

Interim report Q2 2023

Improved gross margin

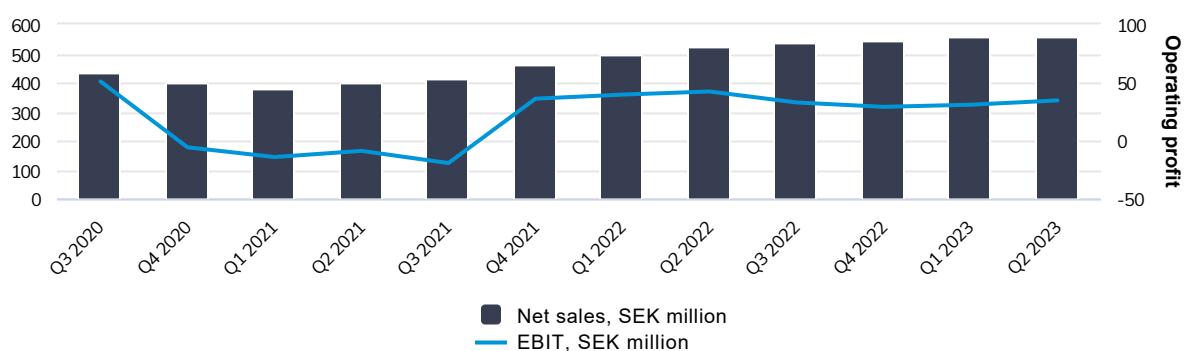
Quarter April-June 2023

- ▶ Net sales amounted to SEK 140.5 (140.8) million, a decrease of 0,2 percent. Adjusted for currency effects, a decrease of 9.9 percent.
- ▶ Gross profit was SEK 59.9 (53.3) million, corresponding to a gross margin of 42.7 (37.8) percent.
- ▶ Operating profit was SEK 8.7 (5.0) million, corresponding to an operating margin of 6.2 (3.6) percent.
- ▶ Profit for the period amounted to SEK 4.1 (2.9) million.
- ▶ Basic earnings per share amounted to SEK 0.11 (0.11) and diluted earnings per share amounted to SEK 0.11 (0.10).*

Key figures	Apr-Jun 2023	Apr-Jun 2022	Jan - Jun 2023	Jan - Jun 2022	Jul 22 - Jun 23	Jul 21 - Jun 22
Sales growth, %	-0.2	27.2	3.8	29.4	6.3	30.5
Net sales, SEK million	140.5	140.8	283.6	273.3	558.4	525.4
Gross margin, %	42.7	37.8	44.4	40.3	43.7	41.5
Operating profit (EBIT), SEK million	8.7	5.0	20.9	15.3	34.5	42.2
Operating margin (EBIT), %	6.2	3.6	7.4	5.6	6.2	8.0
Profit after tax, SEK million	4.1	2.9	12.0	7.5	17.2	30.4
Net cash (+) net debt (-), SEK million	-9.8	-43.8	-9.8	-43.8	-9.8	-43.8
Return on equity, %	0.9	0.9	2.5	2.4	3.9	10.7
Net cash (+) net debt (-)/EBIT (R12), times	-0.3	-1.0	-0.3	-1.0	-0.3	-1.0
Diluted earnings per share, SEK*	0.11	0.10	0.31	0.27	0.12	0.29
Cash flow from operating activities, SEK million	3.4	-7.5	-5.6	-8.9	-8.0	13.5

* A bonus issue element from the new share issue in Q4 2022 has been taken into account in the calculation of earnings per share before and after dilutive effects, which means that the comparative figures have been recalculated.

Net sales and operating profit, rolling 12 months



A word from the CEO

Broadened product offering and increased gross margin

An important milestone during the quarter was the launch of our new veterinary product, H50V. The launch will allow us to increase sales to the veterinary segment. Sales of OEM consumables also continue to grow. We also won a strategically important order from a reputable hospital chain in the US that will upgrade its entire installed base. This is the best rating we can get in terms of both the quality of our solutions and a sign of the high level of trust we have with our customers.

The quarter in brief

Order intake was strong towards the end of the quarter after a weak start. However, about SEK 10 million of planned deliveries were moved forward. The main reason is that a number of customers in the Middle East and Africa have not been able to pay due to restrictions imposed by their local central banks on the exchange of foreign currencies. The orders remain but advance payment is required for deliveries.

The gross margin amounted to 43 percent, which is 3.2 percentage points better than the corresponding period last year, despite a less favorable product mix. The improved gross margin is mainly a result of price increases, lower purchase prices and cheaper freight, but also a consequence of improved production efficiency.

We delivered almost a thousand instruments during the quarter. With an increased share of 5-part instruments to Asia, where prices are lower, the pressure on our gross margin has increased compared to the first quarter of the year.

The market situation

The global macroeconomic situation continues to have a significant impact on the business, as the scope for investment is reduced for customers with weaker local currencies. The uncertainty has also led us to increase the demand for advance payments from our customers, which sometimes delays transactions.

The Indian government is making a multi-year effort to increase the availability of healthcare for all, with major investments in new laboratories. To participate in public tenders, Make in India has increased its requirements. We therefore signed an agreement last year with India's Q-Line Biotech to establish reagent production in India. Our partner has built a new factory, and validation of production equipment and processes is ongoing. The first customer deliveries are planned for September.

Going forward, some of the sales to India will generate increased royalty income, which will reduce sales but increase profitability.

