



Boule Diagnostics AB (publ) Interim report January–June 2016

Record sales and increased profit

Quarter April–June 2016

- Net sales amounted to SEK 102.0 million (78.9), up 29.3 percent.
- Cash flow from operating activities amounted to SEK -1.1 million (0.2).
- Operating profit was SEK 12.6 million (3.2).
- Net profit amounted to SEK 9.0 million (2.4).
- Earnings per share before dilution amounted to SEK 1.91 (0.51), and after dilution to SEK 1.89 (0.51).

Interim period January–June 2016

- Net sales amounted to SEK 186.4 million (154.2), up 20.9 percent.
- Cash flow from operating activities amounted to SEK 5.0 million (-0.6).
- Operating profit was SEK 21.0 million (12.1).
- Net profit amounted to SEK 15.2 million (9.0).
- Earnings per share before dilution amounted to SEK 3.24 (1.91), and after dilution to SEK 3.20 (1.90).

Significant events during the quarter

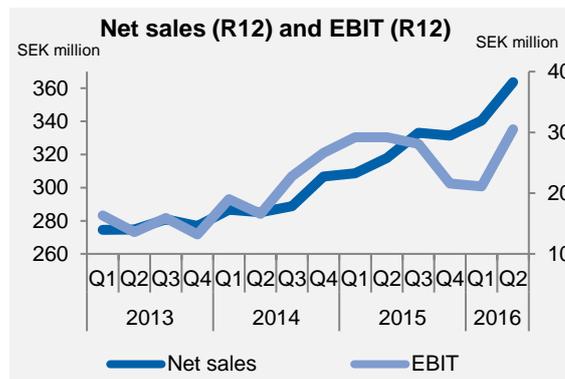
TENDER WON IN INDIA

In early May, Boule won a tender for 136 Medonic systems in the state of Uttar Pradesh in North India, in partnership with its Indian distributor. The instruments are being installed in 136 hospitals around the state starting in quarter two, 2016.

NEW TENDER WON IN MEXICO

In mid-June, Boule and its Mexican distributor were awarded a significant share of several public procurement contracts in Mexico. Altogether, these winning tenders are for 329 hematology systems. Delivery of the instruments began in late quarter two and early quarter three, 2016.

Key figures	Apr-Jun 2016	Apr-Jun 2015	Jul 15-Jun 16 (R12)	Jul 14-Jun 15 (R12)
Net sales, SEK million	102.0	78.9	363.6	317.9
Operating profit/loss, SEK million	12.6	3.2	30.5	29.2
Operating margin, %	12.4	4.1	8.4	9.2
Profit after tax, SEK million	9.0	2.4	21.6	33.3
Net debt, SEK million	1.7	36.1	1.7	36.1
Return on equity, %	4.5	1.3	11.1	21.1
EBIT (R12)/ Net debt	17.9	0.8	17.9	0.8
Earnings per share, before dilution, SEK	1.91	0.51	4.58	7.07
Earnings per share, after dilution, SEK	1.89	0.51	4.54	7.07



Comments from CEO Ernst Westman

SALES AND GEOGRAPHIC MARKETS

Second quarter sales reached an all-time high, and for the first time ever exceeded 100 MSEK in a single quarter. Sales of 102 MSEK meant a 29 percent increase compared with quarter two, 2015.

In total, Boule sales increased by 14 percent over the last twelve-month period compared to the corresponding period the year before. Sales growth was especially strong in Latin America and Asia that rose 67 and 38 percent, respectively. We see continued challenges to instrument sales on certain markets but our business model and geographic coverage shield us from more significant negative effects even if individual markets experience poorer growth for a period.

The increasing demands of both public authorities and countries for quality and operational reliability have enabled us to compete and win public tenders, a market where we were previously somewhat excluded from due to price pressure.

EARNINGS AND PROFITABILITY

I am naturally very satisfied with the growth in sales in the quarter and first half year, but above all, I am delighted that our long-term efforts to increase profitability are continuing to deliver results. Profitability has also improved with the new generation of higher priced instruments that account for an increasing share of instrument sales.

LOOKING FORWARDS

We can clearly see that our business model, of selling our own reagents to a growing installed base of instruments, is working very well. We have also seen that we have reached critical mass where this is scalable, that is to say we have been able to increase sales without incurring any significantly increased costs.

