



The Ypsomed Group is a leading developer and manufacturer of injection and infusion systems for self-medication and a renowned diabetes specialist with over 30 years' experience. As a leader in innovation and technology, Ypsomed is the preferred partner for pharmaceutical and biotech companies for the supply of injections pens, autoinjectors and infusion systems to administer liquid drugs. Ypsomed promotes and sells its product portfolio under the umbrella brands, mylife™ Diabetescare directly to patients or through pharmacies and clinics, and under YDS Ypsomed Delivery Systems as business-to-business to pharmaceutical companies.

Ypsomed has its headquarters in Burgdorf, Switzerland, and operates a global network of manufacturing sites, subsidiaries and distributors. The Ypsomed Group employs around 1 800 employees.



Growth in a difficult environment

During the first semester of the business year 2020/21, we achieved a consolidated total turnover of CHF 199.3 million (previous year: CHF 190.6 million). This corresponds to a growth of 4.6 % and CHF 8.7 million compared with the previous year. The operating result amounted to CHF 8.3 million (previous year: CHF 9.0 million) and a net profit of CHF 6.5 million (previous year: CHF 7.6 million).

Even in a challenging environment, we achieved growth. We have a diversified, future-oriented business model that has proven itself. Our medical devices for simple and safe self-treatment are vital for chronically ill people. Our processes have a high degree of automation and are vertically integrated at our production sites. Production, supply chains and supplies to customers are ensured at all times.

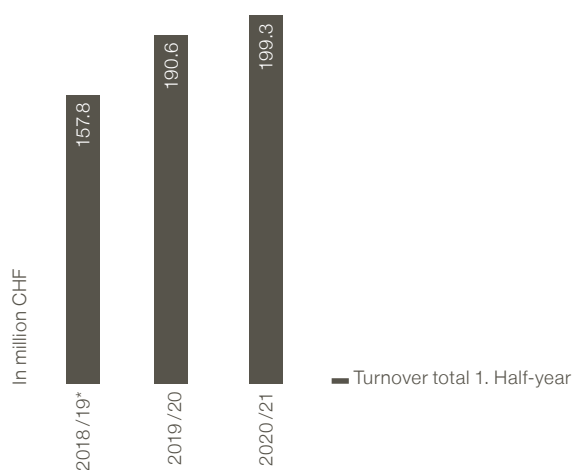
Ypsomed Delivery Systems grows by 21.7 % in the pen business compared to the previous year

During the first half-year 2020/21, the Ypsomed Delivery Systems (YDS) segment increased turnover by 18.9 % or CHF 17.2 million. The turnover for the reporting period amounts to CHF 108.3 million (previous year: CHF 91.1 million).

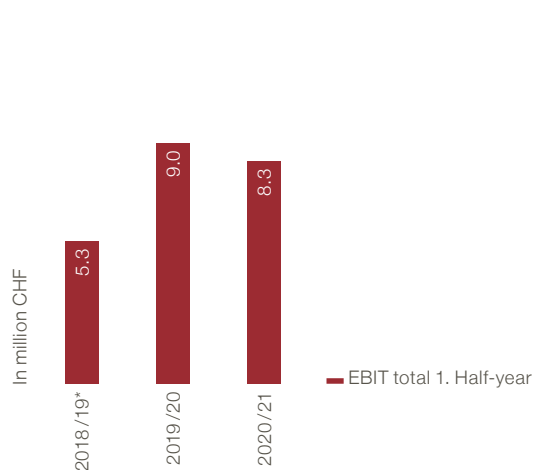
The development in the pen business was particularly pleasing, with growth of 21.7 % compared to the same period in the previous year. In addition to the YpsoMate® autoinjector platforms, this growth in turnover is mainly attributable to the pen platforms UnoPen™ and FixPen™ as well as revenues from projects. Project revenues include the adaptation of our standardised platform products to specific customer needs in the development and industrialisation of new products.

Sales in the contract manufacturing segment were 10.3 % higher than in the previous year.

Development of turnover at group level



Development of EBIT at group level



* In the half-year 2018/19, only contributions from continuing operations. For information about the discontinued operations, see Annual Report 2019/20, note 21, page 59.

COVID-19 makes the necessary training for switching to the YpsoPump® difficult

In the Ypsomed Diabetes Care (YDC) segment, we achieved a turnover of CHF 83.9 million in the first half of 2020/21 (previous year: CHF 92.1 million). Almost half of the decrease of CHF 8.2 million is due to negative currency effects.

Compared to the previous year, sales of the mylife™ YpsoPump® dropped by 13.7%. As it was difficult to reach people with diabetes in hospitals directly in all markets, it was hardly possible to convince new users to use an insulin pump. We were only able to train people on our pump who already had experience with pumps. These training courses now increasingly took place online. In France and the United Kingdom, which were severely affected by the pandemic, we recorded a double-digit decline in sales. However, in countries with a more moderate development of the pandemic, such as Switzerland or Germany, we were even able to increase sales in the single-digit range (before currency effects).