Renewal of the product portfolio

We started the launch in Europe of our new product H50V, a new 5-part veterinary instrument, during the quarter and will introduce it in other markets during the fall. With the launch of a new product and with FujiFilm Europe as a new sales partner, we see good opportunities to grow faster in veterinary medicine.

The veterinary market is growing at three times the rate of the human market.

During the quarter, we invested SEK 18 million in the development of our new technology platform. The increase from the previous quarter is a result of extended clinical tests and purchases of materials for prototypes and pre-series production.

We have carried out clinical verification and an external evaluation of the design. The results show that we will achieve higher performance with some improvements in electronics and algorithms. The improvement work postpone the start of the clinical validation, which means that our regulatory applications will be delayed until next summer. We are planning for launch activities in the second half of 2024 and for revenue from our new 5-part instrument to take off in 2025.

This fall, we will continue to make improvements to our existing 3-part instruments with cost-effective components from our new technology platform so we can start benefiting from new developments as early as 2024.

There is uncertainty in the world around us, which has affected our customers and ourselves during the quarter. We are focusing on what we can control. With a broadened and attractive product portfolio in the veterinary segment, underlying demand for OEM products, and an internal focus on innovation and efficiency, I am optimistic about our prospects for the second half of 2023.

Have a nice summer!



Jesper Söderqvist
CEO and Group President

Group performance April-June 2023

Net sales

Net sales for the quarter amounted to SEK 140.5 (140.8) million, a decrease of 0.2 percent. After adjustment for currency effects, net sales decreased by 9.9 percent. Net sales decreased in East Europe due to war in Ukraine. Customers in Africa and Middle East have had difficulties with international payments with a negative impact on net sales. Asia and South-America showed increased sales of 5-parts instruments. The total net sales increase in Asia was 28.0 percent. Sales of instruments increased by 0.9 percent consumables while sales of consumables decreased 4.7 percent. OEM and CDS brand sales increased by 9.9 percent compared with the same period the previous year.

Underlying markets for decentralized hematology in relation to 3-parts and 5-parts instruments are both experiencing growth. Nevertheless, there is still a risk that the macroeconomic situation will impact sales negative. Clients with weaker currencies have difficulties with payments leading to a negative impact on business. Central-banks in these countries have imposed temporary restrictions on payments in USD and EURO.

Net sales by region, SEK million	Apr-Jun 2023	Apr-Jun 2022	change	Jan-Jun 2023	Jan-Jun 2022	change	Jul 22 - Jun 23	Jul 21 - Jun 22	change
USA	50.1	46.0	9%	98.7	90.3	9%	198.4	171.9	15%
Asia	40.5	31.7	28%	85.4	75.0	14%	160.7	144.8	11%
Eastern Europe	9.5	13.7	-31%	18.3	30.4	-40%	50.3	63.7	-21%
Latin America	12.8	17.6	-27%	26.6	27.9	-5%	43.7	44.5	-2%
Western Europe	11.9	9.5	26%	21.1	17.7	19%	43.2	35.0	23%
Africa/Middle East	15.7	22.4	-30%	33.5	32.0	5%	62.1	65.4	-5%
Total	140.5	140.8	-0%	283.6	273.3	4%	558.4	525.4	6%

Net sales by product, SEK million

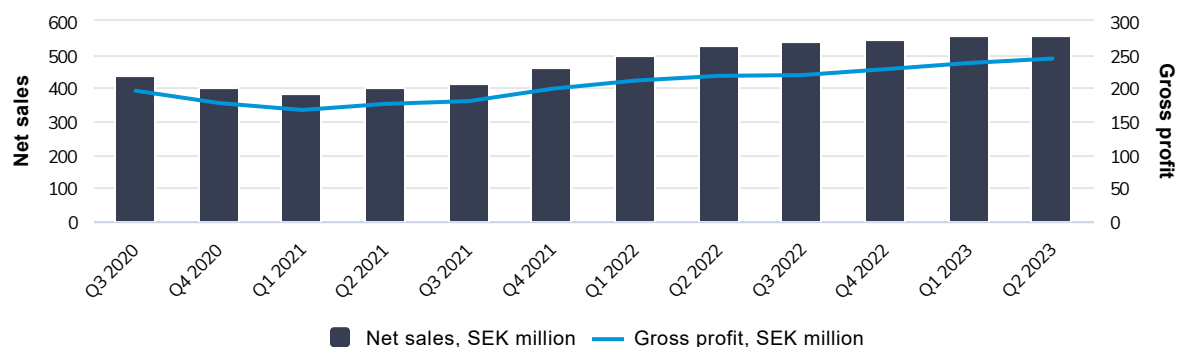
Instruments	46.6	46.2	1%	87.9	87.6	0%	158.8	166.0	-4%
Consumables, own instruments	53.7	56.3	-5%	115.4	110.2	5%	238.2	218.3	9%
Consumables, OEM and CDS brand	30.0	27.3	10%	59.5	54.9	8%	117.1	101.8	15%
Other	10.2	11.0	-8%	20.9	20.7	1%	44.3	39.3	13%
Total	140.5	140.8	-0%	283.6	273.3	4%	558.4	525.4	6%

Gross profit

Gross profit for the period was SEK 59.9 (53.3) million, an increase of SEK 6.6 million or 12.4 percent. Gross margin increased by 4.9 percentage points during the period and amounted to 42.7 percent (37.8).

