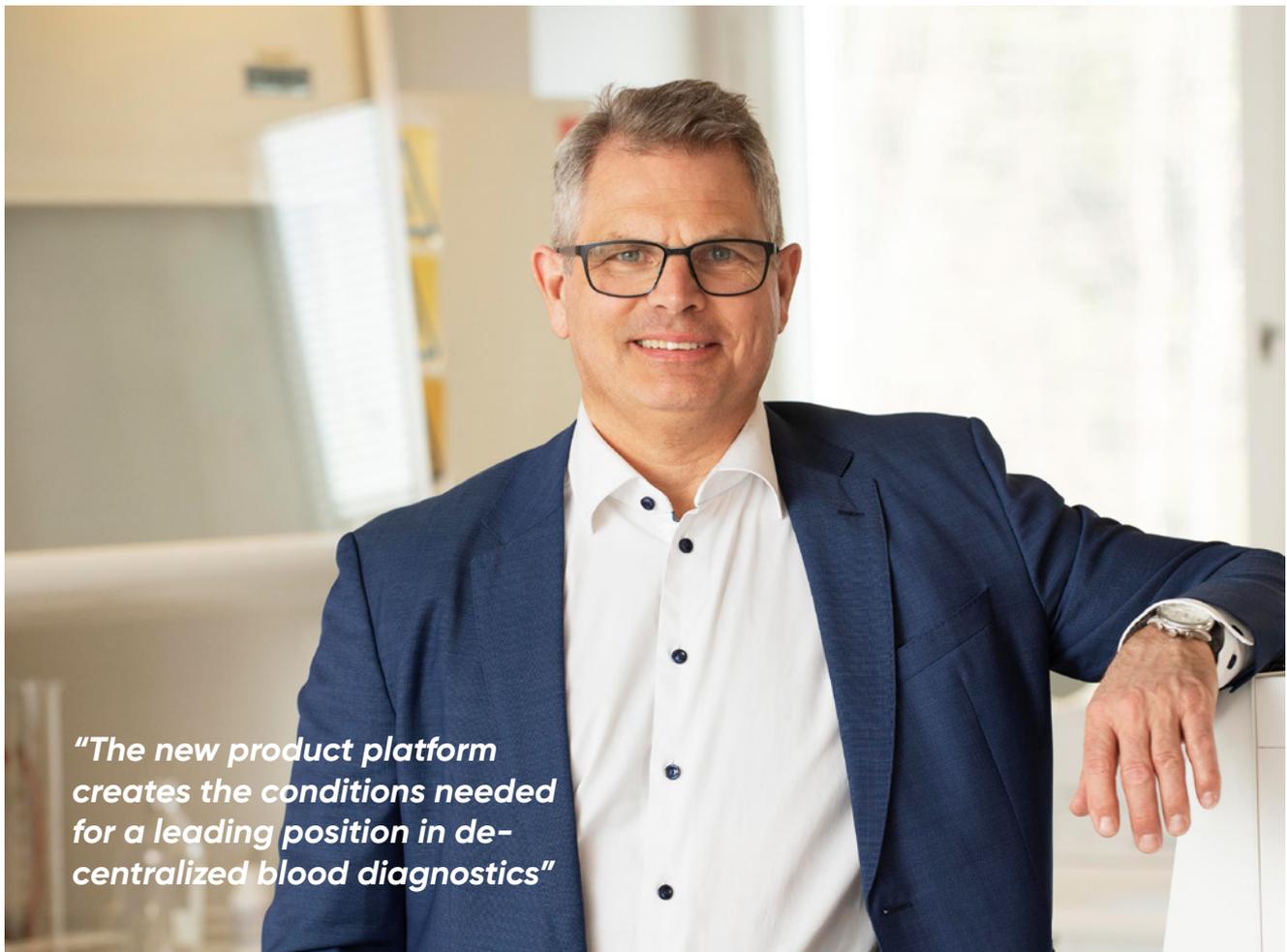
Positive development of the OEM business

Boule is one of the few manufacturers that develops and manufactures instruments, reagents, blood tests and calibrators. This makes us an attractive partner for other hematology providers, as well. In early 2021, we added additional resources to develop this business, which grew 43% over the course of the year. These partnerships provide us with long-term and stable income, as many of the contracts have very long terms. The contract responsible for the largest volume increase in 2021 was signed in 2020 and has an initial contract duration of 10 years, with an option for a further 10 years. Our OEM customers are communicating increasing sales forecasts for 2022, and we are evaluating additional potential business propositions that can drive growth beyond 2022, which is encouraging.

Uncertainty due to the war in Ukraine

(This text was written on March 25, 2022 and may well be outdated at the time of publication of the annual report.)

We are all shocked by the Russian invasion and developments in Ukraine. Our thoughts are with all those affected by this ter-



"The new product platform creates the conditions needed for a leading position in decentralized blood diagnostics"

rible tragedy. We are following developments in Europe with a readiness to act.

As our products are used to help doctors make diagnoses, they are not subject to sanctions, but indirectly, the sanctions will affect our Russian operations when the banking system and transportation do not work.

In 2021, Eastern Europe accounted for 13 percent of our sales, the majority of which were sales to Russia. Due to the war, the market outlook for Russia and Ukraine and our operations in Russia are now uncertain.

Investments for long-term profitable growth

The investment in a new product platform sets the foundation for Boule to be a future leading global player in decentralized blood diagnostics with new innovative solutions. The new platform also includes a cloud-based infrastructure and services based on it. Cloud-based service solutions will be launched towards the end of 2022, with distributors in selected markets able to benefit from certain services for the existing installed base. Additional functionality will be added over time, and through connected services and training via Boule Academy, Boule will increase customer value and create differentiated solutions.

The first instrument on the new platform, an advanced 5-part system for the global human market, is now nearing the final design. Development and industrialization have been disrupted by the pandemic, as well as component shortages and very long lead times for prototypes. This changes the timeline for the start of clinical validation of the system and thus the launch, now planned for early 2023.

The investment in a new product platform will enable our

entire product portfolio to be upgraded over the next 2–5 years. Our long-term ambition is to continually broaden our offering of new products and related services to deliver our high-quality tests to more people around the world.

Sustainability

Sustainability is an area with many dimensions. At Boule, we believe that our greatest contribution is the products and solutions we provide to healthcare providers and patients. The blood diagnostics performed with our solutions represent a very efficient and inexpensive tool to obtain a quick health status and are therefore used in both annual health check-ups, diagnostics and follow-up of ill patients. We contribute to the well-being of millions of people and help build healthcare infrastructure in very many developing countries.

Structural underlying growth

The pandemic and its indirect effects affect us and our customers in different ways. It is with great pride that I see new ways of working being embraced and refined and that we have overcome many difficulties in the past year. We started 2022 with optimism and a full order book. There is underlying growth for diagnostics that is funded both publicly and privately independently of economic cycles. At the time of writing, the war in Ukraine has escalated, and we are now closely monitoring developments to see how it will affect the broader world economy, as well as us in Eastern Europe. We have weathered a turbulent time with the pandemic very well, which reinforces my confidence that we will meet the tasks and the new yet unknown challenges we will face.

Jesper Söderqvist
CEO, Boule Diagnostics

Our strategic overview

Boule's purpose

We offer versatile, high-quality, decentralized diagnostic solutions for everyone, everywhere.

Business model

An indirect channel with distributors for sales and service.

A growing installed base to drive sales of consumables.

A product strategy with strong brands to enable multiple sales channels.



Our ambitions



The most satisfied customers

Creating value for all our stakeholders is fundamental to our approach and culture. We take a long-term perspective, with half of our clients having worked with us for over 10 years. We work systematically, investing in training and knowledge-sharing, and we offer this knowledge packaged in our global program, Boule Academy, combined with local market presence. Our hematology systems are designed to work in different environments, and Boule's brands are characterized by high quality and reliability.



A highly valued employer

Our people are the key to success, ours and our customers'. Attracting new colleagues, as well as retaining and developing our existing staff, is crucial to delivering a customer experience in line with the long-term strategy of having the most satisfied customers.

Creating space for employees to grow in all parts of Boule means investing resources both in new innovations to find solutions that help patients, but also in skill development to become even stronger as an organization. We want Boule to continue to be an exciting work environment where our employees can grow and develop at their own pace.

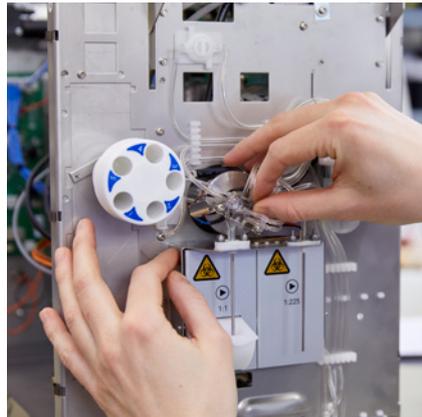


>500M tests annually

We want to make a difference and contribute to a world where more people and animals receive the right high-quality treatment, at the right time. A complete blood cell count (CBC) is the most common test used in in vitro diagnostics and helps the doctor to make a diagnosis. Boule has a large installed base in over 100 countries, delivering 140+ million tests in 2021. We are actively expanding to reach more patients, especially in developing countries, where our robust and user-friendly solutions are well suited.

Strategic pillars

Boule has identified three main strategic pillars to create long-term profitable growth.



Increase value for distributors and users

Long-term competitiveness is ensured by excelling through high customer satisfaction and value creation for all stakeholders. The strategy focuses on value creation for users and distributors, retaining our partners and continuing to expand our geographic reach. Thinking globally and acting with local expertise and presence is an effective way to manage our large global distributor network.

Progress in 2021

- ▶ Increased local presence in the Middle East and Africa
- ▶ Increased skill development via Boule Academy for distributors and users
- ▶ New website and customer portal to improve communication with all distributors

Invest in sustainable product development

We need to offer a relevant and competitive product portfolio based on Boule's proprietary technology, with new solutions launched regularly. To achieve this, Boule is investing in strengthening its skills and capacity for innovation and new development. We are working intensively on a new modern product platform that will update Boule's entire product portfolio over the next five years. Boule may also distribute other products if this improves its market position and contributes to increased sales of consumables for Boule's proprietary technology.

Progress in 2021

- ▶ Delivered proof-of-concept solution for Boule's future cloud service for connected instruments.
- ▶ Good progress in the industrialization of the new product platform
- ▶ Agreements with new partners to increase capacity for both product care and new development

Increase the number of tests done with Boule's solutions

Boule develops, manufactures and markets instruments and consumables for decentralized diagnostics available to everyone around the world. We want to increase the number of tests conducted with Boule's solutions globally with the aim of contributing to people's well-being, while increasing our profitability.

Continued expansion in developing countries increases the installed base. We map markets to identify segments and new customers with high volumes of tests performed. With an expanded product portfolio and our new 5-part instrument, our addressable market is growing.

Progress in 2021

- ▶ Number of tests in the installed base has increased over the last three quarters as the world opens up after the pandemic
- ▶ Ongoing expansion in emerging markets
- ▶ Increased OEM business where Boule sells consumables to other manufacturers

Financial targets

Operating profit/loss



Target

>15%

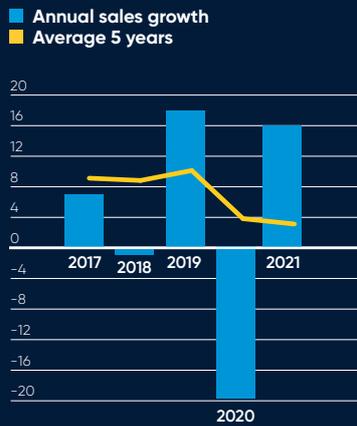
Operating margin

7.8%

2021 outcome

The operating margin improved in 2021, driven by increased sales. The operating margin continues to be affected by the pandemic, both in terms of lower sales and additional expenses for input goods and higher transportation expenses. The operating margin has strengthened during the year and was higher in the second half of the year.

Sales growth, %



Target

>10%

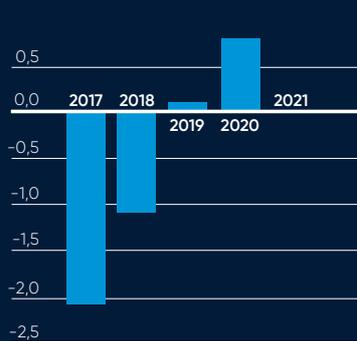
Long-term sales growth

15.7%

2021 outcome

During the COVID-19 pandemic, sales have slowed. Restrictions and the closure of many markets have radically reduced regular medical visits, resulting in fewer blood samples being taken, which has reduced our sales of consumables. As markets have opened up, sales have increased, and the year ended with record sales. Average sales growth over the last five years has been 3.2 percent.

Net debt/EBIT, times



Target

<3 times

Net debt/EBIT

0.0 times

2021 outcome

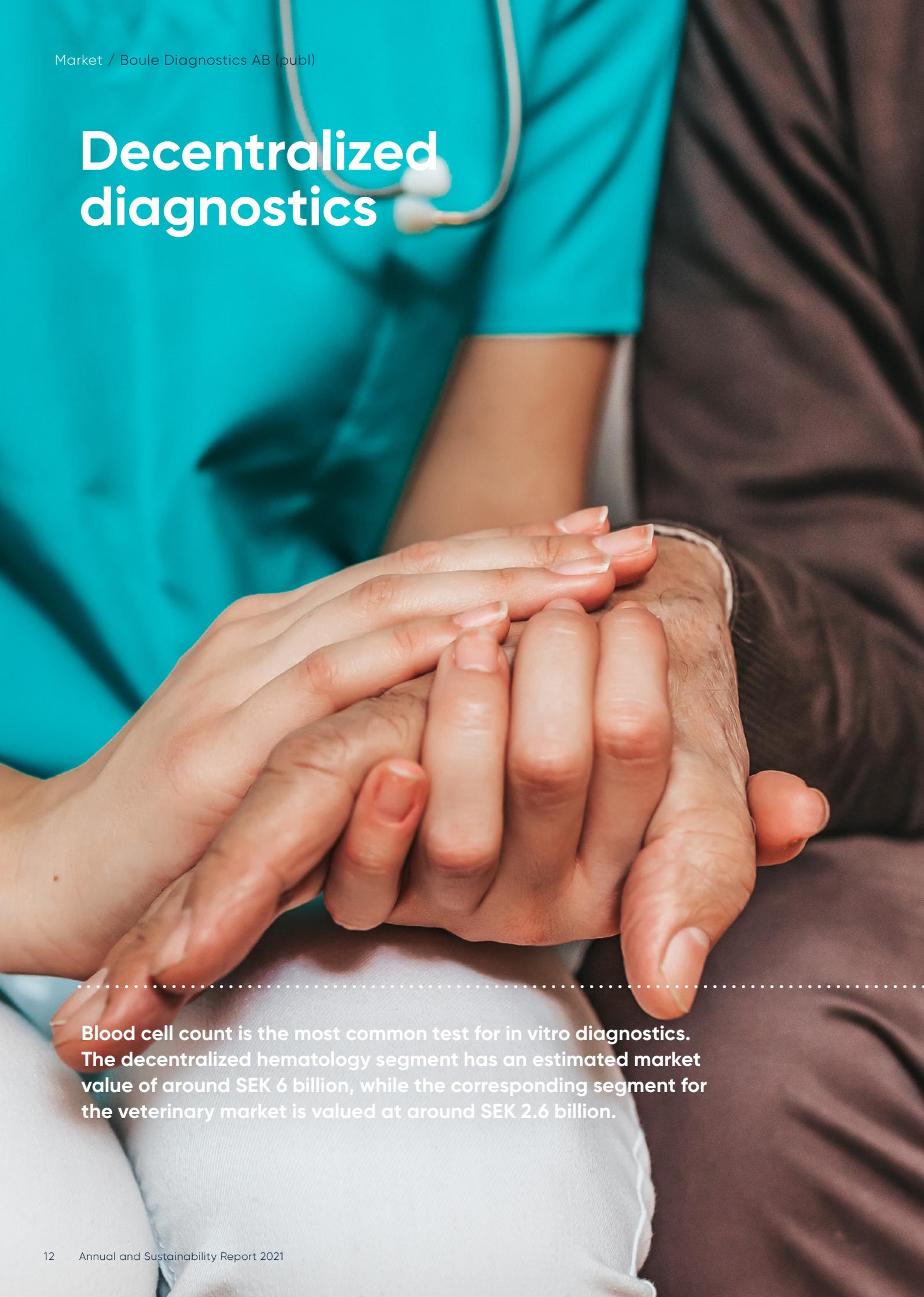
Operating profit improved significantly during the year. The company has taken out a loan of SEK 20 million to secure good liquidity and ensure continued investment in the next generation product platform, which is why net debt increased from negative figures to SEK 0.7 million. Boule continues to have a strong financial position, and net debt / EBIT decreased during the year.

Dividend

The Board's proposal is for an unchanged dividend from the previous year, equivalent to 45.9% of net profit, which is within the framework of the dividend policy that takes into account both the company's future cash flow and the shareholders' return on equity.

SEK **0.55** /share

Decentralized diagnostics



Blood cell count is the most common test for in vitro diagnostics. The decentralized hematology segment has an estimated market value of around SEK 6 billion, while the corresponding segment for the veterinary market is valued at around SEK 2.6 billion.

Continued growth in the human market

A complete blood cell count (CBC) or blood count is the most common test used in in vitro diagnostics (IVD). Total IVD market sales were estimated to be around SEK 1,000 billion in 2021, up 12% from 2020, largely driven by Covid-19 testing.

The hematology market is estimated to be worth around SEK 60 billion and can be divided into two market segments: a centralized segment, consisting of larger hospitals with their own central and commercial reference laboratories, and a decentralized segment consisting of smaller hospitals, clinics, laboratories, health centers and doctor's offices. Boule focuses on the decentralized niche, which had sales of just over SEK 6 billion in 2019*. Globally, there are over 100,000 small and medium-sized diagnostic laboratories, for which Boule's instruments are an attractive option.

Market segments

The decentralized hematology market can be divided into two product segments: 3-part and 5-part. The cost-effective 3-part analysis accounts for approximately 80 percent of the analyses performed and the more advanced 5-part analysis accounts for the rest of the tests. Both instrument prices and cost per test are significantly higher for 5-part solutions, which means this segment accounts for about 40 percent of the market value.

Growth factors

Blood diagnostics is an integral part of healthcare, used both as a basis for diagnosis and for planning and monitoring the treatment of patients. The growth of the hematology market is driven by several global factors, the most important of which are:

- ▶ Improved standard of living
- ▶ General population growth
- ▶ Growing elderly population

In markets such as Asia, Africa, Latin America and the Middle East, growth is driven by improved living standards and steadily increasing access to healthcare. This is even more evident in rural areas and small towns. The market for decentralized blood diagnostics is still dominated by the simpler 3-part instruments, which show annual growth of about 4–5%. The market for 5-part instruments has higher growth and is increasing by about 8% per year.

Underlying demand, despite pandemic and war

In 2021, we have seen a shift with a strong increase for Covid-19 testing, while other types of tests are not yet back to pre-pandemic levels. However, the trend in the second half of 2021 has shown upward sales figures for both instruments and consumables. The underlying causes are the same as those that have applied since the start of the pandemic, namely that health services have focused their resources on the care of Covid-19 patients, and the number of regular medical visits has remained low as countries have shut down or imposed restrictions. The Covid pandemic has continued to stunt demand for both instruments and related consumables, affecting growth in Boule's market segments in 2021. The underlying need for health surveillance testing remains, and we expect it to return to normal volumes once the spread of infection is reduced, but there is still uncertainty about when this will happen. Future sales in Eastern Europe are very uncertain given the war in Ukraine and sanctions against Russia.

Market and technology trends

We are seeing an increase in the application of machine learning (artificial intelligence), for example to improve algorithms. Boule uses this type of supervised machine learning algorithm to find patterns in large collections of data for our own product development. In the slightly longer term, there is great potential in in vitro diagnostics, where digitalization and artificial intelligence will allow us not only to process large amounts of data to generate test results, but also to analyze and interpret data to facilitate clinical decisions, for example, in markets where the availability of trained personnel is lower.

The announced EU In Vitro Diagnostic Medical Devices Regulation (IVDR), whose main aim is to improve patient safety, will be introduced in different phases over the period 2022–2027. The new legislation affects all manufacturers of medical devices.

Competitive advantages

The history of Boule dates back to 1956 when the founder of Swelab Instrument, Erik Öhlin, developed Europe's first automatic blood cell counter. Boule excels with strong brands such as Swelab, Medonic and Exigo and is seen as a premium supplier by our distributors around the globe. Boule's main competitive advantages are the products' user-friendliness, operational reliability, and low maintenance costs. These attributes are equally valued in mature and developing markets.

*Source: Kalorama report: "Hematology and Coagulation Markets (Lab-based and Decentralized Markets)" from May 2020.



Time-efficient near-patient diagnostics improve care efficiency



Source: Kalorama report: "Hematology and Coagulation Markets (Lab-based and Decentralized Markets)" from May 2020.

Growing veterinary market

The global veterinary market for diagnostics has a market value of approximately SEK 26 billion, of which hematology accounts for approximately 10%, with growth of approximately 8%. The increasing ownership of so-called "pandemic dogs" is a factor contributing to the growth of the market.

Growth factors

Contrary to the human market, the veterinary market has shown increasing growth during the pandemic, and the interest in acquiring pets has continued to increase in 2021. This is further underpinned by a growing population, improved per capita income and increased awareness of animal health in developing countries. The patient-oriented segment is expected to show the fastest growth in the coming years. This growth is mainly due to the speed, efficiency and ease of use offered at the local veterinary clinics. As the economy improves for animal owners, the demand for quality veterinary medicine increases and, with it, the willingness to purchase veterinary services.

Market and technology trends

Product and technology trends in the companion animal market are driving an increased demand for more measurement parameters, a higher proportion of rapid tests, and increased digitalization in the near-patient segment. At the same time, regulatory requirements are lower for veterinary products, which means that time and cost to market are shorter than for similar products in the human market. However, in veterinary applications, the hematology systems must work for many different animal species, making the development and clinical validation of new products relatively extensive.

Growth potential for Boule

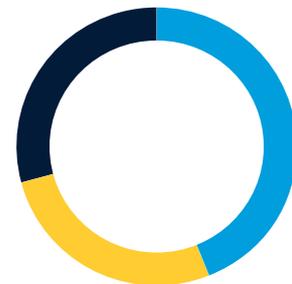
Boule has been working for a number of years to strengthen its offering for the veterinary market and today has a solid diagnostics offering consisting of both hematology and clinical chemistry. Boule continues to actively work to offer a strong product portfolio with new solutions.

Boule's strongest market is Europe, but Asia and Latin America have also shown an increase in sales. The continued investment in the veterinary market and the development of new products provide the company with a solid foundation for good growth in veterinary diagnostics, both in existing and new markets.

Source: MarketsAndMarkets report "Companion Animal Diagnostics Market," from February 2020.



Companion animal market



■ 44% USA
■ 27% Europe
■ 29% Rest of the World

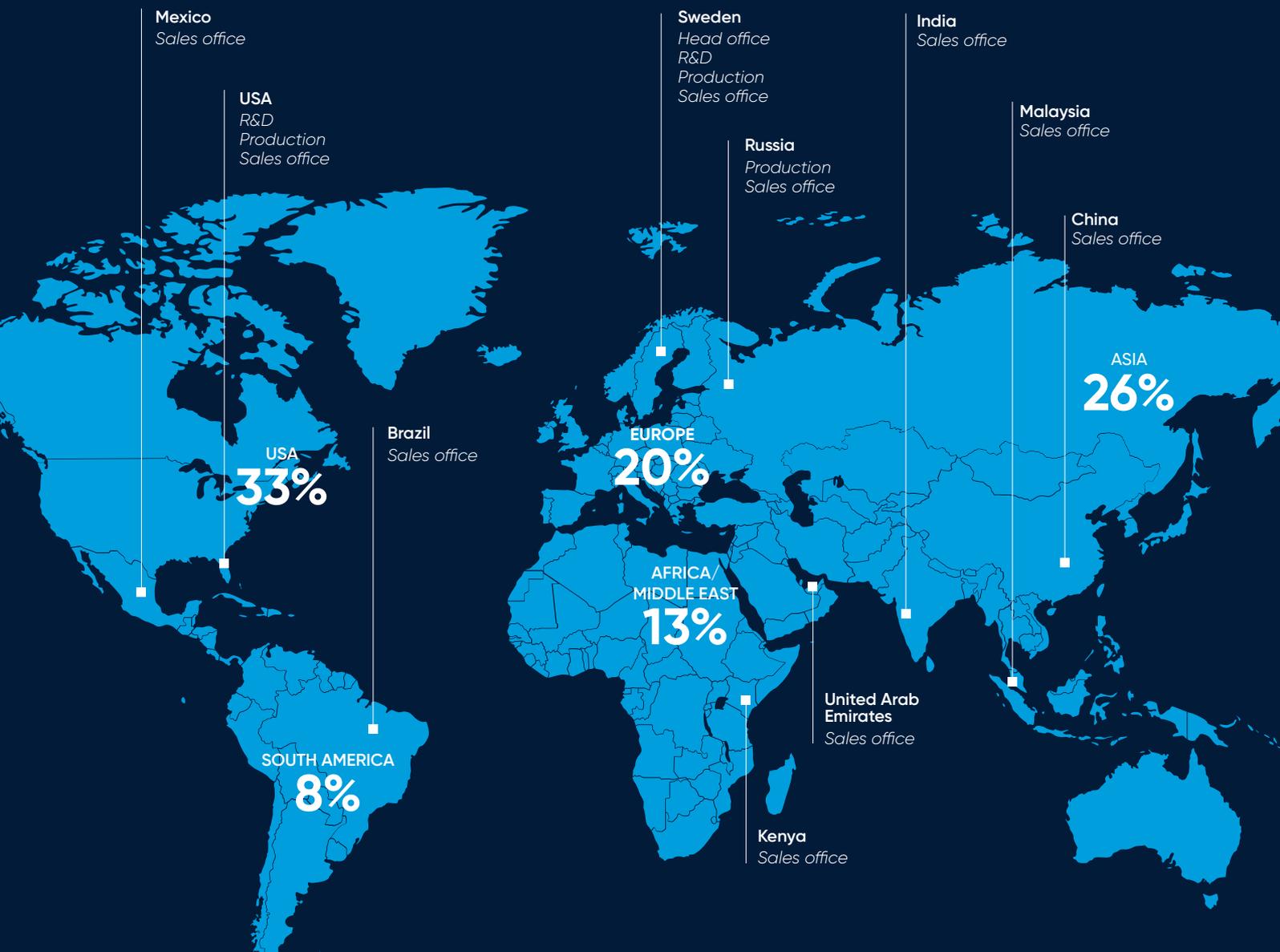
The diagnostics market is dominated by some major global players



The aftermarket for both human and veterinary diagnostics includes consumables such as reagents and calibrators as well as service, and forms an essential part of the package solution. Instrument sales vary from quarter to quarter, and large orders are dependent on procurement, while sales of consumables are more stable over time.

Strong position in key emerging markets

Boule has a strong position in the emerging markets of Asia, Africa and the Middle East are also gaining in attractiveness as these regions expand their investment in better healthcare. Market growth in Africa and the Middle East is higher than the global average. The growth is mainly in the 3-part segment, where Boule has a strong market position.



200+
distributors in
100 countries

SEK 6 BN
Addressable market Human

Local presence through a global network

Boule has a sales presence in over 100 countries through a strong network of distributors who provide the company's hematology solutions for decentralized diagnostics in their respective home markets.

200 distributors in 100 countries

Boule's strong product brands are available in over 100 countries through 200 regional distributors. In addition, Boule has its own sales and service offices in Sweden, USA, Mexico, Russia, India, China, Brazil, Malaysia, UAE and Kenya, to provide regional support to distributors. Boule's own staff works with distributors applying a "be global, act local" practice, where we jointly leverage distributors' local knowledge of clinical practice, customer preferences, local regulations and competitors, combined with Boule's global expertise. This combination allows us to quickly create relevant and competitive solutions.

In 2021, Boule strengthened its commercial organization with regional sales resources in the Middle East and Africa and increased its marketing and service efforts to help distributors win new business.

Strong product brands

Boule has several strong brands, including Medonic and Swelab for the human market and Exigo for the veterinary market. In many countries, Boule has parallel distributors representing the different Boule brands.

Boule Academy

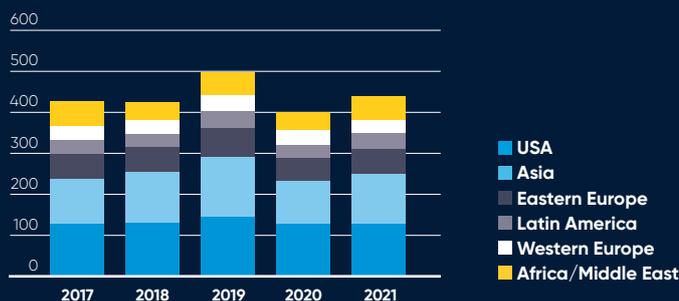
To ensure that everyone who interacts in any way with Boule's products has the right training, the company provides a number of different training courses through the Boule Academy. The Boule Academy is aimed at its own employees, distributors and partners, but also at the end users of Boule solutions. Training topics can include technical training in the handling of products and applications, service training, clinical user seminars on the diagnosis of specific diseases or pure sales training so that distributors can effectively represent Boule's solutions.

Total quality concept

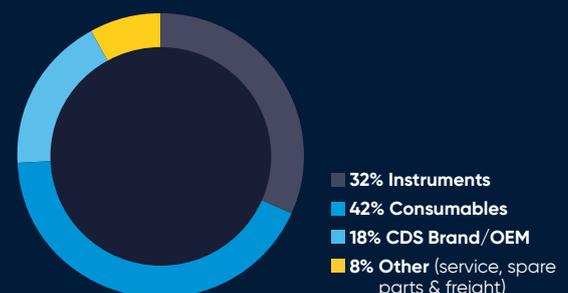
Boule's hematology products and services cover the entire value chain. From development and production to installation and use by end customers, Boule guarantees quality in line with the company's quality concept. We call this concept the Total Quality Concept, and the ultimate goal is to provide high-quality instruments and consumables that give physicians access to accurate blood tests for rapid diagnosis.



