

Interim report Q3 2023

Increased net sales and positive cash flow

Quarter July-September 2023

- ▶ Net sales amounted to SEK 139.6 million (125.6), an increase of 11.2 percent. Adjusted for currency effects, an increase of 4.3 percent.
- ▶ Gross profit was SEK 57.8 million (51.1), corresponding to a gross margin of 41.4 percent (40.7).
- ▶ Operating profit was SEK 7.9 million (3.6), corresponding to an operating margin of 5.7 percent (2.9).
- ▶ Profit for the period amounted to SEK 4.6 million (2.4).
- ▶ Basic earnings per share amounted to SEK 0.12 (0.09) and diluted earnings per share amounted to SEK 0.12 (0.09).*

Key figures	Jul-Sep 2023	Jul-Sep 2022	Jan - Sep 2023	Jan - Sep 2022	Oct 22 - Sep 23	Oct 21 - Sep 22
Sales growth, %	11.2	12.4	6.1	23.5	6.2	-4.9
Net sales, SEK million	139.6	125.6	423.2	398.9	572.4	539.2
Gross margin, %	41.4	40.7	43.4	40.4	43.8	40.6
Operating profit (EBIT), SEK million	7.9	3.6	28.8	18.9	38.8	32.7
Operating margin (EBIT), %	5.7	2.9	6.8	4.7	6.8	6.1
Profit after tax, SEK million	4.6	2.4	16.5	9.8	19.4	27.1
Net cash (+) net debt (-), SEK million	12.7	-73.7	12.7	-73.7	12.7	-73.7
Return on equity, %	0.9	0.7	3.4	3.1	4.1	8.7
Net cash (+) net debt (-)/EBIT (R12), times	0.3	-2.2	0.3	-2.2	0.3	-2.2
Diluted earnings per share, SEK*	0.12	0.09	0.43	0.36	0.13	0.25
Cash flow from operating activities, SEK million	27.8	-15.8	22.3	-24.7	35.6	-12.9

* Fund issue elements from the new share issue in Q4 2022 has been taken into account in the calculation of earnings per share before and after dilution, which is why the comparative figures have been recalculated.

Net sales and operating profit, rolling 12 months



A word from the CEO

Growth in a challenging market and strengthened operating cash flow

We are delivering good growth in most markets. The strongest growth is in Latin America, where we won a significant strategic order. This order was accepted at a lower price, which puts pressure on the gross margin; on the other hand, we ensure recurring sales of consumables for many years to come. In Western Europe, we are growing thanks to the start of sales of our new veterinary instrument. In Asia, sales are flat but there is great potential, especially in India. We continue to decline in Eastern Europe as a result of Russia's war in Ukraine. OEM sales of consumables increased by 21 percent in the quarter and have grown by 12 percent in the first nine months.

Despite conflicts and economic instability globally, we have managed to compensate for reduced sales in some markets with new business in others, delivering growth of 4 percent after currency adjustments.

Financial performance

Cash increased by SEK 7 million during the quarter. Operating cash flow was SEK 28 million as a result of lower accounts receivable and reduced inventory.

The gross margin improved by 0.7 percentage points despite a product mix in the third quarter of both a significantly higher share of instruments, where the margin is lower, and the instrument business in Latin America at lower prices. For the first nine months of the year, the gross margin improved by three percentage points compared to the same period last year.

We have initiated a couple of major projects to reduce production costs, particularly in our Swedish operations. The investments will deliver gradual reductions in manufacturing costs in 2024.

New business initiatives in India

During the quarter, we signed a license agreement for instrument manufacturing in India. The production transfer is expected to take approximately one year. India is an emerging market where significant investments are being made in the health sector by the Indian government.

The decision to establish local licensed instrument production in India, in addition to the reagent production already started, was taken because of increasingly strict "make in India" requirements in public procurement. In addition, we benefit from shorter lead times, reduced costs, and a lower environmental impact from transportation. The instruments that will be produced in India are slightly simpler and are built using proven technology from our older instruments. In the coming years, sales to India will gradually shift to license revenues, which will increase gross profit and improve margins, but reduce net sales.

Investments and future growth

In the near future, we see good opportunities to increase sales to veterinarians thanks to our expanded product portfolio, which now includes both 4-part and 5-part hematology instruments. The partnership with Fujifilm Europe has increased our market reach to veterinarians.

Our strategically important platform project made major advances during the quarter. The improvements identified in the spring have now been implemented, and we are entering the final phase of development. The focus is now on preparing the external clinical validation to be carried out in the first half of 2024.

During the third quarter, SEK 21 million was invested in the new platform, an increase of SEK 3 million compared to the previous quarter. The increase is due to more purchases of materials for preproduction, investments in production tools and preparation of regulatory applications. The investment rate will decrease in the coming years as a consequence of the first 5-part product approaching completion. The launch will start in 2024, and revenues are expected to take off in 2025.

With new distributors in Africa and the Middle East, continued improvements in our customer offering and expanded service, we can partly compensate for lower sales in regions where there is conflict and economic instability.

Our commitment to training through our Boule Academy service is paying off. Participation is increasing, and our courses have received overwhelmingly positive feedback, strengthening the Boule brand.

