

Boule Diagnostics AB (publ)

Interim report January–September 2015



Increased sales and a higher gross margin



Quarter, July–September 2015

- Net sales amounted to SEK 88.8 million (73.6), up 20.7 percent. Adjusted for changes in the USD and EUR exchange rates, this represents an increase of 4.2 percent.
- Cash flow from operating activities amounted to SEK 10.6 million (-3.9).
- Operating profit was SEK 8.9 million (10.0).
- Net profit amounted to SEK 5.1 million (9.5).
- Earnings per share before dilution amounted to SEK 1.07 (2.02) and after dilution to SEK 1.07 (2.02).

Significant events during the quarter

INCREASED FOCUS ON THE PRODUCTION OF CONSUMABLES IN THE US

Boule believes there are opportunities to streamline the manufacture of blood controls and reagents in the US facility. As part of this, a new US Head of Production has been appointed to take charge of the work.

Interim period, January–September 2015

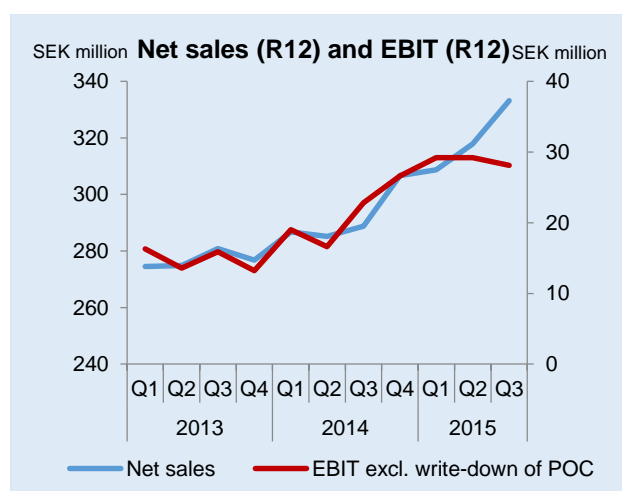
- Net sales amounted to SEK 243.0 million (216.6), up 12.2 percent. Adjusted for changes in the USD and EUR exchange rates, this represents a decrease of 1.8 percent.
- Cash flow from operating activities amounted to SEK 9.9 million (18.8).
- Operating profit was SEK 21.0 million (19.5).
- Net profit amounted to SEK 14.1 million (15.5).
- Earnings per share before dilution amounted to SEK 2.99 (3.29) and after dilution to SEK 2.98 (3.29).

Significant events after the period

PROCUREMENT OF INSTRUMENTS IN MEXICO

Earlier on this year, Boule won a procurement of 65 instruments to a customer in Mexico. Quintus- and Swelab-instruments were delivered to and installed at some 35 primary care laboratories (medical care facilities) during September and in early October.

Key data	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Net sales, SEK million	88.8	73.6	243.0	216.6
EBITDA margin, %	11.9	15.1	10.5	10.1
Operating profit/loss, SEK million	8.9	10.0	21.0	19.5
Operating margin, %	10.0	13.6	8.6	9.0
Profit after tax, SEK million	5.1	9.5	14.1	15.5
EBIT (R12)/ Net debt	1.1	0.7	1.1	0.7
Return on equity, %	2.7	6.7	7.9	11.2
Equity per share, before dilution, SEK	39.86	31.5	39.86	31.5
Earnings per share, before dilution, SEK	1.07	2.02	2.99	3.29
Earnings per share, after dilution, SEK	1.07	2.02	2.98	3.29



Comments from the CEO

SALES AND MARKET DEVELOPMENT

Net sales for third quarter 2015 increased by 20.7 percent to SEK 88.8 (73.6) million. Adjusted for exchange rate fluctuations, principally in respect of USD, sales increased by 4.2 percent compared to the same quarter in 2014. For the period January-September, sales increased by 12.2 percent to SEK 243.0 (216.6) million. Adjusted for exchange rate fluctuations, this represents a decrease in sales of 1.8 percent.

The increase during the quarter can primarily be ascribed to continued strong sales of instruments in Asia and the fact that we won an important public procurement contract in Mexico. This has acted as a counter-balance to the drop in sales caused by the general weakening of the economies in Brazil, Russia and Turkey.

