



Continued growth, increased profitability and strong cash flow

Quarter October–December 2017

- Net sales amounted to SEK 107.2 million (104.6), up 2.5 percent. Adjusted for the change in exchange rates, this corresponds to an increase of 3.9 percent.
- Number of instruments sold in the quarter was 1,024 (1,060), an decrease of 3 percent.
- Cash flow from operating activities amounted to SEK 24.1 million (11.9).
- Operating profit was SEK 14.9 million (1.3) which corresponds to an operating margin of 13.9 percent (1.2).
- Net profit amounted to SEK 8.1 million (1.5).
- Earnings per share before dilution amounted to SEK 1.67 (0.31) and after dilution to SEK 1.67 (0.30).

Significant events during the quarter

STRENGTHENED DISTRIBUTION NETWORK

At year-end, Boule choose to terminate the distribution agreement with the nationwide distributor of Swelab in India. Boule will instead work directly with regional distributors to increase growth and margins and to strengthen the presence in the local markets.

Boule continues to expand the company’s distribution network and has signed a distribution agreement with a new distributor for the Medonic brand in Brazil and eight other Latin American countries.

Interim period January–December 2017

- Net sales amounted to SEK 427.8 million (396.7), up 7.9 percent. The growth rate remains at 7.9 percent when adjusted for the change in the exchange rates.
- Number of instruments sold in the period was 4,279 (3,821), an increase of 12 percent.
- Cash flow from operating activities amounted to SEK 57.7 million (19.9).
- Operating profit was SEK 54.4 million (47.1) which corresponds to an operating margin of 12.7 percent (11.9).
- Net profit amounted to SEK 37.2 million (36.0).
- Earnings per share before dilution amounted to SEK 7.67 (7.65) and after dilution to SEK 7.67 (7.45).
- The Board of Directors proposes a dividend of SEK 2.00 per share for 2017 (1.40).
- The Board of Directors proposes to increase the number of Boule shares through a 4:1 stock split.

Significant events after the quarter

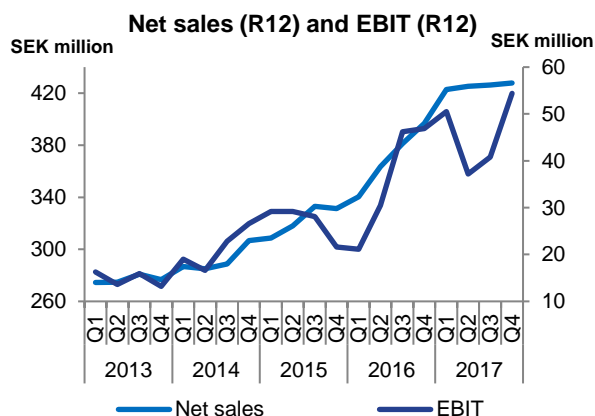
NEW DIRECTOR OF COMMERCIAL OPERATIONS

Kiarash Farr has been appointed SVP of Commercial Operations. He succeeds Claes Blanche who has communicated that he wants to phase out of his current role and take a part time consultant role for Boule. Kiarash Farr will assume the position as of March 1, 2018.

STRENGTHENED EXECUTIVE TEAM

The executive team will be strengthened by two new members who represent Human Resources and US Sales & Marketing respectively.

Key figures	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Growth in sales, %	2.5	18.3	7.9	19.7
Net sales, SEK million	107.2	104.6	427.8	396.7
Gross margin, %	48.0	46.8	47.4	48.1
Operating profit/loss, SEK million	14.9	1.3	54.4	47.1
Operating margin, %	13.9	1.2	12.7	11.9
Net debt, SEK million	-113.1	-55.9	-113.1	-55.9
Return on equity, %	3.2	0.6	15.2	17.2
Net debt/EBIT (R12), times	-2.1	-1.2	-2.1	-1.2
Earnings per share, after dilution, SEK	1.67	0.30	7.67	7.45



Comments from CEO Fredrik Dalborg

Looking back at my first year as CEO of Boule, I am pleased with what the team has achieved and the direction we have taken as a company. It has been a challenge to meet and exceed the strong performance of 2016, but through hard work and determination we have managed to increase sales, profitability and cash flow. In parallel we have developed, and begun the implementation of, several growth and efficiency initiatives.

