



## 2019 starts off with a strong growth in sales

### Quarter January–March 2019

- Net sales amounted to SEK 118.6 million (99.5), up 19.3 percent. Adjusted for the change in exchange rates, this corresponds to an increase of 11.5 percent.
- Number of instruments sold in the quarter was 1,159 (940), an increase of 23,3 percent.
- Cash flow from operating activities amounted to SEK -4.9 million (6.3).
- Operating profit was SEK 16.7 million (18.8) which corresponds to an operating margin of 14.1 percent (18.9).
- Net profit amounted to SEK 9.8 million (14.9).
- Earnings per share before dilution amounted to SEK 0.51 (0.77) and after dilution to SEK 0.51 (0.77).<sup>1</sup>

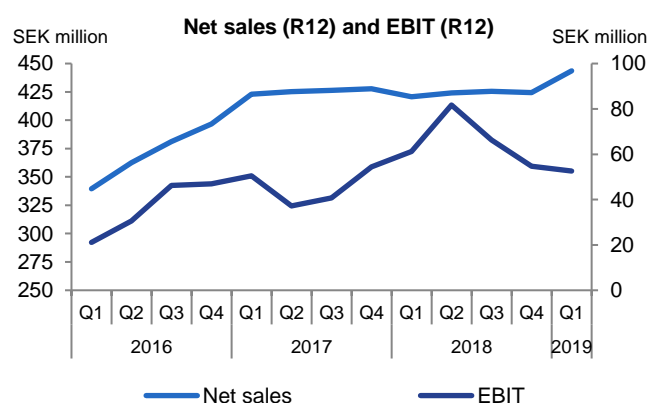
### Significant events during the quarter

No significant events occurred in the first quarter 2019.

### Significant events after the period

The company has conducted a review and assessment of accounts receivables and has decided to increase the bad debt reserve by approximately SEK 6 million during the second quarter.

Key figures <sup>2</sup>	Jan-Mar 2019	Jan-Mar 2018	Apr 18-Mar 19 (R12)	Apr 17-Mar 18 (R12)
Growth in sales, %	19.3	-6.7	5.4	-0.5
Net sales, SEK million	118.6	99.5	443.6	420.7
Gross margin, %	45.6	46.8	42.6	47.2
Operating profit/loss, SEK million	16.7	18.8	52.6	61.2
Operating margin, %	14.1	18.9	11.9	14.6
Net debt, SEK million	16.0	-117.3	16.0	-117.3
Return on equity, %	3.2	5.5	12.1	16.9
Net debt/EBIT (R12), times	0.3	-1.9	0.3	-1.9
Earnings per share, after dilution, SEK <sup>1</sup>	0.51	0.77	1.85	2.19



1) Per share key ratios for the comparative periods have been recalculated to adjust for the stock split in June 2018.  
2) On January 1, 2019, IFRS 16 was implemented, which has affected the Group's financial statements and key figures. The implementation also affects comparisons with earlier periods as they are still reported in accordance with previous accounting principles. For more information on the effects, see Note 1.

## Comments from CEO Fredrik Dalborg

### *Starting the year with strong growth*

Following a relatively weak revenue development in 2018, the year 2019 started off in a strong way. Revenue growth was 19 percent, 11 percent in constant currencies, reaching SEK 118.6 million for the quarter, an all-time high. Instrument sales increased by 23 percent to 1,159 units in the quarter. Instrument sales in Asia remained strong, further building market position and installed base, but also impacting average selling prices and gross margin to some extent. In the five-part segment sales of the Quintus system instruments continued to be slow, while instrument sales for the recently released new five-part systems developed well.

Consumables revenues increased significantly by 32 percent in the quarter, following the weaker Q4 2018.

Revenue growth was strong in all geographic regions, in particular in LATAM and Africa Middle East. In the US, Boule Systems sales, own instruments and consumables, was approximately flat in fixed currencies while currency effects drove the revenue growth in the US market.

Veterinary product sales continued to develop in a favorable way, and revenue growth was significant compared to the first quarter 2018.

Gross margin improved significantly compared to the previous quarter but was lower than the first quarter in 2018. This is primarily due to the continued strong sales in Asia where continued expansion of the instrument installed base had a negative impact on gross margin. Operating expenses were lower than the previous quarter, but higher than the first quarter in 2018 reflecting the gradual strengthening of commercial and R&D resource to drive future growth.

### *Evolving commercial activities*

Boule has been building the commercial resources to develop stronger scientific, clinical and health economics messaging and communication, and to drive more regional marketing and education activities. In the recent months, Boule has been present at industry conferences in Middle East and South East Asia, and hosted education events in Asia and LATAM. Significant efforts have been dedicated to the launch of the two new five-part systems, and also to successfully addressing the issues with the Quintus system. Additional commercial focus will now be directed towards the CellaVision DC 1 and biosurfit spinit products.

Resources are allocated to the partnership with distributors and the support for local marketing activities. In Eastern Europe Boule has taken actions to strengthen local presence and to evolve and improve the distributor network.

In the U.S. market important milestones have been achieved, including entering into a Preferred Vendor status with the largest medical surgical distributor in the U.S. The Preferred Vendor agreement will provide better access to the distributor sales organization and improved sales incentives. The agreement is effective as of April 1, 2019. In addition, a new distributor partner in the U.S. has been brought on that concentrates on the larger health network market to help address the decentralization trends in lab testing.

### *Progressing with quality system improvements*

Boule products are known for high quality, and the high quality of current and future products is ensured through rigorous quality assurance processes. The work to diligently follow and develop the quality assurance processes involves the entire organization as well as external parties.

The work on the action plan to improve quality systems and to meet the FDA's requirements progresses according to the timetable, and most of the process improvements have been implemented. The action plan is expected to be completed during the third quarter of 2019 and Boule has also established a dialogue with the FDA regarding next steps in the process.

