

## Increased sales, improved cash flow and improved earnings

### Quarter January–March 2014

- Net sales totaled SEK 73.3 million (63.4), up 15.6 percent. Changes in the USD and EUR exchange rates had a positive impact of SEK 0.6 million on net sales.
- Cash flow from operating activities totaled SEK 9.1 million (1.4).
- Operating profit was SEK 6.3 million (0.5).
- Net profit was SEK 4.3 million (loss: 1.7).
- Earnings per share amounted to SEK 0.91 (loss: 0.36).

### Key events during the period

#### New organization and efficiency-enhancement program

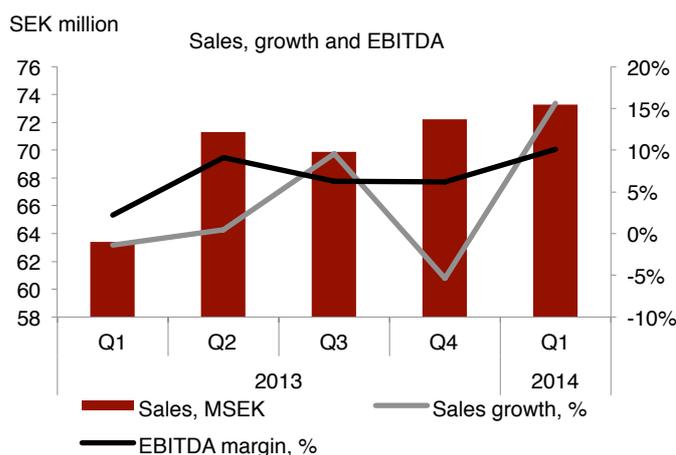
A new functional Group organization was introduced in the first quarter. The new organization should primarily facilitate better cooperation and more efficient utilization of the resources in the Swedish and US operations.

An efficiency enhancement program has been initiated with the aim of improving earnings and cash flow. The aim is to achieve Boule's 2015 profitability targets.

### Expanded Group Management

Boule's Group Management was expanded through the addition of two executives: Hans Johansson and Michael Elliott. Hans Johansson, Head of Production, has been employed at Boule since 2001. He has extensive knowledge of production and, with his involvement, has developed the production units in Sweden and China to supply world-class quality products. Michael Elliott, Head of Chemistry Development, has been employed by the wholly owned US subsidiary, Clinical Diagnostic Solutions Inc. (CDS), since 2000. With his background at Coulter Corp. and his time at CDS, he established a network in the US diagnostics industry. He has contributed to the building of a separate operating area in OEM production that constitutes an independent operation with significant growth potential for Boule.

Key data	Jan-Mar 2014	Jan-Mar 2013
Net sales, SEK million	73.3	63.4
EBITDA margin, %	10.0	2.2
Operating profit/loss, SEK million	6.3	0.5
Operating margin, %	8.6	0.8
Net profit/loss, SEK million	4.3	-1.7
Earnings/loss per share, SEK	0.91	-0.36
Return on equity, %	13.3	neg
Equity per share, SEK	27.9	42.1



## Comments from the CEO

**As we ended the first quarter of 2014, we could confirm that, compared with the year-earlier period, sales continued to grow, our margins improved and, not least important, cash flow improved. While we definitely face short-term challenges, including what is now happening in Eastern Europe, we are basically active in a stable industry where we continue to capture market share in several of our key markets.**

Sales increased in the first quarter of 2014 by 15.6 percent, thus exceeding our long-term growth target of an average of 10 percent. At the same time, the gross margin improved by 1.6 percentage points – an improvement mainly attributable to the increased sales of consumables, the margins for which are higher than for our instruments. Operating expenses, as well as total investments in R&D, were also reduced. Altogether, this contributed to the strong increase in operating profit in the first quarter, from SEK 0.5 million to SEK 6.3 million.

The better earnings also had an impact on cash flow, which improved compared to last year. The next step to achieve higher margins and by extension achieve our profitability targets is a program to further enhance the efficiency of operating activities. The program was launched during the quarter and is scheduled to be completed in 2015.

