



Continued improvements of profitability in spite of slower sales at the start of the year

Quarter January-March 2018

- Net sales amounted to SEK 99.5 million (106.6), down 6.7 percent. Adjusted for the change in exchange rates, this corresponds to a decrease of 2.3 percent.
- Number of instruments sold in the quarter was 940 (1,143), a decrease of 18 percent.
- Cash flow from operating activities amounted to SEK 6.3 million (18.5).
- Operating profit was SEK 18.8 million (12.0) which corresponds to an operating margin of 18.9 percent (11.2).
- Net profit amounted to SEK 14.9 million (8.7).
- Earnings per share before dilution amounted to SEK 3.08 (1.84) and after dilution to SEK 3.08 (1.79).

Significant events during the quarter

STRENGTHENED EXECUTIVE TEAM

Kiarash Farr has been appointed SVP of Commercial Operations. He succeeds Claes Blanche who has communicated that he wants to phase out of his current role and take a part time consultant role for Boule. Kiarash Farr assumed the position as of March 1, 2018.

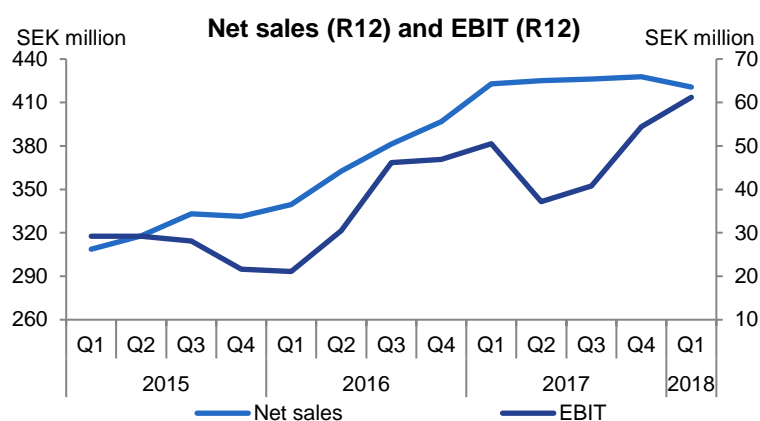
The executive team was strengthened by two new members who represent Human Resources and US Sales & Marketing respectively.

Significant events after the quarter

BOULE ACQUIRES TECHNOLOGIES FOR THE NEXT GENERATION PRODUCT PLATFORM

In April, Boule acquired new technologies in the field of laser optics that will be adapted to Boule's requirements and be used in combination with internally developed technologies for the next generation product platform. The acquisition will reduce time to market for the next product launch in the fast growing 5-part segment, and simultaneously reduce development cost and risk. The seller is Drew Scientific, Inc. The purchase price is USD 3 million, out of which USD 750,000 will be paid upon completion of the technology transfer, expected to occur early in the third quarter.

Key figures	Jan-Mar 2018	Jan-Mar 2017	Apr 17-Mar 18 (R12)	Apr 16-Mar 17 (R12)
Growth in sales, %	-6.7	26.3	-0.5	24.2
Net sales, SEK million	99.5	106.6	420.7	422.9
Gross margin, %	46.8	47.6	47.2	48.1
Operating profit/loss, SEK million	18.8	12.0	61.2	50.7
Operating margin, %	18.9	11.2	14.6	12.0
Net debt, SEK million	-117.3	-81.3	-117.3	-81.3
Return on equity, %	5.5	3.7	16.9	17.9
Net debt/EBIT (R12), times	-1.9	-1.6	-1.9	-1.6
Earnings per share, after dilution, SEK	3.08	1.79	7.42	7.95



Comments from CEO Fredrik Dalborg

Significant improvement of the operating margin in spite of slower sales at the start of the year

After a solid finish to 2017, sales started off a bit slow in the beginning of 2018. January and February were weaker when compared to 2017, months that included won procurements in Africa and Middle East. Sales also decreased in Western Europe as customers were waiting for the release of the new veterinary hematology system H400, and in India due the transition process in the distributor structure. In March sales significantly improved, but not enough to show growth compared to the strong first quarter of 2017, when growth was 26%. The growth of individual quarters is significantly affected by tenders. In the first quarter of 2018 no major tenders were completed, and revenues amounted to SEK 99.5 million (106.6), a decline of 6.7% compared to 2017, adjusted for changes in the exchange rates the decline was 2.3%.

Gross margin declined from 47.6% to 46.8%, negatively affected by scrapping and manufacturing variances. Adjusted for these, gross margin improved driven by a favorable product mix and increasing average selling prices for instruments. The operating profit continued to improve, and a margin of 18.9% was achieved compared to 11.2% previous year. Adjusted for capitalized R&D, the improvement was 13.4% compared to 10.6%.

