Ad hoc announcement pursuant to Art. 53 LR
2021 Half-year report – Media Release

Straumann Group further accelerates growth in the second quarter to deliver record first half-year result

- Half-year revenue reached CHF 986 million or 63% organic growth
- Revenue increased by 103% to reach CHF 516 million in the second quarter, with all regions reporting impressive sales growth
- Strong volume growth brought core EBIT to CHF 284 million, with a margin of 29%
- Reported net profit rose to CHF 175 million or 18%, including DrSmile earn-out adjustment
- Acquisition of Smilink, a doctor-led direct-to-consumer business, further strengthens the orthodontics business in Brazil
- Full-year 2021 outlook raised to organic revenue growth of above thirty percent, with profitability (core EBIT margin) nearly reaching the 2019 level, assuming the pandemic does not negatively impact the patient flow

in CHF million / margin changes rounded	H1 2021		H1 2020	
	IFRS	CORE[1]	IFRS	CORE[1]
Revenue	**985.5**	**985.5**	**605.1**	**605.1**
Change CHF		62.9%		(22.4%)
Change w/out FX		67.1%		(17.0%)
Change organic		63.1%		(19.2%)
Gross profit	**751.6**	**751.7**	**421.3**	**429.8**
Margin	76.3%	76.3%	69.6%	71.0%
Margin change CHF		530bps		(620bps)
Margin change w/out FX		560bps		(530bps)
EBITDA	**332.6**	**332.6**	**123.9**	**140.8**
Margin	33.7%	33.7%	20.5%	23.3%
Margin change CHF		1050bps		(830bps)
Margin change w/out FX		1090bps		(690bps)
EBIT	**278.6**	**284.0**	**(73.8)**	**100.2**
Margin	28.3%	28.8%	(12.2%)	16.6%
Margin change CHF		1220bps		(1090bps)
Margin change w/out FX		1250bps		(940bps)
Net result	**174.6**	**227.4**	**(93.7)**	**73.6**
Margin	17.7%	23.1%	(15.5%)	12.2%
Margin change CHF		1090bps		(950bps)
Basic EPS (in CHF)	**10.87**	**14.19**	**(5.89)**	**4.49**
Free cash flow	**210.2**		**11.5**	
Margin	21.3%		1.9%	
Headcount (end of June)	**8169**		**7273**	

[1] The 'core' figures in this document exclude purchase-price allocation (PPA) amortization, impairments, restructuring expenses, legal cases, consolidation result of former associates, and other non-recurring incidents. Details and a reconciliation of the reported and core income statement are provided on pages 10ff.

Basel, August 12, 2021: Straumann Group revenue reached CHF 986 million in the first six months of 2021, which is a record result. This is in contrast to the first half of 2020, when revenue declined by 22% to CHF 605 million because of pandemic-related lockdowns. The Group's strong sales growth in the first quarter, which was supported by a tailwind generated by consumers spending disposable income on specialty dental treatments, continued in the second quarter. The second quarter revenue reached CHF 516 million compared to CHF 248 million in 2020, when revenue dropped almost 40% in Swiss francs due to the pandemic.

Guillaume Daniellot, Chief Executive Officer, commented: "Our strong product and solutions pipeline is performing very well and helped us to continue the accelerated growth seen in the first quarter. Our team has done a tremendous job of focusing on customer needs and delivering on the high level of demand. The strong performance was supported by the tailwind, combined with continued market share gains. Assuming the pandemic does not negatively impact the patient flow, we have raised our guidance to full-year organic revenue growth of above thirty percent and expect that profitability will nearly reach the 2019 level."

All regions continued to report high sales growth in the first half of 2021. EMEA and North America contributed CHF 444 million and CHF 290 million to Group revenue, with organic growth increases of 57% and 67% respectively. LATAM (75%) and Asia Pacific (68%) grew strongly, contributing CHF 252 million to overall Group revenue.

STRATEGIC PROGRESS SECOND QUARTER

Premium immediacy thriving and supporting sales growth for the entire portfolio
The Group's efforts related to immediacy in implant dentistry helped to promote Straumann's innovative fully tapered BLX implant system. These efforts also supported the limited market release of the newly introduced TLX implant, which is the first broad global launch of a tissue level immediacy solution implant worldwide. This continued success confirmed that these solutions also serve as a starting point for converting new customers and leveraging the entire product portfolio, including BLT. Immediacy protocols involve fewer surgical interventions and clinic visits, offering shorter time-to-teeth treatment options for health consumers and enabling clinicians to reduce chair time per health consumer.

Challenger brands continue to successfully expand into additional markets
The challenger brands are growing strongly. Neodent is now a global brand that is represented in more than 80 countries. Medentika and Anthogyr are each available in more than 60 countries. Anthogyr is celebrating its 20-year anniversary in China this year.

Digital solutions with very strong performance
Intraoral scanners, CADCAM customized prosthetics as well as our 3D printing portfolio are key drivers of sales growth in digital solutions. Intraoral scanners such as TRIOS, Medit and Virtuo Vivo are the starting point for the business in many respects, offering significant advantages such as reducing clinic visits and physical contact. With the recent addition of the Medit intraoral scanner, the Group now has an intraoral scanner portfolio that covers all segments, price ranges and regions.

Orthodontics building on strong growth
The new material ClearQuartz has been launched globally, except in China, and the response has been very positive. Furthermore, the launch of Collaborator, a new feature within the ClearCorrect digital customer portal, was a great success during the first quarter. This software enhances collaboration on clear aligner patient cases by enabling clinicians to share individual cases with staff, other clinicians, and treatment planning services. This makes it possible to exchange expertise and advice, with the aim of improving treatment outcomes and practice efficiency. The global launch of the ClearPilot 2.0 software update, which offers additional features that improve visualization for treatment planning and enhance communication with patients, has received excellent feedback.

Strengthening the doctor-led direct-to-consumer business by acquiring Smilink
The global market for clear aligners continues to offer strong growth opportunities, and is increasingly driven by direct-to-consumer marketing and online service providers who offer treatment packages. The Group recently signed an agreement to fully acquire Smilink, one of the fastest-growing providers of orthodontic solutions in Brazil. Similar to DrSmile, Smilink combines direct-to-consumer marketing expertise with doctor-led treatment, and complements Straumann's existing clear-aligner business. This acquisition will offer further growth opportunities with dentist partners, and strengthens the Group's portfolio of convenient doctor-led aligner treatment solutions for patients.

DrSmile, a leading provider of doctor-led direct-to-consumer clear aligner treatment solutions in Europe, is growing very quickly which led to an adjustment of the earn-out.

Further investment in capacity expansion in the US
In Mansfield, Texas, USA the Group plans to invest around CHF 46 million to construct a new manufacturing facility. It will begin operating in the second half of 2022 to produce custom dental protheses and tooth replacement components for the North American market. The center will replace the current site in Arlington, Texas. The 10,000-square-meter facility will more than double the capacity of the current site, and will house a learning center for employees and customers. It is projected to create about 150 new jobs.

