

Annual Report 2022

Boule Diagnostics AB (publ)



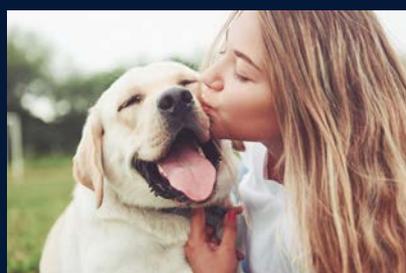
Specialist in decentralized blood diagnostics

Boule Diagnostics AB is a global diagnostics company specialized in 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.



Global presence

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



Humans and animals

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

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Improving health for everyone, everywhere

THE YEAR IN BRIEF

Increased investment in renewed product portfolio and global presence



Net sales,
SEK million

548

Gross margin

42%

Operating profit/
loss, SEK million

29

Operating cash flow,
SEK million

-11

Collecting data with the new instrument platform

In the summer of 2022, a first prototype was placed in a hospital to collect external clinical data. Later in the year, further developed prototypes were used for the development of consumables. This is an important step towards preparing to start the clinical studies needed to validate clinical performance and make regulatory applications for new products.

First formal release of our new product platform

In December, we passed an important milestone in the development of the new product platform with the first technical release of our cloud solution. By putting this infrastructure in place, we can build operational and usage experience and simplify the testing of new features before the full commercial launch in 2024.

Agreement on the production of reagents in India

In the fall of 2022, we announced our intention to manufacture reagents locally in India. India is an important market for us, and already more than 30 million tests per year are performed with Boules hematology instruments.

Boule has entered into a reagent license agreement with Q-line Biotech, a subsidiary of our distributor POCT, a strong and well-established player in India. First customer deliveries are planned for the third quarter of 2023.

IVDR – new European regulations implemented

IVDR, the new regulatory framework, came into effect in May 2022. Boule has done extensive work and has implemented the regulatory framework for the products now covered by the IVDR. Boule has also obtained a new ISO 13485 and CE marked our 3-part instruments according to IVDR. By fall 2022, only a small number of companies had obtained both ISO 13485 certificates and new CE marks issued under the IVDR. Thanks to this, we are well prepared for regulatory applications for our upcoming products.

Improvements in quality management – FDA inspections

The FDA conducted a routine inspection of the operations of our US subsidiary in the summer of 2022. They issued a "Form 483" containing observations on documentation for certain processes. We took immediate corrective action. This action includes the digitalization of our quality system and the implementation of modern IT support to give us a good overview of all processes. The new system will be introduced in the US in 2023 and it is our intention to eventually implement this globally.

Rights issue

On October 3, the Board decided on a rights issue of SEK 150 million. The issue was approved by an Extraordinary General Meeting on November 1.

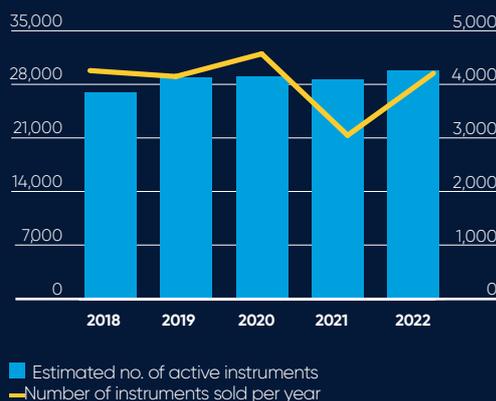
The capital injection will be used to finalize the development of our new product platform, prepare for the launch of the first instrument, an advanced 5-part instrument, a future 3-part instrument and to enable cloud connectivity.

The war in Ukraine

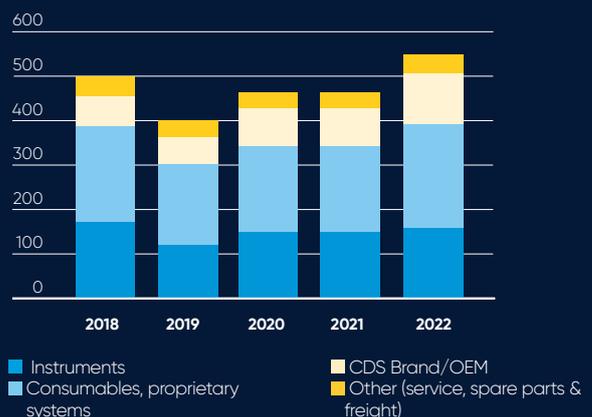
The Russian attack on Ukraine has affected Boule negatively, both through the overall deterioration of the world economy and through direct impact on sales in Russia. Boule has been operating in Russia for the last 20 years, and it was a growth market up until February 2022. In 2021, Boule established reagent manufacturing for the local market. Although neither Boule's products nor customers are subject to any sanctions, there are difficulties in conducting financial transactions to and from Russia. Boule is not investing in Russia other than trying to meet demand in already established business and commitments to distributors.

The management and Board of Directors follow political developments and all business activities are conducted in accordance with applicable sanctions. We are prepared to act when necessary.

Estimated number of active instruments



Sales



Focus on new products and growth

We started 2022 with a well-filled order book and optimism, but the world did not move in the direction we expected and wanted. Nevertheless, we managed to maintain our sales and achieve success in several strategic areas. Most importantly, the first product on our new platform, an advanced 5-part instrument, took shape and we secured the financing of the platform development through a rights issue. We enter 2023 with a strong sense of confidence in the future and a readiness to continue to deal with an uncertain world.

A business concept that creates value

In a world characterized by increasing political conflicts, wars and challenges in the global economy, Boule's activities are particularly meaningful. Our business aims to provide diagnostic solutions to everyone, everywhere around the world. Boule's automated hematology systems have been used for more than 60 years by clinical laboratories around the world. Our blood tests help provide healthcare professionals with an important first indication of many medical conditions. We have a global presence where a large network of loyal distributors market, sell and manage service. This makes our business scalable.

Boule and our product brands Medonic, Swelab and Exigo are well known and seen as leading quality products, which is reflected in the distributor surveys we conduct every year. It makes me proud of both Boule's employees and products.

We are constantly working on refining our customer offer and expanding the service we provide to our partners. We have received very positive feedback on the Boule Academy, where we share knowledge and train users and distributors. A key to customer satisfaction is working closely with them and having our own staff in our main markets.

Renewed product portfolio

The hematology market has been undergoing a generational and technological shift for a couple of years now, where the growth of 5-part instruments is increasing while the growth of 3-part instruments is decreasing and more competitive. To secure our position as a leading and global player in decentral-

ized blood diagnostics, development work has been ongoing since 2017 to develop a completely new product platform. The development also includes a cloud-based infrastructure with related services.

We are in an intensive development phase where the first product, an advanced 5-part instrument, is approaching release. During the year, we will conduct clinical tests and validation studies. Results from these studies will be used for regulatory applications planned for the end of this year. Application times for IVDR certification and FDA approval are long, and we expect the commercial launch to be in 2024.

The development passed a milestone when we made the first technical release of our cloud solution at the end of 2022. By putting this infrastructure in place builds we can build experience in the operation and use of this type of service leading up to the full commercial launch.

The investment in our new product platform will enable our entire product portfolio to be upgraded over the next five years. Our long-term ambition is to continuously broaden our offering of new products and related services to deliver new innovative solutions, which will allow us to participate in significantly more procurements and address segments with higher growth than today.

New and expanded partnerships

We see an increased business potential in the Middle East and Africa thanks to our own local staff in the region. In 2022, we added new distributors mainly in the Middle East. We have also



started a partnership with Fujifilm, which now sells our veterinary products in several countries in Europe. We have received positive feedback from the first installations and we are now discussing an extended distribution agreement.

Boule is also a sought-after partner for other hematology manufacturers, as we have unique expertise with our own development and production for both instruments, reagents, blood controls and calibrators. Our OEM customers for reagents, controls and calibrators showed good growth in 2022 and communicate increasing volumes for 2023, as well. At the same time, we are working with several smaller companies developing new products that have the potential to contribute to our growth in a few years' time.

Our efforts to start local license manufacturing of reagents in India are progressing according to plan. Local production has many advantages. It improves our ability to participate and win local tenders, while reducing our costs and leading to more sustainable, environmentally friendly transport. The first customer deliveries in India are planned for the third quarter of 2023.

Customer focus and partnership

During the turbulence of recent years with the pandemic, logistics problems, macroeconomic challenges and, not least, war in Europe, our employees have shown a determination to ensure deliveries and adapt to new regulatory frameworks while pursuing new developments. It has been very challenging and would not have been possible without our employees' care for custom-

ers, hard work and desire to succeed.

Work continues on streamlining how we work to compensate for inflationary and higher cost levels. We are in an exciting phase that offers many opportunities for all of us to develop, but which also requires constant change. We are working to create an environment that attracts, develops and retains a multicultural workforce to drive innovative thinking based on teamwork and a customer-oriented mindset. All based on solid technological and clinical expertise.

We continue to develop our partnerships globally, develop new products and find innovative solutions to deliver high availability and reliable diagnostic results. I am confident that our continued growth and success will benefit all our stakeholders, not least our shareholders.

I would like to thank all employees, customers, partners and shareholders for their support over the past year. I look forward to renewing and expanding our product portfolio and developing our partnerships with both distributors and OEM customers in the coming years.

Jesper Söderqvist
CEO, Boule Diagnostics

Financial targets

Operating margin

Target

>15%

Operating margin

Outcome

5.3% ^(7.8)

The operating margin deteriorated in 2022 due to increased input costs, the purchase of electronic components at spot prices and disruptions in production. An improvement was seen in the latter part of the year thanks to the impact of price increases.

Sales growth

Target

>10%

Long-term sales growth

Outcome

18.3% ^(15.7)

Adjusted for changes in exchange rates, the business grew by 3.9%. Sales of consumables continue in a positive direction.

Net debt/EBIT, times

Target

<3_x

Net debt/EBIT

Outcome

1.1_x ^(0,.0)

The net debt to EBIT ratio decreased mainly due to lower EBIT. Boule has had a good financial position since the new share issue in the fall of 2022.

Dividend

No dividend is proposed due to the recent share issue.





STRATEGY

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

Boule has three goals that guide our work towards long-term economic and social value creation. For outcomes in 2022, see page 31.



Boule aims to achieve the highest level of customer satisfaction by providing instruments and related consumables with quality and ease of use:

By continuously striving to have the most satisfied customers, Boule ensures that the total offer is focused on patient benefit and that employees drive innovation with a purpose, which in turn creates long-term customer benefits and high satisfaction.



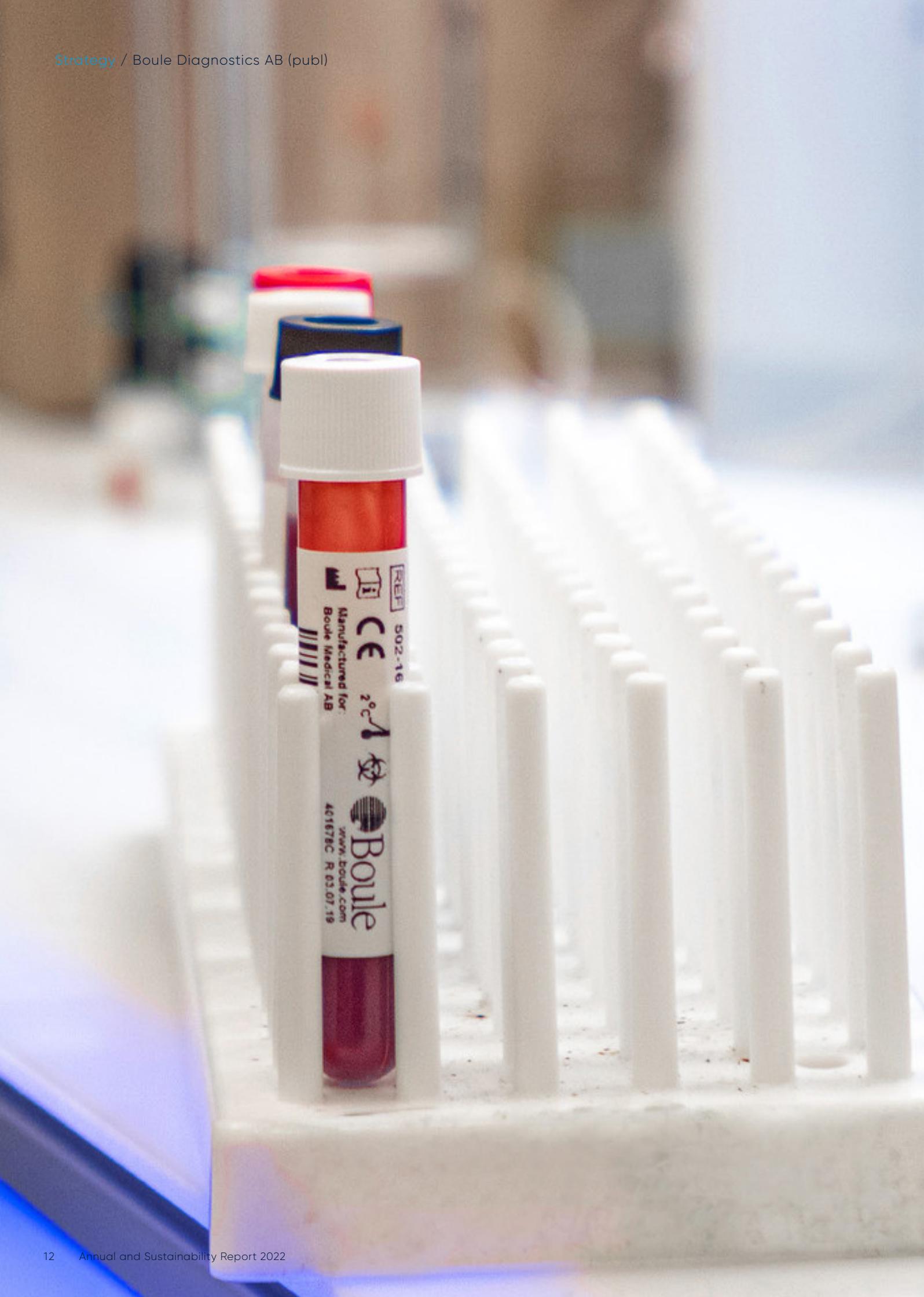
Boule aims to be a highly valued employer

By working actively to create an environment that attracts and retains a multicultural workforce that drives innovative thinking based on teamwork, flexibility and customer-oriented mindset based on a solid knowledge of technology and clinical expertise.



Boule's products should be used in more than 500 million tests annually:

Boule has a rich heritage in hematological diagnostics and is passionate about providing versatile, high-quality, decentralized diagnostic solutions. By providing cost-effective tests to support doctors globally in their quest for early detection and diagnosis of disease, Boule can make a real difference in people's lives.



Strategic pillars for growth

High-quality instrument platforms, well-established distribution channels and strong product brands give Boule a stable foundation for future growth.

The global decentralized hematology market in which Boule operates has underlying market growth, especially in the 5-part segment. Furthermore, Boule is strongly positioned in several of the fastest growing submarkets. Boule has historically shown revenue growth that has exceeded the growth rate of the underlying mar-

ket. Through strategic expansion based on the Boules brand and proven technology, we believe there is an opportunity to maintain a continued good growth rate. We have identified three strategic pillars with a view to generate long-term profitable growth:



Increase value for distributors and users:

Boule strives for high value creation and customer satisfaction for all stakeholders in order to ensure long-term competitiveness. The strategy mainly focuses on value creation for distributors and users where Boule intends to retain current partners and continue with the geographical expansion. Boule manages its global distributor network by thinking globally while acting with local expertise.

Progress in 2022

- ▶ Agreement on local reagent production in India to meet "Made in India" requirements for public procurement contracts
- ▶ Increased participation within the Boule Academy for our training activities
- ▶ Expansion in the Middle East and Africa with several new distributors

Invest in sustainable product development:

Boule aims to offer a relevant and competitive product portfolio based on proprietary technology, with new solutions launched regularly. To achieve this, Boule is investing in strengthening its skills and capacity for innovation and new development. Boule is furthermore working intensively on a new product platform that will update our entire product portfolio over the next five years. Similarly, Boule may distribute other products if they complement its market position and contribute to increased sales of consumables.

Progress in 2022

- ▶ Quality system and 3-part instruments certified according to new European IVDR regulations
- ▶ First prototype of upcoming 5-part instrument deployed for external clinical data collection
- ▶ First technical release of cloud solution for new product platform

Increase the number of tests done with Boule's solutions:

Boule is actively working to increase the number of tests conducted globally with our own instruments in order to contribute to people's well-being and increase profitability. Continued expansion in developing countries increases the installed base while Boule works in parallel to map out markets to identify new customer segments. With an expanded product portfolio with Boule's upcoming 5-part instrument, the addressable market is growing.

Progress in 2022

- ▶ The use of instruments is back to pre-pandemic levels
- ▶ Fujifilm new distributor in Southern Europe for veterinary products
- ▶ >7% increase in the number of tests in 2022.

MARKET

Growth was hampered in 2022 by temporary disruptions

Trends

- ▶ Shift from 3-part to 5-part instruments. In the decentralized market, 3-part instruments will remain the largest portion of the installed base in the long term.
- ▶ Weak local currencies and inflation reduce the scope for investment, especially in developing countries. The existence of restrictions by central banks on foreign payments in foreign currencies also has an impact.
- ▶ Underlying growth factors are improved living standards, population growth and a growing elderly population.

