

Interim report Q3 2024

Strong improvement in profitability

Quarter July-September 2024

- ▶ Net sales amounted to SEK 130.4 million (139.6), corresponding to a decrease of 6.6 percent. Organic sales growth amounted to -2.0 percent, currency effects amounted to -4.6 percent.
- ▶ The number of instruments sold decreased by 29.1 percent to 716 (1,010).
- ▶ Gross profit amounted to SEK 61.0 million (57.8), corresponding to a gross margin of 46.8 percent (41.4).
- ▶ Adjusted operating profit amounted to SEK 15.3 million (7.9), corresponding to an operating margin of 11.8 percent (5.7).
- ▶ Non-recurring expenses amounted to SEK 294.2 million, mainly attributable to the impairment of intangible assets of SEK 265 million, restructurings of SEK 3.0 million and the impairment of assets in Russia of SEK 26.2 million. The total impairment of Russia was SEK 43 million, but SEK 16.8 million affected the Swedish legal entity.
- ▶ Operating profit amounted to SEK -278.9 million (7.9), corresponding to an operating margin of -213.8 percent (5.7).
- ▶ Profit for the period amounted to SEK -229.2 million (4.6).
- ▶ Earnings per share before and after dilution amounted to SEK -5.90 (0.12).
- ▶ Cash flow from operating activities amounted to SEK 5.2 million (27.8).
- ▶ The Group's available cash and cash equivalents, including unutilized overdraft facilities, amounted to SEK 47.7 million (112.1) as of 30 September.

Key figures	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct 23-	Oct 22-
	2024	2023	2024	2023	Sep 24	Sep 23
Sales growth, %	-6.6	11.2	-1.9	6.1	-1.6	6.2
Net sales, SEK million	130.4	139.6	415.2	423.2	563.3	572.4
Gross margin, %	46.8	41.4	44.7	43.4	45.1	43.8
Adjusted operating profit (EBIT), SEK million	15.3	7.9	44.4	28.8	54.8	38.8
Adjusted operating margin (EBIT), %	11.8	5.7	10.7	6.8	9.7	6.8
Operating profit (EBIT), SEK million	-278.9	7.9	-262.1	28.8	-251.6	38.8
Operating margin (EBIT), %	-213.8	5.7	-63.1	6.8	-44.7	6.8
Profit for the period, SEK million	-229.2	4.6	-221.0	16.5	-212.6	19.4
Net cash (+) net debt (-), SEK million	-19.9	12.7	-19.9	12.7	-19.9	12.7
Return on equity, %	-61.0	0.9	1.7	3.4	-49.3	4.1
Net cash (+) net debt (-) / EBIT (R12), times	-0.1	0.3	0.1	0.3	0.1	0.3
Diluted earnings per share, SEK	-5.90	0.12	-5.69	0.43	-1.37	0.13
Cash flow from operating activities, SEK million	5.2	27.8	31.5	22.3	60.7	35.6

Comments from the President and CEO

Strong improvement in profitability

Sales in Q3 reached SEK 130M and declined organically by 2%, currency impacted with -4,6%. Reagents sales declined partly due to our transition to a license model in India. OEM sales was very strong and exceeded Q3 last year by 51%.

While the overall demand for our instruments remains stable, we see a need for further development of our instrument portfolio as the market continues to shift to 5-part technology and cost-effective value offerings. Consequently, we decided to narrow the scope of the BM900 platform project to not include a premium 3-part option. This decision together with the project delays have adversely impacted the valuation of the project, leading to an impairment and a one-off non-cash cost of SEK 265M.

Gross margin improved to 46.8% (41.4), despite lower sales. It was positively impacted by growing licensing fees from India, strong OEM sales and efficiency improvements in our production. Operating expenses decreased by 6.6% due to our continued restructuring initiatives and in this quarter, we further reduced headcounts resulting in SEK 16M of annual savings. Adjusted operating profitability improved 93,7% to SEK 15.3M (7.9) with an operating margin of 11.8% (5.7%).

To manage the geopolitical risks and ensure the sustainability of our business, we decided to change our local presence in Russia by initiating the process of divesting our Russian manufacturing facility. Consequently, we have communicated a write down of our assets.

Defining our strategy for 2025

As we look toward 2025, our vision remains unwavering: to drive innovation, foster sustainable profitable growth, and create value for our stakeholders. The rapid pace of technological advancement and evolving market dynamics require us to be more agile and forward-thinking than ever before. During my first two quarters as CEO, we have taken a very detailed look at our business, reviewed the market in which we operate and devised a strategic plan based on three focus areas which will direct our actions as we move forward:

Expand operating margins through reductions in structural cost

To achieve sustainable and profitable growth, we will undertake a comprehensive restructuring of our organization. This will involve consolidating functions and sites to streamline operations and reduce overhead costs. Additionally, we will lean out our processes to enhance efficiency and foster innovation. Implementing these strategic initiatives, we aim to create a more agile, responsive, and competitive organization.