The quality processes have been further improved and developed, which was confirmed by good results from external audits during the fourth quarter 2018 as well as during 2019.



Fredrik Dalborg  
CEO and Group President



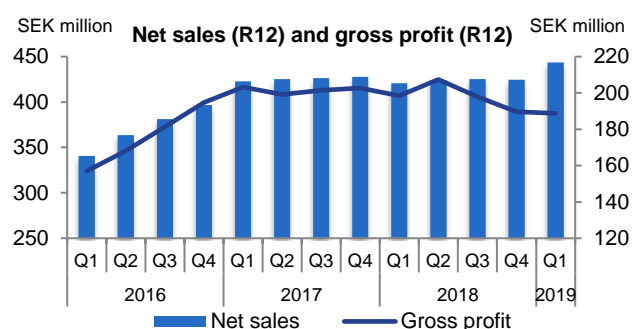
## Group performance January–March 2019

### NET SALES

During the period net sales amounted to SEK 118.6 million (99.5), up 19.3 percent. Net sales increased by 11.5 percent when adjusted for the change in the USD and EUR exchange rates.

### GROSS PROFIT

Gross profit during the period amounted to SEK 54.1 million (46.5) and the gross margin was 45.6 percent (46.8). The fourth quarter gross margin was negatively affected by the geographic mix with a high proportion of instrument sales to low-cost countries.



### EXPENSES

Operating expenses during the period amounted to SEK 38.1 million (28.9). The operating expenses has decreased somewhat compared to the fourth quarter 2018 but was higher than the unusually low costs of the first quarter 2018.

Research and development expenditures charged to earnings amounted to SEK 8.3 million (4.6), which represents 7.0 percent (4.6) of net sales. Research and development expenditures of SEK 9.4 million (5.5) were capitalized. In total, research and development expenses corresponded to 15.0 percent (10.2) of net sales.

The capitalization during the period consists mainly of the next generation hematology platform.

The net of other operating revenues and other operating expenses during the period amounted to a total of SEK 0.7 million (1.2) and consists primarily of corresponding positive and negative changes in the exchange rates.

### OPERATING PROFIT

Operating profit during the period amounted to SEK 16.7 million (18.8). This corresponds to an operating margin of 14.9 percent (18.9). Excluding the capitalization of research and development, the operating margin was 6.1 percent (13.4).

### NET FINANCIAL ITEMS

Net financial items amounted to SEK -1.1 million (-0.3). Profit before tax was SEK 11.4 million (19.1). Profit for the period was SEK 9.8 million (14.9).

### FINANCING AND CASH FLOW

Cash flow from operating activities after changes in working capital amounted to SEK -4.9 million (6.3). During the quarter corporate tax of SEK 10.3 million related to previous years was paid as preliminary tax for the corresponding years was too low. Inventory levels has increased by SEK 3.4 million as a result of the expanded product portfolio.

The Swedish National Export Credits Guarantee Board (EKN) guarantees part of Boules accounts receivables to 75-95 percent of the accounts receivable's total amount. Receivables can be pledged, and the liabilities are then recognized as interest-bearing liabilities. The change in accounts receivables guaranteed by EKN is included in the cash flow from operating activities, whilst the change in other interest-bearing liabilities is reported in the cash flow from financing activities. During the quarter, the amount of pledged accounts receivables guaranteed by EKN increased and at the end of the quarter the amount of unpledged accounts receivable amounted to SEK 0.9 million (9.9).

Cash flow for the period amounted to SEK -13.8 million (5.4) and cash and cash equivalents at the end of the period were SEK 16.8 million (104.7). The decrease is explained by the investments of 2018, the acquiring of laser optic technologies, the investment in the strategic partnership with biosurfit and the investments in the development of the next generation hematology platform.

Cash and cash equivalents available to the Group, including unutilized credit facilities and guaranteed but not pledged accounts receivables, amounted to SEK 42.5 million (152.9) at the end of the period.

### NET SALES BY REGION AND PRODUCT

	Jan-Mar 2019	Jan-Mar 2018	Change	Apr 18- Mar 19 (R12)	Apr 17- Mar 18 (R12)	Change (R12)
<b>Net sales by region, SEK million</b>						
USA	34.9	32.9	6%	131.4	126.8	4%
Asia	30.3	25.3	20%	130.8	108.0	21%
Eastern Europe	15.1	13.3	13%	61.2	61.9	-1%
Latin America	10.2	6.4	60%	35.1	31.8	10%
Western Europe	10.0	8.2	22%	36.0	35.3	2%
Africa/Middle East	18.1	13.4	35%	49.1	56.9	-14%
<b>Total</b>	<b>118.6</b>	<b>99.5</b>	<b>19%</b>	<b>443.6</b>	<b>420.7</b>	<b>5%</b>
<b>Net sales by product, SEK million</b>						
Instruments	39.9	35.1	14%	156.6	150.2	4%
Consumables own instruments	53.2	40.4	32%	191.0	168.5	13%
Consumables OEM and CDS-brand	14.7	14.6	1%	57.9	58.1	0%
Other	10.7	9.5	13%	38.1	43.9	-13%
<b>Total</b>	<b>118.6</b>	<b>99.5</b>	<b>19%</b>	<b>443.6</b>	<b>420.7</b>	<b>5%</b>

## INVESTMENTS

Total investments amounted to SEK 38.6 million (6.3), of which SEK 9.4 million (5.5) relates to investments in the development of future platforms and SEK 25.7 million (0.0) relates to acquisition of the Associate biosurfit, see note 3.

## EQUITY AND LIABILITIES

Group equity on March 31, 2019, totaled SEK 314.3 million (278.2) and the equity/asset ratio was 57 percent (66). The implementation of the leasing standard, IFRS 16, affected the equity ratio by 4 percentage points, if previous accounting principles still applied, the equity ratio would have been 61 percent. For more information on IFRS 16 see note 1.