Decentralized diagnostics

The hematology market as a whole is estimated to have revenue of around SEK 80 billion. Boule operates in the decentralized hematology market, which had sales of just over SEK 8 billion in 2021.¹ The addressable market for Boule’s veterinary products in hematology and clinical chemistry is approximately SEK 2.6 billion, which corresponds to 10% of the total IVD veterinary market.

Market size and growth

The total value of the global market for hematology instruments, reagents and other ancillary products and services is projected to grow at an annual rate of 7.1% between 2021–2028. This means the total market value in 2028 is expected to be around SEK 130 billion. Sales of hematology instruments and related peripheral products account for around 50% of total market sales. Sales of instruments represent around 25% of this submarket, with reagents and other consumables making up the remainder.²

The broader hematology market can be divided into two main segments based on the category of customers targeted by instrument manufacturers: the market for decentralized laboratories and the market for centralized hematology diagnostics. Boule provides instruments and consumables in decentralized hematology diagnostics and does not address the centralized market.

The market for decentralized laboratories

The market for decentralized hematology diagnostics accounts for about 10% of the total hematology market and consists primarily of small and medium-sized hospitals, clinics and laboratories. For 2021–2026, the average annual growth rate of this market is estimated at 2.4% per year. The instruments sold to this market, where the customer needs fewer diagnostic tests per day, are characterized by high user-friendliness and relatively low investment costs. In recent years, the instruments used in the sub-market have become more technologically advanced,

with an increasing degree of automation and with the process increasingly integrated into the instruments. Competition in this market is fragmented and consists, in addition to the large diagnostic companies, of a number of small and medium-sized Asian companies.

The market for centralized laboratories

The remaining 90% of the hematology market involves centralized hematology diagnostics. The products in this segment are based on laser technology, where the whole process is highly automated. The market for centralized laboratories is mainly dominated by global diagnostic companies such as Beckman Coulter, Sysmex, Abbott and Siemens.

Growth factors

Blood diagnostics is an integral part of healthcare and is 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 macro factors such as general population growth and improved living standards in developing countries leading to an increasing proportion of the elderly population. In geographical areas such as Asia, Africa, Latin America and the Middle East, growth is also driven by a continuous increase in access to healthcare, which is even more pronounced in rural areas and small cities. The largest increase is expected in developing countries with low access to diagnostics outside the metropolitan areas and is expected to increase further, which

1) Kalorama Information, Hematology and Coagulation Markets (Lab-based and Decentralized Markets), May 2021
 2) Zion Market Research, The Worldwide Market for in Vitro Diagnostic Tests, 14th Edition, 2022.



Time-efficient near-patient diagnostics improve care efficiency



Source: Kalorama Information, Hematology and Coagulation Markets (Lab-based and Decentralized Markets), May 2021

means rising demand for this type of equipment. In the wake of the pandemic, an increased demand for decentralized testing is also expected in developed countries with requirements for strengthened patient-centric access to healthcare.

Market and technology trends

Trends in the diagnostics market vary in nature depending on the submarket concerned. Boule has observed that these trends are mainly reflected in a demand for instruments with extended functionality for the centralized diagnostics market while the decentralized diagnostics market demands simplicity and robustness.

Decentralized hematology diagnostics refers to sample analysis outside the hospital clinical laboratory while the patient waits. The decentralized hematology market consists of both small, compact bench-top instruments for blood cell counting, as well as handheld instruments such as for hemoglobin analysis. Important to the decentralized diagnostics market therefore are robust instruments that are easy to handle and, in the future, connectivity to bridge the gap between the site of sample analysis testing and centralized expertise. Although the demand for the simpler 3-part systems remains due to their cost-effectiveness and functionality, 5-part systems currently account for about 75% of units sold globally.

Product development

For product development, increased application of machine learning (artificial intelligence), for example to improve algorithms, could allow instrument manufacturers to find patterns more easily in large collections of data. In the longer term, there is also 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.

New EU legislation

With the main aim of improving patient safety, new EU legislation (In Vitro Diagnostic Regulation (IVDR)) entered into force in May 2022. The new legislation affects all manufacturers of diagnostic products and is mandatory for manufacturers and importers to meet the regulatory requirements in Europe. For Boule, this adaptation work has included updates to technical files and revision of quality systems for class A products. Boule has also obtained IVDR certification for Medonic M32 and Swelab Alfa Plus hematology instruments, i.e., in the higher risk class B. Boule is now a member of a globally small and honorable group of medical device companies that have achieved this at such an early stage.

Competitive advantages

Boule is focused on continued expansion in emerging markets, where a local presence combined with Boule's expertise in hematology and robust technology solutions gives it a competitive edge. Particularly in emerging markets, Boule has succeeded in positioning itself well with an offer that is well-adapted to local conditions and demand. With regulatory knowledge, market expertise and well-functioning processes, Boule ensures efficient and profitable sales. Long-term competitiveness is ensured by Boule striving for high customer satisfaction and value creation for all stakeholders, with distributors being of particular importance. The combination of global reach and local expertise and presence is made possible by a well-functioning cooperation with the distribution network. Boule furthermore excels with strong brands such as Swelab, Medonic and Exigo and is seen as a premium supplier by its distributors. The products' main competitive advantages are their user-friendliness, operational reli-

ability, and low maintenance costs. These attributes are equally valued in mature and emerging markets. Boule is also one of the few companies in the global diagnostics market that develops, manufactures and markets instruments and all consumables for blood diagnostics under its own direction.

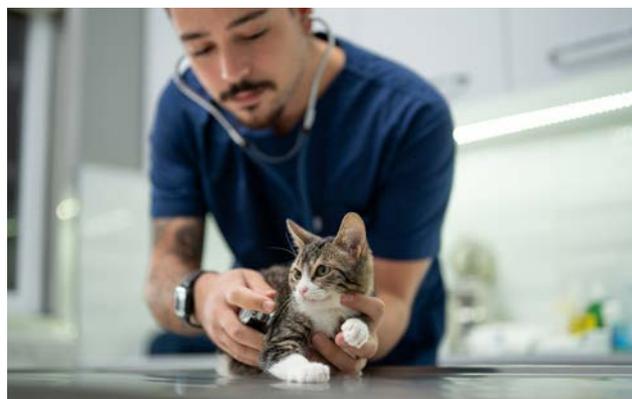
Growing demand for end-to-end solutions

Boule sees that clients in the market are increasingly demanding total solutions. Manufacturers who can offer complete product lines with 5-part, 3-part and veterinary systems and related consumables are rewarded due to simplified logistics chains and similarities in use. Boule therefore seeks to complement its product offering in order to provide a broad product portfolio.

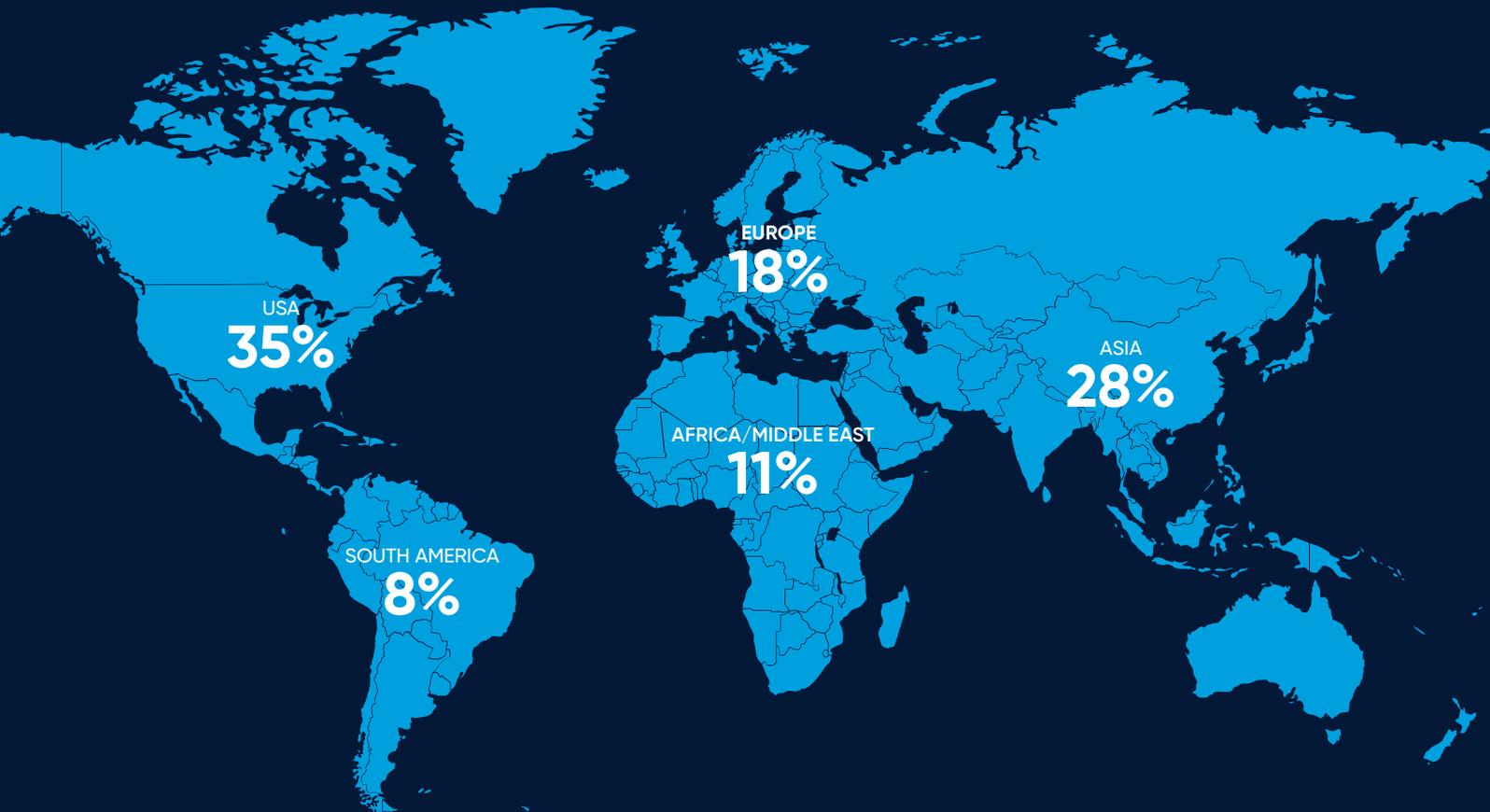
Veterinary market

The veterinary market has shown increasing growth initially driven by an increased interest in pets during the pandemic. The global veterinary market for diagnostics has a market value of approximately SEK 26 billion, of which hematology accounts for approximately 10%, with an annual growth rate of approximately 8%.

Growth in pet ownership is driven by younger generations owning more pets, which is a factor contributing to the growth of the veterinary hematology market. Other factors include a growing population, improved per capita income and increased awareness of animal health in developing countries. In veterinary medicine, the near-patient segment is expected to show the fastest growth in the coming years. This growth is primarily due to the speed, efficiency and ease of use offered by local veterinary clinics. As the financial situation of animal owners improves, the willingness to purchase veterinary services increases, but so does the demand for quality in veterinary medicine.



In the pet market, it is mainly product and technology trends that 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.



200+
distributors in 100 countries

SEK 8_{BN}
Addressable market Human

Strong position in key emerging markets

Boule has a strong position in the emerging markets. With a continued shift towards 5-part solutions, investment in the new product platform will be important to drive growth. The product platform enables an upgrade of the entire portfolio in the coming years to ensure competitive solutions.

USA
R&D
Production
Sales office

Mexico
Sales office

Sweden
Head office
R&D
Production
Sales office

Russia
Production
Sales office

India
Sales office

China
Sales office

United Arab Emirates
Sales office

Kenya
Sales office

SALES

Strong product brands



Sales are made through a global network of loyal distributors.

The sale of instruments generates revenue directly, while the sale of complementary consumables such as reagents, controls and calibrators and services generates revenue of a recurring nature.

Strong product brands

Boule has several strong product brands such as 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. The instruments are sold in different designs to meet various customer needs. A large part of Boule's sales are consumables for the installed base of instruments.

Sales through a global network of loyal distributors.

Boule sales take place through distributors supported by local sales offices in Sweden, USA, India, Mexico, United Arab Emirates, Kenya and Russia. The broad distribution network consists of around 200 operators and includes over 100 countries worldwide. The established sales channels enable Boule to reach customers in a large number of markets in a resource-efficient manner without having to establish its own operations in all countries. The distributors' local knowledge is highly valued by Boule, and a close dialog is maintained to create added value for all parties involved. This is evident in Boule's positioning in most emerging markets, where distributors' knowledge of the local market has a significant impact on business performance.

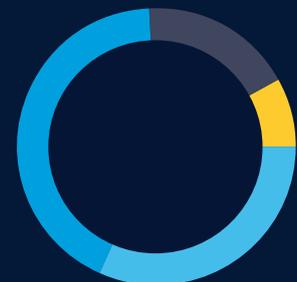
OEM consumables and CDS Brand

An important part of the business is also the sale of reagents, calibrators and controls to OEM customers through "white label" sales to customers who market and sell the consumables under their own brand. Sales to OEM customers are made through the wholly owned subsidiary Clinical Diagnostic Solutions, Inc. in the U.S. Sales related to OEM grew by 33% in 2022, and Boule sees a great interest in the offer and a high future potential. For many years, Boule has also offered consumables under its own brand for competitors' instruments. Such consumables can be customized to the customer's required specifications, creating added value for the customer and differentiating Boule's products from generic alternatives.

"We are proud of the success of the OEM business and we are honored to be trusted to develop and produce the products that multinational companies then use. Our team at Boule works hard to always deliver high quality products on time."

- Mike Elliott, SVP OEM Sales and Business Development

Sales by product area



Sales by region



Boule Academy™

Offers a new educational platform where our customers can access a wide range of certified training courses and webinars of various kinds.

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™

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

exigo™

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

OFFERING

High proportion of recurring sales

Boule Academy

The Boule Academy is Boule's strategic initiative to share and develop knowledge with partners, health-care professionals and employees around the globe. With its Academy, Boule plans to drive training but also consolidate Boule and Boule's network of distributors as sources of knowledge. Initially, the Boule Academy was launched as a platform to gather information and training materials for Boule's partners. Through the Academy, Boule aims to connect with end users more effectively and thus increase awareness of Boule globally in the hematology community. In addition to creating added value for customers, the program also aims to establish close contact with end users, enabling an inflow of feedback for future innovations, while the Boule Academy provides a marketing channel to create loyalty and future sales.

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, monitoring disease development and selecting a treatment.

Quality products

Boule provides products and solutions in hematology for both human and animal diagnostics, with a focus on the decentralized market. Boule ensures quality throughout the process, from development and production to installation at the end user. The instruments are optimized and locked to proprietary reagents, which creates increased quality assurance of analysis results and operational reliability. Locked instruments also generate recurring revenue over the lifetime of the instruments, which grows in line with the global number of installed instruments. This is in line with Boule’s strategy of ensuring long-term competitiveness through high value creation and customer satisfaction for all stakeholders. To ensure quality and continued additional sales, maintenance and ancillary services are offered for instruments sold.

Technology

Boule’s hematology instruments are based on years of experience and proven methods for sizing and counting blood cells. All instruments provide results from a so-called complete blood cell count, including determination of hemoglobin concentration and a differential count of the white blood cells (leukocytes). Depending on the method, the white blood cells are divided into three, four or five subgroups.

For blood cell counting and differential counting of three or four subgroups of white blood cells, an impedance method is used. For differential counting of five subgroups of white blood cells, laser-based flow cytometry is used. The hemoglobin concentration is determined by photometry. In addition to analyzed parameters, the instruments report results from a range of calculated parameters.

The instruments have a robust and reliable design, which is of utmost importance for the decentralized hematology market, with installations in locations that can be far away from service functions. The instruments have a measurement quality comparable to instruments for centralized laboratory diagnostics.

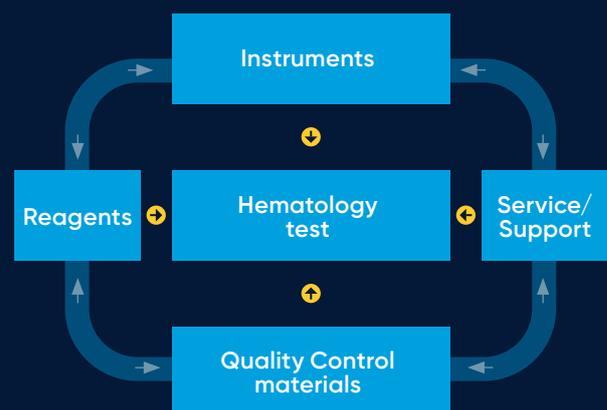
Consumables

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	Instrument cleaning	Control material
		
<p>The reagents are an important part of a hematology system and are fine-tuned with the instruments’ measurement algorithms to ensure the system delivers accurate patient results. Formulation, dilution, mixing and reaction kinetics are carefully matched and optimized to work together.</p>	<p>Instrument cleaning products are designed to keep instruments performing at their best and to reduce the need for maintenance or service.</p>	<p>Controls and calibrators are designed for a specific system, to ensure proper calibration and quality control. Similar to the reagents, cell populations in controls and calibrators are matched to the instrument’s measurement methods, techniques and analysis algorithms.</p>

Total Quality Concept

Boule has a unique hematology offering through its presence in the entire value chain of products that guarantee reliability and accurate test results. Internal quality assurance processes are in place from sub-contracting and development and production to installation and use by end customers, ensuring quality in line with the company’s quality concept. By then offering product service and product use courses, Boule’s knowledge and quality concept covers the entire product life cycle. This concept is called 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.