During the quarter no new purchases of components have been made on the normally more expensive spot-market. The difficulties in the supply-chain that caused great problems during last year are now more or less back to normal. The price of components is still increasing as a result of the inflation but this has on many occasions being pushed out on the customer during the quarter through increased prices.

Net sales and gross profit



Expenses

Operating expenses amounted to SEK 52.2 (52.6) million excluding other operating costs and income, a decrease by SEK 0.4.

Selling expenses amounted to SEK 31.4 (27.9) million. The increase is mainly due to a stronger USD in comparison with the same period last year.

Administrative expenses amounted to SEK 9.0 (9.8) million. The decrease is mainly related to a reduced dependence on consultants.

Research and development expenses, including costs related to the quality assurance organization, amounted to SEK 11.8 (14.9) million, corresponding to 8.4 (10.6) percent of net sales. Development expenses of SEK 18.3 (20.3) million were capitalized. Total research and development expenses correspond to 21.4 (25.0) percent of net sales.

The development expenses have decreased by SEK 3.1 million as a result of decreased expenses for consultants working with regulatory compliance and lower costs in the period related to delays in the development of the platform.

The net of other operating income and other operating expenses for the period amounted to SEK 1.0 (4.5) million and consists mainly of exchange differences.

Operating profit

Operating profit amounted to SEK 8.7 (5.0) million, corresponding to an operating margin of 6.2 (3.6) percent.

Net financial items

Net financial items amounted to SEK -3.5 (-0.8) million, and consists mainly of interest expenses SEK -3.6 (-2.2) million.

Earnings

Profit before tax was SEK 5.2 (4.2) million. Profit for the period was SEK 4.1 (2.9) million. Tax was SEK -1.1 (-1.3) million.

Financing and cash flow

Cash flow from operating activities for the quarter was SEK 3.4 (-7.5) million. The change is mainly due to an improved operating profit. Operating receivables increased by SEK 2.9 million and inventory increased by SEK 2.3 million. The main part of the increase in operating receivables is related to prepayments and orders late in the quarter where payment is yet to be received. The inventory levels are still high as a result of securing components that was executed during 2022. Measures to reduce the tie-up of capital during the second half-year are on-going.

The Swedish Export Credit Agency (EKN) guarantees some of Boules trade receivables at up to 75-95 percent of the receivables' total amount. Receivables may be pledged, in which case the liabilities are reported as interest-

bearing liabilities. The change in trade receivables guaranteed by EKN is included in cash flow from operating activities, while the change in other interest-bearing liabilities is reported under cash flow from financing activities.

Cash flow for the period was SEK -17.7 (2.7) million and cash and cash equivalents on June 30 amounted to SEK 45.9 (40.5) million. The Group's available cash and cash equivalents, including non-utilized credit facilities, was SEK 105.1 (67.1) million on June 30.

Investments

Total investments amounted to SEK 22.3 (21.9) million, with investments in future product platforms accounting for SEK 18.3 (20.3) million of the figure.

Equity and liabilities

The Group's equity on March 31 was SEK 480.9 (313.0) million and the equity/assets ratio was 61.8 (48.6) percent.

Interest-bearing liabilities excluding leases are related to pledged trade receivables guaranteed by EKN and external bank loans and amounted to SEK 154.3 (195.8) million on June 30, of which SEK 60.6 (34.0) million of these liabilities were non-current and SEK 93.7 (161.8) million were current. The external bank loans as of June 30 amounted to SEK 38.7 (88.8) million, of which SEK 26.2 (11.1) were non-current and SEK 12.5 (77.7) were current. On June 30, SEK 0 (77.1) million of the credit facility had been utilized and other current non-interest-bearing liabilities and trade payables amounted to SEK 102.3 (102.0) million.

Lease liabilities on June 30 amounted to SEK 32.4 (21.0) million, of which SEK 19.2 (11.7) million liabilities were non-current liabilities and SEK 13.2 (9.3) million were current liabilities.

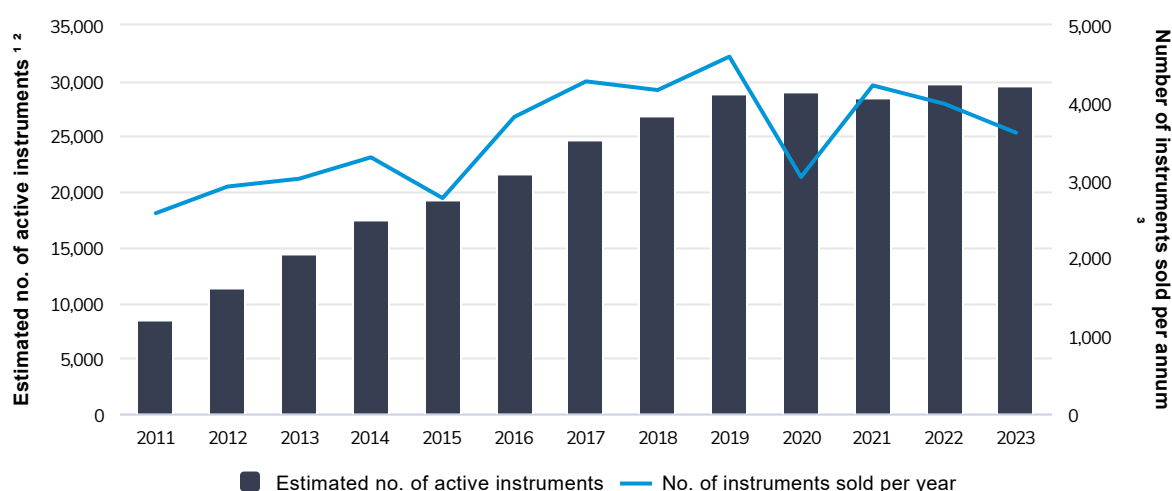
Net debt on June 30 amounted to SEK 9.8 (43.8) million.

