



The Ypsomed Group is a leading developer and manufacturer of injection and infusion systems for self-medication and a renowned diabetes specialist with over 35 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 1900 employees.



## Further increase expected for the second semester

During the first semester of the financial year 2021/22 we achieved a consolidated turnover of CHF 222.6 million (previous year: CHF 199.5 million). This corresponds to an encouraging growth of 11.6 % and CHF 23.1 million compared with the previous year. At the same time we were able to increase the operating result by 23.1 % from CHF 8.5 million to CHF 10.5 million. This was accompanied by an increase in net profit to CHF 7.1 million (previous year: CHF 6.7 million).

The result confirms the positive trends for our products for easy and safe self-medication, which are vital for people with chronic conditions. Our highly automated and vertically integrated processes are proving their effectiveness in times of uncertain supply chains and enable us to ensure supplies to our customers at all times.

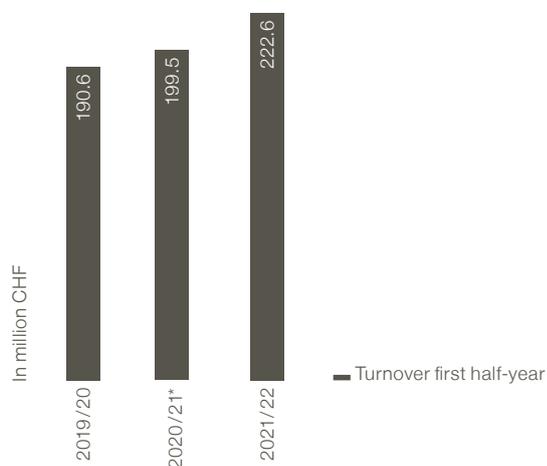
### Ypsomed Delivery Systems grows by 13.2 % in the pen business

During the first half-year 2021/22, the Ypsomed Delivery Systems segment increased its turnover by 9.2 % or CHF 10 million. The turnover for the reporting period amounts to CHF 118.3 million (previous year: CHF 108.3 million).

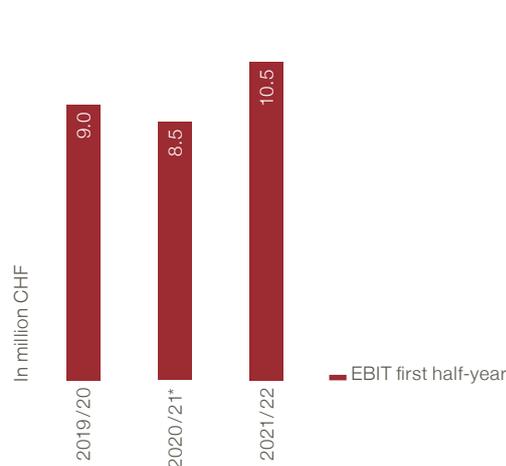
The development in the pen business was particularly pleasing, with a growth of 13.2 %. The main contributors were the UnoPen™ and the YpsoMate® platforms, as well as project revenues. Project revenues include the adaptation of our standardised platform products to specific customer needs in the development and industrialisation of new products which will have an impact on sales in the future. The acquisition of new customer projects continues at a very satisfactory level.

Following disproportionate growth of 10.3 % in the first semester of 2020/21, turnover in the Contract Manufacturing segment declined by 6.5 % in the current reporting period. This corresponds to the level of two years ago.

Turnover at group level



EBIT at group level



\* See Notes to the consolidated semiannual financial statements no 8, Restatement.

## Growth at Ypsomed Diabetes Care largely from project revenues

In the Ypsomed Diabetes Care segment we showed a growth in turnover of 13.2 % for the first half-year 2021/22. This growth resulted from higher revenues from the development services for infusion systems for partners. These originate from Eli Lilly as well as from the development services charged to TecMed AG for the YpsoPod® development project. The tubeless insulin pump is being developed further on behalf of TecMed AG, a company controlled by Willy Michel.

Commercial sales of the mylife™ YpsoPump® increased by 8.9 %. However, the contribution of the pen needles to turnover is 10.9 % less than in the previous year. The effects of the loss of a major customer in the USA, for whom we were still able to make remaining deliveries in the comparative period, were once again evident.

Sales of blood glucose monitoring systems increased by 1.0 %, contrary to the general downward market trend. Sales of DiaExpert were 1.9 % above the previous year.

## The Others segment is on the road to recovery

The Others segment, which consists of our subsidiary Ypsotec and the assets not used operationally, is showing a gradual recovery. This is reflected in a sales increase of 27.7 % compared to the previous year. Turnover in this segment for the first semester 2021/22 is CHF 9.1 million (previous year: CHF 7.1 million).

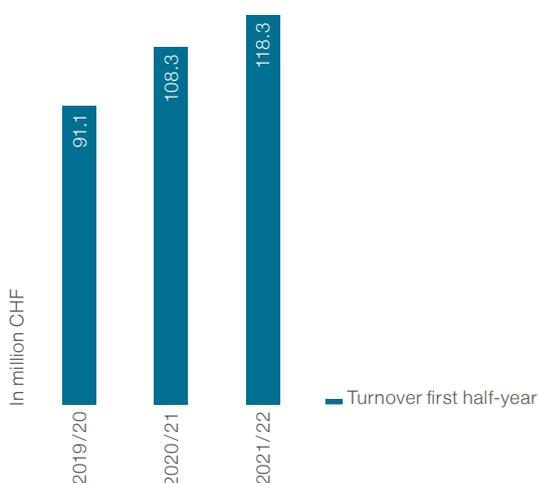
## Encouraging earnings contribution from the pen business

The operating result (EBIT) for the first half of 2021/22 was CHF 10.5 million (previous year: CHF 8.5 million).