Sales by region



Sales by product area





Boule Academy™

The Boule Academy™ offers a new educational platform where our customers can access a wide range of certified training courses, courses and webinars of various kinds.

Medonic™

Medonic offers several advanced features for conducting complete blood cell counts, including differential counts of white blood cells, with outstanding ease of use, accuracy, and reliability.

Swelab™

The Swelab system combines hematology analysis and reliability with maximum user-friendliness. Accurate results are underpinned by built-in quality monitoring and low instrument maintenance.

exigo™

The Exigo veterinary system delivers accurate results, reliability, as well as species optimization to meet the specific biological distinctiveness of different animal species.

Quality throughout the value chain

Boule's hematological instruments use advanced technology to count and classify different types of blood cells. The automated analyses are an important tool for doctors in identifying abnormalities and monitoring disease development. They are also an important aid when choosing treatment of, e.g., weakened immune systems or bacterial and viral infections.

Instruments

Boule sells hematology systems with instrument platforms for both the human and veterinary markets. The instruments are based on advanced technology that counts and classifies different types of blood cells to support decisions in several disease scenarios, such as lowered immune systems or bacterial and viral infections. Within the human market, our brands are called Swelab, Medonic and Quintus, and in the veterinary market, our brand is called Exigo.



Locked consumables for proprietary instruments



Consumables for OEM customers

Consumables

Each instrument gives rise to aftermarket business as Boule sells consumables during the life of the instrument in the form of reagents, blood controls and calibrators, as well as reagent rotors for chemical systems. Boule also sells consumables (CDS brand) used in other manufacturers' open hematology systems. Finally, Boule conducts OEM sales of consumables to other large suppliers in the industry, which then sell these to end customers under their own brand.



Reagents

An automated hematology system includes both the instrument and its dedicated reagents. At Boule, reagents are designed and developed together with the instrument to provide optimized performance and improved usability for the entire system. Reagent and measurement techniques, including the analysis algorithms, are fine-tuned to jointly provide accurate and, over time, consistent test results.



Blood controls and calibrators

Boule is one of the few companies in the world that has the expertise to produce high quality controls. Controls and calibrators are specially designed to ensure accurate sample results. Like reagents, cell populations in controls and calibrators are matched to system measurement technologies and analysis algorithms.



Cleaning products

Boule's cleaning product is a unique Triple Action Cleaner designed for use on hematology instruments. The cleaning fluids thoroughly clean and lubricate the instruments in three steps, extending the life of the components and minimizing the risk of bacterial growth and background problems.

Boule Academy™



The Boule Academy is for everyone, but is optimized for the individual.

SOFIÉ OLANDER, SCIENTIFIC AFFAIRS AND BOULE ACADEMY MANAGER



What is the Boule Academy?

The Boule Academy is our strategic initiative to share and develop knowledge for all our employees, partners and end users around the world. With this academy we plan to pursue education but also consolidate Boule and its networks as the knowledge sources they truly are.

Why was the Boule Academy launched?

Initially, the Boule Academy was launched as a platform where we could gather information and training materials for our partners. The academy was very well received, so we have now broadened the target group to include employees, as well as end users. We see it as strengthening our culture and as a good way to connect with our end users and thus raise awareness of Boule globally in the hematology world.

For Boule Academy, more and different types of recipients means both a massive expansion of the content, but it also places great demands on how the content should be packaged and presented and what tools we choose to work with.

What are the plans for 2022?

In 2022, we look forward to launching a new digital certification package for our service technicians, launching a new series of sales training for our partners, and we have many great ideas and speakers ready to reach out to our end users.

Can you tell us a bit about the main challenges you see in implementing the Academy?

By far the biggest challenge in the implementation of Boule Academy is the global scale. We want to reach out to the whole world, which means a variety of languages, different technology platforms, Internet access and different cultures. In addition, we have so many different target groups with different needs and interests to cater to.

The Boule Academy is for everyone, but is optimized for the individual.

What do you see as Boule's main success factors?

When I meet our distributors and customers, I am often struck by how valued we are as a partner. Because of our high-quality products, but perhaps above all because of our willingness to help and support, whatever the issue or challenge. I believe that a large part of Boule's success lies in the commitment and will of its employees – it is the people who make Boule.

What made you choose Boule as your employer?

I chose Boule because I saw an innovative company on the rise. A company that offers both great products and solutions to its customers, but also an opportunity for me to grow and contribute to the future of Boule.

Boule around the globe

Boule is growing in Africa and the Middle East

ADMIR GUSIC,
SALES DIRECTOR EMEA
AT BOULE



Can you tell us a bit about Boule's efforts in the Middle East and Africa?

We have been in these markets for many years and we feel the time is right to establish ourselves locally to support the distributors and increase our market share.

What are the benefits of local presence in these markets?

The main benefits for us are that we get closer to the end customers and can better understand their needs and challenges. In the same way, we will be able to meet local authorities and organizations and thus gain a better understanding of the respective markets.

Therefore, as a first step, we have now invested in a local presence with a sales director dedicated to each market so we can support our distributors even better. We expect to expand the organization as our market share grows. As a next step, we plan to reinforce our presence with local service teams.

Do you have local production in any of these markets?

At the moment we have no production or immediate plans for it, but it is not something we are ruling out for the future.

What is the market for Boule in the Middle East and Africa?

Customers are both private and public; at the moment it's about 50/50 if we look at the installed base. Both the private and public sectors are growing steadily. Our focus is on the slightly larger and more developed countries.

What trends in hematology do you see in these markets?

In Africa, demand for 3-part systems is highest at the moment, but we expect demand for 5-part systems to pick up there too in the long term. In the Middle East, there are also good opportunities to sell 3-part systems, although the shift towards the 5-part is a little further advanced in this region.

What do you see as the biggest challenges in each market?

In Africa, political and economic instability is the main challenge. That's why we focus on those countries that have had stable economic development. However, we are monitoring developments in several other countries where we see good opportunities to develop sales in the future.

In the Middle East, we are currently looking to add additional distributors in different markets in order to tap into the potential that exists.

What do you see as Boule's main success factors?

We are a Swedish company that delivers high quality long-life products, and we offer an easy service procedure when needed. We also have our own production of controls, which is unique. I would also like to highlight our most important patent, an instant analysis solution that uses a single drop of blood (MPA) and that is unique to us. We also have a locked reagent system with RFID to ensure the quality of the measurement results. In addition to the quality aspect, it ensures the sale of consumables and thus our margins and those of our distributors.

How will the markets evolve for Boule over the next five years?

With our local presence, we will strengthen Boule as a brand and be able to attract additional distributors. Having successfully launched our new 5-part system in both markets, my assessment is that Boule will strengthen its position in the regions.

How has Boule evolved since you joined the company?

I've been at Boule for 20 years, and we're a completely different company today than when I started. We are now a listed company selling our products on the world market, which is fantastic and opens up many opportunities, including for us who work here. We like to say that we work globally but with a local presence.



Increased demand from small and large labs in Romania

VLADIMIR MUNTEAN,
GENERAL MANAGER, TEHNO INDUSTRIAL



Tehno Industrial was established in 1995 and has been working with Boule since 2010.

It provides a broad portfolio of medical devices for both the human and veterinary markets in Romania and has an installed base of nearly 200 Boule instruments.

What market and technology trends do you see for the next five years?

For small laboratories, we believe we'll see improvements in the form of new functions and parameters.

For large labs, we'll see models with higher testing capacity and greater precision. We also believe in new genetic analyses to detect specific diseases and help doctors with personalized medication.

Have you seen any changes in the market due to the pandemic?

On the human side, many hospitals have become dedicated Covid hospitals with the consequence that consumable and reagent consumption was much lower.

Veterinary clinics have been largely unaffected by the pandemic, perhaps as a result of the large number of pet owners.

What does a typical veterinary clinic working with hematology instruments look like in Romania?

Over the past two years, we have noticed that most newly established veterinary clinics request solutions with both biochemistry and hematology.

How does the collaboration with Boule work?

We appreciate Boule's quick response and competent advice, which is critical for us.

An important parameter that contributed to our sales growth was the EKN financing that Boule helped us with, which allowed us to offer our customers very favorable payment terms.

What do you think is the main advantage of the Exigo products?

It is a very reliable product. The micro-capillary function, in particular is highly appreciated by veterinarians when caring for small pets.

Customers also appreciate the financing model, where the instruments are paid for over a number of years.

Rapid laboratory responses in Mexico

INTERVIEW WITH KABLA

What trends do you see in the hematology market?

We see a growing market coming from an increasing incidence of chronic blood diseases, an ageing population and increased public awareness of the importance of laboratory testing. We also note that patients and physicians expect shorter lead times for laboratory results, which is positive for our market. This is despite the large automated laboratory analysis facilities that are often located far from where the samples are taken.

After two years of the Covid pandemic, clinical laboratories and IVD companies will experience significant growth, so we can expect more innovation from the market and greater demand for testing from patients.

How will the market evolve over the next five years?

Laboratories have higher standards and expect not only high quality and reliable hematology systems, but also ongoing and competitive support and service, as well as prompt delivery of reagents, controls and calibrators.

How do you view Boule's role in Mexico?

Customers like Boule's focus on hematology, unlike other brands that offer a wide range of IVD systems and sometimes even other medical instruments. Boule is recognized as a hematology expert with excellent local technical support that ensures high customer satisfaction.

How does the collaboration with Boule work?

We are proud to represent Boule in Mexico. We share the same values and we are both committed to harmonizing the interests of our companies with patients, laboratories and the sub-distributors we sell to. We have very open and transparent communication with Boule and we are grateful that they listen to our requirements and our customers' feedback so we can develop new solutions and improve the current offering.

What are the benefits of Boule's products and services?

Boule's products are well-designed, robust and guarantee a long service life because the maintenance requirement is simpler. Boule's products offer good TCO (total cost of ownership), as Boule manufactures instruments, reagents, calibrators and controls. There are very few companies that can offer similar end-to-end solutions for the hematology market.

Do you have any other remarks?

We are really happy to work with a company like Boule. For us, Boule is not a supplier but a strategic partner.



A relationship was established with Boule through the acquisition of Kabla three years ago,

Kabla is a strategic partner based in Mexico. It has 150 employees and more than 4,000 business partners from small to large clinical labs and hospitals in both the public and private segments.

From the left: Federico Lozanoy, Director & Co-founder, Kabla ; Ricardo Martinez, Director & Co-founder, Kabla



Sustainability Report

As a global supplier of instruments, consumables and associated services for high quality and safe blood analysis, Boule works to protect and improve the environment and the health and well-being of employees, customers, patients and the societies in which the company operates.



Target

Boule stands for responsible business in all areas in which the company has a significant impact. Sustainability is directly linked to Boule's vision and business operations. With the priorities and goals defined to create value for our customers, we also create value for our employees, owners and society at large. Boule's product solutions and services help our customers contribute to communities becoming more sustainable. Boule's activities directly contribute to objectives three and nine of the UN Framework for the 2030 Agenda.



Good health and well-being

Boule delivers solutions for blood diagnostics that are used in medical examinations and the diagnosis of diseases.

From a societal perspective, blood cell counting is a very cost-effective analysis and provides timely information about patients' health and diseases for immediate action.



Sustainable industry, innovation and infrastructure

Boule's instruments and reagents are offered in near-patient diagnostics worldwide. Our robust and high-quality blood analysis instruments help healthcare providers give patients safe and accurate diagnostics, whether they live in cities or rural areas.

Mapping Boule's impact on sustainability

Boule sources input goods in Europe, Asia and the US, conducts manufacturing in four factories in the US, Sweden And Russia and markets instruments and consumables globally via a network of distributors.



Boule's value chain provides us with analysis data for sustainability and risk analysis



We have evaluated Boule's impact on society and the environment by identifying different stakeholder groups and potential sustainability risks in the value chain. In the ongoing

business dialogue with our stakeholders, we discuss and manage business ethics, social and environmental risks and opportunities.

Governance of sustainability work

As a medical products company, Boule is governed to a high degree by laws and regulations concerning standards, safety and product quality. Blood diagnostic equipment is subject to detailed regulations worldwide. Boule's vision, mission, values and code of conduct guide employees in the social and environmental responsibility the company seeks to ensure. We manage Boule with our quality management system, and all manufacturing and selling companies within the Group are certified in accordance with ISO 13485. In addition to the regulations that Boule follows, the company is governed by a number of policies. The most important are:

- ▶ Code of conduct
- ▶ Environmental policy
- ▶ Quality policy
- ▶ Diversity and gender equality policy

Boule also shares the values set out in the 10 principles of the UN Global Compact Initiative on the protection of human rights, decent working conditions, environment responsibility and sound business ethics. These values have largely governed the content and formulation of Boule's policies. Governance and target monitoring for sustainability work is conducted in the same way as for other corporate goals, with the Board being ultimately responsible.

Stakeholder dialogue

Boule's main stakeholders are patients, users, distributors, employees, suppliers and owners. We maintain continuous dialogue with all these parties, which gives us important information for use in business, product and sustainability development. In 2021, we also conducted a survey that included distributors, employees and owners.

Patients

There is concern and a risk that inadequate analytical results may cause significant harm to the patient. With the analysis from one of the 140+ million tests performed based on a Boule instrument, the patient can always feel confident that the clinical outcome is correct.

Users and doctors

Boule's solutions are important and essential for the diagnosis, planning and monitoring of patients in health centers, laboratories and hospitals. Users place demands in terms of product safety and accurate clinical results.

Distributors

Boule reaches customers in over 100 countries through a distributor network of 200 locally based distributors that market, sell and service Boule's products. In addition to the product safety requirement, it is important for distributors to help build an infrastructure that gives patients safe and accurate diagnostics. They also stress the importance of representing a company that has a clear code and that verifies compliance with ethical guidelines.



Employees

Boule should be an attractive employer that allows its staff to grow and attracts new employees. Employees consider the work environment to be a priority area and Boule has an aim of zero work-related accidents and illnesses. All employees should be given fair remuneration and equal opportunities regardless of gender, age, ethnicity, nationality, religion, sexual orientation, disability, experience or family situation. Regular employee surveys ensure that any discrimination is brought to light and addressed.

Suppliers

Boule's suppliers operate primarily in Europe, Asia and the US and are important partners in providing high-quality solutions. The suppliers require Boule to act with high business ethics, protect human rights and systematically work to minimize environmental risks.

Owners

Owners expect us to create a long-term stable return. By ensuring that we have satisfied users, distributors and employees, we ensure that we also create shareholder value.

Four focus areas

Based on expectations and requirements from the company's stakeholders, Boule has established a materiality analysis that has identified opportunities and challenges. Sustainability aspects have been divided into four focus areas that form the basis of our sustainability work: value creation, environment, work environment and ethics and governance.



Value creation

Boule's ability to produce reliable and high quality solutions for blood diagnostics is of significant importance to our customers' operations and of critical importance to patients. Boule also creates added value by increasing knowledge disseminated through the Boule Academy.



Environment

Boule has relatively energy-efficient production. The greatest environmental impact arises from transportation along the value chain – mainly transportation of goods to the company's global distributors.



Work environment

Boule strives to offer a safe and equal workplace for employees with good working conditions. Together, conditions are created for employees to reach their full potential and contribute to Boule's continuing development and growth.



Ethics & governance

Boule works with a network of suppliers and distributors, which places demands in terms of having well-functioning processes and a clear code of conduct that is complied with. Boule conducts ethically sustainable business and has zero tolerance for bribery, corruption and discrimination.

Key areas

Product safety
Social efficiency
Secure diagnostic responses
Correct analysis responses
Availability

Transportation
Chemicals
Electronic waste
Electricity consumption
Waste and recycling

Values-driven culture
Employee satisfaction
Health and safety
Diversity and equal opportunities

Business ethics
Corruption and bribery
Knowledge distributors
Compliance and regulatory requirements

Key indicators

Number of tests
Installed base
Number of supplier audits
Customer satisfaction distributors

Share of renewable energy
Scheduled inward shipments %
CO₂ emissions

Employee satisfaction index
Lost-time incidents Staff turnover

Signed code of conduct, distributors
Signed code of conduct, suppliers

Value creation

Boule's ability to produce reliable and high-quality blood diagnostic instruments is of great importance to customers' operations and crucial to patients, which is why product quality and safety permeate Boule's sustainability work.

Incorrect or inadequate diagnoses can cause significant harm to patients, lead to financial losses for the hospital or healthcare provider and, by extension, threaten Boule's business operations. For this very reason, product safety is one of the utmost priorities for Boule. As a serious market player, Boule takes responsibility throughout the entire process to create a sustainable supply chain.

Product development

It is very important to obtain reliable results and a high level of operating safety, and to maintain high quality in the user chain. Boule's quality concept is based on quality and knowledge permeating the entire value chain, all the way to the end customer. Internal quality assurance processes are designed to assure high quality throughout the usable life of every instrument, from production and installation of the products to service and training in their use. This is called the Total Quality Concept and it has the ultimate aim of being able to offer instruments and consumables of the highest quality that provide patients with readily accessible, more effective and safer point-of-care treatment.

Closed systems for safer blood analysis

An important feature to ensure the quality of measurement results from Boule's products is that the consumables are locked to Boule's instruments. The ability to analyze blood from closed test tubes minimizes the risk of exposure of laboratory staff to potential blood contamination. These are important safety aspects for both patients and healthcare professionals.

Suppliers

Sustainability work takes place throughout the product supply chain, and Boule's suppliers play a crucial role in providing high-quality systems. The components for Boule's production are manufactured by leading suppliers worldwide, and Boule has a direct impact on the choice of, e.g., materials, raw materials and packaging. Choosing suppliers is therefore done with great care, following a supplier evaluation. Boule only picks those suppliers that offer the best and most cost effective products and that guarantee the highest possible quality. All Boule's suppliers of production materials have quality management systems in place. Suppliers with documented environmental management systems and environmental targets are prioritized. Approved suppliers are regularly monitored. This is done to ensure that

suppliers have lived up to their commitments and can continue to be considered an approved supplier. No supplier contracts have been terminated during the year due to failings in quality management systems.

Distributors

Boule imposes exacting demands on its distributors when it comes to product knowledge. To ensure a high level of knowledge, Boule organizes regular product training courses for all distributors. This training mixes theory with practice and covers areas such as basic hematology and the technical maintenance and servicing of instruments. In 2021, most of the courses took place via webinars due to Covid-19. Boule commissions an annual survey of distributors, where any shortcomings in hematology systems, support and service are identified and can then be rectified. The results of the 2021 survey showed, among other things, high ratings for quality, reliability and ease of use.



* Due to restrictions/COVID-19

Environment

Boule works systematically to prevent, minimize and eliminate environmental risks linked to the transportation of products, which is Boule’s biggest source of greenhouse gas emissions. Boule also works proactively on other environmental aspects, such as choice of recyclable products in packaging.

Transportation

An efficient and CO₂-minimizing goods flow is one of the most important factors in reducing the company’s adverse environment impact. Goods inward shipments are generally by road and goods outward from warehouses are by road, sea and air. When procuring transportation services, Boule specifies environmental requirements for the freight companies it engages. In 2021, all transportation companies had their own environmental policy and/or recognized systems for systematic environment work. Planning and optimization of inward deliveries (scheduled shipments) to increase load capacity utilization per transport reduces CO₂ emissions and brings cost savings. Boule also reduces the number of inward shipments by using a bag-in-box solution for packaging that is more space efficient than hard plastic packaging.

Chemicals and components

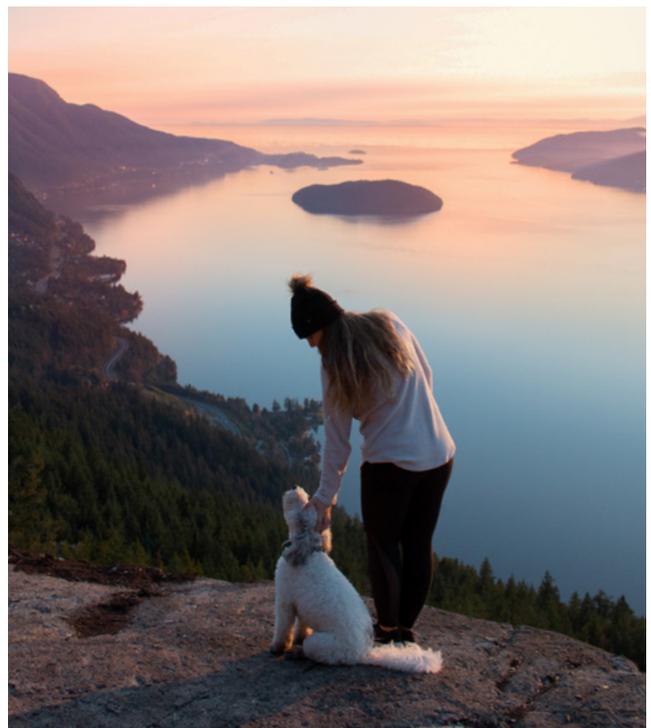
In order to ensure that no Boule product contains harmful, regulated or unnecessary chemicals, Boule complies with the rules and regulations that apply for the manufacture of electronics and the use of chemicals. Only components approved under the EU’s Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation (REACH), Restriction of Hazardous Substances Directive (RoHS) and Waste from Electrical and Electronic Equipment Directive (WEEE) are used in product development and production.

Environmental impact of real estate

Offices and instrument production in Sweden are located in buildings with geoenergy installed, replacing district heating and cooling machines. The heaters are powered by eco-labelled electricity that is 100% produced from renewable energy sources.

Travel

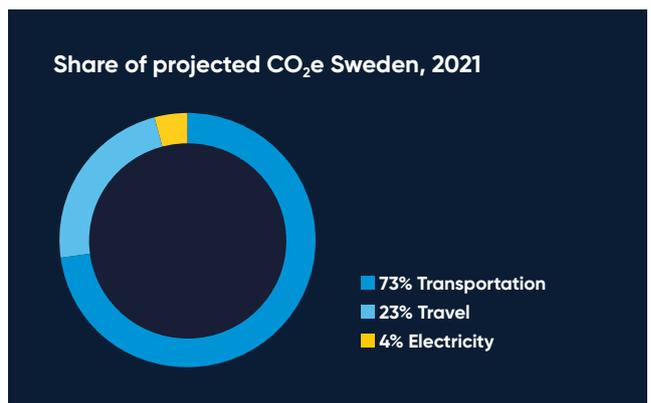
With the pandemic, various restrictions have affected both business travel and commuting. In Sweden, Boule has encouraged some work from home, even after pandemic restrictions were relaxed, if the job allows it.



- Activities completed during the year**
- ▶ Reduced transportation to Russia with the start of locally produced reagents.
 - ▶ Implemented “follow-me functionality” on printers in Sweden to minimize printing and reduce waste
 - ▶ New car policy in Sweden promotes green cars

- 2022 priorities**
- ▶ Streamline the management of chemical reporting and become more proactive with regard to upcoming legislation.
 - ▶ Streamlining and structuring data collection to measure the company’s total emissions

*Estimated emissions in the areas of electricity, travel and inbound and outbound deliveries where Boule is responsible for transportation



Work environment

Employees are our most important resource, and Boule attaches great importance to safe forms of employment, a good work environment and offering a workplace where employees can develop their potential.

Values-driven culture

Boule's values and corporate culture guide employees in their work, interaction with each other and meetings with customers and other stakeholders. The employees have been highly involved in formulating Boule's values and form the basis for a positive working atmosphere; they are a cornerstone of Boule's goal fulfillment and operations.

Employee satisfaction

Boule's success is based on our ability to develop and retain existing employees and attract new ones. Important metrics are employee satisfaction and staff turnover. The average number of employees in the Group in 2021 was 218 (212), divided between Sweden, the USA, Mexico and Russia. Staff turnover in 2021 was 22% (19). The increase is assumed to be partly due to increased mobility as a result of the pandemic. The company's annual employee survey was answered by 68 percent of employees and provided a summarized assessment of Boule as an employer, valuable knowledge about the work environment, and guidance on areas of improvement.

Health and safety

Boule has high ambitions in terms of health and safety. Promoting safety awareness, positive attitudes and continuous improvement requires the commitment and active participation of all employees, management and partners. Boule pursues active health and safety measures to prevent physical injuries at work. Each year, both planned and unannounced health and safety inspections are performed to evaluate the work environment. All incidents are reported to the health and safety committee for consideration and monitoring. The biggest physical health and safety risks at work are in production and warehouses.

Diversity and equal opportunities

Boule is an international group with employees in many parts of the world. For Boule to be a successful business, the knowledge, experience and commitment of its employees are vital. Boule therefore aims to be a workplace that makes optimal use of employees' skills. Every employee is to be treated with respect and have the same opportunities, irrespective of gender, ethnicity, nationality, religious beliefs, sexual orientation, disability, age, experience or family situation. Boule has a great diversity of nationalities among our employees, which enriches and contributes to our culture. Boule seeks to have the most equal gender balance possible in different types of positions.

	Target		Outcome
Employee satisfaction index	4.0	➔	3.8

Activities completed during the year

- ▶ Develop internal information to simplify global collaboration and work at home
- ▶ Rebuild reagent production Sweden to improve the work environment
- ▶ New incident and accident reporting system
- ▶ CPR, cardiopulmonary resuscitation training for employees and fire training for evacuation supervisors

2022 priorities

- ▶ Skill mapping and development
- ▶ Leadership training
- ▶ Digitization of new recruitment and training processes

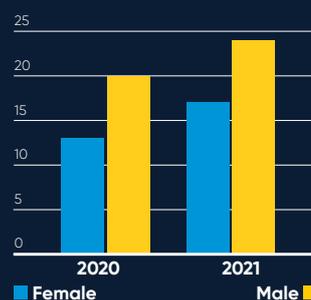
Average number of women/men

♀ **98** (92)
 ♂ **120** (120)

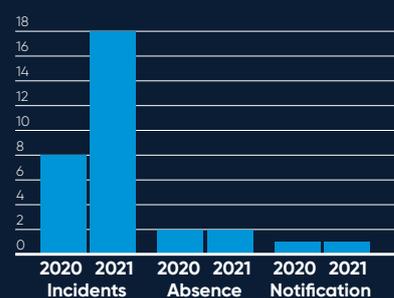
Women in the management group

3 pcs (4)

Number of women/men in management



Incident/Absence/Notification 2021



Ethics and governance

Boule has set high standards on how we should act to be a good social player with a high level of business ethics.

Code of conduct

The Boule code of conduct contains the company's binding guidelines and provides specific directions when new relationships are entered into with employees, suppliers, distributors, customers and other partners. The code of conduct contains the company's requirements and positions on anti-corruption, human rights, labor law and environmental considerations, in accordance with the ten principles of the UN Global Compact. The code of conduct provides support and guidance for employees in their daily work and imposes business ethics demands on suppliers and distributors.

All employees within the group receive training in the code of conduct and are informed of their personal responsibility to act in accordance with it. The manager of each function is responsible for ensuring compliance with the code in day-to-day business.

Boule has over 100 suppliers, mainly in Europe and Asia. Some of these suppliers are in countries where the risks of breaches of environment standards, good business ethics, human rights and decent working conditions cannot be ignored. Boule expects all suppliers and sub-suppliers to act in an ethically correct way and in accordance with internationally recognized standards for human rights, working conditions, environment and anti-corruption. Companies that accept the code of conduct undertake, within the parameters of their sphere of influence, to approve and adopt fundamental social and environment standards and, in turn, to ensure that their sub-suppliers satisfy the same requirements. Boule's goal is that all suppliers sign the Boule code of conduct for suppliers. To date, all critical sub-suppliers of Boule, which corresponds to 87% of material delivered, have signed the code of conduct or submitted their own code of conduct, which has since been approved based on it and other commitments that are equivalent to or exceed Boule's own requirements for suppliers.

With its 200 locally based distributors in 100 countries, Boule is also exposed to serious risks associated with sales where there is a risk of corruption, bribery and fraud. Boule has zero tolerance for all forms of corruption and bribery. All distributors are therefore required to sign the Boule code of conduct, which clearly states that all forms of corruption are unacceptable.

Whistleblower function

Employees are encouraged and expected to report violations of Boule's code of conduct through the company's whistleblower function. Reporting is anonymous and is only treated to the degree reasonably required for investigation. Individuals reporting such incidents face no reprisals or other negative consequences. Boule's code of conduct includes directions on how employees should report suspected breaches within the organization. In 2021, there were no whistleblower reports concerning the Code of Conduct.



About the Sustainability Report

The Sustainability Report includes the Parent company Boule Diagnostics AB (corporate ID 556535-0252) and all entities included in Boule Diagnostics AB's consolidated financial statements for the same period, as specified in Note 14 of the consolidated financial statements. The Sustainability Report has been produced in accordance with the regulations in the Annual Accounts Act (Chapter 6, Section 10). A description of certain sustainability-related risks and their management can be found in the risk section on pages 36-40 of the Annual Report.



Modig



Kundorienterad



Innovativ



Kvalité



Resultat orienterad



Samarbete

Boule's values are a cornerstone of the company and help us sustain our strengths and focus. The values were developed together with the staff by identifying what uniquely characterizes Boule. Through our values, we have created

common rules, which we all follow, understand and can relate to both internally and externally. Our values strengthen our purpose and mission statements and help us make the right decisions.