Several of the markets where we operate are facing major financial and political challenges, which can come to affect demand for instruments. Our geographic spread means we can compensate for sales on weak markets with sales on growing markets.

This, together with the fact that sales of our new generations of instruments are now starting to take off, plus our clinical chemistry partnership agreement on the US market, enables us to view the future with plenty of confidence.

“...but above all, I am delighted that our long-term efforts to increase profitability are continuing to deliver results.”



Ernst Westman

CEO and President



Group performance

January-June 2016

NET SALES

During the first half year net sales amounted to 186.4 million (154.2), up 20.9 percent.

Instrument sales accounted for 37 percent (34), consumables for 54 percent (57) and other sales (primarily service, spare parts and freight) for 9 percent (9).

GROSS MARGIN

During the first half year the gross margin was 48.3 percent (46.5). The increase compared to the previous year is primarily due to increased prices.

EXPENSES

Operating expenses during the first half year amounted to SEK 70.1 million (61.5). The increase is primarily the result of increased marketing initiatives and the fact that no research and development costs have been activated in 2016.

Research and development expenditures charged to earnings amounted to SEK 18.3 million (16.2), which represents 10 percent (11) of net sales.

Research and development expenditures of SEK 0.0 million (4.4) 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 0.9 million (1.8). This item primarily comprised realized and unrealized exchange rate losses from operations.

PROFIT

Gross profit during the first half year rose SEK 18.4 million, from SEK 71.7 million to SEK 90.1 million.

NET SALES BY REGION AND PRODUCT

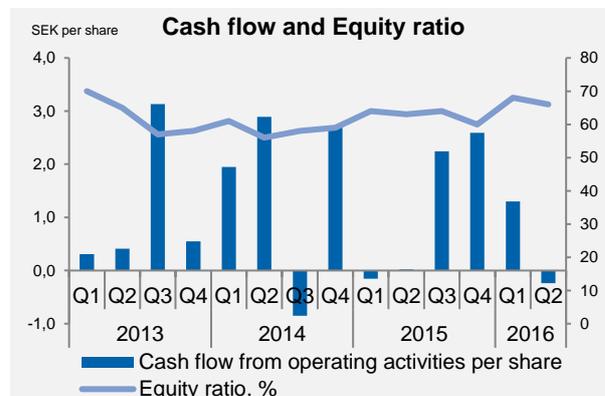
Net sales by region SEK million	Jan- Jun 2016	Jan- Jun 2015	Change	Jul 15- Jun 16 (R12)	Jul 14- Jun 15 (R12)	Change (R12)
USA	61.6	56.7	9%	122.7	114.1	8%
Asia	40.3	27.2	48%	80.4	58.2	38%
Eastern Europe	21.7	18.9	15%	43.8	48.3	-9%
Latin America	28.7	13.8	108%	49.3	29.6	67%
Western Europe	17.9	19.1	-6%	34.6	34.1	2%
Africa/ Middle East	16.2	18.5	-12%	32.6	33.6	-3%
Total	186.4	154.2	21%	363.6	317.9	14%

Net sales by product SEK million	Jan- Jun 2016	Jan- Jun 2015	Change	Jul 15- Jun 16 (R12)	Jul 14- Jun 15 (R12)	Change (R12)
Instruments	68.7	51.7	33%	136.0	118.0	15%
Consumables own instruments	71.1	59.3	20%	135.3	118.0	15%
Consumables OEM and CDS-brand	30.3	28.5	6%	60.8	54.5	12%
Other	16.3	14.7	11%	31.5	27.4	15%
Total	186.4	154.2	21%	363.6	317.9	14%

The reason is increased sales of instruments and consumables plus improved gross margin.

Operating profit was SEK 21.0 million (12.1).

Net financial items amounted to SEK -0.1 million (-0.9). Profit before tax was SEK 20.8 million (11.2). Profit for the period was SEK 15.2 million (9.0).