It is also pleasing to see that sales of our new platform of instrument have now started to take off. So far, most sales have been made in Mexico and parts of Asia. It is expected that these systems will make a greater breakthrough on other major markets, such as the US, China, Russia and Brazil, during 2016 and 2017 once they have received the necessary registration approval, allowing them to be launched on their respective markets.

CONTINUED INCREASE IN CONSUMABLES RAISES GROSS MARGIN

Consumables, reagents and blood controls continued to increase their proportion of sales during the third quarter. In total, they represented 57 percent of our net sales during the quarter, compared to 55 percent for the same period in 2014. This upward trend has contributed to a more stable net sales and higher gross margins. It is important to remember that, for each new instrument customer, the sales volume of consumables increases. Figures clearly show that, on markets where sales of instruments have fallen in recent times, sales of consumables still continue to increase. Customers that buy our instruments have to continue to buy consumables to which those instruments are locked. This fact demonstrates the strength of our business model.

Gross margin for the third quarter 2015 amounted to 46.6 percent (44.2). Compared to the previous year, this increase can be mainly ascribed to increased sales of consumables and a stronger US dollar.

OPERATING COSTS AFFECTED BY THE STRONGER DOLLAR AND ACTIVATION OF RESEARCH AND DEVELOPMENT COSTS

The principal cause of rising sales costs has been the stronger US dollar, which has had an impact on our business due to a large proportion of these costs being attributable to our US subsidiary. In local currencies, sales costs have reduced compared to the previous year.

Since the second quarter of 2015, Boule has not pursued development projects on levels where costs may be activated. This has been one of the contributing factors to R&D costs rising sharply. The other reason for the increase in R&D costs has been the higher USD exchange rate, especially given developments in respect of consumables in the US subsidiary. Excluding exchange rate fluctuations, total R&D costs, booked and activated, were unchanged during the first nine months

of the year, despite the fact that activated development expenses of SEK 1.7 million were written-off during the quarter. Operating margin for the nine-month period was 8.6 percent (9.0).

STREAMLINING

Boule's streamlining program, P20, which during 2014 and 2015, was primarily intended to make production, administration and sales more efficient, has worked according to plan. The project has now come to an end as cost control and awareness has been successfully instituted in the company's business practices. During next year, focused projects within production and sales will contribute to making us even more efficient.

THE FUTURE

So far this year, we have won two public procurement contracts (ISSSTE in Mexico and Östergötland County Council). This speaks volumes about the quality and competitiveness of our instruments and provides us with some excellent customer references. We believe these successes prove that our instruments are of a high quality and will act as a springboard for future sales of consumables with good margins throughout instruments' service life.



Ernst Westman
President and CEO



Group performance January–September 2015

NET SALES

During the first nine months net sales amounted to SEK 243.0 million (216.6) up 12.2 percent. Adjusted for changes in the USD and EUR exchange rates, this represents a decrease of 1.8 percent.

Instrument sales accounted for 34 percent (40) of total net sales, consumables for 57 percent (52) and other sales (primarily service, spare parts and freight) for 9 percent (8).

Net sales by region SEK million	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Western Europe	6.9	6.4	26.0	29.5
Eastern Europe	11.2	13.0	30.1	34.2
North America	32.4	25.7	89.1	72.9
Latin America	11.1	9.2	24.9	21.4
Asia	19.7	12.8	46.9	35.5
Africa	3.0	3.5	11.5	11.7
Middle East	4.5	3.2	14.5	11.4
Total	88.8	73.6	243.0	216.6

Net sales by product SEK million	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Instruments	31.5	28.1	83.2	87.1
Consumables own instruments	32.1	28.5	91.4	75.0
Consumables OEM and CDS-brand	18.2	12.1	46.7	36.6
Other	7.0	4.9	21.7	17.9
Total	88.8	73.6	243.0	216.6

GROSS MARGIN

During the first nine months the gross margin was 46.5 percent (44.9). The increase on the previous year was mostly due to the higher dollar rate and to higher sales of consumables.

EXPENSES

Operating expenses during the first nine months amounted to SEK 94.7 (80.0) million. Most of the increase can be attributed to higher sales and research and development expenditures. Sales costs increased as the result of the higher USD exchange rate (a significant proportion of Boule's market costs are generated by the US subsidiary, which is exposed to fluctuations in the USD exchange rate). Research and development expenditures have increased partly due to no costs being activated since the second quarter 2015, and partly due to the higher USD exchange rate (as some development is undertaken in the US subsidiary).