Auditor's opinion on the statutory sustainability report

To the Annual General Meeting of Boule Diagnostics AB, corporate ID 556535-0252

Engagement and responsibility

The Board of Directors is responsible for the 2021 sustainability report and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Focus and scope of the examination

Our examination was conducted in accordance with FAR's recommendation RevR 12 Auditor's opinion on the statutory sustainability report. This means that our examination of the sustainability report has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted

auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, April 14, 2022

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg

Authorized Public Accountant

Five-year summary

SEK thousands	2021	2020	2019	2018	2017
INCOME STATEMENT					
Net sales	463,344	400,458	498,916	424,400	427,793
Cost of sales	-264,709	-223,273	-272,705	-234,682	-225,107
Gross profit	198,634	177,185	226,211	189,717	202,686
Other operating income	8,540	29,453	11,074	10,511	5,205
Distribution costs	-88,677	-82,945	-102,644	-86,186	-88,093
Administrative expenses	-31,473	-27,990	-25,465	-23,451	-27,443
Research and development expenses	-43,327	-83,098	-29,942	-28,816	-31,703
Other operating expenses	-7,680	-18,534	-9,210	-6,941	-6,300
Operating profit/loss	36,018	-5,928	70,024	54,835	54,352
Net financial items ¹⁾	-7,250	-43,093	-19,450	-101	-1,009
Profit/loss before tax	28,768	-49,021	50,573	54,734	53,343
Tax	-5,496	1,056	-13,026	-13,703	-16,104
Profit/loss for the year	23,272	-47,966	37,548	41,031	37,239
BALANCE SHEET, SEK THOUSANDS					
Non-current assets					
Intangible assets	241,578	188,531	199,140	158,858	103,831
Property, plant and equipment ²⁾	47,426	54,745	70,352	23,122	16,650
Financial assets ¹⁾	40,651	39,814	90,573	96,955	31,483
Deferred tax assets	-	-	-	-	256
Total non-current assets	329,655	283,091	360,065	278,935	152,221
Current assets					
Inventories	59,038	54,542	57,591	58,026	50,759
Current receivables	145,155	109,088	147,631	133,631	114,348
Cash and cash equivalents	38,183	32,989	21,580	30,256	99,163
Total current assets	242,375	196,619	226,802	221,913	264,270
Total assets	572,030	479,710	586,867	500,848	416,491
Equity and liabilities					
Non-current interest-bearing liabilities	16,015	1,824	2,374	1,007	751
Other non-current liabilities ³⁾	38,574	43,094	61,952	10,747	25,982
Deferred tax liabilities	10,504	12,754	20,363	14,718	9,367
Current interest-bearing liabilities ²⁾	104,754	83,856	92,844	62,590	38,678
Current non-interest-bearing liabilities	106,448	68,878	76,464	108,229	79,947
Total equity and liabilities	572,030	479,710	586,867	500,848	416,491
Cash flow					
Cash flow from operating activities before changes in working capital	46,524	38,494	77,867	53,287	62,034
Changes in working capital	-3,373	36,745	-23,891	-30,623	-4,318
Cash flow from investing activities	-56,370	-46,006	-74,538	-92,133	-14,076
Cash flow from financing activities	15,754	-14,881	11,615	-435	12,247
Cash flow for the year	2,535	14,351	-8,947	-69,904	55,886

¹⁾ Includes leases reported under IFRS 16 with effect from 2019. For more information, see note 13.

²⁾ Includes associated company biosurfit with effect from December 2018. For more information, see note 14.

³⁾ Includes leases reported under IFRS 16, provisions and factoring with effect from 2019.

Five-year summary	2021	2020	2019	2018	2017
KEY FIGURES					
Net sales growth, %	16	-20	17.6	-0.8	7.8
Gross margin, %	42.9	44.2	45.3	44.7	47.4
EBITDA, SEK million	57.6	55.7	91.4	63.2	65.2
EBITDA margin, %	12.4	13.9	18.3	14.9	15.3
EBIT, SEK million	36.0	-5.9	70.0	54.8	54.4
EBIT margin, %	7.8	-1.5	14.0	12.9	12.7
Return on total assets, %	7.1	-1.0	13.2	12.3	13.9
Return on equity, %	8.2	-15.9	11.9	14.6	15.2
Return on capital employed, %	8.8	-10.1	13.0	16.1	15.4
CAPITAL STRUCTURE					
Equity, SEK million	295.7	269.3	332.9	300.9	261.8
Capital employed, SEK million	455.1	398.1	490.0	375.2	327.2
Working capital, SEK million	220.8	155.6	202.1	205.0	261.5
Liabilities to credit institutions, SEK million	127.8	89.4	105.6	74.3	65.4
Interest coverage ratio, x	-4.3	-1.6	11.9	33.2	23.8
Net debt, SEK million	0.7	-4.7	7.3	-59.7	-113.1
Net debt/equity ratio, %	0.00	-0.02	2.2	-19.8	-43.2
Equity/assets ratio, %	52	56	57	60	63
PER-SHARE DATA					
Average number of shares	19,416,552	19,416,552	19,416,552	19,416,552	19,175,511
Number of shares at end of period	19,416,552	19,416,552	19,416,552	19,416,552	19,416,552
Earnings per share, SEK	1.17	-2.47	1.93	2.11	1.92
Equity per share, SEK	14.8	13.9	17.1	15.5	13.5
Cash flow from operating activities per share, SEK	2.16	3.82	2.78	1.17	2.97
Dividend	0.55	0.55	0*	0.55	0.50
EMPLOYEES					
Average number of employees	218	212	212	191	164

* Dividend not issued in 2019 due to market uncertainty related to the global spread of Covid-19

The Boule Share

Boule shares have been listed on Nasdaq Stockholm since 2011 and the number of shareholders on December 31, 2021 was 2,446.

Market capitalization and turnover

The closing price on December 31, 2021 was SEK 48.50 (59.50), corresponding to a market capitalization of SEK 941.7 (1,155.3) million. The average daily turnover for Boule shares in the 2021 financial year was 19,199 (20,907). The total number of Boule shares traded during 2021 was 4.1 (5.3) million at a value of SEK 237.22 (320.98) million. The share declined by 18.5 percent during the year, while the OMXSPI rose by 35 percent.

2018 share split

To facilitate trade in the listed Boule shares, the 2018 Annual General Meeting adopted a 4:1 share split with effect from June 4, 2018, thereby increasing the number of shares in the company. All historical share-related performance measures in the annual report are recalculated retrospectively to facilitate comparison between years.

Share capital and classes of shares

Boule's share capital on December 31, 2021 was SEK 4,854,138, divided into 19,416,552 shares with a par value of SEK 0.25. There was no change to the number of shares and votes in 2021. Boule has only one class of shares and all shares carry equal rights to the company's assets and profits. A trading lot consists of one share.

Warrants

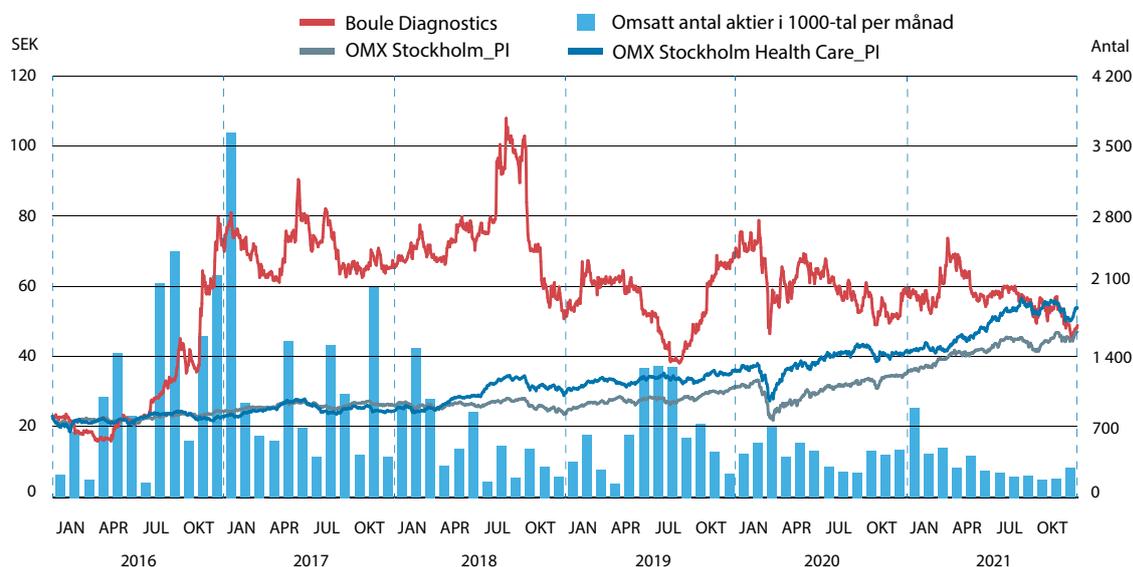
The Company has two outstanding warrant programs. The 2019 AGM adopted the issue of a maximum of 490,500 warrants, each carrying the right to purchase one share at SEK 67.50 per share no later than December 30, 2022. In 2019, 463,435 warrants were allotted and purchased by employees at market

conditions. Other senior executives purchased 280,080 and other employees purchased the remaining 183,354. The 2020 AGM adopted the issue of a maximum of 180,000 warrants, each carrying the right to purchase one share at SEK 86.70 per share no later than December 30, 2023. In 2020, all warrants were allotted and purchased by employees at market conditions. The CEO purchased 130,000 and other senior executives purchased the remaining 50,000. Further information about the warrants can be found in note 20.

Dividend

It is the Boule Board's long-term intention to issue dividends to shareholders that reflect an attractive yield with good dividend growth. The adopted dividend policy provides for payment of 25 to 50 percent of annual profit, taking into account the company's liquidity. The Boule Board has recommended that the AGM adopt a dividend of SEK 0.55 (0.55) per share, corresponding to 45.9 (37.3) percent of profit for the year.

SHARE PRICE DEVELOPMENT, JAN 1, 2016 TO DEC 31, 2021





Risks and opportunities

By identifying and managing external risks and challenges, Boule creates new opportunities for continued growth.

Boule's challenges, risks and uncertainties

Boule sells instruments, consumables and associated services in over 100 countries, which entails risks, uncertainties and challenges that are varied in nature and potential impact. Boule's main challenges are related to the fragmented and competitive market in which the company operates, its commitment to continuously developing and broadening the product portfolio, and strict regulatory requirements in the area of advanced medical technology. These challenges vary for each product and region, but Boule needs to meet all market challenges effectively in order to ensure profitability and cash flows. Boule's competitors include both smaller and larger, resource-intensive companies that are able to compete on pricing, regulatory advantages or exclusive agreements to win procurements and market share. Boule's global presence also means that the company is present in markets that may be affected by economic, political or other destabilizing events, which may affect Boule's operations in these countries. As a global company, Boule has a responsibility to act in a socially, economically and environmentally sustainable way. This responsibility does not extend merely to the Group companies but also applies throughout the supply and distribution chains on which Boule is dependent to conduct its operations. If Boule's risk assessment and risk management were to be unsuccessful, the company would be affected directly through financial losses or indirectly through reputational damage to Boule's brands. The most significant risks to Boule's target fulfillment and Boule's management of these risks and their associated opportunities are summarized in the table on the following pages*.

Boule's opportunities

High-quality instrument platforms, well-established distribution channels and strong brands give Boule a stable foundation for future growth. The decentralized global hematology market in which Boule operates shows solid growth and the company has strong positions in several of its markets, including many of the fastest-growing sub-markets. In recent years, the product portfolio has grown through in-house development and partnerships, and Boule is investing to further broaden and strengthen the portfolio. By identifying and managing external risks and challenges, Boule creates new opportunities for continued growth. Boule's stable financial position ensures continuing future growth for the product portfolio through development of next generation hematology systems and through partnerships, investment, and possible acquisitions.

Boule's quality assurance

In recent years, Boule has worked systematically to increase competencies and resources for regulatory compliance and quality assurance. These efforts include increased resources for quality and compliance, strengthening of production technology and service teams in the US and Sweden, exter-

nal consultancy support to identify areas for improvement and incorporating quality and compliance into Boule's strategies and values. A major change for the entire industry in the coming years involves the European regulatory directive, EU IVD Regulation (EU) 2017/746 (IVDR), which comes into force in May 2022 for certain products and in 2027 for the other products. Preparations for the implementation of the IVDR were intensified during 2021. The work includes updating technical files and auditing our quality system. The company will continue to allocate the necessary internal and external resources to ensure Boule meets current and future regulations.

Supply chain disruptions

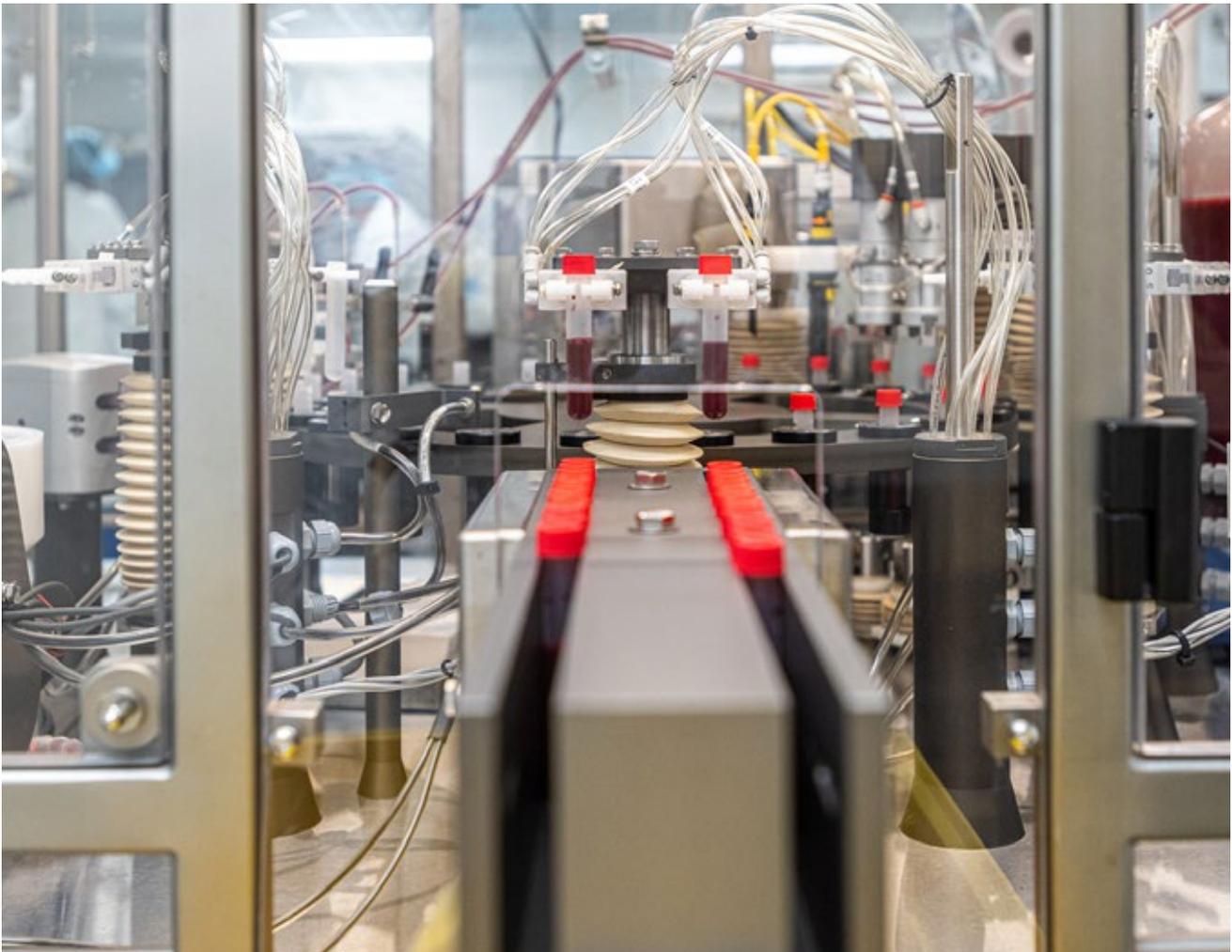
Sales slowed during the pandemic due to the closure of many markets and regular care visits were radically reduced, resulting in fewer blood samples being taken. Both sales and order intake have recovered in 2021. There have been major supply chain disruptions during the pandemic and in its wake. These are mainly related to component and raw material shortages and transport to customers, and affect both costs and delivery capacity. Supply chain disruptions escalated in 2021 and are likely to continue throughout 2022, which could lead to short or longer production stoppages. Boule is working actively to mitigate the impact by working closely with the Group's subcontractors, securing input materials by providing longer forecasts, redesigning to replace components, and good forward planning and booking of deliveries.

The future impact on sales and delivery capacity is difficult to assess as there is continued uncertainty related to both market recovery and continued supply chain disruptions. In the longer term, we see continuing stable growth for the decentralized diagnostics market that Boule addresses.

Uncertainty due to the war in Ukraine

In 2021, Eastern Europe accounted for 13% of Boule's sales, the majority of which were sales to Russia. The company has employees in Russia and a production facility for consumables distributed to the Russian market. The market outlook for Eastern Europe is now very uncertain due to the war in Ukraine.

* A more detailed description of Boule's financial risks, risk management and relevant sensitivity analyses can be found in note 26 on page 81. Further information about Boule's sustainability work can be found in the sustainability report on pages 22-31. The Board of Directors' internal control report describes the company's internal control and is presented in the corporate governance report on page 44.



RISK ASSESSMENT 2021

RISKS	Risk number
Regulatory	R1
Product portfolio	R2
Distributor risks	R3
Production and quality risks	R4
Counterfeit reagents	R5
Price pressure	R6
Supplier risks	R7
Market risks and competition	R8
Bribery and corruption	R9
Currency risks	R10
IT security and systems	R11
Financing risks and future cash flows	R12
Health and safety in the workplace	R13
Dependence on key personnel	R14



RISK	Risk description	Risk management	Opportunities
REGULATORY	<p>Boule is subject to strict regulatory requirements in the human market, regardless of market or region. If Boule fails to obtain approval from governmental agencies for future products, or to maintain approvals for current products, the company will be unable to sell them in the relevant markets.</p> <p>For the introduction of IVDR, Boule is dependent on the assessment by the IVDR notified body. The notified body's availability of the necessary resources for Boule is an external risk.</p> <p>There is also a risk that documentation for existing products will not meet all the new IVDR requirements, which means that we will have to invest in updates to documentation and/or products, or that the products can no longer be sold.</p>	<p>In recent years, Boule has continuously strengthened its regulatory and quality assurance resources, both internally and using external support. This is an ongoing process to ensure the company is able to launch new products and operate effective sales activities in all markets. With regulatory resources and processes having been strengthened in recent years, the risk of new problems is considered lower.</p> <p>Boule has planned IVDR implementation activities with the notified body and is working to a common project and timetable.</p>	<p>Strict regulatory requirements are a barrier to entry into Boule's markets. This is a limiting factor for low-cost competitors and other companies lacking regulatory and quality assurance resources. With regulatory knowledge, market expertise and well-functioning processes, Boule ensures efficient and profitable sales.</p>
PRODUCT PORTFOLIO	<p>Boule's competitors are constantly developing new products, which the company must respond to by offering a relevant, comprehensive and high-quality product portfolio that offers an attractive alternative. Quality assurance and clinical studies can take several years and development projects may be delayed, run over budget or fail, which would be detrimental to Boule's market positions.</p>	<p>Boule invests in internal research and development of new products and solutions to ensure a relevant customer offering in the three-part, five-part and veterinary markets. In parallel, the product portfolio is being broadened through external partnerships and distribution agreements, and acquisition opportunities may also be considered.</p>	<p>Boule has had a competitive offering in the three-part market for many years and will address the fast-growing five-part and veterinary markets with new products over the next 2-5 years, creating good opportunities to increase market share.</p>
DISTRIBUTOR RISKS	<p>The Group's sales are primarily conducted through distributors and are therefore adversely affected if partnerships do not work, if distributors do not market Boule's products sufficiently well or if Boule's receivables from distributors are not paid. There is also a risk of harm to Boule's reputation if distributors engage in unethical conduct.</p>	<p>Boule regularly evaluates its distributor structure to ensure that distributors meet Boule's ambitions regarding ethical conduct and profitability. Dependence on individual distributors is reduced in most countries by having dual distributor channels (Medonic & Swelab). Boule also insures a large proportion of receivables through the EKN (Swedish National Export Credit Agency), which guarantees 75 to 95 percent of the total value of the receivables.</p>	<p>Boule has a global reach for its products through well-functioning distributor partnerships. Their strengths and knowledge of local markets and conditions improve Boule's opportunities for further profitable growth.</p>
PRODUCTION AND QUALITY RISKS	<p>The Group's production takes place at four facilities and consists of a chain of processes in which interruptions or disturbances of a human, technical or regulatory nature may prevent Boule from fulfilling its commitments regarding the quality and delivery of goods. Should Boule fail to meet stakeholder expectations regarding quality, safety, use of chemicals and components, or to meet regional and national standards, this would damage confidence in the company and profitability.</p>	<p>Boule meets the requirements of EU Directives RoHS, REACH and WEEE. Boule's Total Quality Concept ensures product quality throughout the supply chain. The entire chain is monitored continuously and Boule has developed stable procedures for detecting defects and ensuring that correct products are produced and delivered in accordance with established processes.</p>	<p>Boule's investments in quality throughout the product life cycle and in regulatory resources, together with strategic investments in production facilities, strengthen the company's position and minimize the risk of defects. They increase confidence in the company and its products, which improves Boule's opportunities for profitable new agreements.</p>

RISK	Risk description	Risk management	Opportunities
COUNTERFEIT REAGENTS	There is a risk that users of Boule's growing instrument base will buy counterfeit reagents from a third party. When this happens, the company's revenue stream is negatively affected and it also poses a potential risk to the user in terms of quality deficiencies.	Boule protects the company and the end-user against counterfeit reagents by using barcodes and RFID solutions on the company's reagents. In most cases, the company's distributors monitor and prevent counterfeit reagent use. Use of counterfeit reagents also invalidates warranties.	Sales of consumables are the single largest revenue stream for Boule and if the company continues to protect itself effectively, growth will continue, while ensuring the quality and precision of diagnostics for users.
PRICE PRESSURE	Boule's future positions would be adversely affected if competitors could offer more efficient products and/or lower prices for them. Competition and pricing vary depending on region and product.	To maintain the high quality of Boule's products without allowing costs to rise, the company continues to invest in the efficiency of production processes and improved manufacturing structures. The marketing department has been strengthened to ensure that products are priced based on the customer value generated. Boule is investing to increase customer value through improved service solutions and training under the Boule Academy.	Boule's quality concept and value creation process cover the entire life cycle of its products, which enables the company to maintain reasonable and attractive price levels for customers. The business model ensures the reliability of the products and the maintenance of good long-term relationships and margins.
SUPPLIER RISKS	If subcontractors fail to maintain Boule's quality requirements, lead times will get longer and, in the worst case, defective products could be delivered to end customers. Access to input materials affects Boule's ability to produce and deliver goods cost-effectively. The supply chain also includes environmental risks in the form of CO2 emissions and ethical risks such as corruption, human rights and working conditions.	Boule's thorough quality work includes all subcontractors. Boule works actively to mitigate the effects of supply chain disruptions by working closely with the Group's subcontractors, replacing shortage components and good forward planning and booking of deliveries. Suppliers are regularly audited and informed about Boule's principles and values through Boule's Supplier Code of Conduct.	Boule is a relatively small company and benefits from subcontractors' production and development expertise. They reduce time-to-market for Boule's products and complement the product portfolio, thereby contributing to strengthening the company's market positions and future growth.
MARKET RISKS AND COMPETITION	Boule operates in a fragmented market with diverse competition. It is not inconceivable that resourceful companies active in other markets could diversify into Boule's main markets or that markets important to the company could be affected by various types of trade restrictions. Markets could also be affected by economic, political or other destabilizing events. In the wake of the Ukraine war, a series of sanctions have been imposed on Russia, which will have a major impact on our sales and operations in Eastern Europe.	Boule continues to expand its distributor network while strengthening and improving the support structure for existing distributors. This is achieved by measures such as increasing the presence in local markets in the form of product specialists and service. The company's product portfolio has also been expanded and the internal marketing department has been strengthened. Access to healthcare for all is both humane and in line with Boule's aim to provide diagnostic solutions for everyone, everywhere. Healthcare products are normally excluded from sanctions. However, business activity is hampered when banking systems, logistics and transport are not functioning. We are looking into establishing local suppliers for domestic Russian production - if this is possible in view of sanctions and political considerations.	The focus on strengthening Boule's positions in its main market segments and the cooperation with well-established local partners lays the foundation for continued growth.

RISK	Risk description	Risk management	Opportunities
BRIBERY AND CORRUPTION	With operating companies in Sweden, the US, Russia and Mexico, and with partnerships and distribution in over 100 countries, Boule risks varying degrees and forms of exposure to corruption. Unethical conduct on Boule's side would result in legal complications, costs and, above all, damage to its reputation.	Boule has zero tolerance for bribery and corruption. All employees are trained in the company's Code of Conduct and informed of their responsibilities in terms of anti-corruption and the guidelines on gifts and hospitality.	Boule has historically had a good ethical reputation and is working to continue to earn it. This is important not only for Boule but also for the many stakeholders with whom the company has relationships. Preserving this reputation will facilitate future cooperation and dialogue with all stakeholder groups.
CURRENCY RISKS *	Boule is exposed to currency risks, mainly in the form of translation exposure but also, to a lesser extent, transaction exposure.	Boule seeks to hedge currency naturally and does not use derivatives at present, but may do so in the future. Currency fluctuations are counteracted, if necessary, by adjusted end-customer prices.	Currency risks arise naturally in a group with a global market. Risk is currently accepted as a necessary part of Boule's revenue generation and growth but is continuously monitored and assessed.
IT SECURITY AND SYSTEMS	IT processes are developing rapidly and constantly changing. If Boule fails to keep its IT systems and processes updated and in good order, the company will risk having inadequate IT security, decision-support data and reporting.	Boule regularly reviews the need to update systems and processes to ensure a high level of security and reliable decision-support data and reporting. The focus is currently on establishing Group-wide systems to increase efficiency and activities aimed at enhancing IT security.	IT risks of various kinds are a natural part of modern business, but when properly managed, well-functioning systems and processes offer improved opportunities for good business, efficiency and increased future profitability.
FINANCING RISKS AND FUTURE CASH FLOWS *	These risks involve the ability to discharge the company's obligations and arrange financing at reasonable cost. Boule's revenue, cash flows and margins are also affected by quarterly variations arising from the timing of major procurement processes.	Boule strengthened its liquidity with a bank loan in 2021. The company works continuously with cash flows to secure operations through EKN financing and similar. The variations also decrease as sales from consumables grow.	Boule has had a net cash position in recent years which has been used for various growth initiatives and the company continues to have low net debt.
HEALTH AND SAFETY IN THE WORKPLACE AND DEPENDENCE ON KEY PERSONNEL	Boule has a distinct high-tech profile and is therefore dependent on retaining and recruiting skilled, committed staff to achieve its defined goals. If Boule fails to provide an attractive and safe working environment, this will have a direct and indirect negative impact on the company's future profitability. Labor market mobility in recent years has increased, making it less easy for the company to retain and recruit staff.	Boule is committed to high standards in order to provide a fair, respectful and safe workplace for all employees and at a wider level. Boule's Code of Conduct, Health and Safety Policy and Equality Policy set out the company's position in these areas.	As a global diagnostics company with products that improve the lives of many people, Boule offers an exciting environment and workplace. Boule works continuously to develop the organization and the skills of its employees. A continued focus on innovation means that the company is investing in capability and skills for the future, creating good opportunities for development and growth within the company.

* A more detailed description of Boule's financial risks, risk management and relevant sensitivity analyses can be found in note 26 on page 81.

Performance measure definitions

The Boule Group's financial statements are prepared in accordance with IFRS, in which only a small number of performance measures are defined. Boule applies the ESMA (European Securities and Markets Authority) guidelines for alternative performance measures. In short, an alternative measure is a financial measure of historical or future performance, financial position, or cash flow that is not defined or specified in IFRS. Boule presents certain of these non-IFRS performance measures in order to support company management and other stakeholders in their analysis of the Group's performance. Management believes that this information facilitates an analysis of the Group's performance. The alternative performance measures supplement the information presented in accordance with IFRS and do not replace IFRS performance measures. Boule's definitions of non-IFRS measures may differ from other companies' definitions. Calculations for all performance measures may be checked against items in the income statement and balance sheet.

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

Return on total assets is operating profit/loss plus finance income divided by average total assets.

Performance measures showing the Group's profitability in relation to equity and total assets. These measures are considered important for investors who want to compare the Group with other investments.

Gross profit is net sales less cost of sales.

Gross margin is gross profit divided by net sales.

Gross profit and gross margin show the basic profitability of Boule's sales of goods and services and are therefore considered important for investors who want to understand the business model's profitability and development over time.

EBIT (Earnings before interest and taxes) is also referred to as operating profit.

EBIT margin is EBIT divided by net sales.

EBIT is considered important to investors as it shows the Group's operating profit before finance costs and taxes.

EBITDA (Earnings before interest, taxes, depreciation and amortization) is profit before net financial items, taxes and depreciation/amortization and impairment of assets.

EBITDA margin is EBITDA divided by net sales.

As stated above, EBITDA is operating profit before depreciation, amortization and impairment. As depreciation, amortization and impairment do not affect cash flow, EBITDA is considered relevant to investors' assessment of the Group's performance for the period.

Equity per share is equity divided by the number of shares at the end of the period.

Sales growth is net sales for the period divided by net sales for the comparative period, expressed as a percentage change.

Net sales is revenue from goods sold and services rendered and its development over time is therefore considered an important measure for investors and other stakeholders.

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

Return on capital employed is operating profit adjusted for financial items plus finance costs divided by average capital employed.

Capital employed is the capital that requires a return, as it is externally financed with interest costs or shareholders' equity. Return on capital employed is considered to be of value to both investors and other stakeholders.

Working capital consists of inventories, trade receivables (current and non-current) and cash less trade payables.