PRODUCTION, RESEARCH AND DEVELOPMENT

Strength in proximity between R&D and production



One of Boule's three strategic pillars is sustainable and continuous product development. It involves the development of existing, emerging and future solutions in an ongoing creative process with current and future customers at the center.

Research and development – innovation with a purpose

With our close relationship and understanding of users around the world, we can adapt our system solutions for to customer needs based on test volumes. In this way, new opportunities are created in a continuous flow of innovation ideas and results.

Boule's innovation capabilities range from clinical hematology expertise, fluidics, measurement technologies and consumables all the way to increased digitalization and its impact on usage around the world.

One example of Boule's innovation is its patented ability to directly analyze blood from a finger prick sample. Blood collected in the provided capillary tube is inserted into the instrument. The analysis starts automatically, and after one minute you get a full analysis of the whole blood value on the display. It requires no preparation, no predilution and no vacuum tubes. The ability to analyze capillary blood can be important, e.g., when working with children, cancer patients or the elderly from whom a venous blood sample is not available.

Another example is the space-saving automation solution that, through the built-in, programmable sample mixer, simplifies preanalysis – an important function for using the instruments in the challenging conditions that can exist in, for example, an emergency room.

To enable a sustainable innovation capacity, we are building our own expertise as well as establishing key partnerships to ensure that we can benefit from the evolution of technology in society and focus on applying it to the area Boule knows best, hematology. Over the past year, Boule has signed several new agreements with companies. This ensures our access to broad expertise and capacity for both maintenance of existing products and new product development.

Boule conducts development at two different sites, in Spånga, Sweden, and in Florida, USA. Instrument and reagent development together maximize the interaction between technology and chemistry for the benefit of clinical outcome, user-friendliness and cost-effectiveness.

Upcoming product launches

Investments in new product platforms create conditions to strengthen Boule's position in the decentralized blood diagnostics market. As previously communicated, Boule plans to launch a

new product platform where the first planned product is a 5-part differential cell counter for human care. Over time, both 5-part and 3-part systems will be offered on the shared connected platform. Boule's strengths in the decentralized market are based on high quality and ease of use, together with functional design. The new platform introduces new technologies such as digital pulse processing for improved identification of the different blood cells and an optical device with sensors at five angles for increased accuracy in white blood cell differentiation and reticulocyte counting. Supporting a web-based cloud solution enables centralized monitoring of instruments and operators, to ensure measurement quality of regionally installed systems. Cloud-based service solutions will be tested with distributors to prepare for the launch of instruments in 2024. Through connected services, Boule will increase customer value and create differentiated solutions, including clinical data exchange and resource management, the functionality of which will be built over time.

Sourcing of components from a global network of suppliers

The production of consumables is divided into three separate geographical units. Boule has one production unit in Sweden, one in Russia and one in the U.S. In 2023, Boule will also start licensed production of reagents in India. The more advanced manufacturing of controls and calibrators is carried out exclusively at the U.S. site, where the consumables research and development unit is also located.

The components for Boule's products come from suppliers around the world, and Boule has the opportunity to work with them to influence the choice of materials, design and packaging, for example. Boule's quality work includes all subcontractors and Boule works actively to mitigate the effects of disruptions in the supply chain by working closely with these subcontractors. Boule can benefit from the production and development skills of subcontractors by prioritizing quality and reliability to create added value for Boule's own customers. Suppliers are therefore selected with considerable care, with particular emphasis on quality, cost-effectiveness and compliance.



Tailored for decentralized hematology testing, the next generation system manages the legacy by taking the analytical performance to even higher levels:

Walk-away automation solution with built-in mixer.

Five-angle laser optics for increased accuracy of WBC differential and reticulocyte counting.

Cloud-based connectivity for remote monitoring of system performance.

Boule around the globe

PHILIPPINES

Growing hematology market in the Philippines

Biocare Health Resources, Inc. is the first Philippine-owned distributor and importer of IVD products in the Philippines.

Founded in October 1983, Biocare has continuously provided customers with the highest quality diagnostic equipment for the past 40 years. Biocare is Boule's distributor of Swelab products in the Philippines and has more than 300 units installed in the country. Here, we ask the company's CEO Alexander Crisostomo about his views on the market, the partnership with Boule and what the future holds.

What general market and technology trends do you expect to see?

Artificial intelligence (AI) is on the rise. Advanced AI processes information much faster than humans can, increasing efficiency. It can even solve problems of misdiagnosis and medical errors to some extent. AI is already used in some hematology machines where high-tech sensors and algorithms can detect different cells. We also expect a greater amount of point-of-care analysis, with new parameters for hematology and where the results can be transmitted via a mobile or social media app so that doctors can make a diagnosis. Demand will increase significantly as more mobile clinics and stand-alone laboratories reach beyond the major cities to more remote areas and developing provinces.

How do you think the hematology market in the Philippines will develop?

We believe the hematology market in the Philippines will grow steadily as the country continues to prioritize the healthcare sys-

tem through the Universal Health Care Act. Hematology market demand will continue to increase with demand for machine upgrades from manual blood cell counting to 3-part analyzers and from 3-part analyzers to 5-part analyzers. In terms of after-sales service and the program for preventive maintenance of instruments, we believe the trend of providing customers with high quality service will continue.

How would you describe the cooperation with Boule?

The cooperation between Biocare and Boule is based on a solid foundation. We have been working together for eight years and are constantly fulfilling our ambition to provide high-quality products and create value for patients and the healthcare industry. In the Philippine market, we have many challenges with other players, but thanks to the transparency and support offered by Boule, we are able to achieve our strategic goal. Our trust and confidence in Boule means we have strong mutual cooperation.

What do you view as the main advantages of Boule?

Boule's strong brands and business model are beneficial to us. We are grateful for their robust and reliable Swelab technology. Because it is so easy to use, it makes our customers very happy. The ongoing training provided by the Boule Academy is effective in helping us distributors stay updated and educated on new technologies and hematology issues. Boule's



Alexander Horacio V. Crisostomo
*President, Biocare Health Resources, Inc
Philippines*

technical service is also very efficient and reliable, which helps us maintain our strong position in the market. Overall, Boule has the ability to develop and manufacture high quality products that meet market demand.

Anything else you want to mention?

The micropipette adapter (MPA) has been the highlight of our Swelab Alfa 3-part operations in the Philippines. Our customers really like this feature because they can't get it in other hematology brands. In fact, we use these features as a lock-in effect in our government procurement specifications. That's why we're so excited about Boule's upcoming new 5-part hematology analyzer with MPA and autosampler. We look forward to the launch.

The hematology market is constantly evolving, and strong players are focusing on innovation. We hope that Boule's research and development will be able to meet market demands. There is also a tendency to have a regional office in South East Asia for direct technical support and access to reagents. This can allow us to remove time zone barriers with less waiting time and provide better service to our customers in Asia.

EGYPT

Buy big, pay small

MediServ in Egypt markets products that simplify, automate and innovate complex biomedical tests.

Tell us about your history with Boule

We started discussing cooperation with Boule in 2006 and sent our first order in 2007. The big breakthrough came in 2009 when Boule employee Admir Gusic was given responsibility for our region and visited our office for the first time. We discussed our future together and made business plans.

What happened in 2009?

Based on Admir's support, we were able to take advantage of EKN's finance program with which we were able to increase our order amount from about SEK 0.4 million in 2007 and 2008 to over SEK 1.3 million in 2009. From there, we grew to reach about SEK 3.5 million in 2016 and SEK 8.3 million in 2021. I can honestly say that without EKN funding, we would never have reached those amounts.



Ashraf Gerges
Managing Director
MediServ in Egypt

How did you manage to grow so much?

With the help of EKN financing, we were able to increase our order quantities and therefore target not only the larger laboratories but also the very small laboratories with offers based on simple and flexible payment terms. This allowed our sales of Boule products to reach unprecedented heights compared to many other suppliers we deal with, without facing any financial challenges.

Anything else you would like to mention?

A big thank you to the whole Boule team, for the high quality products and for the EKN funding. Indeed, without EKN financing (3-year and 1-year payment programs) we would never have reached where we are today in terms of our business with Boule Diagnostics.

USA

OEM fastest growing segment in the U.S.

What is the OEM business for consumables?

The OEM consumables business is the fastest growing segment of the business in the U.S., and will soon be the most important, if it isn't already. It is very similar to the Boule instrument consumables business where we manufacture the reagents, controls and calibrators that customers use every day to keep their instruments working properly, wherever they are in the world. The difference is that these OEM consumables are manufactured for instruments from companies other than Boule, and this allows us to diversify into business segments other than hematology.

What are the main challenges when manufacturing OEM consumables?

The OEM customers we work with are as quality-focused as we are and therefore very demanding. The market is very competitive, and customers are changing their products, requesting improvements and asking us to help them increase efficiency to achieve better margins.

It's a challenge, but it's fun. They constantly make us do more than we thought we could do. And we always find ways to meet their requirements in a

way that is good for both Boule and its customers.

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

I would say it's the speed, flexibility and professionalism with which we meet our customers' demands and the quality we deliver. But while this is extremely important, I think it takes backseat to acquiring customers.

I truly believe that people sell to people, not companies to other companies. My colleague Mike Elliot is a real asset to us. Over the years he has built a strong relationship with most of our OEM customers and this, together with our ability to consistently deliver what they ask for, allows us to continue to develop the business.

What made you decide to start working at Boule?

I had not worked for a medical company before and was keen to gain experience in the most regulated and quality-oriented industry. Also, I had worked for my current boss Eduardo before, and I felt very comfortable working with him. It was a win-win situation.



Luis Sorroza
Supply Chain Manager
Boule USA

How do you think this business will develop in the future?

I believe the growth rate will depend on the implementation of some of the company's key projects that are ongoing right now, in particular our new technology platform and the new 5-part solution. The 3-part section of the business has been so profitable that we can continue to grow in many parts of the world. The OEM business is expected to continue to grow in the U.S. in the coming years with the customers and projects we have now.

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 ambition 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.



3 GOD HÄLSA OCH VÄLBEFINNANDE **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.



9 HÅLLBAR INDUSTRI, INNOVATION OCH INFRASTRUKTUR **Sustainable industry, innova- tion and infra- structure**

Boule's instruments and reagents are offered in near-patient diagnostics worldwide. Our robust and high-quality blood analysis instruments help healthcare providers around the world 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 U.S. and conducts manufacturing in four factories in the U.S., 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 ambition, values and code of conduct guide employees in the social and environmental responsibility the Company seeks to ensure. We manage Boule on the basis of 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 work 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. We also conducted surveys 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 150+ 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. Boule’s suppliers operate primarily in Europe, Asia and the U.S. 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.

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 work 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

- 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
- Incidents with absence
- 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.

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. Boule commissions an annual survey of distributors, where any shortcomings in hematology systems, support and service are identified and can then be rectified.



Activities completed during the year

- ▶ Higher number of participants in Boule Academy courses
- ▶ First technical release of cloud solution for new product platform
- ▶ Conducted on-site audits of critical suppliers (halted during pandemic)

2023 priorities

- ▶ Introduce new digital systems for easier and faster communication for service requests with distributors.
- ▶ Audit of critical suppliers

Audit of critical suppliers

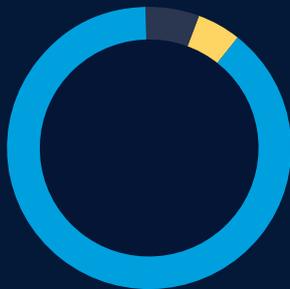
Target	Outcome
18	13

Distributor satisfaction index

Target	Outcome
6.0	8.6

Environment

Share of projected CO2e Sweden, 2022



- 89% Transportation
- 6% Travel
- 5% Electricity

Estimated CO2e* Sweden:

970
grams per SEK

CO2e travel:

0.4
tons per employee

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

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. When procuring transportation services, Boule specifies environmental requirements for the freight companies it engages. All transportation companies have 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 geo-energy installed, replacing district heating and cooling machines. The heaters are powered by eco-labelled electricity that is 100% produced from renewable energy sources.

Travel

Boule encourages you to always choose environmentally friendly business travel and commuting.

- ▶ Continue to minimize printing and reduce waste
- ▶ Advocate for environmentally friendly vehicles
- ▶ Various measures to encourage employees to save electricity



Activities completed during the year

- ▶ Updated chemical use reporting plans
- ▶ Introduced tools to measure the carbon footprint of Swedish companies
- ▶ Agreement to license manufacturing of reagents in India to reduce transportation costs
- ▶ Reduced packaging and increased packing density when transporting consumables from Sweden

2023 priorities

- ▶ Expanding chemical reporting and identifying chemicals on the candidate list that need to be replaced in the future
- ▶ Further streamlining and structuring of data collection to continuously measure the company’s emissions

Work environment

Employees are our most important resource, and Boule attaches great importance to job security, a good work environment and providing a workplace where employees can unlock their potential.

Values-driven culture

Boule's values and corporate culture guide the employees in their work, interaction with each other and in meetings with customers and other stakeholders. Boule's values form the basis for a positive work climate and are a cornerstone of Boule's goal achievement and activities.

Employee satisfaction

Boule's success is based on our ability to develop and retain existing employees and attract new employees. Important metrics are employee satisfaction and staff turnover. The average number of employees in the Group in 2022 was 238 in Sweden, the U.S., Mexico and Russia. Staff turnover in 2022 was 24%. This year's employee survey provided an overall assessment of Boule as an employer, as well as valuable knowledge about the work environment and guidance on areas for improvement. 88% response rate in 2022 in Sweden.

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. Every year, Boule conducts both scheduled and unannounced safety inspections 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. Crucial to the success of Boule's activities are the knowledge, experience and commitment of its staff. Boule must therefore be a workplace that makes optimal use of employees' skills. All employees should be treated with respect and given the same conditions regardless of gender, ethnicity, nationality, religion, 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 strives to achieve the most equal gender balance possible in different types of positions.

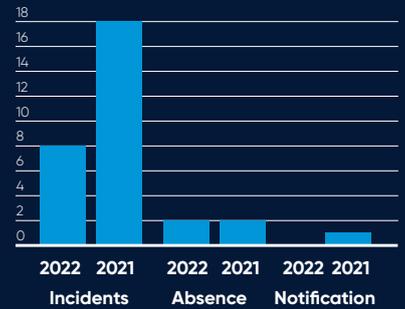
Activities completed during the year

- ▶ Various courses, workshops and focus on leadership development for multi-level managers
- ▶ Improvements in reagent factory and production to improve the work environment
- ▶ New on-boarding tool for Sweden
- ▶ Several activities for team building and employee well-being

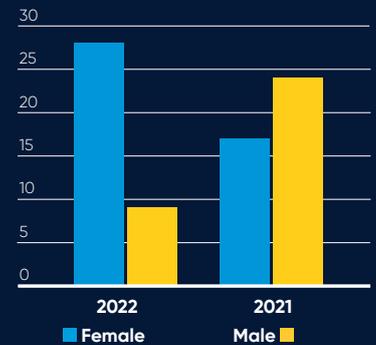
2023 priorities

- ▶ Implementation of a digital tool for skills mapping and development
- ▶ Implementation of a digital tool for employee appraisals
- ▶ Implementation of new tool for pulse and annual employee surveys
- ▶ Focus on building a successful culture with a new 360 feedback tool

Incident/Absence/Notification



Number of women/men in management



Average number of women/men

106 (98)

132 (120)

Women in management

1 (3)

Employee satisfaction index

Target

4.0

Outcome 2022

3.6



About the Sustainability Report

The Sustainability Report includes the Parent Company Boule Diagnostics AB 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 40–44 of the Annual Report.

Signed code of conduct, distributors

Target	Outcome
100%	100%

All distributors have signed Boule's code of conduct which, among other things, makes it clear that all forms of bribery are unacceptable.

Signed code of conduct, suppliers

Target	Outcome
100%	87%

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 work 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, work 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.

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 2022, there were no whistleblower reports concerning the Code of Conduct.



Activities completed during the year

- ▶ Improved staff training for new hires at Boule.

2023 priorities

- ▶ All staff will receive training on the Code of Conduct.
- ▶ Ensure that all critical suppliers sign the Code of Conduct.



Innovative



Customer oriented



Courageous



Quality



Resultat orienterad



Teamwork

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 (publ), corporate registration number 556535-0252

Engagement and responsibility

The Board of Directors is responsible for the 2022 Sustainability Report on pages 26–35 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.

Opinions

A statutory sustainability report has been prepared.