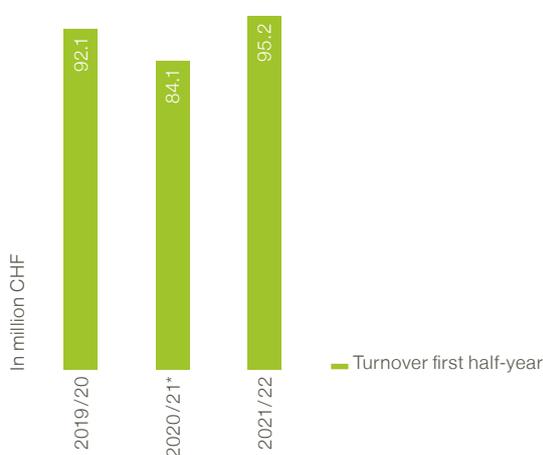
The following factors have affected the result of the first half-year 2021/22:

- The increase in turnover and higher utilisation of the production capacity in Switzerland for pen systems made an encouraging contribution to earnings. Add to this, there were increased contributions from the project business.
- Operational start-up at the Schwerin production site has been successful, and the first commercial deliveries of autoinjectors have been made. The plant is not yet operating at full capacity, which is why the site burdens the result with CHF 5 million.
- The mylife™ YpsoPump® burdens the result with around CHF 24 million, which is similar to the previous year.
- The positive development of Ypsotec, which is clearly approaching profitability again, supports the result.

### Turnover Ypsomed Delivery Systems



### Turnover Ypsomed Diabetes Care



\* See Notes to the consolidated semiannual financial statements no 8, Restatement.

## Net profit

The net profit for the reporting period amounts to CHF 7.1 million (previous year: CHF 6.7 million). The securities of Bionime Corp. burden the financial result with CHF 0.4 million (previous year: a gain on valuation and sale of CHF 2.3 million) and could only partly be compensated by the lower foreign currency losses compared to the previous year (see Notes to the consolidated semiannual financial statements: 3. Financial results, p. 19). Net profit therefore developed less strongly in the first semester of 2021/22.

## Continued high investments

In the first half of the financial year 2021/22, the cash flow from operating activities amounted to CHF 48.0 million (previous year: CHF 43.7 million). Cash flow from investment activities in the reporting period was CHF 69.4 million, up from CHF 59.6 million in the previous year. Investments in fixed assets amounted to CHF 23.8 million (previous year: CHF 35.4 million). Investments in automated assembly lines (primarily for autoinjectors), injection moulding machines, as well as tools at the production plants in Germany and Switzerland amounted to approximately CHF 21 million.

Of the CHF 44.7 million invested in intangible assets (previous year: 28.6 million), CHF 18 million was spent on patent letters for the control system of the insulin pump. Approximately CHF 13 million was invested in the further development of platforms for pen systems and CHF 8 million in the further development of the YpsoPump® and the software systems.

In addition, we invested CHF 1.2 million for the acquisition of strategic property reserves at our headquarters. This investment has opened up additional expansion options for us at the Burgdorf site.



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

## Solid equity ratio

Our short-term financial liabilities to banks increased by CHF 22 million in the first half of 2021/22 and amount to CHF 204.5 million with a credit line of CHF 265 million. At the same time, we fully utilised the loan agreement with Techpharma Management AG for CHF 55 million. Techpharma Management AG is a company controlled by Willy Michel. In July 2021, we were able to distribute CHF 14.7 million in dividends to our shareholders in line with our sustainable dividend policy. Half of the dividend was paid from retained earnings and half from tax-free capital contribution reserves.

Ypsomed continues to have a solid and healthy finance structure for future growth. Our total equity amounts to CHF 384.6 million (comparative period: CHF 395.4 million). The equity ratio is 52.4 %.

## Outlook

In recent months, we continued to successfully commercialise our platform strategy in the pen business. With the launch of mylife™ Assist, we have achieved an important milestone in the further development of our mylife™ YpsoPump® insulin pump.

We expect growth of around 20 % in the business with our own pen systems in the 2021/22 financial year. In addition, we continue to invest in innovation and the expansion of manufacturing capacities.

Based on our well-diversified business model, we currently expect to achieve at least double-digit sales growth at group level. We are raising our outlook for the operating profit (EBIT) to towards CHF 30 million.



**Simon Michel**  
Chief Executive Officer



## Digital therapy management made easy

The health sector is undergoing digital transformation. Comprehensive therapy management which supports users is gaining in importance. While digital assistants facilitate therapy with increased complexity, networked therapy management systems enable new forms of interaction between professionals and patients. This raises adherence levels to therapy and promotes the success of the therapy. Thus, we enable people who are dependent on therapies to enjoy the greatest possible quality of life and autonomy.