Following the record growth of 2016, the company has delivered a revenue growth of 7.9 percent for the full year 2017. In a sometimes volatile market, driven by tenders and market specific variations, the five year average revenue growth for Boule is above 9 percent. Boules growth can be compared to the growth of the decentralized hematology market of around 6-7 percent, where the larger 3-part segment is growing slower than the smaller 5-part segment.

The operating profit has improved significantly in the second half of 2017, and for the full year 2017 operating margin improved to 12.7 percent compared to 11.9 percent in 2016. The operating profit in 2017 was burdened by MSEK 9.8 in non-recurring costs related to restructuring and efficiency improvement efforts, adjusting for these non-recurring costs the operating margin for the year was 15 percent.

The cash flow also improved, and for the full year 2017 the cash flow from operating activities was MSEK 57.7 (19.9). With this Boule finishes the year with a strong balance sheet with net cash doubled compared to last year at MSEK 99.2 (44.6).

In 2017, the Boule team conducted a comprehensive analysis and review of the company's operations and strategy, which was concluded during the fourth quarter. The purpose of the new strategy is to develop the company to the next level. The main components of the new strategy are:

- Protect and grow our core business: Continued efficiency improvements and capacity expansion, 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.

The team has been working on initiatives in line with the strategy during the year, and in the fourth quarter this work was intensified. Previously communicated initiatives include; the closing of the production facility in China, organizational restructuring, the launch of two new platforms in the veterinary market, the global distribution agreement with CellaVision, distribution of CRP products from Orion Diagnostica in Mexico, local manufacturing in Russia, and the development of Boule's next generation platform for the 5-part segment. Additional initiatives during and after the fourth quarter include; the strengthening of the Sales and Marketing, R&D, and Quality Assurance departments, improvements in the distributor structure, assessment of further local reagent manufacturing, and the potential addition of more products to the portfolio. We expect to see the effects from many of these initiatives towards the end of 2018.

In March, the new SVP of Commercial Operations, Kiarash Farr, will join the Executive Team. The Team will be further strengthened by adding Eva Ekermann as VP of Human Resources, and Bob Ariano as VP of US Sales and Marketing.

To ensure company-wide alignment and to improve efficiency, work environment, as well as the quality and speed of decision making, we are also in the process of introducing Boule's new company values.

The year 2017 was concluded in a strong way and we are excited as we enter 2018.



Fredrik Dalborg
CEO and President



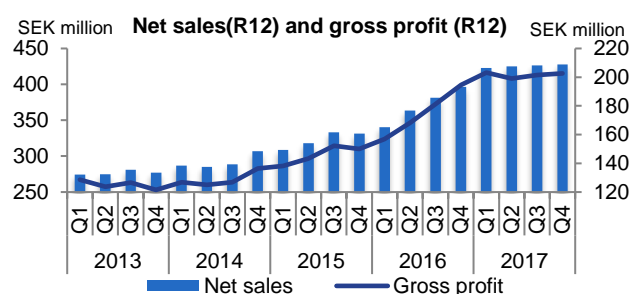
Group performance January–December 2017

NET SALES

During the period net sales amounted to SEK 427.8 million (396.7), up 7.9 percent. The growth rate remains at 7.9 percent when adjusted for the change in the USD and EUR exchange rates in.

GROSS PROFIT

Gross profit during the period amounted to SEK 202.7 million (190.6). The gross margin was 47.4 percent (48.1). The lowered gross margin can in part be explained by the drop in averaged selling price of instruments that has occurred as an increased share of sales has taken place in countries with lower price levels and by the unused capacity of the Chinese production facility, that was discontinued at the end of the second quarter.