Working capital is capital that is used in the ongoing business and shows the Group's capacity to meet short-term obligations.

Interest coverage ratio is operating profit plus finance income divided by finance costs.

The interest coverage ratio is used to measure the Group's ability to pay interest costs.

Net debt is interest-bearing liabilities less cash and cash equivalents and interest-bearing receivables guaranteed by EKN.

Net debt/EBIT ratio is net debt divided by EBIT for the most recent 12-month period.

Net debt/equity ratio is net debt divided by equity.

Net debt clarifies the amount of interest-bearing liabilities less the funds that could be used for repayment. When net debt is divided by EBIT, this shows how many years, based on operating profit for the most recent full-year period, it would take to pay off all outstanding interest-bearing liabilities. The debt/equity ratio is a measure that shows the Group's resilience and interest rate sensitivity.

Equity/assets ratio is equity divided by total assets.

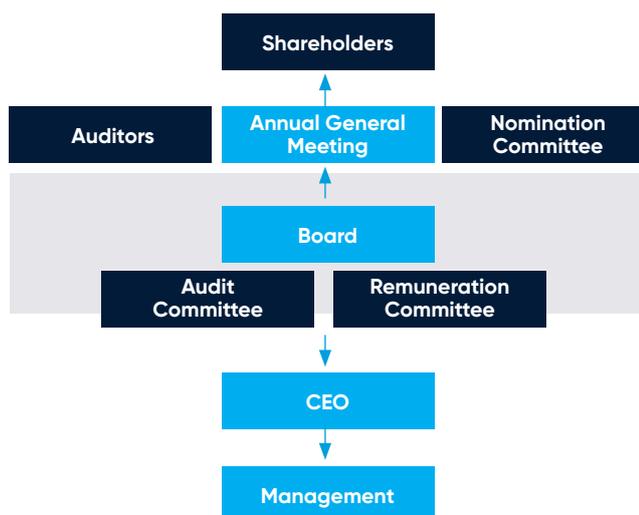
This measure shows the proportion of the Group's total assets that has been financed by shareholders and is considered important for investors and other stakeholders.

Corporate Governance Report

Corporate governance within Boule Diagnostics AB defines decision-making systems, clarifies roles and division of responsibilities between the Board of Directors, management and control bodies and ensures transparency towards the Group's stakeholders.

Corporate Governance

Boule Diagnostics AB ("Boule" or "the company") bases its corporate governance on Swedish legislation (primarily the Swedish Companies Act), the company's articles of association, internal rules, regulations and policies, and Nasdaq Stockholm's Regulations for Issuers. Boule applies the Swedish Corporate Governance Code (the "Code"), the purpose of which is to ensure companies are managed sustainably, responsibly and as efficiently as possible for their shareholders. There have been no violations of the Code or other external regulations. The Corporate Governance Report is available on the company's website at www.boule.com/investor-relations/corporate-governance.



Annual General Meeting

The Annual General Meeting is the company's highest decision-making body and amendments to the articles of association are adopted by the meeting. Company shares are issued in a single class, with each share carrying entitlement to one vote. The AGM elects the Board of Directors and auditors, and makes decisions in accordance with the Swedish Companies Act and the company's articles of association. The Board presents the annual report and consolidated financial statements to the AGM. The auditors present the auditor's report for the Parent Company and the Group. The notice of the AGM, which is published in a press release and on the company website, includes information on business to be dealt with at the meeting. Decisions made at the meeting are published in a press release and are available on the company website. The 2022 Annual General Meeting will be held on May 5 at 18.00 in the company's premises at Domnarvsgatan 4 in Spånga.

Nomination Committee

The AGM decides on the Nomination Committee's composition. The 2021 AGM decided that the Nomination Committee would consist of three members representing the three largest shareholders at the end of September. The composition is announced no later than six months before the AGM. Prior to the AGM, Ulf Hedlundh, representing the company's largest shareholder Svolder AB, was appointed Chair of the Nomination Committee. The Nomination Committee prepares decision-support material for the AGM related to the election and remuneration of the meeting Chairman, Board members, Chairman of the Board and auditors. The Nomination Committee reports to the AGM on its work. The Committee does not receive any remuneration for its work. Shareholders can contact the Nomination Committee with proposals and views regarding the Board's composition. Auditors were elected at the 2021 AGM. The Nomination Committee's composition as from October 2021 is shown in the table below:

Name	Representing	Ownership, % September 30, 2021
Ulf Hedlundh (Nomination Committee Chair)	Svolder AB	12.43
Emil Hjalmarsson	AB Grenspecialisten	11.71
Thomas Eklund	Thomas Eklund	10.07

Owners

Boule's largest shareholders and their shareholdings are presented in the Directors' Report under Share and Ownership Structure on page 51.

The Board of Directors

The Articles of Association state that the Board shall consist of a minimum of three and a maximum of seven members, with no deputies. Through the Nomination Committee's preparation of proposals for the election of Board members, Boule applies rule 4.1 of the Swedish Corporate Governance Code as a diversity policy. The Board must have an appropriate composition, characterized by diversity and breadth with regard to elected members' skills, experience and background, that takes into account the company's operations, stage of development and other circumstances. There must be an aim to achieve gender balance. Since the AGM on May 6, 2021, the Board has had seven members: four men and three women. Peter Ehrenheim was re-elected Chairman of the Board at the 2021 AGM. Karin Dahllöf, Thomas Eklund, Jon Risfelt and Charlotta Falvin were re-elected to the Board and Yvonne Mårtensson and Torben Jörgensen were elected as new Board members. Board responsibilities are regulated in the Swedish Companies Act and the Board's rules of procedure. The rules of procedure define the division of work between the Board and its committees,

and between the Board and the CEO. According to the rules of procedure, the Board's tasks include approving strategies and budgets, adopting annual reports, other financial reports, important policies, and authorization instructions, appointing the CEO, evaluating the CEO's work, establishing rules for internal control, monitoring internal control, making decisions on major investments and substantial agreements, deciding on the focus of the Board's work, appointing audit and remuneration committees and evaluating its own work. It is also the Board's task to define the necessary guidelines for the company's conduct in society, with the aim of ensuring its long-term value-creation capability. The Board shall monitor compliance with adopted guidelines on remuneration of senior executives and propose remuneration guidelines to the AGM. The Chairman of the Board leads the work of the Board. It is the Chairman's task to monitor the company's development and ensure that the Board receives the information it requires to enable it to conduct its work. The rules of procedure state that the Chairman will represent the company in ownership matters.

Remuneration of Board members

The 2021 AGM adopted total Board fees of SEK 1,880,000 for the period to the end of the next AGM. The Board fees are distributed as follows: SEK 470,000 to the Chairman and SEK 235 000 to each of the other members.

Work of the Board

Board meetings are prepared by the Chairman of the Board and the CEO. The Board receives written material prior to each meeting. Business conditions and financial reporting are dealt with at each ordinary Board meeting. Board minutes are kept by the company's CFO. In 2021, the Board maintained a strong focus on understanding and monitoring the company's development and financial position during the Covid-19 pandemic and supporting the work of management. The Board has evaluated and monitored the ongoing development project for a new product platform and cloud-based service offering, and the continued strengthening of R&D capacity. The Board has also followed the establishment of local reagent production in Russia. The Board has also been engaged and involved in producing the company's updated strategy. The Board has also dealt with organizational and leadership development.

BOARD MEMBERS AFTER THE 2021 AGM

Name	Period	Function	Attendance ¹⁾	Independent:	Shareholding ²⁾	Elected
Peter Ehrenheim	Jan 1 - Dec 31	Chairman	9/9	Yes	130,230	2015
Karin Dahllöf	Jan 1 - Dec 31	Member	9/9	Yes	10,650	2015
Thomas Eklund	Jan 1 - Dec 31	Member	9/9	No	1,956,055	2014
Jon Risfelt	Jan 1 - Dec 31	Member	9/9	Yes	10,775	2016
Charlotta Falvin	Jan 1 - Dec 31	Member	9/9	Yes	0	2018
Yvonne Mårtensson	May 6 - Dec 31	Member	6/9	Yes	2,000	2021
Torben Jörgensen	May 6 - Dec 31	Member	4/9	Yes	0	2021

¹⁾ Attendance is for meetings in 2021.

²⁾ Refers to holdings as of March 31, 2022.

Evaluation of the work of the Board

The Board evaluates its own work, in accordance with the rules of procedure. This is done through discussions within the Board and an annual evaluation by the Nomination Committee. The Nomination Committee reports through its statement to the AGM.

Summary of Board meetings during the year

The Board held seven regular Board meetings in 2021, including a strategy day, and two meetings by correspondence. The external auditors participated in three Board meetings during the year. A list of Board members and their attendance at meetings in 2021 is presented in the table at the bottom of the page.

Audit Committee

The Audit Committee consists of the full Board. The Committee's primary task is to ensure the quality of financial reporting, which includes internal control, reviewing significant reporting and valuation issues and reviewing the company's external reports. The Committee assesses auditing activities and assists the nomination committee by proposing auditors for election and their remuneration. The Audit Committee determines the services additional to auditing that the company may procure from its auditors. Certain meetings between the Audit Committee and the external auditors shall take place without the presence of employees.

Remuneration Committee

No separate committee has been appointed; instead, the tasks of a remuneration committee are performed as part of the work of the Board. The primary task is to propose salary, other benefits and employment terms for the CEO. The Board prepares proposed guidelines on remuneration and employment terms for other senior executives in Group management and proposals on incentive programs. The Board shall ensure compliance with the adopted guidelines on remuneration of senior executives.

Guidelines on remuneration and other terms of employment for senior executives

The AGM adopts guidelines on remuneration of senior management. Proposals are prepared by the Board in its capacity

as remuneration committee. The primary principle is that Boule should offer competitive terms to enable the company to recruit and retain competent employees. More information on the proposed remuneration guidelines can be found in the Directors' report on page 52.

Authorization for the Board

At the Annual General Meeting on May 6, 2021, the Board was authorized to increase the company's share capital within the framework of the current articles of association by issuing new shares, warrants and/or convertible instruments, with or without derogation from preferential rights for shareholders, on one or more occasions in the period up to the next AGM. Total new shares issued may not exceed ten percent of the shares in the company, based on the total number of votes in the company when the Board first exercises the authorization. The issues shall be conducted at a market-based subscription price, subject to a market-based issue discount where applicable, and payment shall be possible through cash or non-cash payment, by offset, or subject to other conditions.

Audit

The company's auditors are elected at the AGM for a period of one year. The 2021 AGM reelected Öhrlings PricewaterhouseCoopers as auditor, with authorized public accountant Lars Kylberg as chief auditor for the Group. Öhrlings PricewaterhouseCoopers has been the company's auditor since the 2014 AGM and Lars Kylberg was elected as chief auditor at the 2021 AGM. The company's auditor conducts a review of at least one interim report per year on behalf of the Board. Other statutory audits of the annual accounts, consolidated financial statements, accounting records and administration of the Board and CEO are conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. The auditors meet annually with the full Board, with and without senior management present.

Financial reporting to the Board

The Board determines the reports that must be prepared to enable it to monitor the company's performance. The quality of financial reporting to the Board is evaluated by the Audit Committee. External financial information is provided in accordance with the company's information policy, which is adopted annually by the Board. The company discloses financial information in the form of interim reports, a year-end report, an annual report and press releases about significant events that may affect the share price. Information is disclosed in accordance with Nasdaq Stockholm's Regulations for Issuers. The Board reviews the external financial reports before they are published. The information policy also defines how communication will take place and who will represent the company. Information distributed through press releases is also available on the company's website, as well as other information deemed to be of value.

Internal control

The Board is responsible for internal control in compliance with the Swedish Companies Act and the Code. The Board's work in the area of internal control is based on the control environment, risk assessment, control activities, information and communication, and monitoring. Internal control is a process influenced by the Board, senior management and other employees, and is

designed to provide reasonable assurance that the company's goals are achieved in terms of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

Control environment

The Board has overall responsibility for establishing and maintaining good internal control. A good control environment is built by designing the organization, decision-making paths, authority and responsibility as expressed in policies and guidelines. Common values create consensus and reinforce internal control. The Board establishes certain policies and instructions, including the authorization instructions. The Board and company management consider it important to have fast and accurate reporting. The finance function ensures that all operations are assessed and streamlined. The evaluation of internal control within the Group follows a plan that is approved annually by the Audit Committee. Department managers are responsible for creating processes to implement appropriate internal control.

Risk assessment

The company has established a process for risk assessment and risk management to ensure the risks to which the company is exposed are managed within the framework set by the Board. The Audit Committee monitors this process. Business processes are evaluated regarding efficiency and risk. This includes identifying the risk of error in financial reporting. The company's support processes are also assessed. A comprehensive risk assessment is conducted annually. Risks are ranked and linked to processes. Processes assessed as critical include development, manufacturing, sales, quality and support processes such as financial statements and IT. The risk of material errors or misstatement in financial reporting is reported to the Audit Committee.

Control activities

The risks identified regarding financial reporting shall be managed through control measures. Significant processes are documented and assessed to improve efficiency in the control systems. The control structure includes defined authority, division of work and management's regular reviews of financial information.

Information and communication

The Board and management have established information and communication channels to ensure completeness and accuracy in financial reporting. Governing documents, such as internal policies, guidelines and instructions, are available in the company's quality system. Members of Group management regularly visit subsidiaries and employees of subsidiaries regularly visit the head office.

Monitoring

The Board has decided that internal control will be monitored by evaluating critical processes. After risk assessment, the processes to be documented and evaluated during the year are determined. Self-evaluation means that employees in each operation evaluate the process and address the risks and controls. This approach involves employees and creates an understanding of the importance of internal control. The company's internal self-evaluation activities in 2021 focused on improving and streamlining processes and procedures, increasing automation and system support, strengthening internal control related to financial reporting, and the company's IT security. The aim is to identify the overall control environment and material

risks, and to introduce joint rules covering general control issues. The Audit Committee monitors the company's internal control activities through regular feedback and maintains regular contact with the external auditors.

Planned activities 2022

In 2022, business and control processes will be further documented and evaluated in order to strengthen internal control.

Internal audit

The Board's assessment is that Boule does not need a formalized internal audit function in addition to the processes and functions for internal governance and control that are currently implemented. The Board conducts an annual assessment to determine whether an internal audit function is necessary to maintain good control within Boule.

Stockholm, April 14, 2022

Peter Ehrenheim
Chairman of the Board

Karin Dahllöf
Board member

Thomas Eklund
Board member

Jon Risfelt
Board member

Charlotta Falvin
Board member

Jesper Söderqvist
Chief Executive Officer

Auditor's statement on the Corporate Governance Report

To the Annual General Meeting of Boule Diagnostics AB (publ), corporate ID 556535-0252

Engagement and responsibility

The Board of Directors is responsible for the corporate governance report for 2021 on pages 42-45 and for ensuring it has been prepared in accordance with the Swedish Annual Accounts Act.

Focus and scope of the examination

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The Auditor's examination of the corporate governance statement. This means that our examination of the corporate governance report has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination provides us with sufficient basis for our opinions.

Opinions

A corporate governance report has been prepared. Disclosures pursuant to Chapter 6, Section 6, second paragraph, items 2-6, of the Annual Accounts Act and Chapter 7, Section 31, second paragraph, of the same Act are consistent with the annual accounts and the consolidated financial statements and are in accordance with the Annual Accounts Act.

Stockholm, April 14, 2022

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg
Authorized Public Accountant

Board



From the left: Peter Ehrenheim, Charlotta Falvin, Karin Dahllöf, Jon Risfelt, Torben Jörgensen, Thomas Eklund, Yvonne Mårtensson.

Peter von Ehrenheim

Born 1955. Board member since 2015. Chairman of the Board since 2016.

Other assignments: Chairman of Bio-works Technologies AB, Sophion Biosciences A/S, Grönsöo Säteri AB and Färjsundet Industri AB. Board member of Biotage AB.

Present occupation: Entrepreneur.

Education: MSc from the Royal Institute of Technology (KTH).

Shareholding in Boule: 130,230 shares.

Independence: Independent of the company and its management. Independent of major shareholders.

Thomas Eklund

Born 1967. Board member since 2014.

Other assignments: Chairman of the Board of Sedana Medical AB and Mabtech Holding AB and Board member

of Biotage AB, Surgical Science Sweden AB and Swedencare AB.

Present occupation: Independent Board member, advisor and consultant.

Education: MBA from Stockholm School of Economics.

Shareholding in Boule: 1,956,055 shares.

Independence: Independent of the company and its management but not independent of major shareholders.

Karin Dahllöf

Born 1959. Board member since 2015.

Other assignments: Board member of Hem-Check AB and Histolab Products AB.

Present occupation: CEO of Monivent AB.

Education: Biomedical analyst, Vårdhögskolan, Gothenburg University.

Shareholding in Boule: 10,650 shares.

Independence: Independent of the company and its management. Independent of major shareholders.

Jon Risfelt

Born 1961. Board member since 2016.

Other assignments: Chairman of Knowit AB, CAB Group AB and Axentia Group Holding AB.

Board member of Bilia AB and Projektengagemang AB.

Present occupation: Independent Board member, advisor and consultant.

Education: MSc in Chemical Engineering from the Royal Institute of Technology (KTH).

Shareholding in Boule: 10,775 shares.

Independence: Independent of the company and its management. Independent of major shareholders.

Charlotta Falvin

Born 1966. Board member since 2018.

Other assignments: Chairman of the Board of Skåne Startups. Board member of INVISIO Communications AB, Bure Equity AB, Net Insight AB, Tobii AB, Tobii Dynavox AB, Nel ASA and Minc AB.

Present occupation: Independent Board member.

Education: MBA, Lund University.

Shareholding in Boule: -.

Independence: Independent of the company and its management. Independent of major shareholders.

Torben Jörgensen

Born 1952. Board member since 2021.

Other assignments: Chairman of Bio-tage, Genovis and Atlas Antibodies. Board member of Medistim and Advanced Instruments.

Present occupation: Consultant and Board representative.

Education: BSc Economics from CBS.

Shareholding in Boule: -.

Independence: Independent of the company and its management. Independent of major shareholders.

Yvonne Mårtensson

Born 1953. Board member since 2021.

Other assignments: Board member of Xvivo Perfusion AB.

Present occupation: Independent Board member.

Education: MSc Industrial Economics, Linköping University School of Technology.

Shareholding in Boule: 2,000 shares.

Independence: Independent of the company and its management. Independent of major shareholders.

Group management



Jesper Söderqvist

Jesper Söderqvist is CEO and started his employment at Boule in May 2020.

Born: 1966

Other assignments: Board member of Biovica International AB, Dekatria AB and Arcoma AB.

Education: MSc in Engineering Physics, Royal Institute of Technology (KTH), and PhD in Experimental Particle Physics from KTH/CERN.

Shareholding in Boule: 18,500 shares.

Warrants in Boule: 130,000.



Christina Rubenhag

Christina Rubenhag was Boule's CFO between October 2017 and April 3, 2022.

Education: BSc from the Umeå School of Business and Economics.

Shareholding in Boule: 5,300 shares.

Warrants in Boule: 77,065.



Annette Colin

Annette Colin takes up the position of CFO on April 4, 2022.

Other assignments: Board member of Initiator Pharma A/S, Sozap AB and Redsense Medical AB.

Education: Business administration at Lund University.

Shareholding in Boule: 1,041 shares.

Warrants in Boule: 0.



Helena Börjesson

Helena Börjesson is Chief Technology Officer at Boule and started her employment in March 2020.

Other assignments: Board member, unlisted company

Education: MSc in Engineering Physics

Shareholding in Boule: 8000 shares.

Warrants in Boule: 40,000.



Mikael Ekholm

Mikael Ekholm is Senior Vice President Instrument Production and started his employment in February 2020.

Education: MSc in Mechanical Engineering, Royal Institute of Technology (KTH).

Shareholding in Boule: 0 shares.

Warrants in Boule: 10,000.



Ann-Helen Engman

Ann-Helen Engman is Senior Vice President Quality & Regulatory Affairs and started her employment in August 2021.

Education: MSc Chem. Eng., KTH, Stockholm. DIHM Marketing IHM Business School, Stockholm.

Shareholding in Boule: 0 shares.

Warrants in Boule: 0.



Kiarash Farr

Kiarash Farr is Senior Vice President Commercial Operations and started his employment on March 1, 2018.

Education: MSc in Engineering Physics from Royal Institute of Technology (KTH) and Master in Management, INSEAD, Fontainebleau, France.

Shareholding in Boule: 2,000 shares.

Warrants in Boule: 77,065.



Mattias Isaksson

Mattias Isaksson is Senior Vice President Marketing and started his employment in October 2021.

Education: Master's degree in International Business Economics and International Marketing from Linköping University.

Shareholding in Boule: 250 shares.

Warrants in Boule: 0.



Bob Ariano

Bob Ariano is Senior Vice President Commercial Operations for the US and has been employed at the subsidiary CDS since February 2013.

Education: Northern Illinois University

Shareholding in Boule: 0 shares.

Warrants in Boule: 0.



Eduardo Pagani

Eduardo Pagani is Senior Vice President Consumables Production and started his employment in August 2015.

Education: BSc in Mechanical Engineering from Maua Institute of Technology in Brazil and MSc in Manufacturing Management from Kettering University in the US.

Shareholding in Boule: 0 shares.

Warrants in Boule: 13,707.

Directors' Report

The Board of Directors and the CEO of Boule Diagnostics AB (publ) corporate ID 556535-0252, domiciled in Stockholm, hereby submit the annual report and consolidated financial statements for the fiscal year January 1 to December 31, 2021. The results of operations during the year and the financial position of the Parent Company and Group are presented in this Directors' Report and in the following income statements, balance sheets, cash flow statements, statements of changes in equity and notes with additional disclosures.

Operations

The Group's operations primarily involve blood count analyses, hematology, which is a medical branch concerning the study of blood, blood diseases and various disease conditions that can be diagnosed using blood analysis. When a doctor has a patient with an unclear diagnosis, blood can be analyzed using an automated blood cell counting system. Deviations from normal levels of the three blood cell types present in blood can provide a broad understanding of the patient's health status and indicate various disease conditions. Blood cell counts are currently one of the world's most common forms of diagnostic testing at clinical laboratories and are performed in both human and veterinary diagnostics. Blood counts can be performed in high volumes at centralized laboratories where blood samples are transported, or as near-patient testing at a medical clinic, health center, or small hospital, known as decentralized diagnostics. Decentralized diagnostics reduces or eliminates the need to transport blood samples and provides immediate test results. Boule focuses on decentralized diagnostics. The hematology market value is estimated at just over SEK 40 billion and Boule's market segment (decentralized diagnostics) at just over SEK 6 billion. Global market growth in the decentralized human diagnostics segment is estimated at five percent. Boule's global market share in the decentralized diagnostics segment is approximately eight percent.

Boule's business model is based on selling blood count instruments to the global hematology market and obtaining recurring revenue streams by selling consumables in the form of reagents, controls, calibrators and service/support for the instruments. The instruments are optimized and tied to proprietary reagents, which creates increased quality assurance of analysis results and operational reliability, while generating recurring revenues through the instruments' lifetime. The instruments are sold in several designs to meet various customer needs. These products are primarily sold to the human market, but Boule also offers products developed for the veterinary market. The products are currently marketed in over 100 countries using a well-developed distribution network. An important component of the company's business model is the sale of reagents, calibrators and controls to OEM customers who re-brand the products and the sale of consumables for competitors' open instruments. Boule's product portfolio contains several product families/brands: Medonic, Swelab, Exigo, Quintus and CDS.

Key financial ratios	2021	2020	2019	2018	2017	2016
Net sales, SEK million	463.3	400.5	498.9	424.4	427.8	396.7
Gross margin, %	42.9	44.2	45.3	44.7	47.4	48.6
Operating profit/loss, SEK million	36.0	-5.9	70.0	54.8	54.4	47.1
Operating margin, %	7.8	-1.5	14.0	12.9	12.7	11.9
Profit/loss after tax, SEK million	23.3	-48.0	37.5	41.0	37.2	36.0
Earnings per share (after dilution), SEK	1.17	-2.47	1.93	2.11	1.92	1.91

Group structure

Boule Diagnostics AB, headquartered in Stockholm, Sweden, is the Parent Company of the Boule Group. Boule Diagnostics AB has two operating subsidiaries: Boule Medical AB in Sweden and Clinical Diagnostic Solutions Inc. in the US. Boule Medical AB has a subsidiary in Mexico: BM Mexico S.A. de C.V., and two subsidiaries in Russia: Boule Medical LLC (a sales company) and LLC Boule Production Rus (a manufacturing company).

Sales and markets

Boule has a well-developed marketing strategy and a fully established global dealer network, focused on the decentralized, near-patient diagnostics segment. Boule has over 200 distributors in more than 100 countries. Sales are primarily conducted through exclusive local distributors who offer end-customers complete systems, including instruments and consumables (reagents, calibrators and controls). As consumables for proprietary instruments have a higher margin than instruments, a larger base of installed instruments is expected to provide gradually increasing profitability.

Sales growth is driven primarily by the development of emerging markets, where Boule is targeting countries with major investments in building and modernizing healthcare systems. The veterinary hematology market also shows high growth and the product portfolio has been improved in recent years to strengthen the company's market positions. The Covid pandemic in the last couple of years has affected and continues to affect the company's revenue. Lockdowns and restrictions around the world have radically reduced regular medical visits, resulting in significantly fewer blood tests, which in turn has reduced Boule's sales of consumables. New instrument sales have

also been affected, with customers focusing on urgent care and access to hospitals and clinics being restricted. As vaccination rates increased and countries opened up, sales increased in 2021 and the year ended with record sales and growth in all regions and product areas.

Production

Instruments are produced at the company's production unit in Sweden. Production of reagents is divided between a production unit in Sweden and one in the US. From September 2021, production will also take place in Russia. Controls and calibrators are manufactured at the US facility.

Development

Product development is a central and priority part of Boule's business. Boule's overall product development strategy is focused on new development of more user-friendly, reliable and high-quality systems based on its own technology platform, and developing consumables together with OEM customers, which Boule can then manufacture under contract for the customer. Boule has expertise in developing instruments, reagents, calibrators and controls. In addition to new development, the development department also carries out product care, including streamlining and cost reductions in the production process. To facilitate new product production, the Swedish and US production facilities are located adjacent to Boule's product development units. Research and development resources and expertise have been significantly strengthened since 2020. In 2021, the main focus has been on the development of the next generation hematology platform. The first product release from the platform is an advanced 5-part instrument for the human market, scheduled for launch in early 2023. The new platform also includes a cloud-based infrastructure and services based on it. Cloud-based service solutions for the existing installed base will be launched towards the end of 2022 to distributors in selected markets. Over time, Boule will develop and market several instruments based on this platform.

Significant events during the fiscal year

Start of local production in Russia

A few years ago, we established a sales company there in order to get closer to the market and distributors. In September, the first deliveries of consumables were shipped from the new production facility to customers in Russia. Local production brings immediate advantages in public procurement, shorter lead times, lower transport costs and a reduced environmental impact from transport. Given the war in Ukraine, the potential is now very uncertain.

CFO leaving the company

CFO Christina Rubenhag has decided to resign from her post to become CFO of AddLife. Christina has been in her role since 2017 and will continue during her six-month notice period in order to ensure an orderly transition period until the new CFO, Annette Collin, takes over.

The year ends with record sales

Net sales for Q4 2021 were SEK 140 million, corresponding to growth of 51 percent compared with the same period the previous year. This is also SEK 9 million better than the previous record quarter, Q3 2019.

The Group's earnings and financial position

Net sales for the 2021 fiscal year amounted to SEK 463.3 (400.5) million, an increase of 15.7 percent compared with 2020. Adjusted for USD and EUR exchange rate changes, this corresponds to an increase of 20.8 percent. The number of instruments sold was affected by the pandemic, although sales increased by 39 percent during the year. Sales of consumables for proprietary instruments increased by 8 percent. Sales of OEM products and consumables for competitors' open instruments increased by 35 percent compared with the previous year.

Gross profit for 2021 was SEK 198.6 (177.2) million, with a gross margin of 42.9 (44.2) percent. The gross margin for the year was negatively affected by additional costs for components, disruptions in production and higher transport costs.

Operating expenses for 2021 were SEK 163.5 (194.0) million. Operating expenses include increased marketing activities, increased investment in the sales organization and the establishment of local production in Russia.

Research and development expenses had an adverse effect of SEK 43.3 (83.1) million on earnings in 2021. The previous year's figure included an impairment loss of SEK 40.0 million on intangible assets. Research and development expenses in 2021 corresponded to 9.3 (10.8 excluding impairment) percent of net sales. Development expenses of SEK 52.6 (37.7) million were capitalized in 2021. Total research and development expenses corresponded to 20.7 (20.2 excluding impairment) percent of net sales. Capitalization refers to the next generation hematology platform.

The net of other operating income and other operating expenses for 2021 amounted to SEK 0.9 (10.9) million and consisted of positive and negative exchange differences. Other operating income for the previous year included a US government Covid-related grant of SEK 11.6 million to the Group's US subsidiary.

Operating profit for 2021 was SEK 36.0 (-5.9) million, corresponding to an operating margin of 7.8 (-1.5) percent. The previous year's operating profit excluding impairment of intangible assets was SEK 34.1 million, corresponding to an operating margin of 8.5 percent.

Net financial items amounted to SEK -7.2 (-43.1) million. Net financial items for the previous year included an impairment loss of SEK -36.6 million on the Group's holding in the former associated company biosurfit.

Profit before tax for 2021 amounted to SEK 28.8 (-49.0) million and profit after tax was SEK 23.3 (-48.0) million.