REGIONAL PERFORMANCE SECOND QUARTER

EMEA shows strong growth in immediacy and Neodent is now established as a brand
The EMEA region remained the Group's largest revenue contributor and reported strong revenue of CHF 230 million or 102% growth in the second quarter compared to 2020, which was heavily impacted by the pandemic. Premium implants are picking up fast, with strong sales across the entire premium immediacy portfolio. The challenger implant brands are also performing well, with Neodent now established as a brand in the region. The orthodontics business is strongly supporting growth in EMEA with DrSmile and ClearCorrect, which recently launched its ClearQuartz material. Overall growth in the region was driven by Germany, Iberia, France, the UK and Turkey.

North America returns to strong growth compared to last year

In 2020, the business in North America only began to recover in June, when lockdowns were eased. In the second quarter of 2020, organic sales growth decreased by 42%. In this year's second quarter, the North America region showed strong growth at 135%, reaching revenue of CHF 152 million. This was due to the implant business, which is being driven by the Straumann and Neodent brands. Some large wins with Dental Service Organizations (DSO) in the first half of the year propelled the business to higher growth rates. Digital solutions are growing very quickly. The orthodontics business focused on attracting general practitioners, and growth in this area was supported by the software improvements for ClearPilot and the launch of Collaborator.

Although significantly smaller, the Canadian business is growing almost twice as quickly as the US business, as the Group continues to increase penetration with its challenger brands and digital solutions in Canada.

Asia Pacific region growing quickly and further establishing its presence

In the second quarter of 2021, the Asia Pacific region achieved revenue of CHF 103 million or 63% organic sales growth compared to the same period in 2020, when most countries in the region started to rebound in June. From the first to the second quarter of 2021, the business accelerated throughout the region by growing the existing business and increasing market share mainly in China, Japan and Taiwan. Premium and challenger implant brands are driving growth, while challenger brands are growing faster than premium brands.

Latin America growth led by Brazil and investment in the orthodontics business

In the second quarter of 2021, the business in Latin America grew to CHF 31 million, significantly outperforming the second quarter of 2020, which was impacted by the pandemic. Brazil is by far the biggest revenue contributor in Latin America, and managed to continue the strong growth performance seen in the first quarter of 2021. Neodent remains the strongest brand in the region, while the premium implant brand is further establishing its position. Digital solutions are performing very well, with the Virtuo Vivo intraoral scanner gaining momentum. The orthodontics business is contributing well to the regional performance, and the acquisition of Smilink will help to further establish the Group's doctor-led direct-to-consumer portfolio.

REVENUE BY REGION in CHF million	Q2 2021	Q2 2020	H1 2021	H1 2020
Europe, Middle East & Africa (EMEA)	**229.6**	**105.7**	**443.8**	**267.8**
Change CHF	117.2%	(39.3%)	65.7%	(20.0%)
Change w/out FX	113.9%	(35.1%)	65.4%	(14.6%)
Change organic	101.5%	(38.0%)	57.0%	(19.4%)
% of Group total	44.5%	42.7%	45.0%	44.3%
North America	**152.1**	**67.7**	**290.1**	**183.3**
Change CHF	124.8%	(43.7%)	58.3%	(20.4%)
Change w/out FX	135.2%	(41.5%)	67.3%	(17.7%)
Change organic	135.2%	(41.6%)	67.3%	(17.9%)
% of Group total	29.5%	27.3%	29.4%	30.3%
Asia Pacific	**102.8**	**63.0**	**195.1**	**116.5**
Change CHF	63.2%	(16.4%)	67.4%	(20.8%)
Change w/out FX	62.8%	(11.6%)	68.1%	(16.5%)
Change organic	62.8%	(11.7%)	68.1%	(16.8%)
% of Group total	19.9%	25.4%	19.8%	19.3%
Latin America	**31.3**	**11.4**	**56.5**	**37.4**
Change CHF	174.4%	(70.0%)	51.0%	(44.6%)
Change w/out FX	163.6%	(60.1%)	75.3%	(29.2%)
Change organic	163.6%	(60.3%)	75.3%	(29.4%)
% of Group total	6.1%	4.6%	5.7%	6.2%
GROUP	**515.7**	**247.7**	**985.5**	**605.1**
Change CHF	108.2%	(39.2%)	62.9%	(22.4%)
Change w/out FX	108.8%	(34.5%)	67.1%	(17.0%)
Change organic	103.3%	(35.9%)	63.1%	(19.2%)

OPERATIONS AND FINANCES

To facilitate a like-for-like comparison, the Group presents 'core' results in addition to the results reported under IFRS. In the first six months of 2021, the following effects (after tax) were defined as non-core items:

- The increased estimate of contingent consideration payable to the sellers of DrSmile by CHF 49 million.
- The amortization of acquisition-related intangible assets amounting to CHF 4 million.

A reconciliation table and detailed information are provided on pages 10ff of this media release.

Gross profit margin almost back to the same level as in 2019
In the first six months of 2021, the Group's strong topline growth led to a core gross profit of CHF 752 million. This was CHF 322 million higher in absolute terms, with no significant currency impact. The corresponding margin of 76% improved by 530bps compared to 2020 and reached almost the same level as in 2019 despite the changing portfolio mix.

Core EBITDA margin increased to 34%
The operating leverage resulted in a core EBITDA of CHF 333 million, which represents a significant increase in the core EBITDA margin compared with the prior-year period.

After various cost saving initiatives in the first half of 2020, core distribution expenses rose by CHF 46 million to CHF 186 million in 2021. This includes sales-force salaries, commissions, and logistics costs. Core administrative expenses increased by CHF 81 million to CHF 284 million. This includes research, development, marketing and general overhead costs.

The core operating result (EBIT) amounted to CHF 284 million, which is an increase of CHF 184 million. The core EBIT margins rose by 1220bps to 28.8%. Compared to pre-pandemic margins in the first half of 2019, this represents a low single-digit percentage point increase. Currency fluctuations had a negative impact of 30bps on the core EBIT margin.

Core net profit grew by more than CHF 150 million
Core net financial expenses decreased by CHF 2 million to CHF 10 million. This mainly reflects a favorable currency valuation result, which more than compensated for higher interest expenses. The share of result of associates was almost in line with the prior year. Due to the strong sales performance, income taxes amounted to CHF 46 million, which represents an increase of CHF 33 million. Core net profit more than tripled to reach CHF 227 million, resulting in a margin of 23%. This was achieved despite higher income taxes. As a consequence, core basic earnings per share increased from CHF 4.49 to CHF 14.19.

Including the increased estimate of contingent consideration payable to the sellers of DrSmile, the reported net result was CHF 175 million.