Uppsala, April 4, 2023

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg

Authorized Public Accountant

Five-year summary

SEK THOUSAND	2022	2021	2020	2019	2018
INCOME STATEMENT, SEK THOUSAND					
Net sales	548,087	463,344	400,458	498,916	424,400
Cost of sales	-320,182	-264,709	-223,273	-272,705	-234,682
Gross profit	227,905	198,634	177,185	226,211	189,717
Other operating income	24,146	8,540	29,453	11,074	10,511
Distribution costs	-110,723	-88,677	-82,945	-102,644	-86,186
Administrative expenses	-32,872	-31,473	-27,990	-25,465	-23,451
Research and development expenses	-51,569	-43,327	-83,098	-29,942	-28,816
Other operating expenses	-27,916	-7,680	-18,534	-9,210	-6,941
Operating profit/loss	28,970	36,018	-5,928	70,024	54,835
Net financial items ¹⁾	-8,121	-7,250	-43,093	-19,450	-101
Profit/loss before tax	20,849	28,768	-49,021	50,573	54,734
Tax	-8,121	-5,496	1,056	-13,026	-13,703
Profit/loss for the year	12,728	23,272	-47,966	37,548	41,031
BALANCE SHEET, SEK THOUSAND					
Noncurrent assets					
Intangible assets	313,358	241,578	188,531	199,140	158,858
Property, plant and equipment ¹⁾	58,574	47,426	54,745	70,352	23,122
Financial assets ²⁾	49,618	40,651	39,814	90,573	96,955
Total noncurrent assets	421,550	329,655	283,091	360,065	278,935
Current assets					
Inventories	75,265	59,038	54,542	57,591	58,026
Current receivables	166,245	145,155	109,088	147,631	133,631
Cash and cash equivalents	96,904	38,183	32,989	21,580	30,256
Total current assets	338,414	242,375	196,619	226,802	221,913
Total assets	759,964	572,030	479,710	586,867	500,848
Equity and liabilities					
Equity and liabilities	462,504	295,735	269,305	332,870	300,857
Noncurrent interest-bearing liabilities	32,152	16,015	1,824	2,374	1,007
Other noncurrent liabilities ³⁾	55,880	38,574	43,094	61,952	10,747
Deferred tax liabilities	8,394	10,504	12,754	20,363	14,718
Current interest-bearing liabilities ²⁾	105,069	104,754	83,856	92,844	62,590
Current non-interest-bearing liabilities	95,965	106,448	68,878	76,464	108,229
Total equity and liabilities	759,964	572,030	479,710	586,867	500,848
Cash flow					
Cash flow from operating activities before changes in working capital	28,760	46,524	38,494	77,867	53,287
Changes in working capital	-40,113	-3,373	36,745	-23,891	-30,623
Cash flow from investing activities	-74,961	-56,370	-46,006	-74,538	-92,133
Cash flow from financing activities	140,550	15,754	-14,881	11,615	-435
Cash flow for the year	54,236	2,535	14,351	-8,947	-69,904

¹⁾ Includes between December 2018 through December 2020 associated company Biosurft.

²⁾ Includes leases reported under IFRS 16 with effect from 2019. For more information, see Note 13.

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

Five-year summary	2022	2021	2020	2019	2018
KEY FIGURES					
Net sales growth, %	18	16	-20	17.6	-0.8
Gross margin, %	41.6	42.9	44.2	45.3	44.7
EBITDA, SEK million	56.1	57.6	55.7	91.4	63.2
EBITDA margin, %	10.2	12.4	13.9	18.3	14.9
EBIT, SEK million	29.0	36.0	-5.9	70.0	54.8
EBIT margin, %	5.3	7.8	-1.5	14.0	12.9
Return on total assets, %	4.0	7.1	-1.0	13.2	12.3
Return on equity, %	3.5	8.2	-15.9	11.9	14.6
Return on capital employed, %	0.0	8.8	-10.1	13.0	16.1
CAPITAL STRUCTURE					
Equity, SEK million	462.5	295.7	269.3	332.9	300.9
Capital employed, SEK million	655.6	455.1	398.1	490.0	375.2
Working capital, SEK million	152.0	220.8	155.6	202.1	205.0
Liabilities to credit institutions, SEK million	153.8	127.8	89.4	105.6	74.3
Interest coverage ratio, x	-3.1	-4.3	-1.6	11.9	33.2
Net debt, SEK million	32.1	0.7	-4.7	7.3	-59.7
Net debt/equity ratio, %	0.1	0.0	0.2	2.2	-19.8
Equity/assets ratio, %	61	52	56	57	60
PER-SHARE DATA*					
Average number of shares, pcs	27,944,324	26,678,027	26,678,027	26,678,027	26,678,027
Number of shares at end of period, pcs	38,833,104	19,416,552	19,416,552	19,416,552	19,416,552
Earnings per share, SEK	0.46	0.87	-1.80	1.41	1.54
Equity per share, SEK	16.6	11.1	10.1	12.5	11.3
Cash flow from operating activities per share, SEK	-0.41	1.62	2.82	2.02	0.85
Dividend, SEK	0	0.55	0.55	0	0.55
EMPLOYEES					
Average number of employees, pers.	235	218	212	212	191

* Fund issue elements from the new share issue in Q4 2022 have been taken into account in the calculation of per-share data, and the comparative figures have therefore been recalculated.

For definitions of alternative performance measures, see page 45.

The Boule Share

Boule shares have been listed on Nasdaq Stockholm since 2011 and the number of shareholders on December 31, 2022 was 3,109.

Share capital and classes of shares

Boule's share capital on December 31, 2022 was SEK 9,708,276, divided into 38,833,104 shares with a quotient value of SEK 0.25. 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.

Market capitalization and turnover

The last traded price at December 31, 2022, was SEK 15.1 (48.8), corresponding to a market value of SEK 586.4 (941.7) million. During the financial year 2022, an average of 32,425 (19,199) shares were traded per trading day. The total turnover in 2022 was 8.2 million (4.1) shares at a value of SEK 225.66 (237.22) million. The change in price during the financial year fell by 69%. The OMXSPI fell by 24.6%.

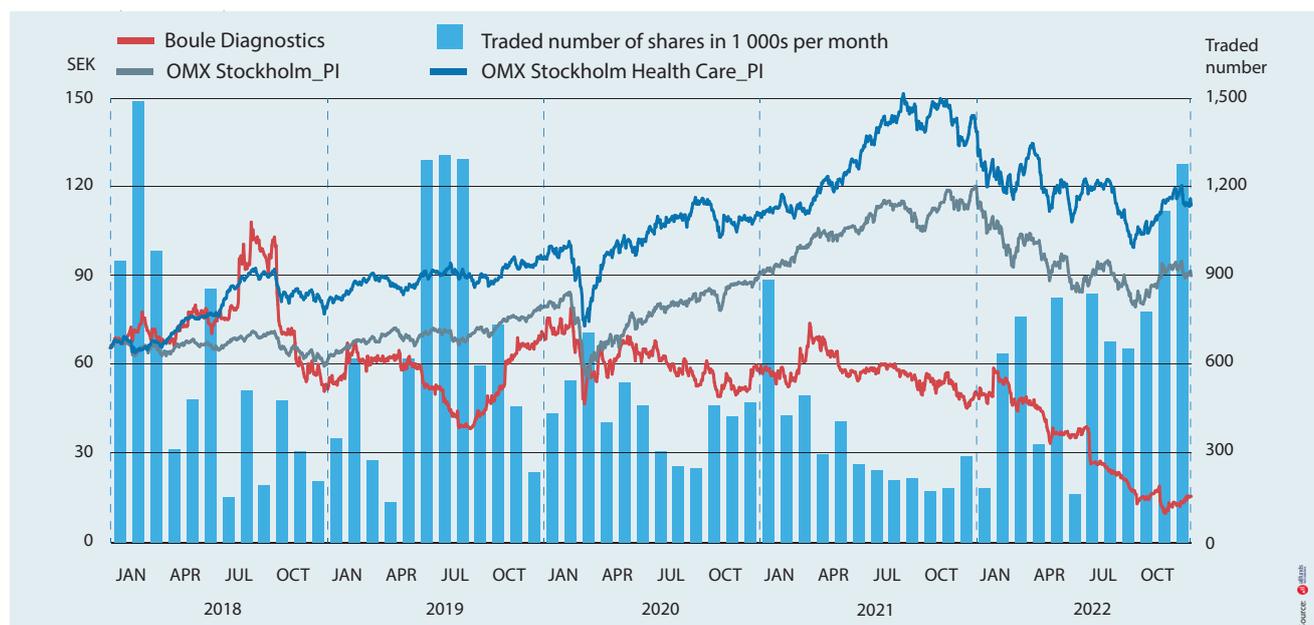
Warrants

The Company has one outstanding warrant program. 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. Of these, 130,000 was acquired by the CEO and 50,000 by senior executives. Further information about the warrants can be found in Note 4.

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% of annual profit, taking into account the Company's liquidity. For the financial year 2022, the Board of Directors has proposed that no dividend be paid, due to the recent new capital issue. The long-term financial targets and dividend policy, to distribute 25–50% of profits in coming years, remain unchanged.

SHARE PRICE DEVELOPMENT, JAN 1, 2018, TO DEC 31, 2022





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 arise on three occasions: From the multifaceted and competitive market in which Boule operates, through the ambition to constantly develop and broaden the product portfolio, and through strict regulatory requirements for 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.

Historically, the main risks and uncertainties have been found within: 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.

In recent years, the war in Ukraine has added significant risks and uncertainties. In some markets, central banks have also introduced temporary restrictions on payments in foreign currencies in 2022, resulting in delays in customer payments and postponed deliveries. Since the Koran burning incident in Stockholm in January 2023, there have been protests and calls for boycotts of Swedish products. It has also increased the risk to the brand and to sales of Boule products becoming more difficult or stopping all together in some countries.

Uncertainties due to the war in Ukraine

For all of 2022, Boule's sales in Eastern Europe totaled 11% (13) of net sales, with the majority coming from Russia. Boule has employees in Russia and a production facility for consumables distributed to the Russian market.

The market in Eastern Europe is very uncertain given the war in Ukraine and the current sanctions against Russia. Boule is continuously monitoring developments. A discontinuation or

confiscation of the operations in Russia could have a significant negative impact on Boule's future earning capacity and profitability and entail a negative effect on earnings if the value of assets attributable to the Russian operations have to be written down in whole or in part.

The consolidated net assets of the Russian entities amounted to approximately SEK 20 million, of which just under SEK 10 million was cash and cash equivalents as of December 31, 2022. In the event of discontinuation, it is estimated that additional costs will be incurred.

The ongoing war in Ukraine has also led to increased geopolitical tensions around the globe, with consequences beyond Russia and Ukraine. Tensions can lead to geopolitical escalations such as the extension of the war to other territories, new sanctions, deterioration of energy supplies, impact on key societal functions, or other negative consequences that may be difficult to assess. The consequences of such geopolitical escalation are difficult to predict and could make Boule's operations more difficult or lead to negative consequences for the global economy and key economic factors such as GDP growth, interest rates and inflation. Such a development could have a significant adverse effect on Boule's future earnings capacity and profitability.

Pandemics

For Boule, as for other companies, the spread of Covid-19 has presented new challenges due to the closure of many markets. Initially, there was a dramatic reduction in health care visits and, consequently, in the number of blood tests. But also new sales of instruments, as healthcare providers prioritized Covid-19 patients. Both sales and order intake have recovered in 2022.

Future pandemics that create major challenges and a heavy burden on the health sector could have a negative impact on Boule if such an event results in the health sector prioritizing other care and reducing the number of blood tests and new instrument sales.

Tax audit

On October 6, the Swedish Tax Agency decided to impose increased employer contributions and tax surcharges of approximately SEK 1.6 million on Boule Diagnostics AB and Boule Medical AB for what they consider to be incorrectly valued warrants issued to senior executives within the Group.

The difference between the set price and the assessment now made by the Tax Agency means that the Tax Agency intends to impose preferential taxation on the option holders, as well. No provision has been recorded in the period. Boule has appealed the Tax Agency's decision to the Administrative Court and has also been granted a suspension of payment during the process.

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 global decentralized hematology market where Boule operates has good market growth. Boule has strong positions in several of the markets in which it operates, including several of the fastest growing submarkets.

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 finan-

cial position ensures continuing future growth for the product portfolio through development of next generation hematology systems and through partnerships, investment, and possible acquisitions.

A more detailed description of Boule's financial risks, risk management and relevant sensitivity analyses can be found in Note 26. Further information about Boule's sustainability work can be found in the sustainability report on pages 26–35. The Board of Directors' internal control report describes the Company's internal control and is presented in the Corporate Governance Report on page 48.

RISK ASSESSMENT 2022

RISKS	Risk number
New regulatory issue	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, Boule 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 Boule will have to invest in updates to documentation and 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 Boule 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 Boule 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% 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 Boule 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 Boule and Boule products, which improves Boule's opportunities for profitable new agreements.</p>

RISK	Risk description	Risk management	Opportunities
COUNTERFEIT RE-AGENTS	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 Boule's reagents. In most cases, Boule'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 it 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, there is continued investment 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 Boule 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. Component shortages are a significant risk, as clearly demonstrated during the Covid pandemic. Global distribution flows were disrupted, which significantly damaged the Company. The supply chain also includes environmental risks in the form of CO2 emissions and ethical risks such as corruption, human rights and work conditions.	Boule's well-developed 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 group 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 competitors active in other markets could diversify into Boule's main markets or that markets important to Boule 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 a 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 new capital issue in 2022. Boule 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, after the new capital issue, once again has a net cash position for investments.
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 Boule'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 Boule 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.

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 capital is operating profit plus financial income divided by average total capital.

The return shows 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.

Organic growth is the change in net sales in the current period, excluding acquisitions, divestments and exchange rate effects, in relation to net sales in the corresponding period last year, expressed as a percentage change.

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 noncurrent) 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.

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.



General Meeting

The 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 General Meeting, 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.

In 2022, an Annual General Meeting was held on May 5 and an Extraordinary General Meeting on November 1 to decide on a new capital issue.

The 2023 Annual General Meeting is planned for May 4 at 4:30 pm at the Company’s premises at Domnarvsgatan 4 in Spånga.

Nomination Committee

The 2022 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 and was published on October 22, 2022.

Prior to the 2023 AGM, Ulf Hedlundh, representing the Company’s second largest shareholder per September 30, 2022, Svolder AB, was appointed Chair of the Nomination Committee. Other members of the Nomination Committee are Erik Ivarsson for Grenspecialisten and Thomas Eklund. The Chair of the Board, Yvonne Mårtensson, is co-opted.

The Nomination Committee prepares decision-support material for the general meeting 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 2022 AGM. The Nomination Committee’s composition as from October 2022 is shown in the table below:

Name	Representing	Ownership, % September 30, 2022
Ulf Hedlundh (Nomination Committee Chair)	Svolder AB	12.43
Erik Ivarsson	AB Grenspecialisten	12.59
Thomas Eklund	Thomas Eklund	10.07

Owners

Boule’s largest shareholders per December 31, 2022, and their shareholdings are presented in the Directors’ Report under Share and Ownership Structure on page 54.

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 5, 2022, the Board has consisted of five members: three men and two women. At the 2022 Annual General Meeting, previous member Yvonne Mårtensson was elected as Board Chair. Karin Dahllöf, Thomas Eklund, Jon Risfelt and Torben Jørgensen were re-elected to the Board. Former chairman Peter Ehrenheim and board member Charlotta Bovin had declined re-election.

At an Extraordinary General Meeting on November 1, it was decided to elect Emil Hjalmarsson as a new member. The other members were re-elected.

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. Furthermore, it is the Chair'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. With regard to diversity and gender equality, please refer to the Company's Sustainability Report under the section on work environment on page 33.

Remuneration of Board members

The 2022 AGM resolved that Board fees in the amount of SEK 500,000 (SEK 470,000 for 2021) shall be paid to the chairman and SEK 250,000 (235,000) to each of the other Board members. In addition, it was decided that SEK 120,000 (0) will be paid as the total remuneration to a newly established Audit Committee, to be distributed among its members, in addition to an amount of up to SEK 50,000 that the board can pay for special efforts. The total board fee is therefore SEK 1,670,000 (1,880,000).

The Extraordinary General Meeting decided that the remuneration of the Board of Directors shall remain as decided by the Annual General Meeting on May 5, 2022. For incoming Board members, it was decided that fees shall be paid pro rata for the member's actual period of service compared to the entire period from the 2022 AGM until the end of the next AGM.

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 2022, the Board of Directors has held a total of 22 minuted meetings focusing on understanding and monitoring the Company's development and financial position, as well as conducting a rights issue. The Board has supported the work of the management in the major logistics challenges the Company faces as a result of the Covid-19 pandemic, the war in Ukraine and the overall deterioration of the world economy. 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 been engaged and involved in producing the Company's updated strategy. The Board has also dealt with and contributed to organizational and leadership development.

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 through an annual evaluation of the Board by the Nomination Committee. The Nomination Committee reports through its statement to the AGM.

Summary of Board meetings during the year

In 2022, the Board of Directors has held eight ordinary board meetings, including a strategy day, eleven meetings specifically concerning financial information and the completed new capital issue, and three remote board meetings. The external auditors attended one Board meeting and two Audit Committee meetings during the year.

A list of Board members and their attendance at meetings in 2022 is presented in the table at the bottom of the page.

Audit Committee

The Board of Directors decided at the statutory board meeting on May 5, 2022, to appoint an Audit Committee consisting of two board members, Jon Risfelt and Thomas Eklund. In accordance with the AGM's decision, remuneration to the Audit Committee in the amount of SEK 70,000 shall be paid to the Chair and SEK 50,000 to the members.

The Audit Committee elected its officers at a meeting on June 15, 2022, making Jon Risfelt Chairman. The Audit Committee also decided on the meeting dates for the year and the rules of procedure.

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 be-

BOARD MEMBERS AFTER THE 2022 AGM

Name	Period	Function	Attendance	Independent	Shareholding	Elected
Peter Ehrenheim	1/1–5/5	Chair	6/6	Yes		2015
Thomas Eklund	Jan 1–Dec 31	Member	19/22	No		2014
Jon Risfelt	Jan 1–Dec 31	Member	22/22	Yes		2016
Karin Dahllöf	Jan 1–Dec 31	Member	22/22	Yes		2015
Yvonne Mårtensson	1/1–5/5	Member	6/6	Yes		2021
Yvonne Mårtensson	5/5–31/12	Chair	16/16	Yes		2022
Torben Jörgesen	Jan 1–Dec 31	Member	20/22	Yes		2021
Charlotta Falvin	1/1–5/5	Member	5/6	Yes		2018
Emil Hjalmarsson	1/11–31/12	Member	3/3	Yes		2022

tween the Audit Committee and the external auditors takes place without the presence of employees.

