



## Instrument sales remain strong

### Quarter January–March 2017

- Net sales amounted to SEK 106.6 million (84.4), up 26.3 percent. Adjusted for the change in the USD and EUR exchange rates, this corresponds to an increase of 22.4 percent.
- Number of instruments sold in the quarter was 1,143 (695), an increase of 65 percent.
- Cash flow from operating activities amounted to SEK 18.5 million (6.1).
- Operating profit was SEK 12.0 million (8.4) which corresponds to an operating margin of 11.2 percent (9.9).
- Net profit amounted to SEK 8.7 million (6.3).
- Earnings per share before dilution amounted to SEK 1.84 (1.33) and after dilution to SEK 1.79 (1.33).

### Significant events during the quarter

#### TENDER WON IN INDIA

Boule has won yet another public tender in India for 100 hematology systems in total. The systems were delivered during the quarter. The systems have been installed at blood banks in the state of Uttar Pradesh.

#### NEW CEO AND GROUP PRESIDENT

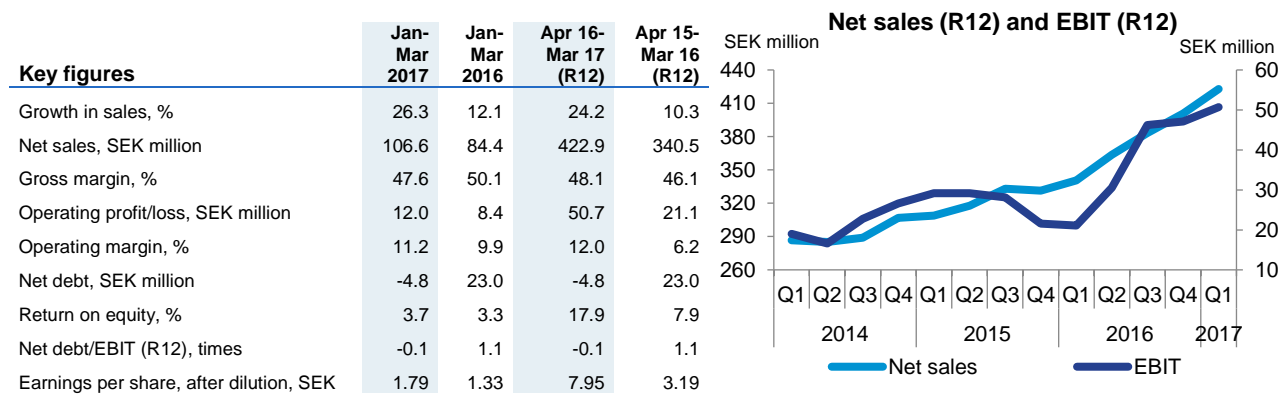
Ernst Westman resigned as CEO and Group President on 31 March after 23 years' service. The board appointed Fredrik Dalborg new CEO and Group President with effect from 3 April 2017. He joins the group from Terumo BCT.

#### NEW FINANCIAL TARGETS AND DIVIDEND POLICY

The Boule board resolved to revise the company's financial targets and to amend the dividend policy. For further information on this, please see page 14 in the interim report.

### Significant events after the quarter

No material events have occurred since the end of the period.



## Comments from CEO Fredrik Dalborg

I joined Boule Diagnostics as CEO and Group President on 3 April. My initial focus has been on quickly gaining an understanding of customer needs, market development and organization via numerous and detailed discussions with customers, distributors and employees in different parts of the world.

We have a highly skilled team of employees and good relationships with customers and distributors. Our products have a very good reputation with regard to quality, precision and low service requirements and it is pleasing to note that we have strong positions on both mature markets such as the USA and on growth markets such as Russia and India.

We now have to work to strengthen the company and develop it to the next level. Our priorities moving forward will be:

1. Further measures to support and strengthen our sales and profit growth momentum.
2. Continue to improve current products and develop new ones.
3. Strengthen and extend our product portfolio via distribution agreements, supply agreements and potential acquisitions.

In parallel we will continue our process efficiency program and assess how our manufacturing structure can be optimized, as well as maintaining high levels of quality and regulatory compliance.

### EARNINGS AND SALES

In the first quarter of the year, we sold over 1,100 instruments in total, a 65 percent increase on the same quarter in 2016. Yet again, our instrument sales set a new record for an individual quarter. Total sales for the quarter amounted to MSEK 106.6 (84.4), a 26.3 percent increase compared to the same period in 2016. As before, we will always expect to experience quarterly variations in sales in the future.