Research and development expenditures charged to earnings amounted to SEK 27.0 million (19.8), which represents 11 percent (9) of net sales.

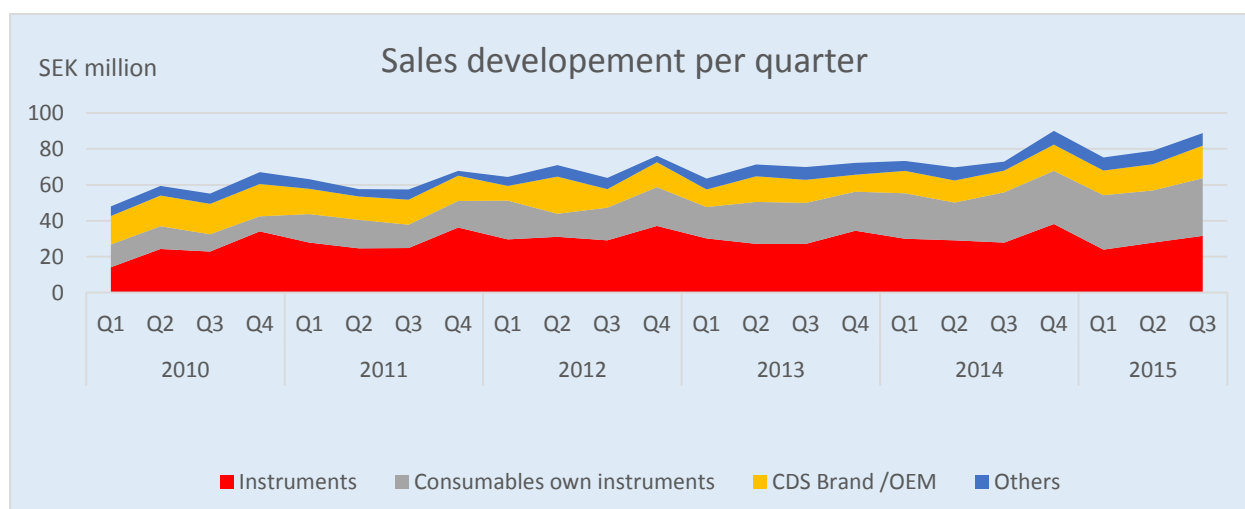
Research and development expenditures of SEK 4.4 million (10.3) were capitalized. Capitalization in 2015 relates to the development of an updated generation of instruments, which was launched at the start of the second quarter of 2015.

The net of other operating revenues and other operating expenses amounted to a total of SEK 2.7 million (2.3) for the period. This item primarily comprised realized and unrealized exchange rate losses from operations.

PROFIT

Gross profit during the first nine months rose SEK 15.8 million, from SEK 97.2 million to SEK 113.0 million. A stronger dollar as well as increased selling of consumables has compensated for a decrease in the selling of instruments.

Operating profit was SEK 21.0 million (19.5). Net financial items amounted to SEK -1.3 million (-1.5). Profit before tax was SEK 19.7 million (18.0). Profit for the period was SEK 14.1 million (15.5).



INVESTMENTS AND CASH FLOW

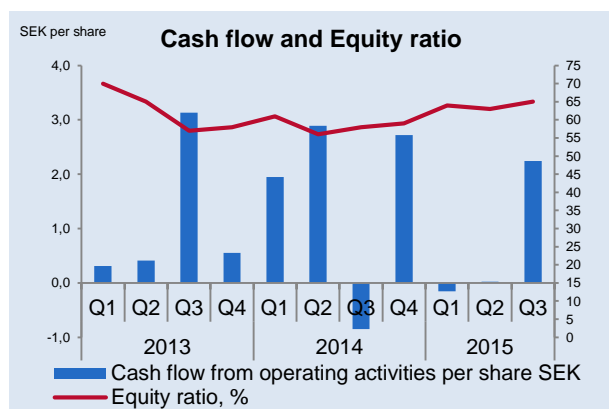
Cash flow from operating activities after changes in operating capital amounted to SEK 9.9 (18.8) million. This deterioration in cash flow has primarily been caused by more capital being tied up (increased stocks as the result of the new instrument integration, the higher USD exchange rate and increases in accounts receivable as the result of good sales in September and lower operating liabilities).