The war and unrest in different parts of the world are affecting our sales, and we are working tirelessly to adapt. Thanks to the strong commitment of our staff and partners, we continue to develop our business, even in challenging times.

A handwritten signature in blue ink that reads "Jesper Söderqvist".

Jesper Söderqvist
CEO and Group President

Group performance July-September 2023

Net sales

Net sales for the period amounted to SEK 139.6 million (125.6), which corresponds to an increase of 11.2 percent. Adjusted for currency effects, organic growth increased by 4.3 percent. Sales of the number of instruments increased by 42 percent, and net sales of OEM and CDS Brand increased by 21 percent.

The increased net sales, adjusted for currency effects, is primarily due to more sales of 5-part instruments in Asia and Latin America, as well as more sold instruments in the veterinary segment.

Net sales by region, SEK million	Jul-Sep 2023	Jul-Sep 2022	change	Jan-Sep 2023	Jan-Sep 2022	change	Oct 22 - Sep 23	Oct 21 - Sep 22	change
USA	46.2	39.3	18%	144.9	129.6	12%	205.3	173.3	18%
Asia	38.2	38.0	1%	123.6	113.0	9%	161.0	152.5	6%
Eastern Europe	9.9	16.2	-39%	28.2	46.6	-40%	44.0	65.5	-33%
Latin America	17.0	9.3	83%	43.6	37.3	17%	51.4	45.4	13%
Western Europe	12.8	9.9	29%	33.9	27.6	23%	46.0	38.5	20%
Africa / Middle East	15.5	12.9	21%	49.0	44.8	9%	64.8	63.9	1%
Total	139.6	125.6	11%	423.2	398.9	6%	572.4	539.2	6%

Net sales by product, SEK million

Instruments	49.7	34.9	42%	137.5	122.4	12%	173.6	167.2	4%
Consumables, own instruments	58.2	57.3	1%	173.5	167.5	4%	239.0	227.2	5%
Consumables, OEM and CDS Brand	22.7	18.8	21%	82.2	73.7	12%	121.0	99.8	21%
Other	9.1	14.6	-38%	30.0	35.2	-15%	38.8	45.0	-14%
Total	139.6	125.6	11%	423.2	398.9	6%	572.4	539.2	6%

Gross profit

Gross profit during the period amounted to SEK 57.8 million (51.1), an increase of SEK 6.7 million or 13.1 percent. The gross margin increased by 0.7 percentage points and amounted to 41.4 percent (40.7) during the period.

The supply delivery difficulties that caused significant problems last year have returned to normal levels. Lower margin strategic contracts in Latin America to secure installed base of 5-part instruments negatively impacted gross margin.

Net sales and gross profit



Expenses

Operating expenses for the period, excluding other operating expenses and income, amounted to SEK 44.8 million (46.4), a decrease of SEK 1.6 million.

Selling expenses amounted to SEK 29.4 million (27.4). The increase is attributable to a stronger USD compared to the corresponding period previous year, increased provisions for doubtful receivables and higher costs in service.

Administration expenses amounted to SEK 6.5 million (7.6). The reduction is attributable to reduced use of consultants.

Research and development expenses, including costs related to the quality assurance organization, amounted to SEK 12.7 million (11.4), which corresponds to 9.1 percent (9.1) of net sales. Expenditures for product development have been capitalized with SEK 21.3 million (14.9). Total costs for research and development correspond to 21.6 percent (21.0) of net sales.

Total development expenses have increased by SEK 3.2 million, which is primarily due to increased material purchases for preproduction, investment in production tools and preparation of regulatory applications.

The net of other operating income and other operating expenses amounted to SEK -1.2 million (-1.2) and mainly consists of operational exchange rate effects.

Operating profit

Operating profit amounted to SEK 7.9 million (3.6), corresponding to an operating margin of 5.7 percent (2.9).

Net financial items

Net financial items amounted to SEK -2.6 million (-1.8), primarily consisting of interest expenses of SEK -3.6 million (-3.4).

Earnings

Profit before tax amounted to SEK 5.3 million (1.8). Profit for the period was SEK 4.6 million (2.4). Tax amounted to SEK -0.7 million (0.6).

Financing and cash flow

Cash flow from operating activities for the quarter amounted to SEK 27.8 million (-15.8). The change is mainly attributed to an improved operating profit and a positive development in working capital. Operating receivables, including EKN, decreased by SEK 11.8 million, and inventory decreased by SEK 7.5 million.

The Swedish Export Credit Agency (EKN) guarantees part of Boule's trade receivables to 75-95 percent of the total amount of the receivables. Receivables may be pledged, in which case the liabilities are reported as interest-bearing liabilities. Changes in trade receivables guaranteed by EKN are included in cash flow from operating activities, while changes in other interest-bearing liabilities are reported under cash flow from financing activities.

Cash flow from financing activities amounted to SEK 3.4 million (24.6). Amortization and interest payments for the quarter were paid in October, which had a positive impact on cash flow of SEK 3.7 million.

Cash flow for the period amounted to SEK 8.5 million (-7.8) and cash and cash equivalents as of September 30 amounted to SEK 52.9 million (39.4). The Group's available cash and cash equivalents, including unused bank overdrafts, amounted to SEK 112.1 million (68.0) as of September 30.