Interest bearing liabilities, primarily pledged accounts receivables guaranteed by EKN, amounted to SEK 105.3 million (70.2) on March 31, 2019. SEK 20.5 million (23.5) of the interest-bearing liabilities were non-current and SEK 84.8 million (46.7) were current. By March 31, 2019, other non-interest-bearing current liabilities and accounts payable totaled to SEK 77.7 million (62.7).

Leasing liabilities to the amount of SEK 39.4 million are presented in the balance sheet in accordance with IFRS 16 of which SEK 27.5 million are non-current and SEK 11.9 million are current.

The net debt, that when negative shows that interest-bearing assets exceeds interest-bearing liabilities, amounted to SEK 16.0 million (-117.3) on March 31, 2019. The effect on net debt from IFRS 16 amounted to SEK 39.8 million, excluding this effect net debt was SEK -23.4 million.

At the end of the period, deferred tax assets and deferred tax liabilities totaled SEK 0.0 million (0.0) and SEK 14.6 million (10.2) respectively.

Long-term provisions are provisions for direct pension of SEK 2.7 million (0,0).

## MARKET

Boule markets its products to hospitals, clinics, laboratories and companies within blood diagnostics in both the human and veterinary areas. Blood diagnostics means that only blood is analyzed via e.g. clinical chemical analysis or blood cell counting concerning changes in different blood components. The global market of decentralized hematology diagnostics is valued at around SEK 6 billion of which Boule has a market share of around 8 percent.

## SIGNIFICANT RISKS AND UNCERTAINTIES

The Group's operations are subjected to a number of risks and uncertainties. There is always a risk of competitors offering more efficient and better products than Boule and that the customer base will shrink as a result. Faulty and delayed deliveries or non-deliveries from the company's suppliers could in turn result in delayed, defective or faulty deliveries by the company. There is no guarantee that the company's operations will not be subjected to restrictions by government agencies or that that they will obtain the regulatory approval they need in the future. There is also the risk that the company could lose its ability to develop products, or that its products cannot be launched on schedule or that market reception is poorer than expected. These risks could result in lower sales, which would then have a negative impact on the company's earnings. The company is also exposed to that customers may be unable to pay and the possibility of the company being unable to finance its operations.

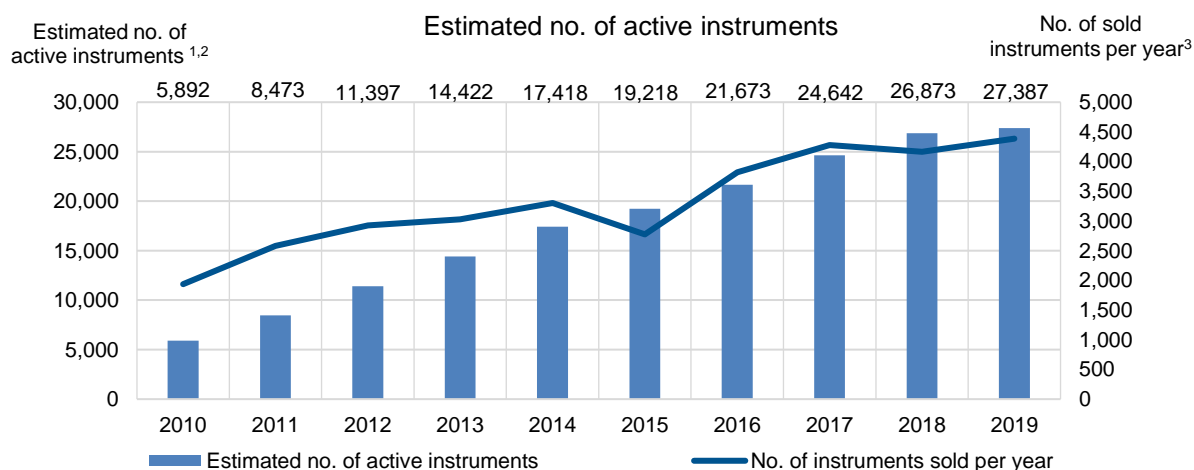
Boule is currently exposed to currency exchange risks. +/- 10 percent of the exchange rate USD/SEK affects the net sales by +/- SEK 20 million and net profit by +/- SEK 4 million. Boule is continuously working on operationally reducing the company's exchange rate exposure.

In October 2018, Boule received a warning letter from the US Food and Drug Administration (FDA). Boule is determined to meet the FDA's requirements, and this holds the highest priority for the organization. The warning letter does not limit the production or sale of products and Boule's progress is in line with the timetable set for the submission of reports and actions. For more information about the warning letter, see the annual report 2018.

For a more detailed description of the risks, see the Annual Report 2018. Compared with the Annual Report, the risks are considered to remain unchanged.

## TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties in this period.



- 1) Estimated number of instruments installed is based on an estimated life-span of eight years for the instruments.
- 2) Accumulated number of instruments sold is per March 31, 2019 was 33,924.
- 3) Number of instruments sold 2019 is presented as rolling twelve months.



## PARENT COMPANY

Boule Diagnostics AB (publ.), Corporate Registration Number 556535-0252 is a Swedish corporation with its registered address in Stockholm. The address of its headquarters is Domnarvsgatan 4, SE-163 53 Spånga, Sweden.

The Parent Company's revenues derive from Group-wide services. Receivables from Group companies mainly relate to receivables from the Swedish subsidiary Boule Medical AB. Risks and uncertainties in the Parent Company indirectly match those of the Group.

## NUMBER OF SHARES

The total number of shares and votes in Boule Diagnostics AB has remained unchanged during the first quarter of 2019. Comparative figures for key figures that include the number of shares have been retroactively recalculated following the division of shares in June 2018 to facilitate comparison between the periods.