Accelerate growth through strategic organic investments

We will expand and strengthen our channel reach in high-growth markets with a primary focus on introducing our veterinary portfolio into new and emerging markets. Additionally, we will establish a local presence in strategic locations to enhance our market penetration and customer engagement. These initiatives will position us to capitalize on emerging opportunities and deliver value to our customer base.



Building a better, stronger, growth-oriented portfolio

Finally, we aim to develop a portfolio that is resilient, focused on high-potential areas and positioned for long-term growth. We need cost effective solutions for the Value segment as well as more differentiated solutions for the premium segments of the market. Additionally, we look to expand our offerings beyond hematology to diversify our product range. These initiatives will help us meet customer needs, enhance our market presence.

While our focus on profitability and our recent decisions related to Russia and the BM900 project may seem defensive by nature they will allow us to focus our efforts on initiatives that will drive future growth and increase profitability.

Thank you for your continued support and trust in our vision. Together, we will build a stronger business.

Torben Nielsen,
President and CEO

Group performance July-September 2024

Net sales

Net sales for the period amounted to SEK 130.4 million (139.6), corresponding to a decrease of 6.6 percent. The decrease in organic growth of 2.0 percent was attributable to fewer human and veterinary instruments sold in both the 3-part and 5-part segments. Sales of the number of instruments decreased by 29.1 percent, while the increase was strong for consumables OEM, which increased by 51 percent.

Net sales by region SEK million	Jul-Sep 2024	Jul-Sep 2023	change	Jan-Sep 2024	Jan-Sep 2023	change	Oct 23- Sep 24	Oct 22- Sep 23	change
USA	51.5	46.2	11%	148.4	144.9	2%	202.7	205.3	-1%
Asia	29.0	38.2	-24%	109.5	123.6	-11%	155.2	161.0	-4%
Eastern Europe	15.6	9.9	57%	46.6	28.2	65%	57.0	44.0	30%
Latin America	8.5	17.0	-50%	29.2	43.6	-33%	37.2	51.4	-28%
Western Europe	10.3	12.8	-19%	36.7	33.9	8%	53.5	46.0	16%
Africa / Middle East	15.5	15.5	0%	44.8	49.0	-9%	57.7	64.8	-11%
Total	130.4	139.6	-7%	415.2	423.2	-2%	563.3	572.4	-2%

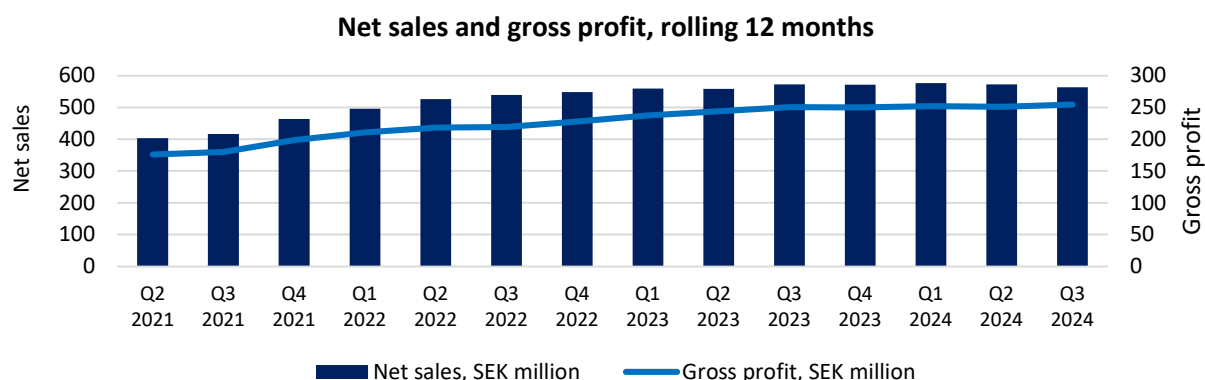
Net sales by product SEK million

Instruments	28.4	49.7	-43%	114.3	137.5	-17%	160.2	173.6	-8%
Consumables, own instruments	53.6	58.2	-8%	165.7	173.5	-4%	225.6	239.0	-6%
Consumables, OEM and CDS Brand	34.2	22.7	51%	95.5	82.2	16%	127.3	121.0	5%
Other	14.3	9.1	57%	39.7	30.0	33%	50.2	38.8	29%
Total	130.4	139.6	-7%	415.2	423.2	-2%	563.3	572.4	-2%

Gross profit

Gross profit for the period amounted to SEK 61.0 million (57.8), an increase of SEK 3.2 million. The gross margin improved and increased to 46.8 percent (41.4). Non-recurring restructuring expenses were charged to gross profit by SEK 0.3 million.