Investments

Total investments in the quarter amounted to SEK 22.7 million (16.6), of which capitalized development amounted to SEK 21.3 million (14.9). Capitalized development costs are higher for the quarter compared to last year, but cumulatively for the year they are in line with previous year. The remaining investments are primarily related to investments in tangible fixed assets in the United States.

Equity and liabilities

As of September 30, the Group's equity amounted to SEK 484.7 million (336.4) and the equity/assets ratio was 61.8 percent (48.6).

The interest-bearing liabilities, excluding leasing, relate to the pledged trade receivable guaranteed by EKN and external bank loans, and as of September 30 totaled SEK 160.7 million (225.1). Of these, SEK 48.5 million (47.3) were non-current and SEK 112.2 million (177.8) current. As of September 30, the external bank loans amounted to a total of SEK 38.4 million (107.6). Of these, SEK 23.2 million (11.2) were non-current and SEK 15.2 million (96.4) current. On September 30, the bank overdraft facility was utilized with SEK 0 million (51.1) and other current non-interest-bearing liabilities and trade payables amounted to SEK 101.1 million (99.4).

Lease liabilities as of September 30 amounted to SEK 27.0 million (20.1), of which SEK 13.4 million (11.9) refer to non-current liabilities and SEK 13.6 million (8.2) to current liabilities.

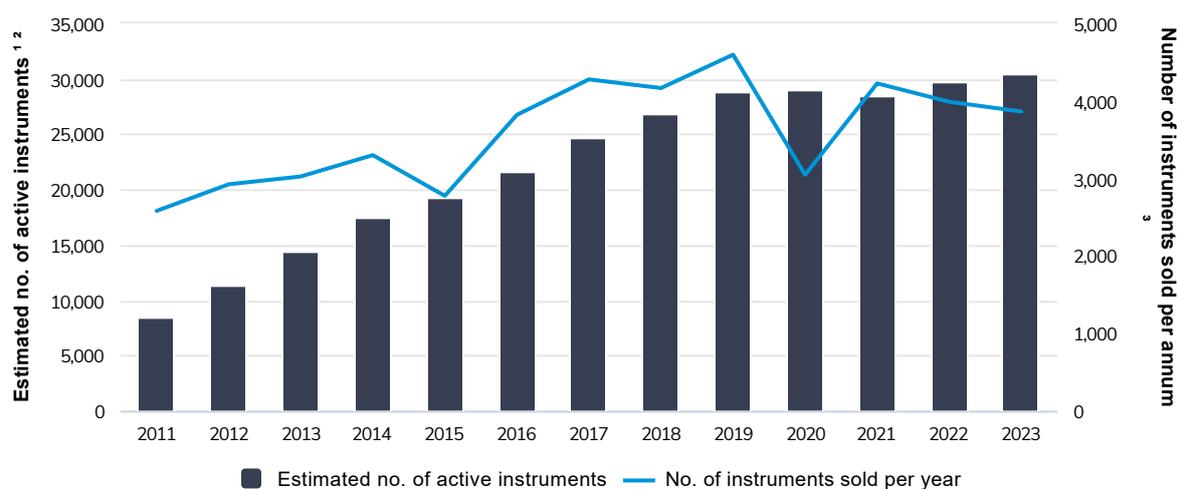
Net cash as of September 30 amounted to SEK 12.7 million (-73.7).

Deferred tax liabilities amounted to SEK 8.1 million (7.3) as of September 30. Non-current provisions consist of direct pension provisions of SEK 3.1 million (3.9).

Inventory of installed base

During the quarter, 1,010 instruments were sold. The estimated life of instruments is 7.5 years for instruments produced starting in 2021. At the end of the quarter, the active installed base is estimated at 30,500 instruments.

Estimated number of active instruments



¹ Estimated active installed base is based on an expected lifespan of 7.5 years.

² Accumulated number of instruments sold since 2006 amount to 51,657 as of September 30, 2023.

³ Number of instruments sold in 2023 refers to sales per rolling 12 month.

Significant risks and uncertainties

Boules operations are subject to risks and uncertainties that may, to a varying extent, affect the ability to achieve defined goals. Boule works continuously with managing the risks and uncertainty factors that exist, as well as with the risk inventory that is the basis for discovering new risks and uncertainty factors. The systematic work is aimed at identifying risks, limiting risk exposure and minimizing any impact should a risk materialize.

In certain markets the central banks have introduced temporary restrictions on payment in foreign currencies, resulting in reduced purchases, delayed payments and postponed deliveries.

The unrest in the Middle East entails increased political and economic risk in these countries, which can negatively impact sales. Furthermore, a changed perception of Sweden in the region could lead to boycotts of Swedish products and services, potentially resulting in adverse effects on Boule's sales, market share, and business opportunities.

Currently, the significant risks and uncertainties are assessed to be in the following areas: regulatory risks, product portfolio risks, distributor risks, production and quality risks, counterfeit reagents, price pressure, supplier risks, market risks and competition, bribery and corruption, currency risks, IT security and IT systems, financing risks and future cash flows, health and safety in the workplace and dependence on key personnel. A more detailed description of risks and opportunities can be found on page 40 in the 2022 Annual report.