Our products and solutions can be modularly adapted to customer needs and utilised as a customised therapy management system. And all the time, the focus remains on simple, safe and easy handling for users.

### mylife™ Loop™ Program for people with diabetes

In the summer and autumn of 2021, we launched the new mylife™ Assist function for the mylife™ YpsoPump® for the Android platform first in Germany, Austria, Switzerland, Denmark and then on an ongoing basis in our other markets. During this process, we have considerably expanded the range of functions of our insulin pump system. The reason being that the app-based integration of the Dexcom G6 Continuous Glucose Monitoring (CGM) System enables people with diabetes to manage their therapy via their smartphone. Due to our app-based approach, we can make the advanced function of the pump system available to all mylife™ YpsoPump® users via a free update of the mylife™ App.

By doing this, we have implemented the first and important step of our mylife™ Loop™ Program. Due to the app-based integration of the CGM data from Dexcom G6 into the mylife™ YpsoPump® System, users can easily monitor their insulin and now also their glucose data in real time. The mylife™ Assist function makes daily therapy management easier for people with diabetes, as it provides them with relevant therapy data such as insulin data, Dexcom G6 data or even entered carbohydrates at a glance on their smartphone.

These data can, for example, be used to calculate bolus suggestions directly in the mylife™ App. In addition, the mylife™ App supports users with alerts when glucose levels are high or low.

For healthcare professionals, our innovation makes it easier for them to care for their patients, as users can easily share their data due to the solution's cloud integration.

We pursue an app-based approach and continuously expand the insulin pump system. This allows for short innovation cycles and makes it possible to incorporate new functions into the mylife™ YpsoPump® System.

The next development step is the mylife™ Dose. Users will then be able to deliver the bolus directly on the mylife™ YpsoPump® via the mylife™ App on their smartphone. And all this without even touching the pump. While we have launched mylife™ Assist for Android only for the moment, mylife™ Dose will be available for both Android and iOS. Finally, in the third step – mylife™ Loop™ – we use advanced algorithms for automated insulin delivery (AID), which will elevate our therapy system into a truly comprehensive therapy platform.

### Networked therapy management for chronic diseases

The YpsoMate® On is a technical design concept which we introduced in October 2021. It is the world's first autoinjector for prefilled syringes with fully integrated connectivity. The YpsoMate® On combines the advantages of the proven YpsoMate® autoinjector with the options of digital therapy support. It extends the smart options for integrating the autoinjector into a digital therapy management system. An already established option for this is the SmartPilot™, a networked reusable attachment for the YpsoMate® autoinjector.

Autoinjectors for prefilled syringes such as the YpsoMate® are reliable and safe devices for subcutaneous self-medication. These enable people with chronic diseases to treat themselves independently at home, which relieves the burden on the medical infrastructure. This positive effect is offset by the fact that the success of therapy depends to a large extent on the personal discipline of the person being treated. Therefore, digital therapy solutions aim to improve therapy adherence and thus have a positive impact on the success of therapy, solutions which benefit people and lower overall healthcare costs.

mylife™ Assist: app based integration of Dexcom G6 into the mylife™ YpsoPump® System.



The YpsoMate® On is a further development that adds a new, smart option to our established YpsoMate® autoinjector family. This is distinguished by its ease of use and high level of patient safety. The YpsoMate® On combines the advantages of the proven YpsoMate® autoinjector with the options of digital therapy support. The autoinjector offers digital therapy support through integrated connectivity: it automatically records the administration of medication and transmits the data wirelessly to a therapy management system. Owing to a novel communication protocol, no prior pairing of the device with a mobile phone is necessary. In addition, the visual feedback of the YpsoMate® supports users in reliably administering medication. With YpsoMate® On, healthcare professionals have access to the data they need to optimally support patients in their therapy and improve their adherence to therapy.

The YpsoMate® On is a technological innovation which takes sustainability principles into account right through to the end of the product's life cycle: the device is made of sustainable materials and designed for recycling in line with our eco-design approach. This is also exemplified in

that the electronic components are located in a separable element of the autoinjector. The electronic components and the injection unit can thus be disposed of separately or processed further. Like all new product developments from Ypsomed, the YpsoMate® On is designed to support the company's sustainability goals. The reason being that Ypsomed aims to have a CO<sub>2</sub>-neutral production by 2030 and has committed to net zero emissions along the entire value creation chain by 2040.

### Digitisation of the portfolio

The launch of mylife™ Assist as well as the introduction of the YpsoMate® On bear witness to the digitisation and differentiation of our portfolio in the therapy management and for people with chronic diseases. Thus, we enable people who are dependent on continuous therapies to enjoy the greatest possible quality of life and autonomy. And this is why our products and solutions can be modularly adapted to customer needs and utilised as a customised therapy management system. Despite their technical complexity, the focus remains on simple and safe handling for users.



## Chronic illnesses

### Self-medication is the key

People's life expectancy has risen sharply in recent decades. This increase, coupled with environmental influences and lifestyle habits, also led to an increase in chronic illnesses. This poses a tremendous social challenge. Pens, patch- and autoinjectors are easy-to-use and reliable medical devices which make self-treatment of many of these conditions possible with innovative medicines. Thus, the quality of life of those affected is increased and the burden on healthcare systems is reduced.