In 2022, the Audit Committee met twice in addition to the statutory meeting. The meetings have primarily dealt with the quarterly report, but also issues concerning the current business situation, risk management, order intake and the work of the management. The Audit Committee has also discussed the external audit plan 2022.

At the third meeting, particular attention was paid to the appeal to the Administrative Committee on the dispute with the tax authorities and the status of overdue and doubtful debts. The Company's auditor participated and reported the results of the management review.

Yvonne Mårtensson, Board Chair, was co-opted at all meetings. The Company's CFO took the minutes.

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 made by the Board. 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 55.

Authorization for the Board

At the Annual General Meeting on May 5, 2022, 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 10% of the shares in the Company, based on the total number of votes in the Company when the Board first exercises the authorization.

At the Annual General Meeting on May 5, 2022, the Board of Directors was authorized to, on one or more occasions until the next Annual General Meeting, decide on the acquisition of a number of shares that the Company can hold at any time that does not exceed one tenth of all shares in the Company.

The Extraordinary General Meeting on November 1, 2022, decided to amend the Articles of Association in accordance with the Board's proposal. The decision means that the limits for the share capital and the number of shares are changed so that the share capital shall be no less than SEK 4,800,000 and no more than SEK 19,200,000 and that the number of shares shall be no less than 19,000,000 and no more than 76,000,000.

The Extraordinary General Meeting approved the Board's decision to issue new shares with preferential rights for existing shareholders. The decision means that Boule's share capital increases by a maximum of SEK 4,854,138 through a new issue of a maximum of 19,416,552 shares with preferential rights for existing shareholders. The issue was fully subscribed, and the Company has 38,833,104 shares after the issue. The Company raised approximately SEK 150 million excluding issue-related costs.

Audit

The Company's auditors are elected at the AGM for a period of one year. The 2022 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 2022 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 Report, 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 in accordance with the Company's information policy, which is adopted annually by the Board of Directors, is provided by the Company in the form of interim reports, year-end reports, annual reports and press releases in connection with 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 2022 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 in 2023

In 2023, 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 4, 2023

Yvonne Mårtensson
Board Chair

Jon Risfelt
Board Member

Thomas Eklund
Board Member

Torben Jørgensen
Board Member

Karin Dahllöf
Board Member

Emil Hjalmarsson
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 2022 on pages 46–49 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 Report and the Consolidated Financial Statements and are in accordance with the Annual Accounts Act.

Uppsala, April 4, 2023

Öhrlings PricewaterhouseCoopers AB

LARS KYLBERG
Authorized Public Accountant

Board of Directors



From the left: Emil Hjalmarsson, Karin Dahllöf, Torben Jørgensen, Yvonne Mårtensson, Jon Risfelt, Thomas Eklund.

Yvonne Mårtensson

Born 1953. Board Chair since 2022. Board member since 2021.

Other assignments: Board Chair of YCM Consulting AB. Board member of Ortoma AB, Xvivo Perfusion AB, Queen Aktiebolag and Uniogen OY.

Present occupation: Independent Board member.

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

Shareholding in Boule: 14,817.

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

Thomas Eklund

Born 1967. Board member since 2014. Member of the Audit Committee.

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 Sweden-care AB.

Present occupation: Independent Board member, advisor and consultant.

Education: MBA from Stockholm School of Economics.

Shareholding in Boule: 2,088,645.

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 HemCheck AB and Histolab Products AB

Present occupation: CEO of Monivent AB

Education: Biomedical analyst, Vårdhögskolan, Gothenburg University.

Shareholding in Boule: 22,300.

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

Emil Hjalmarsson

Born 1989. Board member since 2022.

Other assignments: Board member of Grenspecialisten Seqond AB and Emil Hjalmarsson Förvaltning AB and deputy board member of MW Asset Management AB and GSB Investco AB.

Present occupation: Portfolio Manager Grenspecialisten.

Education: Civil engineer.

Shareholding including related parties in Boule: 26,021.

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

Jon Risfelt

Born 1961. Board member since 2016. Member of the Audit Committee.

Other assignments: Chairman of Knowit AB, CAB Group AB and Axentia Group Holding AB. Board member of Bilia AB and Projektengagemang AB. Chairman of SOS International a/s.

Present occupation: Independent Board member, advisor and consultant.

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

Shareholding in Boule: 24,440

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

Torben Jørgensen

Born 1952. Board member since 2021.

Other assignments: Chairman of Biotage AB and Genovis AB. Board member of Medistim AS and Advanced Instruments Inc.

Present occupation: Consultant and Board Representative.

Education: B.Sc. Economics from Copenhagen Business School.

Shareholding in Boule: 0.

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.

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: 123,940 shares.

Warrants in Boule: 130,000 warrants.



Jan Benjaminson

Jan Benjaminson is CFO effective February 3, 2023.

Education: MBA, Lund University.

Shareholding in Boule: 8,000 shares.

Warrants in Boule: 0.



Aishat Bislieva

Aishat Bislieva, Senior Vice President People & Culture, joined Boule in October 2022.

Education: Master's degree from the Norwegian University of Science & Technology and Bachelor of Arts (B.A.) in Education from the University of Silesia in Poland.

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 the Royal Institute of Technology (KTH) and Master in Management, INSEAD, Fontainebleau, France.

Shareholding in Boule: 4,000 shares.

Warrants in Boule: 0.



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: 500 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: 0.



Jörgen Jehander

Jörgen Jehander heads the Development Department.

Education: Mathematics at Stockholm University.

Shareholding in Boule: 0 shares.

Warrants in Boule: 0.



David Metrena

David Metrena is Senior Vice President of Commercial Operations for the US and has been employed at the subsidiary CDS since June 2022.

Education: BS Medical Technology; MBA

Shareholding in Boule: 0 shares

Warrants in Boule: 0.

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, 2022. 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 80 billion, and Boule's market segment (decentralized diagnostics), at just over SEK 8 billion.

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 and 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 rebrand the products and the sale of consumables for competitors' open instruments. Boule's product portfolio contains several product families and brands: Medonic, Swelab, Exigo, Quintus and CDS.

Key financial ratios	2022	2021	2020	2019	2018
Net sales, SEK million	548.1	463.3	400.5	498.9	424.4
Gross margin, %	41.6	42.9	44.2	45.3	44.7
Operating profit/loss, SEK million	29.0	36.0	-5.9	70.0	54.8
Operating margin, %	5.3	7.8	-1.5	14.0	12.9
Profit/loss after tax, SEK million	12.7	23.3	-48.0	37.5	41.0
Earnings per share (after dilution), SEK	0.45	1.17	-2.47	1.93	2.11

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 of recent years has had a negative impact on the Company's revenue.

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 2022, the main focus has been on the development of the next generation hematology platform.

An intensive effort has been made to finalize the prototypes that will be used for clinical testing and conducting studies in 2023. These study results will be used for regulatory applications for the first product, a 5-part instrument, with application planned for the end of 2023. At the end of last year, an important development milestone was passed with the first technical release of the cloud solution. By putting this infrastructure in place, experience in the operation and use of this type of service is being built leading up to the full commercial launch in 2024.

Significant events during the fiscal year

On April 4, 2022, Annette Colin assumed the role of CFO.

On August 4, it was announced that Annette Colin is leaving the position of CFO of Boule Diagnostics due to family reasons. Annette continued in her role during her six-month notice period, to ensure an orderly transition period until a new CFO takes office.

On September 6, it was announced that Clinical Diagnostic Solutions, Inc. (CDS), a subsidiary of Boule Diagnostics AB, had received observations from the US Food and Drug Administration (FDA). Following a routine inspection of CDS's operations in the US, observations (Form 483) were received from the FDA regarding documentation of change management and case management processes. CDS engages a consulting firm with extensive experience working at the FDA to identify and assist in implementing corrective actions. CDS has responded to the FDA's questions and attached an action plan that is being implemented simultaneously. The observations do not affect the production or sale of the Company's products. The FDA had also previously announced a routine inspection of the Swedish operation in November.

On October 3, it was announced that the Board of Directors had decided on a rights 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 at an Extraordinary General Meeting to be held on November 1, 2022. The nomination committee also proposed that Emil Hjalmarsson, portfolio manager at Grenspecialisten, be appointed as a new board member of Boule.

On October 3, a notice was sent to the shareholders regarding the Extraordinary General Meeting scheduled for Tuesday, November 1, 2022, at 4 pm at Domnarvsgatan 4, Spånga.

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

On November 1, it was announced that the Extraordinary General Meeting had decided to amend the Articles of Association according to the Board's proposal. The decision means that the limits of the share capital and the number of shares are changed and that the Board's decision to issue new shares with preferential rights for existing shareholders is approved. Furthermore, the Extraordinary General Meeting approved the Nomination Committee's proposal to expand the Board of Directors from five to six members with the election of Emil Hjalmarsson as a new board member. For further information, see the AGM announcement on the Company's website.

On November 10, it was announced that a prospectus prepared for the rights issue had been approved and registered by the Swedish Financial Supervisory Authority.

On November 14, it was announced that trading in subscription rights for the ongoing rights issue will begin from the opening of the stock exchange on Tuesday, November 15.

On November 28, it was announced that Boule Medical AB had reached another important milestone in its proactive and diligent efforts to meet the new and increased regulatory requirements in *in vitro* diagnostics. Boule obtained the IVDR Class B CE mark for two of its product lines, Medonic M32 and Swelab Alfa Plus.

On November 30, it was announced that the rights issue was significantly oversubscribed and that Boule will receive proceeds of approximately SEK 150 million before issue costs. The result of the rights issue showed that 19,197,849 new shares, corresponding to approximately 98.9% of the rights issue, were subscribed for with subscription rights. In addition, 13,919,915 shares, corresponding to approximately 71.7% of the rights issue, were subscribed for without subscription rights, of which 218,703 shares or approximately 1.1% of the rights issue were allocated to investors who subscribed without subscription rights. The rights issue was thus oversubscribed and Boule will receive approximately SEK 150 million before issue costs.

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

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

The Group's earnings and financial position

Net sales for the 2022 fiscal year totaled SEK 548.1 (previously 463.3) million, an increase of 18.3% compared to 2021. Adjusted for USD and EUR exchange rate changes, this corresponds to an increase of 3.9%. Sales of instruments decreased by 19%. Sales of consumables for proprietary instruments increased by 10%. Sales of OEM products and consumables for competitors' open instruments increased by 49% compared to the previous year.

Gross profit for 2022 was SEK 227.9 (198.6) million, with a gross margin of 41.6% (42.9). The gross margin for the year was negatively affected by additional costs for components, disruptions in production and higher transport costs.

Operating expenses for 2022 were SEK 195.2 (163.5) million. Operating expenses include increased marketing activities, increased investment in the sales organization and increased research and development costs.

Research and development expenses had an adverse effect of SEK 51.6 (43.3) million on earnings in 2022. Research and development costs in 2022 corresponded to 9.4% (9.4) of net sales. Development expenses of SEK 68.5 (52.6) million were capitalized in 2022. In total, research and development expenditures corresponded to 21.9% (20.7) of net sales. Capitalization refers to the next generation hematology platform.

The net of other operating income and other operating expenses for 2022 totaled SEK -3.8 (0.9) million and consisted of positive and negative exchange differences.

Operating profit for 2022 was SEK 29.0 (36.0) million, corresponding to an operating margin of 5.3% (7.8).

Net financial items amounted to SEK -8.1 million (-7.2) and the increase is mainly explained by higher interest expenses.

Profit before tax for 2022 totaled SEK 20.8 (28.8) million and profit after tax was SEK 12.7 (23.3) million.

Cash flow from operating activities after changes in working capital was SEK -11.4 (43.2) million in 2022. This has been negatively affected by working capital and a lower operating result. Investments totaled SEK 75.0 (56.4) million in 2022, and SEK 68.5 (52.6) million of this amount was related to investments in future product platforms.

The new share issue carried out during the fourth quarter provided Boule with SEK 139.2 million net after issue costs. Cash and cash equivalents at the beginning of the period were SEK 38.2 million and SEK 96.9 million at the end of the year. The Group's available cash and cash equivalents, including unutilized overdraft facilities, were SEK 155.9 (89.0) million on December 31, 2022.

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 safe-

ty in the workplace and dependence on key personnel. Boule's risks and uncertainties and risk management and opportunities are described on pages 40–44. A more detailed description of Boule's financial risks and relevant sensitivity analyses can be found in Note 26 on page 86. Further information about Boule's sustainability-related risks can be found in the risks section and in Boule's Sustainability Report on pages 26–35 of this Annual Report. For more information on the impact of the war in Ukraine, see Note 29. A description of the Company's internal control is presented in the Corporate Governance Report on page 48.

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 2022, 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 2022. We expect supply chain and logistics challenges to continue in 2023, 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 uncertain due to the war in Ukraine.

The Boule share and ownership structure

The total number of shares and votes in Boule changed in 2022 and, after the new share issue, totaled 38,833,104 as of 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 one outstanding warrant program. 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. Of these, 130,000 was acquired by the CEO and 50,000 by senior executives.

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. There are no restrictions on transferring the warrants in the two programs.

Shareholders as of December 31, 2022 (according to Euroclear)	Total shares	Share of capital/votes
AB Grenspecialisten	4,887,268	12.6%
Svolder AB	4,826,388	12.4%
Thomas Eklund incl. companies	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%

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 must comply with the Swedish Annual Accounts Act, which requires sustainability reporting (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 10. Policies and information on issues such as the environment, social conditions, employees, respect for human rights

and anti-corruption are presented on pages 26–35. Risks related to sustainability are presented in the risk section of the annual report on pages 40–44.

Personnel

The average number of employees in the Group during the period was 235 (218), including 6 (7) employees at the Parent Company. The average number of employees by country was as follows: Sweden 130 (122), US 91 (85), Mexico 2 (2) and Russia 12 (10). The average number of women in the Group was 101 (98) and the average number of men was 134 (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.

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 Annual General Meeting 2020 adopted the following guidelines on remuneration of senior executives. These are valid until the 2024 Annual General Meeting unless the General Meeting decides otherwise.

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

Boule 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 10 of this Annual Report.

The Board's proposed guidelines for remuneration of senior executives are designed to serve the interests of Boule 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 Boule'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 Boule's business strategy, long-term interests and sustainability.

All targets shall be adapted individually and based by at least 60% 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% of the fixed annual salary. Other senior executives' variable remuneration is capped at between 17 and 50% 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 2023, there is an incentive pro-

grams 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% of the fixed salary for the CEO and not more than 31% 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% of the fixed salary and for other senior executives not more than 15% 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 Boule 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 material 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.

Deviation from the remuneration guidelines

The Board may decide to temporarily deviate from the guidelines, in whole or in part, if there are special reasons for doing so in an individual case and such deviation is necessary to safeguard the Company's long-term interests, including its sustain-

ability, 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 2022 totaled SEK 27.9 million (26), of which the entire amount relates to invoicing of Group-wide services to the subsidiaries. The Parent Company's operating profit was SEK 0.3 (0.0) million.

The Parent Company's equity on December 31, 2022, was SEK 290.9 (162.0) million. Registered share capital on December 31, 2022, was SEK 9,708,276 (4,854,138) divided into 38,833,104 (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 46–49 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	194,904,284
Retained earnings	-55,954,651
Profit/loss for the year	373,707
Total	139,323,340

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

Carried forward	139,323,340
Total	139,323,340

The Board's statement on the proposed dividend

The Board proposes that no dividend be paid (previous year SEK 0.55 per share). The main reason for canceling the dividend is that a rights issue was carried out in November 2022. The Company's long-term dividend policy is to pay a dividend corresponding to 25–50% of the previous year's profit, taking into account the Company's liquidity.