Shareholders March 31, 2019 (and thereafter known changes)	Number of shares	Proportion of capital/votes
AB Grenspecialisten	2,073,268	10.68%
Svolder AB	2,048,797	10.55%
SEB Asset Management	1,807,427	9.31%
Thomas Eklund incl. companies	1,798,552	9.26%
Swedbank Robur Fonder AB	1,785,760	9.20%
Tredje AP-fonden	1,500,182	7.73%
Handelsbanken Fonder	902,888	4.65%
Länsförsäkringar Fonder	811,417	4.18%
RBC Investor	780,392	4.02%
State Street Bank & Trust	741,923	3.82%
Société Générale	610,390	3.14%
CBNY-Norges Bank	550,000	2.83%
Core Ny Teknik	395,341	2.04%
Andra AP-Fonden	392,776	2.02%
Other shareholders (1,099)	3,217,439	16.57%
<b>Total number of shares</b>	<b>19,416,552</b>	<b>100.00%</b>
No. of options outstanding ex. hedging	490,524	
<b>Total number of shares incl. options</b>	<b>19,907,076</b>	

## OPTIONS

Following a resolution by the 2017 Annual General Meeting, the company has determined to issue a maximum of 122,631 options. Each option entitles the holder to subscribe for four shares at a price of SEK 97.50 per share, adjusted for the recalculation following the 4:1 stock split, by 30 December 2020 at the latest. The options can be acquired by employees at the market value.

There are no restrictions on transferring the options. In 2017, the CEO was awarded, and acquired on market terms, 48,631 of these options. An additional 10,000 options were awarded or acquired at market value in 2017. During the reporting period there has been no change in the number of outstanding options and the remaining 64,000 options are available for future allocation. As described above, each option entitles the holder to subscribe for four shares.

## PERSONNEL

The average number of employees in the Group during the period was 193 (166) including 7 (8) at the Parent Company. By country the average number in Sweden was 114 (86), USA 73 (78), Mexico 2 (2) and Russia 4 (0). The average number of women in the Group was 82 (72) and the average number of men was 111 (94).

## FORWARD-LOOKING INFORMATION

Forward-looking information in this report is based on the company's expectations at the point in time of publishing. Though Boule considers these expectations reasonable, there are no guaranties that the expectations are, or will be, correct. Therefore, future results may vary significantly from the presented forward-looking information depending on among other things; demand for the company's services and products, more general market conditions such as changes in the world economy, rules and regulations or fluctuation in exchange rates. Boule does not assume any obligation to update or correct such forward-looking information except as is required by applicable laws.

This interim report has not been reviewed by the company's auditor.

The Board of Directors and the President and CEO certify that this year-end report provides a fair and accurate review of the operations, financial position and earnings of the Parent Company and the Group and that it describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm May 6, 2019  
Boule Diagnostics AB

Peter Ehrenheim  
Chairman of the Board

Thomas Eklund  
Board member

Karin Dahllöf  
Board member

Jon Risfelt  
Board member

Charlotta Falvin  
Board member

Fredrik Dalborg  
President and CEO

## Consolidated statement of comprehensive income and other comprehensive income

SEK million	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Net sales	118.6	99.5	424.4
Cost of goods sold	-64.5	-52.9	-234.7
<b>Gross profit</b>	<b>54.1</b>	<b>46.5</b>	<b>189.7</b>
<i>Gross margin</i>	<i>45.6%</i>	<i>46.8%</i>	<i>44.7%</i>
Other operating revenues	3.9	3.8	10.5
Selling and marketing expenses	-23.4	-19.0	-86.2
Administrative expenses	-6.4	-5.3	-23.5
Research and development expenses	-8.3	-4.6	-28.8
Other operating expenses	-3.2	-2.6	-6.9
<b>Operating profit/loss</b>	<b>16.7</b>	<b>18.8</b>	<b>54.8</b>
<i>Operating margin</i>	<i>14.1%</i>	<i>18.9%</i>	<i>12.9%</i>
Financial income	0.1	0.5	1.6
Financial expenses	-1.2	-0.2	-1.7
Profit/Loss Associates	-4.2	-	-
<b>Net financial items</b>	<b>-5.3</b>	<b>0.3</b>	<b>-0.1</b>
<b>Profit/loss before tax</b>	<b>11.4</b>	<b>19.1</b>	<b>54.7</b>
Income tax	-1.6	-4.2	-13.7
<b>Net profit/loss</b>	<b>9.8</b>	<b>14.9</b>	<b>41.0</b>
<b>Other comprehensive income</b>			
<b>Items that may be allocated to net profit/loss for the period</b>			
Translation differences for the period from the translation of foreign operations	3.5	-0.3	6.4
<b>Other comprehensive income/loss for the period</b>	<b>3.5</b>	<b>-0.3</b>	<b>6.4</b>
<b>Total comprehensive income/loss for the period</b>	<b>13.4</b>	<b>14.6</b>	<b>47.4</b>
Earnings per share, before dilution, SEK	0.51	0.77	2.11
Earnings per share, after dilution, SEK	0.51	0.77	2.11

Since the Group has no non-controlling influences, the entire earnings accrue to the Parent Company.

