

Record sales for the quarter and good profit growth

Net sales for Q4 2021 were SEK 140 million, corresponding to growth of 51 percent compared with the same period the previous year. This is also SEK 9 million better than the previous record quarter, Q3 2019. Although all markets are still affected by the pandemic, Boule sees a positive trend in both sales and order intake. Sales of consumables increased by 47 percent compared with the previous year and by 23 percent compared with Q3 2021, and are now above the pre-pandemic level. This was also a record quarter in terms of the number of instruments delivered and OEM sales, with revenue increase of 45 percent and 110 percent respectively compared with the previous year. This growth is due to a recovery after the pandemic, continued growth in our OEM business and the fact that our market efforts in the Middle East and Africa are starting to generate results.

The shortage of electronic and other components continued to present significant challenges for our production. Thanks to hard work, we have managed to deliver, but this has also led to increased costs, affecting both the gross margin and other operating expenses. The gross margin for the quarter was 41.2 percent, and was also affected by a product mix with a higher proportion of instruments to India and increased OEM sales.

Operating profit was SEK 13.8 million, corresponding to an operating margin of 9.9 percent. The result has been adversely affected by additional costs for components, overtime, redesigns and higher transport costs corresponding to approximately SEK 6 million.

Operating cash flow was SEK 12 million. During the quarter, SEK 15 million was invested in Boule's new product platform.

Fantastic result from the entire organization and our partners during 2021

Being able to deliver our best-ever quarterly sales during an ongoing pandemic is possible thanks to the hard work of all my colleagues and solid cooperation with all our partners. I want to thank everyone for their fantastic efforts during a challenging year. We have seen gradual improvements every quarter in 2021. However, the real increase did not come until the fourth quarter, even though the challenges in the supply chain remained. For the full year, sales increased by 16% to SEK 463 million and operating profit was SEK 36 million, corresponding to an operating margin of 7,8 percent. I am very proud of the way we handled all the challenges during the last year.

Highly positive development of the OEM business

Boule is one of the few manufacturers that develops and manufactures instruments, reagents, blood tests and calibrators. This makes us a sought-after partner for other manufacturers too, which is a competence that we are working strategically to leverage. The OEM business, in which we sell consumables to other manufacturers, has grown by 43 percent for the full year 2021, largely due to the contract signed in 2020. Our OEM customers are announcing increasing sales forecasts for 2022.



A milestone in our transition to the new IVDR European regulatory framework

The new regulatory framework in Europe, the IVDR, will be introduced in May 2022. The introduction of the IVDR passed an important milestone in November, when a second and final audit of Boule's quality system was completed with zero non-conformances. It was extremely encouraging to receive recognition of the work the organization has put in over a long period to adapt the quality system.

The proposed deferral of the phased introduction of the IVDR for certain risk classes of products has now been adopted by the EU. Boule will update the product documentation for certain products with a lower risk classification, referred to as self-certification, during 2022. For older products with a higher risk classification, the IVDR transition deadline is May 2027.

Good momentum with new product platform and innovation

Our new hematology platform is approaching the final design for the first instrument, an advanced 5-part system for the global human market. Here too, the availability of materials and components to build the instruments for clinical validation is a challenge. The timeline for the start of the clinical validation of instruments and consumables

has been pushed forward slightly, and with it also the launch, which will now be in early 2023.

The new platform also includes a cloud-based infrastructure and services based on it. This is on track for a planned launch in late 2022, when some of the existing active instruments will be able to take advantage of the new service offering.

The portfolio will be continuously upgraded based on the new platform, with new product and service offerings over the next 2-5 years.

Annette Colin new CFO

In April, Annette Colin takes over as CFO from Christina Rubenhag, who is moving on to become CFO of Addlife. I would like to thank Christina for her excellent cooperation and for her contribution to Boule's development and I wish her all the best for the future. At the same time, I am delighted to welcome Annette to Boule. Annette has broad experience in leading finance organizations in global companies and in strategic change management and will be a key person in Boule's further development.

We start 2022 with a well-filled order book

It is difficult to predict the market development for 2022. However, most signs point to a continued recovery, even if challenges with disturbances with components and logistics persist. Boule has a large number of active instruments in developing countries that have low vaccination rates. In the slightly longer term, we expect test volumes to return to more normal levels in these countries too, which will contribute to increased sales of consumables and improved profitability.

As a company, we continue to adapt to ever-changing conditions. In early 2022, we are increasing our prices to our distributors in order to reduce the margin impact of higher prices of materials and additional costs in the logistics chain. In 2021, we have worked purposefully to strengthen Boule's market presence and manage the impact of the pandemic in parallel with our strategic development projects. Our commercial team and distributors have been successful in generating and securing business over the last year, significantly increasing the order intake. Some of the order backlog from the fourth quarter will be carried into the new year, which we start with a much larger than normal order book. We see profitability continuing its gradual improvement, with increasing volumes and a world that is returning to normality. We leave 2021 a stronger company and look forward to what appears to be a promising 2022.



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