The contribution of the pen needles to turnover is 12.3% less than in the previous year. On the one hand, this was due to losing a major customer in the USA, and on the other hand, because customers had stocked up in February and March due to COVID-19.

Business with blood glucose monitoring systems is 9.1% below the previous year.

The Others segment is dominated by a difficult market environment

The Others segment consists of our subsidiary Ypsotec and the assets not used operationally. At CHF 7.1 million, turnover in this segment was some CHF 0.3 million below the previous year.

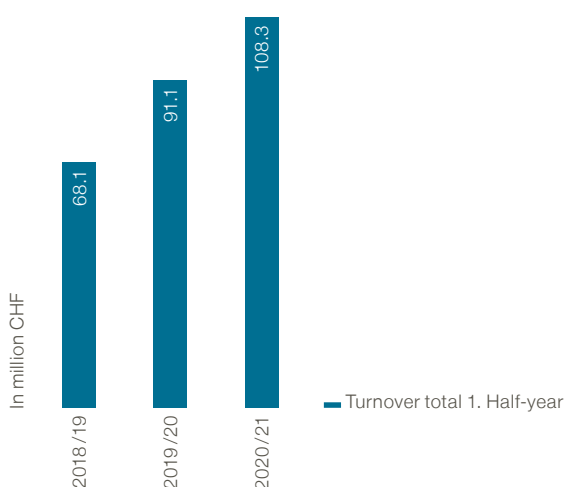
Encouraging earnings contribution from additional sales in the pen business

The operating result (EBIT) for the first half of 2020/21 was CHF 8.3 million (previous year: CHF 9.0 million).

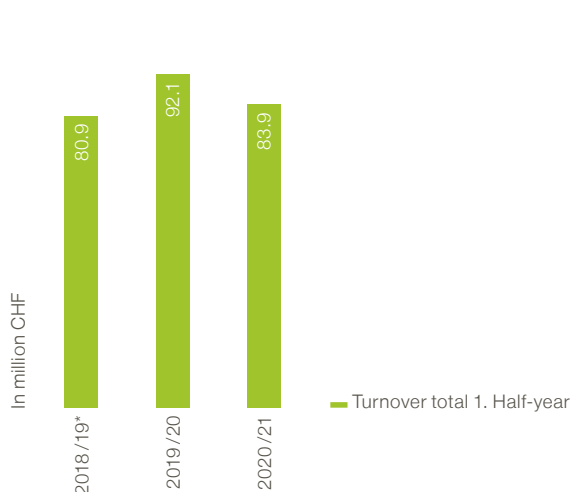
The following factors have affected the result of the first half-year 2020/21:

- The increase in turnover and higher utilisation of the production capacity in Switzerland for pen systems and in the field of contract manufacturing made an encouraging contribution to earnings. Additionally, there were increased contributions from the project business.
- The mylife™ YpsoPump® burdens the result with CHF 23.7 million (previous year: CHF 20.8 million). Due to COVID-19, sales of pumps to new customers are 50% lower than in the previous year. In addition, the depreciation of clean-room structures as well as the commissioning of the new plant in Schwerin have burdened the result for the very first time.

Turnover Ypsomed Delivery Systems



Turnover Ypsomed Diabetes Care



* In the half-year 2018/19, only contributions from continuing operations. For information about the discontinued operations, see Annual Report 2019/20, note 21, page 59.

- In the previous year, our licensing income was CHF 4.7 million higher, which was reflected in other operating income. On the one hand, this was due to a licensing agreement from patents having expired and, on the other hand, because a patent licensing purchase was made in the previous year, which also compensated for past patent claims.
- As a supplier to the metal processing industry, Ypsotec is suffering from the current negative economic development in various industries.

Expansion of capacity enables sustainable growth

In the first half of the business year 2020/21, the cash flow from business operations amounted to CHF 43.7 million (previous year: CHF 33.1 million). The increase in advance payments from customers for development and industrialisation projects by CHF 5.3 million and the payment of accounts receivable to the amount of CHF 7.9 million had a positive impact on cash flow. The build-up of inventories, largely to cover the growth in pens and contract manufacturing, reduced cash flow from operating activities by CHF 6.3 million.

Cash flow from investment activities in the reporting period was CHF 59.6 million, up from CHF 52.9 million in the previous year. Investments in property, plant and equipment amounted to CHF 35.4 million (previous year: CHF 42.3 million). Approximately CHF 18 million were invested in automated assembly systems (primarily for autoinjectors), injection moulding machines and moulds at the production plant in Schwerin. In Switzerland, we invested in injection moulds for pen platforms as well as in machinery, mainly for the expansion and renewal of injection moulding machines.

Of the CHF 28.6 million invested in intangible assets (previous year: 13.3 million), approximately CHF 15 million were invested in the further development of the YpsoPump® and the software systems. Among other things, this concerns the further development of the mylife™ App, the impending CGM integration and the upcoming digital pump control via smartphone. The majority of the remaining investments went into the further development of the existing pen platforms and into the new high-volume patch injector platform YpsoDose®.