Free cash flow reaches CHF 210 million
Cash flow from operations amounted to CHF 257 million. Net working capital increased by CHF 35 million compared to year-end 2020 due to increased receivables and inventories. In the first six months of 2021, days of sales outstanding increased by 7 to 54, and days of supplies increased by 19 to 179, which is in line with previous first half-years. Interest payments, including those on lease liabilities, amounted to CHF 4 million due to the new bond funding and favorable development of foreign currency hedging.

With a decrease of CHF 1 million, first-half capital expenditure remained relatively stable compared to the first half of the previous year, when the pandemic had not yet impacted capital expenditure. The Group’s production expansion initiatives continued, with total investments amounting to CHF 68 million, which is almost the same level as in the first half of 2020.

The cash position on 30 June 2021 remained strong, at CHF 725 million. This is an increase of CHF 93 million since the beginning of the year. The net cash position amounted to CHF 217 million. The Group’s balance sheet amounted to CHF 2.8 billion, up from CHF 2.5 billion at the end of 2020.

OUTLOOK 2021 RAISED (BARRING UNFORESEEN CIRCUMSTANCES)

Dental practices were operating with healthy patient flows throughout the first half of 2021. The ongoing growth in the second quarter was driven by the strong performance of the existing portfolio, and supported by the tailwind from consumers with disposable income focusing on specialty dental treatments. Based on the assumptions that this tailwind will gradually become softer on the one hand and that the pandemic will not negatively impact the patient flow during the second half of the year on the other hand, the Group has raised its guidance to full-year organic revenue growth of above thirty percent with profitability nearly reaching the 2019 level. This outlook also reflects the company's continuous investment in future growth opportunities, its strong innovation pipeline and the talented Straumann Group team that demonstrates its passion, resilience and ability to outperform the market every day.

About Straumann

The Straumann Group (SIX: STMN) is a global leader in tooth replacement and orthodontic solutions that restore smiles and confidence. It unites global and international brands that stand for excellence, innovation and quality in replacement, corrective and digital dentistry, including Anthogyr, ClearCorrect, Dental Wings, Medentika, Neodent, NUVO, Straumann and other fully/partly owned companies and partners. In collaboration with leading clinics, institutes and universities, the Group researches, develops, manufactures and supplies dental implants, instruments, CADCAM prosthetics, biomaterials and digital solutions for use in tooth replacement and restoration or to prevent tooth loss.

Headquartered in Basel, Switzerland, the Group currently employs more than 8000 people worldwide and its products, solutions and services are available in more than 100 countries through a broad network of distribution subsidiaries and partners.

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ANALYSTS' AND MEDIA CONFERENCE CALL

Straumann will present its 2021 first-half results to representatives of the financial community and media in a webcast telephone conference call today at 10.30 a.m. Swiss time.

The webcast can be accessed via www.straumann-group.com/webcast. A replay of the webcast will be available after the conference.

If you intend to ask a question during the Q&A, we kindly ask you to pre-register for the conference call through this link "Conference call" . We also recommend that you download the presentation file in advance using the direct link in this media release before joining the conference call.

Presentation

The conference presentation slides are attached to this release and available on the Media and Investors pages at www.straumann-group.com.

UPCOMING CORPORATE / INVESTOR EVENTS

Date	Event	Location
2021		
September 1	Stifel Cross Sector Conf	Virtual
September 8	Roadshow	Geneva
September 9	Roadshow	Zurich
September 15	UBS Best of Switzerland Conference	Virtual
September 16	J.P. Morgan CEO Call Series	Virtual
September 17	Bank of America Global Healthcare Conference	Virtual
September 22	Bernstein Strategic Decision Conference	Virtual
October 28	**Third-quarter results**	**Webcast**

Disclaimer

This release contains certain forward-looking statements that reflect the current views of management. Such statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Straumann Group to differ materially from those expressed or implied in this release. The Group is providing the information in this release as of this date and does not undertake any obligation to update any statements contained in it as a result of new information, future events or otherwise.

Interim selected financial information

OPERATING PERFORMANCE

(in CHF million)	H1, 2021	H1, 2020
Revenue	985.5	605.1
Change in %	62.9	(22.4)
Gross profit	751.6	421.3
Margin in %	76.3	69.6
Operating result before depreciation and amortization (EBITDA)	332.6	123.9
Margin in %	33.7	20.5
Change in %	168.3	(44.5)
Operating result (EBIT)	278.6	(73.8)
Margin in %	28.3	(12.2)
Change in %	477.5	(141.2)
Net result	174.6	(93.7)
Margin in %	17.7	(15.5)
Change in %	286.4	(164.0)
Basic earnings per share (in CHF)	10.87	(5.89)

FINANCIAL PERFORMANCE

(in CHF million)	H1, 2021	H1, 2020
Cash and cash equivalents	725.4	380.7
Net working capital (net of cash)	202.8	294.3
Net cash (net debt)	217.0	(92.9)
Inventories	239.5	223.7
Days of supplies	179	202
Trade receivables	307.1	253.2
Days of sales outstanding	54	92
Balance sheet total	2 817.4	2 183.6
Return on assets in % (ROA)	13.9	3.0
Equity	1 369.4	1 060.3
Equity ratio in %	48.6	48.6
Return on equity in % (ROE)	29.2	5.3
Capital employed	1 228.6	1 248.0
Return on capital employed in % (ROCE)	40.8	9.4
Cash from operating activities	256.7	60.7
in % of revenue	26.0	10.0
Investments	(67.7)	(61.8)
in % of revenue	5.9	10.2
thereof capital expenditures	(48.5)	(49.7)
thereof associates related	0.1	0.0
thereof contingent consideration related	(17.6)	(12.1)
thereof business combination related	(1.6)	0.0
Free cash flow	210.2	11.5
in % of revenue	21.3	1.9
Dividend	91.4	91.3

Alternative Performance Measures

The financial information in this first-half report includes certain Alternative Performance Measures (APMs), which are not accounting measures defined by IFRS.

CORE FINANCIAL MEASURES are non-IFRS financial measures because they cannot be derived directly from Group consolidated financial statements. Management believes that these non-IFRS financial measures, when provided in combination with reported results, provide readers with helpful supplementary information to better understand the financial performance and position of the Group on a comparable basis from period to period. These non-IFRS financial measures are not a substitute for, or superior to, financial measures prepared in accordance with IFRS. Core financial measures are adjusted to exclude the following significant items:

- PPA amortization: Special items and amortization of intangible assets that result from the purchase price allocation (PPA) following acquisitions.
- Impairments: Impairment write-offs of financial or non-financial assets as a result of unusual or one-time events in legal or economic conditions, change in consumer demand, or damage that impacts the asset. In H1 2020, the Group has impaired assets mainly as a consequence of the COVID-19 pandemic.
- Restructuring: One-off costs resulting from major restructuring exercises. The amount disclosed in H1 2020 represents costs incurred in relation to the restructuring of the Group's workforce.
- Legal cases: Non-recurring and significant litigation charges. Expenses related to legal disputes in the course of the Group's ordinary business activities are not adjusted.
- Pension plan: One time settlements, plan amendment gains or losses stemming from pension accounting.
- Consolidation result of former associates: Revaluation gains and losses as a result of obtaining control over former associates.
- Other: Non-recurring, unusual and infrequent incidents that cannot be allocated to any of the preceding categories. In H1 2021, the Group increased its estimate on the contingent consideration payable to the sellers of DrSmile by CHF 49.0 million.