Deferred tax liabilities were SEK 7.9 (7.9) million on June 30. Non-current provisions consist of direct pension provisions of SEK 3.1 (3.9) million.

Inventory of installed base

During the quarter 999 instruments were sold. The estimated life of instruments is 7.5 years from 2021. At the end of the quarter, active installed base is estimated at 30,000 instruments.

Estimated number of active instruments



¹ Estimated number of active instruments is based on an expected lifespan of 7.5 years.

² Accumulated number of instruments sold since 2006 was 49 666 on June 30, 2023.

³ Number of instruments sold in 2023 refers to sales on a rolling 12-month basis.

Significant risks and uncertainties

The Group's operations are subject to risks and uncertainties that may, to a varying extent, affect the Company's ability to achieve defined goals. Boule works continuously on management of existing risks and uncertainties and on the risk inventory that forms the basis for detecting new risks and uncertainties. The systematic and internally coordinated work is aimed at identifying risks, limiting risk exposure and minimizing any impact should a risk materialize. Currently, primary significant risks and uncertainties have been identified in the following areas: regulatory risks, product portfolio risks, distributor risks, production and quality risks, counterfeit reagents, price pressure, supplier risks, market risks and competition, bribery, and corruption, currency risks, IT security and systems, financing risks and future cash flows, health and safety in the workplace and dependence on key personnel. In certain markets the Central banks have imposed temporary limitations on payment in foreign currencies, which leads to delayed payments from customers and delayed deliveries.

A more detailed description of risks, risk management and related opportunities can be found on page 40 in the 2022 Annual Report.

Uncertainties due to the war in Ukraine

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

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

For the full year 2022, Boule's sales in Eastern Europe totaled 11 percent (13) of net sales, with the majority coming from Russia. In the second quarter of 2023, the corresponding share was 7 percent of net sales. The Group has employees in Russia and a production facility for consumables distributed to the Russian market.

The market in Eastern Europe is very uncertain, given the war in Ukraine and the current sanctions against Russia. A discontinuation or confiscation of the operations in Russia could have a significant negative impact on the Group's future earning capacity and profitability and entail a negative effect on earnings if the value of assets attributable to the Russian operations have to be written down in whole or in part. The consolidated net assets totaled approximately SEK 20 million, of which just under SEK 2 million was cash and cash equivalents at June 30, 2023. Per March 31, 2023 the consolidated net assets totaled approximately SEK 20 million, of which just under SEK 7 million was cash and cash equivalents. It is estimated that any discontinuation would result in additional costs being incurred.

Tax audit

On October 6th the Swedish tax authorities have decided to impose increased social security contributions and tax penalties on Boule amounting to approximately SEK 1.6 million, in relation to what they see as incorrectly valued warrants issued to senior executives in the group. Boule has appealed the decision to the Swedish administrative court ("Förvaltningsrätten").

Boule has received approval of delayed payment and no provision has been recorded in the period.

For further information refer to the annual report 2022 page 40.

Related-party transactions

Other than remuneration of the Board and senior executives, no related-party transactions have taken place during the period.

Events during the interim period

June 14 it was announced that Boule has appointed Holger Lembrér as new CFO.

Jun 29 it was announced that Boule launches new veterinary instrument in Europe.

Events after the end of the interim period

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

Parent Company

Boule Diagnostics AB (publ), corporate ID 556535-0252, is a Swedish limited liability company with its registered office in Stockholm. The address of the head office is Domnarvsgatan 4, SE-163 53 Spånga, Sweden.

The Parent Company's revenue is derived from Group-wide services. Risks and uncertainties for the Parent Company indirectly correspond with those for the Group.

Personnel

The average number of employees in the Group during the quarter was 227 (234), including 9 (7) employees at the Parent Company. The average number of employees by country was as follows: Sweden 124 (130), United States 89 (91), Mexico 2 (2) and Russia 12 (12). The average number of women in the Group was 97 (96) and the average number of men was 129 (138). Personnel in countries where Boule does not have a legal entity are not included in the number of employees as they are employed via external companies and therefore included as consultancy costs.

Number of shares

The total number of shares and votes in Boule Diagnostics AB is 38,833,104. After full dilution, the number of shares amounts to 39,013,104.

Shareholders, Jun 30, 2023 (accord. to Euroclear)	Number of shares, Jun 30	Share of capital/votes
AB Grenspecialisten	4,887,268	12.6%
Svolder AB	4,289,159	11.0%
Thomas Eklund inkl bolag	4,044,700	10.4%
Swedbank Robur Fonder AB	3,599,292	9.3%
Nordea Investment Funds	3,701,791	9.5%
Tredje AP-fonden	3,251,542	8.4%
Skandinaviska Enskilda Banken AB	1,437,526	3.7%
Andra AP-Fonden	1,369,948	3.5%
Sjoitusrahasto Aktia Nordic	992,540	2.6%
Société Générale	707,579	1.8%
Avanza Pension	627,706	1.6%
JP Morgan Chase Bank NA	577,968	1.5%
Other shareholders (2 878)	9,346,085	24.1%
Total number of shares	38,833,104	100.0%

Warrant programs

The Board of Directors believes that it is important and in the interest of all shareholders that the CEO and key employees, who are considered important to the Company's further development, have a long-term interest in good value growth for the shares. A personal, long-term shareholder commitment would be expected to contribute to increased interest in the operations and financial performance, and to increase the CEO's and key employees' motivation and affinity with the Company and its shareholders. The warrants have been allotted and purchased by employees at market conditions. The market value has been determined using the Black & Scholes option valuation model.