Chronic diseases are illnesses that cannot be transmitted, are not caused by infections, are long-lasting and cannot be fully cured. They must therefore be treated repeatedly. And as they belong to the most wide-spread causes of death worldwide, they are highly relevant in an increasingly ageing society. Chronic diseases include cardiovascular diseases, cancer, dementia, chronic respiratory diseases, and also diabetes or psoriasis, to name just a few. In Switzerland alone, 2.2 million people suffer from a chronic disease, with one fifth of those over 50 suffering from several chronic diseases at the same time (multimorbidity).<sup>1</sup>

#### Individual responsibility as a necessity

As chronically ill people require sustained treatment, there is also an increasing demand for simple and reliable forms of administration which meet the special needs of those affected. Due to longterm impairment and the long duration of treatment, the costs due to loss of work, healthcare costs, and social expenditure are considerable, irrespective of the form of therapy. The method of treatment is therefore an important cost driver in the treatment of chronic diseases. By putting our vision into practice – making selfcare simpler and easier – we can significantly facilitate the treatment of these diseases and help those affected to enjoy a better quality of life. The reason being, that a shift towards autonomous self-medication also relieves the burden on the healthcare systems.

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The YpsoMate® family offers a wide range application possibilities.



## Psoriasis treatment with YpsoMate®

Psoriasis is a common, chronic, non-communicable skin disease whose cause is not yet fully understood. It is a widespread phenomenon affecting at least 100 million people worldwide. The negative impact of this disease on the daily lives of those affected can be immense as it affects work, leisure, relationships, family, and social life. It can therefore have significant physical and psychological consequences for patients. The progression of psoriasis is unpredictable and often accompanied by other conditions such as arthritis, cardiovascular disease, metabolic syndrome, inflammatory bowel disease and depression.

In 2014, the member states of the World Health Organization (WHO) therefore recognised psoriasis as a serious non-communicable disease (NCD).<sup>2</sup>

A survey among psoriasis patients has shown that at least 90 per cent of patients with moderate to severe plaque psoriasis place great value on a treatment that ensures clear skin, a lasting result and a rapid onset of action. This implies that psoriasis plays a very prominent role in the daily lives of those affected and that successful treatment has a very positive impact on the health-related quality of life of patients.<sup>3</sup>

To provide this reliable form of delivery and to combat chronic diseases, we have some good news: UCB recently announced that BIMZELX® (bimekizumab) has received approval in the the countries of the European Union/ European Economic Area for the treatment of moderate to severe plaque psoriasis in adults eligible for systemic therapy.

The approval in the European Union is the first marketing authorisation for UCB's new psoriasis treatment worldwide. With our YpsoMate® autoinjector, chronically ill people will benefit from this new form of psoriasis treatment. Bimekizumab is approved at a recommended dose of 320 mg and is administered by two subcutaneous injections every four weeks until week 16 and every eight weeks thereafter. In some patients with a body weight  $\geq 120$  kg who have not achieved complete clearing of the skin at week 16, a dose of 320 mg every four weeks after week 16 may further improve the response to treatment.<sup>4</sup> We are proud to be able to help improve the lives of people suffering from psoriasis and make their lives easier.

UCB is a globally operating biopharmaceutical company based in Brussels, focused on discovering and developing innovative medicines and solutions to improve the lives of people with serious diseases of the immune system or the central nervous system. UCB employs around 8 400 people in almost 40 countries.

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Skin changes and irritations are signs of psoriasis.



<sup>1</sup> Cf. Obsan (Publisher): Health in Switzerland – Focus on chronic illnesses. National Health Report 2015.

<sup>2</sup> Resolution WHA67.9: Psoriasis. World Health Organization, Geneva, May 2014.

<sup>3</sup> Gorelick J, Shrom D, Sikand K, et al. Understanding Treatment Preferences in Patients with Moderate to Severe Plaque Psoriasis in the USA: Results from a Cross-Sectional Patient Survey. *Dermatol Ther (Heidelb)*. 2019;9:785-797.

<sup>4</sup> BIMZELX (bimekizumab) EU Summary of Product Characteristics, August 2021. Online: [https://www.ema.europa.eu/en/documents/product-information/bimzelx-epar-product-information\\_en.pdf](https://www.ema.europa.eu/en/documents/product-information/bimzelx-epar-product-information_en.pdf).



## Objective: Net zero emissions

Ypsomed is dedicated to cooperation

Climate change is one of the greatest global challenges of our time, and one we can only solve collectively. As a socially responsible company, Ypsomed wants to make a significant contribution here. Which is why we have also committed ourselves to net zero emissions. This is an ambitious goal for a company that processes large quantities of raw materials and requires energy to do so. As a large proportion of our CO<sub>2</sub> emissions are generated outside our operations, we are committed to reducing our emissions to a minimum along the entire value creation chain. To achieve this, we are actively involved in different kinds of cooperation and partnerships.



We are a founding member of the Alliance to Zero, which was established in June 2021. The Alliance is a non-profit membership association for companies with common goals across the supply chain for pharmaceutical and biotech products. It is committed to the transformation to net zero emissions in keeping with the goals of the Paris Climate Agreement. The Alliance shares our conviction that these goals can only be realised in cooperation with the stakeholders across the entire pharmaceutical value creation chain. In-depth and proactive collaboration across company boundaries is the key to widely accepted solutions that positively impact the pharmaceutical industry.

