Boule Diagnostics AB

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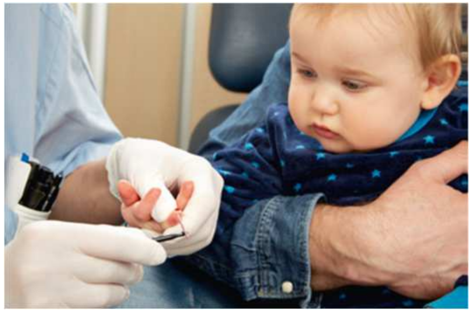
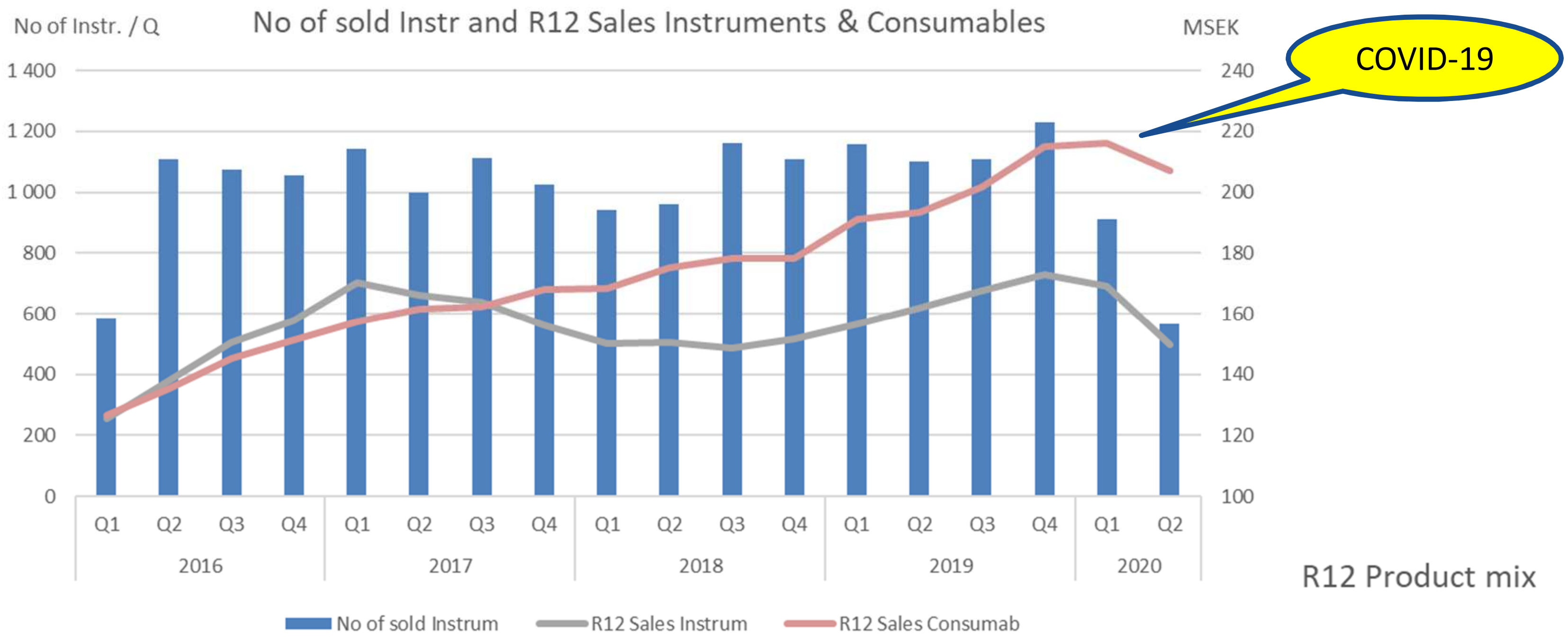
Boule Diagnostics

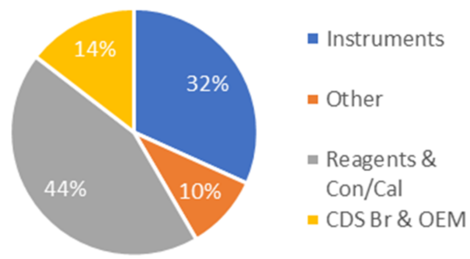
- Develops, manufactures and market complete blood count analyzers
  - Strong heritage in hematology
  - Both human and veterinary markets.
- Control of complete value chain
  - One-stop shop: instruments, reagents, blood controls, and calibrators
  - Ensures reliability and quality
- Focus on the growing, decentralized near patient diagnostics segment
- Sales in 100+ countries
- Consumables sold to OEM partners



Attractive business model with 50+% recurring revenue



R12 Product mix



- A growing installed base generate sales of reagents and other consumables
- The OEM business of reagents are stable
- Only a global lock-down slows down growth of recurring revenue…