If a warrant holder's employment ceases, Boule has the right of first refusal and may choose to exercise that right. The Board has decided to exercise the right of first refusal regarding former employees who purchased warrants in the 2019 program, and 110,638 warrants have accordingly been repurchased since allotment. There are no restrictions on transferring warrants in the programs.

Outstanding programs	Outstanding warrants			Corresponding shares	Proportion of total no. of shares	Exercise price	Exercise period
	CEO	Other	Total				
2020/2023	130,000	50,000	180,000	180,000	0.5%	86.70	1 June 2023-30 Dec 2023

The Board of Directors and the CEO certify that this interim report provides a true and fair view of the operations, financial position and earnings of the Parent Company and the Group and describes the material risks and uncertainties faced by the Parent Company and the other Group companies.

Stockholm, July 24, 2023

Boule Diagnostics AB

Torben Jørgensen
Chairman of the Board

Thomas Eklund

Karin Dahllöf

Yvonne Mårtensson

Emil Hjalmarsson

Jesper Söderqvist
CEO

Auditor's review

This interim report has not been subject to review of the group's auditor.

Consolidated income statement and other comprehensive income

SEK millions	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
Net sales		140.5	140.8	283.6	273.3
Cost of sales		-80.6	-87.6	-157.6	-163.2
Gross profit		59.9	53.3	126.0	110.1
<i>Gross margin</i>		42.7%	37.8%	44.4%	40.3%
Other operating income		1.5	13.4	10.3	16.5
Distribution costs		-31.4	-27.9	-58.5	-54.3
Administrative expenses		-9.0	-9.8	-17.7	-17.0
Research and development expenses ¹		-11.8	-14.9	-25.5	-26.7
Other operating expenses		-0.5	-8.9	-13.8	-13.3
Operating profit		8.7	5.0	20.9	15.3
<i>Operating margin</i>		6.2%	3.6%	7.4%	5.6%
Finance income		0.1	1.4	0.6	0.5
Finance costs		-3.6	-2.2	-5.6	-4.7
Net financial items		-3.5	-0.8	-5.0	-4.3
Profit before tax		5.2	4.2	15.8	11.1
Income tax		-1.1	-1.3	-3.9	-3.6
Profit for the period		4.1	2.9	12.0	7.5
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to profit/loss for the period					
Exchange differences on translation of foreign subsidiaries for the period		-2.5	3.3	7.0	20.4
Total other comprehensive income		-2.5	3.3	7.0	20.4
Total comprehensive income for the period		1.6	6.2	19.0	27.9
Basic earnings per share, SEK*		0.11	0.11	0.31	0.28
Diluted earnings per share, SEK*		0.11	0.10	0.31	0.27

As the Group does not have any non-controlling interests, comprehensive income is wholly attributable to owners of the Parent Company.

* A bonus issue element from the new share issue in Q4 2022 has been taken into account in the calculation of earnings per share before and after dilutive effects, which means that the comparative figure has been recalculated.

Consolidated statement of financial position

SEK millions	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Capitalized development expenses	255.5	198.1	225.2
Goodwill	90.9	86.6	88.1
Total intangible assets	346.5	284.7	313.4
Property, plant and equipment			
Financial assets (Rent)	30.7	21.1	36.7
Plant and machinery	7.0	7.6	7.4
Equipment, tools, fixtures and fittings	11.9	10.7	12.4
Leasehold improvements	4.8	2.8	2.1
Total property, plant and equipment	54.4	42.2	58.6
Financial assets			
Other financial assets	3.2	4.5	3.8
Non-current trade receivables (guaranteed 75-95% by EKN)	47.6	48.4	45.8
Total financial assets	50.8	52.9	49.6
Total non-current assets	451.7	379.8	421.5
CURRENT ASSETS			
Inventories			
Raw materials and supplies	37.8	37.8	31.4
Products in progress	6.1	6.5	6.7
Finished goods and merchandise	39.5	22.9	37.2
Total inventories	83.4	67.2	75.3
Current receivables			
Tax assets	7.9	-	7.2
Trade receivables	83.2	54.9	64.2
Trade receivables (guaranteed 75-95% by EKN)	81.2	84.1	79.3
Other receivables	9.8	8.0	4.9
Prepaid expenses and accrued income	15.8	8.8	10.6
Total current receivables	197.7	156.0	166.2
Cash and cash equivalents	45.9	40.5	96.9
Total current assets	327.0	263.8	338.4
TOTAL ASSETS	778.7	643.5	760.0