Total net investments amounted to SEK 7.1 (14.7) million. This fall-off is a result of a reduction in investment in intangible fixed assets (lower activated development costs) and reduced investment in production equipment.

At the end of the period, net cash flow amounted to SEK -4.2 million (13.1), with cash and cash equivalents amounting to SEK 19.1 million (23.9). This decrease is due to increased operating capital tie-up.

At the end of the period, net liabilities amounted to SEK 26.6 (32.9) million.

Cash and cash equivalents available to the Group, including unutilized credit facilities, amounted to SEK 54.2 million (38.4) at the end of the period.

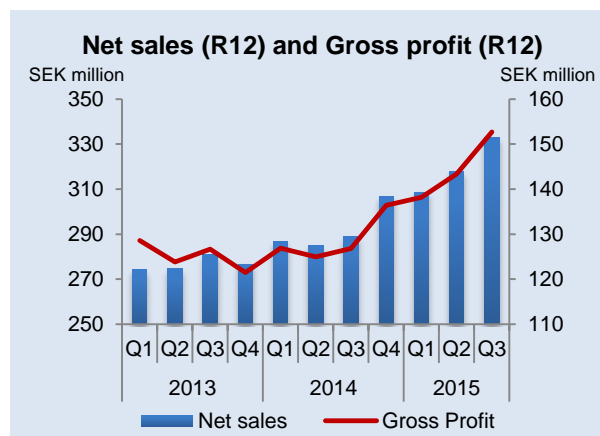


EQUITY AND LIABILITIES

Group equity on September 30, 2015 totaled SEK 187.6 million (148.5) and the equity/asset ratio was 64 percent (58).

Interest-bearing liabilities, which primarily comprise bank overdraft facilities, factoring and a loan in the Parent Company, amounted to SEK 45.7 million (57.7) on September 30, 2015. SEK 7.9 million (7.8) of the interest-bearing liabilities were non-current and SEK 37.8 million (49.9) were current. As at September 30, 2015 other non-interest-bearing current liabilities and accounts payable totaled SEK 55.8 million (43.5).

At the end of the first half year deferred tax assets and deferred tax liabilities totaled SEK 7.9 million (10.2) and SEK 2.2 million (7.9) respectively.



SIGNIFICANT RISKS AND UNCERTAINTIES

The Group's operations are subject 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. For a detailed description of risks and uncertainties refer to the 2014 Annual Report.

TRANSACTIONS WITH RELATED PARTIES

There were no significant 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. The Parent Company's administrative costs were higher year-on-year. This was mostly due to a number of employees transferring from the Boule Medical AB subsidiary during the period.

Receivables from Group companies mainly relate to receivables from the Swedish subsidiary Boule Medical AB. Risks and uncertainties in the Parent Company indirectly match those of the Group.

NUMBER OF SHARES

The number of shares and voting rights in Boule Diagnostics AB amount to 4,707,138. The company has also issued 30,000 warrants and 178,740 employee options (see the section on Options below).

Shareholders September 30, 2015	Number of shares	Proportion of capital/vote
Siem Capital AB	1,570,084	33.36 %
Nortal Investments AB	620,402	13.18 %
Linc Invest AB	470,715	10.00 %
Thomas Eklund incl. company	444,638	9.45 %
Société Générale	129,254	2.75 %
Ernst Westman incl. family and company	127,892	2.72 %
Daniel Rammeskov	76,526	1.63 %
Other shareholders (497)	1,267,627	26.93 %
Total	4,707,138	100.00 %

OPTIONS

The Annual General Meeting in May 2014 resolved on a new employee share option program. A total of 178,750 options (including hedging) were issued to management and key individuals in the Group. The President received 32,000 options, other senior executives, a total of five, received 11,000 options each and other key employees received 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 respects, 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 172 (176), including 9 (8) at the Parent Company. By country the average number in Sweden was 71 (77), USA 85 (79), China 14 (17), Switzerland 1 (3) and Mexico 1 (1). The average number of women in the Group was 70 (61) and the average number of men was 102 (115).