Operating profit for the first quarter of 2017 rose 43 percent and amounted to MSEK 12.0 (8.4). This corresponds to an operating margin of 11.2 percent compared to 9.9 percent in the same period last year. Although this operating margin is an improvement over the previous year, it is still below our financial target and we are taking steps to further improve this.

Gross margin for the quarter amounted to 47.6 percent (50.1). This lower gross margin can primarily be explained by the higher proportion of instruments sold, 39 percent of total sales compared to 33 percent of total sales last year, and lower average prices for instruments. These lower average prices were primarily due to a larger proportion of sales on growth markets where prices are lower, and winning larger tenders with relatively low prices during the period.

### MARKET DEVELOPMENT

Similar to the situation in the end of 2016, instrument sales have been good at the start of 2017. This growth has been primarily driven by Boule's traditionally strong regions of Eastern Europe and Asia that saw sales growth of 29 and 33 percent respectively. Sales have also been

strong on the smaller markets in the Middle East and Africa that saw a 91 percent increase, while growth on the mature markets of North America and Western Europe has been more modest. However, it is pleasing to note that Boule is now the joint market leader in our segment in the USA, the world's leading market and where prices are highest. This is something we take pride in, bearing in mind the tough competition from large companies and that we only started marketing our products in the USA as recently as 13 years ago. Latin America, the region that enjoyed the best growth in 2016, has performed less well in the quarter. However, we remain optimistic about this region.

### LOOKING AHEAD

Our business is based on having a large installed base of instrument base at our customer's sites as this ensures long term sales of consumables with good margins. It is therefore pleasing to see the very vigorous growth in instrument sales, even though this lowers our gross margin slightly in the short term. We are going to work hard to support this continuous increase in volume while at the same time looking to make cost efficiency savings to improve our profitability in the long run.



Fredrik Dalborg  
President and CEO



## Group performance January-March 2017

### NET SALES

During the quarter net sales amounted to SEK 106.6 million (84.4), up 26.3 percent. Adjusted for the change in the USD and EUR exchange rates, this corresponds to an increase of 22.4 percent.

### GROSS PROFIT

Gross profit during the quarter amounted to SEK 50.8 million (42.3). The gross margin during the quarter was 47.6 percent (50.1). The lower gross margin is primarily explained by the higher proportion of instrument sales and lower average prices for instruments.

### EXPENSES

Operating expenses during the period amounted to SEK 38.5 million (33.8). Operating expenses in 2017 include reserves of 4 MSEK which are assessed as possibly arising in association with a review of the company's OEM agreements.

Research and development expenditures charged to earnings amounted to SEK 9.4 million (8.4), which represents 9 percent (10) of net sales. Research and development expenditures of SEK 0.6 million (0.0) were capitalized. A veterinary version of the company's updated instrument platform is being developed for activation in 2017.

The net of operating revenues and other operating expenses amounted during the period to a total of SEK -0.3 million (-0.1). This net loss consists of realized and unrealized exchange rate losses of an operating nature.

### PROFIT

Operating profit during the quarter was SEK 12.0 million (8.4). This corresponds to an operating margin of 11.2 and 9.9 percent respectively.

### NET FINANCIAL ITEMS

Net financial items amounted to SEK -0.4 million (-0.4). Profit before tax was SEK 11.6 million (7.9). Profit for the period was SEK 8.7 million (6.3).

### FINANCING AND CASH FLOW

Cash flow from operating activities after changes in working capital amounted to SEK 18.5 million (6.1). The company has reported accounts receivable for which guarantees have been obtained from the Swedish National Export Credits Guarantee Board (EKN). 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.

Cash flow for the period amounted to SEK 21.6 million (-31.1) and cash and cash equivalents at the end of the period were SEK 65.9 million (19.1).

Cash and cash equivalents available to the Group, including unutilized credit facilities, amounted to SEK 104.9 million (71.4) at the end of the period.

### INVESTMENTS

Total investments amounted to SEK 0.8 million (2.0).