## Consolidated statement of financial position

SEK million	Note	Mar 31 2019	Mar 31 2018	Dec 31 2018
<b>Assets</b>				
<b>Fixed assets</b>				
<b>Intangible assets</b>				
Capitalized development expenses		89.9	35.6	80.7
Goodwill		80.3	74.1	78.2
<b>Total intangible assets</b>		<b>170.2</b>	<b>109.6</b>	<b>158.9</b>
<b>Tangible fixed assets</b>				
Right-of-use assets		37.2	-	-
Plant and machinery		5.4	2.3	4.5
Equipment, tools, fixtures and fittings		10.4	9.6	10.3
Leasehold improvements		9.6	4.9	8.4
<b>Total tangible fixed assets</b>		<b>62.6</b>	<b>16.8</b>	<b>23.1</b>
<b>Financial fixed assets</b>				
Shares in Associates	3	49.5	-	53.6
Other financial fixed assets		2.2	-	2.2
Long-term accounts receivables (guaranteed 75-95 % by EKN)		42.5	33.2	41.1
<b>Total financial fixed assets</b>		<b>94.2</b>	<b>33.2</b>	<b>97.0</b>
<b>Total fixed assets</b>		<b>327.0</b>	<b>159.7</b>	<b>278.9</b>
<b>Current assets</b>				
<b>Inventory</b>				
Raw materials and supplies		38.8	33.9	37.4
Intermediate goods		4.4	3.7	2.1
Finished goods and goods for resale		18.9	8.8	18.5
<b>Total inventory</b>		<b>62.1</b>	<b>46.4</b>	<b>58.0</b>
<b>Current receivables</b>				
Tax assets		13.3	2.0	6.0
Accounts receivable		54.6	48.1	48.3
Accounts receivable (guaranteed 75-95 % by EKN)		69.4	49.6	62.6
Other receivables		3.3	2.2	7.3
Prepaid expenses and accrued income		7.5	8.7	9.4
<b>Total current receivables</b>		<b>148.2</b>	<b>110.5</b>	<b>133.6</b>
<b>Cash and cash equivalents</b>		<b>16.8</b>	<b>104.7</b>	<b>30.3</b>
<b>Total current assets</b>		<b>227.1</b>	<b>261.6</b>	<b>221.9</b>
<b>Total assets</b>		<b>554.0</b>	<b>421.3</b>	<b>500.8</b>

## Consolidated statement of financial position (cont.)

SEK million	Mar 31 2019	Mar 31 2018	Dec 31 2018
<b>EQUITY</b>			
Share capital	4.9	4.9	4.9
Other contributed capital	201.2	201.2	201.2
Translation reserve	18.5	8.2	14.9
Retained earnings including net profit/loss for the period	89.8	64.0	80.0
<b>Total equity</b>	<b>314.3</b>	<b>278.2</b>	<b>300.9</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	3.0	0.9	1.0
Long-term interest-bearing liabilities (of EKN guaranteed receivables)	17.4	22.6	10.7
Long-term lease liabilities	27.5	-	-
Provisions	2.7	-	2.7
Deferred tax liabilities	14.6	10.2	14.7
<b>Total long-term liabilities</b>	<b>65.3</b>	<b>33.7</b>	<b>29.1</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	15.2	0.6	0.4
Current interest-bearing liabilities (of EKN guaranteed receivables)	69.6	45.7	61.7
Current lease liabilities	11.9	0.4	0.6
Liabilities to Associates	-	-	25.7
Accounts payable	23.8	19.3	35.3
Tax liabilities	9.8	9.5	13.3
Other liabilities	13.0	6.7	5.6
Accrued liabilities and deferred income	30.1	26.1	27.4
Provisions	1.0	1.0	1.0
<b>Total current liabilities</b>	<b>174.4</b>	<b>109.4</b>	<b>170.8</b>
<b>Total liabilities</b>	<b>239.7</b>	<b>143.0</b>	<b>200.0</b>
<b>Total equity and liabilities</b>	<b>554.0</b>	<b>421.3</b>	<b>500.8</b>

## Consolidated statement of changes of equity

SEK million	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. profit/loss for period	Total equity capital
Equity, opening balance, Jan. 1, 2018	4.9	201.2	8.5	47.2	261.8
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				14.9	14.9
Other comprehensive income for the period			-0.3	1.8	1.5
<b>Total comprehensive income/loss for the period</b>			<b>-0.3</b>	<b>16.9</b>	<b>16.4</b>
<b>Transactions with shareholders</b>					
Equity, closing balance, Mar. 31, 2018	4.9	201.2	8.2	64.0	278.2
Equity, opening balance, Jan. 1, 2019	4.9	201.2	14.9	80.0	300.9
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				9.8	9.8
Other comprehensive income for the period			3.5		3.5
<b>Total comprehensive income/loss for the period</b>			<b>3.5</b>	<b>9.8</b>	<b>13.4</b>
<b>Transactions with shareholders</b>					
Equity, closing balance, Mar. 31, 2019	4.9	201.2	18.5	89.8	314.3



## Consolidated cash flow statement

SEK million	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
<b>Operating activities</b>			
Operating profit/loss	16.7	18.8	54.8
Adjustments for non-cash items	4.6	2.2	7.9
Interest received	0.1	0.2	1.3
Interest paid	-0.7	-0.2	-1.7
Income tax paid	-12.7	-3.1	-9.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>8.0</b>	<b>18.0</b>	<b>53.2</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in inventory	-3.4	4.0	-5.7
Increase (-)/Decrease (+) in operating receivables	0.4	6.1	1.4
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)	-8.2	-3.5	-24.4
Increase (+)/Decrease (-) in operating liabilities	-1.7	-18.2	-2.0
<b>Cash flow from operating activities</b>	<b>-4.9</b>	<b>6.3</b>	<b>22.7</b>
<b>Investing activities</b>			
Investments in Associates	-25.7	-	-27.9
Acquisition of tangible fixed assets	-2.7	-0.8	-11.5
Investments in capitalized development expenses	-10.1	-5.5	-52.7
<b>Cash flow from investing activities</b>	<b>-38.6</b>	<b>-6.3</b>	<b>-92.1</b>
<b>Finansieringsverksamheten</b>			
Loans raised/Amortization of loans	3.0	0.2	0.6
Increase (+)/Decrease (-) in current financial liabilities (EKN financing)	14.6	5.2	8.7
Increase (+)/Decrease (-) in current financial liabilities	14.8	-	-
Lease amortization	-2.8	-	-
Dividends	-	-	-9.7
<b>Cash flow from financing activities</b>	<b>29.6</b>	<b>5.4</b>	<b>-0.4</b>
<b>Cash flow for the period</b>	<b>-13.8</b>	<b>5.4</b>	<b>-69.9</b>
Cash and cash equivalents at the beginning of the period	30.3	99.2	99.2
Exchange rate differences in cash and cash equivalents	0.4	0.1	1.0
<b>Cash and cash equivalents at the end of the period</b>	<b>16.8</b>	<b>104.7</b>	<b>30.3</b>