A reconciliation of IFRS to Core measures is disclosed in the table at the end of this section.

VARIOUS KPIs are also disclosed. Unless otherwise stated, the following KPIs are based on IFRS figures, as disclosed in the consolidated financial statements:

ORGANIC REVENUE GROWTH
Revenue growth excluding the revenue contribution from business combinations (calculated by adding pre-acquisition revenues of the prior period to the existing revenue growth base) and currency effects.

REVENUE GROWTH IN LOCAL CURRENCIES
Revenue growth excluding currency effects, which are calculated using a simulation by reconsolidating the prior period revenues with the current year foreign exchange translation rates.

NET CASH (NET DEBT)
Net debt is an indicator of the Group's ability to meet financial commitments, to pay dividends, and to undertake acquisitions. The KPI is calculated by subtracting financial liabilities (excl. lease liabilities) and retirement benefit obligations from cash and cash equivalents.

NET WORKING CAPITAL (NET OF CASH)
Working capital is capital invested in the Group's operating activities. It is a driver for cash flow and an indicator of operational efficiency. Net working capital equals 'current assets' and 'current liabilities' – excluding the lines 'cash and cash equivalents', 'current financial assets' and 'current financial liabilities'.

DAYS OF SUPPLIES (DOS)
The days of supplies indicate the average time in days that the Group takes to turn its inventory. The numerator is the balance sheet position 'inventories' at the balance sheet date, and the denominator are the 'cost of goods sold' of the past three months, multiplied by 90 days.

DAYS OF SALES OUTSTANDING (DSO)
The days of sales outstanding indicate the average number of days the Group takes to collect its receivables. The numerator is the balance sheet position 'trade receivables' at the balance sheet date and the denominator are the 'net revenues' of the past three months, multiplied by 90 days.

RETURN ON ASSETS (ROA)
Return on assets expresses the earning power of the Group's assets. The numerator is the profit for the period of the past twelve months, and the denominator is the average balance sheet total for the same period.

EQUITY RATIO
The equity ratio is calculated by dividing total equity by total assets.

RETURN ON EQUITY (ROE)
Return on equity compares profitability of the Group in relation to the equity invested. The numerator is the profit for the period of the past twelve months, and the denominator is the average equity for the same period.

CAPITAL EMPLOYED
Capital employed equals current assets, property, plant and equipment, right-of-use assets, intangible assets minus cash and cash equivalents and non-interest-bearing liabilities.

RETURN ON CAPITAL EMPLOYED (ROCE)
Return on capital employed expresses the earning power of the Group's invested capital. The numerator is the operating profit (EBIT) of the past twelve months, and the denominator is the average capital employed for the same period.

FREE CASH FLOW
Free cash flow represents the cash-generating capability of the Group to conduct and maintain its operations, to finance dividend payments, to repay debt, and to undertake acquisitions. Free cash flow equals net cash from operating activities less purchase of property, plant and equipment, less purchase of intangible assets, plus net proceeds from sale of property, plant and equipment.

CORE RESULTS RECONCILIATION H1, 2021

H1, 2021 (in CHF 1 000)	IFRS	PPA amortization	Impairments	Restructuring	Other	CORE
Revenue	985 487					985 487
Cost of goods sold	(233 909)	72				(233 837)
Gross profit	751 579	72				751 650
Other income	2 379					2 379
Distribution expense	(190 403)	4 189				(186 214)
Administrative expense	(284 947)	1 093				(283 854)
Operating result	278 608	5 354				283 962
Finance income	54 306					54 306
Finance expense	(112 886)				48 951	(63 935)
Share of result of associates	(1 000)					(1 000)
Result before income tax	219 027	5 354			48 951	273 333
Income tax	(44 391)	(1 501)				(45 892)
NET RESULT	174 636	3 853			48 951	227 441
Attributable to:						
Shareholders of the parent company	172 839	3 758			48 951	225 547
Non-controlling interests	1 798	96				1 893
Basic earnings per share (in CHF)	10.87					14.19
Diluted earnings per share (in CHF)	10.84					14.14
Operating result	278 608	5 354				283 962
Depreciation & amortization	53 964	(5 354)				48 610
EBITDA	332 571					332 571

CORE RESULTS RECONCILIATION H1, 2020

H1, 2020 (in CHF 1 000)	IFRS	PPA amortization	Impairments	Restructuring	Other	CORE
Revenue	605 088					605 088
Cost of goods sold	(183 791)	70	7 649	805		(175 267)
Gross profit	421 298	70	7 649	805		429 822
Other income	13 927					13 927
Distribution expense	(163 671)	4 419	12 314	6 321		(140 617)
Administrative expense	(345 356)	2 691	132 112	7 624		(202 929)
Operating result	(73 802)	7 180	152 075	14 750		100 203
Finance income	41 678					41 678
Finance expense	(63 921)		10 118			(53 803)
Share of result of associates	(1 911)					(1 911)
Result before income tax	(97 956)	7 180	162 193	14 750		86 167
Income tax	4 256	(2 018)	(12 613)	(2 213)		(12 588)
NET RESULT	(93 700)	5 162	149 580	12 538		73 579
Attributable to:						
Shareholders of the parent company	(93 462)	5 015	147 139	12 538		71 229
Non-controlling interests	(239)	147	2 441			2 350
Basic earnings per share (in CHF)	(5.89)					4.49
Diluted earnings per share (in CHF)	(5.88)					4.48
Operating result	(73 802)	7 180	152 075	14 750		100 203
Depreciation & amortization	197 736	(7 180)	(149 975)			40 581
EBITDA	123 934		2 100	14 750		140 784

Interim condensed consolidated statement of financial position

ASSETS

(in CHF 1 000)	30 Jun 2021	31 Dec 2020
Property, plant and equipment	337 687	313 547
Right-of-use assets	232 209	235 584
Intangible assets	665 769	650 285
Investments in associates	91 130	92 662
Financial assets	39 867	27 004
Other receivables	10 539	8 290
Deferred income tax assets	77 453	68 990
Total non-current assets	1 454 654	1 396 362
Inventories	239 519	216 570
Trade and other receivables	385 497	294 550
Financial assets	137	305
Income tax receivables	12 254	8 626
Cash and cash equivalents	725 378	632 201
Total current assets	1 362 785	1 152 252
TOTAL ASSETS	2 817 438	2 548 613