Boule's sales continue to vary strongly from quarter to quarter due to the customers' purchasing patterns, which was also the case this quarter. Although instrument sales to the human market were somewhat lower year-on-year, this was offset by significantly stronger sales of veterinary instruments. Sales of consumables for Boule's proprietary systems continued to rise, which resulted in system sales (Boule's proprietary instruments and consumables for them) increasing despite unchanged instrument sales. Sales of other consumables (OEM and proprietary consumables for competing instruments) decreased somewhat.

Demand for our products is stable in a world market where the healthcare sector continues to be expanded, particularly in the emerging regions. As I mentioned in the introduction, it is not unlikely that the uncertainty in Eastern Europe could affect markets where we have prominent positions.

Nothing indicates this yet, but we will also be able to adapt to such a development and we stand by our long-term profitability target of an EBITDA margin in excess of 15 percent.

Ernst Westman  
President and CEO



*"The better earnings also had an impact on cash flow, which improved year-on-year."*

## Group development January - March 2014

### Net sales

Net sales during the quarter amounted to SEK 73.3 million (63.4), up 15.6 percent. Changes in the USD and EUR exchange rates had a positive impact of SEK 0.6 million on net sales.

Instrument sales accounted for 41 percent (47) of net sales, consumables for 52 percent (43) and other sales for (service and spare parts) 7 percent (10). Consumables' share of total sales is expected to continue to increase.

Net sales by region	Jan-Mar	Jan-Mar	Jan-Dec
SEK million	2014	2013	2013
Western Europe	14.9	6.9	30.7
Eastern Europe	11.7	6.2	46.7
North America	23.0	27.1	106.3
Latin America	6.1	1.9	21.3
Asia	10.3	14.4	48.6
Africa	3.1	2.5	10.6
Middle East	4.2	4.4	12.6
<b>Total</b>	<b>73.3</b>	<b>63.4</b>	<b>276.8</b>

Net sales by product	Jan-Mar	Jan-Mar	Jan-Dec
SEK million	2014	2013	2013
Instruments	29.9	30.1	118.8
Consumables	37.8	27.3	131.8
Other	5.6	6.0	26.2
<b>Total</b>	<b>73.3</b>	<b>63.4</b>	<b>276.8</b>

### Gross margin

The gross margin improved by 1.6 percentage points, from 44.0 percent to 45.6 percent. The increased gross margin was attributable to the higher proportion of sales of consumables, the margins on which exceed those for instruments.

### Expenses

Operating expenses amounted to SEK 26.9 million (27.1) for the period. Marketing and selling expenses increased as a consequence of increased investment, in such markets as Latin America and the Middle East. Administrative expenses declined, since the year-earlier period was burdened by various nonrecurring costs connected to a management change in the US operations.

Research and development expenses charged to earnings totaled SEK 6.6 million (6.4), equal to 9 percent (10) of net sales. Research and development expenses of SEK 3.1 million (7.6) were capitalized, primarily expenses for the development of a new product platform, which will be launched in 2014.

The net of other operating revenues and other operating expenses was an expense of SEK 0.2 million (expense 0.3). This item comprised realized and unrealized exchange-rate losses of an operating character.

### Profit

Gross profit increased SEK 5.5 million, from SEK 27.9 million to SEK 33.4 million, primarily because of higher sales and the improved gross margin.

Operating profit for the period was SEK 6.3 million (0.5).

Net financial items amounted to an expense of SEK 0.8 million (0.7). Profit before tax was SEK 5.5 million (loss: 0.2). Net profit for the period was SEK 4.3 million (loss: 1.7).

### Investments and cash flow

Cash flow from operating activities totaled SEK 9.1 million (1.4). The improved cash flow from operating activities is attributable in part to the improved earnings and in part to reduced working capital.

Net investments totaled SEK 4.7 million (8.6). This decrease mainly comprises lower capitalized development expenses.

During the quarter, the company's bank overdraft facility was reduced by SEK 3.9 million.