## Parent Company income statement

SEK million	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Net sales	1.5	4.2	17.7
Administrative expenses	-5.4	-4.9	-23.0
Other operating expenses	-1.5	-1.4	-5.5
<b>Operating profit/loss</b>	<b>-5.4</b>	<b>-2.2</b>	<b>-10,7</b>
Profit/loss from financial items	0.0	0.0	0.0
<b>Profit/loss after financial items</b>	<b>-5.4</b>	<b>-2.2</b>	<b>-10,7</b>
Group contribution	0.0	0.0	8.2
<b>Profit/loss before tax</b>	<b>-5.4</b>	<b>-2.2</b>	<b>-2.5</b>
Tax	1.2	0.0	0.0
<b>Net profit/loss</b>	<b>-4.2</b>	<b>-2.2</b>	<b>-2.5</b>

Since no items are recognized in Other comprehensive income the Parent Company's profit and loss correspond to comprehensive income.

## Parent Company balance sheet

SEK million	Mar 31 2019	Mar 31 2018	Dec 31 2018
<b>Assets</b>			
<b>Tangible fixed assets</b>			
Inventory	0.1	0.1	0.1
<b>Total tangible fixed assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Financial fixed assets</b>			
Shares in Group companies	153.5	153.5	153.5
Shares in Associates	53.7	-	53.6
Other fixed financial assets	2.2	-	2.2
<b>Total financial fixed assets</b>	<b>209.4</b>	<b>153.5</b>	<b>209.3</b>
<b>Total fixed assets</b>	<b>209.5</b>	<b>153.6</b>	<b>209.4</b>
<b>Current assets</b>			
Tax assets	2.2	0.7	0.8
Receivables from Group companies	17.9	64.4	30.9
Other receivables	0.7	-	0.4
Prepaid expenses and accrued income	1.5	1.0	1.5
<b>Total current receivables</b>	<b>22.3</b>	<b>66.1</b>	<b>33.6</b>
Cash and bank balances	1.6	3.7	0.7
<b>Total current assets</b>	<b>23.9</b>	<b>69.8</b>	<b>34.3</b>
<b>Total assets</b>	<b>233.4</b>	<b>223.5</b>	<b>243.7</b>
<b>Equity and liabilities</b>			
<b>Total equity</b>	<b>197.3</b>	<b>211.6</b>	<b>201.5</b>
<b>Long-term liabilities</b>			
Other provisions	2.7	-	2.7
<b>Total long-term liabilities</b>	<b>2.7</b>	<b>0.0</b>	<b>2.7</b>
<b>Current liabilities</b>			
Liabilities to Group companies	23.9	2.3	1.2
Liabilities to Associates	-	-	25.7
Other liabilities	9.5	9.6	12.5
<b>Total current liabilities</b>	<b>33.3</b>	<b>11.9</b>	<b>39.4</b>
<b>Total liabilities</b>	<b>36.1</b>	<b>11.9</b>	<b>42.1</b>
<b>Total equity and liabilities</b>	<b>233.4</b>	<b>223.5</b>	<b>243.7</b>

## NOTE 1 ACCOUNTING POLICIES

Boule Diagnostics AB (publ.) applies IFRS (International Financial Reporting Standards) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act. Chapter 9 and RFR 2 Accounting for Legal Entities. The interim report should be read together with the Annual Report for the fiscal year that ended on December 31, 2018. The accounting policies match the policies applied in the preceding fiscal year with the exception of the implementation of IFRS 16 Leases on January 1, 2019. For all financial assets and liabilities carrying amount is a good approximation of fair value. The interim information found on page 1-5 is an integrated part of this financial report that comprises page 1-16.

### New accounting standards 2019

IFRS 16 Leases was published by the IASB in January 2016 and approved by the EU in October 2017. IFRS 16 replaces IAS 17 Leases and associated interpretations IFRIC 4, SIC-15 and SIC-27. With the new standard a lessee must recognize all contracts that meet the definition of a lease, except for those contracts of a maximum of 12 months and contracts of individual low value, as assets and liabilities in the statement of financial position. The reporting in accordance with IFRS 16 is based on the view that the lessee has a right to use an asset for a specific period and at the same time has an obligation to pay for that right. The liability is reported at a discounted present value of future leasing fees. The asset is reported at the value of the liability adjusted for any initial expenses, restoration costs, advance payments and benefits. The cost of the leased asset consists of depreciation of the asset and interest on the leasing debt. Agreements that previously constituted operational leases will thus be reported in the balance sheet, with the result that previous operating expenses, the period's lease fees, are replaced by depreciation and interest expense in the income statement. Only the leasing component of a contract is to be reported in the balance sheet, the service components are reported as an operational cost.

### Transition approach

Boule applies IFRS 16 from January 1, 2019 using the simplified transition method, which means that comparative figures have not been restated. The margin loan rate of 3.5 percent has been used in the calculation of the transition effects.