## NET SALES BY REGION AND PRODUCT

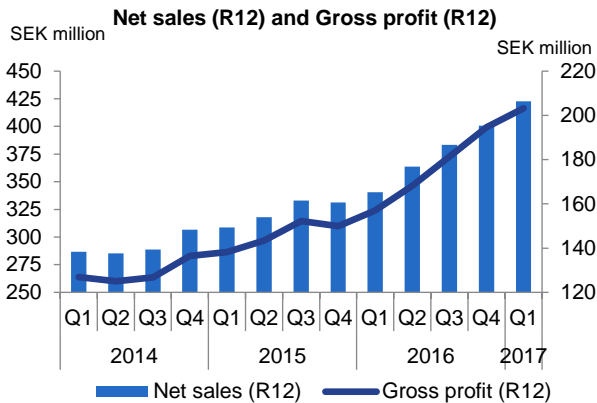
Net sales by region SEK million	Jan-Mar 2017	Jan-Mar 2016	Change	Apr 16- Mar 17 (R12)	Apr 15- Mar 16 (R12)	Change (R12)
USA	33.8	30.3	12%	130.8	121.8	7%
Asia	26.6	20.1	33%	96.7	75.8	28%
Eastern Europe	13.6	10.5	29%	58.6	41.3	42%
Latin America	6.4	6.0	7%	52.4	31.8	65%
Western Europe	9.2	8.6	7%	36.3	35.1	3%
Africa/Middle East	16.9	8.8	91%	48.1	34.7	39%
<b>Total</b>	<b>106.6</b>	<b>84.4</b>	<b>26%</b>	<b>422.9</b>	<b>340.5</b>	<b>24%</b>

Net sales by product SEK million	Jan-Mar 2017	Jan-Mar 2016	Change	Apr 16- Mar 17 (R12)	April 15- Mar 16 (R12)	Change (R12)
Instruments	41.1	28.2	46%	168.6	123.3	37%
Consumables own instruments	39.7	33.6	18%	156.0	126.8	23%
Consumables OEM and CDS-brand	17.7	15.6	13%	64.9	60.8	7%
Other	8.1	7.0	15%	33.4	29.6	13%
<b>Total</b>	<b>106.6</b>	<b>84.4</b>	<b>26%</b>	<b>422.9</b>	<b>340.5</b>	<b>24%</b>

## EQUITY AND LIABILITIES

Group equity on 31 March 2017 totalled SEK 236.6 million (192.6) and equity/asset ratio was 63 percent (68).



Interest bearing liabilities that are primarily accounts receivable financing and a bank loan at the US subsidiary company, amounted to SEK 61.2 million (42.1) on 31 March 2017. SEK 27.7 million (16.3) of the interest-bearing liabilities were non-current and SEK 33.5 million (25.8) were current. At 31 March 2017, other non-interest-bearing current liabilities and accounts payable totaled to SEK 74.5 million (44.5).

The net debt 31 March 2017 amounted to SEK -4.8 million (23.0).

At the end of the period deferred tax assets and deferred tax liabilities totaled SEK 0.7 million (9.1) and SEK 5.9 million (3.7) 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 bn 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. The company is also always exposed to exchange rate fluctuations.

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. 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

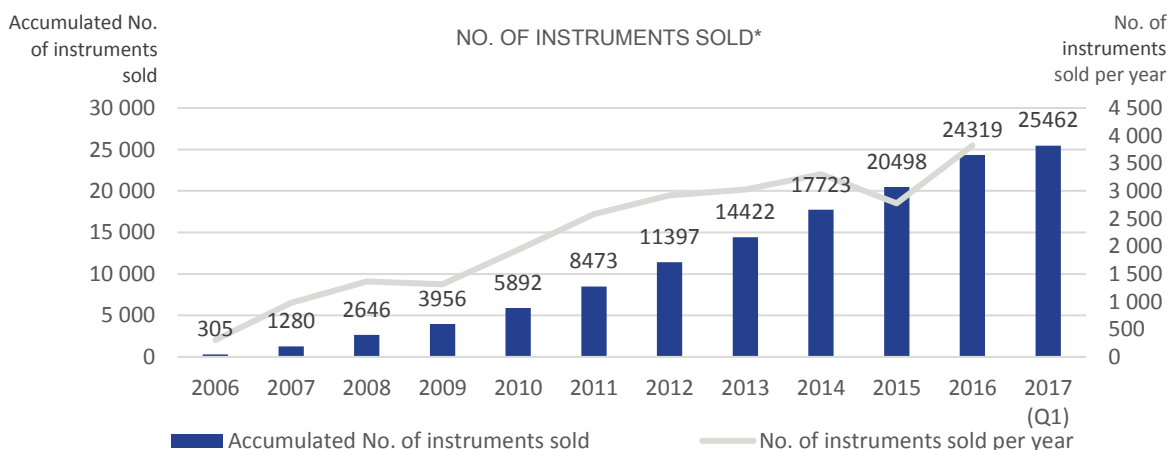
There were no transactions with related parties in this period.