Strengthening the position in the 5-part market

The decentralized, near patient, hematology market where Boule is focusing can be divided in two segments, 3-part and 5-part. A 3-part differential will analyze three sub sets of white cells, and a 5-part differential 5 sub sets of white cells. Counting the number of tests performed, 3-part represents approximately 80% and 5-part 20% of the market. Due to higher instrument prices and higher costs per test in the 5-part segment it represents approximately 40% of the value of the market compared to 60% for the 3-part segment. The market for 5-part is growing faster than the market for 3-part.

In April Boule signed an agreement to acquire technologies that will be used for the next generation platform development for the 5-part market segment. Through this acquisition Boule will get access and rights to new technologies in the field of laser optics and sensors. The laser optics technologies enable deeper analysis of different sub sets of white cells, allowing for 5-part differentiation of the cells. The acquired laser optics technology has been thoroughly reviewed by the Boule R&D team and will be adapted to Boule's requirements and used in combination with internally developed technologies for the next generation platform. The acquisition will reduce time to market for the next product launch in the fast growing 5-part segment, and simultaneously reduce development cost and risk. This acquisition is in line with Boule's previously communicated strategy to develop new product platforms and broaden the product portfolio through partnerships and acquisitions.

Product launches in the veterinary market

In April the new veterinary hematology system H400 was released for sale. Boule's customers have been waiting for this product release, and therefore we saw a slowdown in sales for the previous model in the first quarter 2018. The new instrument's order book is strong, and the first units were installed at customer sites in April. This product release will be accompanied by the release of the new veterinary chemistry system C200. The two systems have integrated software and will be used in combination by the customers, strengthening Boule's portfolio in the veterinary market.

Continued growth initiatives

Growth and improvement initiatives will continue, and in the second half of 2018 the launch of the new CellaVision product platform is planned. The new platform enables digital cell analysis in small and medium-sized laboratories and will complement Boule's product portfolio. In addition, the team will be working on additional growth initiatives in line with the established strategy:

- Protect and grow our core business: Continued efficiency improvements and capacity expansion, developing and launching next generation product platforms.
- Grow in emerging markets: Evolving distributor relationships and strengthening local presence.
- Grow in new customer segments and markets: Resource, sales approaches and partnerships to enter new customer segments and geographical markets.
- Evolve OEM and CDS brand business: Selective initiatives in profitable growth segments.
- Broaden the product portfolio: Develop new product platforms and broaden the product portfolio through partnerships and acquisitions.



Fredrik Dalborg
CEO and Group



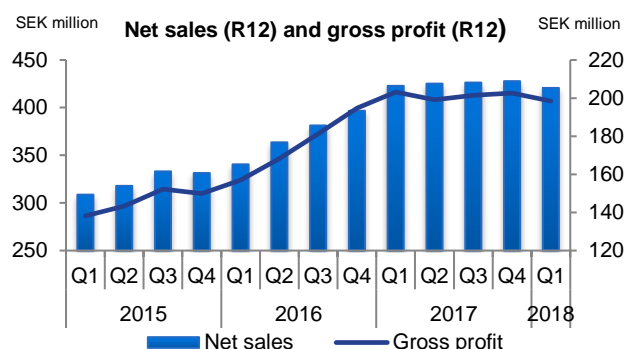
Group performance January–March 2018

NET SALES

During the period net sales amounted to SEK 99.5 million (106.6), down 6.7 percent. Net sales decreased by 2.3 percent when adjusted for the change in the USD and EUR exchange rates.

GROSS PROFIT

Gross profit during the period amounted to SEK 46.5 million (50.8). The gross margin was 46.8 percent (47.6). The gross margin has been positively affected by both region and product mix, with a lower share of sales to low-cost countries and a higher proportion of sales from consumables. Despite this, the gross margin is lower than in the previous year due to negative production variations and the disposal of consumables that passed the expiration date.



EXPENSES

Operating expenses during the period amounted to SEK 28.9 million (38.5).

Research and development expenditures charged to earnings amounted to SEK 4.6 million (9.4), which represents 5 percent (9) of net sales. Research and development expenditures of SEK 5.5 million (0.6) were capitalized. In total, research and development expenses correspond to 10 percent (9) of net sales.

The capitalization of 2018 consists of the final phase of the new veterinary version and the next generation hematology platform.

The net of other operating revenues and other operating expenses during the period amounted to a total of SEK 1.2 million (-0.3) and consists primarily of positive and negative changes in the exchange rates.

OPERATING PROFIT

Operating profit during the period amounted to SEK 18.8 million (12.0). This corresponds to an operating margin of 18.9 percent (11.2). Excluding the capitalization of research and development, the operating margin was 13.4 percent (10.6).

NET FINANCIAL ITEMS

Net financial items amounted to SEK 0.3 million (-0.4). Profit before tax was SEK 19.1 million (11.6). Profit for the period was SEK 14.9 million (8.7).