### Transition effects

IFRS 16 affected the Group's financial statements solely through the Group's building leases, with the effect of increases in the balance sheet total, operating profit and financial expenses as well as moving the corresponding cash flows from operating activities to financing activities. The opening effect on the Group's balance sheet as of January 1, 2019 is that a right-of-use asset of SEK 39.8 million and corresponding leasing liabilities are presented, the transition had no effect on equity. As of March 31, financial leasing agreements for rent are reported as a right-of-use asset, which, after depreciation of SEK 2.7 million, is valued at SEK 37.2 million. The corresponding leasing liabilities are distributed on long-term and short-term lease liabilities of SEK 26.3 million and SEK 11.1 million respectively. Interest expense for the leasing liabilities has been calculated with a marginal interest rate of 3.5% and is reported in the statement of comprehensive income as a financial cost of SEK 0.3 million for the period. Unlike previous reporting of rental cost as operational leasing, in which the cost was linear over future periods, the financial interest rate will decrease during the lease term. The cash flow for the period was affected by the fact that an outflow of SEK 2.8 million that would previously have been reported under the operating activities instead is reported under the financing activities. This has an effect on the profit for the period after tax of SEK -0.2 million, including deferred tax liability.

For the Group's alternative performance measures, the main effects were on net debt, affected by an increase of SEK 39.8 million to SEK -19.9 million, which also increased net debt/EBIT, a key figure used in the Group's financial targets, from -1.1 to -0.4 and the equity ratio, as with the increased debt fell from 60 percent to 56 percent.

Effects from IFRS 16 during the period	March 31, 2019 (IFRS 16)	Effect from IFRS 16	March 31, 2019 (IAS 17)
EBIT, SEK million	16.7	0.2	16.5
Fixed assets, SEK million	62.6	37.2	25.4
Long-term liabilities, SEK million	65.3	26.2	39.1
Current liabilities, SEK million	174.4	11.1	163.3
Cash flow from operating activities, SEK million	-4.9	2.8	-7.7
Cash flow from financing activities, SEK million	29.6	-2.8	32.4
Equity ratio, %	56.7	-4.1	60.8
Net debt, SEK million	16.0	39.4	-23.4
Net debt/EBIT, times	0.3	0.8	-0.4

## NOTE 2 PLEDGED ASSETS AND CONTINGENT LIABILITIES

March 31, SEK million	Group		Parent company	
	2019	2018	2019	2018
Pledged assets	182.7	146.2	85.8	85.8
Contingent liabilities	0.0	0.0	87.7	68.4

## NOTE 3 INVESTMENT IN STRATEGIC NEAR-PATIENT PARTNERSHIP WITH BIOSURFIT

On December 14, 2018, Boule entered a strategic partnership with the Portuguese diagnostic company biosurfit. Biosurfit develops and manufactures spinit®, a system for near-patient diagnostics in hematology, immunology and clinical chemistry. Boule acquired shares in biosurfit corresponding to 24.99% of the total share capital and the number of votes in return for an investment of EUR 5 million, corresponding to SEK 53.6 million, in conjunction with the strategic partnership. EUR 2.5 million of the investment was disbursed in December 2018 and the remaining EUR 2.5 million was disbursed in January 2019. In the period up to the end of 2021, Boule has the option to acquire an additional 24.99% for EUR 5 million plus interest, and in 2022 the possibility to acquire the remaining shares according to a predetermined multiple valuation formula. Boule's holding in biosurfit is reported in the Parent Company's and the Group's balance sheets as Shares in Associates. In the consolidated statement of income, the profit and loss from Associates are presented in the net financial items.

## NOTE 4 DISAGGREGATION OF REVENUE

Revenue by region SEK million	Jan-Mar 2019	Jan-Mar 2018	Change	Apr 18- Mar 19 (R12)	Apr 17- Mar 18 (R12)	Change (R12)
USA	34.9	32.9	6%	131.4	126.8	4%
Asia	30.3	25.3	20%	130.8	108.0	21%
Eastern Europe	15.1	13.3	13%	61.2	61.9	-1%
Latin America	10.2	6.4	60%	35.1	31.8	10%
Western Europe	10.0	8.2	22%	36.0	35.3	2%
Africa/Middle East	18.1	13.4	35%	49.1	56.9	-14%
<b>Total</b>	<b>118.6</b>	<b>99.5</b>	<b>19%</b>	<b>443.6</b>	<b>420.7</b>	<b>5%</b>
Revenue by product SEK million	Jan-Mar 2019	Jan-Mar 2018	Change	Apr 18- Mar 19 (R12)	Apr 17- Mar 18 (R12)	Change (R12)
Instruments	39.9	35.1	14%	156.6	150.2	4%
Consumables own instruments	53.2	40.4	32%	191.0	168.5	13%
Consumables OEM and CDS-brand	14.7	14.6	1%	57.9	58.1	0%
Other	10.7	9.5	13%	38.1	43.9	-13%
<b>Total</b>	<b>118.6</b>	<b>99.5</b>	<b>19%</b>	<b>443.6</b>	<b>420.7</b>	<b>5%</b>

## Quarterly overview<sup>1</sup>

	2019		2018			2017			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net sales, SEK million	118.6	106.2	110.9	107.8	99.5	107.2	109.7	104.3	106.6
Gross profit, SEK million	54.1	43.3	47.3	52.6	46.5	51.5	56.8	43.6	50.8
Gross margin, %	45.6	40.7	42.7	48.8	46.8	48.0	51.8	41.8	47.6
EBITDA, SEK million	19.1	5.7	14.8	22.2	20.5	18.8	30.2	1.4	14.1
EBITDA margin, %	16.1	5.4	13.4	20.6	20.7	17.5	27.5	1.3	13.2
EBIT, SEK million	16.7	3.4	12.8	19.8	18.8	14.9	28.2	-0.7	12.0
EBIT margin, %	14.1	3.2	11.5	18.4	18.9	13.9	25.7	-0.7	11.2
Profit after tax, SEK million	9.8	1.4	9.8	14.9	14.9	8.1	21.6	-1.1	8.7
Earnings per share before dilution, SEK <sup>2</sup>	0.51	0.07	0.50	0.77	0.77	0.42	1.13	-0.06	0.46
Earnings per share after dilution, SEK <sup>2</sup>	0.51	0.07	0.50	0.77	0.77	0.42	1.12	-0.06	0.45
Cash flow from operating activities per share, SEK <sup>2</sup>	-0.25	0.34	-0.03	0.50	0.35	1.25	0.53	1.24	0.98
Return on equity, %	3.2	0.5	3.3	5.3	5.5	3.2	9.2	-0.5	3.7
Net debt/EBIT (R12)	0.3	-1.1	-1.4	-1.1	-1.9	-2.1	-2.2	-1.9	-1.6
Equity/assets ratio, %	57	60	69	66	66	63	65	59	63