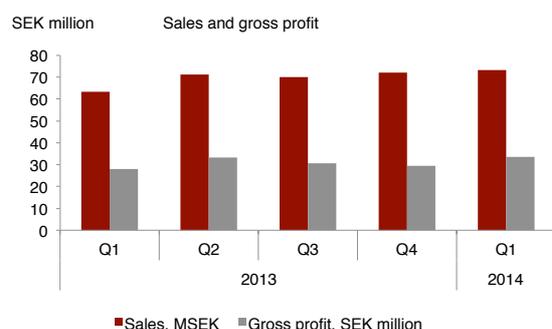
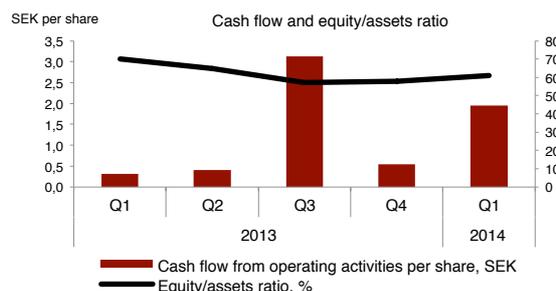
Cash flow for the quarter amounted to SEK 0.2 million (neg: 0.1) and cash and cash equivalents at period-end to SEK 11.6 million (15.8).

Cash and cash equivalents available to the Group, including unutilized credit facilities, totaled SEK 39.8 million (36.3) at the end of the period.

### Equity and liabilities

Group equity on March 31 totaled SEK 131.5 million (198.0) and the equity/assets ratio was 61 percent (70).

On March 31, 2014, interest-bearing liabilities, which primarily comprise bank overdraft facilities and a loan in the Parent Company, amounted to SEK 41.4 million (28.5). Of the interest-bearing liabilities, SEK 7.4 million (0.7) are non-current and SEK 34.0 million (27.8) are current. At March 31, 2014, other non-interest-bearing current liabilities and accounts payable totaled SEK 37.9 million (43.7). At the end of the quarter, deferred tax assets and deferred tax liabilities amounted to SEK 10.1 million (1.4) and SEK 6.3 million (13.0), respectively.



### Significant risks and uncertainties

No new significant risks or uncertainties have arisen since the 2013 Annual Report was issued on April 22, 2014. For a detailed description of risks and uncertainties, refer to the 2013 Annual Report.

### 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 Västberga Allé 32, Box 42056, SE-126 13 Stockholm, Sweden.

The Parent Company's revenues derive from Group-wide services. The Parent Company's administrative costs were higher than in the year-earlier period, mainly due to there being more employees during the current period.

Receivables from Group companies primarily pertain to receivables from the Swedish subsidiary Boule Medical AB.

Risks and uncertainties in the Parent Company indirectly match those of the Group.

### Number of shares

The number of shares and voting rights in Boule Diagnostics AB amounted to 4,707,138.

Shareholder	Number of shares	Prop. of capital/votes
Siem Capital AB	1,570,084	33.36%
Nortal Investments AB	486,891	10.34%
Stiftelsen Industrifonden	406,651	8.64%
Linc Aktiebolag	331,086	7.03%
Thomas Eklund	264,069	5.61%
Ernst Westman incl. family and companies	127,992	2.72%
Leif EK	111,084	2.36%
Försäkringsaktiebolaget Avanza	92,603	1.97%
Other shareholders	1,313,168	27.9%
<b>Total</b>	<b>4,707,138</b>	<b>100.0%</b>

### Personnel

The number of employees in the Group during the period averaged 179 (170), with the Parent Company accounting for 8 (5). Distributed by country, the average number in Sweden was 80 (73), the US 78 (73), China 17 (19), Switzerland 3 (3), Mexico 1 (1) and Poland 0 (1). The number of women in the Group averaged 67 (48) and men 111 (122).

### Accounting policies

This condensed consolidated interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the International Financial Reporting Standards (IFRS) as adopted by the EU and the current International Accounting Standards (IAS) and current interpretive statements by the International Financial Reporting Interpretations Committee (IFRIC) and the Standard Interpretations Committee (SIC). In addition, the consolidated financial statements comply with the recommendation from the Swedish Financial Reporting Board RFR 1, Supplemental Accounting Regulations for Groups and the Annual Accounts Act. The Parent Company's financial statements are prepared in accordance with the Annual Accounts Act and the recommendation from the Swedish Financial Reporting Board RFR 2, Accounting for Legal Entities.

For all financial assets and liabilities, the carrying amount is a good approximation of fair value. This interim report for the Parent Company was prepared in accordance with Chapter 9 of the Annual Accounts Act on Interim Reports.