## 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 voting rights in Boule Diagnostics AB amount to 4,707,138. The company has also issued 30,000 warrants and 178,750 employee options (see the section on Options below).

Shareholders 31 March 2017 (and thereafter known changes)	Number of shares	Proportion of capital/votes
Svolder AB	516 363	10,97%
AB Grenspecialisten	493 317	10,48%
Thomas Eklund inkl bolag	444 638	9,45%
Swedbank Robur Fonder AB	404 000	8,58%
Tredje AP-fonden	381 707	8,11%
Handelsbanken Fonder (Diverse fonder)	365 623	7,77%
SEB Asset Management	339 086	7,20%
Linc AB	292 497	6,21%
Humle Kapitalförvaltning	167 155	3,55%
Société Générale	113 841	2,42%
Länsförsäkringar Småbolag Sverige	112 970	2,40%
Other shareholders (1,548)	1,099,629	23.36%
<b>Total number of shares</b>	<b>4,707,138</b>	<b>100.00%</b>
No of options outstanding	208,750	
<b>Total number of shares incl. options</b>	<b>4,915,888</b>	

## OPTIONS

A total of 178,750 options (including hedging) have been issued to management and key individuals in the Group. The previous President has 32,000 options, other senior executives, a total of five, have 11,000 options each and other key employees have 6,000 options each. There were no changes in outstanding options in this quarter.

When fully exercised, the options generate dilution of 3.8 percent (including hedging). Each option entitles the holder to subscribe for new shares in the company during the second half of 2017 at a rate of SEK 68.18 per share, provided that the employee is still employed in the Group.

As a result of the employee share option program, Boule Diagnostics AB has, through a subsidiary, a holding of 43,750 warrants for hedging purposes. The underlying warrants have conditions that, in all material aspects, match the employee options relating to the respective hedge. These warrants will ensure share delivery should all the employee options be fully exercised, and, if fully exercised, the surplus number of warrants is also expected to cover the potential charge against the company's equity and liquidity resulting from the employer's contributions caused by the tax imposed on fringe benefits. The recognized impact on earnings if the employee share options are fully exercised, will not, as such, be eliminated by this hedge.

30,000 warrants have already been issued to three key individuals in the Group. These options were issued on market-based conditions. When fully exercised the options result in dilution of 0.6 percent. Each option entitles the holder to subscribe for new shares in the company during the second half of 2017 at a rate of SEK 54.46 per share.

## PERSONNEL

The average number of employees in the Group during the period was 170 (180) including 9 (7) at the Parent Company. By country the average number in Sweden was 71 (77), USA 85 (83), China 13 (16), Mexico 1 (1). The average number of women in the Group was 67 (66) the average number of men was 103 (114).

The Board of Directors and the President 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 11 May 2017