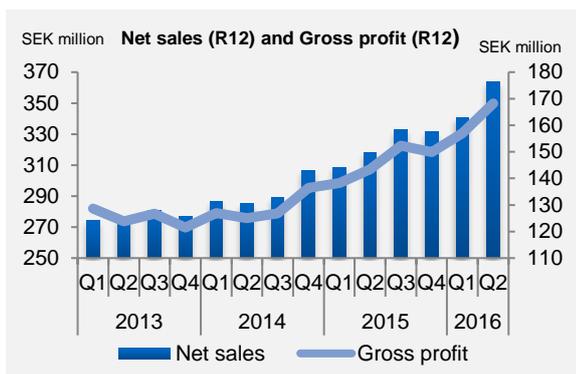
INVESTMENTS AND CASH FLOW

Cash flow from operating activities after changes in operating capital amounted to SEK 5.0 million (-0.6). Cash flow has been negatively affected by increased accounts receivables in association with winning tenders at the end of the period.

Total net investments amounted to SEK 3.2 million (6.1). This reduction is primarily due to no development costs being activated in the first half year, 2016.

Cash flow for the period amounted to MSEK -33.9 (-5.7) and cash and cash equivalents at the end of the period were MSEK 16.6 (17.6). The worsening of cash flow of the period is due to a reduction of SEK 36.8 in interest bearing liabilities.

Cash and cash equivalents available to the Group, including unutilized credit facilities, amounted to SEK 52.9 million (45.7) at the end of the period.



EQUITY AND LIABILITIES

Group equity on 30 June 2016 totaled SEK 202.3 million (181.3) and the equity/asset ratio was 66 percent (63).

The interest bearing liabilities, that were primarily the utilization of overdraft facilities, financing of accounts receivables and a parent company loan, amounted to MSEK 18.3 (53.8) on 30 June 2016. SEK 4.8 million (7.4) of the interest-bearing liabilities were non-current and SEK 13.5 (46.4) million were current. At 30 June 2016 other non-interest-bearing current liabilities and accounts payable totaled SEK 69.0 million (48.8).

The net debt 30 June 2016 amounted to SEK 1.7 million (36.2).

At the end of the year deferred tax assets and deferred tax liabilities totaled SEK 5.4 million (12.4) and SEK 3.5 million (2.9) respectively.

MARKET

Boule markets its products to hospitals, clinics, laboratories and companies within blood diagnostics in both the human and veterinary areas. Blood diagnostics means that only blood is analyzed via e.g. clinical chemical analysis or blood cell counting concerning changes in different blood components. The size of the market is around SEK 5 bn of which Boule has a market share of around six percent.

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 2015 Annual Report.

TRANSACTIONS WITH RELATED PARTIES

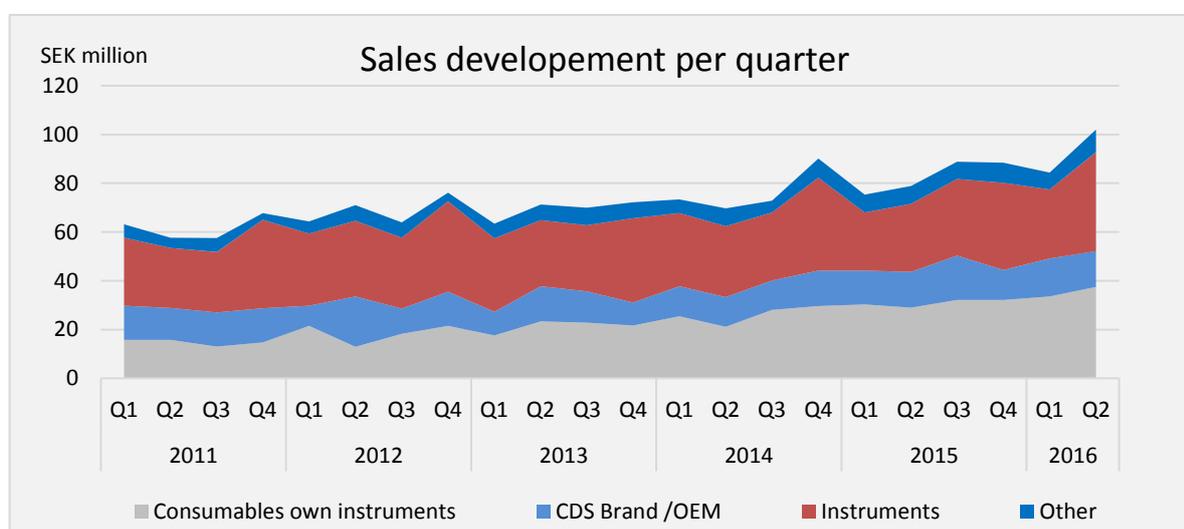
There were no transactions with related parties in this period.