Uncertainties due to the war in Ukraine

Boule continues to operate in Russia. Immediately after Russia's attack on Ukraine in the spring of 2022, Boule put in place processes to ensure that all sales and transactions comply with all sanctions. Boule are regularly taking advantage of legal expertise to ensure knowledge of sanctions and their interpretation. Healthcare products are normally not subject to sanctions. Boule is making no new investments but maintaining current business.

However, purchases, transportation and financial transactions are limited by various practical problems, which is why Boule uses third country partners to carry out its activities. All such transactions are signed off in advance by our legal experts to ensure that Boule is in no way in breach of sanctions. Sanctions are constantly changing, so this is a work in progress.

For the full year 2022, Boule's sales in Eastern Europe amounted to 10 percent (13) of net sales, with the majority coming from Russia. In the third quarter of 2023, the corresponding share was 7 percent of net sales. The Group has employees in Russia and a production facility for consumables distributed to the Russian market.

The market in Eastern Europe is very uncertain, given the war in Ukraine and the current sanctions against Russia. A discontinuation or confiscation of the operations in Russia could have a significant negative impact on the Group's future earning capacity and profitability and entail a negative effect on earnings if the value of assets attributable to the Russian operations have to be written down in whole or in part. The consolidated net assets totaled approximately SEK 20 million, of which approximately SEK 6 million was cash and cash equivalents at September 30, 2023. It is estimated that any discontinuation would result in additional costs being incurred.

Tax audit

On October 6th 2022 the Swedish tax authorities have decided to impose increased social security contributions and tax penalties on Boule amounting to approximately SEK 1.6 million, in relation to what they see as incorrectly valued warrants issued to senior executives in the Group. Boule has appealed the decision to the Swedish administrative court ("Förvaltningsrätten").

Boule has received approval of delayed payment and no provision has been recorded.

For further information refer to the Annual report 2022 page 40.

Related-party transactions

Other than remuneration of the Board and senior executives, no related-party transactions have taken place during the period.

Events during the interim period

On September 14, it was announced that Boule is entering into an agreement for local production of instruments in India.

Events after the end of the interim period

There are no significant events to report after the end of the reporting period.

Parent Company

Boule Diagnostics AB (publ), corporate ID 556535-0252, is a Swedish limited liability company with its registered office in Stockholm. The address of the head office is Domnarvsgatan 4, SE-163 53 Spånga, Sweden.

The Parent Company's revenue is derived from Group-wide services. Risks and uncertainties for the Parent Company indirectly correspond with those for the Group.

Employees

The average number of employees in the group during the quarter has been 223 (242), of which 7 (5) were in the Parent Company. Distributed by country, the average number in Sweden was 120 (135), the USA 92 (93), Mexico 2 (2), and Russia 9 (12). The average number of women in the group was 101 (103), and the average number of men was 122 (139). Employees in countries where Boule does not have a legal entity are not included in the number of employees, as they are employed through external companies and are instead included as consultant expenses.

Number of shares

The total number of shares and votes in Boule Diagnostics AB is 38,833,104. After full dilution, the number of shares amounts to 39,013,104.

Shareholders, Sep 30, 2023 (accord. to Euroclear)	Number of shares, Sep 30	Share of capital/votes
AB Grenspecialisten	4,887,268	12.6%
Svolder AB	4,289,159	11.0%
Thomas Eklund incl. company	4,044,700	10.4%
Nordea Investment Funds	3,701,791	9.5%
Swedbank Robur Fonder AB	3,599,292	9.3%
Tredje AP-fonden	3,251,542	8.4%
Skandinaviska Enskilda Banken AB	1,443,527	3.7%
Andra AP-Fonden	1,369,948	3.5%
Sijoitusrahasto Aktia Nordic	992,540	2.6%
Avanza Pension	730,243	1.9%
Société Générale	653,658	1.7%
JP Morgan Chase Bank NA	578,307	1.5%
Other shareholders (2,799)	9,291,129	23.9%
Total number of shares	38,833,104	100.0%

Warrant programs

The board considers that it is urgent and in the interest of all shareholders that the CEO and key employees, who are deemed to be important for the Company's further development, have a long-term interest in a good value development for the share. A personal long-term ownership commitment can be expected to contribute to an increased interest in the operations and profit development, as well as increase the CEO's and key employees' motivation and affinity with the Company and its shareholders. The warrants have been allotted and purchased by employees at market conditions. The market value has been determined using the Black & Scholes option valuation model.

In the event that the warrant holder's employment ends, Boule has the right of first refusal and may choose to exercise that right. The Board has decided to exercise the right of first refusal regarding former employees who purchased warrants in the 2019 program, and 110,638 warrants have accordingly been repurchased since allotment. There are no restrictions on transferring warrants in the programs.

Outstanding programs	Outstanding warrants			Corresponding shares	Proportion of total no. of shares	Exercise price	Exercise period
	CEO	Other	Total				
2020/2023	130,000	50,000	180,000	180,000	0.5%	86.70	1 June 2023- 30 Dec 2023

The Board of Directors and the CEO certify that this interim report provides a true and fair view of the operations, financial position and earnings of the Parent Company and the Group and describes the material risks and uncertainties faced by the Parent Company and the other Group companies.