ACCOUNTING POLICIES

Boule Diagnostics AB (publ.) applies IFRS (International Financial Reporting Standards) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, Chapter 9 and RFR 2 Accounting for Legal Entities. The interim report should be read together with the Annual Report for the fiscal year that ended on December 31, 2014. 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 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 November 3, 2015
Boule Diagnostics AB

Lars-Olof Gustavsson
Chairman of the board

Karin Dahllöf
Board member

Peter von Ehrenheim
Board member

Thomas Eklund
Board member

Tord Lendau
Board member

Ernst Westman
President and CEO

Consolidated statement of comprehensive income and other comprehensive income

SEK million	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Net sales	88.8	73.6	243.0	216.6
Cost of goods sold	-47.4	-41.1	-129.9	-119.4
Gross profit	41.4	32.5	113.0	97.2
Other operating revenues	1.1	2.9	3.6	3.6
Selling and marketing expenses	-14.8	-14.0	-49.6	-44.0
Administrative expenses	-7.6	-4.5	-18.1	-16.2
Research and development expenses	-10.8	-6.0	-27.0	-19.8
Other operating expenses	-0.3	-0.9	-0.9	-1.3
Operating profit/loss	8.9	10.0	21.0	19.5
Financial income	0.0	0.0	0.0	0.0
Financial expenses	-0.5	-0.7	-1.3	-1.3
Exchange rate differences	0.0	-0.2	0.0	-0.2
Net financial items	-0.4	-0.9	-1.3	-1.5
Profit/loss before tax	8.5	9.1	19.7	18.0
Current tax	-1.2	0.9	-1.2	-0.6
Deferred tax	-2.3	-0.5	-4.4	-1.9
Net profit/loss	5.1	9.5	14.1	15.5
Other comprehensive income				
Items that may be allocated to net profit/loss for the period				
Translation differences for the period from the translation of foreign operations	-3.1	5.5	6.5	7.7
Other comprehensive income/loss for the period	-3.1	5.5	6.5	7.7
Total comprehensive income/loss for the period	2.0	15.0	20.6	23.2
Earnings per share, before dilution, SEK	1.07	2.02	2.99	3.29
Earnings per share, after dilution, SEK	1.07	2.02	2.98	3.29

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

Consolidated statement of financial position

SEK million	Sep 30 2015	Sep 30 2014	Dec 31 2014
ASSETS			
Fixed assets			
Intangible assets			
Capitalized development expenses	28.5	22.2	28.3
Goodwill	74.3	66.5	70.4
Total intangible assets	102.8	88.7	98.7
Tangible fixed assets			
Plant and machinery	3.5	4.4	4.0
Equipment, tools, fixtures and fittings	11.8	10.3	10.7
Leasehold improvements	2.6	2.7	2.8
Total tangible fixed assets	17.9	17.4	17.6
Financial fixed assets			
Long-term non-interest-bearing receivables	0.0	0.2	0.1
Deferred tax assets	7.9	10.2	13.1
Total fixed assets	128.5	116.5	129.5
Current assets			
Inventory			
Raw materials and supplies	42.6	32.9	31.6
Intermediate goods	3.4	1.9	2.6
Finished goods and goods for resale	12.5	13.7	11.9
Total inventory	58.5	48.5	46.2
Current receivables			
Tax assets	2.8	2.0	2.3
Accounts receivable	70.5	57.8	68.9
Other receivables	4.8	3.2	4.9
Prepaid expenses and accrued income	7.1	4.8	5.5
Total current receivables	85.2	67.8	81.6
Cash and cash equivalents	19.1	24.8	22.7
Total current assets	162.8	141.1	150.5
TOTAL ASSETS	291.3	257.6	280.0

Consolidated statement of financial position (cont.)

SEK million	Sep 30 2015	Sep 30 2014	Dec 31 2014
EQUITY			
Share capital	4.7	4.7	4.7
Other contributed capital	185.6	188.3	188.2
Translation reserve	11.0	-2.1	4.5
Retained earnings including net profit/loss for the period	-13.6	-42.4	-27.5
TOTAL EQUITY	187.6	148.5	170.0
LIABILITIES			
Long-term liabilities			
Long-term interest-bearing liabilities	7.9	7.8	9.0
Deferred tax liabilities	2.2	7.9	1.4
Total long-term liabilities	10.1	15.7	10.4
Current liabilities			
Current interest-bearing liabilities	37.8	49.9	41.8
Accounts payable	21.9	10.6	21.0
Tax liabilities	0.1	0.0	0.4
Other liabilities	6.7	1.8	6.2
Accrued liabilities and deferred income	26.5	30.6	29.7
Provisions	0.5	0.5	0.5
Total current liabilities	93.6	93.4	99.6
TOTAL LIABILITIES	103.7	109.1	110.0
TOTAL EQUITY AND LIABILITIES	291.3	257.6	280.0
Pledged assets and contingent liabilities			
Pledged assets	71.9	55.8	71.4
Contingent liabilities	1.8	None	1.8

