

Year-End report October-December 2022

Improved gross margin for the quarter

Quarter October-December 2022

- ▶ Net sales amounted to SEK 149.2 (140.3) million, an increase of 6.4 percent. Adjusted for currency effects, a decrease of 8.3 percent.
- ▶ The number of instruments sold amounted to 794 (1 326), a decrease by 40.1 percent.
- ▶ Gross profit was SEK 66.7 (57.9) million, corresponding to a gross margin of 44.7 (41.2) percent.
- ▶ Operating profit was SEK 10.0 (13.8) million, corresponding to an operating margin of 6.7 (9.9) percent.
- ▶ Profit for the period amounted to SEK 2.9 (17.3) million.
- ▶ Basic earnings per share amounted to SEK 0.09 (0.65) and diluted earnings per share amounted to SEK 0.09 (0.63).*
- ▶ Cash flow from operating activities amounted to SEK 13.3 (11.9) million.
- ▶ Net cash on December 31 amounted to SEK 32.1 million compared to last year when net debt was SEK 0.7 million.
- ▶ The new share issue that was finalised on November 30 was over-subscribed and generated approximately SEK 150 million to Boule before share issue related costs.

Full-year January-December 2022

- ▶ Net sales amounted to SEK 548.1 (463.3) million, an increase of 18.3 percent. Adjusted for currency effects, an increase of 3.9 percent.
- ▶ The number of instruments sold amounted to 3 990 (4 227), a decrease by 5.6 percent.
- ▶ Gross profit was SEK 227.9 (198.6) million, corresponding to a gross margin of 41.6 (42.9) percent.
- ▶ Operating profit was SEK 29.0 (36.0) million, corresponding to an operating margin of 5.3 (7.8) percent.
- ▶ Profit for the period amounted to SEK 12.7 (23.3) million.
- ▶ Basic earnings per share amounted to SEK 0.46 (0.87) and diluted earnings per share amounted to SEK 0.45 (0.86).*
- ▶ Cash flow from operating activities amounted to SEK -11.4 (43.3) million.

Key figures	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Sales growth, %	6.4	51.4	18.3	15.7
Net sales, SEK million	149.2	140.3	548.1	463.3
Gross margin, %	44.7	41.2	41.6	42.9
Operating profit (EBIT), SEK million	10.0	13.8	29.0	36.0
Operating margin (EBIT), %	6.7	9.9	5.3	7.8
Profit after tax, SEK million	2.9	17.3	12.7	23.3
Net cash (+) net debt (-), SEK million	32.1	-0.7	32.1	-0.7
Return on equity, %	0.8	6.2	3.6	8.2
Net cash (+) net debt (-)/EBIT (R12), times	1.1	0.0	1.1	0.0
Diluted earnings per share, SEK*	0.09	0.63	0.45	0.86

* A bonus issue element from the new share issue in Q4 2022 has been taken into account in the calculation of earnings per share before and after dilutive effects, which means that the comparative figure has been recalculated.



Strengthened financial position and good growth for the OEM business

I am pleased that we were able to deliver milestones during the fourth quarter, both in the development of the new product platform and in our quality work.

Sales for the fourth quarter increased by six percent compared to the previous year, totaling SEK 149 million. Organically, sales fell by eight percent. Sales of consumables continue to take a positive direction. The use of instruments is back to pre-pandemic levels. We had lower sales of 3-part instruments, which is partly explained by a shift from 3-part to 5-part instruments. However, I believe that 3-part instruments will continue to be used in the decentralized market and will make up the majority of the installed base for many years to come. Weak local currencies are currently reducing the scope for investment, especially in developing countries. Several countries have also had restrictions imposed by central banks on payments in foreign currency. The OEM and CDS brand business continued to show good growth, with fourth quarter sales up 49 percent and full-year growth of 33 percent.

In mid-2022, Fuji began selling veterinary products in three countries in southern Europe. We have received positive feedback from the first installations and we are now discussing an extended distributor-agreement.

Strengthened gross margin

The gross margin in the fourth quarter was 44.7 percent, which is 3.5 percentage points better than last year and 4.0 percentage points better than the third quarter of 2022. This was due to greater penetration of price increases and to a favorable product mix with a higher share of consumables. In the fourth quarter, gross margin and earnings were again affected by high component costs and purchases at spot prices, as well as a negative currency effect. Purchases at spot prices negatively impacted the gross margin by about three percentage points. Operating profit totaled SEK 10 million, and the operating margin 6.7 percent.

Cash flow from operating activities in the fourth quarter totaled SEK 13 million, which is approximately SEK 1 million better than in the previous year. As previously communicated, we are continuing to bring forward some material purchases and are building buffer stocks of critical components to ensure supply. As a result, we have increased inventories by SEK 4 million.

First formal release of our new product platform

Intensive work is underway to finalize the prototypes to be used for clinical trials and study implementation in 2023. These study results will be used for regulatory filings for the first product, a 5-part instrument, for which filing is planned for the end of this year. At the end of last year, we passed an important development milestone with the first technical release of our cloud solution. By putting this infrastructure in place, we can acquire experience in the operation and use of this type of service ahead of the full commercial launch in 2024.

Investments in the new product platform totaled SEK 15 million for the quarter.

Key milestones in quality work

Over the past year we have invested a lot of time and effort in the implementation of the IVDR, the new European regulatory framework, and in improving our quality systems. Clear proof of our dedicated quality work is that in November we obtained the CE mark according to IVDR for our 3-part instruments. Only a small number of companies in Europe have obtained new ISO13485 certificates and CE marks under the IVDR.

The US Food and Drug Administration (FDA) conducted an inspection of our Swedish operations in November. The observations noted by the FDA have been corrected. Our US subsidiary, CDS, is in the process of addressing the observations noted by the FDA in the summer.

With the IVDR certification completed, we are well prepared for future regulatory submissions for new products.

Improvements in production to support growth

One key growth initiative generating increased revenues is our OEM business, where we saw strong growth during the quarter. In the autumn, we invested in our US production to increase capacity for our OEM customers and to prepare for the manufacture of reagents for our upcoming product platform.