Dr. h.c. Willy Michel
 Chairman of the
 Board of Directors

Solid equity ratio

Our short-term financial debt to banks increased by CHF 27.0 million during the first half-year 2020/21 to the new amount of CHF 210.0 million. In July 2020, we distributed CHF 2.5 million to our shareholders, half of it as tax-free dividends from capital reserves.

Ypsomed continues to have a solid and healthy finance structure for future growth. Our total equity amounts to CHF 382.1 million (previous year: CHF 376.0 million). The equity ratio is 53.4 %.





Simon Michel
 Chief Executive Officer

Outlook

A reliable outlook for the Group remains difficult, particularly due to the imponderabilities concerning the possibility of gaining new customers for insulin pump therapy. However, we are consistently using the time to implement the mylife™ Loop program, integrating the Dexcom G6 Continuous Glucose Monitoring (CGM) System into our YpsoPump® solution and to prepare the market entry of the YpsoPump® in the USA.

Based on our well-diversified business model, we expect for the 2020/21 financial year a slight increase in sales and further growth of operating profit from core operating activities. In doing so we're continuing our growth path, albeit at a slightly lower level than adopted at the beginning of the pandemic.



Progress in expanding our capacity

Well equipped for future growth

Approximately a year ago, we opened our state-of-the-art production plant in Schwerin, Northern Germany. While still in the process of ramping up operations, we are already installing additional equipment which will be becoming operational shortly. Furthermore, we have erected two megasilos for plastic granulate in Solothurn to create additional production space.



Over 50 employees now work at our new location in Schwerin, the capital of Mecklenburg-Western Pomerania. “The employees of all departments have blended together to become well-structured teams. They complement each other very well in their tasks and implement these perfectly”, is how Maren Kirsch, HR Specialist at Ypsomed in Schwerin, describes last year’s development and adds: “We want to make a real difference and are looking forward to the new products we will be manufacturing from 2021 onwards.”

These new products include the YpsoMate® autoinjector as well as the new generation of our infusion set, the mylife™ YpsoPump® Orbit® infusion set 2.0.

Increasing demand for autoinjectors

With continued growth, future deliveries of new customer projects for the YpsoMate® will exceed the expanded production capacities in Burgdorf and Solothurn. To satisfy this increased demand, we are installing and qualifying two additional production lines in Schwerin for our user-friendly YpsoMate® autoinjector. The infrastructure consists of 21 injection moulding machines and two fully automated assembly lines. The injection moulds for the production of the YpsoMate® will continue to be manufactured by the tool shop in Burgdorf. The start of production in three-shift operation in Schwerin is planned for the spring of 2021.

Fully automated plant for infusion sets

In addition to the production of the YpsoMate®, a fully automated production plant for the new generation of our infusion set for the YpsoPump® is being built in Schwerin. This will be installed in the clean-room in Schwerin. The infusion set was optimised during the redesign for automated production. By switching to fully automated production, we are now also well equipped to meet increasing demand in this sector. Until now, our mylife™ YpsoPump® Orbit® infusion set has been manufactured in Mexico employing manual contract manufacturing. By expanding production in Schwerin, we are creating highly qualified jobs in Europe, while production in Mexico remains as a reserve capacity.

Production of the YpsoPump® Orbit® infusion set 2.0 is scheduled to start in the second half of 2021.

Additional production area in Solothurn

We also need additional production space at our Solothurn site to satisfy the growing demand for pen components for Sanofi and our UnoPen®. We have therefore erected two double-chamber silos with a storage capacity of 50 tons each, which allow us to use previous storage space for production purposes. We will be storing granules in the mega-silos for the production for our major customers.

However, these megasilos are not only of strategic importance from the point of view of expansion. They also offer significant advantages from a sustainability perspective. Due to the more cost-effective delivery and storage of

the bulk material in silos, we save on packaging material as well as on disposal costs and charges. This also eliminates the need for forklift trucks to move materials between the warehouse and the filling station, which in turn significantly contributes to occupational safety.

By expanding production capacity in Schwerin and Solothurn, we are setting the course for future success, which we will achieve with dedicated employees at all sites.

The two standing silos with a height of 16 metres can hold a total of 100 tons of material. They are filled via tube connections (on the right).





Accelerated digitisation

The crisis as opportunity

Digitisation is becoming increasingly important in medical technology. It supports users in the correct use of medical devices and facilitates their therapy management. In addition, digitisation opens up new business models. The corona crisis adds impetus to this development. Ypsomed seized this opportunity early on and put itself in a good position with its diversified product portfolio. Owing to our site development project in Barcelona, we have the resources and flexibility to optimally develop our digital portfolio. Meanwhile, Ypsomed has around 120 internal and external employees working in software development.

To continue to be successful in the medical technology industry in the future, a company must above all be competitive in the digital world. The COVID-19 pandemic has impressively demonstrated the demand for intuitive, digital therapy management systems and solutions for easy data exchange between healthcare professional and the users of medical devices.

Smartphone-controlled insulin pump

The market was extremely interested and reacted positively when we announced our partnership with Dexcom, a world leader in CGM systems. CGM stands for Continuous Glucose Monitoring. The partnership forms the basis of our three-stage mylife™ Loop™ development program.