Stockholm, November 9, 2023

Boule Diagnostics AB

Torben Jørgensen
Chairman of the Board

Thomas Eklund

Karin Dahllöf

Yvonne Mårtensson

Emil Hjalmarsson

Jesper Söderqvist
CEO

Auditor's report

Boule Diagnostics AB (publ), org nr 556535-0225

Introduction

We have reviewed the condensed interim financial information (interim report) of Boule Diagnostics AB (publ) as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 9th of November 2023

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg

Authorized Public Accountant

Consolidated income statement and other comprehensive income

SEK millions	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales	139.6	125.6	423.2	398.9
Cost of sales	-81.8	-74.5	-239.4	-237.7
Gross profit	57.8	51.1	183.8	161.2
<i>Gross margin</i>	41.4%	40.7%	43.4%	40.4%
Other operating income	4.3	8.4	14.6	24.9
Distribution costs	-29.4	-27.4	-87.9	-81.7
Administrative expenses	-6.5	-7.6	-24.2	-24.5
Research and development expenses	-12.7	-11.4	-38.2	-38.1
Other operating expenses	-5.5	-9.6	-19.3	-22.9
Operating profit	7.9	3.6	28.8	18.9
<i>Operating margin</i>	5.7%	2.9%	6.8%	4.7%
Finance income	0.9	1.6	1.5	0.9
Finance costs	-3.5	-3.4	-9.2	-7.0
Net financial items	-2.6	-1.8	-7.6	-6.0
Profit before tax	5.3	1.8	21.2	12.9
Income tax	-0.7	0.6	-4.6	-3.0
Profit for the period	4.6	2.4	16.5	9.8
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified to profit/loss for the period				
Exchange differences on translation of foreign subsidiaries for the period	-2.5	21.0	6.3	41.5
Total other comprehensive income	-2.5	21.0	6.3	41.5
Total comprehensive income for the period	2.1	23.4	22.8	51.3
Basic earnings per share, SEK*	0.12	0.09	0.43	0.37
Diluted earnings per share, SEK*	0.12	0.09	0.43	0.36

* Fund issue elements from the new share issue in Q4 2022 has been taken into account in the calculation of earnings per share before and after dilution, which is why the comparative figures have been recalculated.

As the Group does not have any non-controlling interests, comprehensive income is wholly attributable to owners of the Parent Company.

Consolidated statement of financial position

SEK millions	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Capitalized development expenses	275.2	211.6	225.2
Goodwill	90.9	92.8	88.1
Total intangible assets	366.1	304.3	313.4
Property, plant and equipment			
Right-of-use assets	27.4	20.6	36.7
Plant and machinery	7.9	8.2	7.4
Equipment, tools, fixtures and fittings	15.1	12.4	12.4
Leasehold improvements	4.3	2.5	2.1
Total property, plant and equipment	54.6	43.9	58.6
Financial assets			
Other financial assets	2.9	4.7	3.8
Non-current trade receivables (guaranteed 75-95% by EKN)	50.5	50.8	45.8
Total financial assets	53.5	55.4	49.6
Total non-current assets	474.1	403.6	421.5
CURRENT ASSETS			
Inventories			
Raw materials and supplies	39.6	38.6	31.4
Products in progress	5.4	8.6	6.7
Finished goods and merchandise	30.4	29.4	37.2
Total inventories	75.4	76.7	75.3
Current receivables			
Tax assets	7.9	6.8	7.2
Trade receivables	58.7	52.6	64.2
Trade receivables (guaranteed 75-95% by EKN)	97.0	81.4	79.3
Other receivables	7.5	15.0	4.9
Prepaid expenses and accrued income	11.1	16.7	10.6
Total current receivables	182.3	172.4	166.2
Cash and cash equivalents	52.9	39.4	96.9
Total current assets	310.5	288.5	338.4
TOTAL ASSETS	784.7	692.2	760.0

SEK millions	30 Sep 2023	30 Sep 2022	31 Dec 2022
TOTAL EQUITY AND LIABILITIES			
EQUITY			
Share capital	9.7	4.9	9.7
Other contributed capital	336.2	202.4	336.8
Translation reserve	48.7	58.4	42.5
Retained earnings, including profit for the period	90.1	70.7	73.6
Total equity	484.7	336.4	462.5
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing liabilities	23.2	11.2	32.2
Non-current interest-bearing liabilities (for receivables guaranteed by EKN)	25.3	36.1	29.9
Non-current lease liabilities	13.4	11.9	22.8
Provisions	3.1	3.9	3.1
Deferred tax liabilities	8.1	7.3	8.4
Total non-current liabilities	73.1	70.4	96.4
Current liabilities			
Current interest-bearing liabilities	15.2	96.4	13.0
Current interest-bearing liabilities (for receivables guaranteed by EKN)	97.0	81.4	78.7
Current lease liabilities	13.6	8.2	13.4
Trade payables	43.6	34.9	33.3
Tax liabilities	3.3	4.5	7.6
Other liabilities	15.4	18.9	16.4
Accrued expenses and deferred income	37.3	39.4	37.1
Current provisions	1.5	1.7	1.5
Total current liabilities	226.8	285.4	201.0
Total liabilities	299.9	355.8	297.5
TOTAL EQUITY AND LIABILITIES	784.7	692.2	760.0