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, 2014	4.7	190.6	-9.8	-58.0	127.5
Total comprehensive income/loss for the period					
Net profit/loss for the period				15.5	15.5
Other comprehensive income for the period			7.7		7.7
Total comprehensive income/loss for the period			7.7	15.5	23.2
Transactions with shareholders					
Share-based payments		0.1			0.1
Dividends		-2.4			-2.4
Equity, closing balance, Sep. 30 2014	4.7	188.3	-2.1	-42.5	148.4
Equity, opening balance, Jan. 1, 2015	4.7	188.3	4.5	-27.5	169.9
Total comprehensive income/loss for the period					
Net profit/loss for the period				14.1	14.1
Other comprehensive income for the period			6.5		6.5
Total comprehensive income/loss for the period			6.5	14.1	20.5
Transactions with shareholders					
Share-based payments		0.1			0.1
Dividends		-2.8			-2.8
Equity, closing balance, Sep. 30, 2015	4.7	185.6	11.0	-13.6	187.6

Consolidated cash flow statement

SEK million	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Operating activities				
Operating profit/loss	8.9	10.0	21.0	19.5
Adjustments for non-cash items ¹⁾	4.5	0.3	7.3	2.4
Interest received	0.0	0.1	0.0	0.1
Interest paid	-0.5	-0.8	-1.3	-1.4
Income tax paid	-0.8	-0.4	-2.0	-0.4
Cash flow from operating activities before changes in working capital	12.1	9.2	25.1	20.2
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventory	-3.7	0.6	-11.0	1.3
Increase (-)/Decrease (+) in operating receivables	-6.2	-7.0	-2.9	-4.4
Increase (+)/Decrease (-) in operating liabilities	8.2	-6.7	-1.2	1.7
Cash flow from operating activities	10.6	-3.9	9.9	18.8
Investing activities				
Acquisition of tangible fixed assets	-1.3	-2.3	-2.9	-4.4
Investments in other financial fixed assets	0.0	0.0	0.1	0.0
Disposal of tangible fixed assets	0.2	0.0	0.2	0.0
Capitalized development expenses	0.0	-3.2	-4.4	-10.3
Cash flow from investing activities	-1.1	-5.5	-7.1	-14.7
Loans raised	1.1	2.0	1.7	2.0
Amortization of loans	-0.6	-0.4	-1.6	-1.5
Increase (+)/Decrease (-) in current financial liabilities	-8.6	8.4	-4.3	10.8
Dividends	0.0	0.0	-2.8	-2.4
Cash flow from financing activities	-8.1	10.0	-7.1	8.9
Cash flow for the period	1.4	0.5	-4.2	13.1
Cash and cash equivalents at the beginning of the period	17.6	23.4	22.7	11.1
Exchange rate differences in cash and cash equivalents	0.1	0.0	0.7	-0.3
Cash and cash equivalents at the end of the period	19.1	23.9	19.1	23.9
1) Of which, depreciation and amortization	1.6	1.2	4.4	2.4

Parent Company income statement

SEK million	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Net sales	13.5	11.7	17.8	13.9
Administrative expenses	-5.5	-6.4	-17.7	-18.7
Other operating revenues	0.0	0.0	0.0	0.0
Other operating expenses	0.0	0.0	0.0	0.0
Operating profit/loss	7.9	5.2	0.1	-4.9
Profit/loss from financial items:	0.0	0.0	0.0	0.0
Other interest income and similar income items	0.0	0.0	0.0	0.0
Interest expenses and similar expense items	0.0	-0.1	-0.1	-0.1
Loss after financial items	7.9	5.2	0.0	-5.0
Group contribution	0.0	0.0	0.0	0.0
Profit/loss before tax	7.9	5.2	0.0	-5.0
Tax	0.0	0.0	0.0	0.0
Net profit/loss	7.9	5.2	0.0	-5.0