A highly promising trio which makes living with diabetes easier: mylife™ YpsoPump®, mylife™ App and Dexcom G6 Continuous Glucose Monitoring (CGM) System.



In the first step, the mylife™ Assist¹, we enable the app-based integration of CGM data from the Dexcom G6 with our mylife™ YpsoPump® system. All relevant therapy data, i.e. the insulin data of the mylife™ YpsoPump® and the glucose data of the Dexcom G6 sensor, can be viewed there in the mylife™ App. If the glucose level is too high or too low, the app alerts the users. Furthermore, it is possible to easily share the therapy data with healthcare professional.

In the second step, the mylife™ Dose¹, we enable users of the YpsoPump® to deliver the bolus directly via the mylife™ App on their smartphone. And all this without having to operate the insulin pump themselves.

In the third and last step of the mylife™ Loop™ program, we give the users the option of “looping”. This means that we integrate an algorithm into the mylife™ App which allows insulin to be dosed more precisely owing to the CGM data.

Virtual insulin pump tutorial

An additional digital development is the YpsoPump® Explorer App. This comes at exactly the right time as our contact possibilities are currently severely restricted by corona. The YpsoPump® Explorer App allows interested parties to virtually experience our insulin pump. The pump is displayed in its original size in a 3D simulator. Interactive tours give a feeling for the pump and the free app allows getting to know and experiencing all the functions of the pump without physically holding it in one's hands.

The YpsoPump® Explorer App also forms the basis for the development of the new training app for the mylife™ YpsoPump®. This will make training even easier and better in the near future.

Intelligent add-ons for injections devices

The need and demand for telemedical solutions had already increased before the outbreak of the coronavirus. These make life easier for those affected while at the same time reducing the burden on the health system. The lockdown has now further strengthened this demand. In the segment of Delivery Systems, we already started developing so-called smart add-ons for our injection devices several years ago. With our YDS SmartServices™, which we offer on the basis of the Philips Health Suite, an established digital platform for health data, we can offer our pharmaceutical customers significant added value. YDS SmartServices™ allows the fully centralised management of all connected devices in a so-called device management solution, which forms the technical backbone of the digital therapy system. We offer YDS SmartServices™ as a

managed service, which lets customers in the regulated environment of the pharmaceutical industry benefit from continuous maintenance of the solution. This enables the “smart” injection devices to be integrated into customer-specific healthcare applications to support patients in the treatment of chronic diseases and improve their adherence to therapy. Our YDS SmartServices™ are very well received by our pharmaceutical customers. They see this as an opportunity for offering intelligent injection systems as a central component of a drug-specific therapy solution. Together with the first customers, we are now preparing the use of this intelligent solution in clinical studies.

Our YDS SmartServices™ offer standardised software modules which our customers can integrate directly into their therapy management system. With the help of these building blocks, we can significantly accelerate the time-to-market for our customers and reduce the development risk.

We have also created a test environment in which we are testing our device management solution together with leading pharmaceutical partners. The test environment provides important findings which are incorporated into the further development of the YDS SmartServices™ platform and continue to improve it. At the same time, it allows us to convince our partners of our offer and enables them to gain first-hand experience with the management of intelligent injection devices.

Internalising software know-how

To ensure that we remain at the forefront of digital development in the medical device industry, we are expanding our software development resources. Due to a relative shortage of specialists in this field in Switzerland, we are not only recruiting new employees at our headquarters in Burgdorf and Solothurn, but also in Spain. By spring 2022, our software development facility in Barcelona will employ around 40 people.

The internalisation of software development makes us independent of external partners and allows us to build up core competences for the future in-house. These are crucial for the development and operation of our networked products. This ensures our competitive edge in Diabetes Care – as well as for Delivery Systems.

Disclaimer: Dexcom and Dexcom G6 are registered trademarks of Dexcom, Inc. in the USA and might possibly be registered in other countries.

¹ mylife™ Assist, mylife™ Dose, mylife™ Loop™: The innovation described is currently in development. Features and performances of future technologies may vary. Access to future technologies is contingent upon regulatory approval.



Ambitious goals

Development of the sustainability program

As a company which thinks in the long-term, sustainable action has always been one of our basic principles. The fact that we have included sustainability as the fourth cornerstone in our strategy adds to the importance of our sustainability program. We are currently developing this further with considerable momentum. We strive to play a pioneering role in our industry in terms of sustainability. Our development of the world's first CO₂-neutral autoinjector, the Ypsomate® Zero, bears witness to this claim.

In the last business year, the Board of Directors and the Executive Board included sustainability as the fourth cornerstone in Ypsomed's corporate strategy – alongside expansion, innovation as well as the optimisation of operating processes. This gives high strategic priority to the sustainability program, which will be integrated into our business on an even broader basis than before.

Our Sustainability Specialist is responsible for implementing our sustainability program. The Sustainability Steering Committee, consisting of members of the Management Board, makes the key decisions. Representatives of the various business units form the Sustainability Board, which implements and monitors the measures of the Sustainability program.