EQUITY AND LIABILITIES

(in CHF 1 000)	30 Jun 2021	31 Dec 2020
Share capital	1 592	1 591
Retained earnings and reserves	1 362 783	1 203 144
Total equity attributable to the shareholders of the parent company	1 364 375	1 204 735
Non-controlling interests	5 068	5 209
Total equity	1 369 443	1 209 943
Other liabilities	124 703	86 986
Income tax liabilities	9 654	9 654
Financial liabilities	720 972	730 622
Provisions	20 819	15 436
Retirement benefit obligations	65 282	73 325
Deferred income tax liabilities	44 555	43 228
Total non-current liabilities	985 985	959 250
Trade and other payables	378 966	317 591
Financial liabilities	27 548	27 635
Income tax liabilities	41 894	34 159
Provisions	13 602	35
Total current liabilities	462 010	379 420
Total liabilities	1 447 996	1 338 670
TOTAL EQUITY AND LIABILITIES	2 817 438	2 548 613

Interim condensed consolidated income statement

(in CHF 1 000)	H1, 2021	H1, 2020
Revenue	985 487	605 088
Cost of goods sold	(233 909)	(183 791)
Gross profit	751 579	421 298
Other income	2 379	13 927
Distribution expense	(190 403)	(163 671)
Administrative expense	(284 947)	(345 356)
Operating result	278 608	(73 802)
Finance income	54 306	41 678
Finance expense	(112 886)	(63 921)
Share of result of associates	(1 000)	(1 911)
Result before income tax	219 027	(97 956)
Income tax	(44 391)	4 256
NET RESULT	174 636	(93 700)
Attributable to:		
Shareholders of the parent company	172 839	(93 462)
Non-controlling interests	1 798	(239)
Basic earnings per share attributable to ordinary shareholders of the parent company (in CHF)	10.87	(5.89)
Diluted earnings per share attributable to ordinary shareholders of the parent company (in CHF)	10.84	(5.88)

Interim condensed consolidated statement of comprehensive income

(in CHF 1 000)	H1, 2021	H1, 2020
Net result	174 636	(93 700)
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Net foreign exchange result on net investment loans	18 149	(20 615)
Share of other comprehensive income/(loss) of associates accounted for using the equity method	0	(42)
Exchange differences on translation of foreign operations	32 599	(100 973)
Income tax effect	(205)	222
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	50 543	(121 408)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Change in fair value of financial instruments designated through other comprehensive income	9 209	(1 592)
Remeasurements of retirement benefit obligations	9 749	(14)
Income tax effect	(1 075)	2
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	17 883	(1 604)
Other comprehensive income/(loss), net of tax	68 425	(123 012)
TOTAL COMPREHENSIVE INCOME/(LOSS), NET OF TAX	243 062	(216 713)
Attributable to:		
Shareholders of the parent company	241 018	(216 271)
Non-controlling interests	2 044	(442)

Interim condensed consolidated cash flow statement

(in CHF 1 000)	H1, 2021	H1, 2020
Net result	174 636	(93 700)
Adjustments for:		
Income tax	44 391	(4 256)
Interest and other financial result	9 316	12 016
Financial impairment result	878	10 227
Share of result of associates	1 000	1 911
Depreciation and amortization of:		
Property, plant and equipment	25 784	21 539
Right-of-use assets	14 617	13 354
Intangible assets	13 550	12 867
Impairment of intangible assets	0	144 426
Impairment of property, plant and equipment	0	5 549
Change in provisions, retirement benefit obligations and other liabilities	54 407	2 391
Change in long-term assets	(1 757)	(1 505)
Share-based payments expense	4 043	5 179
Result on disposal of property, plant and equipment	(150)	(146)
Working capital adjustments:		
Change in inventories	(11 301)	(11 707)
Change in trade and other receivables	(85 629)	42 519
Change in trade and other payables	62 447	(73 863)
Interest paid on lease liabilities	(3 493)	(3 372)
Interest paid	(943)	(3 817)
Interest received	904	781
Income tax paid	(46 032)	(19 743)
Cash flows from operating activities	256 670	60 651

Interim condensed consolidated cash flow statement

(in CHF 1 000)	H1, 2021	H1, 2020
Purchase of financial assets	(3 435)	(661)
Proceeds from sale of financial assets	586	183
Purchase of property, plant and equipment and intangible assets	(48 490)	(49 731)
Purchase of investments in associates	(1 631)	0
Acquisition of a business, net of cash acquired	65	0
Contingent consideration paid	(8 105)	(12 104)
Disbursement of loans	(1 130)	(770)
Proceeds from loans	0	1 486
Dividends received from associates	1 641	0
Net proceeds from sale of non-current assets	1 994	563
Cash flows from investing activities	(58 506)	(61 033)
Purchase of non-controlling interests	(8 343)	0
Dividends paid to the equity holders of the parent	(91 381)	(91 231)
Dividends paid to non-controlling interests	(1 149)	(111)
(Repayment)/Increase of current financial debt	144	(43 919)
Repayment of non-current financial debt	(2 719)	(1 231)
Increase in non-current financial debt	1 337	279 956
Payment of lease liabilities	(13 403)	(12 106)
Sale of treasury shares	7 581	0
Purchase of treasury shares	(3 503)	(4 312)
Cash flows from financing activities	(111 437)	127 046
Exchange rate differences on cash held	6 449	(6 204)
Net change in cash and cash equivalents	93 177	120 460
Cash and cash equivalents at 1 January	632 201	260 211
CASH AND CASH EQUIVALENTS AT 30 JUNE	725 378	380 671

Interim condensed consolidated statement of changes in equity

H1, 2021	Attributable to the shareholders of the parent company							
(in CHF 1 000)	Share capital	Share premium	Treasury shares	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2021	1 591	52 599	(11 070)	(374 875)	1 536 490	1 204 734	5 209	1 209 943
Net result					172 839	172 839	1 798	174 636
Other comprehensive income/(loss)				50 502	17 677	68 179	246	68 425
Total comprehensive income/(loss)	0	0	0	50 502	190 516	241 018	2 044	243 062
Issue of share capital	1	17 969			(17 970)	0		0
Dividends to equity holders of the parent					(91 381)	(91 381)		(91 381)
Dividends to non-controlling interests						0	(1 149)	(1 149)
Share-based payment transactions					6 754	6 754		6 754
Purchase of treasury shares			(3 503)			(3 503)		(3 503)
Usage of treasury shares			8 644		(1 063)	7 581		7 581
Put options to non-controlling interests					(829)	(829)	(1 035)	(1 865)
AT 30 JUNE 2021	1 592	70 567	(5 928)	(324 373)	1 622 516	1 364 374	5 068	1 369 443