SEK millions	30 Jun 2023	30 Jun 2022	31 Dec 2022
TOTAL EQUITY AND LIABILITIES			
EQUITY			
Share capital	9.7	4.9	9.7
Other contributed capital	336.2	202.4	336.8
Translation reserve	49.5	37.4	42.5
Retained earnings, including profit for the period	85.5	68.3	73.6
Total equity	480.9	313.0	462.5
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing liabilities	26.2	11.1	32.2
Non-current interest-bearing liabilities (for receivables guaranteed by EKN)	34.4	22.9	29.9
Non-current lease liabilities/rent	16.7	11.7	22.8
Provisions	3.1	3.9	3.1
Deferred tax liabilities	7.9	7.9	8.4
Total non-current liabilities	88.2	57.5	96.4
Current liabilities			
Current interest-bearing liabilities	12.5	77.7	13.0
Current interest-bearing liabilities (for receivables guaranteed by EKN)	81.2	84.1	78.7
Current lease liabilities/rent	13.7	9.3	13.4
Trade payables	37.0	49.0	33.3
Tax liabilities	3.7	0.0	7.6
Other liabilities	19.5	11.1	16.4
Accrued expenses and deferred income	40.7	40.5	37.1
Non-current provisions	1.5	1.5	1.5
Total current liabilities	209.6	273.1	201.0
Total liabilities	297.8	330.6	297.5
TOTAL EQUITY AND LIABILITIES	778.7	643.5	760.0

Consolidated statement of changes of equity

SEK millions	Share capital	Other contributed capital	Translation reserve	Retained earnings, incl. profit for the period	Total equity
EQUITY, JANUARY 1, 2022	4.9	202.4	17.0	71.5	295.7
Comprehensive income for the period					
Profit for the period				7.5	7.5
Other comprehensive income for the period			20.4		20.4
Comprehensive income for the period			20.4	7.5	27.9
Transactions with shareholders					
Warrant programs					
Dividend				-10.7	-10.7
EQUITY, JUNE 30, 2022	4.9	202.4	37.4	68.3	313.0
EQUITY, JANUARY 1, 2023	9.7	336.8	42.5	73.5	462.5
Comprehensive income for the period					
Profit for the period				12.0	12.0
Other comprehensive income for the period			7.0		7.0
Comprehensive income for the period			7.0	12.0	19.0
Transactions with shareholders					
New share issue					
Costs for new share issue		-0.6			-0.6
Dividend					
EQUITY, JUNE 30, 2023	9.7	336.2	49.5	85.5	480.9

Consolidated cash flow statement

SEK millions	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
Operating activities				
Operating profit	8.7	5.0	20.9	15.3
Adjustments for non-cash items	10.8	8.6	19.1	15.9
Interest received*	0.2	0.3	0.6	0.5
Interest paid*	-3.6	-2.2	-5.6	-3.5
Income tax paid	-9.1	-8.9	-9.6	-10.5
Cash flow from operating activities before changes in working capital*	7.0	2.9	25.4	17.7
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventories	-2.3	7.6	-9.2	-3.6
Increase (-)/Decrease (+) in operating receivables	-2.9	9.6	-28.6	-8.1
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)	-3.3	-14.5	-3.6	-16.0
Increase (+)/Decrease (-) in operating liabilities	4.9	-13.0	10.4	1.1
Cash flow from operating activities*	3.4	-7.5	-5.6	-8.9
Investing activities				
Acquisition of property, plant and equipment	-4.0	-1.6	-5.2	-2.9
Investment in capitalized development expenses	-18.3	-20.3	-33.5	-38.2
Cash flow from investing activities	-22.3	-21.9	-38.6	-41.0
Financing activities				
Proceeds and (+) repayment (-) of borrowings	-2.1	35.0	-6.0	35.0
Increase (+)/Decrease (-) in financial liabilities (EKN financing)	7.3	5.6	6.9	7.0
Increase (+)/Decrease (-) in financial liabilities	-	5.4	-	25.8
New share issue	-	-	-	-
Costs for new share issue	-0.6	-	-1.1	-
Repayment of borrowings leasing	-3.4	-3.3	-6.6	-6.4
Dividend	-	-10.7	0.0	-10.7
Cash flow from financing activities	1.2	32.0	-6.9	50.8
Cash flow for the period	-17.7	2.7	-51.1	0.8
Cash and cash equivalents at beginning of period	62.6	36.2	96.9	38.2
Exchange differences in cash and cash equivalents	1.0	1.7	0.1	1.5
Cash and cash equivalents at end of period	45.9	40.5	45.9	40.5

* The cash flow statement for the second quarter 2022 has been adjusted since it was not summarized correctly. The comparative figures have been recalculated.

Parent Company income statement

SEK millions	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
Net sales	9.4	8.1	16.7	14.8
Administrative expenses	-6.5	-7.3	-13.0	-12.8
Other operating expenses	-1.1	-0.9	-1.6	-2.6
Operating profit	1.8	-0.0	2.1	-0.6
Dividend from subsidiaries	6.4	-	6.4	-
Profit/loss from financial items	-	-0.0	-	-0.0
Profit/loss after financial items	6.4	-0.0	6.6	-0.6
Group contribution	-	-	-	-
Profit/loss before tax	6.4	-0.0	6.6	-0.6
Tax	-	-	-	-
Net profit/loss	8.2	-0.0	8.5	-0.6

As no items are recognized in other comprehensive income, the Parent Company's profit for the period corresponds to comprehensive income for the Parent Company.