From materiality analysis to sustainability strategy

As a first step in the further development of our sustainability program, we check whether we have taken those issues into account which are relevant to our stakeholders. We followed up on this question with a materiality analysis. We have conducted the analysis and are currently evaluating the results.

The materiality analysis covers two dimensions: the stakeholder relevance and the business relevance. With regard to stakeholder relevance, we asked representatives of our stakeholder groups which sustainability issues are important and most relevant for Ypsomed from their perspective. In terms of business relevance, we conducted an in-house survey as to which sustainability issues were most relevant to the success of the company.

We will present an expanded sustainability report in the Annual Report 2020/21. In this report, we will present the results of the materiality analysis and explain our sustainability strategy with measurable and ambitious targets.

CO₂ neutrality and profitability coupled with social responsibility

We are currently re-evaluating the individual sustainability topics and their relevance for our sustainability program. Our ultimate, long-term goals remain unchanged. In our responsibility for the environment, we are guided by the closed-loop economy. To this end, we have set ourselves the ambitious goal of becoming CO₂-neutral by 2030. Our main objective in the economic area is long-term profitability. Furthermore, we attach great importance to acting responsibly towards our stakeholders and society.

Pioneering project YpsoMate® Zero

Our objective of CO₂ neutrality also influences our product development as well as our manufacturing processes. In a groundbreaking project, we are currently developing the world's first CO₂-neutral autoinjector, the YpsoMate® Zero.

We will thus be launching an autoinjector whose ecological footprint is completely CO₂-free. We are able to achieve this primarily through the use of alternative plastics. The reuse of packaging material (trays) also has the potential to significantly reduce the CO₂ balance. We are compensating for the remaining emissions; in a first step with purchased certificates, and soon completely via our own certificates.

In addition, we are aiming at an alliance with partner companies to launch a whole range of Zero products. Together we are developing ecological solutions to this purpose which meet the strict regulatory requirements for a medical-technology product and which are economically viable.



Sabine Huber has been Specialist Sustainability at Ypsomed since February 2020. She has a master's degree in environmental sciences and many years of experience in corporate sustainability management.

Sabine Huber



In which areas is Ypsomed already particularly involved today in terms of sustainability?

Ypsomed is today already positioned as a model employer. Attractive and safe working conditions, targeted employee development and cooperative collaboration

within the company pay off in high employee satisfaction. In the environmental area, both energy consumption and CO₂ emissions at our production sites have already been reduced significantly in recent years. In these and all other relevant areas of the company, however, it remains important to evaluate how we can improve even further with regard to sustainability.

What is the greatest challenge in terms of sustainability at Ypsomed?

I view sustainable procurement as being the greatest challenge. We must also pass on the sustainability requirements we have set ourselves to our suppliers. This is not an easy task in a globalised world with its complex flow of goods but it will be unavoidable in the future, as there is a growing demand to take sustainability aspects into account along the entire value chain. Partnerships with suppliers who pursue similar sustainability objectives will be crucial in this context.

What is the significance of the Ypsomed sustainability program?

Our sustainability program is a company-wide program. The responsibility lies with each individual employee. Sustainability should be considered in every business decision. At Ypsomed, we want to be part of the solution. In the spirit of "What we do today will determine what the world will look like tomorrow."



Consolidated income statement

(Unaudited Swiss GAAP FER figures) in thousand CHF

	Annex	01 April 2020– 30 Sept. 2020	in %	01 April 2019– 30 Sept. 2019	in %
Sales of goods and services	2	199 333	100.0%	190 622	100.0%
Cost of goods and services sold		-152 015	-76.3%	-144 674	-75.9%
Gross profit		47 318	23.7%	45 948	24.1%
Marketing and sales expenses		-30 491	-15.3%	-32 860	-17.2%
Administration expenses		-10 434	-5.2%	-10 540	-5.5%
Other operating income		2 334	1.2%	7 049	3.7%
Other operating expenses		-385	-0.2%	-562	-0.3%
Operating profit	2	8 342	4.2%	9 035	4.7%
Financial income	4	3 608	1.8%	3 789	2.0%
Financial expenses	4	-4 320	-2.2%	-3 805	-2.0%
Profit before income taxes		7 630	3.8%	9 019	4.7%
Income taxes		-1 102	-0.6%	-1 416	-0.7%
Net profit		6 528	3.3%	7 603	4.0%
Earnings per share (diluted and undiluted) in CHF	5	0.52		0.60	
Operating profit		8 342		9 035	
Depreciation and impairment of fixed assets		15 698		13 413	
Amortisation and impairment of intangible assets		9 793		9 301	
EBITDA (operating profit before depreciation and amortisation)		33 834	17.0%	31 749	16.7%