The gross margin was positively impacted by improved productivity, increased OEM sales and license revenues from reagent sales in India.



Expenses

Operating expenses for the period, adjusted for non-recurring expenses, excluding other operating income and expenses, amounted to SEK 45.5 million (48.7).

Non-recurring expenses related to the impairment of intangible assets of SEK 265 million and the impairment of assets in Russia of SEK 26.2 million, and restructuring expenses of SEK 2.7 million. The restructuring expenses are mainly attributable to restructuring of the sales organization.

Selling expenses amounted to SEK 31.4 million (29.4), which was an increase related to restructuring.

Administrative expenses amounted to SEK 7.5 million (6.5), with an increase attributable to non-recurring expenses in connection with the change of CEO.

Adjusted for impairment of intangible assets, R&D expenses, including expenses for the quality organization, amounted to SEK 9.4 million (12.7), corresponding to 7.2 percent (9.1) of net sales. Total development costs excluding impairment decreased by SEK 6.4 million, which is due to reduced consulting costs. Costs for product development were capitalized by SEK 13.2 million (21.3). Total R&D expenditure, excluding impairment of intangible assets, corresponds to 17.3 percent (21.6) of net sales.

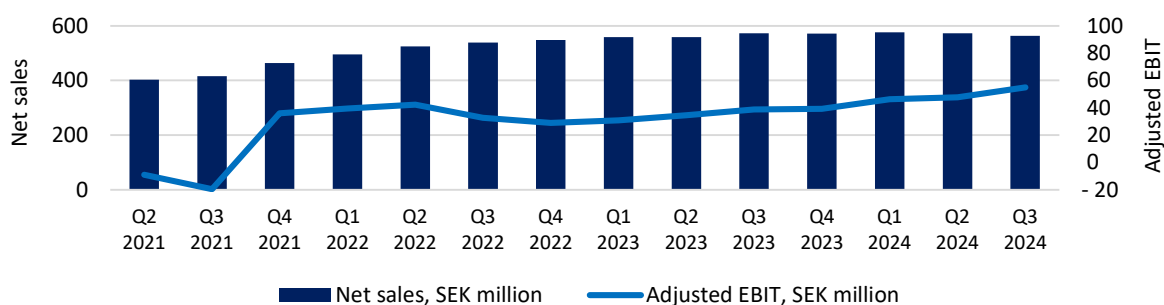
Net of other operating income and other operating expenses amounted to SEK -0.5 million (-1.2).

Operating profit

Operating profit, adjusted for non-recurring expenses, amounted to SEK 15.3 million (7.9) and corresponded to an operating margin of 11.8 percent (5.7).

Operating profit, including non-recurring expenses, amounted to SEK -278.9 million (7.9), corresponding to an operating margin of -213.8 percent (5.7).

Net sales and adjusted operating profit (EBIT), rolling 12 months



Net financial items

Net financial items amounted to SEK -2.7 million (-2.6), mainly relating to interest expenses of SEK -3.1 million (-3.6).

Earnings

Adjusted profit for the period amounted to SEK 65.0 million (4.6), mainly due to the fact that tax expenses in the quarter were very positive and amounted to SEK 52.4 million (-0.7), of which deferred tax amounted to SEK 55.7 million. The large tax item is a tax effect of the impairment of capitalized assets.

Financing and cash flow

Cash flow from operating activities during the quarter amounted to SEK 5.2 million (27.8). Working capital was positively impacted by lower operating receivables (excluding EKN) of SEK 3.8 million, lower operating liabilities of SEK 16.4 million had a negative impact on cash flow.

Cash flow from financing activities during the quarter amounted to SEK -4.8 million (3.4). Financial liabilities (EKN financing) decreased by SEK 11.5 million, and SEK 28.1 million of the overdraft facility was utilised.

Cash flow for the quarter amounted to SEK -16.1 million (8.5) and cash and cash equivalents as of September 30 amounted to SEK 17.2 million (52.9). The Group's available cash and cash equivalents, including unutilised overdraft facilities, amounted to SEK 47.7 million (112.1) as of 30 September.

Investments

Total investments in the quarter amounted to SEK 16.5 million (22.7), of which capitalized development of new technology and product platform amounted to SEK 13.2 million (21.3).

Equity and liabilities

As of September 30, the Group's equity amounted to SEK 254.9 million (484.7) and the equity/assets ratio was 47.3 percent (61.8).