Establishment of local licensed production of hematology reagents in India with our partner Q-Line Biotech is progressing according to plan. We continue to expect customer deliveries in India to start in the third quarter of 2023.

Adaptation to new market conditions

To address the macroeconomic challenges of rising costs and the tougher market environment, Boule will also make cost savings in the first quarter of 2023. We are conducting a review of our operations to identify areas that can be streamlined to compensate for inflation-driven higher cost levels. We are simplifying and streamlining the organization. This includes adjusting staffing levels, both employees and consultants, which will reduce running costs going forward. The savings will result in one-off costs that will be recognized in the first quarter of 2023.

We completed a rights issue of SEK 150 million, which will be used to complete the development of the new product platform. It was gratifying to see that the rights issue was significantly oversubscribed.

Finally, I would like to extend my warmest thanks to all distributors, suppliers and employees for their fantastic efforts in a very challenging 2022. It is difficult to predict what geopolitical and macroeconomic challenges may lie ahead. Thanks to the support of our shareholders, the rights issue has strengthened our financial position and, together with the savings and efficiency improvements we are now making, we are well equipped to meet the challenges of the world around us.



Jesper Söderqvist
CEO and Group President

Group performance October-December 2022

Net sales

Net sales for the quarter amounted to SEK 149.2 (140.3) million, an increase of 6.4 percent. After adjustment for currency effects, net sales decreased by 8.3 percent. Instrument sales decreased by 19.4 percent, sales of consumables increased by 9.8 percent and OEM and CDS brand sales increased by 48.7 percent compared with the same period the previous year.

The growth during the period was negatively impacted by fewer sales of 3-part instruments. During the fourth quarter the market continued to be volatile, which was impacted by the macroeconomic situation. In addition there has been a shortage of currency-reserves in certain markets, for example in Egypt which has impacted the sales during the quarter. The Central-banks imposed temporary restrictions and payments in other currency than the local was not possible.

Net sales by region, SEK million	Oct-Dec 2022	Oct-Dec 2021	change	Jan-Dec 2022	Jan-Dec 2021	change
USA	60.4	43.6	39%	189.8	152.6	24%
Asia	37.3	39.6	-6%	150.7	121.3	24%
Eastern Europe	15.8	18.9	-17%	62.3	61.1	2%
Latin America	7.8	8.3	-6%	45.0	37.7	19%
Western Europe	12.1	10.8	12%	39.6	32.2	23%
Africa/Middle East	15.8	19.0	-17%	60.7	58.4	4%
Total	149.2	140.3	6%	548.1	463.3	18%

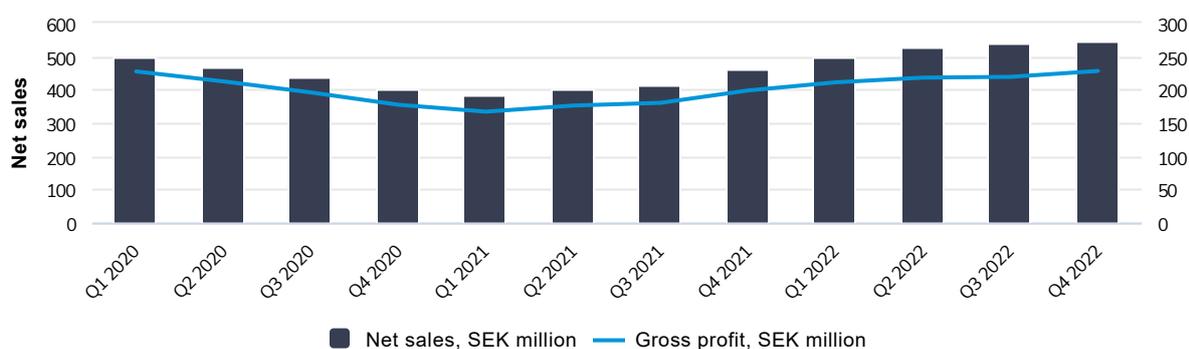
Net sales by product, SEK million

Instruments	36.1	44.8	-19%	158.5	148.7	7%
Consumables, own instruments	65.5	59.6	10%	233.0	193.5	20%
Consumables, OEM and CDS brand	38.8	26.1	49%	112.5	84.7	33%
Other	8.8	9.7	-9%	44.1	36.5	21%
Total	149.2	140.3	6%	548.1	463.3	18%

Gross profit

Gross profit for the period was SEK 66.7 (57.9) million, an increase of 3,5 percentage points, and amounted to 44.7 (41.2) percent during the period. The gross margin was positively impacted by price increases, that now have started to impact and a beneficial product mix with a higher share of consumables. It is, nevertheless, still certain difficulties in the supply-chain with expensive purchase of components, even if the impact has become lower and lower over the months in the fourth quarter. During the period the purchase variances amounted to approximately SEK 4 million which corresponds to 3 percentage points.

Net sales and EBIT, rolling 12 months



Expenses

Operating expenses for the period amounted to SEK 50.9 (44.6) million excluding other operating costs and income.

Selling expenses amounted to SEK 29.1 (25.1) million. The increase is mainly due to personnel expenses, expenses for trade fairs and a stronger USD.

Administrative expenses amounted to SEK 8.3 (7.2) million.

Research and development expenses, including costs related to the quality assurance organization, amounted to SEK 13.5 (12.3) million, corresponding to 9.0 (8.8) percent of net sales. Expenses includes redesign of components due to shortages and increased cost for the new European IVDR and the FDA inspection.