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

## AUDIT REVIEW

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

## Consolidated statement of comprehensive income and other comprehensive income

SEK million	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Net sales	106.6	84.4	400.7
Cost of goods sold	-55.8	-42.1	-206.1
<b>Gross profit</b>	<b>50.8</b>	<b>42.3</b>	<b>194.7</b>
<i>Gross margin</i>	<i>47.6%</i>	<i>50.1%</i>	<i>48.6%</i>
Other operating revenues	0.4	0.7	6.9
Selling and marketing expenses	-22.5	-18.7	-73.2
Administrative expenses	-6.6	-6.7	-30.4
Research and development expenses	-9.4	-8.4	-37.5
Other operating expenses	-0.7	-0.8	-13.5
<b>Operating profit/loss</b>	<b>12.0</b>	<b>8.4</b>	<b>47.1</b>
<i>Operating margin</i>	<i>11.2%</i>	<i>9.9%</i>	<i>11.7%</i>
Financial income	0.1	-	-
Financial expenses	-0.2	-0.3	-0.7
Exchange rate differences	-0.3	-0.2	0.7
<b>Net financial items</b>	<b>-0.4</b>	<b>-0.4</b>	<b>0.0</b>
<b>Profit/loss before tax</b>	<b>11.6</b>	<b>7.9</b>	<b>47.1</b>
Current tax	-0.6	-1.4	-2.8
Deferred tax	-2.3	-0.2	-8.3
<b>Net profit/loss</b>	<b>8.7</b>	<b>6.3</b>	<b>36.0</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	-2.0	-2.2	7.8
<b>Other comprehensive income/loss for the period</b>	<b>-2.0</b>	<b>-2.2</b>	<b>7.8</b>
<b>Total comprehensive income/loss for the period</b>	<b>6.7</b>	<b>4.1</b>	<b>43.8</b>
Earnings per share, before dilution, SEK	1.84	1.33	7.65
Earnings per share, after dilution, SEK	1.79	1.33	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 Mar 2017	31 Mar 2016	31 Dec 2016
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Capitalized development expenses	24.4	26.8	24.6
Goodwill	77.9	72.6	79.1
<b>Total intangible assets</b>	<b>102.4</b>	<b>99.4</b>	<b>103.7</b>
<b>Tangible fixed assets</b>			
Plant and machinery	3.7	6.0	4.2
Equipment, tools, fixtures and fittings	11.3	11.1	12.0
Leasehold improvements	4.1	2.7	4.3
<b>Total tangible fixed assets</b>	<b>19.1</b>	<b>19.8</b>	<b>20.5</b>
<b>Financial fixed assets</b>			
Long-term accounts receivables (guaranteed 75-95 % by EKN)	29.9	19.4	28.1
Deferred tax assets	0.7	9.1	0.5
<b>Total financial fixed assets</b>	<b>30.6</b>	<b>28.5</b>	<b>28.6</b>
<b>Total fixed assets</b>	<b>152.1</b>	<b>147.8</b>	<b>152.8</b>
<b>Current assets</b>			
<b>Inventory</b>			
Raw materials and supplies	41.2	32.9	36.1
Intermediate goods	3.9	3.5	5.5
Finished goods and goods for resale	18.6	11.1	17.6
<b>Total inventory</b>	<b>63.8</b>	<b>47.5</b>	<b>59.2</b>
<b>Current receivables</b>			
Tax assets	1.8	1.7	1.9
Accounts receivable	40.1	36.6	53.9
Accounts receivable (guaranteed 75-95 % by EKN)	46.6	22.6	40.5
Other receivables	3.6	4.5	5.0
Prepaid expenses and accrued income	4.3	3.0	6.6
<b>Total current receivables</b>	<b>96.3</b>	<b>68.5</b>	<b>107.8</b>
Cash and cash equivalents	65.9	19.1	44.6
<b>Total current assets</b>	<b>226.1</b>	<b>135.0</b>	<b>211.6</b>
<b>Total assets</b>	<b>378.2</b>	<b>282.8</b>	<b>364.3</b>

## Consolidated statement of financial position (cont.)

SEK million	31 Mar 2017	31 Mar 2016	31 Dec 2016
<b>EQUITY</b>			
Share capital	4.7	4.7	4.7
Other contributed capital	190.6	190.6	190.6
Translation reserve	15.9	7.8	17.8
Retained earnings including net profit/loss for the period	25.5	-10.5	16.6
<b>Total equity</b>	<b>236.6</b>	<b>192.6</b>	<b>229.8</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	2.0	5.3	4.7
Long-term interest-bearing liabilities (of EKN guaranteed receivables)	25.7	11.0	22.3
Deferred tax liabilities	5.9	3.7	3.5
<b>Total long-term liabilities</b>	<b>33.5</b>	<b>20.0</b>	<b>30.4</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	1.1	15.2	2.1
Current interest-bearing liabilities (of EKN guaranteed receivables)	32.4	10.6	28.3
Accounts payable	19.3	13.1	21.9
Tax liabilities	3.9	0.8	3.8
Other liabilities	12.9	6.1	8.6
Accrued liabilities and deferred income	37.4	23.9	38.5
Provisions	1.0	0.5	1.0
<b>Total current liabilities</b>	<b>108.0</b>	<b>70.3</b>	<b>104.2</b>
<b>Total liabilities</b>	<b>141.5</b>	<b>90.3</b>	<b>134.6</b>
<b>Total equity and liabilities</b>	<b>378.2</b>	<b>282.8</b>	<b>364.3</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, 2016	4.7	190.6	10.0	-16.8	188.5
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				6.3	6.3
Other comprehensive income for the period			-2.2		-2.2
<b>Total comprehensive income/loss for the period</b>			<b>-2.2</b>	<b>6.3</b>	<b>4.0</b>
<b>Transactions with shareholders</b>					
Option programs					0.0
Dividends					0.0
Equity, closing balance, Mar. 31, 2016	4.7	190.6	7.8	-10.5	192.6
<b>Equity, opening balance, Jan. 1, 2017</b>					
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				8.7	8.7
Other comprehensive income for the period			-2.0		-2.0
<b>Total comprehensive income/loss for the period</b>			<b>-2.0</b>	<b>8.7</b>	<b>6.7</b>
<b>Transactions with shareholders</b>					
Option programs				0.1	0.1
Dividends					0.0
Equity, closing balance, Mar. 31, 2017	4.7	190.6	15.9	25.5	236.6