EXPENSES

Operating expenses during the period amounted to SEK 147.2 million (137.0). Operating expenses include non-recurring costs of a total of SEK 6.3 million related to the review of the company's OEM agreements and costs that arose with the CEO succession.

Research and development expenditures charged to earnings amounted to SEK 31.7 million (37.5), which represents 7 percent (9) of net sales. Research and expenditures of SEK 9.5 million (0.0) were capitalized.

A veterinary version of the company's updated instrument platform and the next generation hematology platform accounts for the 2017 capitalization.

The net of other operating revenues and other operating expenses during the period amounted to a total of SEK -1.1 (-6.5). In addition to respective changes in the exchange rates, non-recurring costs related to the discontinuation of the Chinese production facility and the employee options programs amounting to SEK 2.4 million and SEK 1.1 million respectively are included.

OPERATING PROFIT

Operating profit during the period amounted to SEK 54.4 million (47.1). This corresponds to an operating margin of 12.7 percent (11.9).

NET FINANCIAL ITEMS

Net financial items amounted to SEK -1.0 million (0.0). Profit before tax was SEK 53.3 million (47.1). Profit for the period was SEK 37.2 million (36.0).

FINANCING AND CASH FLOW

Cash flow from operating activities after changes in working capital amounted to SEK 57.7 million (19.9). The company reports accounts receivable for which guarantees have been obtained from the Swedish National Export Credits Guarantee Board (EKN) separately. EKN guarantees 75-95 percent of the total amount of accounts receivable. Receivables can be pledged and liabilities are recognized as interest-bearing liabilities. The change in accounts receivable guaranteed by EKN is included in the cash flow from operating activities, whilst the change in all interest-bearing liabilities is reported in the cash flow under financing activities.

In the third quarter of 2017, a total of 147,000 shares have been issued as part of the company's two options programs that expired on December 30. This has injected SEK 10.7 million into the company.

Cash flow for the period amounted to SEK 55.9 million (-6.9) and cash and cash equivalents at the end of the period were SEK 99.2 million (44.6).

Cash and cash equivalents available to the Group, including unutilized credit facilities, amounted to SEK 137.3 million (83.7) at the end of 2017.

At year end the company had completed the annual impairment tests of intangible assets with no impaired assets identified.

NET SALES BY REGION AND PRODUCT

Net sales by region MSEK	Oct-Dec 2017	Oct-Dec 2016	Change	Jan-Dec 2017	Jan-Dec 2016	Change
USA	32.7	33.4	-2%	127.8	127.3	0%
Asia	24.6	25.3	-3%	109.3	89.2	22%
Eastern Europe	12.5	13.3	-6%	62.2	53.6	16%
Latin America	11.2	8.7	29%	31.8	52.0	-39%
Western Europe	10.0	10.0	0%	36.4	35.7	2%
Africa/Middle East	16.3	14.0	16%	60.4	39.0	55%
Total	107.2	104.6	2%	427.8	396.7	8%
Net sales by product MSEK	Oct-Dec 2017	Oct-Dec 2016	Change	Jan-Dec 2017	Jan-Dec 2016	Change
Instruments	35.6	44.1	-19%	156.3	155.7	0%
Consumables own instruments	45.7	40.1	14%	169.8	153.3	11%
Consumables OEM and CDS-brand	12.8	16.0	-20%	61.2	61.8	-1%
Other	13.1	4.4	195%	40.5	26.0	56%
Total	107.2	104.6	1%	427.8	396.7	8%

INVESTMENTS

Total investments amounted to SEK 14.1 million (5.7), of which SEK 9.5 million (0.0) relates to investments in the development of future platforms.

EQUITY AND LIABILITIES

Group equity on 31 December 2017 totaled SEK 261.8 million (229.8) and equity/asset ratio was 63 percent (63).

Interest bearing liabilities, primarily accounts receivable financing through EKN, amounted to SEK 65.5 million (57.3) on 31 December 2017. SEK 26.8 million (26.9) of the interest-bearing liabilities were non-current and SEK 38.7 million (30.4) were current. At 31 December 2017, other non-interest-bearing current liabilities and accounts payable totaled to SEK 80.0 million (73.8).

The net cash on 31 December 2017 amounted to SEK 113.1 million (55.9).

At the end of 2017 deferred tax assets and deferred tax liabilities totaled SEK 0.3 million (0.5) and SEK 9.4 million (3.5) respectively.

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 5 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 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 customers who are 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. We are continuously working on operationally reducing our exchange rate exposure.

For a more detailed description of the risks, see the Annual Report for 2016. Compared with the Annual Report, the risks are deemed to remain unchanged.

TRANSACTIONS WITH RELATED PARTIES

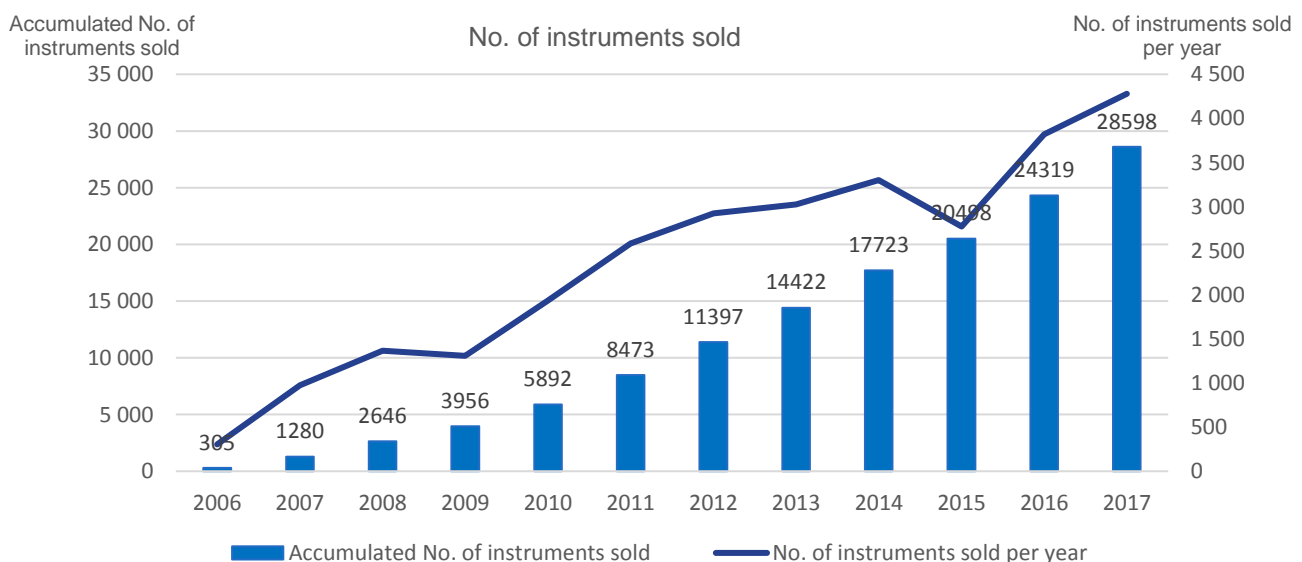
There were no transactions with related parties in this period.

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.



*Boule tied instruments.

NUMBER OF SHARES

The number of shares and votes in Boule Diagnostics AB was 4,789,138 at the beginning of the quarter. During the quarter, the number of shares and votes, rose by 65,000 following the new share issued through the exercise of options and as of 31 December, the total number of shares and votes amounted to 4,854,138.

Shareholders 31 December 2017 (and thereafter known changes)	Number of shares	Proportion of capital/votes
Svolder AB	515,000	10.61%
AB Grenspecialisten	493,317	10.16%
Thomas Eklund incl. companies	459,638	9.47%
Swedbank Robur Fonder AB	414,896	8.55%
SEB Asset Management	414,086	8.53%
Tredje AP-fonden	356,000	7.33%
Handelsbanken Fonder	282,389	5.82%
Linc Invest AB	197,356	4.07%
SSB Client Omnibus	150,596	3.10%
Länsförsäkringar Småbolag Sverige	149,103	3.07%
Société Générale	143,155	2.95%
Humble Småbolagsfond	117,284	2.42%
Other shareholders (1,277)	1,161,318	23.92%
Total number of shares	4,854,138	100.00%
No. of options outstanding ex. hedging	122,631	
Total number of shares incl. options	4,976,769	

OPTIONS

The company had three outstanding options programs. The options program from 2013 and 2014 both expired on 30 December 2017.

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 buy one share at a price of SEK 390 per share by 30 December 2020 at the latest. The options can be acquired by employees at the market value. The market value has been set by the Black & Scholes pricing model

and the currently value is SEK 16.90 per option. There are no restrictions on transferring the options. The CEO has been awarded, and has acquired on market terms, 48,631 of these options. an additional 10,000 options have been awarded or been acquired at market value. There are 64,000 options outstanding for future allocation.

DIVIDEND

The Board proposes a dividend of SEK 2.00 (1.40) per share for 2017, corresponding to 26.1 (18.3) percent of the year's profit. The company's policy is that dividend in the long-term shall equal to 25 – 50 percent of the profit for the period, after taking due consideration to company liquidity.

STOCK SPLIT

To facilitate trade with the company's listed shares the Board proposes to the Annual General Meeting to increase the number of Boule shares by dividing every current share in four (4:1 stock split). The proposed split would decrease the quota value per share from SEK 1 to SEK 0.25 and increase the number of shares from 4,854,138 to 19,416,552.

PERSONNEL

The average number of employees in the Group during the period was 168 (169) including 10 (9) at the Parent Company. By country the average number in Sweden was 86 (70), USA 73 (83), China 8 (15), Mexico 1 (1). The average number of women in the Group was 68 (65) the average number of men was 100 (104).

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 year-end report has not been reviewed by the company's auditor.

The Board of Directors and the President and CEO certify that this interim 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 February 16, 2018
Boule Diagnostics AB

Peter Ehrenheim
Chairman of the Board

Thomas Eklund
Board member

Fredrik Dalborg
President and CEO

Karin Dahllöf
Board member

Jon Risfelt
Board member

Consolidated statement of comprehensive income and other comprehensive income

SEK million	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net sales	107.2	104.6	427.8	396.7
Cost of goods sold	-55.8	-55.7	-225.1	-206.1
Gross profit	51.5	48.9	202.7	190.6
<i>Gross margin</i>	<i>48.0%</i>	<i>46.8%</i>	<i>47.4%</i>	<i>48.1%</i>
Other operating revenues	0.5	2.5	5.2	6.9
Selling and marketing expenses	-25.8	-18.2	-88.1	-69.2
Administrative expenses	-6.2	-9.0	-27.4	-30.4
Research and development expenses	-4.9	-11.0	-31.7	-37.5
Other operating expenses	-0.2	-11.9	-6.3	-13.5
Operating profit/loss	14.9	1.3	54.4	47.1
<i>Operating margin</i>	<i>13.9%</i>	<i>1.2%</i>	<i>12.7%</i>	<i>11.9%</i>
Financial income	0.9	0.2	2.6	2.0
Financial expenses	-0.9	-0.3	-2.3	-2.7
Exchange rate differences	-0.5	0.4	-1.2	0.7
Net financial items	-0.5	0.3	-1.0	0.0
Profit/loss before tax	14.3	1.6	53.3	47.1
Current tax	-8.9	-0.3	-9.6	-2.8
Deferred tax	2.6	0.1	-6.5	-8.3
Net profit/loss	8.1	1.5	37.2	36.0
Other comprehensive income				
Items that may be allocated to net profit/loss for the period				
Translation differences for the period from the translation of foreign operations	1.8	4.9	-9.4	7.8
Other comprehensive income/loss for the period	1.8	4.9	-9.4	7.8
Total comprehensive income/loss for the period	9.8	6.4	27.8	43.9
Earnings per share, before dilution, SEK	1.67	0.31	7.67	7.65
Earnings per share, after dilution, SEK	1.67	0.30	7.67	7.45