Parent company balance sheet

SEK millions	30 Jun 2023	30 Jun 2022	31 Dec 2022
NON-CURRENT ASSETS			
Intangible assets			
Capitalized development expenses	0.2	0.6	0.4
Total intangible assets	0.2	0.6	0.4
Property, plant and equipment			
Equipment	0.2	0.3	0.2
Total property, plant and equipment	0.2	0.3	0.2
Finansiella anläggningstillgångar			
Shares in Group companies	260.3	200.3	230.3
Other financial assets	2.5	3.1	2.5
Deferred tax assets	0.1	0.1	0.1
Total financial assets	263.0	203.5	233.0
Total non-current assets	263.3	204.4	233.6
CURRENT ASSETS			
Receivables from Group companies	2.3	1.5	1.7
Tax assets	36.1	20.0	19.1
Other receivables	0.4	0.3	2.1
Prepaid expenses and accrued income	3.2	2.2	3.0
Total current receivables	42.0	23.9	25.9
Cash and bank balances	6.6	0.5	46.3
Total current assets	48.6	24.4	72.1
TOTAL ASSETS	311.9	228.8	305.7
EQUITY	298.8	150.6	290.9
LIABILITIES			
Non-current liabilities			
Other provisions	3.1	3.9	3.1
Total non-current liabilities	3.1	3.9	3.1
Current liabilities			
Trade payables	4.7	5.6	6.2
Liabilities to Group companies	-	63.5	-
Other liabilities	0.8	0.8	0.6
Accrued expenses and deferred income	4.5	4.4	4.9
Total current liabilities	10.0	74.3	11.7
Total liabilities	13.1	78.1	14.8
TOTAL EQUITY AND LIABILITIES	311.9	228.8	305.7

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 chapter 9 of the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The interim should be read alongside the annual report for the financial year ending December 31, 2022. The accounting policies are consistent with those applied in the previous financial year. The fair values of financial assets and liabilities are considered to be equal to their carrying amounts.

The interim information on pages 1-9 forms an integral part of this financial report, which comprises pages 1-22.

Note 2 Pledged assets and contingent liabilities

June 30, SEK millions	Group		Parent Company	
	2023	2022	2023	2022
Pledged assets	273.0	257.8	5.6	6.4
Contingent liabilities	-	-	116.5	108.2

Note 3 Revenue by region and product

Net sales by region, SEK million	Apr-Jun 2023	Apr-Jun 2022	change	Jan-Jun 2023	Jan-Jun 2022	change	Jul 22 - Jun 23	Jul 21 - Jun 22	change
USA	50.1	46.0	9%	98.7	90.3	9%	198.4	171.9	15%
Asia	40.5	31.7	28%	85.4	75.0	14%	160.7	144.8	11%
Eastern Europe	9.5	13.7	-31%	18.3	30.4	-40%	50.3	63.7	-21%
Latin America	12.8	17.6	-27%	26.6	27.9	-5%	43.7	44.5	-2%
Western Europe	11.9	9.5	26%	21.1	17.7	19%	43.2	35.0	23%
Africa/Middle East	15.7	22.4	-30%	33.5	32.0	5%	62.1	65.4	-5%
Total	140.5	140.8	-0%	283.6	273.3	4%	558.4	525.4	6%

Net sales by product, SEK million

Instruments	46.6	46.2	1%	87.9	87.6	0%	158.8	166.0	-4%
Consumables, own instruments	53.7	56.3	-5%	115.4	110.2	5%	238.2	218.3	9%
Consumables, OEM and CDS brand	30.0	27.3	10%	59.5	54.9	8%	117.1	101.8	15%
Other	10.2	11.0	-8%	20.9	20.7	1%	44.3	39.3	13%
Total	140.5	140.8	-0%	283.6	273.3	4%	558.4	525.4	6%

Note 4 Net cash/debt

SEK millions	30 Jun 2023	30 Jun 2022	31 Dec 2022
Cash and cash equivalents	45.9	40.5	96.9
Liabilities to credit institutions	-38.6	-88.9	-45.2
Lease-related liabilities	-30.3	-21.0	-36.2
Other interest carrying assets	13.2	25.5	16.5
Net cash (+) / net liabilities (-)	-9.8	-43.8	32.1

Note 5 Currency exchange rates

Material currencies average rates	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
EUR	11.32	10.15	10.63
USD	10.47	9.59	10.12
RUB	0.14	0.11	0.15

Material currencies balance date	Jun 30 2023	Jun 30 2022	Dec 31 2022
EUR	11.79	10.68	11.13
USD	10.85	10.22	10.44
RUB	0.12	0.10	0.15

Starting March 2022, the Swedish Central Bank is no longer publishing updated currencies for Ruble. As a consequence, alternative sources have been used in the period for the Ruble.