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.

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 178,750 employee options (see the section on Options below).

Shareholders June 30, 2016 and thereafter known changes	Number of shares	Proportion of capital/vote
Svolder AB	599,436	12.73 %
Nordea Investment Funds	552,933	11.75 %
AB Grenspecialisten	488,084	10.37 %
Zimbrine Holding BV	478,703	10.17 %
Linc Invest AB	470,715	10.00 %
Thomas Eklund incl. company	444,638	9.45 %
Humle Kapitalförvaltning	290,000	6.16 %
Société Générale	142,702	3.03 %
Ernst Westman incl. family and company	127,892	2.72 %
Other shareholders (798)	1,112,035	23.62 %
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 170 (180) including 9 (7) at the Parent Company. By country the average number in Sweden was 71 (77), USA 85 (83), China 13 (16), Switzerland 0 (3), Mexico 1 (1). The average number of women in the Group was 67 (66) and the average number of men was 103 (114).

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 Aug 1, 2016
Boule Diagnostics AB

Peter Ehrenheim
Chairman of the board

Thomas Eklund
Board member

Ernst Westman
President and CEO

Karin Dahllöf
Board member

Jon Risfelt
Board member

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 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015
Net sales	102.0	78.9	186.4	154.2
Cost of goods sold	-54.3	-42.4	-96.4	-82.5
Gross profit	47.7	36.5	90.1	71.7
Other operating revenues	1.3	0.1	1.9	2.5
Selling and marketing expenses	-18.5	-19.2	-37.2	-34.8
Administrative expenses	-7.9	-4.7	-14.6	-10.5
Research and development expenses	-9.9	-9.8	-18.3	-16.2
Other operating expenses	-0.2	0.3	-1.0	-0.7
Operating profit/loss	12.6	3.2	21.0	12.1
Financial income	0.0	0.0	0.0	0.0
Financial expenses	-0.2	-0.5	-0.5	-0.8
Exchange rate differences	0.5	0.0	0.3	-0.1
Net financial items	0.3	-0.5	-0.1	-0.9
Profit/loss before tax	12.9	2.7	20.8	11.2
Current tax	-0.6	0.0	-2.0	0.0
Deferred tax	-3.4	-0.3	-3.6	-2.2
Net profit/loss	9.0	2.4	15.2	9.0
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	3.6	0.3	1.3	9.6
Other comprehensive income/loss for the period	3.6	0.3	1.3	9.6
Total comprehensive income/loss for the period	12.6	2.7	16.5	18.6
Earnings per share, before dilution, SEK	1.91	0.51	3.24	1.91
Earnings per share, after dilution, SEK	1.89	0.51	3.20	1.90
Average number of shares outstanding before dilution	4,707,138	4,707,138	4,707,138	4,707,138
Average number of shares outstanding after dilution	4,712,755	4,755,339	4,712,755	4,755,339

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

Consolidated statement of financial position

SEK million	Jun 30 2016	Jun 30 2015	Dec 31 2015
ASSETS			
Fixed assets			
Intangible assets			
Capitalized development expenses	26.2	32.1	27.7
Goodwill	74.9	73.2	74.0
Total intangible assets	101.1	105.3	101.7
Tangible fixed assets			
Plant and machinery	6.3	4.1	4.4
Equipment, tools, fixtures and fittings	10.9	11.1	13.2
Leasehold improvements	3.7	2.7	2.8
Total tangible fixed assets	20.9	17.8	20.3
Financial fixed assets			
Long-term non-interest-bearing receivables and other receivables	20.0	0.0	18.6
Deferred tax assets	5.4	12.4	9.2
Total fixed assets	147.3	135.6	149.9
Current assets			
Inventory			
Raw materials and supplies	35.1	36.2	37.6
Intermediate goods	4.3	3.9	3.7
Finished goods and goods for resale	12.8	14.4	13.5
Total inventory	52.2	54.6	54.8
Current receivables			
Tax assets	2.1	2.0	2.0
Accounts receivable	79.7	69.1	52.7
Other receivables	3.1	5.5	2.3
Prepaid expenses and accrued income	7.5	2.4	3.4
Total current receivables	92.4	79.1	60.5
Cash and cash equivalents	16.6	17.6	50.4
Total current assets	161.2	151.3	165.6
Total assets	308.5	286.8	315.5

Consolidated statement of financial position (cont.)