Cash flow from operating activities after changes in working capital for 2021 was SEK 43.2 (75.2) million, with the main negative effect being an increase in trade receivables. Investments totaled SEK 56.4 (46.0) million in 2021, and SEK 52.6 (37.7) million of this amount was related to investments in future product platforms. The year's capital requirements were financed with

the Group's own cash and cash equivalents and a loan of SEK 20.0 million. Cash and cash equivalents at the beginning of the period were SEK 33.0 million and SEK 38.0 million at the end of the year. The Group's available cash and cash equivalents, including unutilized overdraft facilities, were SEK 89.0 (83.1) million on December 31, 2021.

Risks and uncertainties

Boule's operations are subject to risks and uncertainties that may, to a varying extent, affect the company's ability to achieve defined goals. Boule works continuously to manage existing risks and uncertainties, and conducts risk assessments that are used to detect new risks and uncertainties. This involves systematic and internally coordinated activities which serve to identify risks and minimize risk exposure and any impact if a risk materializes. In addition to risks associated with the war in Ukraine, significant risks and uncertainties have been identified in the following areas: regulatory risks, product portfolio risks, distributor risks, production and quality risks, counterfeit reagents, price pressure, supplier risks, market risks and competition, bribery, and corruption, currency risks, IT security and systems, financing risks and future cash flows, health and safety in the workplace and dependence on key personnel. Boule's risks and uncertainties and risk management and opportunities are described on pages 26–29. A more detailed description of Boule's financial risks and relevant sensitivity analyses can be found in note 26 on page 81. Further information about Boule's sustainability-related risks can be found in the risks section and in Boule's sustainability report on pages 21–25 of this annual report. For more information on the impact of the war in Ukraine, see note 30. A description of the company's internal control is presented in the Corporate Governance Report on page 44.

Future development

Despite strong international competition and price pressure in certain markets, Boule has shown good sales growth, in line with or above market growth (estimated at around five percent), for some years, apart from the pandemic years. The positive sales trend is the result of high-quality and reliable products, a well-developed marketing strategy, and a well-established global network. Consumables for proprietary instruments have strong growth potential and, with higher margins than instruments, are expected to increasingly contribute to improving the company's profitability. An important component of the company's long-term sales growth involves development of emerging markets. The company focuses on countries with high GDP growth and large investments in building, modernization, and improvement of healthcare systems, as well as increased accessibility for the populations of small towns and rural areas, which are areas well suited to Boule's products. Boule actively evaluates opportunities to broaden the existing product portfolio through product development, partnerships and acquisitions in order to enable optimal sales growth. In 2021, the main focus has been on in-house development of the next generation platform, including the development of cloud-based services. Boule will continue to assess potential for further strengthening operations in the diagnostics area in the future. Product development is a central and prioritized part of Boule's operations and is necessary for the company to remain highly competitive in the future and maintain a stable base for continuing profitable growth. Sustainable development is also one of the pillars

of the company's updated strategy. Sales and marketing support and digital product training were also provided within the framework of Boule Academy during the year.

Covid-19 affected Boule's operations and conditions during 2021. We expect supply chain and logistics challenges to continue in 2022, but to gradually ease over the year, and we should return to more normal sales and growth levels as the pandemic subsides. However, the market outlook for Eastern Europe is very uncertain due to the war in Ukraine.

The Boule share and ownership structure

Total shares outstanding and votes in Boule remained unchanged in 2021 and amounted to 19,416,552 on December 31. Only one class of share is issued, with no distinction or limitation by law or under the articles of association regarding transferability of shares, voting rights and rights to the company's assets or dividends. The shares have a par value of SEK 0.25.

The company has two outstanding warrant programs. The 2020 AGM approved the issue of a maximum of 180,000 warrants. Each warrant entitles the holder to purchase one share at the price of SEK 86.70 per share no later than December 30, 2023. The warrants have been allotted and purchased by employees at market conditions. 130,000 of the warrants were purchased by the CEO and the remaining 50,000 by other senior executives.

The 2019 AGM approved the issue of a maximum of 490,500 warrants. Each warrant entitles the holder to purchase one share at the price of SEK 67.50 per share no later than December 30, 2022. 463,435 of the warrants have been allotted and purchased by employees at market conditions. Other senior executives purchased 280,080 and other employees purchased the remaining 183,354.

Under the two programs, if the warrant holder's employment ceases, Boule has the right of first refusal and may choose to exercise that right. The Board has decided to exercise the right of first refusal regarding former employees who purchased warrants in the 2019 program, and 110,638 warrants have been repurchased. There are no restrictions on transferring the warrants in the two programs.

Shareholders, December 31, 2021 (according to Euroclear)	Total shares	Share of capital/votes
Svolder AB	2,414,194	12.43%
AB Grenspecialisten	2,274,332	11.71%
Thomas Eklund incl. companies	1,956,055	10.07%
Swedbank Robur Fonder AB	1,940,000	9.99%
Nordea Fonder	1,793,608	9.24%
Tredje AP-fonden	1,625,771	8.37%
Länsförsäkringar Fonder	769,531	3.96%
Andra AP-Fonden	684,974	3.53%
Skandinaviska Enskilda Banken UK	565,879	2.91%
Société Générale	510,539	2.63%
Sijoitusrahasto Aktia Nordic	496,270	2.56%
CBNY-Norges Bank	400,000	2.06%
Fondita Nordic	354,000	1.82%
Other shareholders (2,426)	3,631,399	18.70%
Total number of shares	19,416,552	100.00%

The Group's environmental work

Boule's environmental policy stipulates the following:

- Delivery of goods and services shall be conducted while maintaining high awareness and care for the environment. This means that Boule as a whole, and everyone within the company, must deliver and perform their tasks while minimizing or improving the direct and indirect impact on human health and the environment compared with the previous status.
- Employees and suppliers are encouraged to raise environmental awareness and to use more environmentally friendly alternatives whenever possible.
- The company has an established focus based on international and national guidelines for environmental activities. Boule therefore strives to follow the guidelines provided in ISO 14001, an international system similar to ISO 13485, which applies to the company's type of business. Systematic activities are also implemented to replace materials and components that are hazardous to human health and the environment. The Group currently has three production facilities. The Swedish facilities produce instruments and reagents, and the US facility produces reagents, controls and calibrators. All production facilities have the necessary permits to conduct business.

Sustainability reporting

Boule is subject to the sustainability reporting requirements of the Swedish Annual Accounts Act (Chapter 6, Section 10). The Group has chosen to present the sustainability report separately from the Directors' report. Boule bases its sustainability report on the UN Global Compact's Principles for Sustainable Business. The company's business model can be found on page 24. Policies and information on issues such as the environment, social conditions, employees, respect for human rights and anti-corruption are presented on pages 27-30. Risks related to sustainability are presented in the risk section of the annual report on pages 37-40.

Personnel

The average number of employees in the Group during the period was 218 (212), including 7 (7) employees at the Parent Company. The average number of employees by country was as follows: Sweden 122 (119), US 84 (85), Mexico 2 (2) and Russia 10 (6). The average number of women in the Group was 98 (92) and the average number of men was 120 (120).

There are collective bargaining agreements for operations in Sweden. Boule is dependent on its ability to attract and retain highly competent and experienced employees. If Boule loses key personnel or has difficulty in attracting employees with key skills, this may have negative impact on Boule's operations and operating profit and may delay and complicate development work. Boule therefore actively strives to be perceived as an attractive employer with committed employees and an active personnel policy. The company works constantly on skills development, the work environment and equality. During the year, Boule has defined three ambitions, one of which is that Boule shall be an attractive employer.

Quality assurance

All Group production companies are certified under ISO 13485. The company's quality systems are under continuous development to ensure full compliance, both now and in future, with the

requirements defined in the EU In Vitro Diagnostic Directive/Regulation (IVDD/IVDR) and US regulations (FDA QSR requirements).

The Board's proposed guidelines on remuneration of senior executives

The Board of Directors recommends that the Annual General Meeting adopt the following guidelines on remuneration of senior executives. The Board's recommendation is in line with the previous year's adopted guidelines on remuneration of the Group's senior executives.

The guidelines also apply to remuneration of Board members to the extent that they receive such remuneration in addition to Board fees for services outside the scope of their Board work and covered by these guidelines. Transfers of securities and the right to acquire securities from the Company in the future are considered to be remuneration. The guidelines apply to remuneration that is agreed and amendments to remuneration agreed after the guidelines have been adopted by the 2022 AGM. These guidelines do not apply to remuneration decided by the AGM. For employment governed by rules other than Swedish legislation, appropriate adjustments may be made in order to comply with such rules or established local practice, taking into account the overall purpose of these guidelines as far as possible.

The guidelines' promotion of the business strategy, long-term interests and sustainability

The company strives to broaden the product portfolio to ensure a complete and attractive customer offering to its well-established and global distribution channels, where a growing installed base of instruments generates stable sales of consumables with good margins. Additional information about the company's business strategies is presented on page 7 of this annual report.

The Board's proposed guidelines for remuneration of senior executives are designed to serve the interests of the company and shareholders in the best possible way. Remuneration of senior executives is intended to attract, motivate and retain talented and qualified personnel in key positions in Group management. The right incentives will better enable the company to achieve its business strategy and long-term interests in terms of growth, profitability and sustainability. The assessment shall be based on position, competence and performance. Outcomes shall be related to individual performance and the company's overall performance and outlook.

Types of remuneration

Boule shall offer market-based terms to enable the company to recruit and retain competent personnel. Remuneration of Group management may include fixed salary, variable remuneration, pension, other customary benefits and the opportunity to participate in long-term incentive programs. Remuneration is based on the individual's commitment and performance in relation to pre-defined targets related to both individual and company performance. Individual performance is evaluated on an ongoing basis.

Fixed salary

The fixed salary is normally reviewed annually, taking into account the qualitative performance of the individual. The fixed salary for the CEO and other senior executives shall be market-based.

Variable remuneration

Variable remuneration takes into account the individual's level of responsibility and degree of influence. The amount of variable remuneration shall be based on the achievement of pre-defined targets. The targets shall include performance targets for the company as a whole and operational targets for the individual employee or unit, thereby creating incentives that promote the company's business strategy, long-term interests and sustainability. All targets shall be adapted individually and based by at least 60 percent on the outcome of financial targets and profit margins in relation to the budget. Fulfillment of criteria for the award of variable remuneration shall be measured over a twelve-month period. The CEO's variable remuneration is capped at 50 percent of the fixed annual salary. Other senior executives' variable remuneration is capped at between 17 and 50 percent of the fixed annual salary. Variable remuneration does not count towards annual leave and does not qualify for pension benefits.

The extent to which the criteria for variable remuneration have been met shall be assessed and determined at the end of the measurement period. The Remuneration Committee is responsible for the assessment of the CEO's variable remuneration. The CEO is responsible for the assessment of other senior executives' variable remuneration. Assessment of financial targets shall be based on the most recent information published by the company.

Long-term incentive programs

Incentive programs involving share-based or share price-related remuneration are approved by the AGM and are not included in these guidelines. They are described in order to provide information regarding the company's complete remuneration package. At the beginning of 2022, there are two incentive programs for senior executives and key personnel in the Group. Their purpose is to promote the company's long-term interests by motivating and rewarding employees.

Pension

Senior executives are entitled to a pension. Pension provisions may amount to not more than 28 percent of the fixed salary for the CEO and not more than 31 percent of the fixed salary for other senior executives.

Other benefits

Senior executives may receive other benefits such as health care and health insurance and, where applicable, company car benefits. For the CEO, other benefits may amount to not more than 10 percent of the fixed salary and for other senior executives not more than 15 percent of the fixed salary.

Termination of employment

The CEO shall have a mutual notice period of six months. If employment is terminated by the company, the CEO may be entitled to termination benefits corresponding to a maximum of 12 months' salary. Other senior executives shall have a mutual notice period of not more than six months.

Salary and terms of employment for employees

Salaries and terms of employment for the company's employees have been taken into account in the preparation of these remuneration guidelines by including information about employees' total income, components of remuneration and the increase and growth rate of remuneration over time in the support ma-

terial provided to the Remuneration Committee and the Board for their evaluation of the reasonableness of the guidelines and the associated limitations. The remuneration report to be prepared regarding paid and outstanding remuneration covered by the guidelines will show information about the development of senior executives' remuneration in relation to other employees' remuneration.

Decision-making process for establishing, reviewing and implementing the guidelines

No separate committee has been appointed; instead, the tasks of a remuneration committee are performed as part of the work of the Board. The primary tasks are to prepare decisions in matters relating to remuneration principles, remuneration and other terms of employment for senior executives. The tasks of the Remuneration Committee (the Board) also include monitoring and evaluating current programs and those completed during the year for senior executives' variable remuneration. The Committee shall also monitor and evaluate application of the guidelines on remuneration of senior executives, which are legally required to be presented to the AGM for resolution, and current remuneration structures and levels in the company. The Board shall prepare proposals for new guidelines at least every four years and present the proposed guidelines to the AGM for resolution. When the Board considers and decides on remuneration-related matters, the CEO and other senior executives shall not be present when they are directly affected by such matters.

Derogation from the guidelines

The Board may decide to temporarily derogate from the guidelines, in whole or in part, if there are special reasons for doing so in an individual case and such derogation is necessary to safeguard the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters, which includes decisions to derogate from the guidelines.

Parent Company

The Parent Company, Boule Diagnostics AB, headquartered in Stockholm, is responsible for Group management, monitoring of the Group and provision of support to the operating subsidiaries. The Parent Company's net sales for 2021 amounted to SEK 26.0 (24.1) million. The entire amount relates to invoicing for Group-wide services provided to the subsidiaries. The Parent Company's operating profit amounted to SEK 0.0 (-0.5) million. The Parent Company's equity on December 31, 2021 was SEK 162 (157.8) million. Registered share capital on December 31, 2021 was SEK 4,854,138 (4,854,138) divided into 19,416,552 (19,416,552) shares. The Parent Company's risks and uncertainties are the same as those described for the Group under the heading Risks and uncertainties.

Corporate Governance

Boule Diagnostics AB applies the Swedish Corporate Governance Code. See the Corporate Governance Report on pages 30-33 for a description of how the Company manages corporate governance. The Group's systems for internal control and risk management are described in the internal control report in the Corporate Governance Report.

Proposal for appropriation of the company's profits

The following amounts in SEK are at the disposal of the Annual General Meeting.

Share premium reserve	60,527,785
Retained earnings	-60,152,248
Profit/loss for the year	14,876,701
Total	15,252,238

The Board and CEO propose that the available profits be appropriated as follows:

Dividend of SEK 0.55 per share (19,416,552 shares) to shareholders	10,679,104
Carried forward	4,573,135
Total	15,252,238

The Board's statement on the proposed dividend

The Board of Directors proposes a dividend of SEK 0.55 per share (0.55) for 2021, corresponding to 45.9 percent (37.3) of the year's profit. The company's long-term dividend policy is to pay a dividend corresponding to 25-50 percent of the previous year's profit, taking into account the company's liquidity.

The Board's view is that the proposed dividend will not prevent the Group and Group entities from discharging their obligations in the short and long term or making necessary investments. The proposed dividend can therefore be justified pursuant to Chapter 17, Section 3, 2-3, of the Swedish Companies Act (2005:551) (the precautionary principle).

Consolidated statement of comprehensive income

January 1–December 31, SEK thousands	Note	2021	2020
Net sales	2	463,344	400,458
Cost of sales	3	-264,709	-223,273
Gross profit		198,634	177,185
Other operating income	5	8,540	29,453
Distribution costs	3	-88,677	-82,945
Administrative expenses	3	-31,473	-27,990
Research and development expenses	3	-43,327	-83,098
Other operating expenses	6	-7,680	-18,534
Operating profit/loss		36,018	-5,928
Finance income	9	1,352	1,522
Finance costs	9	-8,602	-4,338
Profit/loss from associates	14	-	-40,278
Net financial items	9	-7,250	-43,093
Profit/loss before tax		28,768	-49,021
Income tax	10	-5,496	1,056
Profit/loss for the year¹⁾		23,272	-47,966

¹⁾ Profit in its entirety is attributable to shareholders of the Parent.

Other comprehensive income

SEK thousands	Note	2021	2020
Items that may be reclassified to profit/loss for the year			
Translation differences for the year, foreign subsidiaries		13,854	-16,341
Other comprehensive income for the year		13,854	-16,341
Comprehensive income for the year		37,126	-64,306
Basic earnings per share, SEK	20	1.20	-2.47
Diluted earnings per share, SEK	20	1.17	-2.47

Consolidated statement of financial position

December 31, SEK thousands	Note	2021	2020
ASSETS			
Non-current assets			
Intangible assets			
Capitalized development expenses	11	162,885	115,625
Goodwill	11	78,693	72,906
Total intangible assets		241,578	188,531
Property, plant and equipment			
Right-of-use assets	13	26,847	34,886
Plant and machinery	12	6,137	4,682
Equipment, tools, fixtures and fittings	12	11,230	10,985
Leasehold improvements	12	3,211	4,192
Total property, plant and equipment		47,426	54,745
Financial assets			
Shares in associates	14	-	-
Other financial assets		3,828	2,998
Non-current trade receivables (guaranteed 75-95% by EKN)	16, 26	36,822	36,816
Total non-current assets		329,655	283,091
Current assets			
Inventories			
Raw materials and supplies		30,431	35,803
Products in progress		4,458	3,932
Finished goods and merchandise		24,149	14,807
Total inventories	15	59,038	54,542
Current receivables			
Tax assets		3,999	3,040
Trade receivables	16, 26	48,190	33,230
Trade receivables (guaranteed 75-95 % by EKN)	16, 26	79,696	60,403
Other receivables	17	7,764	3,517
Prepaid expenses and accrued income	18	5,508	8,897
Total current receivables		145,155	109,088
Cash and cash equivalents	19	38,183	32,989
Total current assets		242,375	196,619
TOTAL ASSETS		572,030	479,710
EQUITY			
Share capital		4,854	4,854
Other contributed capital		202,386	202,403
Translation reserve		16,988	3,133
Retained earnings, including profit for the period		71,507	58,914
TOTAL EQUITY	20	295,735	269,305
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing liabilities	22	16,015	1,824
Non-current interest-bearing liabilities (for receivables guaranteed by EKN)	22	19,746	16,011
Non-current lease liabilities	13	14,929	23,795
Provisions		3,899	3,288
Deferred tax liabilities	10	10,504	12,754
Total non-current liabilities		65,094	57,672
Current liabilities			
Current interest-bearing liabilities	22	12,254	10,308
Current interest-bearing liabilities (for receivables guaranteed by EKN)		79,796	61,239
Current lease liabilities	13	12,703	12,309
Trade payables		41,165	29,352
Tax liabilities		6,662	3,304
Other liabilities	23	20,764	6,473
Accrued expenses and deferred income	24	36,357	28,748
Provisions	21	1,500	1,000
Total current liabilities		211,202	152,733
TOTAL LIABILITIES		276,295	210,405
TOTAL EQUITY AND LIABILITIES		572,030	479,710

Consolidated statement of changes in equity

SEK thousands	Share capital	Other contributed capital	Translation reserve	Retained earnings, incl. profit for the period	Total equity
Equity, Jan 1, 2020	4,854	201,662	19,474	106,880	332,870
Comprehensive income for the period					
Profit/loss for the year				-47,966	-47,966
Other comprehensive income for the period			-16,341		-16,341
Comprehensive income for the period			-16,341	-47,966	-64,306
Transactions with shareholders					
Option programs		741			741
Dividend				0	0
Equity, Dec 31, 2020	4,854	202,403	3,133	58,914	269,305
Equity, Jan 1, 2021	4,854	202,403	3,133	58,914	269,305
Comprehensive income for the period					
Profit/loss for the year				23,272	23,272
Other comprehensive income for the period			13,854		13,854
Comprehensive income for the period			13,854	23,272	37,126
Transactions with shareholders					
Option programs		-17			-17
Dividend				-10,679	-10,679
Equity, Dec 31, 2021	4,854	202,386	16,988	71,507	295,735

Consolidated statement of cash flows

January 1–December 31, SEK thousands	Note	2021	2020
Operating activities			
Operating profit/loss		36,018	-5,928
Adjustments for non-cash items	28	19,451	52,914
Interest received	28	1,352	436
Interest paid	28	-5,493	-4,338
Income tax paid		-4,671	-4,590
Cash flow from operating activities before changes in working capital		46,658	38,494
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		-3,046	-1,405
Increase (-)/Decrease (+) in operating receivables		-14,404	14,529
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)		-19,298	27,320
Increase (+)/Decrease (-) in operating liabilities		33,375	-3,698
Cash flow from operating activities		43,284	75,239
Investing activities			
Acquisition of property, plant and equipment	12	-3,149	-4,585
Investment in capitalized development expenses	11	-53,221	-41,422
Cash flow from investing activities		-56,370	-46,006
Financing activities			
Proceeds from borrowings/Repayment of borrowings		19,052	11,024
Increase (+)/Decrease (-) in financial liabilities (EKN financing)		22,293	-23,497
Increase (+)/Decrease (-) in financial liabilities		-3,145	8,729
Lease liability payments	13	-11,766	-11,138
Dividend		-10,679	-
Cash flow from financing activities		15,754	-14,881
Cash flow for the year		2,669	14,351
Cash and cash equivalents at the beginning of the year		32,989	21,580
Exchange differences		2,525	-2,942
Cash and cash equivalents at the end of the year	19	38,183	32,989

Parent Company income statement

January 1–December 31, SEK thousands	Note	2021	2020
Net sales	2	26,006	24,127
Administrative expenses		-22,941	-23,053
Other operating expenses		-3,062	-1,548
Operating profit/loss		2	-475
Profit/loss financial items			
Anticipated dividend from subsidiaries		15,000	21,000
Loss from associates		-	-54,437
Interest and similar expenses	9	-2	-
Profit/loss after net financial items		15,000	-33,912
Group contributions		-	-
Profit/loss before tax		15,000	-33,912
Tax	10	-123	66
Profit/loss for the year		14,877	-33,846

Parent Company statement of comprehensive income

SEK thousands	Note	2021	2020
Profit/loss for the year		14,877	-33,846
Other comprehensive income for the year		-	-
Comprehensive income for the year		14,877	-33,846

Parent Company balance sheet

January 1–December 31, SEK thousands	Note	2021	2020
ASSETS			
Intangible assets			
Capitalized development expenses		757	1,111
Total intangible assets		757	1,111
Property, plant and equipment			
Equipment	12	73	173
Total property, plant and equipment		73	173
Financial assets			
Shares in Group companies	14	170,346	155,346
Shares in associates	14	-	-
Other financial assets		3,138	2,646
Deferred tax assets		66	66
Total financial assets		173,549	158,057
Total non-current assets		174,380	159,342
Current assets			
Receivables from Group companies		1163	21,326
Tax assets		942	1,065
Other receivables	17	859	859
Prepaid expenses and accrued income	18	1,918	1,500
Total current receivables		4,882	24,750
Cash and bank balances	19	480	837
Total current assets		5,362	25,588
TOTAL ASSETS		179,742	184,929
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (19,416,552 shares)		4,854	4,854
Statutory reserve		141,859	141,859
Unrestricted equity			
Share premium reserve		60,528	60,545
Retained earnings		-60,152	-15,627
Profit/loss for the year		14,877	-33,846
Total equity		161,965	157,784
Liabilities			
Non-current liabilities			
Other provisions		3,899	3,288
Total current liabilities		3,899	3,288
Current liabilities			
Trade payables		4,115	4,302
Liabilities to Group companies		3,752	14,041
Liabilities to associates	14	-	-
Other liabilities	23	441	750
Accrued expenses and deferred income	24	5,569	4,764
Total current liabilities		13,877	23,857
Total liabilities		17,777	27,145
TOTAL EQUITY AND LIABILITIES		179,742	184,929

Parent Company **statement of changes in equity**

SEK thousands	Unrestricted equity					Total equity
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Profit/loss for the year	
Equity, Jan 1, 2020	4,854	141,859	59,803	-15,137	-490	190,890
Comprehensive income for the year						
Appropriation of profit				-490	490	0
Profit/loss for the year					-33,846	-33,846
Option programs			741			741
Transactions with shareholders						
Dividend						0
Equity, Dec 31, 2020	4,854	141,859	60,545	-15,627	-33,846	157,784
Equity, Jan 1, 2021	4,854	141,859	60,545	-15,627	-33,846	157,784
Comprehensive income for the year						
Appropriation of profit				-33,846	33,846	0
Profit/loss for the year					14,877	14,877
Option programs			-17			-17
Transactions with shareholders						
Dividend				-10,679		-10,679
Equity, Dec 31, 2021	4,854	141,859	60,528	-60,152	14,877	161,965

Parent Company **cash flow statement**

January 1–December 31, SEK thousands	Note	2021	2020
Operating activities			
Operating profit/loss		2	-475
Adjustments for non-cash items 1,2)	28	478	-1,696
Interest received	28	0	0
Interest paid	28	-2	0
Income tax paid		0	0
Cash flow from operating activities before changes in working capital		478	-2,171
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		19,253	4,219
Increase (+)/Decrease (-) in operating liabilities		-9,368	-1,518
Cash flow from operating activities		10,362	530
Investing activities			
Investments in associates	14	-	-
Investments in intangible assets		-24	-362
Investments in property, plant and equipment		-	-98
Cash flow from investing activities		-24	-460
Financing activities			
Option programs		-17	741
Dividend		-10,679	0
Cash flow from financing activities		-10,696	741
Cash flow for the year		-357	811
Cash and cash equivalents at the beginning of the year		837	26
Cash and cash equivalents at the end of the year	19	480	837

Notes

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1 General information

Boule Diagnostics AB, corporate ID 556535-0252, is a Swedish limited liability company with its registered office in Stockholm. The address of the head office is Domnarvsgatan 4, SE-163 53 Spånga, Sweden.

2 Compliance with standards and laws

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has also been applied.

The Parent Company applies the same accounting policies as the Group, except in the cases described below in the section "The Parent Company's accounting policies". The annual accounts and consolidated financial statements were approved for issue by the Board of Directors and CEO on April 14, 2022.

3 Measurement and classification

Assets and liabilities are recognized at cost apart from financial assets and liabilities, which are recognized at amortized cost.

4 Functional currency and presentation currency

The Parent Company's functional currency is Swedish kronor, which is also the presentation currency for the Parent Company and Group. The financial statements are therefore presented in Swedish kronor (SEK). All amounts are rounded to the nearest thousand unless otherwise stated.

5 Judgments and estimates in the financial statements

Preparation of financial statements requires management to use judgments, accounting estimates and assumptions that affect the application of the accounting policies and the recognized values of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and judgments.

The estimates and assumptions are reviewed regularly. Changes in estimates and assumptions are recognized in the period of the change if the change only affects that period. Changes are recognized in the period of the change and future periods if the change affects both.

Judgments and estimates that have a significant effect on the financial statements and may result in material adjustments to the following year's financial statements are described in more detail in note 29.

6 Significant accounting policies applied

This note lists significant accounting policies that were applied when these consolidated financial statements were prepared. The policies have been applied consistently for all years presented, unless otherwise stated. The consolidated financial statements refer to Boule Diagnostics AB and its subsidiaries.

(i) Changed accounting policies due to new or amended IFRSs

No new or amended standards that came into effect in 2021 have had a material impact on Boule's financial position or financial reports.

(ii) New IFRSs not yet effective

No new or amended standards or interpretations of existing standards that will be effective in future annual financial periods are expected to have an impact on Group's or the Parent Company's financial reports.

7 Operating segments

The Group conducts development, manufacture and sale of products for blood analysis. The Group's internal organization is based on a division into functions. The primary functions are production, sales and marketing, administration, and research and development. The Group is seen as a single unit in which all the constituent sub-operations are integrated and interdependent. Boule's chief operating decision-maker monitors the Group's overall financial performance and position. See also note 2.

8 Basis of consolidation and business combinations

(i) Subsidiaries

Subsidiaries are entities over which the Parent Company has control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The results of operations of subsidiaries are included in the consolidated financial statements from the date of acquisition until the date on which control ceases.

(ii) Associates

Associates are partly-owned companies over which the Group has a significant, but not controlling, influence. This normally corresponds to a shareholding of 20 to 50 percent of the votes in the partly-owned company. Investments in associates are accounted for using the equity method, which means that the carrying amount of the shares corresponds to the interest in the associate's equity plus any goodwill and fair value adjustments recognized on the acquisition date.

(iii) Transactions eliminated on consolidation

Intra-group receivables and liabilities, income and expenses, and unrealized gains or losses arising from intra-group trans-

actions are eliminated in full when preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no indication of impairment.

9 Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the transaction date. The functional currency is the currency of the primary economic environment in which the companies operate. Foreign currency monetary assets and liabilities are translated to the functional currency using the exchange rates prevailing at the reporting date. Exchange differences arising on translation are recognized in profit or loss. Non-monetary assets and liabilities recognized at historical cost are translated using the exchange rates prevailing at the transaction date. Non-monetary assets and liabilities recognized at fair value are translated to the functional currency using the exchange rates prevailing at the fair value measurement date. Changes in exchange rates related to operating receivables and liabilities are recognized in operating profit or loss, while changes in exchange rates related to financial receivables and liabilities are recognized in net financial items.

(ii) Financial statements of foreign entities

Assets and liabilities of foreign entities, including goodwill and other surplus or deficit values, are translated from the foreign entity's functional currency to the Group's presentation currency, Swedish kronor, using the exchange rates prevailing at the reporting date. Income and expenses in foreign entities are translated to Swedish kronor using average exchange rates. This average is an approximation of the cumulative effect of the exchange rates at each transaction date. Translation differences arising on translation of foreign operations are recognized in other comprehensive income and accumulated in a separate component of equity, the translation reserve. On disposal of a foreign operation, the cumulative translation differences relating to that operation are realized and reclassified from the translation reserve in equity to profit or loss. When an operation is disposed of but control remains, the proportionate share of cumulative translation differences is transferred from other comprehensive income to non-controlling interests.