H1, 2020	Attributable to the shareholders of the parent company							
(in CHF 1 000)	Share capital	Share premium	Treasury shares	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2020	1 588	31 412	(9 361)	(216 498)	1 556 272	1 363 413	3 809	1 367 222
Net result					(93 462)	(93 462)	(239)	(93 700)
Other comprehensive income/(loss)				(121 385)	(1 425)	(122 809)	(203)	(123 012)
Total comprehensive income/(loss)	0	0	0	(121 385)	(94 886)	(216 271)	(442)	(216 713)
Issue of share capital	3	21 187			(21 189)	0		0
Dividends to equity holders of the parent					(91 231)	(91 231)		(91 231)
Dividends to non-controlling interests						0	(111)	(111)
Share-based payment transactions					5 018	5 018		5 018
Purchase of treasury shares			(4 312)			(4 312)		(4 312)
Usage of treasury shares			833		(833)	0		0
Put options to non-controlling interests					(1 027)	(1 027)	1 429	402
AT 30 JUNE 2020	1 591	52 599	(12 840)	(337 883)	1 352 125	1 055 592	4 685	1 060 276

Notes to the interim condensed consolidated financial statements

1 CORPORATE INFORMATION
Straumann Holding AG is a public company incorporated and domiciled in Switzerland, whose shares are publicly traded on the SIX Swiss Exchange. The unaudited interim condensed consolidated financial statements of the Straumann Group for the six months ending 30 June 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 11 August 2021.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES
The interim condensed consolidated financial statements for the six months ending 30 June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They provide an update of previously reported information and should be read in conjunction with the Group's annual financial statements as at 31 December 2020. All values disclosed are rounded to the nearest thousand except where otherwise indicated. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020, except as described below:

The following amendments apply for the first time in 2021 but do not have an impact on the interim condensed consolidated financial statements of the Group:

- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform - Phase 2' (effective 1 January 2021)
- IFRS 16 (Amendments) 'COVID-19-Related Rent Concessions beyond 30 June 2021' (effective 1 April 2021)

The following amendments have been published but are not yet effective:

- IFRS 3 (Amendments) 'Reference to the Conceptual Framework' (effective 1 January 2022)
- IAS 16 (Amendments) 'Proceeds before intended use' (effective 1 January 2022)
- IAS 37 (Amendments) 'Onerous contracts – cost of fulfilling a contract'(effective 1 January 2022)
- Annual Improvements 2018-2020 (Amendments effective 1 January 2022)
- IAS 1 (Amendments) 'Classification of liabilities as current or non-current' (effective 1 January 2023)
- IAS 1 and IFRS Practice statement 2 (Amendments) 'Disclosure of Accounting Policies' (effective 1 January 2023)
- IAS 8 (Amendments) 'Definition of Accounting Estimates' (effective 1 January 2023)
- IAS 12 (Amendments) 'Deferred tax related to assets and liabilities arising from a single transaction' (effective 1 January 2023)

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The preparation of consolidated financial statements under IFRS requires Management to make estimates and assumptions that affect the reported amounts. Because of the inherent uncertainties, actual outcomes and results may differ from these estimates and assumptions.

3 SEASONALITY OF OPERATIONS
The Group operates in industries where significant seasonal or cyclical variations in the total sales are not experienced during the financial year.

4 IMPACT OF COVID-19 in H1, 2020
In the first half of 2020, the following effects have been recorded in the Group's financial statements as a consequence of the COVID-19 pandemic (H1, 2021: nil):

GLOBAL RESTRUCTURING
The Group recognized CHF 14.8 million (pre-tax) non-recurring restructuring costs, mostly in connection with the reduction of approximately 660 jobs worldwide .

GOVERNMENT ASSISTANCE
The Group was awarded government grants totaling CHF 11.6 million, mainly related to short-time working subsidies in various countries. Grant income is recognized in the income statement under 'Other income'.

IMPAIRMENT OF NON-FINANCIAL ASSETS
Based on the expected economic consequences of the COVID-19 pandemic, the Group conducted a risk assessment for each cash-generating unit (CGU) to identify whether the pandemic may trigger impairment testing. The analysis concluded that a number of CGUs had to be tested for impairment and consequentially the Group

conducted value-in-use calculations on 30 April 2020. In the CGUs disclosed, the carrying amount exceeded the recoverable amount. As a result, the Group recognized impairment charges totaling CHF 150.0 million.

A summary of the impairment charges per CGU is presented below:

(in CHF 1 000)

Cash generating unit	Asset	Cost of goods sold	Distribution expense	Administrative expense	Total
Dental Wings Business	Goodwill			52 591	52 591
	Customer relationships		2 144		2 144
	Technology			24 731	24 731
	Brand			4 185	4 185
	Total		2 144	81 507	83 651
Implant Business India	Goodwill			13 731	13 731
	Customer relationships		2 662		2 662
	Brand			867	867
	Property, plant and equipment	1 268			1 268
	Total	1 268	2 662	14 598	18 528
Createch	Goodwill			9 287	9 287
	Technology			1 219	1 219
	Brand			2 623	2 623
	Total			13 129	13 129
Implant Business Iberia	Goodwill			5 811	5 811
	Customer relationships		2 694		2 694
	Total		2 694	5 811	8 505
Other	Goodwill			16 128	16 128
	Customer relationships		4 815		4 815
	Brand			939	939
	Property, plant and equipment	4 281			4 281
	Total	4 281	4 815	17 066	26 162
Total	Goodwill			97 547	97 547
	Customer relationships		12 314		12 314
	Technology			25 950	25 950
	Brand			8 615	8 615
	Property, plant and equipment	5 549			5 549
Total		**5 549**	**12 314**	**132 112**	**149 975**

With the exception of the CGU ‘Implant Business India’ the impairment charges are mainly caused by a material downward reassessment of the market growth perspectives over the coming two to five years as a consequence of reduced consumer confidence and hampered economic development as a result of the COVID-19 pandemic. The impairment recognized on the ‘Implant Business India’ CGU is due to the discontinuation of the Equinox sales and manufacturing activities and a reduced sales growth rate forecast for the remaining product brands.

The impairments have been recognized in the following operating segments:

(in CHF 1 000)

Segment	
Sales NAM	92 181
Sales APAC	23 923
Sales WE	21 634
Sales LATAM	6 783
Sales CEEMEA	5 453
Total	**149 975**

Assumptions for value-in-use calculations
The key assumptions used for the value in use calculations are as follows:

(in %)

Cash generating unit		
Dental Wings Business	Gross profit margin of the CGU [1]	57.1
	Terminal growth rate [2]	2.0
	Weighted average cost of capital (WACC) [3]	16.0
Implant Business India	Gross profit margin of the CGU [1]	32.0
	Terminal growth rate [2]	3.8
	Weighted average cost of capital (WACC) [3]	17.6
Createch	Gross profit margin of the CGU [1]	31.1
	Terminal growth rate [2]	2.0
	Weighted average cost of capital (WACC) [3]	12.6
Implant Business Iberia	Gross profit margin of the CGU [1]	70.0
	Terminal growth rate [2]	2.0
	Weighted average cost of capital (WACC) [3]	16.2

[1] Budgeted gross profit margin
[2] Used for calculating the terminal value
[3] Pre-tax discount rate applied to the cash flow projections

5 EQUITY

CAPITAL INCREASE

On 19 April 2021, conditional share capital was exercised to increase the share capital of Straumann Holding AG by 14 545 shares (or CHF 1 454.5 nominal value). The shares were used to serve vested performance share units as part of the share-based payment program 2018 – 2021. The fair value at vesting amounted to CHF 1 235.50 per share.