## Value creation chain

We have already implemented a number of initiatives at our sites to reduce our emissions, such as the installation of a heat pump in Solothurn which recovers waste heat. Our electricity mix is already virtually CO<sub>2</sub>-free, and by the end of 2021 we will demonstrably source our electricity from 100 % renewable energy. However, we are well aware that 97 % of our emissions come from the upstream and downstream value creation chain (so-called Scope 3 emissions, cf. Ypsomed Annual Report 2020/21).

Therefore, it is crucial for us to focus on where the largest part of the emissions occur. To achieve this goal, we cooperate with strong partners. Only together will we be able to establish binding standards for the entire pharmaceutical industry and pass these on to other partners. The Alliance to Zero is a prime example here as it brings together important representatives of the value creation chain. These include component suppliers, machine suppliers and assembly/manufacturing service providers, as well as companies that manufacture the primary and secondary packaging of medicinal products, are responsible for the final assembly of the products or provide the return and recycling systems after use.

## Sustainable materials and product design

We are currently focusing our efforts on those areas that we can influence the most, even indirectly. Primarily these are the purchased raw materials; in particular the plastic granulates. We substituted conventional plastics with CO<sub>2</sub>-optimised, sustainable plastics. Searching for these plastics is indeed challenging. The reason being that, despite their ecological benefits, these alternative materials must also possess all the properties required to meet our high quality standards. We therefore draw up comprehensive ecological product assessments, conduct material suitability tests and evaluate options and ways forward together with the suppliers and partners who accompany us in this process. As materials can affect production processes, we also coordinate between the development, purchasing and production departments right from the beginning of the concept and development phase. To achieve this, we work closely with Purchasing and Production to plan and implement the entire product life cycle in a sustainable manner. In doing so, we try to avoid waste as much as possible, minimise it, use recyclable materials and constantly increase the proportion

of recyclable waste at our production sites. As a first concrete result of these studies and evaluations, we were able to present the world's first CO<sub>2</sub>-neutral autoinjector – the Ypsomate® Zero – last year.

In the design stage, we have a second lever to reduce the emissions of our products over their entire life cycle. We have therefore introduced an eco-design process. This ensures that our criteria and approaches are already incorporated in the concept and project phase of new products. On the one hand, this promotes the use of sustainable materials and, on the other, also increases the recyclability and reuse of the products or their components at the end of their service life. In this respect, we are already working on ideas and concepts for return and recycling systems.

## Cooperation

As a company looking at long-term orientation, we think and act sustainably. In this sense, we are committed to our customers as well as to society and align our entire ecosystem with the circular economy to comply with our integrated, sustainable strategy. To this end, we enter into partnerships along the entire value creation chain, thus not only strengthening our claim to our role as a pioneer, but also consistently following this path to reduce our entire ecological footprint. Our partnership with Circular Economy Switzerland is part of our contribution to boosting the circular economy in Switzerland.

We build our commitment to sustainability on sound foundations and are active in those fields which are relevant to us as well as to our stakeholders. In this process, we pursue scientifically sound goals that are evaluated according to strict criteria. To this end, we signed the Science Based Target Initiative (SBTI) this year. The initiative guides companies with clear targets to reduce CO<sub>2</sub> emissions in line with the Paris Climate Agreement and shows to what extent and in what time frame companies have to reduce emissions.

Overview of all partnerships and cooperations at [www.ypsomed.com/partnerships](http://www.ypsomed.com/partnerships)



## Consolidated income statement

(Unaudited Swiss GAAP FER figures) in thousand CHF

	Notes	01 April 2021 – 30 Sept. 2021	in %	01 April 2020 – 30 Sept. 2020	in %
Sales of goods and services	2 / 8	222 588	100.0 %	199 512	100.0 %
Cost of goods and services sold		-170 246	-76.5 %	-152 015	-76.2 %
<b>Gross profit</b>		<b>52 342</b>	<b>23.5 %</b>	<b>47 497</b>	<b>23.8 %</b>
Marketing and sales expenses		-32 723	-14.7 %	-30 491	-15.3 %
Administration expenses		-11 142	-5.0 %	-10 434	-5.2 %
Other operating income		2 364	1.1 %	2 334	1.2 %
Other operating expenses		-353	-0.2 %	-385	-0.2 %
<b>Operating profit</b>	2	<b>10 489</b>	<b>4.7 %</b>	<b>8 521</b>	<b>4.3 %</b>
Financial income	3	1 114	0.5 %	3 608	1.8 %
Financial expenses	3	-3 035	-1.4 %	-4 320	-2.2 %
<b>Profit before income taxes</b>		<b>8 567</b>	<b>3.8 %</b>	<b>7 809</b>	<b>3.9 %</b>
Income taxes	8	-1 443	-0.6 %	-1 154	-0.6 %
<b>Net profit</b>		<b>7 124</b>	<b>3.2 %</b>	<b>6 655</b>	<b>3.3 %</b>
<b>Earnings per share</b> (diluted and undiluted) in CHF	4	<b>0.56</b>		<b>0.53</b>	
Operating profit		10 489		8 521	
Depreciation and impairment of fixed assets		18 904		15 698	
Amortisation and impairment of intangible assets		13 036		9 793	
<b>EBITDA</b> (operating profit before depreciation and amortisation)		<b>42 429</b>	<b>19.1 %</b>	<b>34 013</b>	<b>17.0 %</b>