Note: R12 = Rolling 12 months

Dynamic market that will continue to grow

Growth drivers	Decentralized market	Boule
Aging population: increasing demand for diagnostics	Hematology grows	**8 %** Market share
Increased access to healthcare in emerging markets	Growth of near patient testing in clinics	**10,2 %** Average growth last five years (2015-2019)
Attractive to patients and healthcare systems	Opportunities in nearby segments	
Large potential: >100k small and mediums sized labs globally	New technologies will fuel growth	

2020 impacted by COVID-19

RESULTS Q2	RESULTS YTD
NET SALES [MSEK]	NET SALES [MSEK]
90.6 (119.7)	**209.0** (238.4)
YoY GROWTH	YoY GROWTH
-24.3% (+11.1%)	**-12.3%** (+15.0%)
GROSS MARGIN	GROSS MARGIN
40.8% (43.4%)	**44.1%** (44.5%)
EBIT-MARGIN	EBIT-MARGIN
-3.3% (5.0%)	**5.9%** (9.5%)
CASH FLOW Q2 [MSEK]	CASH FLOW YTD [MSEK]
+17.6 (+15.6)	**+32.2** (+10.3)

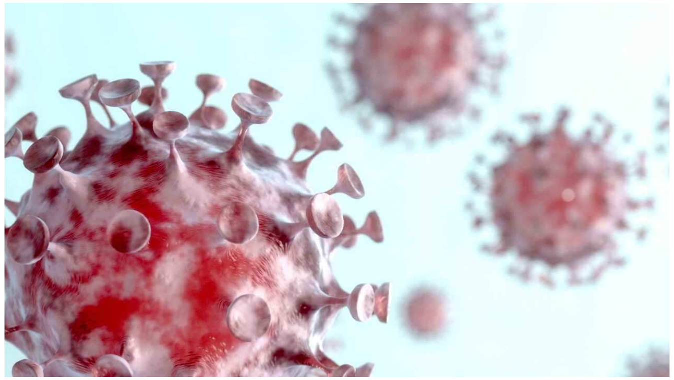
STRONG CASHFLOW IN Q2, IMPACT FROM COVID-19

- Lower demand in Q2 due to lock-downs
  - Instrument unit sales -49% and revenues -45%
  - Consumable sales for own instruments -18%
- Gross margin impacted by low capacity utilization
- Operating expenses amounted to SEK 39.4 million (44.6*)
  - Cost savings related to sales and marketing activities
  - Continued investments and expenses for prioritized future oriented activities
- Postponed CAPEX project
- Following an impairment test of the associated company biosurfit, Boule wrote down the entire shareholding, resulting in a negative non-cash effect on profit of SEK 36.6 million

** includes bad debt provision of SEK 5.9 million*

COVID-19 market recovery

- Sales and order intake increased in June after a slow start of Q2
- Recovery is driven by ease of restrictions in our key markets
  - Speed of recovery uncertain as some markets partly close again
- M&S adopting new ways of working
- Boule ready to ramp-up shipments when demand return



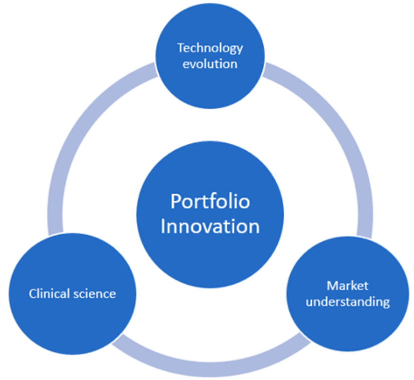
Stable platform for long-term value creation

SHORT TERM ACTIVITIES

- Strengthen team
- Improve operational excellence
  - reduce working capital in instrument production
  - bring extended product portfolio to market
- Local production in Russia
- Readiness for new quality system requirements (IVDR)
- Digital transformation of ways-of-working
- R&D → active life cycle mgmt and future product platform

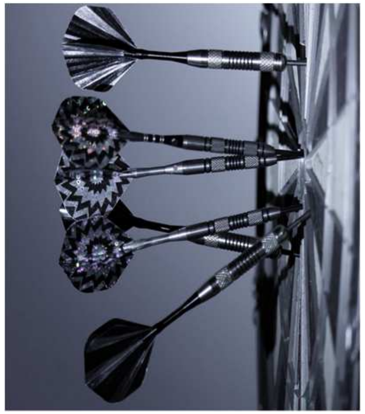
LONG-TERM OPPORTUNITIES

- Increased activities in growth economies
- Leverage OEM partnerships
- Innovation
- Renewed product platform
- Expansion into nearby segment



Financial targets

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



My short term priorities

- COVID-19 recovery
- Balance growth and profitability
- Efficiency → reduce working capital
- Continue to strengthen organization

Thanks for your interest in Boule!