On 21 April 2020, conditional share capital was exercised to increase the share capital of Straumann Holding AG by 27 840 shares (or CHF 2 784 nominal value). The shares were used to serve vested performance share units as part of the share-based payment program 2017 – 2020. The fair value at vesting amounted to CHF 761.11 per share.

DIVIDENDS PAID

On 15 April 2021, Straumann Holding AG paid a dividend of CHF 5.75 (2020: CHF 5.75) per share to its shareholders. The total amount of the gross dividend paid was CHF 91.4 million (2020: CHF 91.2 million).

6 FINANCIAL INSTRUMENTS

FAIR VALUES

The carrying amount of cash and cash equivalents, trade and other receivables and trade and other payables with a remaining term of up to twelve months, as well as other current financial assets and liabilities, represent a reasonable approximation of their fair values due to the short-term maturities of these instruments.

The fair value of equity instruments quoted in an active market is based on price quotations at the period end date. For domestic bonds listed on the SIX Swiss Exchange, the fair value is derived from quoted market prices.

The fair value of the put options granted to non-controlling interests relate to the business combination of Abutment Direct Inc in 2019 and Medentika in 2017.

The fair value of derivatives is determined on the basis of input factors observed directly or indirectly on the market. The fair value of foreign exchange forward contracts and non-deliverable forwards are based on forward exchange rates.

The unquoted equity instruments allocated to Level 3 hierarchy mainly relate to a fund that is dedicated exclusively to investments in dental-related opportunities in China as well an investment in a US based digital treatment planning company. As the market for these investments is not active or no market is available, fair value is determined based on best information available to the Group, such as the net asset value reports of the instruments.

The convertible bond allocated to Level 3 hierarchy relates to a non-listed US consumer health company in the dental sector. The convertible consists of a fixed-interest bond with an embedded American exchange option on shares of the issuer. The fair value of the bond is determined using a discounted cash flow method and the fair value of the option is determined by using a modified binomial model for American call options.

Other financial liabilities allocated to Level 3 hierarchy mainly include the contingent considerations in relation to the business combinations of DrSmile in Germany, Bay Materials in the US and Digital Planning Service Private Limited in Pakistan. At 31 December 2020 it further included the contingent considerations in relation to the business combinations Batigroup and Zinedent in Turkey. The fair value of the contingent consideration of DrSmile is based on revenue targets, while the fair value of the contingent consideration of Digital Planning Service is based on various company or product-related milestones. The fair value of the Bay Materials contingent consideration is based on a mix of profitability components and product-related milestones. The fair value of Batigroup and Zinedent contingent considerations was based on a profitability component (local contribution).

The fair value of investments in Level 3 is reviewed regularly for a possible diminution in value.

Fair value hierarchy

The Group uses the following hierarchy for disclosure of the fair values of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques that predominantly use unobservable input data and which are not based on observable market data.

At 30 June 2021 and 31 December 2020, the Group held the following financial instruments:

(in CHF 1 000)	30 Jun 2021					
	Carrying amount (by measurement basis)					
	Amortized cost	Level 1	Level 2	Level 3	Total carrying amount	Fair value
Financial assets						
Derivative financial assets			121		121	
Equity instruments		13 982		9 826	23 808	
Convertible bonds				6 410	6 410	
Loans and other financial assets	9 665				9 665	
Other receivables	39 261				39 261	
Trade receivables	307 116				307 116	
Cash and cash equivalents	725 378				725 378	
Financial liabilities						
Straight bond	479 853				479 853	491 798
Derivative financial liabilities			757		757	
Put options to non-controlling interests				20 122	20 122	
Lease liabilities	240 112				240 112	
Other financial liabilities	7 677				7 677	
Trade payables	67 106				67 106	
Other payables	119 813			149 239	269 052	

(in CHF 1 000)	31 Dec 2020					
	Carrying amount (by measurement basis)					
	Amortized cost	Level 1	Level 2	Level 3	Total carrying amount	Fair value
Financial assets						
Derivative financial assets			289		289	
Equity instruments		6 642		5 074	11 716	
Convertible bonds				6 163	6 163	
Loans and other financial receivables	9 141				9 141	
Other receivables	29 297				29 297	
Trade receivables	236 027				236 027	
Cash and cash equivalents	632 201				632 201	
Financial liabilities						
Straight bond	479 819				479 819	491 178
Derivative financial liabilities			749		749	
Put options to non-controlling interests				26 601	26 601	
Lease liabilities	242 226				242 226	
Other financial liabilities	8 860				8 860	
Trade payables	49 919				49 919	
Other payables	97 564			117 158	214 722	

The changes in carrying values associated with Level 3 financial instruments were as follows:

(in CHF 1 000)	Financial assets	Financial liabilities
As at 1 January 2021	11 237	143 759
Additions	3 350	0
Remeasurement recognized in OCI	1 781	499
Remeasurement recognized in profit or loss	454	49 209
Remeasurement recognized in equity	0	1 865
Settlements	(586)	(25 970)
As at 30 June 2021	16 236	169 362

Additions to level 3 financial assets mainly relate to an investment in a US based digital treatment planning company in H1 2021.

Financial liabilities remeasured in profit or loss mainly relate to the fair value adjustment of the contingent consideration payment in conjunction with the DrSmile business combination (CHF 49.0 million).

Settlement of Level 3 financial liabilities mainly relate to the contingent consideration payment in conjunction with the Batigroup (CHF 9.7 million) and Zinedent (CHF 5.1 million) business combination as well as to the purchase of non-controlling interests from the minority shareholders of Valoc AG (CHF 8.3 million).

There were no transfers between Level 1 and Level 2 fair-value measurements and no transfers into or out of Level 3 fair-value measurements during the six-month period ending 30 June 2021.

IMPAIRMENT OF FINANCIAL ASSETS
In H1 2020, finance expense included a financial impairment expense of CHF 10.1 million relating to a revaluation of a loan granted to an associate. The Group expects a deterioration of future cashflows compared to the associates' business plan at the grant date of the loan.

7 SEGMENT INFORMATION

Operating segments requiring to be reported are determined based on the management approach. Accordingly, external segment reporting reflects the internal organizational and management structure used within the Group as well as the internal financial reporting to the Chief Operating Decision Maker (CODM), which has been identified as the Executive Management Board (EMB). The EMB is responsible for the operational management of the Group, in line with the instructions issued by the Board of Directors. It is also responsible for global strategy and stakeholder management.