SEK million	Jun 30 2016	Jun 30 2015	Dec 31 2015
EQUITY			
Share capital	4.7	4.7	4.7
Other contributed capital	183.4	185.4	186.1
Translation reserve	11.3	9.6	10.0
Retained earnings including net profit/loss for the period	2.9	-18.5	-12.3
TOTAL EQUITY	202.3	181.3	188.5
LIABILITIES			
Long-term liabilities			
Long-term interest-bearing liabilities	4.8	7.4	7.4
Other long-term liabilities	15.6	0.0	4.5
Deferred tax liabilities	3.5	2.9	3.7
Total long-term liabilities	23.8	10.3	15.6
Current liabilities			
Current interest-bearing liabilities	13.5	46.4	54.9
Accounts payable	17.3	16.9	18.1
Tax liabilities	1.7	0.4	0.0
Other liabilities	23.8	5.7	10.8
Accrued liabilities and deferred income	25.7	25.3	27.1
Provisions	0.5	0.5	0.5
Total current liabilities	82.5	95.2	111.4
TOTAL LIABILITIES	106.3	105.6	127.0
TOTAL EQUITY AND LIABILITIES	308.5	286.8	315.5
Pledged assets and contingent liabilities			
Pledged assets	71.9	71.4	71.9
Contingent liabilities	1.8	1.8	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, 2015	4.7	188.5	4.5	-27.7	170.0
Total comprehensive income/loss for the period					
Net profit/loss for the period				9.0	9.0
Other comprehensive income for the period			5.1		5.1
Total comprehensive income/loss for the period		0.0	5.1	9.0	14.1
Transactions with shareholders					
Share-based payments		0.0			0.0
Dividends		-2.8			-2.8
Equity, closing balance, Jun. 30, 2015	4.7	185.7	9.6	-18.7	181.3
Equity, opening balance, Jan. 1, 2016	4.7	186.1	10.0	-12.3	188.5
Total comprehensive income/loss for the period					
Net profit/loss for the period				18.8	18.8
Other comprehensive income for the period			1.3		1.3
Total comprehensive income/loss for the period		0.0	1.3	18.8	20.2
Transactions with shareholders					
Share-based payments		0.0			0.0
Dividends		-2.8			-2.8
Equity, closing balance, Jun. 30, 2016	4.7	183.4	11.3	2.9	202.3

Consolidated cash flow statement

SEK million	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015
Operating activities				
Operating profit/loss	12.6	3.2	21.0	12.1
Adjustments for non-cash items ¹⁾	1.3	2.1	4.4	2.8
Interest received	0.0	0.0	0.0	0.0
Interest paid	-0.2	-0.5	-0.5	-0.8
Income tax paid	-0.2	-1.1	-0.4	-1.2
Cash flow from operating activities before changes in working capital	13.5	3.6	24.5	12.9
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventory	-4.2	-7.2	2.7	-7.4
Increase (-)/Decrease (+) in operating receivables	-23.2	3.3	-32.8	3.3
Increase (+)/Decrease (-) in operating liabilities	12.7	0.4	10.6	-9.4
Cash flow from operating activities	-1.1	0.2	5.0	-0.6
Investing activities				
Acquisition of tangible fixed assets	-1.2	-1.4	-3.2	-1.7
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	0.0	-0.7	0.0	-4.4
Cash flow from investing activities	-1.2	-2.1	-3.2	-6.1
Financing activities				
Loans raised	4.6	0.6	11.1	0.6
Amortization of loans	-0.6	-0.6	-2.6	-1.1
Increase (+)/Decrease (-) in current financial liabilities	-1.7	3.2	-41.3	4.2
Dividends	-2.8	-2.8	-2.8	-2.8
Cash flow from financing activities	-0.5	0.4	-35.8	1.0
Cash flow for the period	-2.9	-1.5	-33.9	-5.7
Cash and cash equivalents at the beginning of the period	19.1	19.4	50.4	22.7
Exchange rate differences in cash and cash equivalents	0.3	-0.4	0.1	0.7
Cash and cash equivalents at the end of the period	16.6	17.6	16.6	17.6
¹⁾ Of which, depreciation and amortization	0.7	1.9	2.7	2.8

Parent Company income statement

SEK million	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015
Net sales	5.8	2.0	11.6	4.3
Administrative expenses	-4.3	-5.8	-11.0	-12.2
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	1.5	-3.8	0.5	-7.8
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	0.0	-0.1
Loss after financial items	1.5	-3.9	0.5	-7.9
Group contribution	0.0	0.0	0.0	0.0
Profit/loss before tax	1.5	-3.9	0.5	-7.9
Tax	0.0	0.0	0.0	0.0
Net profit/loss	-1.5	-3.9	0.5	-7.9

Since no items are recognized in Other comprehensive income, the Parent Company's results correspond to comprehensive income.

