

# Boule Diagnostics AB (publ)

Interim report January – June 2013



## Second quarter April – June 2013

- Net sales totaled SEK 71.3 million (71.0), up 0.4 percent. Changes in the USD and EUR exchange rates had a negative impact of SEK 1.1 million on net sales.
- Operating profit totaled SEK 5.6 million (8.3).
- Profit after tax was SEK 5.9 million (4.7).
- Earnings per share amounted to SEK 1.25 (0.99).

## Interim period January – June 2013

- Net sales totaled SEK 134.7 million (135.2), down 0.4 percent. Changes in the USD and EUR exchange rates had a negative impact of SEK 3.1 million on net sales.
- Operating profit totaled SEK 6.1 million (12.8).
- Profit after tax was SEK 4.2 million (6.8).
- Earnings per share amounted to SEK 0.90 (1.44).

## Key events during the second quarter

### Agreement with Karolinska University Laboratory

During the second quarter, Boule signed an agreement with Karolinska University Laboratory, Clinical Chemistry (KUL), for collaboration on system validation and product development in hematology. KUL has extensive knowledge of hematological blood analysis and makes a very attractive partner for Boule. The agreement with KUL means that Boule will own all rights to the data generated by the project.

### Agreements with OEM customers

Initiatives within the OEM business resulted in two new agreements during the second quarter. The agreements are with two major, global, diagnostic companies. Boule recognizes potential for a substantial increase in OEM business over the coming years.

Key data	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec	Rolling
	2013	2012	2013	2012	2012	12 months
Net sales, SEK million	71.3	71.0	134.7	135.2	275.3	274.8
Net sales growth, %	0.4	23.3	-0.4	11.9	11.8	11.0
Gross profit, SEK million	33.2	32.6	61.1	60.9	123.5	123.7
Gross margin, %	46.6	46.0	45.4	45.0	44.9	45.0
EBITDA, SEK million	6.5	8.7	7.9	13.7	23.5	17.7
EBITDA margin, %	9.1	7.8	5.9	10.1	8.5	6.4
Operating profit, SEK million	5.6	8.3	6.1	12.8	20.4	13.6
Operating margin, %	7.8	11.7	4.5	9.5	7.4	4.9
Net profit, SEK million	5.9	4.7	4.2	6.8	11.0	8.4
Earnings per share, SEK	1.25	0.99	0.90	1.44	2.33	1.78
Cash flow from operating activities per share, SEK	0.41	0.95	0.71	1.56	2.33	1.48
Return on equity, % <sup>1)</sup>	4.2	6.5	4.2	6.5	5.6	4.2
Equity per share, SEK	43.3	42.5	43.3	42.5	42.4	43.3
Equity/assets ratio, %	65	79	65	79	73	65

1) Rolling 12 months

## Comments from the CEO

In our largest market, North America, sales of veterinary systems recorded continued favorable growth while sales of human systems were weaker than expected. The underlying reasons for weaker sales of human systems included the consolidation of the major distributors in our market segment and certain caution shown on the purchasing side attributable to the economic situation. Whether this cautious approach will be sustained is difficult to assess. The US economy seems to be strengthening, which could positively impact our market. In parallel, I would like to reiterate that we continuously see substantial variations in our customers' buying behavior, which makes comparisons between individual quarters misleading.

Our increased investment in a local presence in the Middle East and Latin America, with sales offices in Dubai and Mexico, has started positively. In both of these markets, large procurements account for the predominant share of the market, which means that a local presence is crucial to be able to submit competitive tenders effectively. We hope the investment will generate positive results in 2014 – or, ideally, already by the end of the current year.

Sales in Western Europe were also characterized by weaker demand due to sluggish economic conditions while, in parallel, Eastern Europe remained one of Boule's key markets and reported continued growth with no signs of slowing down.

We have previously announced the revised launch plan for the Point-Of-Care (POC) system. As yet, we have not achieved our required level of robustness and, accordingly, will return later with a more detailed schedule. In parallel, our initiatives in the OEM business resulted in new agreements with two major, global diagnostic companies and we recognize potential for a substantial increase in sales over the coming years.