Parent Company balance sheet

SEK million	Sep 30 2015	Sep 30 2014	Dec 31 2014
Assets			
Fixed assets			
Tangible fixed assets			
Equipment	0.0	0.0	0.0
Total tangible fixed assets	0.0	0.0	0.0
Financial fixed assets			
Shares in Group companies	157.3	157.3	157.3
Total financial fixed assets	157.3	157.3	157.3
Total fixed assets	157.3	157.3	157.3
Current assets			
Current receivables	0.0	0.0	0.0
Receivables from Group companies	30.5	19.7	31.1
Tax assets	0.6	0.4	0.5
Other receivables	0.0	0.3	0.5
Prepaid expenses and accrued income	1.0	8.5	0.9
Total current receivables	32.1	28.9	33.0
Cash and bank balances	0.5	0.3	3.3
Total current assets	32.6	29.2	36.3
TOTAL ASSETS	189.9	186.5	193.6
Equity and liabilities			
Equity			
<i>Restricted equity</i>			
Share capital (4,707,138 shares)	4.7	4.7	4.7
Statutory reserve	141.9	141.9	141.9
<i>Unrestricted equity</i>			
Share premium reserve	30.9	46.3	46.3
Retained earnings	0.0	-12.7	-12.6
Net profit for the period	0.0	-5.0	-0.1
Total equity	177.5	175.3	180.3
Long-term liabilities			
Long-term interest-bearing liabilities	1.3	2.5	2.2
Current liabilities			
Current interest-bearing liabilities	1.3	1.3	1.3
Accounts payable	0.9	0.5	1.5
Liabilities to Group companies	0.5	0.5	0.5
Tax liabilities	0.0	0.0	0.0
Other liabilities	2.7	0.5	0.6
Accrued expenses and deferred income	5.8	5.9	7.3
Total current liabilities	11.1	8.7	11.2
Total liabilities	12.4	11.2	13.4
TOTAL EQUITY AND LIABILITIES	189.9	186.5	193.6
Pledged assets and contingent liabilities for the Parent Company			
Pledged assets	83.3	83.3	83.3
Contingent liabilities	34.8	40.4	35.9

Introducing Boule Diagnostics

Boule Diagnostics AB is active within the field of hematology, a branch of medicine that deals with blood, its functions and its diseases. Blood cell counting is currently the most widely used diagnostic test in clinical laboratories throughout the world and analyses are carried out in both human and veterinary diagnostics. Boule is one of the few players in the world that develops, manufactures and markets all strategically important components for automated blood cell counting based on its own expertise and technology.

VISION

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

MISSION

Boule will help its customers to make better diagnostic decisions for a more effective treatment of patients.

BUSINESS CONCEPT

Boule develops, manufactures and markets high-quality and user-friendly automated blood cell counting systems for both the global human and veterinary markets to achieve high profitability.

FINANCIAL OBJECTIVES

Boule aims to achieve:

- An average sales growth over 5 years to exceed 10 percent a year
- An annual operating margin (EBIT margin) in excess of 13 percent
- Net debt should not exceed three times operating profit on a full year basis

STRATEGIES

- Commercialize high quality systems for the decentralized market for laboratory diagnostics
- Lock the instruments to proprietary consumables to ensure quality
- Sell products with their own brand in parallel distribution channels
- Focus on big and growing markets suitable for our products
- Sell consumables and systems to OEM customers
- Sell generic consumables under their own brand to open systems
- Active acquisition strategy to broaden the product offering

BUSINESS MODEL

Boule's business model seeks to develop, manufacture and sell complete blood cell counting systems. The company grows by selling cell counting instrument on the global hematology market and then generates recurrent revenue by selling reagents, controls, calibration services and service/support agreements. The instruments are locked to Boule's own reagents, creating more reliable analysis results and generating recurrent revenue streams during the service life of the instrument. Boule also sells consumables to OEM customers, who put their own branding on the products they buy.



BOULE AS AN INVESTMENT Growth

In the last five years Boule has had an average growth in turnover of 12 percent. Boule has continued great global growth potential and has experience of growing both organically and through acquisitions.