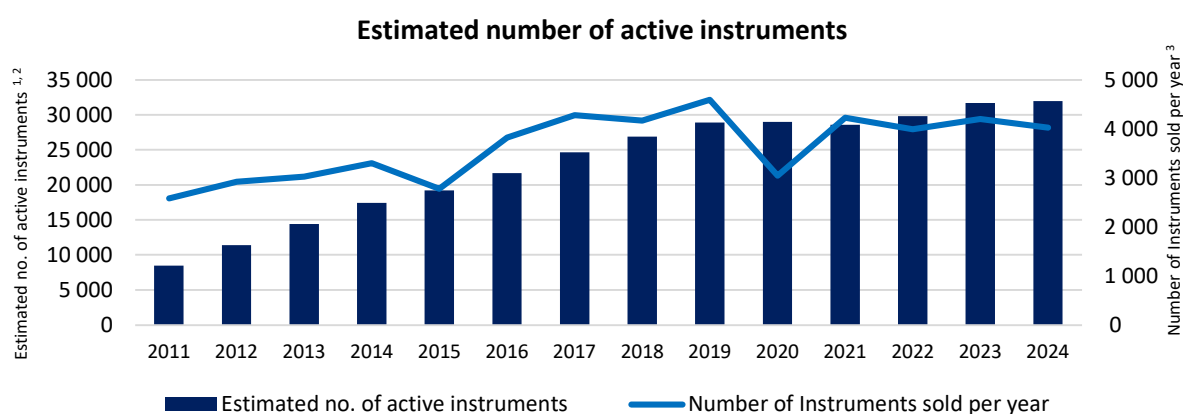
Interest-bearing liabilities, excluding leases, relate to pledged trade receivables guaranteed by EKN and external bank loans and amounted to a total of SEK 163.9 million (160.7) as of 30 September. Of these, SEK 53.1 million (48.5) were non-current and SEK 110.8 million (112.2) were current. As of September 30, external bank loans totalled SEK 53.7 million (38.4). Of these, SEK 13.4 million (23.2) was non-current and SEK 40.3 million (15.2) was current. As of September 30, the overdraft facility was utilized in the amount of SEK 28.1 million (0) and other, non-interest-bearing, current liabilities and trade payables amounted to SEK 91.0 million (101.1).

Lease liabilities as of September 30 amounted to SEK 14.4 million (27.0), of which SEK 3.0 million (13.4) pertains to non-current liabilities and SEK 11.3 million (13.6) to current liabilities. Net debt as of September 30 amounted to SEK -19.9 million (12.7).

Deferred tax assets as of September 30 amounted to SEK 51.2 million (0) and deferred tax liabilities to SEK 1.7 million (8.1). Non-current provisions relate to direct pensions of SEK 4.0 million (3.1).

Installed base of instruments

During the quarter, 716 instruments were sold, compared to 1,010 instruments in the same quarter last year. The estimated lifespan of instruments is 7.5 years for instruments produced from 2021 onwards. At the end of the quarter, the active installed base is estimated at 31,967 instruments.



¹ Estimated active installed base is based on an expected lifetime of the instruments of 7.5 years.

² As of September 30, 2024, the accumulated number of instruments sold since 2006 amounts to 55,779.

³ Number of instruments sold in 2024 refers to sales per rolling 12 months.

Significant risks and uncertainties

Boule's operations are global, which entails exposure to various forms of both strategic risks, operational risks and financial risks. Strategic risks mainly represent changes in the company's environment that can therefore have a significant impact on the business, for example, the ongoing unrest in the Middle East can affect sales in the

region. Operational risks relate to the business as such and may have a potential impact on the Group's earnings. The financial risks consist mainly of financing risk, currency risk, interest rate risk and credit risk.

Boule works continuously to manage the risks and uncertainties that exist, as well as with the Risk Inventory that forms the basis for discovering new risks and uncertainties. The work is carried out systematically with the aim of making risks visible and limiting risk exposure and any impact if a risk arises.

For a more detailed description, see the section Risks and opportunities on page 40 of the Annual Report for 2023.

Uncertainties due to the war in Ukraine

Boule continues to operate in Russia. Immediately after Russia's attack on Ukraine in the spring of 2022, Boule put in place processes to ensure that all sales and transactions comply with all sanctions. Boule are regularly taking advantage of legal expertise to ensure knowledge of sanctions and their interpretation. Healthcare products are normally not subject to sanctions. Boule is making no new investments but maintaining current business.

However, purchases, transportation and financial transactions are limited by various practical problems, which is why Boule uses third country partners to carry out its activities. All such transactions are signed off by our legal experts to ensure that Boule is in no way in breach of sanctions. Sanctions are constantly changing, so this is a work in progress.

For the full year 2023, Boule's sales to Russia amounted to 7 percent (10) of net sales. In the third quarter of 2024, the corresponding share was 8.5 percent of net sales. The Group has employees in Russia and a production facility for consumables distributed to the Russian market.

Boule's ability to transact with Russia, and maintain the supply chain for critical components, deteriorated further in the third quarter. Against this background, it has been decided to initiate the process of divesting our manufacturing facility in Russia. Furthermore, the unpredictable situation in Russia means that a revaluation of the Group's assets in Russia has been carried out, which resulted in an impairment of SEK 43 million in the third quarter, SEK 26.2 million of this affected the Group's earnings, SEK 16.8 million affected the legal entity in Sweden. In the event of a liquidation, additional costs may be incurred.