Finally, during the second quarter of 2013, Boule signed an agreement with Karolinska University Laboratory, Clinical Chemistry (KUL), for collaboration on system validation and product development in hematology. There is a constant need to challenge our systems with special patient samples to ensure that the systems identify them and that performance matches the needs further up the care chain. KUL has extensive knowledge of hematological blood analysis and makes a very attractive partner. Under the agreement with KUL, Boule will own all rights to the data generated by the project.

To summarize, the first six months opened somewhat weaker than expected, but we remain convinced that the ongoing investments in our core business will continue to drive growth and contribute to the achievement of Boule's long-term growth and profitability targets.

Ernst Westman, President and CEO, Boule Diagnostics AB

## Operations

The Group's operations are focused on complete blood counts (CBCs) – hematology, a field of medicine concerned with the study of blood, blood diseases and other diseases that can be diagnosed using blood analyses. If a physician meets a patient with an unclear clinical presentation, an automated CBC system can be used to analyze the patient's blood. Deviations from the reference ranges for the three different blood cells in human blood can provide a unique and comprehensive assessment of health status and indicate several different illnesses.

Today, the CBC is one of the most common diagnostic tests performed by clinical laboratories around the world and analyses are conducted in both human and veterinary diagnostics. A total of 1.2 billion blood analyses are carried out per year and the estimated value of the hematology market is SEK 19 billion. The value of Boule's market segment (decentralized diagnostics) is about SEK 4.8 billion. Boule's global market share is approximately 4 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.

## 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.

The company has also been conducting a major development project over the past few years to produce a unique product in Point-Of-Care (POC) diagnostics, which is an advanced system for medical testing at or near the site of patient care that is more convenient for the customer.

## Financial objectives

Boule aims to achieve:

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

Financial objectives	2013 <sup>1)</sup>		2012 <sup>2)</sup>	2011 <sup>2)</sup>		2010 <sup>2)</sup>
	Apr-Jun	Jan-Jun	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Sales growth, %	0.4	-0.4	11.1	12.6	12.6	12.6
EBITDA margin, %	9.1	5.9	8.5	8.1	10.1	10.1
Equity/assets ratio, %	65	65	73	71	63	63

1) Sales growth, year-on-year.

2) Sales growth, five-year average, %

## The Group's development January - June 2013

### Net sales

Net sales for the first six months totaled SEK 134.7 million (135.2), down 0.4 percent. Changes in the USD and EUR exchange rates had a negative impact of SEK 3.1 million on net sales.

In the first half of the year, sales trended well in Eastern Europe and the Middle East but were weak in North America, Western Europe and Latin America. However, due to distributors'

variable buying behavior, seasonal variations remained considerable.

Instrument sales accounted for 42 percent (45) of net sales, consumables for 48 percent (47) and other sales for (service and spare parts) 10 percent (8).

Consumables' share of total sales is expected to continue to increase.

### Net sales distributed by region and product

Net sales distributed by region SEK million	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jan-Dec 2012	Rolling 12 months
Western Europe	6.7	7.5	13.6	16.4	34.3	31.5
Eastern Europe	11.2	7.7	17.4	13.1	30.7	35.0
North America	26.3	25.9	53.4	55.0	115.7	114.1
Latin America	5.3	7.0	7.2	10.8	15.4	11.8
Asia	14.0	15.6	28.2	27.6	56.8	57.4
Africa	3.8	4.1	6.3	6.2	11.3	11.4
Middle East	3.9	3.1	8.3	6.0	10.8	13.1
Oceania	0.1	0.1	0.3	0.1	0.3	0.5
<b>Total</b>	<b>71.3</b>	<b>71.0</b>	<b>134.7</b>	<b>135.2</b>	<b>275.3</b>	<b>274.8</b>

Net sales by product SEK million	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jan-Dec 2012	Rolling 12 months
Instruments	27.1	31.0	57.2	60.5	126.7	123.4
Consumables	37.7	33.8	65.0	63.5	125.2	126.7
Other	6.5	6.2	12.5	11.2	23.4	24.7
<b>Total</b>	<b>71.3</b>	<b>71.0</b>	<b>134.7</b>	<b>135.2</b>	<b>275.3</b>	<b>274.8</b>

### Gross margin

The gross margin improved over the first half of the year from 45.0 percent to 45.4 percent, which was primarily attributable to the increased share of net sales accounted for by consumables.

The research and development expenses charged to earnings totaled SEK 12.7 million (11.1), corresponding to 9.4 percent (8.2) of net sales. Research and development expenses of SEK 12.9 million (14.1) were capitalized.

### Expenses

Operating expenses amounted to SEK 55.9 million (48.2).

Capitalized expenses pertained mainly to development of the POC system, while the development expenses charged against earnings derived from the improvement and maintenance of existing products.

Marketing and selling expenses rose as a consequence of increased investment, in such markets as Latin America and the Middle East. Administrative expenses as well as research and development expenses were also higher.

The net of other operating revenues and other operating expenses was revenue of SEK 0.9 million (0.1). This item primarily comprised

realized and unrealized exchange-rate losses from operations.

### **Profit**

Gross profit increased to SEK 61.1 million (60.9). Operating profit for January-June 2013 amounted to SEK 6.1 million (12.8). The decrease in operating profit was primarily due to increased investment in sales and development and non-recurring costs of SEK 1.2 million during the first quarter of 2013.

Net financial items amounted to an expense of SEK 0.8 million (0.0). To date in 2013, interest expenses have increased due to the company's increased utilization of overdraft facilities.

Profit before tax was SEK 5.2 million (12.8).

Tax expenses were primarily attributable to the change in deferred tax liabilities on capitalized development expenditure.

Profit for the period was SEK 4.8 million (6.8).

### **Investments and cash flow**

Cash flow from operating activities totaled SEK 3.4 million (7.4).

Changes in working capital amounted to a negative SEK 3.6 million (neg: 5.2). The negative effect of the increase in inventories on working capital was, to some extent, offset by the increase in accounts payable.

Net investments totaled SEK 15.6 million (17.4).

Capital requirements for the period totaling SEK 12.2 million were financed by increasing the utilization of both overdraft facilities and the company's own liquid funds.

In January-June 2013, cash flow amounted to SEK 3.6 million (expense: 36.7). Cash and cash equivalents at the end of the period amounted to SEK 19.3 million (16.9).

Available cash and cash equivalents for the Group, including unutilized credit facilities, totaled SEK 26.9 million (56.0) on June 30, 2013.

### **Equity and liabilities**

Group equity on June 30 amounted to SEK 203.7 million (200.0) and the Group's equity/assets ratio was 65 percent (70).

Interest-bearing liabilities, which predominantly comprise utilized overdraft facilities, amounted to SEK 39.4 million (5.2) on June 30, 2013. Of the interest-bearing liabilities, long-term liabilities accounted for SEK 0.9 million (1.0) and current liabilities for SEK 38.5 million (4.2).

As of June 30, 2013, other non-interest-bearing current liabilities and accounts payable amounted to SEK 56.3 million (41.2).

At the end of the period, deferred tax assets and deferred tax liabilities amounted to SEK 1.8 million (1.4) and SEK 12.8 million (7.7), respectively. The rise in deferred tax liabilities was due to the change in the deferred tax liability on capitalized development expenditure.

### **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, delayed delivery or non-delivery from the company's suppliers could in turn also lead to delayed, defective or faulty delivery by the company.

There is no guarantee that the company's operations will not be subjected to restrictions by government agencies or that it will obtain requisite regulatory approvals in the future.

The company is also exposed to the risk that it could lose its ability to develop products, or that its products cannot be launched according to schedule or that the market reception is poorer than expected. These risks could result

in lower sales and thus adversely affect the company's earnings.

For a more detailed description of risks and uncertainties, refer to the 2012 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.

Administrative costs were somewhat higher year-on-year, due primarily to higher staffing compared with the year-earlier period.

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

The Parent Company's revenues derive from Group-wide services. 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.

#### **Personnel**

During the period, the average number of employees in the Group was 176 (164), of which the Parent Company accounted for 5 (4). Distributed by country, the average number in Sweden was 79 (71), the US 73 (67), China 19 (20), Switzerland 3 (3), Mexico 1 (0) and Poland 1 (1).

The average number of women in the Group was 58 (43) and men 118 (119).

#### **Accounting policies**

This condensed interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Annual Accounts Act. The accounting policies for the Group and the Parent Company are unchanged compared with those applied in the 2012 Annual Report.

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, which governs Interim Reports.

## Consolidated statement of comprehensive income

SEK thousand	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jan-Dec 2012
Net sales	71,256	70,961	134,697	135,214	275,301
Cost of goods sold	-38,068	-38,334	-73,582	-74,336	-151,795
<b>Gross profit</b>	<b>33,188</b>	<b>32,627</b>	<b>61,115</b>	<b>60,878</b>	<b>123,506</b>
Other operating revenues	891	124	917	259	115
Selling and marketing expenses	-15,139	-13,585	-28,477	-25,107	-54,431
Administrative expenses	-7,225	-5,389	-14,702	-11,980	-25,148
Research and development expenses	-6,370	-6,317	-12,744	-11,085	-22,165
Other operating expenses	211	834	-55	-157	-1,527
<b>Operating profit</b>	<b>5,556</b>	<b>8,294</b>	<b>6,054</b>	<b>12,808</b>	<b>20,350</b>
Interest income	17	10	71	88	894
Interest expenses	-290	47	-588	-14	-494
Exchange-rate differences	124	59	-303	-107	-545
<b>Net financial items</b>	<b>-149</b>	<b>116</b>	<b>-820</b>	<b>-33</b>	<b>-145</b>
<b>Profit before tax</b>	<b>5,407</b>	<b>8,410</b>	<b>5,234</b>	<b>12,775</b>	<b>20,205</b>
Tax	488	-3,754	-1,023	-5,983	-9,246
<b>Profit for the period</b>	<b>5,895</b>	<b>4,656</b>	<b>4,211</b>	<b>6,792</b>	<b>10,959</b>
<b>Other comprehensive income</b>					
<b>Items that may be allocated to net profit/loss</b>					
Translation differences for the period from the translation of foreign operations	2,176	3,367	2,190	324	-4,123
<b>Total other comprehensive income/loss</b>	<b>2,176</b>	<b>3,367</b>	<b>2,190</b>	<b>324</b>	<b>-4,123</b>
<b>Total comprehensive income for the period</b>	<b>8,071</b>	<b>8,023</b>	<b>6,401</b>	<b>7,116</b>	<b>6,836</b>
Earnings per share, SEK	1.25	0.99	0.90	1.44	2.33

## Consolidated statement of financial position

SEK thousand	Jun 30, 2013	Jun 30, 2012	Dec 31, 2012
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Capitalized development expenses	86,606	56,725	73,879
Goodwill	62,924	64,613	61,584
<b>Total intangible assets</b>	<b>149,530</b>	<b>121,338</b>	<b>135,463</b>
<b>Tangible fixed assets</b>			
Plant and machinery	2,003	2,070	1,927
Equipment, tools, fixtures and fittings	12,224	12,187	12,168
Leasehold improvements	1,738	1,103	1,221
<b>Total tangible fixed assets</b>	<b>15,965</b>	<b>15,360</b>	<b>15,316</b>
<b>Deferred tax assets</b>	<b>1,775</b>	<b>1,371</b>	<b>951</b>
<b>Total fixed assets</b>	<b>167,270</b>	<b>138,069</b>	<b>151,730</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and supplies	31,572	32,354	34,230
Intermediate goods	3,491	2,476	3,687
Finished goods and goods for resale	16,998	10,730	7,719
<b>Total inventories</b>	<b>52,061</b>	<b>45,560</b>	<b>45,636</b>
<b>Current receivables</b>			
Tax assets	1,434	1,148	1,643
Accounts receivable	55,768	43,503	50,974
Other receivables	7,667	5,711	7,237
Prepaid expenses and accrued income	8,703	3,210	2,140
<b>Total current receivables</b>	<b>73,572</b>	<b>53,572</b>	<b>61,994</b>
<b>Cash and cash equivalents</b>	<b>19,318</b>	<b>16,942</b>	<b>15,871</b>
<b>Total current assets</b>	<b>144,951</b>	<b>116,074</b>	<b>123,501</b>
<b>Total assets</b>	<b>312,221</b>	<b>254,143</b>	<b>275,231</b>

## Consolidated statement of financial position (cont.)

SEK thousand	Jun 30, 2013	Jun 30, 2012	Dec 31, 2012
<b>Equity</b>			
Share capital	4,707	4,707	4,707
Other paid-in capital	190,584	191,198	191,198
Translation reserve	-7,928	-5,671	-10,118
Retained earnings including net profit for the period	16,379	9,740	13,908
<b>Total equity</b>	<b>203,742</b>	<b>199,974</b>	<b>199,695</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	853	1,046	717
Deferred tax liabilities	12,819	7,700	11,375
<b>Total long-term liabilities</b>	<b>13,672</b>	<b>8,746</b>	<b>12,092</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	38,515	4,203	20,195
Accounts payable	17,784	14,871	15,486
Tax liabilities	20	1,921	107
Other liabilities	11,643	4,453	3,991
Accrued liabilities and deferred income	26,345	19,475	23,165
Provisions	500	500	500
<b>Total current liabilities</b>	<b>94,807</b>	<b>45,423</b>	<b>63,444</b>
<b>Total liabilities</b>	<b>108,479</b>	<b>54,169</b>	<b>75,536</b>
<b>Total equity and liabilities</b>	<b>312,221</b>	<b>254,143</b>	<b>275,231</b>
<b>Pledged assets and contingent liabilities</b>			
Pledged assets	40,000	40,000	40,000

## Consolidated statement of changes of equity

SEK thousand	Share capital	Other contributed capital	Trans- lation reserve	Retained earnings incl. profit/loss for the period	Total equity capital
Equity, opening balance, Jan. 1, 2012	4,707	191,198	-5,995	2,949	192,859
<b>Comprehensive income for the year</b>					
Net profit for the year			-	10,959	10,959
Other comprehensive income/loss for the year			-4,123	-	-4,123
<b>Comprehensive income/loss for the year</b>			<b>-4,123</b>	<b>10,959</b>	<b>6,836</b>
Equity, closing balance, Dec. 31, 2012	4,707	191,198	-10,118	13,908	199,695
Equity, opening balance, Jan. 1, 2013	4,707	191,198	-10,118	13,908	199,695
<b>Comprehensive income for the period</b>					
Net profit for the period			-	4,211	4,211
Other comprehensive income for the period			2,190	-	2,190
<b>Comprehensive income for the period</b>			<b>2,190</b>	<b>4,211</b>	<b>6,401</b>
<b>Transactions with shareholders</b>					
Dividends		-614		-1,740	-2,354
Equity, closing balance, Jun 30, 2013	4,707	190,584	-7,928	16,379	203,742

## Consolidated cash flow statement

SEK thousand	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jan-Dec 2012
<b>Operating activities</b>					
Operating profit	5,556	8,294	6,054	12,808	20,350
Adjustments for items not included in cash flow <sup>1)</sup>	861	-157	1,895	1,558	5,053
Interest received	70	11	71	88	174
Interest paid	-464	-53	-763	-199	-495
Income tax paid	-325	-813	-325	-1,738	-2,734
<b>Cash flow from operating activities before changes in working capital</b>	<b>5,698</b>	<b>7,282</b>	<b>6,932</b>	<b>12,517</b>	<b>22,348</b>
<b>Cash flow from changes in working capital</b>					
Increase (-)/Decrease (+) in inventories	-3,079	910	-6,117	-2,168	-3,213
Increase (-)/Decrease (+) in operating receivables	-13,937	-5,168	-11,177	278	-9,069
Increase (+)/Decrease (-) in operating liabilities	13,246	1,464	13,726	-3,271	882
<b>Cash flow from operating activities</b>	<b>1,928</b>	<b>4,488</b>	<b>3,364</b>	<b>7,356</b>	<b>10,948</b>
<b>Investing activities</b>					
Acquisitions of tangible fixed assets	-1,573	-2,345	-2,657	-4,282	-7,526
Disposal of tangible fixed assets	0	0	0	0	800
Divestment of associated companies	-	1,000	-	1,000	1,000
Retained development expenses	-5,331	-7,593	-12,894	-14,133	-31,287
<b>Cash flow from investing activities</b>	<b>-6,904</b>	<b>-8,938</b>	<b>-15,551</b>	<b>-17,415</b>	<b>-37,013</b>
Amortization of loans	0	59	0	-106	0
Increase (+)/Decrease (-) in current financial liabilities	10,997	-240	18,162	-26,577	-11,361
Dividends	-2,354	-	-2,354	-	-
<b>Cash flow from financing activities</b>	<b>8,643</b>	<b>-181</b>	<b>15,808</b>	<b>-26,683</b>	<b>-11,361</b>
<b>Cash flow for the period</b>	<b>3,667</b>	<b>-4,631</b>	<b>3,621</b>	<b>-36,742</b>	<b>-37,426</b>
Cash and cash equivalents at the beginning of the period	15,815	21,158	15,871	53,701	53,701
Exchange-rate differences in cash and cash equivalents	-164	415	-174	-17	-404
<b>Cash and cash equivalents at the end of the period</b>	<b>19,318</b>	<b>16,942</b>	<b>19,318</b>	<b>16,942</b>	<b>15,871</b>
1) Of which, depreciation and amortization	971	473	1,858	911	3,164

## Parent Company income statement

SEK thousand	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jan-Dec 2012
Net sales	3,115	2,058	4,944	4,116	10,020
Administrative expenses	-7,315	-4,685	-12,590	-9,361	-19,066
Other operating revenues	0	0	0	28	29
Other operating expenses	-17	-1	-17	-1	-6
<b>Operating loss</b>	<b>-4,217</b>	<b>-2,628</b>	<b>-7,663</b>	<b>-5,218</b>	<b>-9,023</b>
Result from financial items:					
Other interest income and similar income items	0	6	0	75	75
Interest expenses and similar expense items	-8	0	-12	-2	-2
<b>Loss before tax</b>	<b>-4,225</b>	<b>-2,622</b>	<b>-7,675</b>	<b>-5,145</b>	<b>-8,950</b>
Tax	0	0	0	0	0
<b>Loss for the period</b>	<b>-4,225</b>	<b>-2,622</b>	<b>-7,675</b>	<b>-5,145</b>	<b>-8,950</b>

## Parent Company statement of comprehensive income

SEK thousand	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jan-Dec 2012
<b>Loss for the period</b>	<b>-4,225</b>	<b>-2,622</b>	<b>-7,675</b>	<b>-5,145</b>	<b>-8,950</b>
Other comprehensive income for the period	-	-	-	-	-
<b>Comprehensive loss for the period</b>	<b>-4,225</b>	<b>-2,622</b>	<b>-7,675</b>	<b>-5,145</b>	<b>-8,950</b>

## Parent Company balance sheet

SEK thousand	Jun 30, 2013	Jun 30, 2012	Dec 31, 2012
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible fixed assets			
Equipment	111	225	150
<b>Total tangible fixed assets</b>	<b>111</b>	<b>225</b>	<b>150</b>
<b>Financial fixed assets</b>			
Shares in Group companies	157,291	157,291	157,291
<b>Total financial fixed assets</b>	<b>157,291</b>	<b>157,291</b>	<b>157,291</b>
<b>Total fixed assets</b>	<b>157,402</b>	<b>157,516</b>	<b>157,441</b>
<b>Current assets</b>			
Current receivables			
Receivables from Group companies	34,004	48,180	44,977
Tax assets	0	270	174
Other receivables	1,216	107	213
Prepaid expenses and accrued income	304	309	300
<b>Total current receivables</b>	<b>35,524</b>	<b>48,866</b>	<b>45,664</b>
<b>Cash and bank balances</b>	<b>465</b>	<b>285</b>	<b>438</b>
<b>Total current assets</b>	<b>35,989</b>	<b>49,151</b>	<b>46,102</b>
<b>Total assets</b>	<b>193,391</b>	<b>206,667</b>	<b>203,543</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Restricted equity			
Share capital (4,707,138 shares)	4,707	4,707	4,707
Statutory reserve	141,859	141,859	141,859
Unrestricted equity			
Share premium reserve	48,725	49,339	49,339
Retained earnings		10,689	10,690
Loss for the period	-7,675	-5,145	-8,950
<b>Total equity</b>	<b>187,616</b>	<b>201,449</b>	<b>197,645</b>
<b>Current liabilities</b>			
Accounts payable	1,121	826	867
Liabilities to Group companies	280	465	0
Other liabilities	619	720	442
Accrued expenses and deferred income	3,755	3,207	4,589
<b>Total current liabilities</b>	<b>5,775</b>	<b>5,218</b>	<b>5,898</b>
<b>Total liabilities</b>	<b>5,775</b>	<b>5,218</b>	<b>5,898</b>
<b>Total equity and liabilities</b>	<b>193,391</b>	<b>206,667</b>	<b>203,543</b>
<b>Pledged assets</b>			
Pledged assets	83,305	83,305	83,305

**Quarterly overview**

	2013			2012			2011	
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales, SEK million	71.3	63.4	76.3	63.8	71.0	64.3	67.7	57.7
Gross profit, SEK million	33.2	27.9	34.9	27.8	32.6	28.3	28.1	26.3
Gross margin, %	46.6	44.0	45.7	43.6	46.0	44.0	41.5	45.6
EBITDA, SEK million	6.5	1.4	6.9	2.9	8.8	5.0	4.9	6.3
EBITDA margin, %	9.1	2.2	9.0	4.5	12.4	7.8	7.2	10.9
Operating profit	5.6	0.5	6.0	1.5	8.3	4.5	4.2	5.5
Operating margin, %	7.8	0.8	7.9	2.4	11.7	7.0	6.3	9.6
Earnings per share, SEK	1.25	-0.36	0.69	0.19	0.99	0.45	0.66	0.66
Cash flow from operating activities per share	0.41	0.31	-0.88	1.52	0.95	0.61	3.07	-1.81
Return on equity, % <sup>1)</sup>	4.2	3.7	5.6	5.1	6.3	4.7	6.2	6.7
Equity per share, SEK million	43.29	42.07	42.42	41.74	42.48	40.78	40.97	40.34

1) Rolling 12 months

**Definitions**

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

**EBIT** (Earnings before Interest and Taxes) is profit before net financial items and taxes

**EBIT margin** is EBIT 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

**Equity/assets ratio** is equity divided by total assets

**Gross margin** is gross profit divided by net sales

**Gross profit** is net sales less costs for goods sold

**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

**Net investments** are investments in tangible and intangible assets adjusted for disposals

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

**Return on equity** is profit for the year after tax divided by average equity

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

**Working capital** is inventories, accounts receivable and cash less accounts payable

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Stockholm, August 20, 2013

Boule Diagnostics AB

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Chairman of the Board

Ernst Westman  
President

Britta Dalunde  
Member of the Board

Eva-Lotta Kraft  
Member of the Board

Åke Nygren  
Member of the Board

Gösta Oscarsson  
Member of the Board

**Audit review**

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

**Calendar**

Interim report, third quarter \_\_\_\_\_ October 30, 2013

**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 on August 21, 2013 at 08:00 a.m. (CET).**

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