Consolidated statement of changes of equity

SEK millions	Share capital	Other contributed capital	Translation reserve	Retained earnings, incl. profit for the period	Total equity
EQUITY, JANUARY 1, 2022	4.9	202.4	17.0	71.5	295.7
Comprehensive income for the period					
Profit for the period				9.8	9.8
Other comprehensive income for the period			41.5		41.5
Comprehensive income for the period			41.5	9.8	51.3
Transactions with shareholders					
Warrant programs					
Dividend				-10.7	-10.7
EQUITY, SEPTEMBER 30, 2022	4.9	202.4	58.4	70.6	336.4
EQUITY, JANUARY 1, 2023	9.7	336.8	42.5	73.5	462.5
Comprehensive income for the period					
Profit for the period				16.5	16.5
Other comprehensive income for the period			6.3		6.3
Comprehensive income for the period			6.3	16.5	22.8
Transactions with shareholders					
New share issue					
Costs for new share issue		-0.6			-0.6
Dividend					
EQUITY, SEPTEMBER 30, 2023	9.7	336.2	48.7	90.1	484.7

Consolidated cash flow statement

SEK millions	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Operating activities				
Operating profit	7.9	3.6	28.8	18.9
Adjustments for non-cash items	3.6	-1.6	22.7	14.3
Interest received	0.9	0.5	1.5	1.0
Interest paid	-2.8	-3.4	-8.4	-6.9
Income tax paid	-0.8	-2.2	-10.4	-12.7
Cash flow from operating activities before changes in working capital	8.9	-3.1	34.2	14.6
Cash flow from changes in working capital				
Increase (-) /Decrease (+) in inventories	7.5	-2.2	-1.7	-5.9
Increase (-) /Decrease (+) in operating receivables	14.7	0.8	2.0	-7.3
Increase (-) /Decrease (+) in operating receivables (guaranteed by EKN)	-2.9	0.4	-22.4	-15.6
Increase (+) /Decrease (-) in operating liabilities	-0.4	-11.6	10.1	-10.6
Cash flow from operating activities	27.8	-15.8	22.3	-24.7
Investing activities				
Acquisition of property, plant and equipment	-1.4	-1.7	-6.6	-4.6
Investment in capitalized development expenses	-21.3	-14.9	-54.8	-53.1
Cash flow from investing activities	-22.7	-16.6	-61.3	-57.6
Financing activities				
Proceeds and (+) Repayment (-) of borrowings	-0.0	0.3	-6.0	35.3
Increase (+) /Decrease (-) in financial liabilities (EKN financing)	6.8	10.9	13.7	17.9
Increase (+) /Decrease (-) in financial liabilities	-0.2	17.9	-0.8	43.7
New share issue	-	-	-	-
Costs for new share issue	-	-	-0.6	-
Lease liability payments	-3.2	-4.5	-9.8	-10.9
Dividend	-	0.0	0.0	-10.7
Cash flow from financing activities	3.4	24.6	-3.5	75.3
Cash flow for the period	8.5	-7.8	-42.6	-7.0
Cash and cash equivalents at beginning of period	45.9	40.5	96.9	38.2
Exchange differences in cash and cash equivalents	-1.6	6.7	-1.5	8.2
Cash and cash equivalents at end of period	52.9	39.4	52.9	39.4

Parent Company income statement

SEK millions	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales	8.4	7.9	25.1	22.7
Administrative expenses	-4.5	-5.5	-17.5	-18.3
Other operating expenses	-1.1	-0.6	-2.7	-3.1
Operating profit	2.8	1.9	4.9	1.2
Dividend from subsidiaries	11.1	-	17.5	-
Profit/loss from financial items	-	-	-	-
Profit/loss after financial items	14.0	1.9	22.4	1.2
Group contribution	-	-	-	-
Profit/loss before tax	14.0	1.9	22.4	1.2
Tax	-	-	-	-
Net profit/loss	14.0	1.9	22.4	1.2

As no items are recognized in other comprehensive income, the Parent Company's profit for the period corresponds to comprehensive income for the Parent Company.