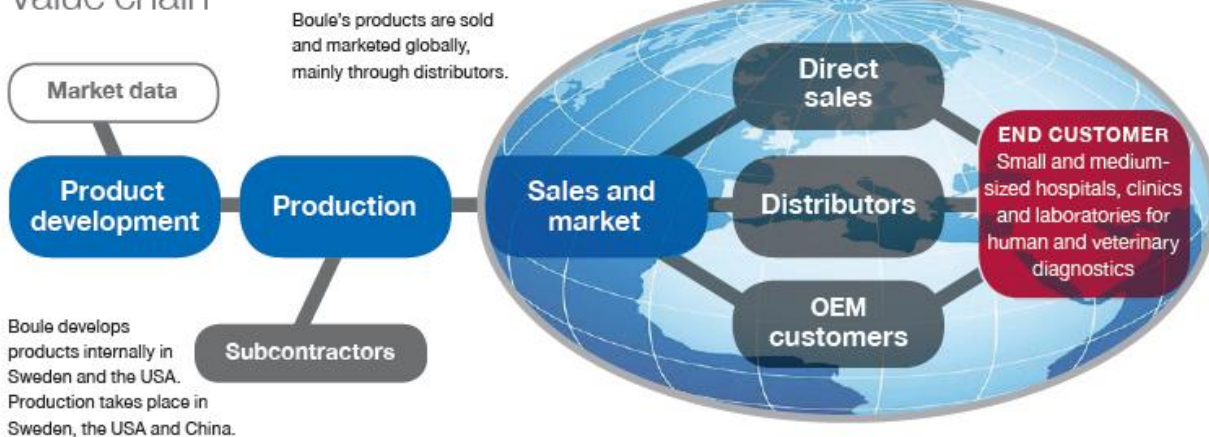
Increasing margins

Boule has an increasing installed base of proprietary systems that generates sales of consumables with good profitability.

Dividends

The Board aims to provide shareholders a favorable dividend yield and dividend growth. The annual dividend will in the long-term be the equivalent of 15-50 percent of the profits.

Value chain



Quarterly overview

	2015				2014			2013
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec
Net sales, SEK million	88.8	78.9	75.3	90.1	73.6	69.7	73.3	72.2
Gross profit, SEK million	41.3	35.5	35.2	39.2	32.5	31.1	33.4	29.6
Gross margin, %	46.6	46.2	46.8	43.6	44.2	44.9	45.6	41.0
EBITDA, SEK million	10.5	5.1	9.8	9.3	11.1	4.3	7.3	4.6
EBITDA margin, %	11.9	6.5	13.0	10.3	15.1	6.2	10.0	6.2
EBIT, SEK million	8.9	3.2	8.9	7.1	10.0	3.2	6.3	3.3
EBIT margin, %	10.0	4.1	11.8	7.9	13.6	4.6	8.6	4.4
Profit after tax, SEK million	5.1	2.4	6.6	14.8	9.5	1.7	4.3	-1.9
Earnings per share, before dilution, SEK	1.07	0.51	1.40	3.14	2.02	0.36	0.91	4.40
Earnings per share, after dilution, SEK	1.07	0.51	1.39	3.01	1.93	0.35	0.87	-0.41
Cash flow from operating activities per share, SEK	2.25	0.02	-0.15	2.72	-0.85	2.89	1.95	0.55
Return on equity, %	2.7	1.3	3.7	9.2	6.7	1.3	Neg	Neg
EBIT (R12)/ Net debt	11	1.3	0.9	0.9	0.7	-3.3	-2.6	-2.3
Equity/assets ratio, %	64	63	64	59	58	56	61	58

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 operating profit before net financial items and taxes

EBIT margin (operating 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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CALENDAR

Press release year-end report	February 18, 2016
Interim report first quarter	May 12, 2016
Annual general meeting	May 12, 2016

The information in this interim report is such that Boule Diagnostics AB (publ) is obligated to publish under the Swedish Securities Market Act. The information was submitted for publication in Swedish on November 4, 2015 at 08:00 am (CET).



Auditor's report of the review of the summary of the financial information (interim report) in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act

Introduction

We have reviewed the summary of the financial information (interim report) of Boule Diagnostics AB (publ), as of September 30, 2015 and for the nine-month period then ended on that date. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Scope and focus of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with the Standards on Auditing in Sweden (ISA) and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain such assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, a conclusion expressed on the basis of a review does not provide the same level of assurance as an opinion expressed on the basis of an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 for the Group and in accordance with the Swedish Annual Accounts Act for the Parent Company.

Stockholm, November 3, 2015

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant