

# Boule Diagnostics AB (publ)

## Interim report January–June 2015



Consumables continues to increase its proportion of sales



### Quarter, April-June 2015

- Net sales amounted to SEK 78.9 million (69.7), up 13.1 percent. Adjusted for changes in the USD and EUR exchange rates, this represents a decrease of 0.6 percent.
- Cash flow from operating activities amounted to SEK 0.2 million (13.7).
- Operating profit was SEK 3.2 million (3.2).
- Net profit amounted to SEK 2.4 million (1.7).
- Earnings per share before dilution amounted to SEK 0.51 (0.37) and after dilution to SEK 0.51 (0.36).

### Significant events during the quarter

#### NEW PRODUCT AREA

At the beginning of the second quarter Boule started to develop a new product area called clinical chemistry that will employ Boule's global distribution network. Sales of these products are expected to start later this year.

### Interim period January-June 2015

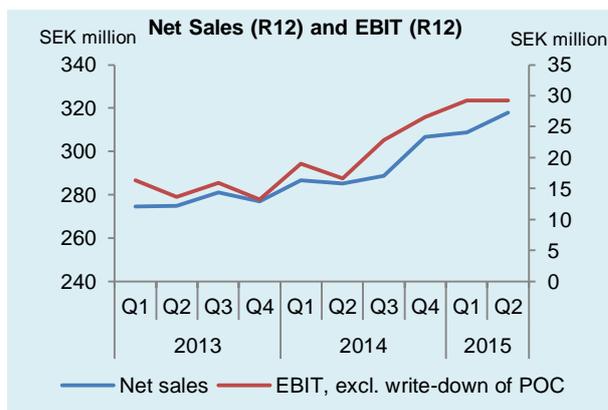
- Net sales amounted to SEK 154.2 million (143.0), up 7.8 percent. Adjusted for changes in the USD and EUR exchange rates, this represents a decrease of 6.1 percent.
- Cash flow from operating activities amounted to SEK -0.6 million (22.7).
- Operating profit was SEK 12.1 million (9.6).
- Net profit amounted to SEK 9.0 million (6.0).
- Earnings per share before dilution amounted to SEK 1.91 (1.27) and after dilution to SEK 1.90 (1.27).

### Significant events after the period

#### HIGHER INVESTMENT IN PRODUCING CONSUMABLES IN THE USA

Boule has identified major opportunities to streamline the production of blood tests and reagents at its American facility. A planned investment has therefore been initiated. A new American Production Manager has been appointed, who will be in charge of this efficiency drive.

Key data	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014
Net sales, SEK million	78.9	69.7	154.2	143.0
EBITDA margin, %	6.5	6.1	9.7	8.1
Operating profit/loss, SEK million	3.2	3.2	12.1	9.6
Operating margin, %	4.1	4.6	7.8	6.6
Profit after tax, SEK million	2.4	1.7	9.0	6.0
EBIT (R12)/ Net debt	0.8	0.5	0.8	0.5
Return on equity, %	1.3	1.3	5.1	7.1
Equity per share, before dilution, SEK	38.5	28.4	38.5	28.4
Earnings per share, before dilution, SEK	0.51	0.37	1.91	1.27
Earnings per share, after dilution, SEK	0.51	0.36	1.90	1.27



## Comments from the CEO

### SALES AND MARKET DEVELOPMENT

Net sales increased by 7.8 percent to MSEK 154.2 in the first six months of 2015. Adjusted for changes in exchange rates, particularly the strengthening of the USD, Boule's sales fell by 6.1 percent compared with the first half of 2014.

This fall is mainly due to lower instrument sales, caused by the general weakening of the economies in Brazil, Russia and Turkey. These countries are among our ten most important markets. This drop in instrument sales can also be explained by strong sales of veterinary instruments to the UK and USA in 2014.

Another reason is that some customers have been waiting for the launch of our new instrument. We are not going to see the full impact of our new systems in our major markets, for example, the USA, China, Latin America and some parts of Eastern Europe, until 2016 and 2017. This is when we expect to receive the necessary registration approvals.

We are confident about the new platform of Swelab- and Medonic-instruments. They have many advantages over the previous generation and now account for approximately 30 percent of our total instrument sales.

### CONTINUED INCREASE IN CONSUMABLES

The first six months saw the increase in the proportion of sales for consumables, reagents and blood tests continue. They accounted for 57 percent of our net sales, compared with 50 percent in the same period in 2014. This trend is contributing towards more stable sales and higher margins. Consumables for the company's instruments increased by 25 percent in the period. The fall in instrument sales that has been seen in some markets has not affected the sales of consumables. Once companies have bought instruments, they continue to buy consumables. This trend is proof of just how strong our business model is.

### START OF A NEW PRODUCTION AREA

As already communicated, we started the development and marketing for a new product area, clinical chemistry, in the second quarter of this year. These products complement our offering in hematology. We believe that we will be able to start sales of the first products during the second half of 2015.

### MARGINS AND EXPENSES

The operating margin amounted to 7.8 percent (6.6). This increase on the previous year was mostly due to higher sales of consumables and the higher USD rate.

Rising sales expenses and higher R&D costs had a negative impact on the operating margin. The increase in sales expenses was mainly due to the stronger USD, which is having an impact on us as our American subsidiary accounts for a high percentage of these sales expenses.

The increase in R&D expenditures is mostly due to the fact that none have been capitalized since 1 April 2015. The R&D expenditures for the development of

consumables are also exposed to the USD exchange rate as it is our American subsidiary that accounts for these expenses. The total R&D expenditures (capitalized and charged to earnings) amounted to 13 percent of the sales in the first half of 2015. The corresponding figure for the previous year was 15 percent.

### P20 PROGRAMME

Boule's P20 efficiency programme is going according to plan for the most part. The challenges currently lie in the production of consumables in the USA. The efficiency programme has not yet produced the results that we want. To address this, Boule appointed a new Production Manager in the USA in August. We expect the planned measures to bear fruit by 2016 at the latest.

### THE REST OF THE YEAR

The problems of selling instruments in our markets in Brazil, Russia and Turkey will probably remain for the second half of the year. However, sales of instruments are increasing in other markets, in some cases by percentages in double figures. It is mainly new customers that buy the new instruments. This results in a steady increase in the installed base of instruments that continues to drive a continuous increase in the sale of consumables with high margins.



Ernst Westman  
President and CEO



## Group performance January–June 2015

### NET SALES

During the first half year net sales amounted to SEK 154.2 million (143.0) up 7.8 percent. Adjusted for changes in the USD and EUR exchange rates, this represents a decrease of 6.1 percent.

Instrument sales accounted for 34 percent (41) of total net sales, consumables for 57 percent (50) and other sales (primarily service, spare parts and freight) for 9 percent (9).

Net sales by region SEK million	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014
Western Europe	9.8	8.3	19.1	23.2
Eastern Europe	8.6	9.6	18.9	21.2
North America	30.3	24.2	56.7	47.1
Latin America	5.2	6.1	13.8	12.2
Asia	15.5	12.5	27.2	22.8
Africa	5.0	5.1	8.5	8.2
Middle East	4.5	3.9	10.0	8.3
<b>Total</b>	<b>78.9</b>	<b>69.7</b>	<b>154.2</b>	<b>143.0</b>

Net sales by product SEK million	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014
Instrument	27.8	29.0	51.7	58.9
Consumables own instruments	29.0	21.1	59.3	46.5
Consumables OEM and CDS-brand	14.7	12.2	28.5	24.6
Other	7.4	7.4	14.7	13.0
<b>Total</b>	<b>78.9</b>	<b>69.7</b>	<b>154.2</b>	<b>143.0</b>

### GROSS MARGIN

During the first half year the gross margin was 46.5 percent (45.2). The increase on the previous year was mostly due to higher sales of consumables and the higher dollar rate.

### EXPENSES

Operating expenses amounted to MSEK 61.5 (55.6) in the first half of the year. This increase is from sales expenses and research and development expenses. The sales expenses have increased as a result of higher market investments and the higher USD rate (the American subsidiary accounts for a high proportion of the market expenses in Boule and it is exposed to changes in the USD exchange rate). Research and development expenditures have increased, as expenditures have not been capitalized since the second quarter of 2015. This is because the projects that had been capitalized were completed at the end of March 2015.

Research and development expenditures charged to earnings amounted to SEK 16.2 million (13.8), which represents 11 percent (10) of net sales.

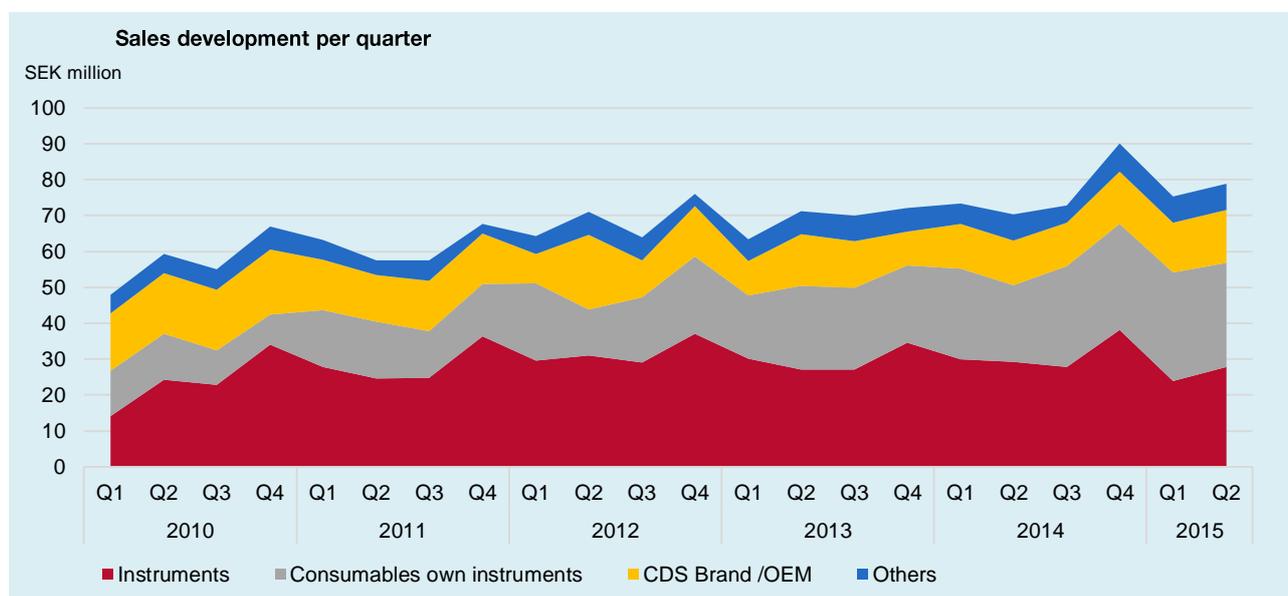
Research and development expenditures of SEK 4.4 million (7.1) were capitalized. Capitalization in 2015 relates to the development of an updated generation of instruments, which was launched at the start of the second quarter of 2015.

The net of other operating revenues and other operating expenses amounted to a total of SEK 1.8 million (0.4) for the period. This item primarily comprised realized and unrealized exchange rate losses from operations.

### PROFIT

Gross profit during the first half year rose SEK 7.0 million, from SEK 64.7 million to SEK 71.7 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 12.1 million (9.6). Net financial items amounted to SEK -0.9 million (-0.6). Profit before tax was SEK 11.2 million (8.9). Profit for the period was SEK 9.0 million (6.0).



### INVESTMENTS AND CASH FLOW

Cash flow from operating activities, after changes in operating capital, amounted to SEK -0.6 million (22.7). This deterioration in cash flow is mostly due to more operating capital being tied up (higher stocks due to the new generation of instruments and lower operating liabilities).

Net investment totaled SEK 6.1 million (9.2). This fall is primarily a result of less investment in intangible assets (a reduction in development expenditures being capitalized).

At the end of the period, net cash flow amounted to SEK -5.7 million (12.5), with cash and cash equivalents amounting to SEK 17.6 million (23.3). This decrease is due to increased operating capital tie-up.

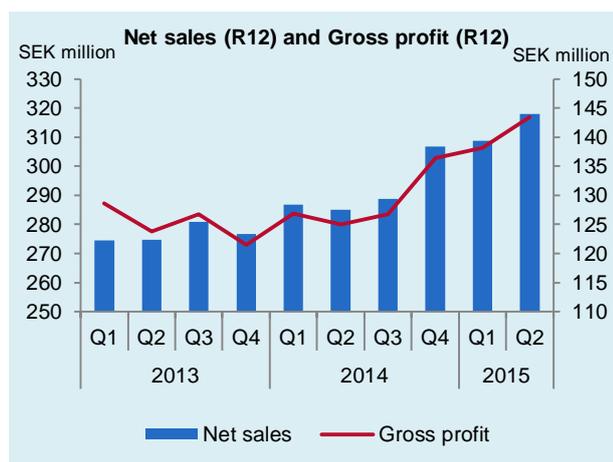
Cash and cash equivalents available to the Group, including unutilized credit facilities, amounted to SEK 45.7 million (42.3) at the end of the period.

### EQUITY AND LIABILITIES

Group equity on June 30, 2015 totaled SEK 181.3 million (133.8) and the equity/asset ratio was 63 percent (56).

Interest-bearing liabilities, which primarily comprise bank overdraft facilities, factoring and a loan in the Parent Company, amounted to SEK 53.8 million (47.7) on June 30, 2015. SEK 7.4 million (7.4) of the interest-bearing liabilities were non-current and SEK 46.4 million (40.3) were current. As at June 30, 2015 other non-interest-bearing current liabilities and accounts payable totaled SEK 48.8 million (49.7).

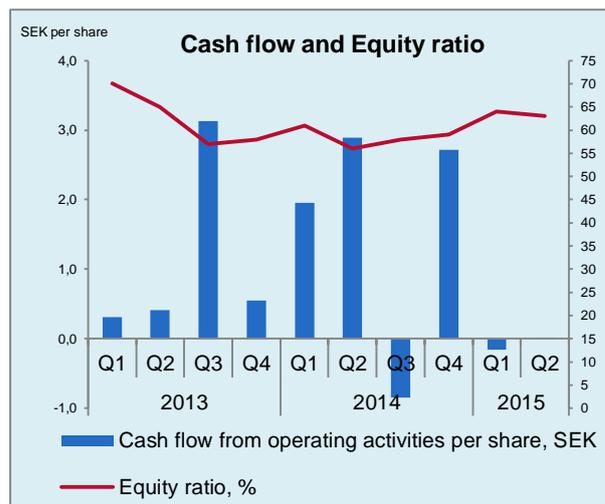
At the end of the first half year deferred tax assets and deferred tax liabilities totaled SEK 12.4 million (10.1) and SEK 2.9 million (7.2) respectively.



### 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 June 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 %
Ernst Westman incl. family and company	127,892	2.72 %
Société Générale	114,114	2.42 %
Daniel Rammeskov	71,981	1.53 %
Other shareholders (497)	1,287,312	27.35 %
<b>Total</b>	<b>4,707,138</b>	<b>100.00 %</b>

## 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 180 (175), including 7 (5) at the Parent Company. By country the average number in Sweden was 77 (77), USA 83 (74), China 16 (19), Switzerland 1 (3), Mexico 1 (1) and Poland 0 (1). The average number of women in the Group was 66 (61) and the average number of men was 114 (114).

## 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 August 24, 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

## AUDIT REVIEW

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

## Consolidated statement of comprehensive income and other comprehensive income

SEK million	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014
Net sales	78.9	69.7	154.2	143.0
Cost of goods sold	-42.4	-38.4	-82.5	-78.3
<b>Gross profit</b>	<b>36.5</b>	<b>31.3</b>	<b>71.7</b>	<b>64.7</b>
Other operating revenues	0.1	0.7	2.5	0.7
Selling and marketing expenses	-19.2	-15.5	-34.8	-30.0
Administrative expenses	-4.7	-5.9	-10.5	-11.7
Research and development expenses	-9.8	-7.2	-16.2	-13.8
Other operating expenses	0.3	-0.1	-0.7	-0.3
<b>Operating profit/loss</b>	<b>3.2</b>	<b>3.2</b>	<b>12.1</b>	<b>9.6</b>
Financial income	0.0	0.0	0.0	0.0
Financial expenses	-0.5	-0.2	-0.8	-0.6
Exchange rate differences	0.0	0.4	-0.1	0.0
<b>Net financial items</b>	<b>-0.5</b>	<b>0.2</b>	<b>-0.9</b>	<b>-0.6</b>
<b>Profit/loss before tax</b>	<b>2.7</b>	<b>3.4</b>	<b>11.2</b>	<b>8.9</b>
Current tax	0.0	-0.9	0.0	-1.5
Deferred tax	-0.3	-0.8	-2.2	-1.4
<b>Net profit/loss</b>	<b>2.4</b>	<b>1.7</b>	<b>9.0</b>	<b>6.0</b>
<b>Other comprehensive income</b>				
<b>Items that may be allocated to net profit/loss for the period</b>				
Translation differences for the period from the translation of foreign operations	0.3	2.5	9.6	0.3
<b>Other comprehensive income/loss for the period</b>	<b>0.3</b>	<b>2.5</b>	<b>9.6</b>	<b>0.3</b>
<b>Total comprehensive income/loss for the period</b>	<b>2.7</b>	<b>4.2</b>	<b>18.6</b>	<b>6.3</b>
Earnings per share, before dilution, SEK	0.51	0.37	1.91	1.27
Earnings per share, after dilution, SEK	0.51	0.36	1.90	1.27

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

## Consolidated statement of financial position

SEK million	Jun 30 2015	Jun 30 2014	Dec 31 2014
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Capitalized development expenses	32.1	19.1	28.3
Goodwill	73.2	63.1	70.4
<b>Total intangible assets</b>	<b>105.3</b>	<b>82.2</b>	<b>98.7</b>
<b>Tangible fixed assets</b>			
Plant and machinery	4.1	2.2	4.0
Equipment, tools, fixtures and fittings	11.1	11.3	10.7
Leasehold improvements	2.7	2.3	2.8
<b>Total tangible fixed assets</b>	<b>17.8</b>	<b>15.8</b>	<b>17.6</b>
<b>Financial fixed assets</b>			
Long-term non-interest-bearing receivables	0.0	0.2	0.1
Deferred tax assets	12.4	10.1	13.1
<b>Total fixed assets</b>	<b>135.6</b>	<b>108.3</b>	<b>129.5</b>
<b>Current assets</b>			
<b>Inventory</b>			
Raw materials and supplies	36.2	20.7	31.6
Intermediate goods	3.9	2.0	2.6
Finished goods and goods for resale	14.4	24.5	11.9
<b>Total inventory</b>	<b>54.6</b>	<b>47.2</b>	<b>46.2</b>
<b>Current receivables</b>			
Tax assets	2.0	1.7	2.3
Accounts receivable	69.1	48.8	68.9
Other receivables	5.5	5.7	4.9
Prepaid expenses and accrued income	2.4	3.4	5.5
<b>Total current receivables</b>	<b>79.1</b>	<b>59.5</b>	<b>81.6</b>
<b>Cash and cash equivalents</b>	<b>17.6</b>	<b>23.4</b>	<b>22.7</b>
<b>Total current assets</b>	<b>151.3</b>	<b>130.1</b>	<b>150.5</b>
<b>TOTAL ASSETS</b>	<b>286.8</b>	<b>238.3</b>	<b>280.0</b>

## Consolidated statement of financial position (cont.)

SEK million	Jun 30 2015	Jun 30 2014	Dec 31 2014
<b>EQUITY</b>			
Share capital	4.7	4.7	4.7
Other contributed capital	185.4	188.2	188.2
Translation reserve	9.6	-7.6	4.5
Retained earnings including net profit/loss for the period	-18.5	-51.6	-27.5
<b>TOTAL EQUITY</b>	<b>181.3</b>	<b>133.8</b>	<b>170.0</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	7.4	7.4	9.0
Deferred tax liabilities	2.9	7.2	1.4
<b>Total long-term liabilities</b>	<b>10.3</b>	<b>14.6</b>	<b>10.4</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	46.4	40.3	41.8
Accounts payable	16.9	17.1	21.0
Tax liabilities	0.4	0.6	0.4
Other liabilities	5.7	2.2	6.2
Accrued liabilities and deferred income	25.3	29.3	29.7
Provisions	0.5	0.5	0.5
<b>Total current liabilities</b>	<b>95.2</b>	<b>90.0</b>	<b>99.6</b>
<b>TOTAL LIABILITIES</b>	<b>105.5</b>	<b>104.6</b>	<b>110.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>286.8</b>	<b>238.3</b>	<b>280.0</b>
<b>Pledged assets and contingent liabilities</b>			
Pledged assets	71.4	48.5	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
<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>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				6.0	6.0
Other comprehensive income for the period			2.2	0.3	2.5
<b>Total comprehensive income/loss for the period</b>			<b>2.2</b>	<b>6.3</b>	<b>8.5</b>
<b>Transactions with shareholders</b>					
Share-based payments				0.2	0.2
Dividends		-2.4			-2.4
<b>Equity, closing balance, Jun. 30 2014</b>	<b>4.7</b>	<b>188.2</b>	<b>-7.6</b>	<b>-51.6</b>	<b>133.8</b>
<b>Equity, opening balance, Jan. 1, 2015</b>	<b>4.7</b>	<b>188.2</b>	<b>4.5</b>	<b>-27.5</b>	<b>170.0</b>
<b>Total comprehensive income/loss for the period</b>					
Net profit/loss for the period				9.0	9.0
Other comprehensive income for the period			5.1		5.1
<b>Total comprehensive income/loss for the period</b>			<b>5.1</b>	<b>9.0</b>	<b>14.1</b>
<b>Transactions with shareholders</b>					
Share-based payments				0.0	0.0
Dividends		185.4			-2.8
<b>Equity, closing balance, Jun. 30, 2015</b>	<b>4.7</b>	<b>185.4</b>	<b>18.5</b>	<b>-21.3</b>	<b>181.3</b>

## Consolidated cash flow statement

SEK million	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014
<b>Operating activities</b>				
Operating profit/loss	3.2	3.2	12.1	9.5
Adjustments for non-cash items <sup>1)</sup>	2.1	1.7	2.8	2.1
Interest received	0.0	0.1	0.0	0.0
Interest paid	-0.5	-0.3	-0.8	-0.6
Income tax paid	-1.1	0.0	-1.2	0.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>3.6</b>	<b>4.7</b>	<b>12.9</b>	<b>11.0</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/Decrease (+) in inventory	-7.2	-0.7	-7.4	0.7
Increase (-)/Decrease (+) in operating receivables	3.3	-2.4	3.3	2.6
Increase (+)/Decrease (-) in operating liabilities	0.4	12.0	-9.4	8.4
<b>Cash flow from operating activities</b>	<b>0.2</b>	<b>13.7</b>	<b>-0.6</b>	<b>22.7</b>
<b>Investing activities</b>				
Acquisition of tangible fixed assets	-1.4	-0.5	-1.7	-2.1
Investments in other financial fixed assets	0.0	0.0	0.0	0.0
Disposal of tangible fixed assets	0.0	0.0	0.0	0.0
Capitalized development expenses	-0.7	-4.0	-4.4	-7.1
<b>Cash flow from investing activities</b>	<b>-2.1</b>	<b>-4.5</b>	<b>-6.1</b>	<b>-9.2</b>
<b>Financing activities</b>				
Loans raised	0.6	0.0	0.6	0.0
Amortization of loans	-0.6	-0.8	-1.1	-1.1
Increase (+)/Decrease (-) in current financial liabilities	3.2	6.3	4.2	2.4
Dividends	-2.8	-2.4	-2.8	-2.4
<b>Cash flow from financing activities</b>	<b>0.4</b>	<b>3.2</b>	<b>1.0</b>	<b>-1.0</b>
<b>Cash flow for the period</b>	<b>-1.5</b>	<b>12.4</b>	<b>-5.7</b>	<b>-12.5</b>
Cash and cash equivalents at the beginning of the period	19.4	11.6	22.7	11.1
Exchange rate differences in cash and cash equivalents	-0.4	-0.6	0.7	-0.3
<b>Cash and cash equivalents at the end of the period</b>	<b>17.6</b>	<b>23.4</b>	<b>17.6</b>	<b>23.3</b>
1) Of which, depreciation and amortization	1.9	1.1	2.8	2.1

## Parent Company income statement

SEK million	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014
Net sales	2.0	1.1	4.3	2.2
Administrative expenses	-5.8	-6.2	-12.2	-12.3
Other operating revenues	0.0	0.0	0.0	0.0
Other operating expenses	0.0	0.0	0.0	0.0
<b>Operating profit/loss</b>	<b>-3.8</b>	<b>-5.1</b>	<b>-7.8</b>	<b>-10.1</b>
Profit/loss from financial items:	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Other interest income and similar income items	0.0	0.0	0.0	0.0
Interest expenses and similar expense items	-0.1	0.0	0.0	-0.1
<b>Loss after financial items</b>	<b>-3.9</b>	<b>-5.1</b>	<b>-7.9</b>	<b>-10.2</b>
Group contribution	0.0	0.0	0.0	0.0
<b>Profit/loss before tax</b>	<b>-3.9</b>	<b>-5.1</b>	<b>-7.9</b>	<b>-10.2</b>
Tax	0.0	0.0	0.0	0.0
<b>Net profit/loss</b>	<b>-3.9</b>	<b>-5.1</b>	<b>-7.9</b>	<b>-10.2</b>

## Parent Company balance sheet

SEK million	30 jun 2015	30 jun 2014	31 dec 2014
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>			
Equipment	0.0	0.0	0.1
<b>Total tangible fixed assets</b>	<b>0.0</b>	<b>0.0</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>157.3</b>	<b>157.3</b>	<b>157.4</b>
<b>Current assets</b>			
Current receivables	0.0	0.0	0.0
Receivables from Group companies	20.2	57.0	31.1
Tax assets	0.5	0.3	0.5
Other receivables	0.2	0.9	0.5
Prepaid expenses and accrued income	0.7	1.1	0.9
<b>Total current receivables</b>	<b>21.5</b>	<b>59.3</b>	<b>33.0</b>
<b>Cash and bank balances</b>	<b>0.9</b>	<b>1.2</b>	<b>3.3</b>
<b>Total current assets</b>	<b>22.4</b>	<b>60.5</b>	<b>36.3</b>
<b>TOTAL ASSETS</b>	<b>179.7</b>	<b>217.8</b>	<b>193.6</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<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	-7.9	-10.2	-0.1
<b>Total equity</b>	<b>169.6</b>	<b>170.0</b>	<b>180.3</b>
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	1.6	2.8	2.2
<b>Current liabilities</b>			
Current interest-bearing liabilities	1.3	1.3	1.3
Accounts payable	0.9	2.8	1.5
Liabilities to Group companies	0.5	36.1	0.5
Tax liabilities	-0.3	0.0	0.0
Other liabilities	0.6	0.6	0.6
Accrued expenses and deferred income	5.7	4.2	7.3
<b>Total current liabilities</b>	<b>8.6</b>	<b>45.0</b>	<b>11.2</b>
<b>Total liabilities</b>	<b>10.1</b>	<b>47.8</b>	<b>13.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>179.7</b>	<b>217.8</b>	<b>193.6</b>
<b>Pledged assets and contingent liabilities for the Parent Company</b>			
Pledged assets	83.3	83.3	83.3
Contingent liabilities	None	35.9	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.

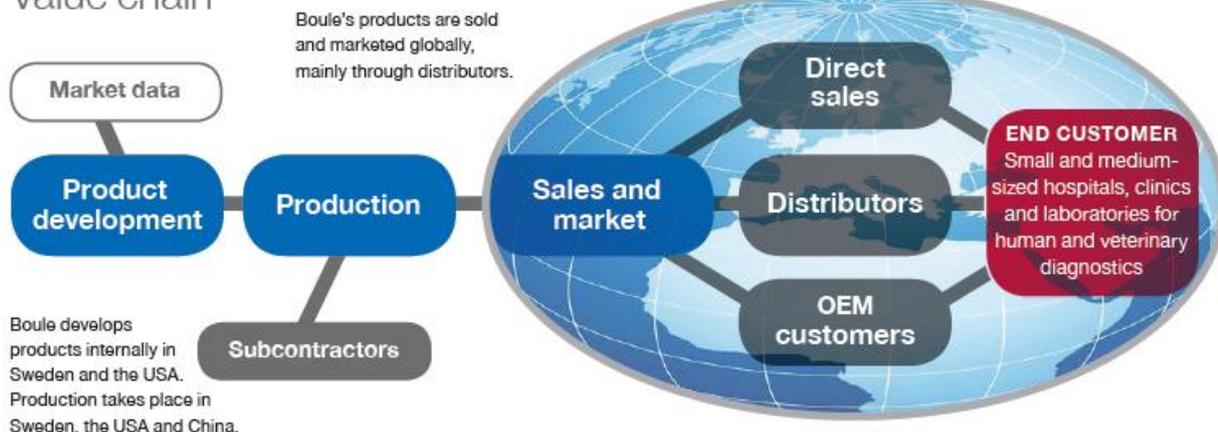
### Increasing margins

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			
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net sales, SEK million	78.9	75.3	90.1	73.6	69.7	73.3	72.2	69.9	71.3	63.4
Gross profit, SEK million	35.5	35.2	39.2	32.5	31.1	33.4	29.6	30.7	33.2	27.9
Gross margin, %	46.2	46.8	43.6	44.2	44.9	45.6	41.0	43.9	46.6	44.0
EBITDA, SEK million	5.1	9.8	9.3	11.1	4.3	7.3	4.6	4.4	6.5	1.4
EBITDA margin, %	6.5	13.0	10.3	15.1	6.2	10.0	6.2	6.3	9.1	2.2
EBIT, SEK million	3.2	8.9	7.1	10.0	3.2	6.3	3.3	-91.7	5.6	0.5
EBIT margin, %	4.1	11.8	7.9	13.6	4.6	8.6	4.4	-131.2	7.8	0.8
Profit after tax, SEK million	2.4	6.6	14.8	9.5	1.7	4.3	-1.9	-72.4	5.9	-1.7
Earnings per share, before dilution, SEK	0.51	1.40	3.14	2.02	0.36	0.91	4.40	-72.40	5.90	-1.70
Earnings per share, after dilution, SEK	0.51	1.39	3.01	1.93	0.35	0.87	-0.41	-15.38	1.25	-0.36
Cash flow from operating activities per share, SEK	0.02	-0.15	2.72	-0.85	2.89	1.95	0.55	3.13	0.41	0.31
Return on equity, %	1.3	3.7	9.2	6.7	1.3	Neg	Neg	Neg	4.2	3.7
EBIT (R12)/ Net debt	1.3	0.9	0.9	0.7	-3.3	-2.6	-2.3	-2.8	0.7	1.3
Equity/assets ratio, %	63	64	59	58	56	61	58	57	65	70

## 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

Interim report third quarter	November 4, 2015
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 August 24 2015 at 11:30 am (CET).