Related party transactions

Apart from remuneration to the Board of Directors and senior executives, no transactions with related parties have taken place during the period.

Significant events during the interim period

On October 8, Boule Diagnostics announced non-cash non-recurring expenses in the third quarter totalling SEK 308 million.

Of these, SEK 265 million was related to an impairment of intangible assets capitalized for the BM900 technology platform. Originally, it was planned to develop a 3-part instrument variant on the BM900 platform, but now the assessment is that the current 3-part platform meets market requirements, and thus no 3-part instrument will be developed on the platform, capitalized expenses regarding this part have therefore been written down. In addition, the BM900 5-part platform has suffered significant delays, resulting in increased development costs.

The unpredictable situation in Russia means that Boule has decided to initiate the process of divesting the manufacturing facility in Russia and a revaluation of the Group's assets in Russia has resulted in an impairment of SEK 43 million in the third quarter. The write-down impacted the Group's earnings by SEK 26.2 million, the other SEK 16.8 million affected the legal entity in Sweden.

Significant events after the end of the interim period

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

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 revenues are attributable to Group-wide services. Risks and uncertainties in the Parent Company coincide indirectly with those of the Group.

Employees

The average number of employees in the Group during the quarter was 227 (223), of which 7 (7) were in the Parent Company. Distributed by country, the average number in Sweden was 119 (120), the United States 97 (92), Mexico 2 (2), Russia 10 (9). The average number of women in the Group was 99 (101) and the average number of men was 128 (123). Employees in countries where Boule does not have a legal entity are not included in the number of employees as they are employed through external companies and are instead included as consulting expenses.

Number of shares

The total number of shares and votes in Boule Diagnostics AB is 38,833,104.

Shareholders, 30 Sep 2024 (accord. to Euroclear)	Number of shares 30 Sep	Share of capital/votes
AB Grenspecialisten	4,887,268	12.6%
Svolder AB	4,289,159	11.0%
Thomas Eklund incl. company	4,038,728	10.4%
Swedbank Robur Fonder AB	3,432,230	8.8%
Tredje AP-fonden	3,251,542	8.4%
Nordea Investment Funds	3,026,301	7.8%
Skandinaviska Enskilda Banken AB	1,608,912	4.1%
Andra AP-Fonden	1,369,948	3.5%
Tomas Wedel	1,048,688	2.7%
Sijoitusrahasto Aktia Nordic	992,540	2.6%
JP Morgan Chase Bank NA	872,338	2.2%
Avanza Pension	854,637	2.2%
Other shareholders (2476)	9,160,813	23.6%
Total number of shares	38,833,104	100.0%

The Board of Directors and the CEO certify that this interim 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, 25 October 2024

Boule Diagnostics AB (publ)

Torben Jørgensen
Chairman of the Board

Karin Dahllöf

Thomas Eklund

Emil Hjalmarsson

Yvonne Mårtensson

Rikke Rytter

Torben Nielsen
Chief executive officer

Auditor review

This interim report has been reviewed by the company's auditors.



Auditor's report

Unofficial translation of original document

Boule Diagnostics AB (publ) corp. reg. no. 556535-0225

Introduction

We have reviewed the condensed interim financial information (interim report) of Boule Diagnostics AB (publ) as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Stockholm the 25 of October 2024

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg
Authorized Public Accountant

Patric Kruse
Authorized Public Accountant

Consolidated income statement and other comprehensive income

SEK millions	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Net sales		130.4	139.6	415.2	423.2
Cost of goods sold		-69.4	-81.8	-226.8	-239.4
Gross profit		61.0	57.8	188.4	183.8
<i>Gross margin</i>		46.8%	41.4%	44.7%	43.4%
Selling expenses		-31.4	-29.4	-95.2	-87.9
Administrative expenses		-7.5	-6.5	-28.0	-24.2
Research and development expenses	2	-274.4	-12.7	-295.4	-38.2
Other operating income and expenses		-0.5	-1.2	-5.6	-4.7
Write-down of assets in Russia		-26.2	0.0	-26.2	0.0
Operating profit		-278.9	7.9	-262.1	28.8
<i>Operating margin</i>		-	5.7%	-	6.8%
Finance income		0.4	0.9	1.9	1.5
Finance costs		-3.1	-3.5	-9.4	-9.2
Net financial items		-2.7	-2.6	-7.4	-7.6
Profit before tax		-281.6	5.3	-269.5	21.2
Income tax		52.4	-0.7	48.5	-4.6
Profit for the period		-229.2	4.6	-221.0	16.5
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to profit/loss for the period					
Exchange differences on translation of foreign subsidiaries for the period		-12.1	-2.5	0.8	6.3
Total other comprehensive income		-12.1	-2.5	0.8	6.3
Total comprehensive income for the period		-241.3	2.1	-220.2	22.8
Basic earnings per share, SEK		-5.90	0.12	-5.69	0.43
Diluted earnings per share, SEK		-5.90	0.12	-5.69	0.43

Since the Group has no non-controlling ownership, the entire profit constitutes the parent company's profit.