Since the Group has no controlling influence, the entire earnings accrue to the Parent Company.

Consolidated statement of financial position

SEK million	31 Dec 2017	31 Dec 2016
Assets		
Fixed assets		
Intangible assets		
Capitalized development expenses	30.6	24.6
Goodwill	73.2	79.1
Total intangible assets	103.8	103.7
Tangible fixed assets		
Plant and machinery	2.6	4.2
Equipment, tools, fixtures and fittings	9.2	12.0
Leasehold improvements	4.9	4.3
Total tangible fixed assets	16.6	20.5
Financial fixed assets		
Long-term accounts receivables (guaranteed 75-95 % by EKN)	31.5	28.1
Long-term non-interest-bearing accounts receivables	0.0	0.0
Deferred tax assets	0.3	0.5
Total financial fixed assets	31.7	28.6
Total fixed assets	152.2	152.8
Current assets		
Inventory		
Raw materials and supplies	27.0	36.1
Intermediate goods	3.9	5.5
Finished goods and goods for resale	19.8	17.6
Total inventory	50.8	59.2
Current receivables		
Tax assets	2.1	1.9
Accounts receivable	56.6	53.9
Accounts receivable (guaranteed 75-95 % by EKN)	47.9	40.5
Other receivables	4.3	5.0
Prepaid expenses and accrued income	3.4	6.6
Total current receivables	114.3	107.8
Cash and cash equivalents	99.2	44.6
Total current assets	264.3	211.6
Total assets	416.5	364.3

Consolidated statement of financial position (cont.)

SEK million	31 Dec 2017	31 Dec 2016
EQUITY		
Share capital	4.9	4.7
Other contributed capital	201.2	190.6
Translation reserve	8.5	17.8
Retained earnings including net profit/loss for the period	47.2	16.6
Total equity	261.8	229.8
LIABILITIES		
Long-term liabilities		
Long-term interest-bearing liabilities	0.8	4.7
Long-term interest-bearing liabilities (of EKN guaranteed receivables)	26.0	22.3
Deferred tax liabilities	9.4	3.5
Total long-term liabilities	36.1	30.4
Current liabilities		
Current interest-bearing liabilities	1.3	2.1
Current interest-bearing liabilities (of EKN guaranteed receivables)	37.4	28.3
Accounts payable	24.5	21.9
Tax liabilities	9.4	3.8
Other liabilities	7.4	8.6
Accrued liabilities and deferred income	37.7	38.5
Provisions	1.0	1.0
Total current liabilities	118.6	104.2
Total liabilities	154.7	134.6
Total equity and liabilities	416.5	364.3

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, 2016	4.7	190.6	10.0	-16.8	188.5
Total comprehensive income/loss for the period					
Net profit/loss for the period				36.0	36.0
Other comprehensive income for the period			7.8		7.8
Total comprehensive income/loss for the period			7.8	36.0	43.8
Transactions with shareholders					
Option programs				0.2	0.2
Dividends				-2.8	-2.8
Equity, closing balance, Dec. 31, 2016	4.7	190.6	17.8	16.6	229.8
Equity, opening balance, Jan. 1, 2017	4.7	190.6	17.8	16.6	229.8
Total comprehensive income/loss for the period					
Net profit/loss for the period				37.2	37.2
Other comprehensive income for the period			-9.4		-9.4
Total comprehensive income/loss for the period			-9.4	37.2	27.8
Transactions with shareholders					
Shares issued through the exercise of options	0.1	10.6			10.7
Option programs				0.1	0.1
Dividends				-6.6	-6.6
Equity, closing balance, Dec. 31, 2017	4.9	201.2	8.5	47.2	261.8