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, May 13, 2014

Boule Diagnostics AB

Lars-Olof Gustavsson  
Chairman of the Board

Ernst Westman  
President and CEO

Britta Dalunde  
Board member

Eva-Lotta Kraft  
Board member

Åke Nygren  
Board Member

Gösta Oscarsson  
Board member

**Audit review**

This report was not reviewed by the company's auditor.

## Consolidated statement of comprehensive income

SEK million	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Net sales	73.3	63.4	276.8
Cost of goods sold	-39.9	-35.5	-155.3
<b>Gross profit</b>	<b>33.4</b>	<b>27.9</b>	<b>121.5</b>
Other operating revenues	0.0	0.0	0.9
Selling and marketing expenses	-14.5	-13.3	-59.1
Administrative expenses	-5.8	-7.4	-25.1
Research and development expenses <sup>1)</sup>	-6.6	-6.4	-119.6
Other operating expenses	-0.2	-0.3	-1.0
<b>Operating profit/loss</b>	<b>6.3</b>	<b>0.5</b>	<b>-82.4</b>
Interest income	0.0	0.0	0.0
Interest expenses	-0.4	-0.3	-1.2
Exchange rate differences	-0.4	-0.4	-0.6
<b>Net financial items</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-1.8</b>
<b>Profit/loss before tax</b>	<b>5.5</b>	<b>-0.2</b>	<b>-84.2</b>
Current tax	-0.6	-0.3	-0.7
Deferred tax	-0.6	-1.2	14.8
<b>Profit/loss for the period</b>	<b>4.3</b>	<b>-1.7</b>	<b>-70.1</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	-0.3	0.0	0.3
<b>Total other comprehensive income/loss</b>	<b>-0.3</b>	<b>0.0</b>	<b>0.3</b>
<b>Total comprehensive income for the period attributable to Parent Company owners</b>	<b>4.0</b>	<b>-1.7</b>	<b>-69.8</b>
Earnings per share before and after dilution, SEK	0.91	-0.36	-14.90

1) Including SEK 95.5 million for impairment of the POC project in the Jan-Dec 2013 period.

## Consolidated statement of financial position

SEK million	Mar 31 2014	Mar 31 2013	Dec 31 2013
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Capitalized development expenses	15.1	81.3	12.1
Goodwill	61.6	61.6	61.6
<b>Total intangible assets</b>	<b>76.7</b>	<b>142.9</b>	<b>73.7</b>
<b>Tangible fixed assets</b>			
Plant and machinery	2.1	2.4	2.1
Equipment, tools and fixtures	11.4	12.0	11.6
Leasehold improvements	2.2	1.1	2.1
<b>Total tangible fixed assets</b>	<b>15.7</b>	<b>15.5</b>	<b>15.8</b>
<b>Financial fixed assets</b>			
Long-term non-interest-bearing receivables	0.2	0.0	0.2
<b>Deferred tax assets</b>	<b>10.1</b>	<b>1.4</b>	<b>10.0</b>
<b>Total fixed assets</b>	<b>102.7</b>	<b>159.8</b>	<b>99.7</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and supplies	25.2	35.3	26.8
Intermediate goods	2.5	3.7	2.7
Finished goods and goods for resale	18.4	9.7	18.3
<b>Total inventories</b>	<b>46.1</b>	<b>48.7</b>	<b>47.8</b>
<b>Current receivables</b>			
Tax assets	1.3	1.1	2.1
Accounts receivable	45.4	46.2	50.1
Other receivables	5.1	7.6	6.4
Prepaid expenses and accrued income	4.9	4.0	3.5
<b>Total current receivables</b>	<b>56.7</b>	<b>58.9</b>	<b>62.1</b>
<b>Cash and cash equivalents</b>	<b>11.6</b>	<b>15.8</b>	<b>11.1</b>
<b>Total current assets</b>	<b>114.4</b>	<b>123.4</b>	<b>121.0</b>
<b>Total assets</b>	<b>217.1</b>	<b>283.2</b>	<b>220.7</b>

## Consolidated statement of financial position (cont.)

SEK million	Mar 31 2014	Mar 31 2013	Dec 31 2013
<b>Equity</b>			
Share capital	4.7	4.7	4.7
Other paid-in capital	190.6	191.2	190.6
Translation reserve	-10.1	-10.1	-9.8
Retained earnings including net profit for the period	-53.7	12.2	-58.0
<b>Total equity</b>	<b>131.5</b>	<b>198.0</b>	<b>127.5</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	7.4	0.7	8.5
Deferred tax liabilities	6.3	13.0	5.6
<b>Total long-term liabilities</b>	<b>13.7</b>	<b>13.7</b>	<b>14.1</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	34.0	27.8	37.9
Accounts payable	13.7	15.1	14.7
Tax liabilities	0.4	0.4	0.0
Other liabilities	1.8	3.8	4.5
Accrued liabilities and deferred income	21.5	23.9	21.5
Provisions	0.5	0.5	0.5
<b>Total current liabilities</b>	<b>71.9</b>	<b>71.5</b>	<b>79.1</b>
<b>Total liabilities</b>	<b>85.6</b>	<b>85.2</b>	<b>93.2</b>
<b>Total equity and liabilities</b>	<b>217.1</b>	<b>283.2</b>	<b>220.7</b>
<b>Pledged assets and contingent liabilities</b>			
Pledged assets	48.5	40.0	48.5

## Consolidated statement of changes of equity

SEK million	Share capital	Other contributed capital	Trans- lation reserve	Retained earnings incl. profit/loss for the period	Total equity capital
<b>Equity, opening balance, Jan. 1, 2013</b>	<b>4.7</b>	<b>191.2</b>	<b>-10.1</b>	<b>13.9</b>	<b>199.7</b>
<b>Comprehensive income/loss for the period</b>					
Profit/loss for the period	-	-	-	-70.1	-70.1
Other comprehensive income/loss for the period	-	-	0.3	-	0.3
<b>Comprehensive income/loss for the period</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-70.1</b>	<b>-69.8</b>
<b>Transactions with shareholders</b>					
Dividends	-	-0.6	-	-1.8	-2.4
<b>Equity, closing balance, Dec. 31, 2013</b>	<b>4.7</b>	<b>190.6</b>	<b>-9.8</b>	<b>-58.0</b>	<b>127.5</b>
<b>Equity, opening balance, Jan. 1, 2014</b>	<b>4.7</b>	<b>190.6</b>	<b>-9.8</b>	<b>-58.0</b>	<b>127.5</b>
<b>Comprehensive income/loss for the period</b>					
Income/loss for the period	-	-	-	4.3	4.3
Other comprehensive income/loss for the period	-	-	-0.3	-	-0.3
<b>Comprehensive income/loss for the period</b>	<b>-</b>	<b>-</b>	<b>-0.3</b>	<b>4.3</b>	<b>4.0</b>
<b>Equity, closing balance, March 31, 2014</b>	<b>4.7</b>	<b>190.6</b>	<b>-10.1</b>	<b>-53.7</b>	<b>131.5</b>

## Consolidated cash flow statement

SEK million	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
<b>Operating activities</b>			
Operating profit/loss	6.3	0.5	-82.4
Adjustments for items not included in cash flow 1)	0.4	1.0	104.5
Interest received	0.0	0.0	0.0
Interest paid	-0.4	-0.3	-1.6
Income tax paid	0.0	0.0	-0.3
<b>Cash flow from operating activities before change in working capital</b>	<b>6.3</b>	<b>1.2</b>	<b>20.2</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in inventories	1.4	-3.0	-1.9
Increase (-)/Decrease (+) in operating receivables	5.0	2.7	-0.3
Increase (+)/Decrease (-) in operating liabilities	-3.6	0.5	-2.3
<b>Cash flow from operating activities</b>	<b>9.1</b>	<b>1.4</b>	<b>15.7</b>
<b>Investing activities</b>			
Acquisitions of tangible fixed assets	-1.6	-1.0	-9.7
Investments in other financial fixed assets	-	0.0	-0.2
Disposal of tangible fixed assets	0.0	0.0	0.1
Retained development expenses	-3.1	-7.6	-23.3
<b>Cash flow from investing activities</b>	<b>-4.7</b>	<b>-8.6</b>	<b>-33.1</b>
Borrowings	0.0	0.0	5.0
Amortization of loans	-0.3	0.0	-5.5
Increase (+)/Decrease (-) in current financial liabilities	-3.9	7.1	15.8
Dividends	0.0	0.0	-2.4
<b>Cash flow from financing activities</b>	<b>-4.2</b>	<b>7.1</b>	<b>12.9</b>
<b>Cash flow for the period</b>	<b>0.2</b>	<b>-0.1</b>	<b>-4.5</b>
Cash and cash equivalents at the beginning of the period	11.1	15.9	15.9
Exchange-rate differences in cash and cash equivalents	0.3	0.0	-0.3
<b>Cash and cash equivalents at the end of the year</b>	<b>11.6</b>	<b>15.8</b>	<b>11.1</b>
1) Of which depreciation, amortization and write-down of capitalized development expenses	1.0	0.9	99.3