Parent Company balance sheet

SEK million	Jun 30 2016	Jun 30 2015	Dec 31 2015
Assets			
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			
Receivables from Group companies	26.9	20.2	3.4
Tax assets	0.6	0.5	0.7
Other receivables	0.0	0.2	0.2
Prepaid expenses and accrued income	0.5	0.7	0.7
Total current receivables	28.0	21.5	5.0
Cash and bank balances	1.1	0.9	27.7
Total current assets	29.1	22.4	32.7
TOTAL ASSETS	186.4	179.7	189.9
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	30.9	43.7
Retained earnings	-2.8	0.0	-12.6
Net profit for the period	0.5	-7.9	-0.1
Total equity	175.2	169.6	177.4
Long-term liabilities			
Long-term interest-bearing liabilities	0.3	1.6	1.3
Current liabilities			
Current interest-bearing liabilities	1.3	1.3	1.3
Accounts payable	1.9	0.9	1.5
Liabilities to Group companies	0.6	0.5	0.5
Tax liability	0.0	-0.3	0.0
Other liabilities	1.2	0.6	0.9
Accrued expenses and deferred income	6.0	5.7	7.1
Total current liabilities	10.9	8.6	11.2
Total liabilities	11.2	10.1	12.5
TOTAL EQUITY AND LIABILITIES	186.4	179.7	189.9
Pledged assets and contingent liabilities for the Parent Company			
Pledged assets	83.3	83.3	83.3
Contingent liabilities	35.9	35.9	46.9

NOTE 1 ACCOUNTING POLICIES

Boule Diagnostics AB (publ.) applies IFRS (International Financial Reporting Standards) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report for the Parent Company has been prepared in accordance with 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, 2015. 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 interim information found on page 1-5 is an integrated part of this financial report.

Intro

Boule Diagnostics AB (publ) is one of the few companies on the global diagnostics market that develops, manufactures and markets instruments and consumable products for blood diagnostics under its own direction. The company serves hospitals, clinics, laboratories and companies within blood diagnostics in both the human and veterinary areas. The group has an annual sales of SEK 331 billion and around 170 employees. Sales are made via distributors in over 100 countries and directly in Sweden and the USA. The company operates via subsidiary operating companies in Sweden, USA and China. Since 2011, Boule shares have been listed on the Nasdaq Stockholm.

VISION

Boule is to establish a global position as one of the three leading companies within decentralized blood diagnostics.

MISSION

Boule is to help its customers obtain better blood test results to enable more effective treatment of patients.

BUSINESS CONCEPT

Boule develops, manufactures and markets high quality, user friendly systems for automated blood cell counting on the global human and veterinarian markets.