Consolidated statement of financial position

SEK millions	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Capitalized development expenses	2	80.4	275.2	293.6
Goodwill		85.8	90.9	85.4
Total intangible assets		166.2	366.1	379.0
Property, plant and equipment				
Right-of-use assets		13.5	27.4	23.5
Plant and machinery		10.7	7.9	7.0
Equipment, tools, fixtures and fittings		8.4	15.1	9.9
Leasehold improvements		3.1	4.3	3.9
Total property, plant and equipment		35.7	54.6	44.3
Financial assets				
Other financial assets		4.5	2.9	3.2
Non-current trade receivables (guaranteed 75-95% by EKN)	3	50.9	50.5	48.6
Total financial assets		55.4	53.5	51.9
Deferred tax assets		51.2	-	-
Total non-current assets		308.6	474.1	475.2
CURRENT ASSETS				
Inventories				
Raw materials and supplies		28.7	39.6	24.0
Products in progress		6.1	5.4	5.2
Finished goods and merchandise		24.7	30.4	33.2
Total inventories		59.5	75.4	62.4
Current receivables				
Tax assets		5.9	7.9	7.8
Trade receivables		39.4	58.7	60.6
Trade receivables (guaranteed 75-95% by EKN)	3	90.3	97.0	93.2
Other receivables		3.4	7.5	6.7
Prepaid expenses and accrued income		14.2	11.1	11.9
Total current receivables		153.2	182.3	180.2
Cash and cash equivalents	3	17.2	52.9	37.3
Total current assets		229.9	310.5	279.9
TOTAL ASSETS		538.5	784.7	755.1

SEK millions	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
TOTAL EQUITY AND LIABILITIES				
EQUITY				
Share capital		9.8	9.7	9.7
Other contributed capital		336.2	336.2	336.2
Translation reserve		31.4	48.7	30.7
Retained earnings, including profit for the period		-122.5	90.1	98.5
Total equity		254.9	484.7	475.1
LIABILITIES				
Non-current liabilities				
Non-current interest-bearing liabilities	3	13.4	23.2	20.0
Non-current interest-bearing liabilities (for receivables guaranteed by EKI)	3	39.7	25.3	37.7
Non-current lease liabilities	3	3.1	13.4	10.9
Provisions		4.0	3.1	3.4
Deferred tax liabilities		1.7	8.1	4.9
Total non-current liabilities		61.9	73.1	77.0
Current liabilities				
Current interest-bearing liabilities	3	40.3	15.2	12.1
Current interest-bearing liabilities (for receivables guaranteed by EKN)	3	70.5	97.0	72.4
Current lease liabilities	3	11.3	13.6	13.0
Trade payables		29.0	43.6	35.7
Tax liabilities		5.6	3.3	5.9
Other liabilities		16.3	15.4	22.3
Accrued expenses and deferred income		47.6	37.3	40.5
Current provisions		1.1	1.5	1.1
Total current liabilities		221.7	226.8	203.0
Total liabilities		283.5	299.9	280.0
TOTAL EQUITY AND LIABILITIES		538.5	784.7	755.1

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, 2023	9.7	336.8	42.5	73.6	462.5
Comprehensive income for the period					
Profit for the period				16.5	16.5
Other comprehensive income for the period			6.3		6.3
Comprehensive income for the period			6.3	16.5	22.8
Transactions with shareholders					
Costs for new share issue		-0.6			-0.6
Dividend				-	-
EQUITY, 30 SEP, 2023	9.7	336.2	48.7	90.1	484.7
EQUITY, JANUARY 1, 2024	9.7	336.2	30.7	98.5	475.1
Comprehensive income for the period					
Profit for the period				-221.0	-221.0
Other comprehensive income for the period			0.8		0.8
Comprehensive income for the period			0.8	-221.0	-220.2
Transactions with shareholders					
Dividend				-	-
EQUITY, 30 SEP, 2024	9.7	336.2	31.5	-122.5	254.9