Parent company balance sheet

SEK millions	30 Sep 2023	30 Sep 2022	31 Dec 2022
NON-CURRENT ASSETS			
Intangible assets			
Capitalized development expenses	0.1	0.5	0.4
Total intangible assets	0.1	0.5	0.4
Property, plant and equipment			
Equipment	0.1	0.2	0.2
Total property, plant and equipment	0.1	0.2	0.2
Finansiella anläggningstillgångar			
Shares in Group companies	290.3	230.3	230.3
Other financial assets	2.5	3.1	2.5
Deferred tax assets	0.1	0.1	0.1
Total financial assets	293.0	233.5	233.0
Total non-current assets	293.2	234.3	233.6
CURRENT ASSETS			
Tax assets	2.6	1.8	1.7
Receivables from Group companies	24.3	0.0	19.1
Other receivables	0.0	0.2	2.1
Prepaid expenses and accrued income	2.6	3.5	3.0
Total current receivables	29.5	5.5	25.9
Cash and bank balances	2.8	1.1	46.3
Total current assets	32.2	6.6	72.1
TOTAL ASSETS	325.5	240.8	305.7
EQUITY	312.8	152.5	290.9
LIABILITIES			
Non-current liabilities			
Other provisions	3.1	3.9	3.1
Total non-current liabilities	3.1	3.9	3.1
Current liabilities			
Trade payables	4.5	4.4	6.2
Liabilities to Group companies	-	73.8	-
Other liabilities	0.9	0.4	0.6
Accrued expenses and deferred income	4.2	5.9	4.9
Total current liabilities	9.6	84.4	11.7
Total liabilities	12.7	88.3	14.8
TOTAL EQUITY AND LIABILITIES	325.5	240.8	305.7

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 chapter 9 of the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The interim should be read alongside the annual report for the financial year ending December 31, 2022. The accounting policies are consistent with those applied in the previous financial year. The fair values of financial assets and liabilities are considered to be equal to their carrying amounts.

The interim information on pages 1-9 forms an integral part of this financial report, which comprises pages 1-23.

Note 2 Pledged assets and contingent liabilities

September 30, SEK millions	Group		Parent Company	
	2023	2022	2023	2022
Pledged assets	291.7	277.5	5.6	6.4
Contingent liabilities	-	-	123.6	118.9

Note 3 Revenue by region and product

Net sales by region, SEK million	Jul-Sep 2023	Jul-Sep 2022	change	Jan-Sep 2023	Jan-Sep 2022	change	Oct 22 - Sep 23	Oct 21 - Sep 22	change
USA	46.2	39.3	18%	144.9	129.6	12%	205.3	173.3	18%
Asia	38.2	38.0	1%	123.6	113.0	9%	161.0	152.5	6%
Eastern Europe	9.9	16.2	-39%	28.2	46.6	-40%	44.0	65.5	-33%
Latin America	17.0	9.3	83%	43.6	37.3	17%	51.4	45.4	13%
Western Europe	12.8	9.9	29%	33.9	27.6	23%	46.0	38.5	20%
Africa / Middle East	15.5	12.9	21%	49.0	44.8	9%	64.8	63.9	1%
Total	139.6	125.6	11%	423.2	398.9	6%	572.4	539.2	6%

Net sales by product, SEK million

Instruments	49.7	34.9	42%	137.5	122.4	12%	173.6	167.2	4%
Consumables, own instruments	58.2	57.3	1%	173.5	167.5	4%	239.0	227.2	5%
Consumables, OEM and CDS Brand	22.7	18.8	21%	82.2	73.7	12%	121.0	99.8	21%
Other	9.1	14.6	-38%	30.0	35.2	-15%	38.8	45.0	-14%
Total	139.6	125.6	11%	423.2	398.9	6%	572.4	539.2	6%

Note 4 Net cash/debt

SEK millions	30 Sep 2023	30 Sep 2022	31 Dec 2022
Cash and cash equivalents	52.9	39.4	96.9
Liabilities to credit institutions	-38.4	-107.6	-45.2
Lease-related liabilities	-27.0	-20.1	-36.2
Other interest carrying assets (EKN)	25.2	14.7	16.5
Net cash (+) / net debt (-)	12.7	-73.7	32.1

Note 5 Currency exchange rates

Material currencies average rates	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
EUR	11.48	10.53	10.63
USD	10.59	9.92	10.12
RUB	0.13	0.14	0.15

Material currencies balance date	Sep 30 2023	Sep 30 2022	Dec 31 2022
EUR	11.49	10.92	11.13
USD	10.84	11.12	10.44
RUB	0.11	0.20	0.15

Since March 2022, the Swedish Central Bank has not published updated ruble exchange rates. As a consequence, alternative official sources have been used in the period for the Ruble.

Quarterly overview

	2023				2022			2021	
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales, SEK million	139.6	140.5	143.1	149.2	125.6	140.8	132.5	140.3	111.8
Gross profit, SEK million	57.8	59.9	66.1	66.7	51.1	53.3	56.8	57.9	49.9
Gross margin, %	41.4	42.7	46.2	44.7	40.7	37.8	42.9	41.2	44.7
EBITDA, SEK million	14.2	15.4	18.4	15.8	11.8	12.2	16.3	24.1	18.2
EBITDA margin, %	10.2	10.9	12.9	10.6	9.4	8.7	12.3	17.2	16.3
Depreciation and impairment of property, plant and equipment, SEK million	4.6	5.1	4.7	4.1	6.6	5.5	4.5	3.6	3.6
EBITA, SEK million	9.6	10.3	13.8	11.7	5.2	6.7	11.9	15.4	14.7
EBITA margin, %	6.8	7.3	9.6	7.8	4.2	4.8	9.0	11.0	13.1
Amortization and impairment of intangible assets, SEK million	1.6	1.6	1.7	1.6	1.6	1.7	1.5	1.6	1.6
EBIT, SEK million	7.9	8.7	12.1	10.0	3.6	5.0	10.3	13.8	13.0
EBIT margin, %	5.7	6.2	8.5	6.7	2.9	3.6	7.8	9.9	11.7
Profit after tax, SEK million	4.6	4.1	7.9	2.9	2.4	2.9	4.6	17.3	7.1
Basic earnings per share, SEK*	0.12	0.11	0.20	0.09	0.09	0.11	0.17	0.65	0.27
Diluted earnings per share, SEK*	0.12	0.11	0.20	0.09	0.09	0.10	0.17	0.63	0.26
Cash flow from operating activities per share, SEK*	0.72	0.09	-0.23	0.42	-0.59	-0.28	-0.05	0.44	0.40
Return on equity, %	0.9	0.9	2.0	0.8	0.7	0.9	1.6	6.2	2.7
Net cash (+) net debt (-) / EBIT (R12)	0.3	-0.3	0.5	1.1	2.2	1.0	0.5	0.0	-0.3
Equity/assets ratio, %	62	62	61	61	49	49	50	52	51