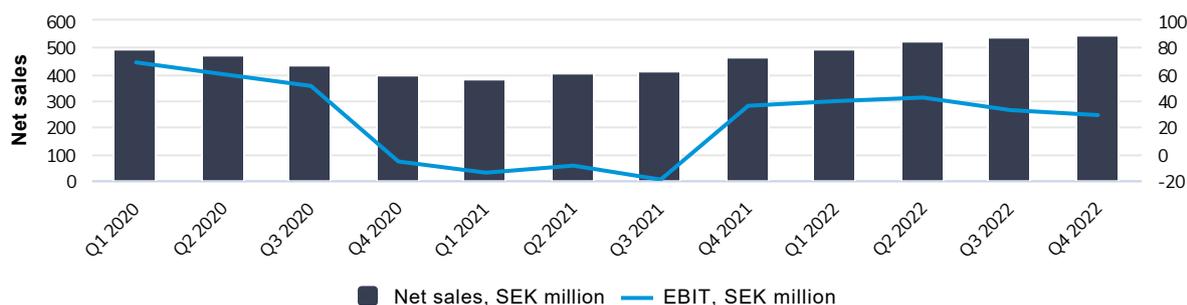
Development expenses of SEK 15.4 (15.3) million were capitalized. Total research and development expenses correspond to 19.4 (19.7) percent of net sales.

The net of other operating income and other operating expenses for the period amounted to SEK -5.8 (0.5) million and consists of positive and negative exchange differences.

Operating profit

Operating profit amounted to SEK 10.0 (13.8) million, corresponding to an operating margin of 6.7 (9.9) percent.

Net sales and EBIT, rolling 12 months



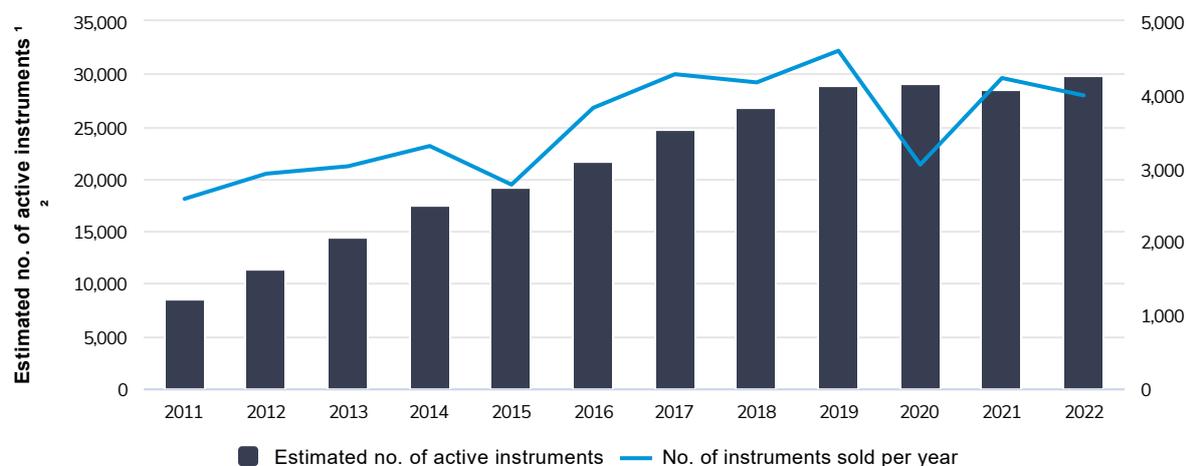
Q4 2020 incl. a write-down of intangible assets of SEK 40 million.

Inventory of installed base

Following an inventory count of instrument installed base in collaboration with our distributors during 2021, our previous assumptions about longevity and use of the instruments have been confirmed. This resulted in an estimated life of instruments of 7.5 years from 2021.

At the end of the quarter, active installed base is estimated at 30,000 instruments.

Estimated number of active instruments



¹ Estimated number of active instruments is based on an expected lifespan of 8 years, changes to 7.5 years from 2021.

² Accumulated number of instruments sold since 2006 was 48,627 on December 31, 2022.

³ Number of instruments sold in 2022 refers to sales on a rolling 12-month basis.

Net financial items

Net financial items amounted to SEK -2.1 (-2.3) million, mainly interest expenses SEK 2.6 (1.0) million whereof SEK 0.1 (0.2) million is related to financial leasing.

Earnings

Profit before tax was SEK 8.0 (11.5) million. Profit for the period was SEK 2.9 (17.3) million. Tax was SEK -5.1 (5.8) million and is explained by adjustments of tax from prior year in the quarter.

Financing and cash flow

Cash flow from operating activities for the quarter was SEK 13.3 (11.9) million. The change is mainly due to an improved working capital. Inventory increased by SEK 3.9 million primarily related to build-up of buffer storage of critical components.

The Swedish Export Credit Agency (EKN) guarantees some of Boules trade receivables at up to 75-95 percent of the receivables' total amount. Receivables may be pledged, in which case the liabilities are reported as interest-bearing liabilities. The change in trade receivables guaranteed by EKN is included in cash flow from operating activities, while the change in other interest-bearing liabilities is reported under cash flow from financing activities.

Cash flow for the period was SEK 61.2 (1.7) million and cash and cash equivalents on December 31 amounted to SEK 96.9 (38.2) million.

The Group's available cash and cash equivalents, including unutilized credit facilities, was SEK 155.9 (89.0) million on December 31. The main difference is related to the new share issue during the quarter.

Investments

Total investments amounted to SEK 17.3 (16.0) million, with investments in future product platforms accounting for SEK 15.4 (15.3) million of the figure.

Equity and liabilities

The Group's equity on December 31 was SEK 462.5 (295.7) million and the equity/assets ratio was 60.9 (51.7) percent.

Interest-bearing liabilities excluding leases are related to pledged trade receivables guaranteed by EKN and external bank loans and amounted to SEK 153.8 (127.8) million on December 31, of which SEK 62.1 (35.8) million of these

liabilities were non-current and SEK 91.7 (92.1) million were current. The external bank loans amounted to SEK 45.2 (28.3) million, of which SEK 32.2 (16.0) were non-current and SEK 13.0 (12.3) were current. On December 31, SEK 0 (6.3) million of the credit facility had been utilized and other current non-interest-bearing liabilities and trade payables amounted to SEK 96.0 (106.4) million.

Lease liabilities on December 31 amounted to SEK 36.2 (27.6) million, of which SEK 22.8 (14.9) million liabilities were non-current liabilities and SEK 13.4 (12.7) million were current liabilities.

Net cash on December 31 amounted to SEK 32.1 million compared to last year's net debt of SEK 0.7 million. The main reason for the difference is related to the new share issue.

Deferred tax liabilities were SEK 8.4 (10.5) million on December 31.

Non-current provisions consist of direct pension provisions of SEK 3.1 (3.9) million.

Significant risks and uncertainties

The Group'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 on management of existing risks and uncertainties and on the risk inventory that forms the basis for detecting new risks and uncertainties. The systematic and internally coordinated work is aimed at identifying risks, limiting risk exposure and minimizing any impact should a risk materialize. Currently, primary 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, dependence on key personnel and the effects of Covid-19. In certain markets the Central banks have imposed temporary limitations on payment in foreign currencies, which leads to delayed payments from customers and delayed deliveries. After the incident with the Koran burning in Stockholm in January 2023 protests have taken place and exhortations have been made to boycott Swedish products. There is a risk that sales of Boule's products are aggravated or stopped in certain countries.

A more detailed description of risks, risk management and related opportunities can be found on page 36 in the 2021 Annual Report.

Uncertainties due to the war in Ukraine

In 2022, Boule's sales in Eastern Europe amounted to 11 percent (13) of net sales, with the majority referring to Russia. The company has employees in Russia and a production facility for consumables that are distributed to the Russian market. The Eastern European market is uncertain due to the war in Ukraine and the current sanctions against Russia. A termination or confiscation of the company's business in Russia could have a substantial negative impact on the company's future earning capacity and profitability and would mean a negative impact on the profit and loss statement if the value of the Russian business is written down in total or in parts. The group net assets amounted to approximately SEK 20 million, whereof approximately SEK 10 million was cash as of December 31 2022. In the event of business closure it is estimated that costs will occur.

Covid-19

Like other companies, Boule faced new challenges related to the spread of covid-19. Initially healthcare visits decreased affecting the number of blood samples and also new sales of instruments as the care providers prioritized covid-19 patients. Both sales and order intake have recovered during 2022.

Problems with components and raw material shortages, logistics and distribution to customers have arisen and continue to arise due to a lack of transport capacity and obstacles related to border closures. Boule is taking active measures to mitigate the impact by working closely with the Group's subcontractors, redesign of components and planning and booking deliveries well in advance.

Tax audit

On October 6th the Swedish tax authorities have decided to impose increased social security contributions and tax penalties on Boule Diagnostics AB and Boule Medical AB amounting to approximately SEK 1.6 million, in relation to what they see as incorrectly valued warrants issued to senior executives in the group. The three warranty programs, 2017/2020, 2019/2022 and 2020/2023 are impacted. The decision means that the basis for the price of

the warrants, determined by a third party engaged by the company, is deemed to be too low and the warrants as a consequence undervalued. The difference between the set price and the estimate now completed by the tax authorities implies that the tax authorities also intend to impose the warranty holders with benefit taxation. No provision has been recorded in the period. The company has appealed the decision to the Swedish administrative court ("Förvaltningsrätten") and also received approval of delayed payment during the process.

Related-party transactions

Other than remuneration of the Board and senior executives, no related-party transactions have taken place during the period.

Nomination Committee

At the Annual General meeting 2022, it was resolved that a Nomination Committee based on the ownership as of September 30, 2022, should be elected. The largest shareholders at this time were Svolder AB, AB Grenspecialisten and Thomas Eklund representing approximately 35 percent of shares and votes. The Nomination Committee has thereafter elected Ulf Hedlundh as its chairman and co-opted the chairman of the Board of Director's Yvonne Mårtensson. Shareholders who would like to contact the Nomination Committee are welcome to contact the chairman of the Nomination Committee Ulf Hedlundh via e-mail at ulf.hedlundh@svolder.se or via phone at number 08-440 37 70. In order for the proposals to be evaluated in a proper manner these proposals should be delivered at the latest February 1, 2023.

Significant events during the interim period

October 3 it was announced that the Board of Directors had resolved on a new issue of shares corresponding to approximately SEK 150 million with preferential rights for the Company's existing shareholders. The Rights Issue is subject to approval by an extraordinary general meeting, to be held on November 1, 2022. The nomination committee also proposed that Emil Hjalmarsson, Portfolio Manager at Grenspecialisten, should be elected to the Company's Board of Directors.

October 3 a notice of shareholders meeting was distributed in relation to the extraordinary general meeting, to be held on November 1, 2022, at 4 PM at Domnarvsgatan 4, Spånga.

October 20 it was announced that Boule had signed a strategic contract manufacturing agreement with Q-Line Biotech for local hematology reagent manufacturing in India.

November 1 it was announced that the extraordinary general meeting ("EGM") resolved in accordance with the Board of Director's proposal to amend the articles of association. The resolution means that the limits for the share capital and the number of shares are changed so that the share capital shall amount to a minimum of SEK 4,800,000 and a maximum of SEK 19,200,000, and the number of shares shall amount to a minimum of 19,000,000 and a maximum of 76,000,000.

In accordance with the Board of Directors' proposal, the EGM also resolved to approve the Board of Directors' resolution on a new issue of shares with preferential rights for existing shareholders. The resolution means that Boule's share capital will increase by a maximum of SEK 4,854,138 by new issue of a maximum of 19,416,552 shares with preferential rights for existing shareholders. Furthermore, the EGM resolved, in accordance with the Nomination Committee's proposal, to increase the number of board members from five members to six members with election of Emil Hjalmarsson as a new member of the Board of Directors. For further information refer to the bulletin from the EGM available on the company's website.

November 10 it was announced that a prospectus prepared in connection with the Rights Issue had been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) ("SFSA").

November 14 it was announced that trading of the subscription rights for the ongoing Rights Issue would commence from market open Tuesday 15 November.

November 28 it was announced that Boule Medical AB had reached another important milestone in its preventive and diligent work in meeting the new and increased regulatory requirements for in vitro diagnostics. Boule received CE mark according to IVDR class B for two of its product lines, Medonic M32 and Swelab Alfa Plus.