Consolidated balance sheet

(Unaudited Swiss GAAP FER figures) in thousand CHF

Assets	Annex	30 Sept. 2020	in %	31 March 2020	in %
Cash and cash equivalents		22 063	3.1 %	13 394	2.0 %
Securities		7 002	1.0 %	8 940	1.3 %
Trade receivables		68 840	9.6 %	76 290	11.3 %
Other current assets		9 618	1.3 %	11 502	1.7 %
Prepayments and accrued income		14 445	2.0 %	14 672	2.2 %
Current income tax assets		65	0.0 %	60	0.0 %
Inventories		62 805	8.8 %	56 286	8.3 %
Customer machinery		5 505	0.8 %	5 242	0.8 %
Total current assets		190 344	26.6 %	186 387	27.6 %
Long term receivables	3	42 566	5.9 %	43 484	6.4 %
Financial assets		165	0.0 %	185	0.0 %
Deferred income tax assets		33 587	4.7 %	33 069	4.9 %
Fixed assets		326 535	45.6 %	309 097	45.8 %
Intangible assets		122 286	17.1 %	102 516	15.2 %
Total non-current assets		525 139	73.4 %	488 351	72.4 %
Total assets		715 483	100.0 %	674 738	100.0 %
Liabilities and equity					
Financial liabilities	7	210 000	29.4 %	182 999	27.1 %
Trade payables		21 221	3.0 %	24 044	3.6 %
Prepayments from customers		17 196	2.4 %	11 917	1.8 %
Current income tax payable		22 715	3.2 %	22 839	3.4 %
Other payables		3 994	0.6 %	3 911	0.6 %
Accrued liabilities and deferred income		30 355	4.2 %	26 678	4.0 %
Provisions		2 916	0.4 %	2 599	0.4 %
Total current liabilities		308 395	43.1 %	274 987	40.8 %
Non-current liabilities to major shareholder		10 000	1.4 %	10 000	1.5 %
State-subsidised payments		7 695	1.1 %	7 687	1.1 %
Provisions		5 019	0.7 %	4 723	0.7 %
Deferred income tax liabilities		2 265	0.3 %	2 168	0.3 %
Total non-current liabilities		24 979	3.5 %	24 579	3.6 %
Share capital		178 994	25.0 %	178 994	26.5 %
Capital reserves		110 936	15.5 %	112 196	16.6 %
Own shares/Translation exchange differences		-22 393	-3.1 %	-25 321	-3.8 %
Goodwill acquired offset		-322 892	-45.1 %	-322 892	-47.9 %
Retained earnings		437 463	61.1 %	432 195	64.1 %
Total equity	6	382 108	53.4 %	375 172	55.6 %
Total liabilities and equity		715 483	100.0 %	674 738	100.0 %



Consolidated statement of cash flows

(Unaudited Swiss GAAP FER figures) in thousand CHF

	Annex	01 April 2020– 30 Sept. 2020	01 April 2019– 30 Sept. 2019
Net profit		6 528	7 603
Depreciation and amortisation of fixed and intangible assets		25 492	22 714
Loss from impairment (+)/reversal of impairment (-)	4	0	-413
Change in provisions (incl. deferred income taxes)		250	-1 874
Other expenses/income that do not affect the fund		-1 252	81
Increase (-)/decrease (+) in long term receivables (not affecting cash and cash equivalents)	3	918	-120
Gain (-)/loss (+) of fixed and financial assets		-676	-89
Increase (-)/decrease (+) in trade receivables		7 940	25 103
Increase (-)/decrease (+) in other receivables and prepayments and accr. income		2 288	-977
Increase (-)/decrease (+) in inventories		-6 287	-10 481
Increase (-)/decrease (+) in customer machinery		-262	-1 214
Increase (+)/decrease (-) in trade payables		103	-214
Increase (+)/decrease (-) in prepayments from customers		5 278	-1 070
Increase (+)/decrease (-) in other payables and accr. liabilities and deferred income		3 420	-5 966
Cash flow from operating activities		43 740	33 083
Decrease in long-term receivables	3	0	2 531
Disposal of financial assets		4 205	0
Purchase of fixed assets		-35 437	-42 290
Disposal of fixed assets		177	135
Purchase of intangible assets		-28 586	-13 324
Cash flow from investing activities		-59 641	-52 949
Proceeds (+)/repayment (-) from borrowings		27 001	39 000
Distribution of capital reserves and retained earnings	6	-2 521	-6 932
Cash flow from financing activities		24 480	32 068
Effect of foreign currency translation		89	-294
Total cash flow		8 669	11 908
Cash and cash equivalents as of 01 April		13 394	12 083
Cash and cash equivalents as of 30 September		22 063	23 991
Net increase (+)/decrease (-) in cash and cash equivalents		8 669	11 908



Consolidated statement of changes in equity

(Unaudited Swiss GAAP FER figures)
in thousand CHF

	Share capital	Group reserves and share premium	Treasury shares	Cumulative translation reserve	Goodwill offset	Retained earnings	Total
Balance as of 01 April 2019	178 994	119 128	-6 595	-10 574	-322 892	420 743	378 804
Net profit						7 603	7 603
Distribution of dividends from capital contribution reserves		-6 932					-6 932
Translation exchange differences				-3 521			-3 521
Balance as of 30 September 2019	178 994	112 196	-6 595	-14 095	-322 892	428 346	375 954

	Share capital	Group reserves and share premium	Treasury shares	Cumulative translation reserve	Goodwill offset	Retained earnings	Total
Balance as of 01 April 2020	178 994	112 196	-6 595	-18 726	-322 892	432 195	375 172
Net profit						6 528	6 528
Distribution of dividends from capital contribution reserves		-1 260					-1 260
Distribution of dividends from retained earnings						-1 260	-1 260
Translation exchange differences				2 928			2 928
Balance as of 30 September 2020	178 994	110 936	-6 595	-15 798	-322 892	437 463	382 108



Notes to the consolidated interim financial statements

Figures in thousand CHF unless otherwise stated.