Consolidated statement of comprehensive income

January 1–December 31, SEK thousand	Note	2022	2021
Net sales	2	548,087	463,344
Cost of sales	3	-320,182	-264,709
Gross profit		227,905	198,634
Other operating income	5	24,146	8,540
Distribution costs	3	-110,723	-88,677
Administrative expenses	3	-32,872	-31,473
Research and development expenses	3	-51,569	-43,327
Other operating expenses	6	-27,916	-7,680
Operating profit/loss		28,970	36,018
Finance income	9	1,778	1,352
Finance costs	9	-9,904	-5,493
Exchange rate difference		5	-3,109
Net financial items	9	-8,121	-7,250
Profit/loss before tax		20,849	28,768
Income tax	10	-8,121	-5,496
Profit/loss for the year¹⁾		12,728	23,272

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

Other comprehensive income

SEK THOUSAND	Note	2022	2021
Items that may be reclassified to profit/loss for the year			
Translation differences for the year, foreign subsidiaries		25,489	13,854
Other comprehensive income for the year		25,489	13,854
Comprehensive income for the year		38,217	37,126
Basic earnings per share, SEK	20	0.46	0.87
Diluted earnings per share, SEK	20	0.45	0.86

Consolidated statement of financial position

December 31, SEK thousand	Note	2022	2021
ASSETS			
Noncurrent assets			
Intangible assets			
Capitalized development expenses	11	225,235	162,885
Goodwill	11	88,123	78,693
Total intangible assets		313,358	241,578
Property, plant and equipment			
Right-of-use assets	13	36,735	26,847
Plant and machinery	12	7,372	6,137
Equipment, tools, fixtures and fittings	12	12,350	11,230
Leasehold improvements	12	2,116	3,211
Total property, plant and equipment		58,574	47,426
Financial assets			
Other financial assets		3,823	3,828
Long-term accounts receivables (guaranteed 75–95% by EKN)	16. 26	45,796	36,822
Total financial assets		49,618	40,651
Total noncurrent assets		421,550	329,655
Current assets			
Inventories			
Raw materials and supplies		31,372	30,431
Products in progress		6,697	4,458
Finished goods and merchandise		37,196	24,149
Total inventories	15	75,265	59,038
Current receivables			
Tax assets		7,195	3,999
Trade receivables	16. 26	64,247	48,190
Trade receivables (guaranteed 75–95 % by EKN)	16. 26	79,322	79,696
Other receivables	17	4,869	7,764
Prepaid expenses and accrued income	18	10,611	5,508
Total current receivables		166,245	145,155
Cash and cash equivalents	19	96,904	38,183
Total current assets		338,414	242,375
TOTAL ASSETS		759,964	572,030
EQUITY			
Share capital		9,708	4,854
Other contributed capital		336,763	202,386
Translation reserve		42,477	16,988
Retained earnings, including profit for the period		73,556	71,507
TOTAL EQUITY	20	462,504	295,735
LIABILITIES			
Noncurrent liabilities			
Noncurrent interest-bearing liabilities	22	32,152	16,015
Noncurrent interest-bearing liabilities (for receivables guaranteed by EKN)	22	29,915	19,746
Noncurrent lease liabilities	13	22,832	14,929
Provisions		3,133	3,899
Deferred tax liabilities	10	8,394	10,504
Total noncurrent liabilities		96,426	65,094
Current liabilities			
Current interest-bearing liabilities	22	13,020	12,254
Current interest-bearing liabilities (for receivables guaranteed by EKN)		78,678	79,796
Current lease liability		13,371	12,703
Trade payables		33,321	41,165
Tax liabilities		7,635	6,662
Other liabilities	23	16,426	20,764
Accrued expenses and deferred income	24	37,084	36,357
Provisions	21	1,500	1,500
Total current liabilities		201,034	211,202
TOTAL LIABILITIES		297,459	276,295
TOTAL EQUITY AND LIABILITIES		759,964	572,030

Consolidated statement of changes in equity

SEK THOUSAND	Share capital	Other contributed capital	Translation reserve	Retained earnings, incl. profit for the period	Total equity
Equity, Jan 1, 2021	4,854	202,403	3,133	58,914	269,305
Comprehensive income for the period					
Profit/loss for the period				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
Equity, Jan 1, 2022	4,854	202,386	16,988	71,507	295,735
Comprehensive income for the period					
Profit/loss for the period				12,728	12,728
Other comprehensive income for the period			25,489		25,489
Comprehensive income for the period			25,489	12,728	38,217
Transactions with shareholders					
New share issue	4,854	144,653			149,507
Issuance costs		-10,277			-10,277
Dividend				-10,679	-10,679
Equity, Dec 31, 2022	9,708	336,763	42,477	73,556	462,504

Consolidated statement of cash flows

January 1–December 31, SEK thousand	Note	2022	2021
Operating activities			
Operating profit/loss		28,970	36,018
Adjustments for noncash items	28	23,067	19,451
Interest received	28	1,778	1,352
Interest paid	28	-9,851	-5,493
Income tax paid		-15,203	-4,671
Cash flow from operating activities before changes in working capital		28,760	46,658
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		-9,779	-3,046
Increase (-)/Decrease (+) in operating receivables		-6,546	-14,404
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)		-8,600	-19,298
Increase (+)/Decrease (-) in operating liabilities		-15,188	33,375
Cash flow from operating activities		-11,353	43,284
Investing activities			
Acquisition of property, plant and equipment	12	-6,433	-3,149
Investment in capitalized development expenses	11	-68,528	-53,221
Cash flow from investing activities		-74,961	-56,370
Financing activities			
Proceeds from borrowings/Repayment of borrowings		24,031	19,052
Increase (+)/Decrease (-) in financial liabilities (EKN financing)		9,050	22,293
Increase (+)/Decrease (-) in financial liabilities		-7,373	-3,145
New share issue		149,507	-
New issue costs		-10,277	-
Lease liability payments	13	-13,708	-11,766
Dividend		-10,679	-10,679
Cash flow from financing activities		140,550	15,754
Cash flow for the year		54,236	2,669
Cash and cash equivalents at the beginning of the period		38,183	32,989
Exchange differences		4,486	2,525
Cash and cash equivalents at the end of the year	19	96,904	38,183

Parent Company income statement

January 1–December 31, SEK thousand	Note	2022	2021
Net sales	2	27,943	26,006
Administrative expenses		-24,328	-22,941
Other operating expenses		-3,362	-3,062
Operating profit/loss		253	2
Profit/loss financial items			
Anticipated dividend from subsidiaries		-	15,000
Interest and similar expenses	9	49	-2
Profit/loss after net financial items		302	15,000
Tax	10	72	-123
Profit/loss for the year		374	14,877

Parent Company **statement of comprehensive income**

SEK THOUSAND	Note	2022	2021
Profit/loss for the year		374	14,877
Other comprehensive income for the year		-	-
Comprehensive income for the year		374	14,877

Parent Company balance sheet

January 1–December 31, SEK thousand	Note	2022	2021
ASSETS			
Intangible assets			
Capitalized development expenses		367	757
Total intangible assets		367	757
Property, plant and equipment			
Equipment		210	73
Total property, plant and equipment		210	73
Financial assets			
Shares in Group companies	14	230,346	170,346
Other financial assets		2,521	3,138
Deferred tax assets		138	66
Total financial assets		233,004	173,549
Total noncurrent assets		233,581	174,380
Current assets			
Receivables from Group companies		19,070	1,163
Tax assets		1,683	942
Other receivables	17	2,074	859
Prepaid expenses and accrued income	18	2,999	1,918
Total current receivables		25,826	4,882
Cash and bank balances	19	46,263	480
Total current assets		72,089	5,362
TOTAL ASSETS		305,671	179,742
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (38,833,104 shares)		9,708	4,854
Statutory reserve		141,859	141,859
Unrestricted equity			
Share premium reserve		194,904	60,528
Retained earnings		-55,955	-60,152
Profit/loss for the period		374	14,877
Total equity		290,890	161,965
Liabilities			
Noncurrent liabilities			
Other provisions		3,133	3,899
Total noncurrent liabilities		3,133	3,899
Current liabilities			
Trade payables		6,165	4,115
Liabilities to Group companies		-	3,752
Other liabilities	23	627	441
Accrued expenses and deferred income	24	4,856	5,569
Total current liabilities		11,647	13,877
Total liabilities		14,780	17,777
TOTAL EQUITY AND LIABILITIES		305,671	179,742

Parent Company statement of changes in equity

SEK THOUSAND	Share capital	Statutory reserve	Unrestricted equity			Total equity
			Share premium reserve	Retained earnings	Profit/loss for the year	
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	-
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
Equity, Jan 1, 2022	4,854	141,859	60,528	-60,152	14,877	161,965
Comprehensive income for the year						
Appropriation of profit				14,877	-14,877	-
Profit/loss for the year					374	374
Option programs						-
Transactions with shareholders						
New share issue	4,854		144,653			149,507
Issuance costs			-10,277			-10,277
Dividend				-10,679		-10,679
Equity, Dec 31, 2022	9,708	141,859	194,904	-55,955	374	290,890

Parent Company cash flow statement

January 1–December 31, SEK thousand	Note	2022	2021
Operating activities			
Operating profit/loss		252	2
Adjustments for noncash items 1,2)	28	518	478
Interest received	28	50	-
Interest paid	28	-	-2
Income tax paid		-741	-
Cash flow from operating activities before changes in working capital		79	478
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-79,586	19,253
Increase (+)/Decrease (-) in operating liabilities		-2,996	-9,368
Cash flow from operating activities		-82,583	10,362
Investing activities			
Shareholder contributions		-	-
Investments in intangible assets		-	-24
Investments in property, plant and equipment		-264	-
Cash flow from investing activities		-264	-24
Financing activities			
New share issue		149,507	-17
New issue costs		-10,277	-
Dividend		-10,679	-10,679
Cash flow from financing activities		128,552	-10,696
Cash flow for the year		45,783	-357
Cash and cash equivalents at the beginning of the period		480	837
Cash and cash equivalents at the end of the year	19	46,263	480

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 Report and Consolidated Financial Statements were approved for issuance by the Board of Directors and CEO on April 5, 2023.

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 2022 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% 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 transactions 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. Nonmonetary assets and liabilities recognized at historical cost are translated using the exchange rates prevailing at the transaction date. Nonmonetary 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 noncontrolling 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 Incoterms. 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.

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: noncurrent trade receivables (guaranteed 75–95% by EKN), noncurrent noninterest-bearing receivables, trade receivables, trade receivables (guaranteed 75–95% by EKN), other receivables, cash and cash equivalents, noncurrent interest-bearing liabilities, noncurrent 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 noncurrent trade receivables (guaranteed 75–95% by EKN), noncurrent 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 measured 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, noncurrent 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 noncurrent 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 noncash 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 noncurrent 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 år
– Equipment, tools, fixtures and fittings	5 år
– 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, and machinery and equipment. The group determines whether an agreement is, or contains, a lease when the agreement is entered. The group recognizes all leases where they are lessees, a right-of-use and a corresponding lease liability, with the exception of current leases (defined as leases for a period of no more than 12 months) and leases where the underlying asset has minimal value. For the latter leases, the group recognizes lease payments as operating expenses.

The lease liability – separated into current and noncurrent portions – is initially measured at the present value of the remaining lease fees during the estimated lease term. The lease term is the noncancelable period including any optional periods provided in the lease if at the commencement date it is reasonably certain these options will be exercised. Lease payments are normally discounted at the Group incremental borrowing rate, which reflects the group's credit rating, the lease term, lease currency, and the quality of the underlying asset as intended 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 increases with the interest expense in each period and decreases with each lease payment. The interest expense is the value of the liability times the discount rate. The lease liability for indexed rent Group premises is recognized as the applicable rent at each period-end. The liability is then adjusted, with a corresponding adjustment of the right-of-use asset's carrying amount. Correspondingly, the value of the liability and the asset is adjusted when the lease period is reassessed. This is when the notice date for the previously assessed lease period of a previous premises lease is passed, or when significant events occur or circumstances change significantly in a way that Group control and that impacts the current assessment of the lease period.

The right of use consists of the initial assessment of the corresponding lease liability, lease fees made at or before the commencement date, and any initial direct costs. These are then measured at cost less accumulated depreciation and impairment.

The right of use assets are depreciated on a straight-line basis from the commencement date to earlier of either the end of useful life or the lease period ends. The group applies IAS 36 Impairment of Assets to determine whether evidence of impairment of the right of use exists and recognizes any identified impairment as described in 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 obtaining 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. When calculating earnings per share, bonus issue elements from the new issue in Q4 2022 have been taken into account in the calculation of earnings per share before and after dilution, which is why the comparative figures have been recalculated.

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 nonoccurrence 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, noncurrent 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 noncurrent 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 full systems for blood cell counting in the area of hematology. The systems are sold on both the human and veterinary market and sales are made through distributors in more than 100 countries, as well as in-house in Sweden and the U.S. 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. Based on the Group's integrated activities of product development, manufacturing and sales of instruments, reagents and controls, the Group is defined as a single cash-generating unit as all constituent subactivities are integrated and interdependent.

Boule's highest executive body, the company's Board of Directors, monitors the Group's overall performance and balance sheet. While net sales are monitored at regional and product level, operating profit is monitored for the Group as a whole, and this information forms the basis for decisions on the allocation of resources and assessment of company performance.

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

SEK THOUSAND	2022	2021
Revenue from contracts with customers	548,087	463,344
Total	548,087	463,344

NET SALES BY PRODUCT

SEK THOUSAND	Group		Parent Company	
	2022	2021	2022	2021
Instruments	158,518	148,689		
Consumables for own instruments	232,984	193,464		
Consumables OEM and CDS Brand	112,516	84,651		
Other	44,070	36,540		
Group-related services			27,943	26,006
Total	548,087	463,344	27,943	26,006

NET SALES BY GEOGRAPHICAL AREA

SEK THOUSAND	Group	
	2022	2021
USA	189,846	152,561
Asia	150,720	121,330
Eastern Europe	62,261	61,135
Latin America	44,978	37,705
Western Europe	39,623	32,198
Africa	29,781	33,845
Middle East	30,878	24,570
Total Group	548,087	463,344

INFORMATION ABOUT MAJOR CUSTOMERS

Boule generated SEK 72,270 thousand in revenue from a single customer in 2022, representing 13% of net sales. The customer is domiciled in the United States. Boule generated SEK 44,988 thousand in revenue from a single customer in 2021, representing 10% of net sales. The customer is domiciled in the United States.

NOTE 3 OPERATING EXPENSES BY NATURE OF EXPENSE

	Group	
	2022	2021
Raw materials and supplies	167,149	162,241
Change in inventories of finished goods and products in progress	18,146	-4,805
Personnel expenses	194,521	168,163
Depreciation and amortization	7,239	6,054
Capitalized work for own account	-67,057	-51,492
Other operating expenses ¹⁾	195,347	148,025
Total	515,345	428,186

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 THOUSAND	Group	
	2022	2021
Salaries and benefits	154,220	133,513
Pension costs, defined-contribution plans	13,858	12,795
Social security contributions	29,955	27,537
Total	198,032	173,845

AVERAGE NUMBER OF EMPLOYEES

Group	2022		2021	Men/ women
	2022	Men/ women		
Parent Company				
Sweden	6	17/83	7	10/90
Country/group of countries				
Subsidiaries				
Sweden	124	60/40	115	60/40
Mexico	2	100/0	2	100/0
Russia	12	50/50	10	47/53
USA	91	56/44	84	52/48
Total in subsidiaries	229	58/42	211	55/45
Group, total	235	57/43	218	55/45

GENDER REPRESENTATION IN EXECUTIVE MANAGEMENT

Percent	2022	2021
	Men/ women	Men/ women
Parent Company		
The Board of Directors	67/33	57/43
Other senior executives	25/75	44/56
Group, total		
The Board of Directors	67/33	57/43
Other senior executives	58/42	65/35

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

SEK THOUSAND	2022			2021		
	Senior executives (4 individuals)	Other employees	Total	Senior executives (3 individuals)	Other employees	Total
Salaries and other benefits	5,748	2,595	8,343	5,474	3,315	8,789
(of which variable remuneration and other benefits)	134	6	139	843		901
Social security costs	2,139	1,188	3,327	2,048	1,607	3,655
Pension costs	1,374	521	1,895	1,352	804	2,155

REMUNERATION OF THE BOARD, CEO AND OTHER SENIOR EXECUTIVES, 2022¹⁾

SEK THOUSAND	Board fees	Basic salary	Variable remuneration	Pension costs	Other benefits ²⁾	Total
Yvonne Mårtensson, Board Chair	500					500
Thomas Eklund	250					250
Karin Dahllöf	250					250
Jon Risfelt	250					250
Torben Jørgensen	250					250
Emil Hjalmarsson	125					125
Total remuneration, Board	1,625					1,625
Jesper Söderqvist, CEO		2,893	-	683	70	3,645
Other senior executives (12 individuals)		15,557	143	3,190	806	19,696
Total remuneration, CEO and other senior executives³⁾		18,450	142	3,873	876	23,341
Total remuneration, Board, CEO and other senior executives	1,625	18,450	142	3,873	876	24,966

¹⁾ Amounts do not include social security contributions

²⁾ Primarily company cars

³⁾ Total remuneration of SEK 23,341 thousand for the CEO and other senior executives consists of SEK 7,117 thousand from the Parent Company and SEK 16,224 thousand from subsidiaries.

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

SEK THOUSAND	Board fees	Basic salary	Variable remuneration	Pension costs	Other benefits ²⁾	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 Jørgensen	-					-
Total remuneration, Board	1,410					1,410
Jesper Söderqvist, CEO		2,735	388	749	72	3,944
Other senior executives (9 individuals)		12,354	1,514	2,321	749	16,938
Total remuneration, CEO and other senior executives³⁾		15,090	1,901	3,070	820	20,882
Total remuneration, Board, CEO and other senior executives	1,410	15,090	1,901	3,070	820	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 senior executives and conditions for notice periods and termination benefits

The AGM in May 2022 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 pre-defined targets at both individual and Company level. Individual performance is evaluated on an ongoing basis. For the CEO, variable remuneration is capped at 50% of the fixed annual salary. For other senior executives, variable remuneration is capped at 17–50% 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% 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 2021 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 2021, 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 2.8 (3.1) million.

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

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%. If Alecta's collective funding ratio falls below 125% or exceeds 155%, 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 price for new insurance and extension of existing benefits. If the level is too high, premium reductions could be introduced. At the end of 2022, Alecta's surplus in the form of its collective funding ratio was 172% (148).

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 THOUSAND	Group		Parent Company	
	2022	2021	2022	2021
Costs for defined-contribution plans ¹⁾	13,858	12,795	1,895	2,155

¹⁾ This includes SEK 4,045 (4,084) thousand for the Group, SEK 229 (531) thousand of which is for the Parent Company relating to ITP plans financed through Alecta (see above).

NOTE 5 OTHER OPERATING INCOME

SEK THOUSAND	Group	
	2022	2021
Exchange gains on operating receivables/liabilities	23,408	7,840
Other	738	701
Total other operating income	24,146	8,540

NOTE 6 OTHER OPERATING EXPENSES

SEK THOUSAND	Group	
	2022	2021
Exchange gains on operating receivables/liabilities	-27,916	-7,680
Total	-27,916	-7,680

NOTE 7 AUDITORS' FEES AND REMUNERATION

SEK THOUSAND	Group		Parent Company	
	2022	2021	2022	2021
PWC				
Audit fees	1,152	884	828	634
Other auditing assistance	18	107	18	107
Tax advisory services	100	31	68	23
Other services	451	204	424	159
Other auditors				
Stefanelli and Batalla CPA	64	51		
Total	1,784	1,304	1,337	923

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 totaled SEK 57,282 (48,933) 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.

For information on remuneration and benefits to the respective key members of management, see Note 4.

NOTE 9 NET FINANCIAL ITEMS

SEK THOUSAND	Group		Parent Company	
	2022	2021	2022	2021
Financial assets at amortized cost				
Anticipated dividend from subsidiaries			-	15,000
Interest income on bank balances *)	215	83	50	-
Re-billing of finance costs related to EKN guarantees	1,563	1,270	-	-
Exchange gain	5	-	-	-
Finance income	1,783	1,352	50	15,000
Finance costs				
Interest expense on borrowing *)	-9,015	-4,283	-	-
Interest expenses, leases	-806	-1,165	-	-
Trade payables *)	-31	-45	-	-2
Exchange loss	-	-3,109	-	-
Loss on sale of noncurrent assets	-52	-	-	-
Finance costs	-9,904	-8,602	-	-2
Net financial items	-8,121	-7,250	50	14,998

*) Attributable to assets and liabilities measured at amortized cost

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

Group, SEK thousand	2022	2021
Current tax		
Tax expense for the year	-12,075	-6,637
Deferred tax income		
Deferred tax on temporary differences	3,954	1,141
Total deferred tax expense/tax income	3,954	1,141
Total tax expense recognized, Group	-8,121	-5,496

RECONCILIATION OF EFFECTIVE TAX

Parent Company	2022		2021	
	%	SEK THOU-SAND	%	SEK THOU-SAND
Profit/loss before tax		302		15,000
Tax according to parent's applicable tax rate	20.60%	-62	20.60%	-3,090
Nondeductible expenses		21		-123
No-taxable income		-		3,090
Tax attributable to previous years		-30		-
Recognized effective tax		-71		-123

RECONCILIATION OF EFFECTIVE TAX

Group	2022		2021	
	%	SEK THOU-SAND	%	SEK THOU-SAND
Profit/loss before tax		20,849		28,768
Tax according to parent's applicable tax rate	20.60%	-4,295	20.60%	-5,926
Effect of different tax rates for foreign subsidiaries		-1,496		313
Effects of change in Swedish tax rate		-		916
Nondeductible expenses		-86		-173
No-taxable income		-		-627
Tax attributable to previous years		-2,064		-
Other tax adjustments ¹⁾		-181		-
Recognized effective tax		-8,121		-5,496

¹⁾ Currency adjustment.

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

Deferred tax assets and liabilities are as follows:

Group, SEK thousand	Deferred tax assets		Deferred tax liabilities		Net	
	2022	2021	2022	2021	2022	2021
Property, plant and equipment	441	331	-2,842	-554	-2,400	-223
Intangible assets	-	-	-46,019	-33,157	-46,019	-33,157
Inventories	451	948	-1	-1	450	947
Other receivables	1,359	394	-635	-	724	394
Tax loss carryforwards	144	464	-	-	144	464
Losses	38,708	21,071	-	-	38,708	21,071
Tax assets/liabilities, net	41,103	23,207	-49,497	-33,711	-8,394	-10,504

Deferred tax liabilities for intangible assets are related to capitalized development costs.

CHANGE IN DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSS CARRYFORWARDS

Group, SEK thousand	Balance sheet at Jan 1, 2022	Recognized in profit/loss for the year	Recognized in OCI	Balance sheet at Dec 31, 2022
Property, plant and equipment	-223	-2,177	-	-2,400
Intangible assets	-33,157	-12,863	-	-46,019
Inventories	947	-497	-	450
Other receivables	394	330	-	724
Tax loss carryforwards	464	-320	-	144
Losses	21,071	17,636	-	38,708
	-10,504	2,110	-	-8,394

Group, SEK thousand	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	-	-
Losses	11,794	9,277	-	21,071
	-12,754	2,250	-	-10,504

NOTE 11 INTANGIBLE ASSETS**ACCUMULATED COST**

SEK THOUSAND	Group			Parent Company		
	Internally generated intangible assets	Intangible assets acquired		Internally generated intangible assets	Intangible assets acquired	
	Development expenses	Goodwill	Total	Development expenses	Goodwill	Total
Opening balance, Jan 1, 2022	162,885	78,693	241,578	757	-	757
Internally generated assets	68,528	-	68,528	-	-	-
Depreciation and amortization	-6,519	-	-6,519	-390	-	-390
Exchange differences for the year	341	9,430	9,771	-	-	-
Closing balance, Dec 31, 2022	225,235	88,123	313,358	367	-	367
Opening balance, Jan 1, 2021	115,625	72,906	188,531	1,111	-	1,111
Internally generated assets	53,221	-	53,221	24	-	24
Depreciation and amortization	-6,170	-	-6,170	-378	-	-378
Exchange differences for the year	209	5,787	5,996	-	-	-
Closing balance, Dec 31, 2021	162,885	78,693	241,578	757	-	757

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 cal-

culating value in use are based on the estimated growth rate according to the information below.

Group, SEK thousand	2022	2021
Long-term growth rate	2%	2%
Discount rate before tax	8%	7%
Revenue growth (1-5 years)	13%	11%
Cost development (1-5 years)	5%	7%

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, 2022, is SEK 1,535 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 and the internally developed intangible assets, 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. A five percentage point increase in the WACC would not give rise to any impairment as would reasonable changes in revenue growth and cost development over the 5-year period.

Internally generated intangible assets were SEK 225,235 (162,885) thousand at the end of the year and are primarily related to development expenses for the Company's next generation

platform for analytical instruments. To determine whether there is any impairment, the value of these assets is tested annually and on additional occasions if there are indicators of impairment. The test is done by calculating the present value of future economic benefits of the instrument generation and compare these to the book value of the intangible assets. Amortization of the intangible assets starts when sales of the product begin. Future cash flow is based on estimated sales during the first six years after launch, with an average growth rate from the launch date during the forecast period clearly exceeding the Group's average growth rate of 13%, and is discounted at required return on equity a WACC of 10.79.0%. A five point percentage increase in WACC does not give rise to an impairment. The recoverable amount of the self-constructed asset has been estimated at SEK 379 million over the forecast period through 2030, and management's assessment is therefore that the future economic benefits of the instrument generation exceed the carrying amount of the intangible asset.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

COST

Group, SEK thousand	Plant and machinery	Equipment, tools, fixtures and fittings	Improvements to property	Total
Opening balance January 1, 2021	25,698	26,452	12,475	64,625
Purchases	1,618	2,983	487	5,089
Reclassification	-	-1,618	-	-1,618
Disposals	-	-	-	-
Exchange differences	2,103	684	1,038	3,824
Closing balance December 31, 2021	29,419	28,502	14,000	71,919
Opening balance January 1, 2022	29,419	28,502	14,000	71,919
Purchases	1,382	4,378	913	6,522
Reclassification	-	-	-	-
Disposals	-	-151	-	-
Exchange differences	3,619	1,311	1,658	6,588
Closing balance December 31, 2022	34,420	34,039	16,571	85,029

DEPRECIATION AND AMORTIZATION

Group, SEK thousand	Plant and machinery	Equipment, tools, fixtures and fittings	Improvements to property	Total
Opening balance January 1, 2021	-21,015	-16,728	-8,282	-46,026
Depreciation	-863	-2,251	-1,941	-5,055
Reclassification	-	-	-	-
Disposals	-	1,225	-	1,225
Exchange differences	-1,405	-466	-566	-2,436
Closing balance December 31, 2021	-23,283	-18,221	-10,789	-52,292
Opening balance January 1, 2022	-23,283	-18,221	-10,789	-52,292
Depreciation	-1,344	-3,488	-2,600	-7,333
Reclassification	-	-	-	-
Disposals	-	99	-	-
Exchange differences	-2,423	-614	-1,066	-4,103
Closing balance December 31, 2022	-27,049	-22,224	-14,455	-63,728

CARRYING AMOUNTS

January 1, 2021	4,682	10,985	4,192	19,858
December 31, 2021	6,137	11,230	3,211	20,579
January 1, 2022	6,137	10,281	3,211	19,627
December 31, 2022	7,372	11,815	2,116	21,303

COST

Parent Company, SEK thousand

Opening balance January 1, 2021	407
Purchases	-
Closing balance December 31, 2021	407

Opening balance January 1, 2022	407
Purchases	264
Closing balance December 31, 2022	671

DEPRECIATION AND AMORTIZATION

Parent Company, SEK thousand

Opening balance January 1, 2021	-233
Depreciation	-100
Sales and disposals	-
Closing balance December 31, 2021	-333

Opening balance January 1, 2022	-333
Depreciation	-128
Closing balance December 31, 2022	-461

CARRYING AMOUNTS

Parent Company, SEK thousand

January 1, 2021	173
December 31, 2021	73

January 1, 2022	73
December 31, 2022	210

Leasing of vehicles and production machinery is reported in Note 13 and totals SEK 535 thousand (949).

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

Group, SEK thousand	Buildings	Vehicles	Machinery	Total
Cost				
Opening balance January 1, 2022	59,047	1,000	608	60,655
Incoming 2022	20,673	-		20,673
Decommissioned 2022		-124		-124
Exchange differences	6,508			6,508
Closing balance December 31, 2022	86,227	876	608	87,712
Depreciation and amortization				
Opening balance January 1, 2022	-32,200	-304	-355	-32,859
Depreciation	-13,065	-169	-122	-13,356
Decommissioned 2022		-		-
Exchange differences	-4,227			-4,227
Closing balance December 31, 2022	-49,492	-473	-477	-50,442
Carrying amounts				
January 1, 2022	26,847	696	253	27,796
December 31, 2022	36,735	403	132	37,270

Group, SEK thousand	Buildings	Vehicles	Machinery	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

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

SEK THOUSAND	Year	2022
Within one year	2022	13,534
Between one and five years	2023-2026	26,804
After five years	2027 -	-
Total		40,338

Lease liability in the statement of financial position

SEK THOUSAND	2022
Current portion	13,371
Noncurrent portion	22,832
Total	36,203

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.

In 2022, an agreement was extended for subsidiaries in the U.S.

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

Group, SEK thousand	2022
Depreciation of right-of-use assets	-13,356
Interest expenses, lease liabilities	-806
Lease costs related to current lease liabilities	-1,198
Lease costs related to low-value leases (excluding the above)	-1,266
Revenue from subleasing right-of-use assets	473
Total	-16,152

CASH OUTFLOW FOR FINANCE LEASES

Group, SEK thousand	2022
Buildings	-14,208
Vehicles	-202
Machinery	-91
Total cash outflow for leasing	-14,501

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

SEK THOUSAND	2022	2021
Accumulated cost		
At beginning of year	209,451	194,451
Shareholder contributions	60,000	15,000
Closing balance December 31	269,451	209,451
Accumulated Write-down for the year		
At beginning of year	-39,105	-39,105
Write-down for the year	-	-
Closing balance December 31	-39,105	-39,105
Carrying amount December 31	230,346	170,346

PARENT COMPANY'S DIRECT HOLDINGS OF SHARES IN SUBSIDIARIES

Subsidiaries	Corporate ID	Reg'd office	12/31/2022			12/31/2021		
			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	160,129	10,000	100	100,130
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
					230,346			170,346

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.

NOTE 15 INVENTORIES

The cost of goods sold in the Group includes impairment of inventories of SEK 6,327 thousand (4,443). Impairment of raw materials and supplies amounts to SEK 0 (0) thousand. Impairment of finished goods and merchandise amounts to SEK 0 (0) thousand.

Group at December 31, SEK thousand	2022	2021
Raw materials and supplies	31,372	30,431
Products in progress	6,697	4,458
Finished goods and merchandise	37,196	24,149
Total	75,265	59,038

NOTE 16 TRADE RECEIVABLES

Impairment of trade receivables for the year was SEK -732 (-147) thousand and reversal of impairment for the year was SEK 5,864 (8) 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 126 (116) million, or 75%, of the Group's trade receivables are guaranteed by the Export Credit Agency (EKN) at 75–95% 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.

In 2022, the previous reserve of SEK 5.9 million was reversed and the claim was settled by EKN.

NOTE 17 OTHER RECEIVABLES

SEK thousand, December 31	Group		Parent Company	
	2022	2021	2022	2021
Current receivables				
VAT	969	4,568	1,093	616
Advance to suppliers	18	2,682	-	-
Other	3,882	515	981	243
Total other receivables	4,869	7,764	2,074	859

NOTE 18 PREPAYMENTS AND ACCRUED INCOME

December 31, SEK thousand	Group		Parent Company	
	2022	2021	2022	2021
Prepaid cost of materials	3,280	191	-	-
Prepaid IT costs	4,994	883	2,199	45
Prepaid trade fair costs	307	392	0	0
Other prepayments and accrued income	2,031	4,042	800	1,873
Total	10,611	5,508	2,999	1,918

NOTE 19 CASH AND CASH EQUIVALENTS

THE FOLLOWING COMPONENTS ARE INCLUDED IN CASH AND CASH EQUIVALENTS

December 31, SEK thousand	Group		Parent Company	
	2022	2021	2022	2021
Cash and bank balances	96,904	38,183	46,263	480

Boule Medical AB has an approved overdraft facility of SEK 48,535 (48,535) thousand, of which SEK 0 (6,255) thousand was utilized on December 31, 2022.

Clinical Diagnostics Solutions Inc has an approved overdraft facility of USD 1,000 (1,000) thousand, of which USD 0 (0) was utilized on December 31, 2022.

AVAILABLE LIQUIDITY AT DECEMBER 31, 2022, SEK THOUSAND

Group	2022	2021
Cash and cash equivalents in the Statement of Financial Position	96,904	38,183
Overdraft facilities granted	58,972	57,579
Overdraft facilities utilized	0	-6,255
Available factoring	4,624	325
Factoring utilized	-110,156	-100,812
Total	50,345	-10,981

NOTE 20 EQUITY INCLUDING EARNINGS PER SHARE

SHARE CAPITAL

Ordinary shares, thousands	2022	2021
Issued as of January 1	19,417	19,417
Issued during the year	19,417	-
Issued as of December 31 – paid	38,833	19,417

The total number of shares and votes in Boule changed in 2022 and, after the new share issue, totaled 38,833,104 as of 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 one outstanding warrant program. 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.

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. There are no restrictions on transferring the warrants in the two 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 proposes no dividend to the AGM (SEK 0.55) for 2022.

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 thousand	Translation reserve
Opening carrying amount, Dec 31, 2021	3,133
Translation differences for the year	13,854
Closing carrying amount Dec 31, 2021	16,988
Translation differences for the year	25,489
Closing carrying amount Dec 31, 2022	42,477

EARNINGS PER SHARE

SEK	2022	2021
Basic		
Profit/loss, SEK thousand	12,728	23,272
Average number of shares, thousands*	27,944	26,678
Basic earnings per share, SEK	0.46	0.87
Diluted		
Profit/loss, SEK thousand	12,728	23,272
Average number of shares, thousands*	28,477	27,211
Diluted earnings per share, SEK	0.45	0.86

* The bonus issue elements from the new issue in Q4 2022 have been taken into account in the calculation of earnings per share before and after dilution, which is why the comparative figures have been recalculated.