## Parent Company income statement

SEK million	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Net sales	1.1	1.8	9.8
Administrative expenses	-6.1	-5.2	-22.5
Other operating revenues	0.0	0.0	
Other operating expenses	0.0	0.0	0.0
<b>Operating loss</b>	<b>-5.0</b>	<b>-3.4</b>	<b>-12.7</b>
Result from financial items:			
Other interest income and similar income items	0.0	0.0	0.0
Interest expenses and similar expense items	-0.1	0.0	0.0
<b>Loss before tax</b>	<b>-5.1</b>	<b>-3.4</b>	<b>-12.7</b>
Tax	0.0	0.0	0.0
<b>Loss for the period</b>	<b>-5.1</b>	<b>-3.4</b>	<b>-12.7</b>

## Parent Company statement of comprehensive income

SEK million	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
<b>Loss for the period</b>	<b>-5.1</b>	<b>-3.4</b>	<b>-12.7</b>
Other comprehensive income/loss for the period	-	-	-
<b>Comprehensive loss for the period</b>	<b>-5.1</b>	<b>-3.4</b>	<b>-12.7</b>

## Parent Company balance sheet

SEK million	Mar 2014	Mar 2013	Dec 2013
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible fixed assets			
Equipment	0.1	0.2	0.1
<b>Total tangible fixed assets</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>
<b>Financial fixed assets</b>			
Shares in Group companies	157.3	157.3	157.3
<b>Total financial fixed assets</b>	<b>157.3</b>	<b>157.3</b>	<b>157.3</b>
<b>Total fixed assets</b>	<b>157.4</b>	<b>157.5</b>	<b>157.4</b>
<b>Current assets</b>			
Current receivables	0.0	0.0	0.0
Receivables from Group companies	29.3	40.4	35.1
Tax assets	0.2	0.0	0.4
Other receivables	0.6	1.1	0.8
Prepaid expenses and accrued income	0.7	0.6	0.6
<b>Total current receivables</b>	<b>30.8</b>	<b>42.1</b>	<b>36.9</b>
<b>Cash and bank balances</b>	<b>0.3</b>	<b>0.8</b>	<b>0.1</b>
<b>Total current assets</b>	<b>31.1</b>	<b>42.9</b>	<b>37.0</b>
<b>Total assets</b>	<b>188.5</b>	<b>200.4</b>	<b>194.4</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Restricted equity			
Share capital (4,707,138 shares)	4.7	4.7	4.7
Statutory reserve	141.9	141.9	141.9
Unrestricted equity			
Share premium reserve	48.7	49.3	48.7
Retained earnings	-12.7	1.7	-
Loss for the period	-5.1	-3.4	-12.7
<b>Total equity</b>	<b>177.5</b>	<b>194.2</b>	<b>182.6</b>
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	3.1	0.0	3.4
<b>Current liabilities</b>			
Current interest-bearing liabilities	1.3	0.0	1.3
Accounts payable	0.7	1.6	1.9
Liabilities to Group companies	0.5	0.0	0.5
Other liabilities	0.6	0.6	0.4
Accrued expenses and deferred income	4.8	4.0	4.3
<b>Total current liabilities</b>	<b>7.9</b>	<b>6.2</b>	<b>8.4</b>
<b>Total liabilities</b>	<b>11.0</b>	<b>6.2</b>	<b>11.8</b>
<b>Total equity and liabilities</b>	<b>188.5</b>	<b>200.4</b>	<b>194.4</b>
<b>Pledged assets and contingent liabilities for the Parent Company</b>			
Pledged assets	83.3	83.3	83.3

## Boule in brief

*Boule Diagnostics AB is active in the field of hematology, a branch of medicine concerned with the study of the blood, blood diseases and other diseases that can be diagnosed based on a complete blood count (CBC). Today, the CBC is one of the world's most common diagnostic tests performed at clinical laboratories and analyses are conducted in both human and veterinary diagnostics.*

### Operations

The company's core operations comprise proprietary development, manufacturing and marketing of CBC systems (instruments, reagents, calibrators and controls). The company's products are sold through distributors in more than 100 countries via subsidiaries in Sweden, the US, Mexico and China. The company focuses on the decentralized market segment, meaning near-patient testing at, for example, small and midsize hospitals, clinics and laboratories in out-patient care.