Consolidated cash flow statement

SEK millions	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Operating activities				
Operating profit	-278.9	7.9	-262.1	28.8
Adjustments for non-cash items	291.9	3.6	307.5	22.7
Interest received	0.4	0.9	1.9	1.5
Interest paid	-2.8	-2.8	-9.5	-8.4
Income tax paid	0.3	-0.8	-5.9	-10.4
Cash flow from operating activities before changes in working capital	11.0	8.9	32.0	34.2
Cash flow from changes in working capital				
Increase (-) / Decrease (+) in inventories	0.6	7.5	-4.7	-1.7
Increase (-) / Decrease (+) in operating receivables	3.8	14.7	8.4	2.0
Increase (-) / Decrease (+) in operating receivables (guaranteed by EKN)	6.2	-2.9	0.6	-22.4
Increase (+) / Decrease (-) in operating liabilities	-16.4	-0.4	-4.8	10.1
Cash flow from operating activities	5.2	27.8	31.5	22.3
Investing activities				
Acquisition of property, plant and equipment	-3.3	-1.4	-6.9	-6.6
Investment in capitalized development expenses	-13.2	-21.3	-56.2	-54.8
Cash flow from investing activities	-16.5	-22.7	-63.1	-61.3
Financing activities				
Proceeds and (+) Repayment (-) of borrowings	-6.0	0.0	-6.0	-6.0
Increase (+) / Decrease (-) in financial liabilities (EKN financing)	-11.5	6.8	0.1	13.7
Increase (+) / Decrease (-) in financial liabilities	16.1	-0.2	27.6	-0.8
Costs for new share issue	-	0.0	-	-0.6
Lease liability payments	-3.5	-3.2	-10.4	-9.8
Cash flow from financing activities	-4.8	3.4	11.3	-3.5
Cash flow for the period	-16.1	8.5	-20.3	-42.6
Cash and cash equivalents at beginning of period	34.7	45.9	37.3	96.9
Exchange differences in cash and cash equivalents	-1.4	-1.6	0.2	-1.5
Cash and cash equivalents at end of period	17.2	52.9	17.2	52.9

Income statement for the parent company

SEK millions	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Net sales	7.2	8.4	22.8	25.1
Administrative expenses	-5.5	-4.5	-21.9	-17.5
Other operating expenses	-1.7	-1.1	-6.0	-2.7
Operating profit	0.0	2.8	-5.1	4.9
Dividend from subsidiaries	-	11.1	21.2	17.5
Profit/loss from financial items	0.0	-	-0.1	-
Profit/loss after financial items	0.0	14.0	16.0	22.4
Group contribution	-	-	-	-
Profit/loss before tax	0.0	14.0	16.0	22.4
Tax	-	-	0.1	-
Net profit/loss	0.0	14.0	16.1	22.4

As no items are reported in other comprehensive income, the parent company's profit is consistent with the comprehensive income of the parent company.

Balance sheet of the parent company

SEK millions	30 Sep 2024	30 Sep 2023	31 Dec 2023
NON-CURRENT ASSETS			
Intangible assets			
Capitalized development expenses	-	0.1	-
Total intangible assets	-	0.1	-
Property, plant and equipment			
Equipment	0.0	0.1	0.1
Total property, plant and equipment	0.0	0.1	0.1
Financial assets			
Shares in Group companies	390.3	290.3	330.3
Other financial assets	3.2	2.5	2.8
Deferred tax assets	1.8	0.1	1.8
Total financial assets	395.4	293.0	334.9
Total non-current assets	395.4	293.2	335.1
CURRENT ASSETS			
Tax assets	1.7	2.6	1.7
Receivables from Group companies	-	24.3	-
Other receivables	-0.3	0.0	0.7
Prepaid expenses and accrued income	2.6	2.6	2.9
Total current receivables	4.1	29.5	5.3
Cash and bank balances	1.1	2.8	0.1
Total current assets	5.2	32.2	5.4
TOTAL ASSETS	400.6	325.5	340.5
EQUITY	327.2	312.8	311.1
LIABILITIES			
Non-current liabilities			
Other provisions	4.0	3.1	3.4
Total non-current liabilities	4.0	3.1	3.4
Current liabilities			
Trade payables	2.5	4.5	4.5
Liabilities to Group companies	55.6	-	16.1
Other liabilities	1.2	0.9	0.3
Accrued expenses and deferred income	9.9	4.2	4.9
Total current liabilities	69.3	9.6	25.9
Total liabilities	73.3	12.7	29.3
TOTAL EQUITY AND LIABILITIES	400.6	325.5	340.5

Note 1 Accounting policies

Boule Diagnostics AB (publ) applies IFRS (International Financial Reporting Standards) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities.

The interim report should be read together with the Annual report for the financial year ending 31 December, 2023. The accounting policies are in accordance with the principles applied in the previous financial year. The fair value of financial assets and liabilities are considered to be equal to their carrying amounts.

The interim information on pages 1-8 forms an integral part of this financial report, which covers pages 1-21.