Quarterly overview

	2023		2022			2021			
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
Net sales, SEK million	140.5	143.1	149.2	125.6	140.8	132.5	140.3	111.8	110.7
Gross profit, SEK million	59.9	66.1	66.7	51.1	53.3	56.8	57.9	49.9	46.1
Gross margin, %	42.7	46.2	44.7	40.7	37.8	42.9	41.2	44.7	41.7
EBITDA, SEK million	21.6	18.4	15.8	11.8	12.2	16.3	24.1	18.2	8.0
EBITDA margin, %	15.4	12.9	10.6	9.4	8.7	12.3	17.2	16.3	7.2
Depreciation and impairment of property, plant and equipment, SEK million	4.7	4.7	4.1	6.6	5.5	4.5	3.6	3.6	4.2
EBITA, SEK million	10.4	13.8	11.7	5.2	6.7	11.9	15.4	14.7	3.6
EBITA margin, %	7.4	9.6	7.8	4.2	4.8	9.0	11.0	13.1	3.3
Amortization and impairment of intangible assets, SEK million	1.7	1.7	1.6	1.6	1.7	1.5	1.6	1.6	1.3
EBIT, SEK million	8.7	12.1	10.0	3.6	5.0	10.3	13.8	13.0	2.3
EBIT margin, %	6.2	8.5	6.7	2.9	3.6	7.8	9.9	11.7	2.1
Profit after tax, SEK million	4.1	7.9	2.9	2.4	2.9	4.6	17.3	7.1	-1.4
Basic earnings per share, SEK*	0.11	0.20	0.09	0.09	0.11	0.17	0.65	0.27	-0.05
Diluted earnings per share, SEK*	0.11	0.20	0.09	0.09	0.10	0.17	0.63	0.26	-0.05
Cash flow from operating activities per share, SEK*	0.09	-0.23	0.42	-0.59	-0.28	-0.05	0.44	0.40	0.31
Return on equity, %	0.9	2.0	0.8	0.7	0.9	1.6	6.2	2.7	-0.5
Net cash (+) net debt (-) / EBIT (R12)	-0.3	0.5	1.1	2.2	1.0	0.5	0.0	-0.3	-1.4
Equity/assets ratio, %	62	61	61	49	49	50	52	51	50

* A bonus issue element from the new share issue in Q4 2022 has been taken into account in the calculation of earnings per share before and after dilutive effects and operating cash flow per share which means that the comparative figure has been recalculated.

Definitions

Use of alternative performance measures

The Boule Group's financial statements are prepared in accordance with IFRS. Only a small number of performance measures are defined in IFRS. Boule applies the ESMA (European Securities and Market Authority) Guidelines for Alternative Performance Measures. In brief, an alternative performance measure is a financial measure of historical or future earnings development, financial position or cash flow that is not defined or specified in IFRS. Boule presents certain non-IFRS performance measures in order to support management and other stakeholders in their analysis of the Group's development. Management believes that use of these measures facilitates this analysis. These alternative performance measures supplement the information presented in accordance with IFRS and do not replace IFRS performance measures. Boule's definitions of non-IFRS performance measures shown below may differ from those of other companies. Calculations for all performance measures can be reconciled to line items in the income statement and balance sheet.

Sales growth is net sales for the period divided by net sales for the comparative period, expressed as a percentage change

Organic growth is change in net sales during the period, excluding acquisitions, divestments and currency effects in relation to the net sales previous period, expressed as a percentage change

Gross profit is net sales less cost of sales

Gross margin is gross profit divided by net sales

EBITDA (Earnings before interest, taxes, depreciation and amortization) is profit before net financial items, taxes, depreciation of property, plant and equipment and amortization of intangible assets

EBITDA margin is EBITDA divided by net sales

EBITA (Earnings before interest, taxes and amortization) is operating profit before net financial items, taxes and amortization of intangible assets

EBITA margin is EBITA divided by net sales

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, trade receivables (current and non-current) and cash less trade payables

Interest coverage ratio is operating profit plus finance income divided by finance costs

Return on equity is profit after tax divided by average equity

Net debt is interest-bearing liabilities less cash and cash equivalents and current and non-current interest-bearing receivables guaranteed by EKN

Net debt/equity ratio is net debt divided by equity

Equity/assets ratio is equity divided by total assets.

Operating margin excluding non-recurring expenses is operating profit before non-recurring expenses divided by net sales

Operational cash flow is cash flow from operating activities, excluding net investments in intangible assets and property, plant and equipment, financing, non-recurring items and restructuring expenses, but including tax paid.

About Boule Diagnostics

Boule Diagnostics AB (publ) is a global diagnostics company specializing in near-patient, decentralized blood diagnostics and one of the few companies in the global diagnostics market that conducts its own development, manufacturing and marketing of instruments and consumables for blood diagnostics. The Company primarily serves hospitals, clinics, laboratories and other diagnostics companies to which it offers complete systems for blood diagnostics (hematology) in both the human and veterinary areas. Boule has strong positions in important emerging markets such as in Asia and in recent years has improved its position in the fast-growing veterinary market. Operations are conducted through operating subsidiaries in Sweden, the United States, Mexico and Russia. The Group reported net sales of SEK 548 million in 2022 and has more than 200 employees. Sales are conducted globally, predominantly through the company's 200 or so distributors in over 100 countries, supported by Boule's own local sales and service personnel. Boule has been listed on Nasdaq Stockholm since 2011.

Our Core Values

Courageous | Customer oriented | Innovative | Result oriented | Teamwork | Quality

Boule purpose

We provide versatile high-quality, decentralized diagnostics solutions for everyone everywhere

Business model

- Indirect sales
- Extend installed base
- Multi-brand strategy

Boule aspiration

- Most satisfied customers
- Highly valued employer
- >500M tests yearly

Financial targets

- Operating Margin >15%
- Long-term sales growth >10%
- Net debt to EBIT ratio <3 times

Strategic pillars for profitable growth

Increase value for users and distributors

Invest in sustainable product development

Grow # tests done with Boule solutions

Other information

Calendar

Interim report Q3 2023	November 9, 2023
Year-end report 2023	February 6, 2024
Interim report Q1 2024	May 7, 2024
Annual meeting of shareholders 2024	May 8, 2024

Presentation of the interim report

CEO Jesper Söderqvist and CFO Jan Benjaminson will present and comment on the interim report through Teams. After the presentation, there will be time for questions. The presentation will be held in English.

Time: 10.00, July 24, 2023

Please follow this link to participate!



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