Consolidated cash flow statement

SEK million	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating activities				
Operating profit/loss	14.9	1.3	54.4	47.1
Adjustments for non-cash items	4.3	3.6	11.2	8.6
Interest received	0.9	0.0	2.6	0.0
Interest paid	-0.9	-0.1	-2.3	-0.7
Income tax paid	0.4	1.8	-3.8	1.0
Cash flow from operating activities before changes in working capital	19.4	6.6	62.0	56.0
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventory	-0.7	-4.4	6.2	-2.7
Increase (-)/Decrease (+) in operating receivables	10.3	-1.3	-1.7	-21.0
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)	-2.8	-6.2	-12.9	-33.8
Increase (+)/Decrease (-) in operating liabilities	-2.1	17.2	4.0	21.3
Cash flow from operating activities	24.1	11.9	57.7	19.9
Investing activities				
Acquisition of tangible fixed assets	-2.5	-2.2	-4.6	-5.7
Investments in capitalized development expenses	-4.8	0.0	-9.5	0.0
Cash flow from investing activities	-7.4	-2.1	-14.1	-5.7
Financing activities				
New share issue	5.2	0.0	10.7	0.0
Loans raised	0.0	-1.2	0.0	1.9
Amortization of loans	-0.8	-1.7	-3.9	-4.6
Increase (+)/Decrease (-) in current financial liabilities (EKN financing)	3.0	6.3	12.8	37.3
Increase (+)/Decrease (-) in current financial liabilities	0.5	-6.4	-0.8	-52.8
Dividends	0.0	0.0	-6.6	-2.8
Cash flow from financing activities	8.0	-2.9	12.2	-21.1
Cash flow for the period	24.7	6.8	55.9	-6.9
Cash and cash equivalents at the beginning of the period	74.6	37.0	44.6	50.4
Exchange rate differences in cash and cash equivalents	-0.1	0.8	-1.3	1.1
Cash and cash equivalents at the end of the period	99.2	44.6	99.2	44.6

Parent Company income statement

SEK million	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net sales	3.5	5.7	20.6	23.0
Administrative expenses	-7.6	-9.1	-28.6	-26.8
Other operating income	0.0	0.0	0.0	0.0
Other operating expenses	-3.8	-3.9	-3.8	-3.9
Operating profit/loss	-7.9	-7.3	-11.8	-7.7
Profit/loss from financial items	-0.1	0.1	0.0	0.0
Profit/loss after financial items	-7.9	-7.3	-11.8	-7.7
Group contribution	29.4	25.0	29.4	25.0
Profit/loss before tax	21.5	17.7	17.5	17.2
Tax	-4.7	4.7	-4.7	4.7
Net profit/loss	16.8	22.4	12.8	22.0

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

Parent Company balance sheet

SEK million	31 Dec 2017	31 Dec 2016
Assets		
Financial fixed assets		
Shares in Group companies	153.5	157.3
Deferred tax asset	0.0	4.7
Total financial fixed assets	153.5	162.0
Total fixed assets	153.5	162.0
Current assets		
Receivables from Group companies	69.8	52.0
Other receivables	2.5	2.0
Total current receivables	72.4	54.0
Cash and bank balances	2.7	0.4
Total current assets	75.0	54.4
Total assets	228.5	216.4
Equity and liabilities		
Total equity	213.8	196.7
Long-term liabilities		
Long-term interest-bearing liabilities	0.0	0.0
Current liabilities		
Current interest-bearing liabilities	0.0	0.0
Liabilities to Group companies	0.7	0.6
Other liabilities	14.1	19.1
Total current liabilities	14.8	19.7
Total liabilities	14.8	19.7
Total equity and liabilities	228.5	216.4

NOTE 1 ACCOUNTING POLICYS

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, 2016. The accounting policies match the policies applied in the preceding fiscal year. 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 1-15.