Boule is one of the few players in the world to develop, produce and market all strategically important components for automated CBC based on proprietary expertise and technology.

In addition to development, manufacturing and sales of consumables for the Group's proprietary systems, the company also develops reagents, calibrators and controls for other manufacturers' instruments for sales under the Group's own brand or to OEM customers.

### Vision

Boule will establish a global position as one of the three main companies in its market segment.

### Financial objectives

Boule aims to achieve:

- annual average sales growth exceeding 10 percent over a five-year period,
- an annual EBITDA margin that exceeds 15 percent,
- an equity/assets ratio of 30-50 percent.

### Business model

The company's business model is based on sales of cell-counting instruments in the global hematology market and then sharing the recurring revenue streams through sales of reagents, controls, calibrators and service/support for the instruments. The company's instruments are locked to its proprietary reagents, thus providing more accurate analysis results and recurring revenue over the life of the instruments.

Another key component of the business model is to sell reagents, calibrators and controls to OEM customers, meaning customers that sell the products under their own brand.

### Market

Boule's target group comprises small and midsize clinical laboratories responsible for the world's most common laboratory test, the Complete Blood Count (CBC). The products are marketed in more than one hundred countries via selected and trained distributors. In certain strategic markets, proprietary sales are conducted. To date, more than 20,000 instruments have been installed and several hundred million patient samples have been analyzed using Boule's systems.

### Products

The company's product portfolio comprises a number of product families/brands, of which CDS, Medonic, Swelab and Exigo are the most important. The instruments come in a range of designs and primarily target the human diagnostics market but are also sold to the veterinary market. The products are currently marketed via a well-developed distribution network in more than 100 countries, and directly in a few key markets.

## Boule's business model



## Quarterly overview

	2014		2013		2012			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
Net sales, SEK million	73.3	72.2	69.9	71.3	63.4	76.3	63.8	71.0
Gross profit, SEK million	33.4	29.6	30.7	33.2	27.9	34.9	27.8	32.6
Gross margin, %	45.6	41.0	43.9	46.6	44.0	45.7	43.6	46.0
EBITDA, SEK million	7.3	4.6	4.4	6.5	1.4	6.9	2.9	8.8
EBITDA margin, %	10.0	6.2	6.3	9.1	2.2	9.0	4.5	12.4
EBIT, SEK million	6.3	3.3	-91.7	5.6	0.5	6.0	1.5	8.3
EBIT margin, %	8.6	4.4	-131.2	7.8	0.8	7.9	2.4	11.7
Net profit/loss, SEK million	4.3	-1.9	-72.4	5.9	-1.7	3.3	0.9	4.7
Earnings/loss per share, SEK	0.91	-0.41	-15.38	1.25	-0.36	0.69	0.19	0.99
Cash flow from operating activities per share, SEK	1.95	0.55	3.13	0.41	0.31	-0.75	1.52	0.95
Return on equity, % <sup>1)</sup>	-38.9	-42.9	-40.0	4.2	3.7	5.6	5.1	6.3
Equity per share, SEK million	27.9	27.1	27.3	43.3	42.1	42.4	41.7	42.5
Equity/assets ratio, %	61	58	57	65	70	73	78	79

1) Rolling 12 months

## Definitions

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 profit before net financial items and taxes

EBIT margin is EBIT divided by net sales

Capital employed is total assets less deferred tax liabilities and non-interest-bearing liabilities

Working capital is inventories, accounts receivable 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 year after tax divided by average equity

Return on capital employed is profit after net financial items plus financial expenses divided by the average capital employed

Return on total capital is operating profit plus financial income divided by average total capital

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## Financial calendar

Annual General Meeting 2014

May 13, 2014

Interim Report second quarter 2014

August 28, 2014

Interim Report third quarter 2014

November 5, 2014

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