November 30 it was announced that the Rights Issue was significantly oversubscribed. Through the Rights Issue, Boule will receive proceeds amounting to approximately SEK 150 million before transaction costs. The result of the

Rights Issue showed that 19,197,849 new shares, corresponding to approximately 98.9 percent of the Rights Issue, had been subscribed for with subscription rights. Additionally, 13,919,915 shares, corresponding to approximately 71.7 percent of the Rights Issue, were subscribed for without subscription rights of which 218,703 shares, corresponding to approximately 1.1 percent of the Rights Issue, had been allotted to investors that had subscribed for shares without subscription rights. The Rights Issue was thus oversubscribed, and Boule will receive approximately SEK 150 million before transaction costs.

December 14 it was announced that Boule Diagnostics AB had appointed Jan Benjaminson as interim CFO, effective on February 3rd, 2023.

December 30 it was announced that the number of shares and votes in Boule had changed and that the number of shares after the preferential rights issue amounts to total 38 833 104 shares and votes in Boule.

There are no other significant events to report for the period.

Events after the end of the interim period

There are no significant events to report after the end of the period.

Annual General Meeting

Boule Diagnostic's Annual General Meeting will be held on May 4th, 2023. Further information about the Annual General Meeting will be available on Boule's webpage.

Dividend

The Board of Directors propose that no dividend shall be distributed for year 2022 because of the recent completion of the rights issue. The long-term financial goals and the dividend-policy, to distribute 25-50 % of the profit the coming years remain unchanged.

Parent Company

Boule Diagnostics AB (publ), 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.

The Parent Company's revenue is derived from Group-wide services.

Risks and uncertainties for the Parent Company indirectly correspond with those for the Group.

Personnel

The average number of employees in the Group during the quarter was 236 (219), including 6 (7) employees at the Parent Company. The average number of employees by country was as follows: Sweden 134 (120), United States 87 (86), Mexico 2 (2) and Russia 13 (12). The average number of women in the Group was 104 (97) and the average number of men was 132 (123). Personnel in countries where Boule does not have a legal entity are not included in the number of employees as they are employed via external companies and therefore included as consultancy costs.

Number of shares

The total number of shares and votes in Boule Diagnostics AB is 38,833,104 and has increased following the new rights share issue. After full dilution, the number of shares amounts to 39,013,104.

Shareholders, Dec 31, 2022 (accord. to Euroclear)	Number of shares, Dec 31	Share of capital/votes
AB Grenspecialisten	4,887,268	12.6%
Svolder AB	4,826,388	12.4%
Thomas Eklund inkl bolag	4,044,700	10.4%
Swedbank Robur Fonder AB	3,659,325	9.4%
Nordea Investment Funds	3,538,562	9.1%
Tredje AP-fonden	3,251,542	8.4%
Skandinaviska Enskilda Banken AB	1,437,526	3.7%
Andra AP-Fonden	1,369,948	3.5%
Sijoitusrahasto Aktia Nordic	992,540	2.6%
Société Générale	765,097	2.0%
Avanza Pension	659,633	1.7%
JP Morgan Chase Bank NA	423,486	1.1%
Other shareholders (3097)	8,977,089	23.1%
Total number of shares	38,833,104	100.0%

Warrant programs

The Board of Directors believes that it is important and in the interest of all shareholders that the CEO and key employees, who are considered important to the Company's further development, have a long-term interest in good value growth for the Company's shares. A personal, long-term shareholder commitment would be expected to contribute to increased interest in the Company's operations and financial performance, and to increase the CEO's and key employees' motivation and affinity with the Company and its shareholders. The warrants have been allotted and purchased by employees at market conditions. The market value has been determined using the Black & Scholes option valuation model.

If a 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 accordingly been repurchased since allotment. There are no restrictions on transferring warrants in the programs. During the quarter 352 797 warrants have expired and none were exercised.

Outstanding programs	Outstanding warrants			Corresponding shares	Proportion of total no. of shares	Exercise price	Exercise period
	CEO	Key employees	Total				
2020/2023	130,000	50,000	180,000	180,000	0.9%	86.70	1 June 2023- 30 Dec 2023
	130,000	402,797	532,797				

The Board of Directors and the CEO certify that this year-end report provides a true and fair view of the operations, financial position and earnings of the Parent Company and the Group and describes the material risks and uncertainties faced by the Parent Company and the other Group companies.

Stockholm, February 2, 2023

Boule Diagnostics AB

Yvonne Mårtensson
Chairman of the Board

Thomas Eklund
Board member

Karin Dahllöf
Board member

Jon Risfelt
Board member

Torben Jørgensen
Board member

Emil Hjalmarsson
Board member

Jesper Söderqvist
CEO

Auditor's review

This year-end report has not been subject to review of the group's auditor.

Consolidated income statement and other comprehensive income

SEK millions	Note	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales		149.2	140.3	548.1	463.3
Cost of sales		-82.5	-82.4	-320.2	-264.7
Gross profit		66.7	57.9	227.9	198.6
<i>Gross margin</i>		44.7%	41.2%	41.6%	42.9%
Other operating income		0.0	3.1	24.1	8.5
Distribution costs		-29.1	-25.1	-110.7	-88.7
Administrative expenses		-8.3	-7.2	-32.9	-31.5
Research and development expenses ¹		-13.5	-12.3	-51.6	-43.3
Other operating expenses		-5.8	-2.5	-27.9	-7.7
Operating profit		10.0	13.8	29.0	36.0
<i>Operating margin</i>		6.7%	9.9%	5.3%	7.8%
Finance income		0.9	0.8	1.7	1.4
Finance costs		-3.0	-3.1	-9.8	-8.6
Net financial items		-2.1	-2.3	-8.1	-7.2
Profit before tax		8.0	11.5	20.8	28.8
Income tax		-5.1	5.8	-8.1	-5.5
Profit for the period		2.9	17.3	12.7	23.3
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to profit/loss for the period					
Exchange differences on translation of foreign subsidiaries for the period		-16.0	4.6	25.5	13.9
Total other comprehensive income		-16.0	4.6	25.5	13.9
Total comprehensive income for the period		-13.1	21.9	38.2	37.1
Basic earnings per share, SEK*		0.09	0.65	0.46	0.87
Diluted earnings per share, SEK*		0.09	0.63	0.45	0.86

As the Group does not have any non-controlling interests, comprehensive income is wholly attributable to owners of the Parent Company.

* A bonus issue element from the new share issue in Q4 2022 has been taken into account in the calculation of earnings per share before and after dilutive effects, which means that the comparative figure has been recalculated.

Consolidated statement of financial position

SEK millions	31 Dec 2022	31 Dec 2021
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Capitalized development expenses	225.2	162.9
Goodwill	88.1	78.7
Total intangible assets	313.4	241.6
Property, plant and equipment		
Financial assets (Rent)	36.7	26.8
Plant and machinery	7.4	6.1
Equipment, tools, fixtures and fittings	12.4	11.2
Leasehold improvements	2.1	3.2
Total property, plant and equipment	58.6	47.4
Financial assets		
Other financial assets	3.8	3.8
Non-current trade receivables (guaranteed 75-95% by EKN)	45.8	36.8
Total financial assets	49.6	40.7
Total non-current assets	421.5	329.7
CURRENT ASSETS		
Inventories		
Raw materials and supplies	31.4	30.4
Products in progress	6.7	4.5
Finished goods and merchandise	37.2	24.1
Total inventories	75.3	59.0
Current receivables		
Tax assets	7.2	4.0
Trade receivables	64.2	48.2
Trade receivables (guaranteed 75-95% by EKN)	79.3	79.7
Other receivables	4.9	7.8
Prepaid expenses and accrued income	10.6	5.5
Total current receivables	166.2	145.2
Cash and cash equivalents	96.9	38.2
Total current assets	338.4	242.4
TOTAL ASSETS	760.0	572.0

SEK millions	31 Dec 2022	31 Dec 2021
TOTAL EQUITY AND LIABILITIES		
EQUITY		
Share capital	9.7	4.9
Other contributed capital	336.8	202.4
Translation reserve	42.5	17.0
Retained earnings, including profit for the period	73.6	71.5
Total equity	462.5	295.7
LIABILITIES		
Non-current liabilities		
Non-current interest-bearing liabilities	32.2	16.0
Non-current interest-bearing liabilities (for receivables guaranteed by EKN)	29.9	19.7
Non-current lease liabilities/rent	22.8	14.9
Provisions	3.1	3.9
Deferred tax liabilities	8.4	10.5
Total non-current liabilities	96.4	65.1
Current liabilities		
Current interest-bearing liabilities	13.0	12.3
Current interest-bearing liabilities (for receivables guaranteed by EKN)	78.7	79.8
Current lease liabilities/rent	13.4	12.7
Trade payables	33.3	41.2
Tax liabilities	7.6	6.7
Other liabilities	16.4	20.8
Accrued expenses and deferred income	37.1	36.4
Non-current provisions	1.5	1.5
Total current liabilities	201.0	211.2
Total liabilities	297.5	276.3
TOTAL EQUITY AND LIABILITIES	760.0	572.0

Consolidated statement of changes of equity

SEK millions	Share capital	Other contributed capital	Translation reserve	Retained earnings, incl. profit for the period	Total equity
EQUITY, JANUARY 1, 2021	4.9	202.4	3.1	58.9	269.3
Comprehensive income for the period					
Profit for the period				23.3	23.3
Other comprehensive income for the period			13.9		13.9
Comprehensive income for the period			13.9	23.3	37.1
Transactions with shareholders					
Warrant programs					
Dividend				-10.7	-10.7
EQUITY, DECEMBER 31, 2021	4.9	202.4	17.0	71.5	295.7
EQUITY, JANUARY 1, 2022	4.9	202.4	17.0	71.5	295.7
Comprehensive income for the period					
Profit for the period				12.7	12.7
Other comprehensive income for the period			25.5		25.5
Comprehensive income for the period			25.5	12.7	38.2
Transactions with shareholders					
New share issue	4.9	144.7			149.5
Costs for new share issue		-10.3			-10.3
Dividend				-10.7	-10.7
EQUITY, DECEMBER 31, 2022	9.7	336.8	42.5	73.5	462.5

Consolidated cash flow statement

SEK millions	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Operating activities				
Operating profit	10.0	13.8	29.0	36.0
Adjustments for non-cash items	8.8	3.7	23.1	19.5
Interest received	0.8	0.8	1.8	1.4
Interest paid	-3.0	-1.8	-9.9	-5.5
Income tax paid	-2.5	3.6	-15.2	-4.7
Cash flow from operating activities before changes in working capital	14.2	20.2	28.8	46.7
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventories	-3.9	-0.4	-9.8	-3.0
Increase (-)/Decrease (+) in operating receivables	0.7	-8.3	-6.5	-14.4
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)	7.0	-9.3	-8.6	-19.3
Increase (+)/Decrease (-) in operating liabilities	-4.6	9.7	-15.2	33.4
Cash flow from operating activities	13.3	11.9	-11.4	43.3
Investing activities				
Acquisition of property, plant and equipment	-1.9	-0.7	-6.4	-3.1
Investment in capitalized development expenses	-15.4	-15.3	-68.5	-53.2
Cash flow from investing activities	-17.3	-16.0	-75.0	-56.4
Financing activities				
Proceeds and (+) repayment (-) of borrowings	-11.3	-0.9	24.0	19.1
Increase (+)/Decrease (-) in financial liabilities (EKN financing)	-8.8	13.9	9.1	22.3
Increase (+)/Decrease (-) in financial liabilities	-51.1	-4.1	-7.4	-3.1
New share issue	149.5	0.0	149.5	0.0
Costs for new share issue	-10.3	0.0	-10.3	0.0
Repayment of borrowings and lease interest	-2.8	-3.0	-13.7	-11.8
Dividend	0.0	0.0	-10.7	-10.7
Cash flow from financing activities	65.2	5.9	140.5	15.8
Cash flow for the period	61.2	1.7	54.2	2.7
Cash and cash equivalents at beginning of period	39.4	35.7	38.2	33.0
Exchange differences in cash and cash equivalents	-3.7	0.7	4.5	2.5
Cash and cash equivalents at end of period	96.9	38.2	96.9	38.2