10 Revenue

(i) Sale of goods

The Group sells instruments and consumables for safe, high-quality blood analyses. Revenue from the sale of goods is recognized when control of the goods is transferred, which occurs when the risks and rewards are transferred to the buyer under the applicable delivery terms. The majority of all billing takes place when the goods are shipped. The Group uses the delivery terms EXW, CPT and CIP as defined in Inco-terms. Extended payment terms may arise, with payment terms of 36 months. The transaction price is therefore adjusted for the effects of significant financing components.

The Group's commitment to repair or replace defective instruments under normal warranty rules is recognized as a provision.

(ii) Performance of service contracts

Boule sells services in the form of service contracts for the Company's previously sold platforms. Revenue from service contracts is recognized in profit or loss for the period to the extent that the performance obligation has been satisfied on the reporting date.

(iii) Interest income

Interest income is recognized as revenue using the effective interest method.

(iv) Government grants

Government grants are recognized in profit or loss, either separately or under the general heading other income, or are deducted when the related costs are recognized, i.e., as a cost reduction. The grant is recognized as revenue and a receivable when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant. The grant is recognized in the income statement as other operating income or as a cost reduction.

In 2020, the Group benefited from support measures adopted by governments and authorities in the wake of the Coronavirus. The support relates to compensation for furloughs and increased sick pay costs, as well as a payroll protection loan for the US subsidiary, which was later converted into a government grant. In 2020, the payroll protection loan was recognized as other income, as it represented a significant amount, while the Swedish government grants were presented as a cost reduction in the income statement and a receivable, or deferred income, in the balance sheet.

11 Finance income and costs

Finance income consists of interest income on cash and cash equivalents. Interest income on financial instruments is recognized using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected life of a financial instrument to the net carrying amount of the financial asset or liability. The calculation includes all fees paid or received between contractual parties that are a part of the effective interest rate, transaction costs and all other surplus or deficit values.

Finance costs consist of interest expenses on loans. Borrowing costs are recognized in profit or loss using the effective interest method, except to the extent that they are directly attributable to the acquisition, construction or production of assets that take a substantial period to get ready for their intended use or sale, in which case they are included in the cost of the assets. Exchange gains and losses attributable to assets and liabilities related to financing activities are recognized on a net basis.

12 Taxes

Income tax consists of current tax and deferred tax. Income taxes are recognized in the income statement, unless the underlying transaction is recognized in other comprehensive income or in equity, in which case the associated tax effect is recognized in other comprehensive income or in equity.

Current tax is the amount of income taxes payable or recoverable in respect of the current year. Current tax also includes adjustments to current tax attributable to prior periods.

Deferred tax is accounted for using the balance sheet liability method, based on temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax is not recognized for temporary differences arising from goodwill on consolidation or for the difference resulting from the initial recognition of assets and liabilities that are not business combinations and that on the transaction date affect neither accounting profit nor taxable earnings. In addition, deferred tax is not recognized for temporary differences relating to investments in subsidiaries and associates that are not expected to be reversed in the foreseeable future. The measurement of deferred tax is based on how the underlying assets or liabilities are expected to be recovered or settled.

Deferred tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets on deductible temporary differences and arising from tax loss carryforwards are recognized to the extent that it is probable that they can be utilized. The carrying amounts of deferred tax assets are reduced when it is no longer considered probable that they can be utilized.

13 Financial instruments

The Group's financial assets and liabilities consist of the following items: non-current trade receivables (guaranteed 75-95% by EKN), non-current non-interest-bearing receivables, trade receivables, trade receivables (guaranteed 75-95% by EKN), other receivables, cash and cash equivalents, non-current interest-bearing liabilities, non-current interest-bearing liabilities (for receivables guaranteed by EKN), current interest-bearing liabilities, current interest-bearing liabilities (for receivables guaranteed by EKN), lease liabilities (finance leases), trade payables and current liabilities.

(i) Initial recognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of instrument. Purchases and sales of financial assets and liabilities are recognized on the trade date, which is the date on when the Group commits to purchase or sell the asset.

Financial instruments are initially recognized at fair value plus, for financial assets or financial liabilities not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs for financial assets and financial liabilities measured at fair value through profit or loss are recognized as an expense in the statement of comprehensive income.

(ii) Financial assets – Classification and measurement

The Group classifies and measures its financial assets in the category of amortized cost.

Financial assets at amortized cost

Assets held for the purpose of collecting contractual cash flows that are solely payments of principal and interest are measured at amortized cost. The carrying amount of these assets is adjusted for any expected credit losses recognized (see impairment below). Interest income from these financial assets is recognized using the effective interest method and is included in finance income. The Group's financial assets measured at amortized cost are non-current trade receivables (guaranteed 75-95% by EKN), non-current non interest-bearing receivables, trade receivables, trade receivables guaranteed 75-95% by EKN, other receivables, cash and cash equivalents.

Trade receivables

Trade receivables are amounts attributable to customers for goods sold or services provided in the ordinary course of business.

As trade receivables are generally due for payment within 30 days, they are all classified as current assets. Trade receivables are initially recognized at fair value and thereafter at amortized cost. The Group holds trade receivables for the purpose of collecting contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances in the statement of financial position and cash flow statement.

(iii) Derecognition of financial assets

A financial asset or part of a financial asset is derecognized when the contractual rights to receive cash flows from the asset have expired or been transferred and either (i) the Group has transferred substantially all risks and rewards of ownership or (ii) the Group has neither retained nor transferred substantially all risks and rewards of ownership but no longer has control of the asset.

Financial assets are derecognized from the statement of financial position when the contractual rights are realized, expire or the Company loses control of them, apart from trade receivables guaranteed by EKN that have been transferred to the bank or pledged. Such a trade receivable is recognized in the statement of financial position until the customer has paid the bank. The bank has a right of recourse against the Group for the part of the trade receivable not covered by the EKN guarantee and in the event of EKN not paying compensation for any customer losses.

(iv) Transfer of financial assets

The Group uses factoring. Under an agreement, the Group has transferred receivables to a factoring company in exchange for cash, and the receivables can therefore not be sold or pledged. However, the Group has retained the credit risk and the risk of late payment. The Group therefore continues to recognize the transferred assets in full in the statement of financial position.

(v) Financial liabilities – Classification and measurement

Financial liabilities at amortized cost

The Group's other financial liabilities are initially recognized at fair value and thereafter at amortized cost using the effective interest method. Other financial liabilities consist of non-current interest-bearing liabilities, non-current interest-bearing liabilities (for receivables guaranteed by EKN), current interest-bearing liabilities, current interest-bearing liabilities (for receivables guaranteed by EKN), trade payables, and current liabilities.

Trade payables

Trade payables are financial instruments and refer to obligations to pay for goods and services acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year. Otherwise, they are recognized as non-current liabilities.

Trade payables are initially recognized at fair value and thereafter at amortized cost using the effective interest method.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs. They are subsequently recognized at amortized cost, and any difference between the amount received (net of transaction costs) and the repayment amount is recognized in the statement of comprehensive income over the term of the loan using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(vi) Derecognition of financial liabilities

A financial liability is derecognized when the obligation has been discharged, canceled or terminated in some other way.

The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

When the terms of a financial liability are renegotiated, and it is not derecognized, a gain or loss is reported in the statement of comprehensive income. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

(vii) Offsetting of financial instruments

A financial asset and a financial liability may be offset and the net amount recognized in the balance sheet only when there is a legally enforceable right to set off the recognized amounts, and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The legal right must not be contingent on a future event and must be exercisable by the Company and counterparty, both in the normal course of business and in the event of default, insolvency or bankruptcy.

(viii) Impairment of financial assets

Assets recognized at amortized cost

The Group determines which expected future credit losses are related to assets recognized at amortized cost. At each reporting date, the Group recognizes a credit allowance for these expected credit losses. For trade receivables, the Group applies the simplified approach, which means that the loss allowance corresponds to the full lifetime expected credit losses associated with the receivable. The Group's policy is that, even for non-current trade receivables, the loss allowance will correspond to the full lifetime expected credit losses associated with the receivable. To measure the expected credit losses, trade receivables have been grouped according to allocated credit risk and due dates.

Expected credit losses are recognized in the consolidated statement of comprehensive income under distribution costs.

An expected credit loss is based on historical sales over a 12-month period, and no special consideration is made for future macroeconomic factors.

Trade receivables are derecognized when they are deemed uncollectible. Indicators are lengthy processes for payments to Boule or to an external party responsible for payment collection.

14 Property, plant and equipment

(i) Owned assets

In the Group, items of property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Accounting policies for impairment are presented below.

Parts of an item of property, plant and equipment with different useful lives are treated as separate components of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognized on retirement or disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the disposal of an asset is the difference between the selling price and the asset's carrying amount less direct costs to sell. Gains and losses are recognized as other operating income/expenses.

(iii) Subsequent costs

Subsequent costs are included in the carrying amount only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of acquisition can be measured reliably. All other subsequent costs are recognized as an expense in the period in which they are incurred.

A subsequent cost is added to the cost of acquisition if it relates to the replacement of identified components or parts thereof. Costs relating to the construction of new components are also added to the cost of acquisition. The residual value of a replaced component or part thereof is disposed of and recognized as an expense at the time of replacement. Repairs are recognized as an expense as incurred.

(iii) Depreciation

Depreciation is applied on a straight line basis over the asset's expected useful life, apart from land, which is not depreciated. Leased assets are also depreciated over their estimated useful lives or, if shorter, over the agreed lease term. The Group applies component depreciation, which means depreciation is based on the estimated useful lives of components.

Estimated useful lives are as follows:

– Plant and machinery	5 years
– Equipment, tools, fixtures and fittings	5 years
– Leasehold improvements	10–15 years

Plant and machinery consists of a small number of components with different useful lives.

Depreciation methods, residual values and useful lives are reviewed at each year-end.

15 Leases**THE GROUP AS LESSEE**

The Group leases property, vehicles, machines and equipment. The Group assesses whether a contract is a lease or contains a lease at the commencement date. For all leases where the Group is lessee, a right-of-use asset and a corresponding lease liability are recognized, apart from short-term leases (defined as leases with a term of 12 months or less) and leases where the underlying asset has a low value. For low-value leases, the Group recognizes lease payments as operating expenses.

The lease liability, which is divided into a current and a non-current portion, is initially measured at the present value of the remaining lease payments over the estimated lease term. The lease term is the non-cancelable period plus any periods covered by an option to extend the lease if the exercise of that option is reasonably certain at the commencement date. Lease payments are normally discounted at the Group's incremental borrowing rate, which, in addition to the Group's credit risk, reflects the lease term, currency and the quality of the underlying asset as if it were provided as collateral.

The lease liability represents the present value of the following payments over the estimated lease term:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate are initially measured at the index or rate that applied at the commencement date.

The liability's carrying amount is increased by the interest expense for each period and decreased by the lease payments. The interest expense is calculated as the liability's carrying amount multiplied by the discount rate. The lease liability for the Group's premises with index-linked rent is calculated on the rent that applies at the end of each reporting period. The liability is then adjusted, with a corresponding adjustment of the right-of-use asset's carrying amount. Correspondingly, the carrying amounts of the liability and the asset are adjusted when the lease term is revised. This occurs when the deadline for terminating the previously determined lease term for premises has passed, or when a significant event or a significant change in circumstances occurs that is within the Group's control and affects the current determination of the lease term.

Right-of-use assets comprise the amount of the initial assessment of the corresponding lease liability, lease payments

made on or before the commencement date, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of useful life or the end of the lease term.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and recognizes any identified impairment in accordance with the description in the section "Property, plant and equipment".

16 Intangible assets**(i) Goodwill**

Goodwill is measured at cost less any accumulated impairment. Goodwill is allocated to cash-generating units and is tested for impairment at least annually by calculating the value in use. Assumptions used in the calculation are described in note 11.

(ii) Research and development

Expenditure on research aimed at obtaining new scientific or technical knowledge is recognized as an expense as incurred. Development expenditure, whereby research findings or other knowledge is applied in order to achieve new or improved products or processes, is recognized as an asset in the statement of financial position if the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and subsequently use or sell the intangible asset. The carrying amount includes all directly attributable costs, such as materials and services, employee benefits, registration of a legal right, amortization of patents and licenses and borrowing costs.

Other development expenses are recognized as an expense in the income statement as incurred. In the statement of financial position, development expenses are recognized at cost less accumulated amortization and any impairment. Impairment testing is conducted at least annually, when preparing the year-end accounts, by calculating the value in use. Assumptions used in the calculation are described in note 11. The decision on whether to capitalize a development project is made by Boule's project committee, which assesses whether it can be capitalized under current accounting rules. This assessment is based on the ability to complete the project with existing and future resources and whether the project's completion and launch is expected to occur in the foreseeable future. Development expenses are only capitalized at Group level, not in the legal entity.

(iii) Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is recognized as an asset in the statement of financial position only when it increases the future economic benefits attributable to the asset. All other expenditure is recognized as an expense as incurred.

(iv) Borrowing costs

Borrowing costs that are attributable to the construction of qualifying assets are capitalized as part of the cost of the qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. This includes development projects that lead to capitalization of development expenses. Borrowing costs are primarily capitalized when the borrowing is specifically for the purpose of ob-

taining a qualifying asset. Borrowing costs may also be eligible for capitalization for general borrowing, not specific to another qualifying asset. The Company does not have any capitalized borrowing costs.

(v) Amortization

Amortization, which is reported under Cost of sales, is recognized in profit or loss for the year on a straight-line basis over the intangible asset's estimated useful life, unless the useful life is indefinite. Useful lives are reviewed at least annually. Goodwill and other intangible assets with indefinite useful lives or which are not yet ready for use, such as development projects, are tested for impairment annually or when there is an indication that a particular asset has decreased in value. Intangible assets with finite useful lives are amortized from the date on which they are available for use. Estimated useful lives:

Capitalized development expenses 5–10 years

17 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is determined using the first-in, first-out (FIFO) method and includes costs of purchase and costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress includes a reasonable proportion of indirect costs based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to make the sale.

Inventories are reported in the following categories: Raw materials and supplies, Products in progress and Finished goods and merchandise.

Production is mainly based on orders and forecasts that are updated monthly, which means that obsolescence is negligible for the finished goods inventory. If components are replaced, the remaining inventories are written down simultaneously. Obsolescence of spare part inventories is assessed quarterly by analyzing the inventory turnover rate.

18 Impairment

The Group's reported assets are assessed at each reporting date to determine whether there is any indication of impairment. IAS 36 is applied for impairment of assets other than financial assets, which are accounted for under IFRS 9, assets held for sale and disposal groups, which are accounted for under IFRS 5, inventories and deferred tax assets. The carrying amount of assets listed above as exceptions is estimated within the scope of the relevant standard.

(i) Impairment of property, plant & equipment and intangible assets

If there is an indication that an asset is impaired, its recoverable amount is estimated. The recoverable amount is estimated annually for goodwill, other intangible assets with indefinite useful lives and intangible assets not yet ready for use, regardless of whether there is an indication of impairment. If it is not possible to identify largely independent cash flows for an asset and its fair value less costs to sell cannot be used, it is grouped with other assets and tested for impairment in a cash-generating unit, i.e. the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is recognized when the carrying amount of an asset or cash-generating unit (group of units) exceeds its recoverable amount. The impairment is recognized as an expense in the income statement. Impairment losses recognized for a cash-generating unit or group of units are initially allocated to goodwill. It is then allocated to the other assets of the unit or group of units pro rata.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In measuring value in use, future cash flows are discounted using a discount rate that reflects the risk-free rate of interest and the risks specific to the asset.

(ii) Impairment of financial assets

Impairment of financial instruments is described under 13 Financial instruments.

(iii) Reversal of impairment

Impairment of assets accounted for under IAS 36 is reversed if there is an indication that the impairment no longer exists and there has been a change in the assumptions on which the calculation of recoverable amount was based. However, goodwill impairment is never reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation where applicable, had no impairment loss been recognized.

Impairment of loans and receivables recognized at amortized cost is reversed if the previous reason for impairment no longer exists and full payment from the customer is expected.

19 Earnings per share

Calculation of earnings per share is based on the Group's profit for the year attributable to shareholders of the Parent Company and the weighted average number of shares outstanding during the year. When calculating diluted earnings per share, profit and the average number of shares are adjusted to take into account the effects of dilutive potential ordinary shares, such as warrants. Dilution from warrants affects the number of shares and occurs only when the exercise price is lower than the share price.

20 Employee benefits

(i) Defined-contribution pension plans

Defined-contribution pension plans are plans under which the Company's obligation is limited to the amount that it has undertaken to contribute. In such cases, the size of an employee's pension depends on the contributions the Company pays to the plan or to an insurance company and investment returns arising from the contributions. Consequently, the employee bears the risk that the benefits will be less than expected and the investment risk (that assets invested will be insufficient to meet expected benefits). The Company's obligations under defined-contribution plans are recognized as an expense in the income statement as they are earned, i.e. when employees have rendered services to the Company during a period.

(ii) Defined-benefit pension plans

The Group does not have any defined-benefit pension plans, apart from multi-employer plans, which, however, are reported as defined-contribution pension plans in accordance with IAS 19 in the absence of the necessary data for measuring defined-benefit obligations.

(iii) Share-based payment

In certain jurisdictions the Group offers warrant programs to employees. Participants pay a premium per warrant calculated by an independent institution using the Black Scholes model. As the employees have paid market value for the warrants, there is no payment to be recognized as an expense. The warrant premium received is reported as an increase in equity.

(iv) Termination benefits

Termination benefits are recognized as an expense only when the Company is committed to terminating the employment of employees before the normal retirement date and has a detailed formal plan for the termination. When termination benefits are provided as a result of an offer made to encourage voluntary layoff, a cost is recognized if it is probable that the offer will be accepted and it is possible to reliably estimate the number of employees that will accept the offer.

(v) Short-term benefits

Short-term employees benefits are calculated without discounting and are recognized as an expense when the related services are rendered. A provision for the expected cost of bonus payments is recognized when the Group has a legal or constructive obligation to make such payments as a result of services being rendered by employees and when the amount can be measured reliably.

21 Provisions

A provision differs from other liabilities as there is uncertainty about the timing or amount required to settle the provision. A provision is recognized in the statement of financial position when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, provisions are estimated by discounting expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and any risks specific to the liability.

(i) Warranties

A provision for warranties is recognized when the underlying products are sold. The provision is based on historical warranty data and a weighting of possible outcomes with their associated probabilities.

22 Contingent liabilities

A contingent liability is recognized when a possible obligation arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, or when there is an obligation that is not recognized as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation.

23 The Parent Company's accounting policies

The Parent Company's annual financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Swedish Financial Reporting Board's issued statements concerning listed companies are also applied. RFR 2 requires the Parent Company, as a legal entity, to prepare its annual financial statements in compliance with all IFRS and IFRIC interpretations adopted by the EU, to the extent that such application does not conflict with the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act, and taking into account the relationship between tax expense (income) and accounting profit. The recommendation specifies exemptions from and additions to IFRS.

(i) Differences between the Group's and the Parent Company's accounting policies

Differences between the Group's and the Parent Company's accounting policies are described below. The accounting policies described below have been applied consistently to all periods presented in the Parent Company's financial statements.

(ii) Classification and presentation

For the Parent Company, an income statement and a statement of other comprehensive income are presented, while for the Group, these two statements are presented together in one statement of comprehensive income. The Parent Company's balance sheet and cash flow statement correspond to the Group's statement of financial position and statement of cash flows. The Parent Company's income statement and balance sheet are presented in accordance with the format described in the Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences between the consolidated financial statements and the Parent Company's income statement and balance sheet are mainly related to finance income, finance costs, non-current assets, equity and the reporting of provisions as a separate balance sheet heading.

(iii) Subsidiaries

Shares in subsidiaries are recognized in the Parent Company using the cost method. This means that transaction costs are included in the carrying amount of holdings in subsidiaries. In the consolidated financial statements, transaction costs are recognized directly in profit or loss as incurred.

(iv) Associates

Shares in associates are recognized in the Parent Company using the cost method. This means that transaction costs are included in the carrying amount of holdings in associates.

(v) Group contributions and shareholder contributions

The Parent Company recognizes Group contributions, both paid and received, as appropriations.

Shareholder contributions provided are reported as an increase in the value of shares and interests. An assessment is then made as to whether there is an indication that the shares and interests in question are impaired.

(vi) Financial instruments and hedge accounting

Because of the relationship between tax expense (income) and accounting profit, the Parent Company as a legal entity does not apply the rules on financial instruments and hedge accounting contained in IFRS 9 other than the standard's rules on impairment. The instruments are assessed at each reporting date to determine whether there is any indication of impairment. Impairment of interest-bearing financial assets at amortized cost is measured as the difference between the carrying amount and estimated discounted cash flows. The assets' loss allowance is based on assumptions regarding defaults and expected losses based on historical and forward-looking estimations.

The Parent Company's non-current financial assets are measured at cost less impairment, while its current financial assets are measured using the "lower value" principle. The cost of interest-bearing instruments is adjusted for the accrued difference between the amount originally paid, net of transaction costs, and the amount payable at maturity (premium or discount).

(vii) Leased assets

In the Parent Company, all leases are accounted for as operating leases.

(viii) Borrowing costs

The Parent Company's borrowing costs are recognized as an expense in the period in which they are incurred. No borrowing costs are capitalized.

(ix) Taxes

Untaxed reserves are reported in the Parent Company's balance sheet without being divided into equity and deferred tax liability, unlike in the consolidated accounts. Similarly, in the Parent Company's income statement, no allocation of appropriations is made to deferred tax expense.

NOTE 2 NET SALES INCLUDING OPERATING SEGMENTS

Boule engages in development, production and sales of blood analysis systems in the area of hematology. The systems are sold in human and veterinary markets. The Group's internal organization is based on a division into functions. The primary functions are production, sales and marketing, administration, and research and development. The Group is seen as a single unit in which all the constituent sub-operations are integrated and interdependent.

Boule's chief operating decision-maker monitors the Group's overall financial performance and position. The CEO and Group management are Boule's chief operating decision-maker. Reporting also provides the CEO, senior management, and board of directors in the parent with vital information on other key figures in the group. Net sales is monitored at regional and product level. Items in the income statement are not divided into different segments. The income statement is monitored at Group, Company, and function levels.

The Group has reported the following revenue-related amounts in the statement of comprehensive income:

SEK thousands	2021
Net sales	463 344
Total	463 344

NET SALES BY PRODUCT

SEK thousands	Group		Parent Company	
	2021	2020	2021	2020
Instruments	148,689	120,652	-	-
Consumables for own instruments	193,464	179,701	-	-
Consumables OEM and CDS Brand	84,651	62,490	-	-
Other	36,540	37,615	-	-
Group-related services			26,006	24,127
Total	463 344	400 458	26,006	24,127

NET SALES BY GEOGRAPHICAL AREA

SEK thousands	Group	
	2021	2020
Rest of western Europe	32,198	35,952
Eastern Europe	61,135	55,578
USA	152,561	128,341
Latin America	37,705	32,831
Asia	121,330	103,976
Africa	33,845	18,404
Middle East	24,570	25,376
Total Group	463 344	400 458

INFORMATION ABOUT MAJOR CUSTOMERS

Boule generated SEK 45,098 thousand in revenue from a single customer in 2021, representing 10 percent of net sales. The customer is domiciled in the United States. In 2020, Boule generated SEK 25,600 thousand in revenue from a single customer, representing 6 percent of net sales. The customer is domiciled in the United States.

NOTE 3 OPERATING EXPENSES BY NATURE OF EXPENSE

	Group	
	2021	2020
Raw materials and supplies	162,241	138,625
Change in inventories of finished goods and products in progress	-4,805	-6,249
Personnel expenses	168,163	161,307
Depreciation and amortization	6,054	5,718
Impairment	0	40,049
Capitalized work for own account	-51,492	-40,860
Other operating expenses 1)	148,025	118,715
Total	428,186	417,305

¹⁾ Refers to other expenses related to sales, administration and R&D.

NOTE 4 EMPLOYEES, PERSONNEL EXPENSES AND REMUNERATION OF SENIOR EXECUTIVES**EMPLOYEE BENEFITS EXPENSES**

SEK thousands	Group	
	2021	2020
Salaries and benefits	133,513	125,817
Pension costs, defined-contribution plans	12,795	11,402
Social security contributions	27,537	27,450
Total	173,845	164,669

AVERAGE NUMBER OF EMPLOYEES ¹⁾

Group	2021		2020	
	Number	Men/women, %	Number	Men/women, %
Parent Company				
Sweden	7	10/90	7	10/90
Country/group of countries				
Subsidiaries				
Sweden	115	60/40	112	60/40
Mexico	2	100/0	2	100/0
Russia	10	47/53	6	40/60
USA	84	52/48	85	55/45
Total in subsidiaries	211	55/45	205	57/43
Group, total	218	55/45	212	56/44

¹⁾ With effect from 2017, fixed-term employees are included in the calculation of the average number of employees.

GENDER REPRESENTATION IN EXECUTIVE MANAGEMENT

Percent	2021	2020
	Men/women, %	Men/women, %
Parent Company		
The Board of Directors	57/43	60/40
Other senior executives	44/56	50/50
Group, total		
The Board of Directors	57/43	60/40
Other senior executives	65/35	60/40

SALARIES AND OTHER BENEFITS FOR SENIOR EXECUTIVES AND OTHER EMPLOYEES, AND SOCIAL SECURITY COSTS IN THE PARENT COMPANY

SEK thousands	2021			2020		
	Senior executives (2.25 individuals)	Other employees	Total	Senior executives (3 individuals)	Other employees	Total
Salaries and other benefits	5,474	3,315	8,789	4,875	3,940	8,815
(of which variable remuneration and other benefits)	843		901	447		447
Social security costs	2,048	1,607	3,655	1,826	1,758	3,584
Pension costs	1,352	804	2,155	1,279	777	2,056

REMUNERATION OF THE BOARD, CEO AND OTHER SENIOR EXECUTIVES, 2021¹⁾

SEK thousands	Board fees	Basic salary	Variable remuneration ⁴⁾	Pension costs	Other benefits ²⁾	Warrant costs	Total
Peter von Ehrenheim, Chairman of the Board	470						470
Thomas Eklund	235						235
Karin Dahllöf	235						235
Jon Risfelt	235						235
Charlotta Falvin	235						235
Yvonne Mårtensson	-						-
Torben Jörgensen	-						-
Total remuneration, Board	1,410						1,410
Jesper Söderqvist, CEO		2,735	388	749	72	0	3,944
Other senior executives (9 individuals)		12,354	1,514	2,321	749	0	16,938
Total remuneration, CEO and other senior executives³⁾		15,090	1,901	3,070	820	0	20,882
Total remuneration, Board, CEO and other senior executives	1,410	15,090	1,901	3,070	820	0	22,292

¹⁾ Amounts do not include social security contributions

²⁾ Primarily company cars

³⁾ Total remuneration of SEK 20,882 thousand for the CEO and other senior executives consists of SEK 6,826 thousand from the Parent Company and SEK 14,056 thousand from subsidiaries.

REMUNERATION OF THE BOARD, CEO AND OTHER SENIOR EXECUTIVES, 2020¹⁾

SEK thousands	Board fees	Basic salary	Variable remuneration ⁴⁾	Pension costs	Other benefits ²⁾	Warrant costs	Total
Peter von Ehrenheim, Chairman of the Board	470		356				826
Thomas Eklund	235						235
Karin Dahllöf	235						235
Jon Risfelt	235						235
Charlotta Falvin	235						235
Total remuneration, Board	1,410		356				1,766
Jesper Söderqvist, CEO, May 11 -		1,589	400	525	44	0	2,558
Christina Rubenhag, Acting CEO, Jan 19 - May 10		827	0	150	0	0	977
Fredrik Dalborg, CEO, Jan 1 - Jan 18		47	0	-13	3	0	37
Other senior executives (9 individuals)		13,229	713	2,239	1042	0	17,223
Total remuneration, CEO and other senior executives³⁾		15,691	1,112	2,901	1089	0	20,795
Total remuneration, Board, CEO and other senior executives	1,410	15,691	1,468	2,901	1,089	0	22,561

¹⁾ Amounts do not include social security contributions

²⁾ Primarily company cars.

³⁾ Total remuneration of SEK 20,795 thousand for the CEO and other senior executives consists of SEK 6,154 thousand from the Parent Company and SEK 14,641 thousand from subsidiaries.

⁴⁾ For Peter von Ehrenheim, refers to remuneration as Executive Chairman of the Board during the interim period January-April.

Remuneration of senior executives and conditions for notice periods and termination benefits

The AGM in May 2021 adopted the following guidelines for determining remuneration and other terms of employment for senior executives. Remuneration of Group management comprises a fixed salary, variable remuneration, pension, other customary benefits and the opportunity to participate in long-term incentive programs. The fixed salary shall be market-based. Variable remuneration is based on performance against predefined targets at both individual and company level. Individual performance is evaluated on an ongoing basis. For the CEO, variable remuneration is capped at 50 percent of the fixed annual salary. For other senior executives, variable remuneration is capped at 17-50 percent of the fixed salary. The Board may derogate from the proposed guidelines if there are special reasons to do so in individual cases. The CEO of the Parent Company is covered by defined-contribution pension plans at 28 percent of the fixed monthly salary. All of the other Swedish senior executives are covered by defined-contribution pension plans in accordance with the Boule Group's premium scale for the fixed monthly salary. The pension premium for US employees is approximately four percent of the fixed monthly salary.

The CEO of the Parent Company has a mutual notice period of six months under the employment contract. If employment is terminated by the Company, the CEO is entitled to termination benefits corresponding to nine months' salary in addition to remuneration during the notice period. Other senior executives have mutual notice periods of three to six months.

Loans to senior executives

There are no loans to senior executives in the Boule Group.

Share-based payment

The company has two outstanding warrant programs. The 2020 AGM approved the issue of a maximum of 180,000 warrants. Each warrant entitles the holder to purchase one share at the price of SEK 86.70 per share no later than December 30, 2023. In 2020, 180,000 warrants were allotted and purchased by employees at market conditions.