- 1) On January 1, 2019, IFRS 16 was implemented, which has affected the Group's financial statements and key figures. The implementation also affects comparisons with earlier periods as they are still reported in accordance with previous accounting principles. For more information on the effects, see Note 1.
- 2) Per share key ratios for the comparative periods have been recalculated to adjust for the stock split in June 2018.

## Definitions

### USE OF KEY PERFORMANCE INDICATORS NOT DEFINED IN IFRS

The Boule Group report is prepared in accordance with IFRS. IFRS only defines a few key performance indicators. Boule applies the ESMA (European Securities and Market Authority) guidelines for alternative key performance indicators (Alternative Performance Measures). In brief, an alternative performance measure is a financial measure of historical or future earnings development, financial position, or cash flow that is not defined or specified in IFRS. In order to support management's and other stakeholders' analysis of the Group's development, Boule reports some key performance indicators that are not defined in IFRS. Management believes that this information will facilitate an analysis of the Group's development. This additional data acts as a complement to IFRS and does not replace the key performance indicators defined in IFRS. Boule's definitions of metrics not defined in IFRS shown on page 14 may differ from those of other companies. Calculations of all key performance indicators may be reconciled against items in the income statement and balance sheet.

Growth in sales is the net sales of the period divided by the net sales of the comparative period, expressed as a percentage change

Gross profit is net sales less costs for goods sold

Gross margin is gross profit divided by net sales

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

EBITDA margin is EBITDA divided by net sales

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

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

Working capital is inventories, accounts receivable (non-current and current) and cash less accounts payable

Interest coverage ratio is operating profit plus financial income divided by financial expenses

Net debt is interest-bearing liabilities less interest-bearing assets

Net debt/equity ratio is net debt divided by equity

Equity/assets ratio is equity divided by total assets

Return on equity is profit for the period after tax divided by average equity



## About Boule Diagnostics

Boule Diagnostics AB (publ) is one of the few companies on the global diagnostics market that develops, manufactures and markets instruments and consumable products for blood diagnostics under its own direction. The company serves hospitals, clinics, laboratories and companies within blood diagnostics in both the human and veterinary areas. The group has an annual sale of over SEK 400 million and around 190 employees. Sales are made via distributors in over 100 countries and directly in Sweden and the USA. The company operates via subsidiary operating companies in Sweden, USA, Mexico and Russia. Since 2011, Boule shares have been listed on the Nasdaq Stockholm.

### VISION

Improving health for everyone, everywhere.

### MISSION

We work closely with our customers and partners to provide user friendly, high quality, near patient diagnostics solutions everywhere in the world.

### BUSINESS CONCEPT

We efficiently develop, manufacture and provide complete solutions for the human and veterinary markets.

### FINANCIAL TARGETS

Boule should achieve:

- An annual operating margin (EBIT-margin) above 15 percent.
- Average long-term growth in sales above 10 percent per year.
- Net debt (interest bearing debts minus cash and cash equivalents) no greater than three times operating profit (EBIT) on an annualized basis.

### STRATEGIES

- Protect and grow our core business: Continued efficiency improvements and capacity expansion, quality and regulatory compliance. Developing and launching next generation product platforms
- Grow in emerging markets: Evolving distributor relationships and strengthening local presence.
- Grow in new customer segments and markets: Resource, sales approaches and partnerships to enter new customer segments and geographical markets.
- Evolve OEM and CDS brand business: Selective initiatives in profitable growth segments.
- Broaden the product portfolio: Develop new product platforms and broaden the product portfolio through partnerships and acquisitions.

## Boule as an investment

### BUSINESS MODEL

Boule offers a broad portfolio of high-quality blood diagnostics instruments, consumables and services to small and mid-sized health-care units all over the world.

### GROWTH

Over the past five years, Boule has enjoyed average annual growth of around nine percent and the company envisages continued good growth potential at global level. Boule has long experience of both organic growth and growth by acquisition.

### DIVIDEND

The general goal of the Boule board is to give shareholders a dividend that reflects both a good direct return and dividend growth. The annual dividend should correspond to 25-50 percent of profit for the period, after taking due consideration to company liquidity.

## Our systems



Medonic  
Human diagnostics  
3-part system



Swelab  
Human diagnostics  
3-part system



Medonic  
Human diagnostics  
5-part system



Swelab  
Human diagnostics  
5-part system



Quintus  
Human diagnostics  
5-part system



Exigo H400  
Veterinary diagnostics  
4-part system



Exigo C200  
Veterinary clinical  
chemistry analyzer

## Information to shareholders

### CALENDER

Annual General Meeting	2019-05-06
Interim report second quarter	2019-08-14
Interim report third quarter	2019-10-30

### PRESENTATION OF THE INTERIM REPORT

Fredrik Dalborg, CEO, and Christina Rubenhag, CFO, present and comment on the interim report. After the presentation there will be time for audience questions. The presentation will be held in English.

Time:	16.00 CET, May 6, 2019
Phone number:	+46(0) 8-744 77 22
Code:	1212

### FOR FURTHER INFORMATION, PLEASE CONTACT:



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This information is information that Boule Diagnostics AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above at 15:00 CET on May 6, 2019.