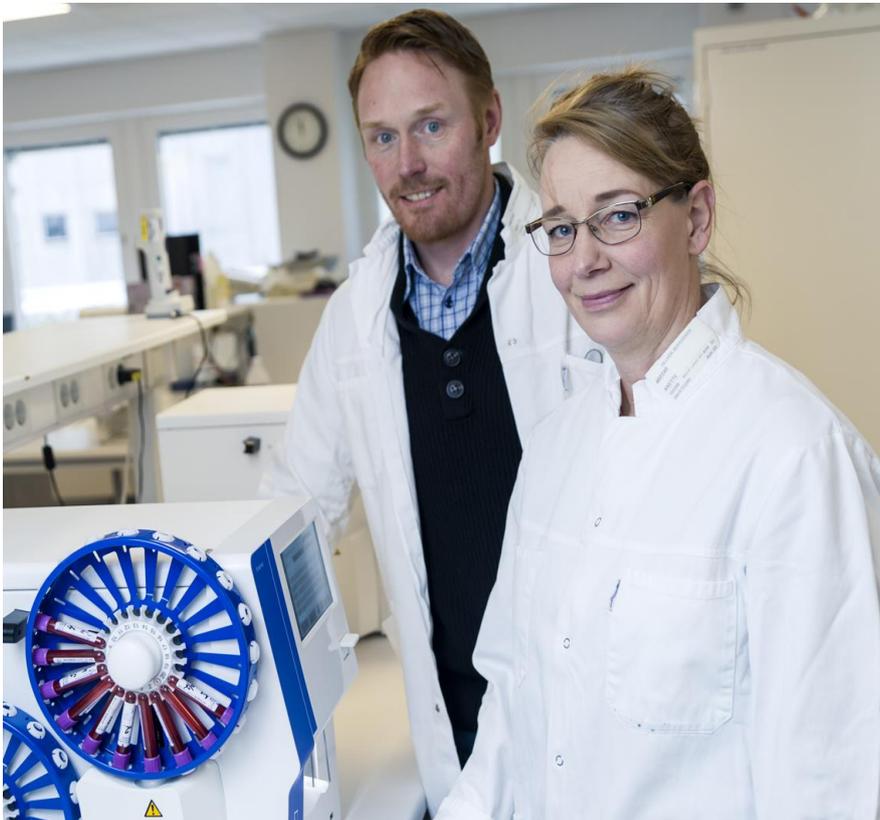
FINANCIAL TARGETS

Boule should achieve:

- An annual operating margin (EBIT margin) above 13 percent,
- Average growth in sales above 10 percent per year over five years,
- Net debt (interest bearing debt minus cash and cash equivalents) no greater than three times operating profit on an annualized basis.

STRATEGIES

- To commercialize high quality systems for the decentralized market for blood diagnostics.
- Global sales via parallel distribution channels to quickly meet local demand.
- Tie instruments to our proprietary consumable products to ensure quality and added sales.
- Active acquisition and cooperation strategy to broaden our product offer.



BOULE AS AN INVESTMENT

Business model

The model entails selling consumable goods tied to Boule's own instruments, to a continuously increasing installed base of instruments.

Growth

Over the past five years, Boule has enjoyed average annual growth of 8 percent and the company envisages continued good growth potential at global level. Boule has long experience of both organic growth and growth by acquisitions.

Dividend

The general goal of the Boule board is to give shareholders a dividend that reflects both a good direct return and dividend growth. Over the long term, the annual dividend should correspond to 25-50 percent of profits.

Quarterly overview

	2016				2015			2014	
	Apr-Jun	Jan-Mar	Okt-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Okt-Dec	Jul-Sep	
Net sales, SEK million	102.0	84.4	88.4	88.8	78.9	75.3	90.1	73.6	
Gross profit, SEK million	47.7	42.3	36.8	41.3	35.5	35.2	39.2	32.5	
Gross margin, %	46.8	50.1	41.6	46.6	46.2	46.8	43.6	44.2	
EBITDA, SEK million	13.3	10.4	2.7	10.5	5.1	9.8	9.3	11.1	
EBITDA margin, %	13.0	12.3	3.1	11.9	6.5	13.0	10.3	15.1	
EBIT, SEK million	12.6	8.4	0.6	8.9	3.2	8.9	7.1	10.0	
EBIT margin, %	12.4	9.9	0.7	10.0	4.1	11.8	7.9	13.6	
Profit after tax, SEK million	9.0	6.3	1.3	5.1	2.4	6.6	14.8	9.5	
Earnings per share, before dilution, SEK	1.91	1.33	0.28	1.07	0.51	1.40	3.14	2.02	
Earnings per share, after dilution, SEK	1.89	1.33	0.27	1.07	0.51	1.39	3.14	2.02	
Cash flow from operating activities per share, SEK	-0.24	1.30	2.59	2.25	0.02	-0.15	2.72	-0.85	
Return on equity, %	4.5	3.3	0.7	2.7	1.3	3.7	9.2	6.7	
EBIT (R12)/ Net debt	18.0	14.5	1.8	1.1	1.3	0.9	0.9	0.7	
Equity/assets ratio, %	66	68	60	64	63	64	59	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

Interim report third quarter	November 9, 2016
Year-end report	February 16, 2017
Annual General meeting	May 11, 2017
Interim report first quarter	May 11, 2017
Interim report second quarter	July 31, 2017
Interim report third quarter	November 8, 2017

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 1, 2016 at 12:00 (CET).