## Consolidated balance sheet

(Unaudited Swiss GAAP FER figures) in thousand CHF

Assets	Notes	30 Sept. 2021	in %	31 March 2021	in %
Cash and cash equivalents		27 625	3.8%	19 320	2.7%
Securities		2 422	0.3%	3 091	0.4%
Trade receivables		75 590	10.3%	72 663	10.1%
Other current assets		5 607	0.8%	12 170	1.7%
Accrued income and prepayments		9 721	1.3%	12 948	1.8%
Current income tax assets		67	0.0%	67	0.0%
Inventories		62 091	8.5%	63 357	8.8%
Customer machinery		2 181	0.3%	1 524	0.2%
<b>Total current assets</b>		<b>185 303</b>	<b>25.2%</b>	<b>185 141</b>	<b>25.8%</b>
Financial assets		2 648	0.4%	2 668	0.4%
Deferred income tax assets		34 729	4.7%	34 768	4.8%
Fixed assets		337 179	45.9%	334 379	46.6%
Intangible assets		174 734	23.8%	160 728	22.4%
<b>Total non-current assets</b>		<b>549 291</b>	<b>74.8%</b>	<b>532 543</b>	<b>74.2%</b>
<b>Total assets</b>		<b>734 594</b>	<b>100.0%</b>	<b>717 683</b>	<b>100.0%</b>
<b>Liabilities and equity</b>					
Financial liabilities	6	204 500	27.8%	182 500	25.4%
Trade payables		19 762	2.7%	34 553	4.8%
Prepayments from customers		10 921	1.5%	19 382	2.7%
Current income tax payable		1 119	0.2%	1 240	0.2%
Other payables		6 165	0.8%	2 955	0.4%
Accrued liabilities and deferred income		32 788	4.5%	29 283	4.1%
Provisions (short-dated)		2 578	0.4%	2 463	0.3%
<b>Total current liabilities</b>		<b>277 833</b>	<b>37.8%</b>	<b>272 377</b>	<b>38.0%</b>
Non-current liabilities to major shareholder	6	55 000	7.5%	32 500	4.5%
State-subsidised payments		8 397	1.1%	8 757	1.2%
Provisions (long-term)		6 180	0.8%	6 125	0.9%
Deferred income tax liabilities		2 602	0.4%	2 539	0.4%
<b>Total non-current liabilities</b>		<b>72 180</b>	<b>9.8%</b>	<b>49 921</b>	<b>7.0%</b>
Share capital		178 994	24.4%	178 994	24.9%
Capital reserves		104 100	14.2%	111 433	15.5%
Own shares / Translation exchange differences		-15 047	-2.0%	-11 785	-1.6%
Goodwill offset		-322 892	-44.0%	-322 892	-45.0%
Retained earnings		439 425	59.8%	439 635	61.3%
<b>Total equity</b>	5	<b>384 581</b>	<b>52.4%</b>	<b>395 385</b>	<b>55.1%</b>
<b>Total liabilities and equity</b>		<b>734 594</b>	<b>100.0%</b>	<b>717 683</b>	<b>100.0%</b>



## Consolidated statement of cash flows

(Unaudited Swiss GAAP FER figures) in thousand CHF

	Notes	01 April 2021 – 30 Sept. 2021	01 April 2020 – 30 Sept. 2020
<b>Net profit</b>		<b>7 124</b>	<b>6 655</b>
Depreciation and amortisation of fixed and intangible assets		31 940	25 492
Loss from impairment (+)/Reversal of impairment (-)	3	452	0
Change in provisions (incl. deferred income taxes)		113	250
Other expenses/income that do not affect the fund	8	127	-1 198
Increase (-)/decrease (+) in long-term receivables not affecting cash and cash equivalents		0	918
Gain from disposals of fixed and financial assets		-52	-676
Increase (-)/decrease (+) in trade receivables		-3 544	7 940
Increase (-)/decrease (+) in other receivables and prepayments and accrued income	8	9 594	2 034
Increase (-)/decrease (+) in inventories		995	-6 287
Increase (-)/decrease (+) in customer machinery		-657	-262
Increase (+)/decrease (-) in trade payables		3 541	103
Increase (+)/decrease (-) in prepayments from customers		-8 461	5 278
Increase (+)/decrease (-) in other payables and accrued liabilities and deferred income	8	6 816	3 494
<b>Cash flow from operating activities</b>		<b>47 988</b>	<b>43 740</b>
Disposal of financial assets and securities		278	4 205
Purchase of fixed assets		-23 771	-35 437
Disposal of fixed assets		6	177
Purchase of intangible assets		-44 726 *	-28 586
Acquisition of subsidiaries less cash and cash equivalents acquired		-1 162	0
<b>Cash flow from investing activities</b>		<b>-69 375</b>	<b>-59 641</b>
Proceeds of borrowings from major shareholder		22 500	0
Proceeds of borrowings from banks		22 000	61 000
Repayment of short-dated financial liabilities to banks		0	-33 999
Distribution of capital reserves and retained earnings	6	-14 666	-2 521
<b>Cash flow from financing activities</b>		<b>29 834</b>	<b>24 480</b>
Effect of foreign currency translation		-142	89
<b>Total cash flow</b>		<b>8 305</b>	<b>8 669</b>
Cash and cash equivalents as of 01 April		19 320	13 394
Cash and cash equivalents as of 30 September		27 625	22 063
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>		<b>8 305</b>	<b>8 669</b>

\* Out of the CHF 20 million invoice received in the financial year 2020/21 for patent letters to operate the insulin pump, which were capitalised under intangible assets, CHF 18 million were paid in the reporting period.