The accounting of charged costs and revenues related to EKN has been reclassified from net sales and operating costs to financial income and expenses where they will be accrued over the term of the credit. The reclassification amounts to SEK 4.2 million for 2017. The retrospective correction for 2016 corresponds to SEK 4.0 million.

The new accounting standard IFRS 9, Financial instruments, was approved by the EU in November 2016 and has a mandatory effective date for annual periods beginning on or after January 1, 2018. That standard includes, but is not limited to, recognition and measurement of financial instruments, and general hedge accounting. The Group has performed an analysis of the standard and has concluded that the new standard does not significantly impact the Group's financial position as it does not significantly impact the Group's measurement of financial instruments. Neither does IFRS 9 significantly impact Boule's hedge accounting or provisions for credit losses. The new standard will be effective from the annual period beginning on January 1, 2018.

The new accounting standard IFRS 15, Revenue from contracts with customers, was approved by the EU in September 2016 and has a mandatory effective date for annual periods beginning on or after January 1, 2018. The Group has performed an analysis of the standard and has concluded that the new standard does not significantly impact the Group's financial reports. The standard will be applied with a prospective retroactive approach effective from the annual period beginning on January 1, 2018.

NOTE 2

31 December, SEK million	Group		Parent company	
	2017	2016	2017	2016
Pledged assets	136.1	133.1	85.8	85.8
Contingent liabilities	0.0	1.8	65.4	51.7

Quarterly overview

	2017				2016				2015
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec
Net sales, SEK million	107.2	109.7	104.3	106.6	104.6	107.5	101.0	83.6	88.4
Gross profit, SEK million	51.5	56.8	43.6	50.8	48.9	54.5	47.7	42.3	36.8
Gross margin, %	48.0	51.8	41.8	47.6	46.8	50.2	46.8	50.1	41.6
EBITDA, SEK million	18.8	30.2	1.4	14.1	5.7	25.5	13.3	10.4	2.7
EBITDA margin, %	17.5	27.5	1.3	13.2	5.4	23.5	13.0	12.3	3.1
EBIT, SEK million	14.9	28.2	-0.7	12.0	1.3	24.8	12.6	8.4	0.6
EBIT margin, %	13.9	25.7	-0.7	11.2	1.2	22.9	12.4	9.9	0.7
Profit after tax, SEK million	8.1	21.6	-1.1	8.7	1.5	19.3	9.0	6.3	1.3
Earnings per share before dilution, SEK	1.67	4.51	-0.24	1.84	0.31	4.11	1.91	1.33	0.28
Earnings per share after dilution, SEK	1.67	4.48	-0.23	1.79	0.30	4.02	1.89	1.33	0.27
Cash flow from operating activities per share, SEK	4.99	2.11	4.96	3.93	2.53	2.70	-0.24	1.30	2.59
Return on equity, %	3.2	9.2	-0.5	3.7	0.6	9.1	4.5	3.3	0.7
Net debt/EBIT (R12)	-2.1	-2.2	-1.9	-1.6	-1.2	-0.9	-0.8	-0.9	-0.7
Equity/assets ratio, %	63	63	59	63	63	65	66	68	60

Definitions (boule.com)

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 13 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.

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 170 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 and USA. 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, 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 over 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



Swelab



Quintus



Exigo H400



Exigo C200

Information to shareholders

CALENDER

Annual report 2017	2018-04-23
Interim report first quarter	2018-05-14
Annual General Meeting 2018	2018-05-14
Interim report second quarter	2018-08-15
Interim report third quarter	2018-11-06

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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 14:30 CET on February 16, 2018.