## Consolidated cash flow statement

SEK million	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
<b>Operating activities</b>			
Operating profit/loss	12.0	8.4	47.1
Adjustments for non-cash items	2.1	3.1	8.6
Interest received	-	-	-
Interest paid	-0.1	-0.3	-0.7
Income tax paid	-0.5	-0.2	1.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>13.6</b>	<b>11.0</b>	<b>56.0</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in inventory	-5.1	6.9	-2.7
Increase (-)/Decrease (+) in operating receivables	17.0	2.7	-21.0
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)	-7.9	-12.4	-33.8
Increase (+)/Decrease (-) in operating liabilities	0.9	-2.2	21.3
<b>Cash flow from operating activities</b>	<b>18.5</b>	<b>6.1</b>	<b>19.9</b>
<b>Investing activities</b>			
Acquisition of tangible fixed assets	-0.2	-2.0	-5.7
Investments in capitalized development expenses	-0.6	-	-
<b>Cash flow from investing activities</b>	<b>-0.8</b>	<b>-2.0</b>	<b>-5.7</b>
<b>Financing activities</b>			
Loans raised	-	6.5	1.9
Amortization of loans	-2.7	-2.0	-4.6
Increase (+)/Decrease (-) in current financial liabilities (EKN financing)	7.5	13.1	37.3
Increase (+)/Decrease (-) in current financial liabilities	-1.0	-52.8	-52.8
Dividends	-	-	-2.8
<b>Cash flow from financing activities</b>	<b>3.9</b>	<b>-35.2</b>	<b>-21.1</b>
<b>Cash flow for the period</b>	<b>21.6</b>	<b>-31.1</b>	<b>-6.9</b>
Cash and cash equivalents at the beginning of the period	44.6	50.4	50.4
Exchange rate differences in cash and cash equivalents	-0.2	-0.2	1.1
<b>Cash and cash equivalents at the end of the period</b>	<b>65.9</b>	<b>19.1</b>	<b>44.6</b>

## Parent Company income statement

SEK million	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Net sales	5.7	5.7	23.0
Administrative expenses	-4.4	-6.7	-26.8
Other operating expenses	-1.4	-	-3.9
<b>Operating profit/loss</b>	<b>-0.1</b>	<b>-0.9</b>	<b>-7.7</b>
Profit/loss from financial items	-	-	-
<b>Loss after financial items</b>	<b>-0.1</b>	<b>-1.0</b>	<b>-7.7</b>
Group contribution	-	-	25.0
<b>Profit/loss before tax</b>	<b>-0.1</b>	<b>-1.0</b>	<b>17.2</b>
Tax	-	-	4.7
<b>Net profit/loss</b>	<b>-0.1</b>	<b>-1.0</b>	<b>22.0</b>