Parent Company income statement

SEK millions	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	5.3	4.7	27.9	26.0
Administrative expenses	-6.0	-5.4	-24.3	-22.9
Other operating expenses	-0.2	-0.6	-3.4	-3.1
Operating profit	-1.0	-1.2	0.3	0.0
Anticipated dividend from subsidiaries	-	15.0	-	15.0
Profit/loss from financial items	0.0	-	-	-
Profit/loss after financial items	-0.9	13.8	0.3	15.0
Group contribution	-	-	-	-
Profit/loss before tax	-0.9	13.8	0.3	15.0
Tax	0.1	-0.1	0.1	-0.1
Net profit/loss	-0.8	13.6	0.4	14.9

As no items are recognized in other comprehensive income, the Parent Company's profit for the period corresponds to comprehensive income for the Parent Company.

Parent company balance sheet

SEK millions	31 Dec 2022	31 Dec 2021
NON-CURRENT ASSETS		
Intangible assets		
Capitalized development expenses	0.4	0.8
Total intangible assets	0.4	0.8
Property, plant and equipment		
Equipment	0.2	0.1
Total property, plant and equipment	0.2	0.1
Finansiella anläggningstillgångar		
Shares in Group companies	230.3	170.3
Other financial assets	2.5	3.1
Deferred tax assets	0.1	0.1
Total financial assets	233.0	173.5
Total non-current assets	233.6	174.4
CURRENT ASSETS		
Receivables from Group companies	1.7	0.9
Tax assets	19.1	1.2
Other receivables	2.1	0.9
Prepaid expenses and accrued income	3.0	1.9
Total current receivables	25.9	4.9
Cash and bank balances	46.3	0.5
Total current assets	72.1	5.4
TOTAL ASSETS	305.7	179.7
EQUITY	290.9	162.0
LIABILITIES		
Non-current liabilities		
Other provisions	3.1	3.9
Total non-current liabilities	3.1	3.9
Current liabilities		
Trade payables	6.2	4.1
Liabilities to Group companies	0.0	3.8
Other liabilities	0.6	0.4
Accrued expenses and deferred income	4.9	5.6
Total current liabilities	11.7	13.9
Total liabilities	14.8	17.8
TOTAL EQUITY AND LIABILITIES	305.7	179.7

Note 1 Accounting policies

Boule Diagnostics AB (publ.) applies IFRS (International Financial Reporting Standards) as adopted by the EU. This year-end report has been prepared in accordance with IAS 34, Interim Financial Reporting. The year-end report for the Parent Company has been prepared in accordance with chapter 9 of the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The year-end report should be read alongside the annual report for the financial year ending December 31, 2021. The accounting policies are consistent with those applied in the previous financial year. The fair values of financial assets and liabilities are considered to be equal to their carrying amounts.

The interim information on pages 1-11 forms an integral part of this financial report, which comprises pages 1-24.

Note 2 Pledged assets and contingent liabilities

December 31, SEK millions	Group		Parent Company	
	2022	2021	2022	2021
Pledged assets	268.8	204.0	5.6	6.4
Contingent liabilities	-	-	110.2	100.8

Note 3 Revenue by region and product

Net sales by region, SEK million	Oct-	Oct-	change	Jan-Dec	Jan-Dec	change
	Dec	Dec		2022	2021	
	2022	2021		2022	2021	
USA	60.4	43.6	39%	189.8	152.6	24%
Asia	37.3	39.6	-6%	150.7	121.3	24%
Eastern Europe	15.8	18.9	-17%	62.3	61.1	2%
Latin America	7.8	8.3	-6%	45.0	37.7	19%
Western Europe	12.1	10.8	12%	39.6	32.2	23%
Africa/Middle East	15.8	19.0	-17%	60.7	58.4	4%
Total	149.2	140.3	6%	548.1	463.3	18%

Net sales by product, SEK million

Instruments	36.1	44.8	-19%	158.5	148.7	7%
Consumables, own instruments	65.5	59.6	10%	233.0	193.5	20%
Consumables, OEM and CDS brand	38.8	26.1	49%	112.5	84.7	33%
Other	8.8	9.7	-9%	44.1	36.5	21%
Total	149.2	140.3	6%	548.1	463.3	18%

Note 4 Net cash/debt

SEK millions	31 Dec 2022	31 Dec 2021
Cash and cash equivalents	96.9	38.2
Liabilities to credit institutions	-45.2	-28.3
Lease-related liabilities	-36.2	-27.6
Other interest carrying assets	16.5	17.0
Net cash (+) / net liabilities (-)	32.1	-0.7

Note 5 Currency exchange rates

Genomsnittliga väsentliga valutakurser	Jan-dec 22	Jan-dec 2021
EUR	10.63	10.14
USD	10.12	8.58
RUB	0.15	0.12
Balansdagens väsentliga valutakurser	Jan-dec 22	Jan-dec 2021
EUR	11.13	10.23
USD	10.44	9.04
RUB	0.15	0.12

Starting March 2022, the Swedish Central Bank is no longer publishing updated currencies for Ruble. As a consequence, alternative sources have been used in the period for the Ruble.