NOTE 21 PROVISIONS

	Group	
SEK thousand, December 31	2022	2021
Warranty commitments	1,500	1,500
Total	1,720	1,500

GROUP'S WARRANTY COMMITMENTS

SEK thousand, December 31	2022	2021
Carrying amount at beginning of period	1,500	1,000
Provisions during the period	2,366	2,421
Amounts utilized during the period	-2,366	-1,921
Carrying amount at end of period	1,500	1,500

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 thousand, December 31	Group		SEK thousand, December 31	Group	
	2022	2021		2022	2021
Noncurrent liabilities			Current liabilities		
Liabilities to credit institutions	32,152	16,015	Overdraft facilities	-	6,255
Lease liabilities	22,832	14,929	Liabilities to credit institutions	13,020	5,999
Noncurrent liabilities, receivables guaranteed by EKN	29,915	19,746	Lease liabilities	13,371	12,703
Total	84,899	50,690	Current liabilities, receivables guaranteed by EKN	78,678	79,796
			Total	105,069	104,754

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 THOUSAND	Currency	2022				2021			
		Nom. interest	Due date	Nom. value	Carrying amount	Nom. interest	Due date	Nom. value	Carrying amount
Overdraft facilities	SEK	2.11%		-	-	2.11%		6,255	6,255
Factoring Danske Bank, Payex	SEK	1.72%	2020-2021	108,593	108,593	1.72%	2020-2021	99,542	99,542
Leasing liabilities, cars & machinery	SEK	1.52%	2020-2024	628	624	1.52%	2020-2024	1,052	1,023
Leasing liabilities, premises	SEK	3.56%	2020-2026	37,482	35,579	3.56%	2020-2026	29,853	26,609
Liabilities to credit institutions	USD	3.35%	2020-2022	1,211	1,172	3.35%	2020-2022	2,082	2,015
Liabilities to credit institutions	SEK	2.50%	2023-2026	45,100	44,000	2.50%	2022-2024	20,500	20,000
Total interest-bearing liabilities				193,014	189,967			159,284	155,444

NOTE 23 OTHER LIABILITIES

SEK THOUSAND	Group	
	12/31/2022	12/31/2021
VAT	460	1,112
Withholding tax, Social security contributions	3,884	3,405
Contractual liabilities	6,701	10,636
Other current liabilities	5,379	5,610
Total other current liabilities	16,426	20,764

SEK THOUSAND	Parent Company	
	12/31/2022	12/31/2021
VAT	130	-
Withholding tax, Social security contributions	497	441
Other current liabilities	-	-
Total other current liabilities	627	441

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 thousand, December 31	Group		Parent Company	
	2022	2021	2022	2021
Accrued salary costs, incl. social security contributions	21,270	16,736	2,342	2,559
Contractual liabilities	646	6,626	-	-
Board fees	1,403	1,581	1,403	1,581
Audit fees	682	409	301	243
Agent commission	-	490	-	-
Other	13,082	10,514	810	1,187
Total	37,084	36,357	4,856	5,569

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 2022, SEK thousand	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount	Fair value	Nonfinancial assets and liabilities	Total, statement of financial position
Noncurrent interest-bearing receivables	45,796	-	45,796	45,796	-	45,796
Trade receivables	143,569	-	143,569	143,569	-	143,569
Other receivables	3,823	-	3,823	3,823	-	3,823
Cash and cash equivalents	96,904	-	96,904	96,904	-	96,904
Total	290,092	-	290,092	290,092	-	290,092
Noncurrent interest-bearing liabilities	-	32,152	32,152	32,152	22,832	54,984
Other noncurrent liabilities	-	29,915	29,915	29,915	-	29,915
Current interest-bearing liabilities	-	91,697	91,697	91,697	13,371	105,068
Trade payables	-	33,322	33,322	33,322	-	33,322
Other liabilities	-	3,133	3,133	3,133	-	3,133
Total	-	190,218	190,218	190,218	36,203	226,421

Group 2021, SEK thousand	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount	Fair value	Lease liability	Total, statement of financial position
Noncurrent 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
Noncurrent interest-bearing liabilities	-	16,015	16,015	16,015	14,929	30,944
Other noncurrent liabilities	-	19,746	19,746	19,746	-	19,746
Current interest-bearing liabilities	-	92,050	92,050	92,050	12,703	104,753
Other liabilities	-	41,165	41,165	41,165	-	41,165
Trade payables	-	3,899	3,899	3,899	-	3,899
Total	-	172,876	172,876	172,876	27,632	200,508

Parent Company 2022, SEK thousand	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount	Fair value	Nonfinancial assets and liabilities	Total, statement of financial position
Receivables from Group companies	108,203	-	108,203	108,203	-	108,203
Other receivables	2,521	-	2,521	2,521	-	2,521
Cash and cash equivalents	46,263	-	46,263	46,263	-	46,263
Total	156,987	-	156,987	156,987	-	156,987
Trade payables	-	-6,165	-6,165	-6,165	-	-6,165
Liabilities to Group companies	-	-89,133	-89,133	-89,133	-	-89,133
Other liabilities	-	-627	-627	-627	-	-627
Total	-	-95,924	-95,924	-95,924	-	-95,924

Parent Company 2021, SEK thousand	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount	Fair value	Nonfinancial 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	-	11,767

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 Nonderivative 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 noncurrent interest-bearing receivables, includes receivables guaranteed by the Swedish Export Credit Agency (EKN) 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, SEK THOUSAND

Credit facilities, Dec 31, 2022	Nominal	Utilized	Available
Factoring	114,780	110,156	4,624
Overdraft facilities	58,972	-	58,972
Total unutilized granted borrowing	173,752	110,156	63,596
Available cash and cash equivalents			96,904
Available liquidity			160,501

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

The Company's maturity structure for financial liabilities is shown in the table below

Group, Dec 31, 2022, SEK thousand	Total	<1 month	1-3 months	3 mos-1 yr	1-5 years	> 5 years
Overdraft facilities	-	-	-	-	-	-
Liabilities to credit institutions	45,172	-	-	13,020	32,152	-
EKN financing	108,593	-	-	78,678	29,915	-
Trade payables	33,322	32,989	333	-	-	-
Other noncurrent liabilities	3,133	-	-	-	3,133	-
Total	190,219	32,989	333	91,698	65,200	-

Group, Dec 31, 2021, SEK thousand	Total	<1 month	1-3 months	3 mos-1 yr	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	40,754	412	-	-	-
Other noncurrent liabilities	16,015	-	-	-	16,015	-
Total	168,978	40,754	412	92,051	35,761	-

FINANCING RISK

As a result of the rights issue, Boule can finance its current operations. It is not inconceivable that the Group 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 Group'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 Group'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 Group 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 eliminated 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 (-270) 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 or strengthened by 10% against the USD, all other variables remaining constant, restated profit after tax at December 31, 2022, would have been SEK 18,218 (12,031) 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 or strengthened by 10% against the EUR, all other variables remaining constant, restated profit after tax at December 31, 2022, would have been SEK 1,240 (1,236) thousand lower/higher. This largely results from the translation of trade receivables in EUR.

Group, SEK thousand	12/31/2022		12/31/2021	
	USD	EUR	USD	EUR
Cash and cash equivalents	31,390	6,501	30,069	2,966
Trade receivables	125,799	9,271	76,269	9,709
Trade payables	8,806	3,225	7,424	1,183

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 obliga-

tions. 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.

CREDIT LOSS ALLOWANCE, GROUP, SEK THOUSAND

12/31/2022	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, %	2%	2%	18%	24%	46%	96%	
Recognized trade receivables, gross	132,346	10,803	2,136	1,533	292	204	147,313
Credit loss allowance	2,421	250	375	368	134	195	3,744
Recognized trade receivables	129,926	10,553	1,760	1,165	158	8	143,569

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

CREDIT GUARANTEES

The Group offers certain foreign customers an installment plan for purchasing products, with payment terms of 12–36 months. To manage group exposure for financing and credit risk in these transactions, we apply to the EKN (Swedish Export Credit Agency) to issue export credit guarantees for any losses on receivables. This enables the group to access liquidity flows quickly and minimizes the credit risk for the financing granted. Through the Swedish Export Credit Agency, at December 31, 2022, SEK 125,118 thousand (116,518) of the receivables were 75–95% insured against the risk that the receivable will not be paid.

TRADE RECEIVABLES

SEK thousand, Group	12/31/2022	12/31/2021
Trade receivables	147,313	174,292
Allowance for expected credit losses/ doubtful receivables*	-3,744	-9,585
Trade receivables, net	143,569	164,707

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

SEK thousand, Group	2022
January 1, 2021	9,585
Allowance for doubtful receivables	470
Receivables written off as uncollectible during the year	-732
Reversal of unutilized amounts	-5,864
Reversal of discounting effect	314
December 31, 2022	3,773

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

	12/31/2022	12/31/2021
SEK	36,497	83,064
EUR	7,512	3,946
USD	94,436	73,880
RUB	5,125	3,817
Total	143,569	164,708

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, 2022.

NOTE 27 PLEDGED ASSETS AND CONTINGENT LIABILITIES

PLEDGED ASSETS

SEK thousand, December 31	Group		Parent Company	
	2022	2021	2022	2021
Business mortgage for overdrafts (BM)	48,535	48,535	-	-
Floating charges, bank guarantee	18,825	18,825	-	-
Floating charges, bank guarantee	1,175	1,175	-	-
Floating charges bank guarantee, April 2022	55,000	-	-	-
Floating charges, overdraft facility CDS	10,437	9,044	-	-
Lease framework, cars	2,500	2,500	2,500	2,500
Lease, line credit	4,064	3,521	-	-
EKN guarantees for assigned receivables ¹⁾	125,118	116,518	-	-
Endowment insurance	3,133	3,899	3,133	3,899
Total pledged assets	268,787	204,017	5,633	6,399

¹⁾ The amount of 125,118 relates to accounts receivable with an EKN guarantee. EKN guarantees the underlying transaction. The invoices are then transferred to Danske Bank, Payex and subsequently pledged.

CONTINGENT LIABILITIES

SEK thousand, December 31	Group		Parent Company	
	2022	2021	2022	2021
Guarantee for BM debts with DDB	-	-	110,156	100,812
Total contingent liabilities	0	0	110,156	100,812

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 THOUSAND	Group		Parent Company	
	2022	2021	2022	2021
Interest received ¹⁾	1,778	1,352	50	0
Interest paid ¹⁾	-9,851	-5,493	0	-2

¹⁾ Included in operating activities.

ADJUSTMENTS FOR NONCASH ITEMS

SEK THOUSAND	Group		Parent Company	
	2022	2021	2022	2021
Depreciation/amortization (incl. leases)	27,175	21,478	518	478
Impairment	-	-	-	-
Other	-4,108	-2,026	-	-
Total	23,067	19,451	518	478

TRANSACTIONS NOT INVOLVING PAYMENTS

SEK THOUSAND	Group	
	2022	2021
Acquisition of property, plant and equipment under finance leases	-	4,720

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.

2022	Opening balance 2021	Noncash movements						UB 2022
		Cash movements	Lease repayments	Exchange differences	Acquisitions	Changes in fair value	Changes to leases	
Group, SEK thousand								
Noncurrent liabilities	35,761	26,431	-	-126	-	-	-	62,067
Current liabilities	92,051	-203	-	-150	-	-	-	91,698
Lease liabilities	27,631	-	-13,356	-	-	-	21,928	36,203
Liabilities attributable to financing activities	155,444	26,228	-13,356	-276	-	-	21,928	189,968

2021	Opening balance 2020	Noncash movements						Closing balance 2021
		Cash movements	Lease repayments	Exchange differences	Acquisitions	Changes in fair value	Changes to leases	
Group, SEK thousand								
Noncurrent liabilities	17,836	17,787	-	138	-	-	-	35,761
Current liabilities	71,546	20,413	-	92	-	-	-	92,051
Lease liabilities	36,104	-	-11,884	22	-	-	3,390	27,631
Liabilities attributable to financing activities	125,486	38,200	-11,884	252	-	-	3,390	155,444

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, 2022.

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 2017–2022. 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 as of December 31, 2022.

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, 2022.

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, 2022.

UNCERTAINTIES ARISING FROM RUSSIA'S WAR OF AGGRESSION IN UKRAINE

For all of 2022, Boule's sales in Eastern Europe totaled 11% (13) of net sales, with the majority coming from Russia. The Company has employees in Russia and a production facility for consumables distributed to the Russian market. The market in Eastern Europe is very uncertain given Russia's war of aggression in Ukraine and the current sanctions against Russia. Boule is continuously monitoring developments.

As of December 31, 2022, the net assets of the Russian operations totaled approximately SEK 20 million, including a cash balance of SEK 8.8 million.

After careful analysis, the Board has decided to continue operations in Russia. The main reason is that the products and services are clearly aimed at the healthcare sector and are not subject to imposed sanctions. The Board has also analyzed the actions of other companies with comparable operations and found that a large proportion continue to operate.

The situation in Russia is unpredictable, changing and driven by political decisions. Boule's management and Board of Directors are closely monitoring developments and are prepared for different scenarios. Based on the current situation, the assessment is that operations in Russia can continue.

NOTE 30 EVENTS AFTER THE REPORTING DATE

No significant events have occurred after the balance sheet date.



Declaration by the Board of Directors

The Board of Directors and CEO confirm that the Annual Report has 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 Report 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 2022 Sustainability Report for issuance.

The Annual Report and Consolidated Financial Statements, as shown above, were approved for issuance by the Board of Directors and CEO on April 4, 2023.

Yvonne Mårtensson
Board Chair

Jon Risfelt
Board Member

Thomas Eklund
Board Member

Torben Jørgensen
Board Member

Karin Dahllöf
Board Member

Emil Hjalmarsson
Board Member

Jesper Söderqvist
Chief Executive Officer

Audit Report

Our Audit Report was submitted on April 4, 2023

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 REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Opinions

We have audited the Annual Report and Consolidated Financial Statements for Boule Diagnostics AB (publ) for the year 2022. The Annual Report and Consolidated Financial Statements are included in this document on pages 52–91.

In our opinion, the Annual Report has been prepared in accordance with the Annual Accounts Act and presents fairly, in all material respects, the financial position of the parent Company as of December 31, 2022, and its financial performance and cash flows for the year in accordance with the Annual Accounts Act. The Consolidated Financial Statements 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, 2022 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 Report and Consolidated Financial Statements.

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 Report 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 Article 11 of the Audit Regulation (537/2014).

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 U.S. In addition, sales are conducted, ideally through distributors, in many countries. Significant balance sheet items where valuation involves management judgment are intangible assets, accounts receivable and inventories. These areas are key audit matters, as described below.

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 Report and Consolidated Financial Statements for the current period. These matters were addressed in our audit of, and in forming our opinion on the Annual Report and Consolidated Financial Statements 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****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, 2022, the book value of capitalized development expenses amounts to SEK 225 million, corresponding to approximately 30% of the group's total assets. The total amount capitalized by the group in 2022 is SEK 62 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 and
- examined the Company's impairment testing of the asset and challenged this and the underlying data.

Measurement and existence of inventories

The book value of the group's trade receivables is SEK 189.3 million, of which SEK 143.5 million is recognized as current and SEK 45.8 million noncurrent. The total value of the balance sheet item amounts to 25% 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.

Measurement and existence of inventories

The book value for the group's inventories is SEK 75,3 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.

In the Group, there are significant amounts of 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.

Information other than the Annual Report and Consolidated Financial Statements

This document also contains other information than the Annual Report and Consolidated Financial Statements and is presented on pages 1–51. The board and managing director are responsible for this other information.

Our opinion on the Annual Report and Consolidated Financial Statements 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 Report and Consolidated Financial Statements, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the Annual Report and Consolidated Financial Statements. 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 CEO are responsible for the preparation of these Annual Report and Consolidated Financial Statements and ensuring that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the Consolidated Financial Statements, 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 the Annual Report and Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Report and Consolidated Financial Statements, the board of directors and CEO 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.

Without prejudice to the board's other responsibilities and tasks, the board's Audit Committee is tasked with monitoring the company's financial reporting.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the Annual Report and Consolidated Financial Statements 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 this Annual Report and Consolidated Financial Statements.

A further description of our responsibility for the audit of the Annual Report and Consolidated Financial Statements 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

Auditor's review of the management and proposal for allocation of the company's profit or loss

Opinions

In addition to our audit of the Annual Report and Consolidated Financial Statements, we have also audited the administration of the board of directors and the managing director of Boule Diagnostics AB (publ) for 2022 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:

- taken any action or been guilty of any negligence that may give rise to the company's liability in any other way contrary to 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 Report and Consolidated Financial Statements, we have also examined whether the board of directors and the managing director have prepared the Annual Report and the Consolidated Financial Statements in a format that enables uniform electronic reporting (ESEF report) pursuant to Chapter 16. 4(a) of the Swedish Securities Market Act (2007:528) for Boule Diagnostics AB (publ) for the year 2022.

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 CEO are responsible for the preparation of the ESAF report in accordance with Chapter 16, Section 4a, of the Securities Market Act (2007:528), and that there is such internal control as the Board of Directors and the CEO deem necessary to prepare the ESAF report free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance as to whether the ESEF report is prepared, in all material respects, in a format that meets the requirements of Chapter 16, Section 4a of the Securities Market Act (2007:528), on the basis of our review.

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, and has thus a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethics, standards of professional practice and applicable legal and 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 report and consolidated financial statements. 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 audit procedures mainly include validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual report and consolidated financial statements.

An audit also includes assessing whether the consolidated income statement, balance sheet, statement of changes in equity, cash flow statement and notes in the ESEF report have been tagged with iXBRL as required by the ESEF regulation.

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 5, 2022, and has been the Company's auditor since May 13, 2014.

Uppsala, April 4, 2023

Öhrlings PricewaterhouseCoopers AB

LARS KYLBERG

Authorized Public Accountant

Calendar and reporting dates

Future reporting dates

Interim report, Q1 2022	May 3, 2023
Interim report, Q2 2022	July 24, 2023
Interim report, Q3 2022	November 9, 2023

Annual General Meeting

The AGM of Boule Diagnostics AB will be held at 4:30 pm on May 4, 2023, at Boule's premises at Domnarvsgatan 4, Spånga. Admission from 4 pm. Shareholders are able to exercise their voting rights at the meeting by physical attendance, postal voting or proxy.

Contact for investor relations

Jan Benjaminson,
CFO
Tel: +46 70 666 93 88
jan.benjaminson@boule.com

HEAD OFFICE

Boule Diagnostics AB

Corporate ID 556535-0252

Address:

Domnarvsgatan 4,
SE-163 53 Spånga, Sweden

Tel: +46 8 744 77 00

Fax: +46 8 744 77 20

SUBSIDIARIES

Boule Medical AB

Corporate ID 556128-6542

Address:

Domnarvsgatan 4,
SE-163 53 Spånga, Sweden

Tel: +46 8 744 77 00

Fax: +46 8 744 77 20

Clinical Diagnostic Solutions Inc.

Corporate ID 20-1792965

Address:

1800 NW 65th Avenue,
Plantation, Florida 33313, USA

Tel: +1 (954) 791 1773

Fax: +1 (954) 791 7118

Boule Medical LLC

Corporate ID 1187746528353

Address:

142153, Moscow reg, Podolsk,
Technopark, Novoselki, 13/2-4

Tel: +7 (495) 740 06 71

Fax: +7 495 225 85 20