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 Mar 2017	31 Mar 2016	31 Dec 2016
<b>Assets</b>			
<b>Financial fixed assets</b>			
Shares in Group companies	157.3	157.3	157.3
Deferred tax asset	4.7	-	4.7
<b>Total financial fixed assets</b>	<b>162.0</b>	<b>157.3</b>	<b>162.0</b>
<b>Total fixed assets</b>	<b>162.0</b>	<b>157.3</b>	<b>162.0</b>
<b>Current assets</b>			
Receivables from Group companies	49.0	28.0	52.0
Other receivables	1.6	1.4	2.0
<b>Total current receivables</b>	<b>50.6</b>	<b>29.4</b>	<b>54.0</b>
Cash and bank balances	2.2	1.4	0.4
<b>Total current assets</b>	<b>52.8</b>	<b>30.8</b>	<b>54.4</b>
<b>Total assets</b>	<b>214.9</b>	<b>188.1</b>	<b>216.4</b>
<b>Equity and liabilities</b>			
<b>Total equity</b>	<b>196.7</b>	<b>176.5</b>	<b>196.7</b>
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	-	0.6	-
<b>Current liabilities</b>			
Current interest-bearing liabilities	-	1.3	-
Liabilities to Group companies	0.6	0.6	0.6
Other liabilities	17.6	9.2	19.1
<b>Total current liabilities</b>	<b>18.2</b>	<b>11.0</b>	<b>19.7</b>
<b>Total liabilities</b>	<b>18.2</b>	<b>11.6</b>	<b>19.7</b>
<b>Total equity and liabilities</b>	<b>214.9</b>	<b>188.1</b>	<b>216.4</b>

**NOTE 1 ACCOUNTING POLICYS**

Boule Diagnostics AB (publ.) applies IFRS (International Financial Reporting Standards) as adopted by the EU. This year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting. The 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 1-15 is an integrated part of this financial report.

A number of new or revised IFRS Standards, as well as statements of interpretation of these, will come in to effect only in the coming financial years and have not been applied in the preparation of these financial statements. Preparations for the implementation of IFRS 15 are ongoing.

**NOTE 2**

	Group		Parent company	
<b>31 March, SEK million</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Pledged assets	140.8	98.7	85.8	83.3
Contingent liabilities	1.8	1.8	60.5	34.5

## Quarterly overview

	2017	2016			2015			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
Net sales, SEK million	106.6	105.8	108.5	102.0	84.4	88.4	88.8	78.9
Gross profit, SEK million	50.8	50.1	54.5	47.7	42.3	36.8	41.3	35.5
Gross margin, %	47.6	47.4	50.2	46.8	50.1	41.6	46.6	46.2
EBITDA, SEK million	14.1	5.7	25.5	13.3	10.4	2.7	10.5	5.1
EBITDA margin, %	13.2	5.4	23.5	13.0	12.3	3.1	11.9	6.5
EBIT, SEK million	12.0	1.3	24.8	12.6	8.4	0.6	8.9	3.2
EBIT margin, %	11.2	1.2	22.9	12.4	9.9	0.7	10.0	4.1
Profit after tax, SEK million	8.7	1.5	19.3	9.0	6.3	1.3	5.1	2.4
Earnings per share, before dilution, SEK	1.84	0.32	4.11	1.91	1.33	0.28	1.07	0.51
Earnings per share, after dilution, SEK	1.79	0.31	4.02	1.89	1.33	0.27	1.07	0.51
Cash flow from operating activities per share, SEK	3.93	2.53	2.70	-0.24	1.30	2.59	2.25	0.02
Return on equity, %	3.7	0.6	9.1	4.5	3.3	0.7	2.7	1.3
Net debt/EBIT (R12)	-0.1	-0.1	0.4	0.6	0.6	1.0	1.0	1.2
Equity/assets ratio, %	63	63	65	66	68	60	64	63

## Definitions (boule.se)

### 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 is 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 assets less interest-bearing liabilities

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 a little 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, USA and China. Since 2011, Boule shares have been listed on the Nasdaq Stockholm.

### VISION

Boule is to establish a global position as one of the three leading companies within decentralized blood diagnostics.

### MISSION

Boule is to help its customers obtain better blood test results to enable more effective treatment of patients.

### BUSINESS CONCEPT

Boule develops, manufactures and markets high quality and user-friendly systems for automated blood cell count analysis on the global human and veterinarian 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

- To commercialize high quality systems for the decentralized market for blood cell count analysis.
- To tie consumables to our proprietary instruments to assure quality and ensure added sales.
- Global presence and parallel distribution channels to quickly meet local demand.
- Actively work to broaden our product offer via acquisition and partnerships.

## Boule as an investment

### BUSINESS MODEL

The model entails selling consumables of high quality and good profitability that are tied to Boule's own instruments, to a continuously increasing installed base of instruments.

### GROWTH

Over the past five years, Boule has enjoyed average annual growth 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 hematology systems



Medonic



Swelab



Quintus



Exigo



## Financial information

### CALENDAR

Annual General meeting	May 11, 2017
Interim report second quarter	August 31, 2017
Interim report third quarter	November 8, 2017

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