1. Accounting policies

Basics

This consolidated semiannual balance includes the non-audited consolidated half-year financial statement of the Ypsomed Holding AG and its subsidiaries for the reporting period ending 30 September 2020. The consolidated semiannual balance was prepared in compliance with Swiss GAAP FER 31 interim reporting. The accounting principles applied to the preparation of the semiannual balance comply with the accounting principles on which the consolidated balance per 31 March 2020 was based. The consolidated semiannual balance was released for publication by the Board of Directors on 29 October 2020.

The business operations of Ypsomed are not subject to major seasonal or cyclic fluctuations within the financial year. Preparation of the semiannual balance necessitates that Management make certain estimates and assumptions which may affect the assets and liabilities balanced on the effective reporting date and the revenues and expenditures given for the reporting period. These estimates and assumptions are based on future expectations and are deemed as being appropriate at the point in time of preparing the semiannual balance. The actual figures may differ from these estimates.

2. Segment information

Ypsomed discloses net sales from the perspective of sales structures, according to Ypsomed Delivery Systems (YDS: injection systems) and Ypsomed Diabetes Care (YDC: insulin pumps, infusion sets, pen needles, blood glucose monitoring systems and other accessories). The YDS division provides pharmaceutical and biotech customers with injection systems and related services. This is a B2B business which is handled directly from the headquarters in Burgdorf. In the YDC area, the products are sold directly to hospitals, doctors, pharmacies and patients via Ypsomed subsidiaries and distributors. The segment Others comprises Ypsotec and properties not used for operational purposes.

Due to possible competitive disadvantages, segment results are not disclosed in accordance with Swiss GAAP FER 31/8. Compared to relevant competitors in the field of injection systems and insulin pumps, this results in significantly higher transparency with regard to the cost and margin structure and Ypsomed would be the only company to provide detailed segment profitability information. Most of the relevant competitors are companies without publicly available financial information (Owen Mumford, Haselmeier, SHL Group) or large companies with large reporting segments and diluted comparative information (Roche, Medtronic). Accordingly, disclosure of such information would result in a significant competitive disadvantage compared to competitors. In addition, such information can have a negative impact on the negotiating position towards customers and suppliers.

	Ypsomed Diabetes Care	Ypsomed Delivery Systems	Others	Eliminations	Group
Half-year 2019/20					
Sales of goods and services to third-party customers	92 105	91 115	7 402		190 622
Intersegmental sales			524	-524	0
Total sales of goods and services	92 105	91 115	7 926	-524	190 622
Operating profit					9 035
EBIT margin					4.7%
Investments in fixed and intangible assets					54 170
Depreciation/amortisation/impairment					22 714

	Ypsomed Diabetes Care	Ypsomed Delivery Systems	Others	Eliminations	Group
Half-year 2020/21					
Sales of goods and services to third-party customers	83 918	108 328	7 087		199 333
Intersegmental sales			993	-993	0
Total sales of goods and services	83 918	108 328	8 080	-993	199 333
Operating profit					8 342
EBIT margin					4.2%
Investments in fixed and intangible assets					60 671
Depreciation/amortisation/impairment					25 492

3. Long-term receivables

On 21 July 2017, Ypsomed announced that the distribution agreement with Insulet Corp. for the distribution of the Omnipod® will not be extended. The agreement with Insulet Corp. ended on 30 June 2018.

As contractually agreed compensation for the establishment of the European distribution structures for Omnipod®, Ypsomed booked an income of CHF 49.8 million (USD 50.2 million) as a compensation fee from Insulet Corp. as on 30 June 2018. The calculation depends on the number of Omnipod® deliveries to existing customers within the twelve months after expiration of the distribution agreement. According to the contract, the real payment shall be quarterly computed by Insulet Corp. on the basis of the number of real deliveries. The contract foresees the first quarterly due payment as per end of November 2018 encompassing the months July to September 2018, end of February 2019 for the months October to December 2018, at the end of May 2019 for the months January to March 2019 and then at the end of August 2019 for the months April to June 2019. Instead of the expected approximately USD 50 million, Insulet Corp. transferred USD 5.1 million to Ypsomed without disclosing a calculation basis. Due to the lack of a mutual understanding, Ypsomed has initiated arbitration proceedings against Insulet Corp. as of 21 December 2018, which is in adherence to respective stipulations in the distribution agreement. Both Ypsomed's

management and their legal advisors assume that Ypsomed will prevail these arbitration proceedings with a predominant likelihood. In the course of the arbitration proceedings, Insulet Corp. has asserted a counterclaim of USD 18.7 million (incl. interest), i.a. due to allegedly insufficient sales efforts. This claim is inconsistent with the effectively realised sales increase of 44 % in the course of the last contractual year. Today's estimation may foresee a verdict on the applicable method of computation in 2021. The outstanding receivables amount to total CHF 42.6 million (FX-adjusted) as of 30 September 2020 and it is disclosed in the balance sheet in reporting line long term receivables. The amount of USD 18.7 million of the counterclaim is disregarded in the financial statements.