FINANCING AND CASH FLOW

Cash flow from operating activities after changes in working capital amounted to SEK 6.3 million (18.5). The company reports accounts receivable for which guarantees have been obtained from the Swedish National Export Credits Guarantee Board (EKN) separately. EKN guarantees 75-95 percent of the total amount of accounts receivable. Receivables can be pledged and the liabilities are then recognized as interest-bearing liabilities. The change in accounts receivable guaranteed by EKN is included in the cash flow from operating activities, whilst the change in other interest-bearing liabilities is reported in the cash flow under financing activities. At the turn of the year, the process of how receivables are pledged was changed, and the company can now more easily choose when and how much of the guaranteed receivables should be pledged. The amount of unpledged accounts receivable for the quarter amounted to SEK 9.9 million. As all accounts receivable were pledged in 2017, this affects comparison between the years.

Cash flow for the period amounted to SEK 5.4 million (21.6) and cash and cash equivalents at the end of the period were SEK 104.7 million (65.9). Cash and cash equivalents available to the Group, including unutilized credit facilities and guaranteed but not yet pledged accounts receivables, amounted to SEK 152.9 million (104.9) at the end of the period.

NET SALES BY REGION AND PRODUCT

	Jan-Mar 2018	Jan-Mar 2017	Change	Apr 17- Mar 18 (R12)	Apr 16- Mar 17 (R12)	Change (R12)
Net sales by region, SEK million						
USA	32.9	33.8	-3%	126.8	130.8	-3%
Asia	25.3	26.6	-5%	108.0	96.7	12%
Eastern Europe	13.3	13.6	-2%	61.9	58.6	6%
Latin America	6.4	6.4	0%	31.8	52.4	-39%
Western Europe	8.2	9.2	-11%	35.3	36.3	-3%
Africa/Middle East	13.4	16.9	-21%	56.9	48.1	18%
Total	99.5	106.6	-7%	420.7	422.9	-1%
Net sales by product, SEK million						
Instruments	35.1	41.1	-15%	150.2	168.6	-11%
Consumables own instruments	41.0	39.7	3%	171.2	156.0	10%
Consumables OEM and CDS-brand	14.6	17.7	-18%	58.1	64.9	-11%
Other	8.8	8.1	9%	41.2	33.4	24%
Total	99.5	106.6	-7%	420.7	422.9	-1%

INVESTMENTS

Total investments amounted to SEK 6.3 million (0.8), of which SEK 5.5 million (0.6) relates to investments in the development of future platforms.

EQUITY AND LIABILITIES

Group equity on March 31, 2018, totaled SEK 278.2 million (236.6) and equity/asset ratio was 66 percent (63).

Interest bearing liabilities, primarily accounts receivable financing through EKN, amounted to SEK 70.2 million (61.2) on March 31, 2018. SEK 23.5 million (27.7) of the interest-bearing liabilities were non-current and SEK 46.7 million (33.5) were current. At March 31, 2018, other non-interest-bearing current liabilities and accounts payable totaled to SEK 62.7 million (74.5).

The net cash on March 31, 2018, amounted to SEK 117.3 million (81.3).

At the end of the period, deferred tax assets and deferred tax liabilities totaled SEK 0.0 million (0.7) and SEK 10.2 million (5.9) 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 global market of decentralized hematology diagnostics is valued at around SEK 6 billion of which Boule has a market share of around 8 percent.

SIGNIFICANT RISKS AND UNCERTAINTIES

The Group's operations are subjected 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.

There is no guarantee that the company's operations will not be subjected to restrictions by government agencies or that 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. The company is also exposed to customers who are unable to pay and the possibility of the company being unable to finance its operations.

Boule is currently exposed to currency exchange risks. +/- 10 percent of the exchange rate USD/SEK affects the net sales by +/- SEK 20 million and net profit by +/- SEK 4 million. We are continuously working on operationally reducing our exchange rate exposure.

For a more detailed description of the risks, see the Annual Report for 2017. Compared with the Annual Report, the risks are deemed to remain unchanged.

TRANSACTIONS WITH RELATED PARTIES

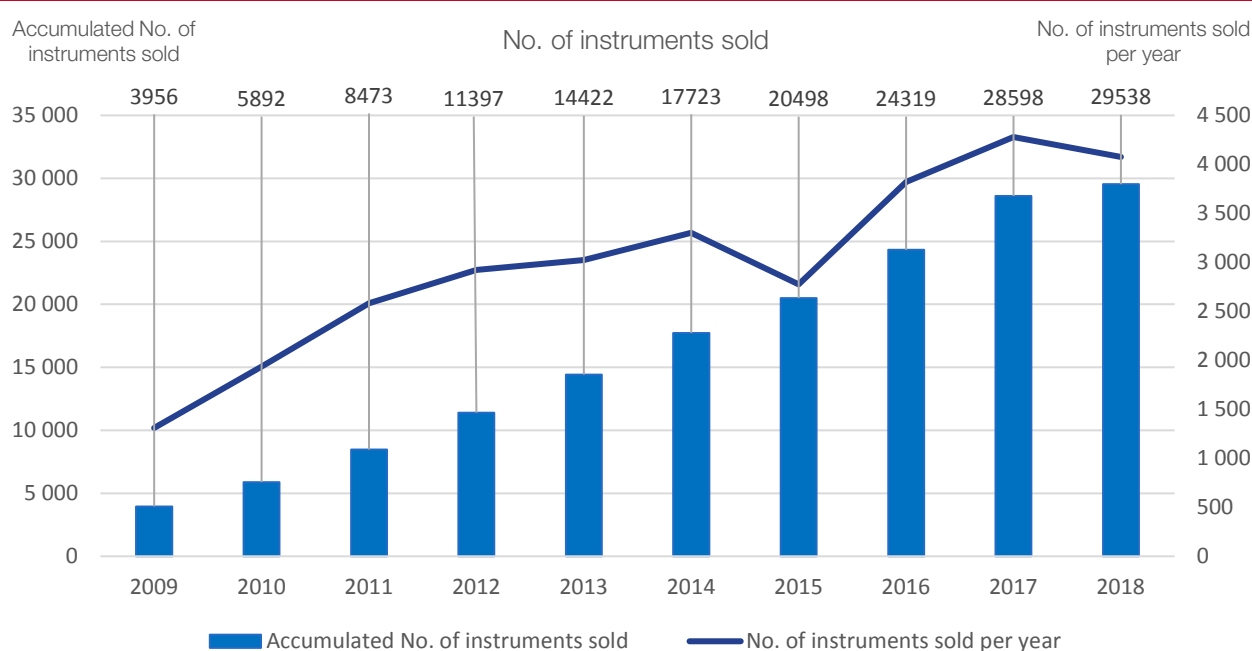
There were no transactions with related parties in this period.

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.



* No. of instruments sold 2018 is presented as rolling 12 months.

NUMBER OF SHARES

The number of shares and votes in Boule Diagnostics AB has remained unchanged during the quarter and as of March 31, the total number of shares and votes amounted to 4,854,138.

Shareholders March 31, 2018 (and thereafter known changes)	Number of shares	Proportion of capital/votes
AB Grenspecialisten	518,317	10.68%
Svolder AB	515,000	10.61%
SEB Asset Management	472,694	9.74%
Thomas Eklund incl. companies	449,638	9.26%
Swedbank Robur Fonder AB	446,440	9.20%
Tredje AP-fonden	356,000	7.33%
Handelsbanken Fonder	265,591	5.47%
Länsförsäkringar Småbolag Sverige	177,356	3.65%
SSB Client Omnibus	149,103	3.07%
Société Générale	143,083	2.95%
CBNY-Norges Bank	105,314	2.17%
Andra AP-Fonden	98,194	2.02%
Other shareholders (1,292)	1,157,408	23.84%
Total number of shares	4,854,138	100.00%
No. of options outstanding ex. hedging	122,631	
Total number of shares incl. options	4,976,769	

OPTIONS

Following a resolution by the 2017 Annual General Meeting, the company has determined to issue a maximum of 122,631 options. Each option entitles the

holder to buy one share at a price of SEK 390 per share by 30 December 2020 at the latest. The options can be acquired by employees at the market value. The market value has been set by the Black & Scholes pricing model and the currently value is SEK 16.90 per option. There are no restrictions on transferring the options. The CEO has been awarded, and has acquired on market terms, 48,631 of these options. An additional 10,000 options have been awarded or been acquired at market value. There are 64,000 options outstanding for future allocation.

PERSONNEL

The average number of employees in the Group during the period was 160 (174) including 9 (9) at the Parent Company. By country the average number in Sweden was 82 (76), USA 76 (81), China 0 (16), Mexico 2 (1). The average number of women in the Group was 68 (66) the average number of men was 92 (108).

FORWARD-LOOKING INFORMATION

Forward-looking information in this report is based on the company's expectations at the point in time of publishing. Though Boule considers these expectations reasonable, there are no guaranties that the expectations are, or will be, correct. Therefore, future results may vary significantly from the presented forward-looking information depending on among other things; demand for the company's services and products, more general market conditions such as changes in the world economy, rules and regulations or fluctuation in exchange rates. Boule does not assume any obligation to update or correct such forward-looking information except as is required by applicable laws.

This interim report has not been reviewed by the company's auditor.

The Board of Directors and the President and CEO certify that this interim report provides a fair and accurate review of the operations, financial position and earnings of the Parent Company and the Group and that it describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm May 14, 2018
Boule Diagnostics AB

Peter Ehrenheim
Chairman of the Board

Thomas Eklund
Board member

Fredrik Dalborg
President and CEO

Karin Dahllöf
Board member

Jon Risfelt
Board member

Consolidated statement of comprehensive income and other comprehensive income

SEK million	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Net sales	99.5	106.6	427.8
Cost of goods sold	-52.9	-55.8	-225.1
Gross profit	46.5	50.8	202.7
<i>Gross margin</i>	<i>46.8%</i>	<i>47.6%</i>	<i>47.4%</i>
Other operating revenues	3.8	0.4	5.2
Selling and marketing expenses	-19.0	-22.5	-88.1
Administrative expenses	-5.3	-6.6	-27.4
Research and development expenses	-4.6	-9.4	-31.7
Other operating expenses	-2.6	-0.7	-6.3
Operating profit/loss	18.8	12.0	54.4
<i>Operating margin</i>	<i>18.9%</i>	<i>11.2%</i>	<i>12.7%</i>
Financial income	0.2	0.1	2.6
Financial expenses	-0.2	-0.2	-2.3
Exchange rate differences	0.4	-0.3	-1.2
Net financial items	0.3	-0.4	-1.0
Profit/loss before tax	19.1	11.6	53.3
Income tax	-4.2	-2.9	-16.1
Net profit/loss	14.9	8.7	37.2
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	-0.3	-2.0	-9.4
Other comprehensive income/loss for the period	-0.3	-2.0	-9.4
Total comprehensive income/loss for the period	14.6	6.7	27.9
Earnings per share, before dilution, SEK	3.08	1.84	7.67
Earnings per share, after dilution, SEK	3.08	1.79	7.67

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

Consolidated statement of financial position

SEK million	Mar 31 2018	Mar 31 2017	Dec 31 2017
Assets			
Fixed assets			
Intangible assets			
Capitalized development expenses	35.6	24.4	30.6
Goodwill	74.1	77.9	73.2
Total intangible assets	109.6	102.4	103.8
Tangible fixed assets			
Plant and machinery	2.3	3.7	2.6
Equipment, tools, fixtures and fittings	9.6	11.3	9.2
Leasehold improvements	4.9	4.1	4.9
Total tangible fixed assets	16.8	19.1	16.6
Financial fixed assets			
Long-term accounts receivables (guaranteed 75-95 % by EKN)	33.2	29.9	31.5
Deferred tax assets	0.0	0.7	0.3
Total financial fixed assets	33.2	30.6	31.8
Total fixed assets	159.7	152.1	152.2
Current assets			
Inventory			
Raw materials and supplies	33.9	41.2	27.0
Intermediate goods	3.7	3.9	3.9
Finished goods and goods for resale	8.8	18.6	19.8
Total inventory	46.4	63.8	50.8
Current receivables			
Tax assets	2.0	1.8	2.1
Accounts receivable	48.1	40.1	56.6
Accounts receivable (guaranteed 75-95 % by EKN)	49.6	46.6	47.9
Other receivables	2.2	3.6	4.3
Prepaid expenses and accrued income	8.7	4.3	3.4
Total current receivables	110.5	96.3	114.3
Cash and cash equivalents	104.7	65.9	99.2
Total current assets	261.6	226.1	264.3
Total assets	421.3	378.2	416.5

Consolidated statement of financial position (cont.)

SEK million	Mar 31 2018	Mar 31 2017	Dec 31 2017
EQUITY			
Share capital	4.9	4.7	4.9
Other contributed capital	201.2	190.6	201.2
Translation reserve	8.2	15.9	8.5
Retained earnings including net profit/loss for the period	64.0	25.5	47.2
Total equity	278.2	236.6	261.8
LIABILITIES			
Long-term liabilities			
Long-term interest-bearing liabilities	0.9	2.0	0.8
Long-term interest-bearing liabilities (of EKN guaranteed receivables)	22.6	25.7	26.0
Deferred tax liabilities	10.2	5.9	9.4
Total long-term liabilities	33.7	33.5	36.1
Current liabilities			
Current interest-bearing liabilities	14.1	1.1	1.3
Current interest-bearing liabilities (of EKN guaranteed receivables)	32.6	32.4	37.4
Accounts payable	19.3	19.3	24.5
Tax liabilities	9.5	3.9	9.4
Other liabilities	6.7	12.9	7.4
Accrued liabilities and deferred income	26.1	37.4	37.7
Provisions	1.0	1.0	1.0
Total current liabilities	109.4	108.0	118.6
Total liabilities	143.0	141.5	154.7
Total equity and liabilities	421.3	378.2	416.5

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, 2017	4.7	190.6	17.8	16.6	229.8
Total comprehensive income/loss for the period					
Net profit/loss for the period				8.7	8.7
Other comprehensive income for the period			-2.0		-2.0
Total comprehensive income/loss for the period			-2.0	8.7	6.7
Transactions with shareholders					
Option programs				0.1	0.1
Dividends					0.0
Equity, closing balance, Mar. 31, 2017	4.7	190.6	15.9	25.4	236.6
Equity, opening balance, Jan. 1, 2018	4.9	201.2	8.5	47.2	261.8
Total comprehensive income/loss for the period					
Net profit/loss for the period				14.9	14.9
Other comprehensive income for the period			-0.3	1.8	1.5
Total comprehensive income/loss for the period			-0.3	16.9	16.4
Transactions with shareholders					
Option programs					0.0
Dividends					0.0
Equity, closing balance, Mar. 31, 2018	4.9	201.2	8.2	64.0	278.2

Consolidated cash flow statement

SEK million	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Operating activities			
Operating profit/loss	18.8	12.0	54.4
Adjustments for non-cash items	2.2	2.1	11.2
Interest received	0.2	0.0	2.6
Interest paid	-0.2	-0.1	-2.3
Income tax paid	-3.1	-0.5	-3.8
Cash flow from operating activities before changes in working capital	18.0	13.6	62.0
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventory	4.0	-5.1	6.2
Increase (-)/Decrease (+) in operating receivables	6.1	17.0	-1.7
Increase (-)/Decrease (+) in operating receivables (guaranteed by EKN)	-3.5	-7.9	-12.9
Increase (+)/Decrease (-) in operating liabilities	-18.2	0.9	4.0
Cash flow from operating activities	6.3	18.5	57.7
Investing activities			
Acquisition of tangible fixed assets	-0.8	-0.2	-4.6
Investments in capitalized development expenses	-5.5	-0.6	-9.5
Cash flow from investing activities	-6.3	-0.8	-14.1
Financing activities			
New share issue	0.0	0.0	10.7
Loans raised	0.0	0.0	0.0
Amortization of loans	0.2	-2.7	-3.9
Increase (+)/Decrease (-) in current financial liabilities (EKN financing)	5.2	7.5	12.8
Increase (+)/Decrease (-) in current financial liabilities	0.0	-1.0	-0.8
Dividends	0.0	0.0	-6.6
Cash flow from financing activities	5.4	3.9	12.2
Cash flow for the period	5.4	21.6	55.9
Cash and cash equivalents at the beginning of the period	99.2	44.6	44.6
Exchange rate differences in cash and cash equivalents	0.1	-0.2	-1.3
Cash and cash equivalents at the end of the period	104.7	65.9	99.2

Parent Company income statement

SEK million	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Net sales	4.2	5.7	20.6
Administrative expenses	-4.9	-4.4	-28.6
Other operating expenses	-1.4	-1.4	-3.8
Operating profit/loss	-2.2	-0.1	-11.8
Profit/loss from financial items	0.0	0.0	0.0
Profit/loss after financial items	-2.2	-0.1	-11.9
Group contribution	0.0	0.0	29.4
Profit/loss before tax	-2.2	-0.1	17.5
Tax	0.0	0.0	-4.7
Net profit/loss	-2.2	-0.1	12.8

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

Parent Company balance sheet

SEK million	Mar 31 2018	Mar 31 2017	Dec 31 2017
Assets			
Tangible fixed assets			
Inventory	0.1	0.0	0.0
Total tangible fixed assets	0.1	0.0	0.0
Financial fixed assets			
Shares in Group companies	153.5	157.3	153.5
Deferred tax asset	0.0	4.7	0.0
Total financial fixed assets	153.5	162.0	153.5
Total fixed assets	153.6	162.0	153.5
Current assets			
Receivables from Group companies	64.4	49.0	69.8
Other receivables	1.7	1.6	2.5
Total current receivables	66.1	50.6	72.4
Cash and bank balances	3.7	2.2	2.7
Total current assets	69.8	52.8	75.0
Total assets	223.5	214.9	228.5
Equity and liabilities			
Total equity	211.6	196.7	213.8
Long-term liabilities			
Long-term interest-bearing liabilities	0.0	0.0	0.0
Current liabilities			
Current interest-bearing liabilities	0.0	0.0	0.0
Liabilities to Group companies	2.3	0.6	0.7
Other liabilities	9.6	17.6	14.1
Total current liabilities	11.9	18.2	14.8
Total liabilities	11.9	18.2	14.8
Total equity and liabilities	223.5	214.9	228.5

NOTE 1 ACCOUNTING POLICYS

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, 2017. The accounting policies match the policies applied in the preceding fiscal year with the exceptions of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers. For all financial assets and liabilities carrying amount is a good approximation of fair value. The interim information found on page 1-6 is an integrated part of this financial report that comprises page 1-16.

New accounting standards

The new accounting standard IFRS 9, Financial instruments, was published in its entirety in July 2014 and replaces IAS 39 Financial instruments: Recognition and measurement. The standard was approved by the EU in November 2016. The standard brings together all aspects of the reporting of financial instruments (except for macro-hedging); classification, valuation, impairment and hedge accounting. The categories of classification of financial assets contained in IAS 39 are replaced by two categories, where valuation is carried at fair value or amortized cost. The impairment model, that in IAS 39 was based on incurred losses, is in IFRS 9 based on expected losses, which requires an earlier recognition of impairment losses on receivables and loans. Hedge accounting has been improved in IFRS 9 so that the effect of how a company manages financial instrument risks is more clearly reflected in the financial statements. The Group applies IFRS 9 retrospectively from January 1, 2018, using the practical relief rules specified in the Standard, that Boule deems applicable. The comparative figures for 2017 have not been restated. The transition to IFRS 9 has not affected the valuation of the Group's financial instruments as the Group already classifies financial assets in accordance with IFRS 9 and has no liabilities recognized at fair value through profit or loss. Boule lacks hedging conditions. With the new impairment model in IFRS 9, provision for credit losses on primarily accounts receivable is brought forward. IFRS 9 did not affect Boule's credit loss reserves. The Parent Company was not affected by IFRS 9. Further information will be provided in the Annual Report for 2018.

Financial assets

Starting on January 1, 2018, Boule's financial assets are classified in the following categories:

- Financial assets at fair value (either through profit or loss or through other comprehensive income), and
- financial assets measured at amortized cost.

Currently, Boule only has financial assets of the latter category. The classification depends on the business model for managing financial assets and the contractual terms of the assets' cash flows.

Impairment

At the end of each reporting period, Boule assess if objective proof exists for the need for impairment of debt instruments recognized at amortized cost.

In accordance with the rules in IFRS 9, the Group applies a simplified method of impairment testing of accounts receivable which means that expected customer losses should be reported when the underlying receivables are included in the balance sheet. The Group currently has no receivables other than accounts receivable and cash and cash equivalents which are valued at amortized cost.

IFRS 15 Revenue from contracts with customers is a comprehensive principle-based standard for all revenue recognition, regardless of type of transaction or industry, which replaces all previously published standards and interpretations that deal with revenue recognition. Revenue according to IFRS 15 is reported when the customer receives control of the item or service sold instead of when significant risks and benefits have passed to the customer. The Group applies a prospective retroactive approach which means that the cumulative effect of the transition is recognized in the balance sheet as of January 1, 2018 and that the comparative figures are not restated. The implementation of IFRS 15 has not affected Boule's revenue streams, and consequently neither the consolidated financial statements. The financial impact is SEK 0. IFRS 15 has resulted in increased disclosure requirements regarding the disaggregation of revenues, Boule's revenues are presented disaggregated by product category and by region, see Note 3. The Parent Company was not affected by IFRS 15. Further information will be provided in the Annual Report for 2018.

Revenues

- Sales of goods**
Sales of goods consist of the company's manufactured goods; instruments, consumables and spare parts. Revenues from the sales of goods are recognized in the income statement when the control of the goods has been transferred to the buyer. The majority of all invoices are sent at the time of shipping. Boule uses the terms of delivery EXW, CPT CIP as they are defined in Incoterms.
- Sales of services**
Boule sells services related to the previously sold instruments. Revenues from the performance of services are recognized based on the fulfillment of the performance obligation on the end of the reporting period. If there are significant uncertainties regarding payments, associated costs or product returns, no revenue is recognized. Revenue is reported at the fair value of what the company has received or expects to receive, less discounts.

New standards not yet applied

IFRS 16 Leases were published by the IASB in January 2016 and were approved by the EU in October 2017. IFRS 16 replaces IAS 17 Leases and associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities referring to all leasing agreements, with some exceptions, are recognized in the balance sheet. This accounting is based on the view that the lessee has the right to use an asset during a specific period of time and at the same time an obligation to pay for this right. The accounting for the lessor will remain unchanged in all material respects. When applying IFRS 16, companies can choose full retroactive application or a variation with relief rules. The standard is mandatory to apply for fiscal years beginning January 1, 2019 or later. However, earlier application is permitted for companies applying IFRS 15. Boule will apply the standard from the fiscal year starting on January 1, 2019. Boule estimates that IFRS 16 will affect the Group's financial statements and intend to evaluate the effects more closely during the second half of 2018.

NOTE 2 PLEDGED ASSETS AND CONTINGENT LIABILITIES

March 31, SEK million	Group		Parent company	
	2018	2017	2018	2017
Pledged assets	146.2	140.8	85.8	85.8
Contingent liabilities	0.0	1.8	68.4	60.5

NOTE 3 DISAGGREGATION OF REVENUE

Revenue by region SEK million	Jan-Mar 2018	Jan-Mar 2017	Change	Apr 17- Mar 18 (R12)	Apr 16- Mar 17 (R12)	Change (R12)
USA	32.9	33.8	-3%	126.8	130.8	-3%
Asia	25.3	26.6	-5%	108.0	96.7	12%
Eastern Europe	13.3	13.6	-2%	61.9	58.6	6%
Latin America	6.4	6.4	0%	31.8	52.4	-39%
Western Europe	8.2	9.2	-11%	35.3	36.3	-3%
Africa/Middle East	13.4	16.9	-21%	56.9	48.1	18%
Total	99.5	106.6	-7%	420.7	422.9	-1%
Revenue by product SEK million	Jan-Mar 2018	Jan-Mar 2017	Change	Apr 17- Mar 18 (R12)	Apr 16- Mar 17 (R12)	Change (R12)
Instruments	35.1	41.1	-15%	150.2	168.6	-11%
Consumables own instruments	41.0	39.7	3%	171.2	156.0	10%
Consumables OEM and CDS-brand	14.6	17.7	-18%	58.1	64.9	-11%
Other	8.8	8.1	9%	41.2	33.4	24%
Total	99.5	106.6	-7%	420.7	422.9	-1%

Quarterly overview

	2018	2017				2016			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net sales, SEK million	99.5	107.2	109.7	104.3	106.6	104.6	107.5	101.0	83.6
Gross profit, SEK million	46.5	51.5	56.8	43.6	50.8	48.9	54.5	47.7	42.3
Gross margin, %	46.8	48.0	51.8	41.8	47.6	46.8	50.2	46.8	50.1
EBITDA, SEK million	20.5	18.8	30.2	1.4	14.1	5.7	25.5	13.3	10.4
EBITDA margin, %	20.7	17.5	27.5	1.3	13.2	5.4	23.7	13.2	12.3
EBIT, SEK million	18.8	14.9	28.2	-0.7	12.0	1.3	24.8	12.6	8.4
EBIT margin, %	18.9	13.9	25.7	-0.7	11.2	1.2	23.1	12.5	9.9
Profit after tax, SEK million	14.9	8.1	21.6	-1.1	8.7	1.5	19.3	9.0	6.3
Earnings per share before dilution, SEK	3.08	1.67	4.51	-0.24	1.84	0.31	4.11	1.91	1.33
Earnings per share after dilution, SEK	3.08	1.67	4.48	-0.24	1.79	0.30	4.02	1.89	1.33
Cash flow from operating activities per share, SEK	1.30	4.99	2.11	4.96	3.93	2.53	2.70	-0.24	1.30
Return on equity, %	5.5	3.2	9.2	-0.5	3.7	0.6	9.1	4.5	3.3
Net debt/EBIT (R12)	-1.9	-2.1	-2.2	-1.9	-1.6	-1.2	-0.9	-0.8	-0.9
Equity/assets ratio, %	66	63	65	66	63	63	65	66	68

Definitions (boule.com)

USE OF KEY PERFORMANCE INDICATORS NOT DEFINED IN IFRS

The Boule Group report is prepared in accordance with IFRS. IFRS only defines a few key performance indicators. Boule applies the ESMA (European Securities and Market Authority) guidelines for alternative key performance indicators (Alternative Performance Measures). In brief, an alternative performance measure is a financial measure of historical or future earnings development, financial position, or cash flow that is not defined or specified in IFRS. In order to support management's and other stakeholders' analysis of the Group's development, Boule reports some key performance indicators that are not defined in IFRS. Management believes that this information will facilitate an analysis of the Group's development. This additional data acts as a complement to IFRS and does not replace the key performance indicators defined in IFRS. Boule's definitions of metrics not defined in IFRS shown on page 14 may differ from those of other companies. Calculations of all key performance indicators may be reconciled against items in the income statement and balance sheet.

Growth in sales is the net sales of the period divided by the net sales of the comparative period, expressed as a percentage change

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

Working capital is inventories, accounts receivable (non-current and current) and cash less accounts payable

Interest coverage ratio is operating profit plus financial income divided by financial expenses

Net debt is interest-bearing liabilities less interest-bearing assets

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 period after tax divided by average equity

About Boule Diagnostics

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 sale of over SEK 400 million 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 Mexico. Since 2011, Boule shares have been listed on the Nasdaq Stockholm.

VISION

Improving health for everyone, everywhere.

MISSION

We work closely with our customers and partners to provide user friendly, high quality, near patient diagnostics solutions everywhere in the world.

BUSINESS CONCEPT

We efficiently develop, manufacture and provide complete solutions for the human and veterinary markets.

FINANCIAL TARGETS

Boule should achieve:

- An annual operating margin (EBIT-margin) above 15 percent.
- Average long-term growth in sales above 10 percent per year.
- Net debt (interest bearing debts minus cash and cash equivalents) no greater than three times operating profit (EBIT) on an annualized basis.

STRATEGIES

- Protect and grow our core business: Continued efficiency improvements and capacity expansion, developing and launching next generation product platforms
- Grow in emerging markets: Evolving distributor relationships and strengthening local presence.
- Grow in new customer segments and markets: Resource, sales approaches and partnerships to enter new customer segments and geographical markets.
- Evolve OEM and CDS brand business: Selective initiatives in profitable growth segments.
- Broaden the product portfolio: Develop new product platforms and broaden the product portfolio through partnerships and acquisitions.

Boule as an investment

BUSINESS MODEL

Boule offers a broad portfolio of high quality blood diagnostics instruments, consumables and services to small and mid-sized health-care units all over the world.

GROWTH

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

DIVIDEND

The general goal of the Boule board is to give shareholders a dividend that reflects both a good direct return and dividend growth. The annual dividend should correspond to 25-50 percent of profit for the period, after taking due consideration to company liquidity.

Our systems



Medonic



Swelab



Quintus



Exigo H400



Exigo C200

Information to shareholders

CALENDER

Annual General Meeting 2018	2018-05-14
Interim report second quarter	2018-08-15
Interim report third quarter	2018-11-06

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This information is information that Boule Diagnostics AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above at 15:00 CET on May 14, 2018.