* Fund issue elements from the new share issue in Q4 2022 has been taken into account in the calculation of earnings per share before and after dilution and cash flow from operating activities per share, which is why the comparative figures have been recalculated.

Definitions

Use of alternative performance measures

The Boule Group's financial statements are prepared in accordance with IFRS. Only a small number of performance measures are defined in IFRS. Boule applies the ESMA (European Securities and Market Authority) Guidelines for 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. Boule presents certain non-IFRS performance measures in order to support management and other stakeholders in their analysis of the Group's development. Management believes that use of these measures facilitates this analysis. These alternative performance measures supplement the information presented in accordance with IFRS and do not replace IFRS performance measures. Boule's definitions of non-IFRS performance measures shown below may differ from those of other companies. Calculations for all performance measures can be reconciled to line items in the income statement and balance sheet.

Sales growth is net sales for the period divided by net sales for the comparative period, expressed as a percentage change.

Organic growth is change in net sales during the current period, excluding acquisitions, divestments and currency effects in relation to the net sales in the corresponding period last year, expressed as a percentage change.

Gross profit is net sales less cost of sales.

Gross margin is gross profit divided by net sales.

EBITDA (Earnings before interest, taxes, depreciation and amortization) is profit before net financial items, taxes, depreciation of property, plant and equipment and amortization of intangible assets.

EBITDA margin is EBITDA divided by net sales.

EBITA (Earnings before interest, taxes and amortization) is operating profit before net financial items, taxes and amortization of intangible assets.

EBITA margin is EBITA 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, trade receivables (current and non-current) and cash less trade payables.

Interest coverage ratio is operating profit plus finance income divided by finance costs.

Return on equity is profit after tax divided by average equity.

Net debt (Net cash) is interest-bearing liabilities less cash and cash equivalents and current and non-current interest-bearing receivables guaranteed by EKN.

Net debt/equity ratio is net debt divided by equity.

Equity/assets ratio is equity divided by total assets.

Operating margin excluding non-recurring expenses is operating profit before non-recurring expenses divided by net sales.

Operational cash flow is cash flow from operating activities, excluding net investments in intangible assets and tangible fixed assets, financing, non-recurring items and restructuring expenses, but including tax paid.

About Boule Diagnostics

Boule Diagnostics AB (publ) is a global diagnostics company specializing in near-patient, decentralized blood diagnostics and one of the few companies in the global diagnostics market that conducts its own development, manufacturing and marketing of instruments and consumables for blood diagnostics. The Company primarily serves hospitals, clinics, laboratories and other diagnostics companies to which it offers complete systems for blood diagnostics (hematology) in both the human and veterinary areas. Boule has strong positions in important emerging markets such as in Asia and in recent years has improved its position in the fast-growing veterinary market. Operations are conducted through operating subsidiaries in Sweden, the United States, Mexico and Russia. The Group reported net sales of SEK 548 million in 2022 and has more than 200 employees. Sales are conducted globally, predominantly through the company's 200 or so distributors in over 100 countries, supported by Boule's own local sales and service personnel. Boule has been listed on Nasdaq Stockholm since 2011.

Our Core Values

Courageous | Customer oriented | Innovative | Result oriented | Teamwork | Quality

Boule purpose

We provide versatile high-quality, decentralized diagnostics solutions for everyone everywhere

Business model

- Indirect sales
- Extend installed base
- Multi-brand strategy

Boule aspiration

- Most satisfied customers
- Highly valued employer
- >500M tests yearly

Financial targets

- Operating Margin >15%
- Long-term sales growth >10%
- Net debt to EBIT ratio <3 times

Strategic pillars for profitable growth

Increase value for users and distributors

Invest in sustainable product development

Grow # tests done with Boule solutions

Other information

Calendar

Year-end report 2023	February 6, 2024
Interim report Q1 2024	May 7, 2024
Annual General Meeting of shareholders 2024	May 8, 2024

Presentation of the interim report

CEO Jesper Söderqvist and CFO Jan Benjaminson will present and comment on the interim report through Teams. After the presentation, there will be time for questions. The presentation will be held in English.

Time: 10.00, November 9, 2023

Please follow this link to participate!



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