The 2019 AGM adopted the issue of a maximum of 490,500 warrants. Each warrant entitles the holder to purchase one share at the price of SEK 67.50 per share no later than December 30, 2022. 463,435 of the warrants have been allotted and purchased by employees at market conditions.

Under the two programs, if the warrant holder's employment ceases, Boule has the right of first refusal and may choose to exercise that right. The Board has decided to exercise the right of first refusal regarding former employees who purchased warrants in the 2019 program, and 110,638 warrants have been repurchased. There are no restrictions on the transfer of the warrants in the programs.

Defined-contribution pension plans

For salaried employees in Sweden, the ITP 2 plan's defined-benefit retirement and family pension obligation (or family pension) is covered by insurance through Alecta. For most of the accrued pension benefits, Alecta does not have information on the distribution of accrued benefits between employers. All accrued benefits are registered to the most recent employer instead. Alecta is therefore unable to make a precise allocation of assets and provisions to each employer, which means that the criteria for reporting ITP2 in Alecta as a defined-benefit plan are not met and it is treated as a defined-contribution plan. In addition, there is no fully defined framework for dealing with any surpluses or deficits that may arise. The premium for the defined-benefit retirement and family pension is calculated individually and is based on factors that include salary, previously earned pensions and expected remaining service. Expected contributions in the next reporting period for ITP 2 insurance covered by Alecta are SEK 3.1 (3.8) million.

The Group's share of total savings premiums in ITP 2 is 0.01 (0.01) percent, while its share of the total number of active insured in the ITP 2 is 0.01 (0.01) percent.

The collective funding ratio is the market value of Alecta's assets as a percentage of its insurance obligations calculated by reference to Alecta's actuarial methods and assumptions. This is not consistent with IAS 19. The collective funding ratio is normally allowed to vary between 125 and 155 percent. If Alecta's collective funding ratio falls below 125 percent or exceeds 155 percent, measures must be taken to create the right conditions for the level to return to the normal range. If the level is too low, an appropriate measure could be to increase the agreed value for new insurance and extension of existing benefits. If the level is too high, premium reductions could be introduced. At the end of 2021, Alecta's surplus in the form of its collective funding ratio was 172 (148) percent.

The Alecta premiums are determined by assumptions about interest rates, life expectancy, operating costs and yield tax, and are calculated so that payment of a constant premium until the retirement date suffices for the entire target benefit, which is based on the insured's current pensionable salary and which must be earned. There is no set of rules for how deficits that may arise are to be handled, but the losses should primarily be covered by Alecta's collective funding capital, and should therefore not lead to increased costs through higher contractual premiums. There are also no rules for how any surplus or deficit would be distributed in the event of liquidation of the plan or a company's withdrawal from the plan.

SEK thousands	Group		Parent Company	
	2021	2020	2021	2020
Costs for defined-contribution plans ¹⁾	12,795	11,402	2,155	2,056

¹⁾ This includes SEK 4,084 (4,155) thousand for the Group, SEK 531 (545) thousand of which is for the Parent Company relating to ITP plans financed through Alecta, see above.

NOTE 5 OTHER OPERATING INCOME

SEK thousands	Group	
	2021	2020
Exchange gains on operating receivables/liabilities	7,840	17,059
Government grants ¹⁾	0	11,319
Other	701	1,075
Total other operating income	8,540	29,453

¹⁾ The previous year relates to a payroll protection loan of USD 1.2 million (SEK 11.6 million) in the subsidiary Clinical Diagnostics Solutions Inc. The loan was part of the government's stimulus package to safeguard employment. The loan terms required at least 60 percent of the loan to be used for salary payments and the remainder for the payment of rent and office-related expenses. The loan was to be used for expenses for the next 8 to 24 weeks after it was received and the number of employees would remain intact during the period. The conditions attached to the forgiveness of the loan have been met and the amount was converted into other operating income. The loan is therefore reported as other operating income in the income statement, cash and cash equivalents in the statement of financial position and financing activities in the cash flow statement.

NOTE 6 OTHER OPERATING EXPENSES

SEK thousands	Group	
	2021	2020
Exchange gains on operating receivables/liabilities	-7,680	-18,534
Other	-	-
Total	-7,680	-18,534

NOTE 7 AUDITORS' FEES AND REMUNERATION

SEK thousands	Group		Parent Company	
	2021	2020	2021	2020
PWC				
Audit fees	884	875	634	538
Other auditing assistance	107	213	107	173
Tax advisory services	31	30	23	15
Valuation services	0	0	0	0
Other services	204	143	159	143
Other auditors				
Stefanelli and Batalla CPA	51	43		
Total	1,277	1,304	923	869

Audit services comprise the examination of the annual report, accounting records and administration of the Board of Directors and CEO. The audit also includes other procedures required to be carried out by the Company's auditors and advice or other assistance arising from observations made during the audit or while performing such other procedures.

All invoicing was from the audit firm, with none from the network.

NOTE 8 RELATED-PARTY TRANSACTIONS

Transactions between Boule Diagnostics AB and its subsidiaries, which are related companies to Boule Diagnostics AB, are eliminated in the consolidated financial statements.

Related-party transactions

Intra-group sales of products amounted to SEK 48,933 (35,428) thousand. No Board member or senior executive has, or has had, any direct or indirect participation in any business transactions between themselves and the Company that are, or were, unusual in nature regarding the terms. No other additional related-party transactions occurred.

Commercial terms and market pricing are applied to deliveries of products and services between Group companies.

Information about remuneration and benefits to key personnel can be found in note 4 Employees, personnel expenses and remuneration of senior executives.

NOTE 9 NET FINANCIAL ITEMS

SEK thousands	Group		Parent Company	
	2021	2020	2021	2020
Financial assets at amortized cost				
Anticipated dividend from subsidiaries			15,000	21,000
Interest income on bank balances *)	83	198	0	0
Exchange gain		1,004		
Re-billing of finance costs related to EKN guarantees	1,270	108		
Gain on sale of non-current assets	0	83		
Finance income	1,352	1,392	15,000	21,000
Finance costs				
Interest expense on borrowing *)	-4,283	-2,624	0	0
Interest expenses, leases	-1,165	-1,440		
Trade payables *)	-45	-37	-2	0
Exchange loss	-3,109			
Re-billing of finance costs related to EKN guarantees	0	-108		
Finance costs	-8,602	-4,208	-2	0
Loss from associates	0	-40,278	0	-54,437
Net financial items	-7,250	-43,093	14,998	-33,437

¹ Attributable to assets and liabilities measured at amortized cost

¹ Net financial items were SEK -7.2 (-2.8) million. The figure for 2020 was SEK -43,093 million including loss from associates.

NOTE 10 TAXES**RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME**

Group, SEK thousands	2021	2020
Current tax		
Tax expense for the year	-6,637	-6,055
Deferred tax income		
Deferred tax on temporary differences	1,141	7,111
Total deferred tax expense/tax income	1,141	7,111
Total tax expense recognized, Group	-5,496	1,056

RECONCILIATION OF EFFECTIVE TAX

Group	2021		2020	
	%	SEK thousands	%	SEK thousands
Profit/loss before tax		28,768		-49,021
Tax according to parent's applicable tax rate	20.60%	-5,926	21.40%	10,491
Effect of different tax rates for foreign subsidiaries		313		956
Effects of change in Swedish tax rate		916		
Non-deductible expenses		-173		-11,806
Non-taxable income		-627		4,562
Other tax adjustments ¹⁾				-3,148
Recognized effective tax		-5,496		1,056

¹⁾ Primarily reversed estimated tax on profit/loss for the associate biosurfit.

RECONCILIATION OF EFFECTIVE TAX

Parent Company	2021		2020	
	%	SEK thousands	%	SEK thousands
Profit/loss before tax		15,000		-33,912
Tax according to parent's applicable tax rate	20.6%	-3,090	21.40%	-7,257
Non-deductible expenses		-123		11,685
Non-taxable income		3,090		-4,494
Recognized effective tax		-123		-66

DEFERRED TAX ASSETS AND LIABILITIES**RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES**

Deferred tax assets and liabilities are as follows:

Group, SEK thousands	Deferred tax assets		Deferred tax liabilities		Net	
	2021	2020	2021	2020	2021	2020
Property, plant and equipment	331	72	-554	-1,037	-223	-965
Intangible assets	0	85	-33,157	-24,304	-33,157	-24,219
Inventories	948	344	-1	0	947	344
Other receivables	394	276	0	0	394	276
Tax loss carryforwards	464	0	0	0	464	0
Interest-bearing liabilities	0	15	0	0	0	15
Losses	21,071	11,794	0	0	21,071	11,794
Tax assets/liabilities, net	23,207	12,587	-33,711	-25,341	-10,504	-12,754

CHANGE IN DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSS CARRYFORWARDS

Group, SEK thousands	Balance, Jan 1, 2021	Recognized in profit/loss for the year	Recognized in OCI	Balance, Dec 31, 2021
Property, plant and equipment	-965	742	-	-223
Intangible assets	-24,219	-8,938	-	-33,157
Inventories	344	603	-	947
Other receivables	276	118	-	394
Tax loss carryforwards	0	464	-	464
Interest-bearing liabilities	15	-15	-	0
Losses	11,794	9,277	-	21,071
	-12,754	2,250	0	-10,504

Group, SEK thousands	Balance, Jan 1, 2020	Recognized in profit/loss for the year	Recognized in OCI	Balance, Dec 31, 2020
Property, plant and equipment	-1,528	563	-	-965
Intangible assets	-19,162	-5,057	-	-24,219
Inventories	164	180	-	344
Other receivables	164	113	-	276
Interest-bearing liabilities	0	15	-	15
Losses	0	11,794	-	11,794
	-20,363	7,609	0	-12,754

NOTE 11 INTANGIBLE ASSETS**ACCUMULATED COST**

Group, SEK thousands	Internally generated intangible assets	Intangible assets acquired	Total
	Development expenses	Goodwill	
Opening balance, Jan 1, 2021	115,625	72,906	188,531
Internally generated assets	53,221	0	53,221
Depreciation and amortization	-6,170	0	-6,170
Impairment	0	0	0
Exchange differences for the year	209	5,787	5,996
Closing balance, Dec 31, 2021	162,885	78,693	241,578
Opening balance, Jan 1, 2020	118,597	80,543	199,140
Internally generated assets	41,422	0	41,422
Depreciation and amortization	-4,068	0	-4,068
Impairment	-40,049	-	-40,049
Exchange differences for the year	-276	-7,637	-7,914
Closing balance, Dec 31, 2020	115,625	72,906	188,531

IMPAIRMENT

Impairment testing for cash-generating units containing goodwill
Based on the Group's integrated activities in product development and production of instruments, reagents and controls, the

Group is defined as a single cash-generating unit.

Recognized goodwill values are based on the recoverable amount of the cash-generating unit, which is determined by calculating the value in use. Value in use is calculated using pre-tax cash flow projections based on financial budgets covering a five-year period which have been approved by management. Cash flows beyond the five-year period are extrapolated using the estimated growth rate according to the information below.

The cash-generating unit's recoverable amount is based on significant assumptions. Significant assumptions used for calculating value in use are based on the estimated growth rate according to the information below.

Group, SEK thousands	2021	2020
Long-term growth rate	2%	2%
Pre-tax discount rate	7%	8%
Revenue growth (1-5 years)	11%	10%
Cost development (1-5 years)	7%	5%

Management has determined the budgeted gross margin based on previous results and expectations of market development. The weighted average growth rate used is based on forecasts in industry reports, previous trends and existing product portfolios. The discount rates used reflect specific risks that apply to these two companies in the Group.

The unit's recoverable amount on December 31, 2021 is SEK 1,059 million, which significantly exceeds the carrying amount. The indicative value in use for this cash-generating unit would be higher than the carrying amount if an impairment test were conducted.

After carrying out a sensitivity analysis of goodwill impairment, management does not believe that any reasonable changes in the key assumptions would result in the cash-generating units' recoverable amount being less than their carrying amount.

Internally generated intangible assets were SEK 162,885 (115,625) thousand at the end of the year and are primarily re-

lated to development expenses for the Company's next generation platform for analytical instruments.

As part of impairment testing, the value of these assets is measured annually or whenever there is an indication of impairment. Testing includes calculating the present value of future economic benefits from the instrument generation in relation to the intangible assets. Amortization of intangible assets is ap-

plied when product sales commence. The cash flow projection is based on estimated sales in the first six years after launch and is calculated at the present value of a required return on equity of 9.0 percent. It is management's assessment that the future economic benefits from the instrument generation exceed the intangible asset.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

COST

Group, SEK thousands	Plant and machinery	Equipment, tools, fixtures and fittings	Improvements to property	Total
Opening balance January 1, 2020	22,624	32,257	13,050	67,931
Purchases	642	3,339	558	4,539
Reclassification	4,512	-4,635	-4	-128
Impairment	0	0	0	0
Disposals	0	-1,026	0	-1,026
Exchange differences	-2,080	-1,315	-1,130	-4,526
Closing balance December 31, 2020	25,698	28,619	12,474	66,789
Opening balance January 1, 2021	25,698	28,619	12,474	66,789
Purchases	1,618	3,353	487	5,458
Reclassification	0	-1,618	0	-1,618
Impairment	0	0	0	0
Disposals	0	-929	0	-929
Exchange differences	2,103	684	1,039	3,826
Closing balance December 31, 2021	29,419	30,110	14,000	73,527

DEPRECIATION AND AMORTIZATION

Group, SEK thousands	Plant and machinery	Equipment, tools, fixtures and fittings	Improvements to property	Total
Opening balance January 1, 2020	-17,542	-19,193	-7,355	-44,090
Depreciation	-1,076	-3,809	-1,718	-6,603
Reclassification	-3,643	3,643	389	389
Disposals	0	677	0	677
Exchange differences	1,246	1,046	402	2,694
Closing balance December 31, 2020	-21,015	-17,634	-8,282	-46,932
Opening balance January 1, 2021	-21,015	-17,634	-8,282	-46,932
Depreciation	-863	-2,637	-1,941	-5,440
Reclassification	-	-	-	0
Disposals	-	1,858	-	1,858
Exchange differences	-1,405	-466	-566	-2,435
Closing balance December 31, 2021	-23,283	-18,880	-10,789	-52,950

CARRYING AMOUNTS

January 1, 2020	5,082	13,064	5,694	23,840
December 31, 2020	4,682	10,985	4,192	19,860
January 1, 2021	4,682	10,985	4,192	19,858
December 31, 2021	6,137	11,230	3,211	20,579

The carrying amounts are distributed as follows: Sweden SEK 5,491 thousand, USA SEK 13,173 thousand, Russia SEK 1,888 thousand, and Mexico SEK 27 thousand.

COST**Parent Company, SEK thousands**

Opening balance January 1, 2020	309
Purchases	98
Reclassification as investment property	
Disposals	
Exchange differences	
Closing balance December 31, 2020	407
Opening balance January 1, 2021	407
Purchases	0
Reclassification as investment property	
Disposals	
Exchange differences	
Closing balance December 31, 2021	407

DEPRECIATION AND AMORTIZATION**Parent Company, SEK thousands**

Opening balance January 1, 2020	-105
Depreciation	-129
Reclassification as investment property	
Sales and disposals	
Exchange differences	
Sales and disposals	0
Closing balance December 31, 2020	-233
Opening balance January 1, 2021	-233
Depreciation	-100
Reclassification as investment property	
Sales and disposals	
Exchange differences	
Sales and disposals	0
Closing balance December 31, 2021	-333

CARRYING AMOUNTS**Parent Company, SEK thousands**

January 1, 2020	204
December 31, 2020	173
January 1, 2021	173
December 31, 2021	73

The carrying amount in property, plant and equipment for vehicles and production machinery held under finance leases was SEK 949 thousand (previous year: SEK 1,261 thousand).

NOTE 13 LEASES**RIGHT-OF-USE ASSETS**

Group, SEK thousands	Buildings	Vehicles	Machinery ¹⁾	Total
Cost				
Opening balance January 1, 2021	56,480	1,559	608	58,647
Additions 2021	4,350	369		4,720
Discontinued 2021		-929		-929
Exchange differences	-1,784			-1,784
Closing balance December 31, 2021	59,047	1,000	608	60,655
Depreciation and amortization				
Opening balance January 1, 2021	-21,594	-673	-233	-22,500
Depreciation	-11,498	-264	-122	-11,883
Discontinued 2021		633		633
Exchange differences	892			892
Closing balance December 31, 2021	-32,200	-304	-355	-32,859
Carrying amounts				
January 1, 2021	34,886	886	375	36,147
December 31, 2021	26,847	696	253	27,796

Group, SEK thousands	Buildings	Vehicles	Machinery	Total
Cost				
Opening balance January 1, 2020	57,216	1,921	608	59,745
Additions 2020		255		255
Discontinued 2020		-617		-617
Exchange differences	-736	0	0	-736
Closing balance December 31, 2020	56,480	1,559	608	58,647
Depreciation and amortization				
Opening balance January 1, 2020	-10,704	-572	-112	-11,388
Depreciation	-11,074	-388	-122	-11,583
Discontinued 2020		287		287
Exchange differences	184			184
Closing balance December 31, 2020	-21,594	-673	-233	-22,500
Carrying amounts				
January 1, 2020	46,511	1,349	497	48,357
December 31, 2020	34,886	886	375	36,147

¹⁾ Vehicles and machinery are included in note 12 under equipment, tools, fixtures and fittings.

LEASE LIABILITY**Maturity analysis (undiscounted flows), lease liabilities**

SEK thousands	Year	2021
Within one year	2022	12,703
Between one and five years	2023-2026	14,929
After five years	2027 -	0
Total		27,632

Lease liability in the statement of financial position

SEK thousands	2021
Current portion	12,703
Non-current portion	14,929
Total	27,632

The Group does not have any liquidity risk related to lease liabilities and the maturity analysis above based on the lease term.

Lease liabilities are essentially rental costs necessary for the business, which normally have a nine-month notice period.

A new rental agreement for a production facility in Russia was signed in 2020.

AMOUNTS RECOGNIZED IN THE INCOME STATEMENT**Amounts recognized in profit or loss**

Group, SEK thousands	2021
Depreciation of right-of-use assets	-11,883
Interest expenses, lease liabilities	-1,165
Lease costs related to current lease liabilities	-1,519
Lease costs related to low-value leases (excluding the above)	-486
Costs of variable lease payments not included in lease liability measurement	0
Revenue from subleasing right-of-use assets	437
Gains or losses on sale and leaseback transactions	0
Total	-14,617

CASH OUTFLOW FOR FINANCE LEASES

Group, SEK thousands	2021
Buildings	-12,527
Vehicles	-294
Machinery	-91
Total cash outflow for leases	-12,912

NOTE 14 GROUP COMPANIES AND ASSOCIATES**PARENT COMPANY'S HOLDINGS IN SUBSIDIARIES**

SEK thousands	2021	2020
Accumulated cost		
At beginning of year	194,451	192,626
Shareholder contributions	15,000	1,825
Closing balance December 31	209,451	194,451
Accumulated Write-down for the year		
At beginning of year	-39,105	-39,105
Write-down for the year	0	0
Closing balance December 31	-39,105	-39,105
Carrying amount December 31	170,346	155,346

PARENT COMPANY'S HOLDINGS IN ASSOCIATES

SEK thousands	2021	2020
Accumulated cost		
At beginning of year	-	54,437
Purchases	-	-
Write-down for the year	-	-54,437
Carrying amount December 31	-	-

PARENT COMPANY'S DIRECT HOLDINGS OF SHARES IN SUBSIDIARIES AND ASSOCIATES

Subsidiaries	Corporate ID	Reg'd office	12/31/2021			12/31/2020		
			Number of shares	Shares, %	Carrying amount, SEK thousand	Number of shares	Shares, %	Carrying amount, SEK thousand
Boule Medical AB ¹⁾	556128-6542	Stockholm County	10,000	100	100,130	10,000	100	85,130
Boule Nordic AB	556525-9974	Stockholm County	1,000	100	100	1,000	100	100
Clinical Diagnostic Solutions Inc.	20-1792965	Florida, USA	1,540,500	100	70,116	1,540,500	100	70,116
					170,346			155,346
Associates								
Biosurfit S.A. ²⁾	507,503,031	Azambuja, Portugal				7,035,045	24.99	0

¹⁾ Boule Medical AB has three subsidiaries. The subsidiary BM Mexico S.A. de C.V. is located in Mexico. The subsidiaries Boule Medical LLC and Boule Medical Production LLC are located in Russia.

²⁾ Boule Medical AB does not have any shareholding in Biosurfit S.A., as of December 31, 2021, following the reorganization of the company.

NOTE 15 INVENTORIES

The Group's inventory write-downs were as follows: 'Cost of sales' SEK 4,443 (6,997) thousand, 'Raw materials and supplies' SEK 0 (0) thousand and 'Finished goods and merchandise' SEK 0 (0) thousand

Group, SEK thousands, December 31	2021	2020
Raw materials and supplies	30,431	35,803
Products in progress	4,458	3,932
Finished goods and merchandise	24,149	14,807
Total	59,038	54,542

NOTE 16 TRADE RECEIVABLES

Impairment of trade receivables for the year was SEK -147 (-700) thousand and reversal of impairment for the year was SEK 8 (16) thousand for the Group.

Loss allowances for doubtful receivables recognized in the Parent Company were SEK 0 (0) thousand.

An age analysis of trade receivables can be found in note 26.

Approximately SEK 116 (97) million, or 75 percent, of the Group's trade receivables are guaranteed by EKN at 75-95 percent of their invoiced nominal value. The Group has long experience of many of the customers, and new customers and those with questionable creditworthiness mainly pay advance.

A loss allowance of SEK 5.9 million related to a specific distributor in Russia was recognized in 2019.

This corresponds to Boule's share of the total receivable of SEK 21.2 million, the rest being guaranteed by EKN.

NOTE 17 OTHER RECEIVABLES

SEK thousands, December 31	Group		Parent Company	
	2021	2020	2021	2020
VAT	4,568	2,422	616	509
Advance to suppliers	2,682	346	-	-
Other	515	749	243	350
Total other receivables	7,764	3,517	859	859

NOTE 18 PREPAYMENTS AND ACCRUED INCOME

SEK thousands, December 31	Group		Parent Company	
	2021	2020	2021	2020
Rental costs, premises	1,332	1,335	0	0
Prepaid cost of materials	191	2,950	0	0
Prepaid IT costs	883	1,109	45	1,109
Prepaid trade fair costs	392	40	0	0
Other prepayments and accrued income	2,710	3,463	1,873	391
Total	5,508	8,897	1,918	1,500

NOTE 19 CASH AND CASH EQUIVALENTS

THE FOLLOWING COMPONENTS ARE INCLUDED IN CASH AND CASH EQUIVALENTS

SEK thousands, December 31	Group		Parent Company	
	2021	2020	2021	2020
Cash and bank balances	38,183	32,989	480	837

Boule Medical AB has an approved overdraft facility of SEK 48,535 (48,535) thousand, of which SEK 6,255 (9,449) had been utilized on December 31, 2021. Clinical Diagnostics Solutions Inc has an approved overdraft facility of USD 1,000 (1,000) thousand, of which USD 0 (0) had been utilized on December 31, 2021.

AVAILABLE LIQUIDITY, DECEMBER 31, 2021

Group	2021	2020
Cash and cash equivalents in the Statement of financial position	38,183	32,989
Overdraft facilities granted	57,579	56,724
Overdraft facilities utilized	-6,255	-9,449
Available factoring	325	2,883
Factoring utilized	-100,812	-77,358
Total	-10,981	5,789

NOTE 20 EQUITY INCLUDING EARNINGS PER SHARE

SHARE CAPITAL

Ordinary shares, thousands	2021	2020
Issued as of January 1	19,417	19,417
Issued during the year	-	-
Issued as of December 31 – paid	19,417	19,417

No change in the number of shares or share capital occurred in 2021. Registered share capital on December 31, 2021 comprised 19,416,552 (19,416,552) shares. All shares are issued in a single class, each with the same votes and rights to the Company's assets and profits. Shares have a par value of SEK 0.25.

The company has two outstanding warrant programs. The 2020 AGM approved the issue of a maximum of 180,000 warrants. Each warrant entitles the holder to purchase one share at the price of SEK 86.70 per share no later than December 30, 2023. In 2020, 180,000 warrants were allotted and purchased by employees at market conditions.

The 2019 AGM adopted the issue of a maximum of 490,500 warrants. Each warrant entitles the holder to purchase one share at the price of SEK 67.50 per share no later than December 30, 2022. 463,435 of the warrants have been allotted and purchased by employees at market conditions.

Under the two programs, if the warrant holder's employment ceases, Boule has the right of first refusal and may choose to exercise that right. The Board has decided to exercise the right of first refusal regarding former employees who purchased warrants in the 2019 program, and 110,638 warrants have been repurchased. There are no restrictions on the transfer of the warrants in the programs.

OTHER CONTRIBUTED CAPITAL

Other contributed capital refers to equity contributed by the owners. This includes a share premium reserve from the Company's founding.

DIVIDEND

The Board recommends that the AGM adopt a dividend of SEK 0.55 (0,55) for 2021.

TRANSLATION RESERVE

The translation reserve includes all exchange differences arising on translation of foreign operations that have prepared their financial statements in a currency other than the Group's presentation currency.

Group, SEK thousands	Translation reserve
Opening carrying amount, Dec 31, 2020	19,474
Translation differences for the year	-16,341
Closing carrying amount, Dec 31, 2020	3,133
Translation differences for the year	13,854
Closing carrying amount Dec 31, 2021	16,988

EARNINGS PER SHARE

SEK	2021	2020
Basic		
Profit/loss, SEK thousand	23,272	-47,966
Number of shares, thousands	19,417	19,417
Basic earnings per share, SEK	1.20	-2.47
Diluted		
Profit/loss, SEK thousand	23,272	-47,966
Number of shares, thousands	19,949	19,965
Diluted earnings per share, SEK	1.17	-2.47

NOTE 21 PROVISIONS

	Group	
SEK thousands, December 31	2021	2020
Warranty commitments	1,500	1,000
Total	1,500	1,000

GROUP'S WARRANTY COMMITMENTS

SEK thousands, December 31	2021	2020
Carrying amount at beginning of period	1,000	1,000
Provisions during the period	2,421	1,503
Amounts utilized during the period	-1,921	-1,503
Carrying amount at end of period	1,500	1,000

WARRANTIES

Provisions for warranties are primarily related to the installation of hematology systems. The Group has commitments of 1-1.5 years based on the time of installation/delivery date. The provisions are based on estimates made by reference to historical data for warranties related to the sale and installation of hematology instruments.

NOTE 22 INTEREST-BEARING LIABILITIES

The information below describes the Company's contractual terms related to interest-bearing liabilities. See note 26 for more information about the Company's exposure to interest rate risk and risk associated with changes in exchange rates.

SEK thousands, December 31	Group		SEK thousands, December 31	Group	
	2021	2020		2021	2020
Non-current liabilities			Current liabilities		
Liabilities to credit institutions	16,015	1,824	Overdraft facilities	6,255	9,449
Lease liabilities	14,929	23,795	Liabilities to credit institutions	5,999	859
Non-current liabilities, receivables guaranteed by EKN	19,746	16,011	Current portion of lease liabilities	12,703	12,309
Total	50,690	41,630	Current liabilities, receivables guaranteed by EKN	79,796	61,239
			Total	104,754	83,856

All interest-bearing liabilities have variable interest rates. Interest rates are based on STIBOR or the bank's base rate.

TERMS AND REPAYMENT PERIODS

Floating charges of SEK 48,535 (48,535) thousand have been pledged as security for the overdraft facility. See note 27. For terms and repayment periods, see the table below.

SEK thousands	Currency	2021				2020			
		Nom. interest	Due date	Nom. value	Carrying amount	Nom. interest	Due date	Nom. value	Carrying amount
Overdraft facilities	SEK	2.11 %		6,255	6,255	2.06 %		9,449	9,449
Factoring Danske Bank, Payex	SEK	1.72 %	2020-2021	99,542	99,542	1.72 %	2020-2021	77,250	77,250
Lease liabilities	SEK	1.52 %	2020-2024	1,052	1,023	1.52 %	2020-2024	1,338	1,306
Lease liabilities	SEK	3.56 %	2020-2026	29,853	26,609	3.56 %	2020-2026	37,213	34,798
Liabilities to credit institutions	USD	3.35 %	2020-2022	2,082	2,015	3.35 %	2020-2022	2,773	2,683
Liabilities to credit institutions	SEK	2.50 %	2022-2024	20,500	20,000				
Total interest-bearing liabilities				159,284	155,444			128,023	125,486

NOTE 23 OTHER LIABILITIES

SEK thousands	Group		SEK thousands	Parent Company	
	12/31/2021	12/31/2020		12/31/2021	12/31/2020
VAT	1,112	-	VAT	-	-
Withholding tax, Social security contributions	3,405	3,602	Withholding tax, Social security contributions	441	750
Contractual liabilities	10,636	2,776	Other current liabilities	-	-
Other current liabilities	5,610	94	Total other current liabilities	441	750
Total other current liabilities	20,764	6,473			

Contractual liabilities refer to advance payments from customers for instruments and consumables before delivery, according to agreed payment terms.

NOTE 24 ACCRUALS AND DEFERRED INCOME

SEK thousands, December 31	Group		Parent Company	
	2021	2020	2021	2020
Accrued salary costs, incl. social security contributions	16,736	13,313	2,559	1,951
Contractual liabilities	6,626	7,647		
Board fees	1,581	1,235	1,581	1,235
Audit fees	409	566	243	400
Agent commission	490	490		
Other	10,514	5,495	1,187	1,178
Total	36,357	28,748	5,569	4,764

Contractual liabilities refer to advance payments from customers for service contracts

NOTE 25 FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES AND CLASSIFICATION

IFRS 7.25 states that for each class of financial assets and financial liabilities, an entity shall disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount.

Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable and

willing parties in an arm's length transaction.

IFRS 7.26 states that in disclosing fair value, an entity shall offset financial assets and financial liabilities only to the extent that their carrying amounts are offset in the statement of financial position.

Group 2021, SEK thousands	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount	Fair value	Non-financial assets and liabilities	Total, statement of financial position
Non-current interest-bearing receivables	36,822	-	36,822	36,822	-	36,822
Trade receivables	127,885	-	127,885	127,885	-	127,885
Other receivables	3,828	-	3,828	3,828	-	3,828
Cash and cash equivalents	38,183	-	38,183	38,183	-	38,183
Total	206,718	-	206,718	206,718	-	206,718
Non-current interest-bearing liabilities	-	16,015	16,015	16,015	14,929	30,944
Other non-current liabilities	-	19,746	19,746	19,746	-	19,746
Current interest-bearing liabilities	-	92,050	92,050	92,050	12,703	104,753
Trade payables	-	41,165	41,165	41,165	-	41,165
Other liabilities	-	3,899	3,899	3,899	-	3,899
Total	-	172,876	172,876	172,876	27,632	200,508

Group 2020, SEK thousands	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount	Fair value	Lease liability	Total, statement of financial position
Non-current interest-bearing receivables	36,816	-	36,816	36,816	-	36,816
Trade receivables	93,634	-	93,634	93,634	-	93,634
Cash and cash equivalents	32,989	-	32,989	32,989	-	32,989
Total	163,439	-	163,439	163,439	-	163,439
Non-current interest-bearing liabilities	-	1,824	1,824	1,824	23,795	25,619
Other non-current liabilities	-	16,011	16,011	16,011	-	16,011
Current interest-bearing liabilities	-	71,546	71,546	71,546	12,309	83,856
Trade payables	-	29,352	29,352	29,352	-	29,352
Total	-	118,734	118,734	118,734	36,104	154,838

Parent Company SEK thousands	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount	Fair value	Non-financial assets and liabilities	Total, statement of financial position
Receivables from Group companies	1,163	-	1,163	1,163	-	1,163
Other receivables	3,138	-	3,138	3,138	-	3,138
Cash and cash equivalents	480	-	480	480	-	480
Total	4,781	-	4,781	4,781	-	4,781
Trade payables	-	4,115	4,115	4,115	-	4,115
Liabilities to Group companies	-	3,752	3,752	3,752	-	3,752
Other liabilities	-	3,899	3,899	3,899	-	3,899
Total	-	11,767	11,767	11,767	0	11,767

Parent Company 2020, SEK thousands	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount	Fair value	Non-financial assets and liabilities	Total, statement of financial position
Receivables from Group companies	21,326	-	21,326	-	0	21,326
Cash and cash equivalents	837	-	837	837	-	837
Total	22,164	0	22,164	837	0	22,164
Trade payables	-	4,302	4,302	4,302	-	4,302
Liabilities to Group companies	-	14,041	14,041	14,041	0	14,041
Total	-	18,344	18,344	18,344	0	18,344

FAIR VALUE MEASUREMENT

The following description summarizes the methods and assumptions used to determine the fair values of the financial instruments in the table above.

INTEREST-BEARING LIABILITIES

The fair value of non-derivative financial liabilities is measured based on future cash flows of principal and interest discounted at the present market rate at the reporting date.

TRADE RECEIVABLES AND TRADE PAYABLES

For trade receivables and payables with a remaining life of less than six months, the carrying amount is considered to reflect the fair value. Trade receivables and payables with a life of more than six months are discounted when fair value is determined.

The carrying amount of trade receivables and non-current interest-bearing receivables includes receivables guaranteed by EKN (Swedish Export Credit Agency) and discounted by the bank.

Under the agreement with the bank, Boule has transferred receivables in exchange for cash, and these receivables can therefore not be sold or pledged. However, Boule has retained the final credit risk and the risk of late payment. The Group therefore continues to recognize the transferred assets in full in the statement of financial position. The amount received under the agreement with the bank is recognized as secured borrowing.

INTEREST RATES USED TO DETERMINE FAIR VALUE

The Company uses the government bond interest rate (Stibor) on December 31, 2021 plus a relevant interest rate spread when discounting financial instruments.

The fair value of the Group's financial instruments corresponds to the carrying amount, as the discounting effect is not considered to be material.

All of the Group's financial instruments are deemed to be level 3 according to the applicable standard (see definition of levels below) and fair value is determined by measuring discounted cash flows.

Level 1: The fair values of financial instruments traded in an active market (such as listed derivatives, financial instruments held for trading, and available-for-sale financial assets) are based on quoted market prices at the reporting date. The quoted market price used for the Group's financial assets is the current bid price.

Level 2: The fair values of financial assets not traded in an active market (such as OTC derivatives) are determined using valuation techniques that rely as much as possible on market information and as little as possible on company-specific information. All key inputs required for an instrument's fair value measurement are observable.

Level 3: In this level, one or more key inputs are not based on observable market information. This applies to unlisted instruments, for example.

NOTE 26 FINANCIAL RISKS AND RISK MANAGEMENT

In the course of its operations, Boule is exposed to various types of financial risk such as market risk (including currency risk and interest rate risk), credit risk, financing risk and liquidity risk. The Group has a financial policy established by the Board which provides a framework of guidelines with risk mandates and limits for financial operations. Operationally, the Group's finance function manages financial transactions and risks for the Group. The overall objective is to provide cost-effective financing and minimize the negative effects of market risk on the Group's earnings and financial position.

LIQUIDITY RISK

Liquidity risk is the risk of the Group having difficulty in discharging its obligations in a timely manner. Liquidity planning is used to manage liquidity risk and the costs of financing the Group. The 12-month liquidity forecast is updated monthly. Long-term liquidity needs are addressed in the strategic plan. This is updated at least annually to ensure that the plan's liquidity needs can be met. The aim is to enable the Group to manage its financial obligations during both upturns and downturns without significant unpredictable costs and without risking Boule's reputation. The Group's policy is to minimize borrowing needs by using surplus liquidity within the Group's cash pool system. The central finance function manages liquidity risk for the entire Group. Under the finance policy, there must always be sufficient

cash and credit to cover liquidity needs for the next 12 months, or at least 10% of the Group's net sales.

CREDIT FACILITIES

Credit facilities, Dec 31, 2021	Nominal	Utilized	Available
Factoring	101,138	100,812	325
Overdraft facilities	57,579	6,255	50,588
Total unutilized granted borrowing	158,716	107,068	50,913
Available cash and cash equivalents			38,183
Available liquidity			89,096

Credit facilities, Dec 31, 2020	Nominal	Utilized	Available
Factoring	80,241	77,358	2,883
Overdraft facilities	56,724	9,449	47,275
Total unutilized granted borrowing	136,965	86,807	50,158
Available cash and cash equivalents			32,989
Available liquidity			83,147

THE COMPANY'S MATURITY STRUCTURE FOR FINANCIAL LIABILITIES IS SHOWN IN THE TABLE BELOW

Group, Dec 31, 2021, SEK thousands	Total	<1 month	1-3 months	3 months - 1 year	1-5 years	> 5 years
Overdraft facilities	6,255			6,255		
Liabilities to credit institutions	5,999			5,999		
EKN financing	99,542			79,796	19,746	
Trade payables	41,165	40,753	412			
Other non-current liabilities	16,015				16,015	
Finance lease liabilities	27,632			12,703	14,929	
Total	196,608	40,753	412	104,754	50,690	0

Group Dec 31, 2020, SEK thousands	Total	<1 month	1-3 months	3 months - 1 year	1-5 years	> 5 years
Overdraft facilities	9,449			9,449		
Liabilities to credit institutions	859			859		
EKN financing	77,250			61,239	16,011	
Trade payables	29,352	29,059	294			
Other non-current liabilities	1,824				1,824	
Finance lease liabilities	36,104			12,309	23,795	
Total	154,838	29,059	294	83,856	41,630	0

FINANCING RISK

Boule is currently able to finance operating activities with internally generated cash flows. It is not inconceivable that the Company may require further financing in the future, for example through additional borrowing or through a new share issue. Access to additional financing is affected by several factors including market conditions, general availability of credit and the Company's creditworthiness. In addition, access to further financing is dependent on the Company's customers, shareholders, lenders and the market in general not having a negative perception of the Company's long and short-term financial outlook. There is no guarantee that Boule will be able to arrange financing under favorable terms for the Company. If the Company is unable to obtain necessary capital in the future, this may have an adverse effect on its continued operation. The Company maintains active liquidity control and adjusts market and development initiatives to available liquidity. Negative variations in financing may therefore delay development work and affect new product launches.

INTEREST RATE RISK

Interest rate risk is the risk of net interest income varying and/or developing negatively due to changes in market interest rates. The Group's net interest income is largely dependent on developments in the Swedish market. The interest-bearing liabilities are largely related to overdrafts and loans. According to the finance policy, the aim is for interest rates in the long-term debt portfolio to be fixed. Borrowings shall be adjusted to match to the technical or economic life of the investment object. Payment dates for borrowings shall be spread over time and this shall be taken into account in new borrowings. Interest rate risk shall be kept low by selecting fixed rates and spreading the resetting period over time to minimize the risk of simultaneous resetting. Borrowing shall normally be denominated in local currencies, but when this is not done, hedging shall be used to eliminate currency risk. The Company does not currently have any currency hedging as foreign currency borrowing is limited. Boule does not currently use foreign exchange forward contracts but may consider doing so in the future.

SENSITIVITY ANALYSIS – INTEREST RATE RISK

If interest rates during the year had been 100 basis points higher, all else equal, net interest income and equity would have been affected by SEK -270 (-228) thousand before tax.

CURRENCY RISK

The Group is exposed to currency risk in the form of transaction exposure and translation exposure. Transaction exposure is exposure to currency risk arising from receipts and payments in foreign currencies. Translation exposure is exposure to currency risk arising from the translation of foreign subsidiaries' assets and liabilities, and from the translation of foreign currency receivables and payables at the closing rate. The main exposure to currency risk comes from the translation of the US subsidiary (translation exposure). The Group's transaction exposure is relatively low, as Group companies operate primarily in their local markets with both revenue and costs in the same currency. The Group's profit/loss for the year includes exchange differences in operating profit/loss and in net financial items. See also notes 5, 6, 9, 11 and 12.

TRANSLATION EXPOSURE

If the Swedish krona had weakened/strengthened by 10% against the USD, all other variables remaining constant, restated profit after tax at December 31, 2021 would have been SEK 12,031 (10,547) thousand lower/higher. This largely results from the translation of trade receivables and cash and cash equivalents in USD. If the Swedish krona had weakened/strengthened by 10% against the EUR, all other variables remaining constant, restated profit after tax at December 31, 2021 would have been SEK 1,236 (1,826) thousand lower/higher. This largely results from the translation of trade receivables in EUR.

Group, SEK thousands	12/31/2021		12/31/2020	
	USD	EUR	USD	EUR
Cash and cash equivalents	30,069	2,966	26,097	4,916
Trade receivables	76,269	9,709	58,777	14,993
Trade payables	7,424	1,183	4,602	3,236

CREDIT RISK

The Group's operations may result in credit risk. Credit risk is the risk of loss if a counterparty is unable to discharge its obligations.

CREDIT LOSS ALLOWANCE, GROUP, SEK THOUSANDS

12/31/2021	Not due	Past due <31 days	Past due 31-90 days	Past due 91-180 days	Past due 181-360 days	Past due >360 days	Total
Expected loss level, %	1%	2%	18%	24%	46%	96%	
Recognized trade receivables, gross	153,749	8,836	3,501	745	228	7,233	174,292
Credit loss allowance	1,537	204	616	179	105	6,943	9,584
Recognized trade receivables	152,212	8,632	2,885	566	123	289	164,707

12/31/2020	Not due	Past due <31 days	Past due 31-90 days	Past due 91-180 days	Past due 181-360 days	Past due >360 days	Total
Expected loss level, %	1%	1%	63%	24%	46%	96%	
Recognized trade receivables, gross	119,068	7,434	1,249	3,418	3,940	4,485	139,595
Credit loss allowance	1,315	107	791	820	1,805	4,306	9,145
Recognized trade receivables	117,752	7,327	459	2,598	2,135	179	130,449

CREDIT GUARANTEES

The Group offers certain foreign customers an installment plan for purchasing products, with payment terms of 12–36 months. In order to manage the Group's exposure to financing and credit risk in such a transaction, an application is made to EKN (Swedish Export Credit Agency) for a loss on claim guarantee. This enables the Group to access liquidity flows more quickly and minimizes the credit risk for the financing granted. On December 31, 2021, SEK 116,518 (97,219) thousand of the receivables were 75–95% covered against the risk of non-payment of receivables.

TRADE RECEIVABLES

SEK thousands, Group	12/31/2021	12/31/2020
Trade receivables	174,292	139,595
Allowance for expected credit losses/doubtful receivables*	-9,585	-9,145
Trade receivables, net	164,707	130,009

* Estimates of expected credit losses in accordance with IFRS 9 are applied with effect from January 1, 2018.

SEK thousands, Group	2021
January 1, 2021	9,145
Allowance for doubtful receivables	407
Receivables written off as uncollectible during the year	-147
Reversal of unutilized amounts	8
Reversal of discounting effect	172
December 31, 2021	9,585

Boule's overall credit risk is considered low. The maximum credit risk corresponds to the carrying amount of financial assets in the consolidated statement of financial position. The Group's credit risk is primarily associated with trade receivables. A new customer does not normally receive credit but is required to make advance payments for a period. The Group's trade receivables are spread among a large number of counterparties in several geographical markets. The Group has established guidelines to ensure that sales are only made to customers with an appropriate credit history. The table below shows past due trade receivables and the credit loss allowance recognized.

Recognized amounts, by currency, for the Group's trade receivables are as follows:

	12/31/2021	12/31/2020
SEK	83,064	65,825
EUR	3,946	14,993
USD	73,880	58,777
RUB	3,816	
Total	164,707	139,595

CAPITAL MANAGEMENT

In accordance with the Board's policy the Group's capital management, management of capital employed, shall be characterized by a long-term approach with low risk and high liquidity. The aim is to manage and control financial risks to which the Group is exposed. Surplus liquidity is invested to obtain the highest possible return and financing is arranged at the lowest possible cost within the framework of the finance policy. The Group shall be financially prepared in such a way that sufficient credit facilities are available at any given time. This also requires maintaining the equity/assets ratio at an acceptable level in order to be able to obtain credit at reasonable interest rates. The Group's operations are managed in such a way as to ensure that there are sufficient cash resources available for activities set out in the plan for the next 12-month period.

INVESTMENT COMMITMENTS

The Group and Parent Company do not have any significant investment commitments as at December 31, 2021.

NOTE 27 PLEDGED ASSETS AND CONTINGENT LIABILITIES

PLEDGED ASSETS

SEK thousands, December 31	Group		Parent Company	
	2021	2020	2021	2020
Floating charges, overdraft facility BM	48,535	48,535		
Floating charges, bank guarantee	18,825			
Floating charges, bank guarantee	1,175	1175		
Floating charges, overdraft facility CDS	9,044	8,189		
Lease framework, cars	2,500	2,500	2,500	2,500
Lease, line credit	3,521	3,188		
EKN guarantees for transferred receivables ¹⁾	116,518	97,219		
Endowment insurance	3,899	3,288	3,899	3,288
Bank guarantee	0	960		
Total	204,017	165,054	6,399	5,788

¹⁾ The amount of 116,518 relates to trade receivables with an EKN guarantee. EKN guarantees the underlying transaction. The invoices are then transferred to Danske Bank, Payex and subsequently pledged.

CONTINGENT LIABILITIES

SEK thousands, December 31	2021	2020	2021	2020
Guarantee, subsidiary liabilities			100,812	77,358
Total contingent liabilities	0	0	100,812	77,358

NOTE 28 CASH FLOW STATEMENT SPECIFICATIONS

CASH AND CASH EQUIVALENTS – GROUP AND PARENT COMPANY

Cash and cash equivalents consist of cash and bank balances.

INTEREST PAID AND DIVIDENDS RECEIVED

SEK thousands	Group		Parent Company	
	2021	2020	2021	2020
Interest received ¹⁾	1,352	436	0	0
Interest paid ¹⁾	-5,493	-4,338	-2	0

¹⁾ Included in operating activities.

ADJUSTMENTS FOR NON-CASH ITEMS

SEK thousands	Group		Parent Company	
	2021	2020	2021	2020
Depreciation/ amortization (incl. leases)	21,478	21,550	478	129
Impairment		42,194		
Government grant received, USA		-11,319		
Other	-2,026	489		-1,825
Total	19,451	52,914	478	-1,696

TRANSACTIONS NOT INVOLVING PAYMENTS

SEK thousands	Group	
	2021	2020
Acquisition of property, plant and equipment under finance leases	4,720	379

CHANGES IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

The table below presents an analysis of changes in the Group's liabilities attributable to financing activities during the period.

Group, SEK thousands	Opening balance 2021	Non-cash movements					Closing balance 2021
		Cash movements	Exchange differences	Acquisitions	Changes in fair value	Changes to leases	
Non-current liabilities	17,836	17,787	138				35,761
Current liabilities	71,546	20,413	92				92,051
Lease liabilities	36,104		22			3,390	27,631
Liabilities attributable to financing activities	125,486	38,200	252			3,390	155,444

Group, SEK thousands	Opening balance 2020	Non-cash movements					Closing balance 2020
		Cash movements	Exchange differences	Acquisitions	Changes in fair value	New leases	
Non-current liabilities	25,401	-7,565					17,836
Current liabilities	80,155	-8,609					71,546
Lease liabilities	47,850		-9			379	36,104
Liabilities attributable to financing activities	153,406	-16,174	-9			379	125,486

NOTE 29 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSESSMENTS

Accounting estimates and assessments are evaluated regularly and are based on historical experience and other factors, including expectations about future events which are considered reasonable in the present circumstances.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The sources of estimation uncertainty described below are those involving a risk of the value of assets or liabilities having to be adjusted in the next financial year.

GOODWILL IMPAIRMENT TESTING

The Boule Group carries out goodwill impairment testing annually, as described in the accounting policies in note 1. The recoverable amount for cash-generating units has been determined by calculating their value in use. These calculations required several assumptions about future conditions and estimates of parameters to be made, and these are described in note 11. Boule has conducted a sensitivity analysis of the significant assumptions used in impairment testing. Management found that reasonable changes in assumptions do not give rise to any impairment as of December 31, 2021.

IMPAIRMENT TESTING OF CAPITALIZED DEVELOPMENT EXPENSES

Boule capitalizes consolidated development costs for new products in the subsidiaries Boule Medical AB and Clinical Diagnostic Solutions Inc. This was done in the years 2009-2015 and 2017-2021. When calculating the recoverable amount of cash-generating units in order to test capitalized development expenses for impairment, several assumptions regarding future conditions and estimates of parameters were made. Management found that reasonable changes in assumptions do not give rise to any impairment at December 31, 2021.

MEASUREMENT OF INVENTORIES

The Group has inventories in both the Swedish and US subsidiaries. Note 1 describes how inventories are recognized and measured. Inventory measurement is based on assessments by management. There is no indication of further impairment of inventories at December 31, 2021.

MEASUREMENT OF TRADE RECEIVABLES

The Group has trade receivables in both the Swedish and US subsidiaries. There are trade receivables both with and without guarantees from EKN (see notes 1, 16, 25 and 26 regarding recognition and exposure). Note 26 shows information about recognized amounts and currencies for the trade receivables, the credit loss allowance and the maturity structure. The measurement of trade receivables is based on assessments by management. There is no indication of further impairment of trade receivables at December 31, 2021.

NOTE 30 EVENTS AFTER THE REPORTING DATE

NEW CFO

Annette Colin appointed as new CFO, taking over on April 4, 2022. Annette has more than 25 years of experience in senior positions as CEO, CFO, COO and Group Accounting Manager, including more than 15 years in Life Science.

UNCERTAINTY ABOUT FUTURE BUSINESS IN EASTERN EUROPE

In 2021, Eastern Europe accounted for 13% of our sales, the majority of which was to Russia. Boule has 12 employees in Russia and a production facility for consumables distributed to the Russian market. We have a distributor that we work with in Ukraine, but no local operations or employees in the country.

The market outlook for Eastern Europe is now very uncertain due to the war in Ukraine.



Declaration by the Board of Directors

The Board of Directors and CEO confirm that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with international financial reporting standards as defined in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The annual accounts and consolidated annual financial statements provide a true and fair view of the financial performance and position of the Parent Company and the Group. The Directors' report for the Parent Company and Group provides a true and fair overview of the development of the operations, financial position and performance of the Parent Company and Group, and describes material risks and uncertainties faced by the Parent Company and Group companies.

The Board has approved the 2021 Sustainability report for issue.

The annual accounts and consolidated financial statements, as shown above, were approved for issue by the Board of Directors and CEO on April 14, 2022.

Peter Ehrenheim
Chairman of the Board

Yvonne Mårtensson
Board member

Thomas Eklund
Board member

Karin Dahllöf
Board member

Charlotta Falvin
Board member

Jon Risfelt
Board member

Torben Jörgensen
Board member

Jesper Söderqvist
Chief Executive Officer

Audit Report

Our audit report was submitted on April 14, 2022

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg
Authorized Public Accountant

Audit Report

To the Annual General Meeting of Boule Diagnostics AB (publ), corporate registration number 556535-0252

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts for Boule Diagnostics AB (publ) for the year 2021. The annual accounts and consolidated accounts are included in this document on pages 48-87.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2021 and its financial performance and cash flows for the year in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the group's financial position as of December 31, 2021 and its financial performance and cash flows for the year in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the Annual Accounts Act. The administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the Annual General Meeting adopt the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Our opinions in this report regarding the annual accounts and consolidated financial statements are consistent with the content of the additional report that has been submitted to the parent company's board, in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our professional responsibilities in accordance with these requirements. This means that, to the best of our knowledge, no prohibited services listed in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where appropriate, to its parent undertaking and to its controlled undertakings within the European Union.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risk of material misstatement in the financial statements. In particular, we considered areas where the managing director and board made subjective judgements; for example, significant accounting estimates that involved making assumptions

and forecasts regarding future events that are inherently uncertain. As with all audits, we also addressed the risk that the board and managing director might violate internal controls, and considered whether there is evidence of systematic bias that has created a risk of material misstatement due to irregularities.

We tailored our audit to complete a satisfactory audit examination to enable us to express an opinion on the financial statements as a whole, considering the group structure, accounting processes and controls and the industry in which the group operates.

Boule Diagnostics AB is a global diagnostics company that manufactures and sells instruments and consumables for blood diagnostics. The business is conducted through subsidiaries in Sweden and the USA. In addition, sales are conducted, ideally through distributors, in many countries. There are significant balance sheet items where there are elements of management assessments when measuring inventories, trade receivables and intangible assets. These areas are key audit matters, as described below.

Revenue refers to the sale of goods which involve relatively uncomplicated agreements in terms of revenue recognition and therefore relate to only a few assessment issues. As revenue is a significant item, these remain a focus area in the audit without having the status of key audit matter. In view of the fact that the Group has some operations in Russia, another focus area has been significant events after the reporting date and a description of the assessed effects.

Materiality

The scope and focus of the audit were affected by our assessment of materiality. An audit is designed to achieve a reasonable assurance as to whether the financial statements contain any material misstatement. Misstatements may arise from fraud or errors. They are considered material if, individually or aggregated, they can reasonably be expected to influence the financial decisions that users make on the basis of the financial statements.

Based on our professional judgment, we determined certain quantitative threshold materiality measures, including for the financial statements as a whole. Based on these and qualitative considerations, we determined the focus and scope of the audit and the nature, timing, and scope of our audit procedures, and assessed the effect of individual and aggregate misstatements on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were most significant in our audit of the annual accounts and consolidated accounts for the current period. These matters were addressed in our audit of, and in forming our opinion on, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter**How the key audit matter was addressed in our audit.****Measurement and classification of trade receivables**

The book value of the group's trade receivables is SEK 164.7 million, of which SEK 127.9 million is recognized as current and SEK 36.8 million non-current. The total value of the balance sheet item amounts to 28% of the group's assets and both the valuation and classification have a significant impact on the presentation of the group's financial statements. The company's accounting policies in note 1 describe how trade receivables are recognized, classified and measured. Notes 16 and 26 show provisions for doubtful trade receivables and note 26 presents a maturity analysis which showing past due receivables. This also shows that some of these receivables are guaranteed by EKN. The associated assessments made by the company are shown in note 29 under Significant accounting estimates and assumptions.

In our examination of trade receivable we have:

- obtained, gained an understanding of, and assessed the company's model for impairment of receivables.
- obtained, gained an understanding of, and assessed the company's classification of trade receivables.
- The value of trade receivables has also been examined through various forms of detailed testing and assessment of provisions for credit losses.
- The existence of trade receivables has also been examined through various forms of detailed testing.
- We have challenged the company in assessing the value of trade receivables.

Measurement and existence of inventories

The book value for the group's inventories is SEK 59 million. Note 1 describes how inventories are recognized and measured, and assessments made by the company are shown in note 29 under Significant accounting estimates and assumptions. Measurement of inventories was a key issue in our audit as the assessment of fair value is obviously partly based on assessments made by management.

The Group has inventories in two of the Group companies. As inventories are an important item, their existence has therefore also been a key issue in our audit.

Our audit activities relating to the existence and measurement of inventories include:

- Sampling and examining purchasing costs and production cost calculations.
- Examining and assessing impairment due to, for example, inertia, as well as assessing explanations we received from management.
- We have participated in stocktaking at all inventory locations.
- We have examined and assessed internal control in the inventory process.

Accuracy and measurement of capitalized development expenses

The group is in the process of developing a new instrument and also additional functionality to enable remote work with instruments.

At December 31, 2021, the book value of capitalized development expenses amounts to SEK 163 million, corresponding to approximately 28% of the group's total assets. The total amount capitalized by the group in 2021 is SEK 53 million.

The group has processes and procedures in place to determine when projects enter the development stage and also procedures to analyze and document whether the project meets the requirements of IAS 38 for expenditure to be capitalized, and the group's accounting policies for intangible assets are described in note 1.

The group has also performed an impairment test, testing the carrying amount against the estimated future value in use according to standard models. Note 11 shows the parameters and assessments related to the impairment tests carried out by the company. Note 29 also shows significant estimates and assessments made by the group regarding the estimated recoverable amount.

In our audit procedures on the measurement and accuracy of capitalized development expenses we have:

- examined capitalized development expenses on a sample basis and reconciled the total capitalized against project reports.
- examined the company's process regarding capitalization and related controls.
- examined the company's impairment testing of the asset and challenged this and the underlying data.

Information other than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts, which is presented on pages 1-47. The other information also consists of the Remuneration report which we obtained before issuing this audit report. The board and managing director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any opinion of assurance regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information appears to be materially misstated.

If, based on the work performed concerning this information, we conclude that there is a material misstatement in this other information, we are required to report this. We have nothing to report in this regard.

Responsibilities of the board of directors and managing director.

The board of directors and managing director are responsible for the preparation of these annual accounts and consolidated accounts and ensuring that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The board of directors and managing director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the board of directors and managing director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the board of directors and the managing director intend to liquidate the company, cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the board of directors and the managing director of Boule Diagnostics AB (publ) for 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the Annual General Meeting that the profit be appropriated in accordance with the proposal in the administration report and that the members of the board of directors and managing director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the Auditor's Responsibility section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our professional responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the board of directors and managing director

The board of directors is responsible for the proposal concerning appropriations of the company's profit or loss. Proposing a dividend includes an assessment of whether the dividend is justifiable considering the requirements that the nature, scope and risks of the company's and the group's operations place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The board of directors is responsible for the company's organization and the administration of its affairs. This includes, among other things, continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that accounting, management of assets and the company's financial affairs are otherwise controlled in a reassuring manner. The managing director shall manage the ongoing administration according to the board of directors' guidelines and instructions, and, among other matters, shall take measures that are necessary to handle the company's accounting in accordance with law and to conduct the management of assets in a reassuring manner.

Auditor's responsibility

Our objective for the audit of the administration, and therefore our opinion regarding discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the board of directors or the managing director in any material respect has:

- undertaken any action or been guilty of any omission which could give rise to liability to the company; or
- in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined whether the board of directors and the managing director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Boule Diagnostics AB (publ) for the year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditor's Responsibility section. We are independent of Boule Diagnostics AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the board of directors and managing director

The board of directors and the managing director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the board of directors and the managing director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance as to whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and applicable regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers the elements of internal control that are relevant to the preparation of the ESEF report by the board of directors and the managing director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the board of directors and the managing director.

The procedures mainly include a technical validation of the ESEF report, i.e. whether the file containing the ESEF report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

The procedures also include an assessment of whether the ESEF report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Öhrlings PricewaterhouseCoopers AB, Box 179, SE-751 04 Uppsala, Sweden, was appointed as the auditor for Boule Diagnostics AB (publ) by the Annual General Meeting on May 6, 2021 and has been the company's auditor since May 13, 2014.

Uppsala, April 14, 2022

Öhrlings PricewaterhouseCoopers AB

LARS KYLBERG
AUTHORIZED PUBLIC ACCOUNTANT

Calendar and reporting dates

Future reporting dates

Interim report, Q1 2022	May 4, 2022
Interim report, Q2 2022	July 18, 2022
Interim report, Q3 2022	November 10, 2022

Annual General Meeting

The AGM of Boule Diagnostics AB will be held at 18.00 on May 5, 2022, at Boule's premises at Domnarvsgatan 4, Spånga. Admission from 17.30. In view of the COVID-19 pandemic, the Board

of Directors have decided that shareholders will have the opportunity to exercise their voting rights by postal voting prior to the AGM. Shareholders are therefore able to exercise their voting rights at the meeting by physical attendance, postal voting or proxy.

Contact for investor relations

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