## 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 2020	178 994	112 196	-6 595	-19 129	-322 892	435 084	377 659
Net profit half-year						6 655	6 655
Dividend payout from capital contribution reserves		-1 260					-1 260
Dividend payout from retained earnings						-1 260	-1 260
Translation exchange differences				2 982			2 982
<b>Balance as of 30 September 2020</b>	<b>178 994</b>	<b>110 936</b>	<b>-6 595</b>	<b>-16 147</b>	<b>-322 892</b>	<b>440 480</b>	<b>384 775</b>

	Share capital	Group reserves and share premium	Treasury shares	Cumulative translation reserve	Goodwill offset	Retained earnings	Total
Balance as of 01 April 2021	178 994	111 433	-957	-10 829	-322 892	439 635	395 385
Net profit half-year						7 124	7 124
Dividend payout from capital contribution reserves		-7 333					-7 333
Dividend payout from retained earnings						-7 333	-7 333
Translation exchange differences				-3 262			-3 262
<b>Balance as of 30 September 2021</b>	<b>178 994</b>	<b>104 100</b>	<b>-957</b>	<b>-14 091</b>	<b>-322 892</b>	<b>439 425</b>	<b>384 581</b>



## Alternative Performance Measures

Ypsomed's annual report according to SWISS GAAP FER is enhanced by additional financial measures that have not been determined by the FER framework. The substantial financial ratios are EBIT and EBITDA.

### EBIT and EBITDA

Ypsomed's EBITDA equals operating profit before amortisation, depreciation and impairment of tangible and intangible assets, whereas EBIT stands for operating profit. Ypsomed feels confident that both EBIT and EBITDA represent substantial financial ratios that allow for a comparison with other corporations with regard to

different Capitalisation – or legal set-ups and therefore different interest- and tax rates. In addition, the ratios enable drawing comparisons to enterprises with differently occurring amortisation, depreciation and impairment of both tangible and intangible assets.

in thousand CHF

	<b>01 April 2021 – 30 Sept. 2021</b>	01 April 2020 – 30 Sept. 2020
Operating profit	<b>10489</b>	8521
<b>EBIT</b>	<b>10489</b>	<b>8521</b>
Depreciation and impairment of fixed assets	<b>19098</b>	15850
Dissolved state-subsidies	<b>-194</b>	-152
Amortisation and impairment of intangible assets	<b>13036</b>	9793
<b>EBITDA</b> (operating profit before depreciation and amortisation)	<b>42429</b>	<b>34013</b>



# Notes to the consolidated semiannual financial statements

In thousand CHF unless otherwise stated.

## 1. Accounting policies

### Basics

This consolidated semiannual report includes the non-audited consolidated half-year financial statement of the Ypsomed Holding AG and its subsidiaries for the reporting period ending 30 September 2021. The consolidated semiannual report was prepared in compliance with Swiss GAAP FER 31 interim reporting. The accounting principles applied to the preparation of the semiannual report comply with the accounting principles on which the consolidated report per 31 March 2021 was based. The consolidated semiannual report was released for publication by the Board of Directors on 28 October 2021.

The business operations of Ypsomed are not subject to major seasonal or cyclic fluctuations within the financial year.

Preparation of the semiannual report 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 report. 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.

Half-year 2020/21	Ypsomed Diabetes Care	Ypsomed Delivery Systems	Others	Eliminations	Group
Sales of goods and services to third-party customers	84 097	108 328	7 087		199 512
Intersegmental sales			993	-993	0
<b>Total sales of goods and services</b>	<b>84 097</b>	<b>108 328</b>	<b>8 080</b>	<b>-993</b>	<b>199 512</b>
Operating profit					8 521
EBIT margin					4.3 %
Investments in fixed and intangible assets					60 671
Depreciation / Amortisation / Impairment					25 492

Half-year 2021/22	Ypsomed Diabetes Care	Ypsomed Delivery Systems	Others	Eliminations	Group
Sales of goods and services to third-party customers	<b>95 206</b>	<b>118 331</b>	<b>9 050</b>		<b>222 588</b>
Intersegmental sales			<b>902</b>	<b>-902</b>	<b>0</b>
<b>Total sales of goods and services</b>	<b>95 206</b>	<b>118 331</b>	<b>9 952</b>	<b>-902</b>	<b>222 588</b>
<b>Operating profit</b>					<b>10 489</b>
<b>EBIT margin</b>					<b>4.7 %</b>
Investments in fixed and intangible assets					<b>51 073</b>
Depreciation / Amortisation / Impairment					<b>31 940</b>