Note 2 Capitalized development expenditure

SEK millions	30 Sep 2024	30 Sep 2023	31 Dec 2023
Opening balance	293.6	225.2	225.2
Internally developed expenses year to date	56.2	54.8	75.8
Amortizations year to date	-4.4	-4.8	-7.5
Write-downs year to date	-265.0	-	-
Closing balance	80.4	275.2	293.6

Note 3 Net cash/debt

SEK millions	30 Sep 2024	30 Sep 2023	31 Dec 2023
Cash and cash equivalents	17.2	52.9	37.3
Liabilities to credit institutions	-53.7	-38.4	-32.1
Lease-related liabilities	-14.4	-27.0	-23.9
Other interest carrying assets (EKN)	31.0	25.2	31.7
Net cash (+) / net debt (-)	-19.9	12.7	12.9

Note 4 Pledged assets and contingent liabilities

As of 30 Sep, SEK millions	Group		Parent Company	
	2024	2023	2024	2023
Pledged assets	277.9	291.7	6.5	5.6
Contingent liabilities	-	-	110.2	123.6

Note 5 Currency exchange rates

Material currencies average rates	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
EUR	11.41	11.48	11.48
USD	10.50	10.59	10.61
RUB	0.12	0.13	0.13

Material currencies balance date	30 Sep 2024	30 Sep 2023	31 Dec 2023
EUR	11.30	11.49	11.10
USD	10.09	10.84	10.04
RUB	0.11	0.11	0.11

Quarterly overview

	2024				2023			2022	
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales, SEK million	130.4	137.0	147.8	148.1	139.6	140.5	143.1	149.2	125.6
Gross profit, SEK million	61.0	59.1	68.3	65.9	57.8	59.9	66.1	66.7	51.1
Gross margin, %	46.8	43.1	46.2	44.5	41.4	42.7	46.2	44.7	40.7
EBITDA, SEK million	-272.7	7.6	22.5	15.9	14.2	21.6	18.4	15.8	11.8
EBITDA margin, %	-209.1	5.5	15.2	10.7	10.2	15.4	12.9	10.6	9.4
Depreciation and impairment of property, plant and equipment, SEK million	4.7	4.8	5.6	8.8	4.6	4.7	4.7	4.1	6.6
EBITA, SEK million	-277.4	2.8	16.9	11.6	9.6	10.4	13.8	11.7	5.2
EBITA margin, %	-212.7	2.1	11.5	7.9	6.8	7.4	9.6	7.8	4.2
Amortization and impairment of intangible assets, SEK million	1.5	1.5	1.5	1.2	1.6	1.7	1.7	1.6	1.6
EBIT, SEK million	-278.9	1.4	15.4	10.5	7.9	8.7	12.1	10.0	3.6
EBIT margin, %	-213.8	1.0	10.5	7.1	5.7	6.2	8.5	6.7	2.9
Adjusted EBIT, SEK million	15.3	9.9	19.1	10.5	7.9	8.7	12.1	10.0	3.6
Adjusted EBIT margin, %	11.8	7.2	12.9	7.1	5.7	6.2	8.5	6.7	2.9
Profit for the period, SEK million	-229.2	-1.6	9.8	8.4	4.6	4.1	7.9	2.9	2.4
Basic earnings per share, SEK	-5.90	-0.04	0.25	0.22	0.12	0.11	0.20	0.09	0.09
Diluted earnings per share, SEK	-5.90	-0.04	0.25	0.22	0.12	0.11	0.20	0.09	0.09
Cash flow from operating activities per share, SEK	0.13	0.36	0.32	0.75	0.72	0.09	-0.23	0.42	-0.59
Return on equity, %	-61.0	-0.3	2.0	1.8	0.9	0.9	2.0	0.8	0.7
Net cash (+) net debt (-) / EBIT (R12)	-0.1	0.0	0.2	0.3	0.3	-0.3	0.5	1.1	2.2
Equity/assets ratio, %	47.3	61.8	62.4	62.9	61.8	61.8	61.2	60.9	48.6

Definitions

Use of key performance measures not defined in IFRS

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 below 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 current period, excluding acquisitions, divestments and currency effects in relation to the net sales in the corresponding period last year, expressed as a percentage change.

Gross profit is net sales less cost of goods sold.

Gross margin is gross profit divided by net sales.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is profit before net financial items, taxes, 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.

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

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

Adjusted operating profit (EBIT) is operating profit adjusted for non-recurring expenses, before net financial items and taxes.

Adjusted operating margin (EBIT) is operating profit adjusted by non-recurring expenses divided by net sales.

Non-recurring expenses refer to restructuring costs and write-downs not attributable to operating activities

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 (Net cash) 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.

About Boule Diagnostics

Boule Diagnostics AB 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 571 million in 2023 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

Year-end report 2024

February 11, 2025

Presentation of the interim report

CEO Torben Nielsen and CFO Holger Lembrér will present and comment on the interim report via Teams. After the presentation, there will be time for questions.

The presentation will be held in English.

Time: 10:00 a.m. CET on October 25, 2024

Join the Teams Live Event and download the presentation material at:

<https://boule.com/investor-relations/>



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