Quarterly overview

	2022				2021				2020
	Okt-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Okt-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Okt-Dec
Net sales, SEK million	149.2	125.6	140.8	132.5	140.3	111.8	110.7	100.6	92.7
Gross profit, SEK million	66.7	51.1	53.3	56.8	57.9	49.9	46.1	44.7	39.2
Gross margin, %	44.7	40.7	37.8	42.9	41.2	44.7	41.7	44.4	42.3
EBITDA, SEK million	15.8	11.8	12.2	16.3	24.1	18.2	8.0	12.3	3.6
EBITDA margin, %	10.6	9.4	8.7	12.3	17.2	16.3	7.2	12.3	3.9
Depreciation and impairment of property, plant and equipment, SEK million	4.1	6.6	5.5	4.5	3.6	3.6	4.2	4.2	4.2
EBITA, SEK million	11.7	5.2	6.7	11.9	15.4	14.7	3.6	8.1	-0.6
EBITA margin, %	7.8	4.2	4.8	9.0	11.0	13.1	3.3	8.1	-0.6
Amortization and impairment of intangible assets, SEK million ¹	1.6	1.6	1.7	1.5	1.6	1.6	1.3	1.3	41.1
EBIT, SEK million	10.0	3.6	5.0	10.3	13.8	13.0	2.3	6.8	-41.6
EBIT margin, %	6.7	2.9	3.6	7.8	9.9	11.7	2.1	6.8	-44.9
Profit after tax, SEK million	2.9	2.4	2.9	4.6	17.3	7.1	-1.4	0.3	-32.6
Basic earnings per share, SEK*	0.09	0.09	0.11	0.17	0.65	0.27	-0.05	0.01	-1.22
Diluted earnings per share, SEK*	0.09	0.09	0.10	0.17	0.63	0.26	-0.05	0.01	-1.20
Cash flow from operating activities per share, SEK*	0.42	-0.59	-0.32	-0.05	0.44	0.40	0.31	0.47	0.95
Return on equity, %	0.8	0.7	0.9	1.6	6.2	2.7	-0.5	0.1	-11.2
Net cash (+) net debt (-) / EBIT (R12)	1.1	2.2	1.0	0.5	0.0	-0.3	-1.4	0.2	0.8
Equity/assets ratio, %	61	49	49	50	52	51	50	54	56

¹ Write-off of acquired laser technology and related capitalized development expenses amounts to SEK 40.0 million in Q4 2020.

* A bonus issue element from the new share issue in Q4 2022 has been taken into account in the calculation of earnings per share before and after dilutive effects and operating cash flow per share which means that the comparative figure has been recalculated.

Definitions

Use of alternative performance measures

The Boule Group's financial statements are prepared in accordance with IFRS. Only a small number of performance measures are defined in IFRS. Boule applies the ESMA (European Securities and Market Authority) Guidelines for Alternative Performance Measures. In brief, an alternative performance measure is a financial measure of historical or future earnings development, financial position or cash flow that is not defined or specified in IFRS. Boule presents certain non-IFRS performance measures in order to support management and other stakeholders in their analysis of the Group's development. Management believes that use of these measures facilitates this analysis. These alternative performance measures supplement the information presented in accordance with IFRS and do not replace IFRS performance measures. Boule's definitions of non-IFRS performance measures shown on page 20 may differ from those of other companies. Calculations for all performance measures can be reconciled to line items in the income statement and balance sheet.

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

Organic growth is change in net sales during the period, excluding acquisitions, divestments and currency effects in relation to the net sales previous period, expressed as a percentage change

Gross profit is net sales less cost of sales

Gross margin is gross profit divided by net sales

EBITDA (Earnings before interest, taxes, depreciation and amortization) is profit before net financial items, taxes, depreciation of property, plant and equipment and amortization of intangible assets

EBITDA margin is EBITDA divided by net sales

EBITA (Earnings before interest, taxes and amortization) is operating profit before net financial items, taxes and amortization of intangible assets

EBITA margin is EBITA divided by net sales

EBIT (Earnings before interest and taxes) is operating profit before net financial items and taxes

EBIT margin (Operating margin) is EBIT divided by net sales

Working capital is inventories, trade receivables (current and non-current) and cash less trade payables

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

Return on equity is profit after tax divided by average equity

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

Net debt/equity ratio is net debt divided by equity

Equity/assets ratio is equity divided by total assets.

Operating margin excluding non-recurring expenses is operating profit before non-recurring expenses divided by net sales

Operational cash flow is cash flow from operating activities, excluding net investments in intangible assets and property, plant and equipment, financing, non-recurring items and restructuring expenses, but including tax paid.

About Boule Diagnostics

Boule Diagnostics AB (publ) is a global diagnostics company specializing in near-patient, decentralized blood diagnostics and one of the few companies in the global diagnostics market that conducts its own development, manufacturing and marketing of instruments and consumables for blood diagnostics. The Company primarily serves hospitals, clinics, laboratories and other diagnostics companies to which it offers complete systems for blood diagnostics (hematology) in both the human and veterinary areas. Boule has strong positions in important emerging markets such as in Asia and in recent years has improved its position in the fast-growing veterinary market. Operations are conducted through operating subsidiaries in Sweden, the United States, Mexico and Russia. The Group reported net sales of SEK 548 million in 2022 and has more than 200 employees. Sales are conducted globally, predominantly through the company's 200 or so distributors in over 100 countries, supported by Boule's own local sales and service personnel. Boule has been listed on Nasdaq Stockholm since 2011.

Our Core Values

Courageous | Customer oriented | Innovative | Result oriented | Teamwork | Quality

Boule purpose

We provide versatile high-quality, decentralized diagnostics solutions for everyone everywhere

Business model

- Indirect sales
- Extend installed base
- Multi-brand strategy

Boule aspiration

- Most satisfied customers
- Highly valued employer
- >500M tests yearly

Financial targets

- Operating Margin >15%
- Long-term sales growth >10%
- Net debt to EBIT ratio <3 times

Strategic pillars for profitable growth

Increase value for users and distributors

Invest in sustainable product development

Grow # tests done with Boule solutions

Other information

Calendar

Interim report Q1 2023	May 3, 2023
2023 Annual General Meeting	May 4, 2023
Interim report Q2 2023	July 24, 2023
Interim report Q3 2023	November 9, 2023

Presentation of the year-end report

CEO Jesper Söderqvist and CFO Annette Colin will present and comment on the year-end report through Teams. After the presentation, there will be time for questions.

The presentation will be held in English. Time: 10.00, 2 February, 2023

[Please follow this link to participate!](#)



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