### 3. Financial result

	Half-year 2021/22	Half-year 2020/21
Interest income	7	10
Gains from securities	49	2 266
Foreign exchange gains	978	1 084
Dividends/other financial income	80	249
<b>Total financial income</b>	<b>1 114</b>	<b>3 608</b>
Interest expenses	1 004	609
Loss from securities	452	0
Foreign exchange losses	1 484	3 559
Other financial expenses	95	152
<b>Total financial expenses</b>	<b>3 035</b>	<b>4 320</b>

The stake in Bionime Corp. held for sale are valued at current value. Gains from sale amounted to CHF 0.05 million in the half-year (previous year: CHF 0.5 million). The valuation at current values resulted in a loss of CHF 0.5 million (previous year: gain of CHF 1.7 million).

### 4. 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 2021/22	Half-year 2020/21
Net profit in thousand CHF	7 124	6 655
Number of outstanding shares weighted on a monthly basis	12 642 953	12 602 953
Earnings per share (diluted and undiluted) in CHF	0.56	0.53

## 5. Payment to shareholders

As per 09 July 2021, a distribution of retained earnings in the amount of CHF 0.58 (previous year: CHF 0.10) and a tax-free distribution of capital contribution reserves in the amount of CHF 0.58 (previous year: CHF 0.10) per share were paid. The total distribution amounted to CHF 14.7 million (previous year: CHF 2.5 million).

## 6. Financial liabilities

As at 30 September 2021, 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.

As of 30 September 2021, the two loan agreements from Techpharma Management AG with a total volume of CHF 55 million were fully utilised. The redemption of the loan of CHF 10 million is due on 31 March 2025. In 2020/21 Techpharma Management AG has granted an additional loan with a credit line of CHF 45 million to Ypsomed Holding AG. Ypsomed Holding AG will repay CHF 10 million not later than 01 April 2024.

Techpharma Management AG is a company controlled by Willy Michel.

## 7. Authorised capital increase

At the Annual General Meeting on 30 June 2021, the shareholders of Ypsomed Holding approved all proposals. The adoption of a provision in the Articles of Association regarding an authorised capital increase authorises the Board of Directors to increase the share capital at any time until 29 June 2023 by issuing a maximum of 1 million fully paid registered shares with a nominal value of CHF 14.15 each. This increases Ypsomed's financial flexibility for possible opportunities and further growth.

## 8. Restatement

In the course of the financial year 2020/21 we did identify a mistake in the reported VAT declaration of the German distribution companies. During the tax periods 2004/05 – 2020/21 the entities paid too much VAT. The respective amounts of these taxable years have been claimed for refund. This is Ypsomed's reason for a restatement with the retrospective adjustment of figures of the previous year.

The following tables disclose the impact of the restatement on the concerned financial lines of the half-year closing 2020/21.

in thousand CHF

Impact on income statement	Restated				
	01 April 2020– 30 Sept. 2020	in %	01 April 2020– 30 Sept. 2020	in %	Delta
Sales of goods and services	199333	100.0%	199512	100.0 %	179
<b>Operating profit</b>	8342	4.2%	8521	4.3 %	179
Income taxes	-1 102	-0.6%	-1 154	-0.6 %	-52
<b>Net profit</b>	6528	3.3%	6655	3.3 %	127

Impact on the statement of changes in equity	Restated				
	30 Sept. 2020	in %	30 Sept. 2020	in %	Delta
Own shares/translation exchange differences	-22393	-3.1%	-22742	-3.2 %	-349
Retained earnings	437 463	61.1%	440 480	61.2 %	3017
<b>Total equity</b>	382 108	53.4%	384 775	53.5 %	2668

Impact on statement of cash flows	Restated		
	01 April 2020– 30 Sept. 2020	01 April 2020– 30 Sept. 2020	Delta
<b>Net profit</b>	6 528	6 655	127
Other expenses / income that do not affect the fund	-1 252	-1 198	54
Increase (-) / decrease (+) in other receivables and prepayments and accrued income	2 288	2 034	-254
Increase (+) / decrease (-) in other payables and accrued liabilities and deferred income	3 420	3 494	74
<b>Cashflow from operating activities</b>	43 740	43 740	0



## 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 cover monitor the performance of the Ypsomed Group:

**Credit Suisse, Zurich:** Christoph Gretler  
**Mirabaud Securities Ltd., Zurich:** Daniel Jelovcan  
**Zürcher Kantonalbank, Zurich:** Daniel Buchta  
**Vontobel AG, Zurich:** Sibylle Bischofberger Frick  
**Octavian AG, Zurich:** Tanya Hansalik  
**Research Partners, Zurich:** Urs Kunz

On our website at [www.ypsomed.com](http://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](http://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.

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

**25 May 2022:** Media conference and analysts' presentation of the annual figures 2021/22, Zurich

**29 June 2022:** General Assembly of Shareholders, Burgdorf

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Publisher  
 Ypsomed Holding AG, Burgdorf

Text, Concept and Design  
 Ypsomed AG, Marketing Communications, Solothurn

Printing  
 Stämpfli AG, Bern

The Ypsomed Group publishes its semi-annual and annual reports in English and German. The German version is legally binding.

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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 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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