4. Financial income

	Half-year 2020/21	Half-year 2019/20
Dividend income	246	316
Gains from securities	2266	0
Reversal impairment financial asset Bionime Corp.	0	413
Foreign exchange gains	1084	3048
Other financial income	13	12
Total financial income	3608	3789
Interest expense	609	351
Foreign exchange losses	3559	3352
Other financial expense	152	101
Total financial expense	4320	3805

The gains from securities include gains from disposal of securities (CHF 0.5 million) and effects from the valuation at fair value (CHF 1.7 million). In March 2020, it was decided to sell the shares in Bionime Corp. within one year. Accordingly, the investment was reclassified to current assets at the end of the financial year 2019/20 and since then the shares are recognised at fair value.

5. Earnings per share

The earnings per share are calculated by dividing the net profits by the monthly weighted number of outstanding shares during the period. Here, the average number of

own shares held by the Group companies is subtracted from the issued shares.

	Half-year 2020/21	Half-year 2019/20
Net profit in thousand CHF	6 528	7 603
Number of outstanding shares weighted on a monthly basis	12 602 953	12 602 953
Earnings per share in CHF (diluted and undiluted)	0.52	0.60

6. Payment to shareholders

As per 10 July 2020, a distribution of retained earnings in the amount of CHF 0.10 and a tax-free distribution of capital contribution reserves in the amount of CHF 0.10 (previous year: CHF 0.55) per share were paid. The total distribution amounted to CHF 2.5 million (previous year: CHF 6.9 million).

7. Financial liabilities

As at 30 September 2020, the maximum credit line for fixed advances was CHF 265 million. The fixed advances of the banks were granted to Ypsomed Holding AG and Ypsomed AG with a term of up to 12 months. The loan agreement with Techpharma Management AG has been increased to CHF 55 million. The first portion of the loan, amounting to CHF 10 million, is repayable on 31 March 2023. Techpharma Management AG is a company controlled by Willy Michel.



Information policy

Ypsomed Holding AG maintains an open and transparent communication policy towards shareholders, potential investors, financial analysts, the media, customers and other interested people, based on the principle of equality. The company uses the following tools: annual report, semiannual report, presentation of the annual results to the media and financial analysts ahead of the General Meeting of Shareholders, as well as media briefings and company publications that have potential relevance to the share price. Responsibility for communication with investors rests with the Chairman of the Board of Directors.

The following research banks monitor the development of the Ypsomed Group:

Credit Suisse, Zurich: Christoph Gretler
Zürcher Kantonalbank, Zurich: Daniel Buchta
Vontobel AG, Zurich: Sibylle Bischofberger Frick
MIRABAUD Securities LLP: Daniel Jelovcan
Octavian AG, Zurich: Tanya Hansalik

On our website at www.ypsomed.com (under Media & Investors), all interested parties can access up-to-date and potentially market-relevant information (pull system) without charge. Furthermore, all interested parties can subscribe to an e-mail distribution list under www.ypsomed.com/newsservice (push system). The official publication organ of Ypsomed Holding AG is the Swiss Official Gazette of Commerce (SOGC). Company publications with potential relevance to the share price are usually communicated at the end of daily trading. Such publications are reported in advance to the SIX Swiss Exchange Regulation and thereafter uploaded to the above-mentioned website and simultaneously communicated to a number of national newspapers, electronic information systems and to persons registered on the e-mail distribution list.

Equity trading

The registered shares of Ypsomed Holding AG are traded on the SIX Swiss Exchange and on the BX Swiss AG.

Ticker symbols:
 YPSN (Telekurs)
 YPSN.S (Reuters)
 YPSN SW (Bloomberg)
 Security number: 1 939 699
 ISIN: CH 001 939 699 0

Important dates and contact

26 May 2021: Media conference and analysts' presentation of the annual figures 2020/21, Burgdorf

30 June 2021: General Assembly of Shareholders, Burgdorf

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Disclaimer

This semiannual report contains certain forward-looking statements. These can be identified by terms such as "should", "accept", "expect", "anticipate", "intend" or similar terms and phrases. The actual future results may differ materially from the forward-looking statements in this annual report, due to various factors such as legal and regulatory developments, exchange rate fluctuations, changes in market conditions, as well as the activities of competitors, the non-introduction or delayed introduction of new products for various reasons, risks in the development of new products, interruptions to production, the loss of or inability to obtain intellectual property, litigation and administrative proceedings, adverse publicity and news coverage.

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