The reporting segments are presented in a manner consistent with the internal reporting to the CODM. The centralized headquarter support functions (e.g. finance, information technology, human resources) as well as the functions 'Customer Solutions & Education' and 'Research & Development' are not operating segments, as they do not earn separate revenues. These functions are grouped in the column 'Not allocated items'.

Effective 1 January 2021, the Group created new regional sales organizations to provide the Group's subsidiaries with increased focus and dedicated support as well as to support the Group's growth strategy. The former operating segments 'Sales Europe' and 'Sales Distributor & Emerging Markets EMEA' were replaced with two new operating segments 'Sales Central Eastern Europe, Middle East and Africa' (Sales CEEMEA) and 'Sales Western Europe' (Sales WE).

Comparative information was adapted to the structure prevailing at the balance sheet date.

Sales CEEMEA
'Sales CEEMEA' comprises the Group's distribution businesses mainly in Germany, Switzerland, Austria, Hungary, the Czech Republic, Russia, Turkey, Croatia, Jordan and South Africa, as well as the business with European, African and Middle Eastern distributors. It also includes Medentika's manufacturing plant in Germany, which produces implants and prosthetic components. The segment also incorporates DrSmile, a leading provider of clinician-led clear-aligner treatment solutions headquartered in Germany. It includes segment-related management functions located inside and outside Switzerland.

SALES WE
'Sales WE' comprises the Group's distribution businesses in Scandinavia, the UK, France, the Benelux countries, Iberia and Italy. The segment further includes the implant-borne prosthetics business of Createch as well as Anthogyr manufacturing plants, a French company that develops and manufactures dental-implant systems and CADCAM solutions. It includes segment-related management functions located inside and outside Switzerland.

Sales NAM
'Sales NAM' comprises the Group's distribution businesses in the United States and Canada. It also includes ClearCorrect's clear-aligner development and production activities in the United States and the us-based Bay Materials, a company specializing in the design, development and supply of high-performance thermoplastics for orthodontics applications. The segment also incorporates Dental Wing's development and production activities in Canada. It includes segment-related management functions located inside and outside Switzerland.

Sales APAC
'Sales APAC' comprises the Group's distribution businesses in the Asia pacific region, as well as the business with Asian distributors. It further incorporates the business of T-Plus, a Taiwanese company that develops and manufactures dental-implant systems with distribution channels in Taiwan and China. It includes segment-related management functions located inside and outside Switzerland.

Sales LATAM
'Sales LATAM' comprises the Group's distribution businesses in Middle and South America as well as the business with Latin American distributors. It contains Neodent's manufacturing plants in Brazil (which produce implants, biomaterials, CADCAM products and the clear-aligners). The segment also incorporates Yller Biomateriais, a Brazilian company specialized in developing and manufacturing high-tech materials for 3D-printing. It includes segment-related management functions located inside and outside Switzerland.

Operations
'Operations' acts as the principal towards all distribution businesses of the Group. It includes the principal production sites for implant components and instruments in Switzerland and the United States, the CADCAM milling centers in Germany, Japan and the United States and the production site in Sweden for biomaterials and sterile packed products. The segment also incorporates all corporate logistics functions. It does not include the manufacturing sites of Neodent, Medentika, ClearCorrect, Dental Wings, Createch, T-Plus, Anthogyr, Bay Materials and Yller Biomateriais.

INFORMATION ABOUT PROFIT OR LOSS, ASSETS AND LIABILITIES
The following tables present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2021 and 2020, respectively.

H1, 2021 (in CHF 1 000)	Sales WE	Sales CEEMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not Allocated Items	Eliminations	Group
Revenue third party	193 282	250 275	301 045	184 667	56 217	0	0	0	985 487
Revenue inter-segment	13 153	46 001	7 425	0	13 166	506 872	0	(586 617)	0
Total revenue	206 435	296 276	308 470	184 667	69 383	506 872	0	(586 617)	985 487
Operating result	(7 709)	49 882	(9 110)	(2 070)	633	365 098	(102 820)	(15 297)	278 608
Financial result									(58 580)
Share of result of associates									(1 000)
Income tax									(44 391)
NET RESULT									174 636

H1, 2020 (in CHF 1 000)	Sales WE	Sales CEEMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not Allocated Items	Eliminations	Group
Revenue third party	129 704	139 525	186 160	112 411	37 289	0	0	0	605 088
Revenue inter-segment	8 044	22 938	6 191	0	9 239	282 038	0	(328 451)	0
Total revenue	137 749	162 463	192 351	112 411	46 528	282 038	0	(328 451)	605 088
Operating result	(1 905)	7 986	(99 305)	(26 178)	(12 274)	147 616	(91 414)	1 673	(73 802)
Financial result									(22 243)
Share of result of associates									(1 911)
Income tax									4 256
NET RESULT									(93 700)

Transactions between the segments are eliminated in the course of consolidation and the eliminated amounts are shown under 'Eliminations'. The remaining operating profit under 'Eliminations' represents the net change in inter-segment elimination of unrealized profits from the transfer of goods between Group companies.

The following tables' present segment assets of the Group's operating segments at 30 June 2021 and 31 December 2020:

at 30 Jun 2021 (in CHF 1 000)	Sales WE	Sales CEEMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not Allocated Items	Eliminations	Group
Segment assets	296 563	551 082	376 617	164 640	318 360	500 245	159 434	(483 467)	1 883 474
Unallocated assets									933 965
Group									2 817 438

at 31 Dec 2020 (in CHF 1 000)	Sales WE	Sales CEEMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not Allocated Items	Eliminations	Group
Segment assets	269 855	478 312	315 681	149 222	275 297	483 603	88 610	(333 129)	1 727 451
Unallocated assets									821 162
Group									2 548 613

8 DISAGGREGATED REVENUE FROM CONTRACTS WITH CUSTOMERS
The Group derives revenue from contracts with customers in the geographical regions, disclosed in Note 7.

9 EVENTS AFTER THE REPORTING PERIOD

SMILINK SERVIÇOS ORTODONTICOS LTDA.
On 15 July 2021, the Group acquired 100% of the issued shares in Smilink Serviços Ortodonticos Ltda. ('Smilink'), a provider of orthodontic treatment solutions in Brazil. The total consideration amounts to CHF 3.9 million, of which CHF 1.1 million was paid upfront in cash while the remaining CHF 2.8 million is to be settled according to a contingent consideration agreement.

The financial effects of this transaction are not recognized at 30 June 2021. The operating results, assets and liabilities of the acquired company will be consolidated as of 15 July 2021. On the date the Group obtained control over Smilink, the Group's share of identifiable net assets has not yet been elaborated. Details of the assets taken over and the liabilities assumed, the future revenue and profit contribution of Smilink and the effect on the cash flow for the Group are not disclosed, as the accounting for the transaction is still incomplete at the time these consolidated financial statements have been authorized for issue.

MEDICAL TECHNOLOGIES 21 LLC
The Group signed an agreement to acquire 100% of the issued shares in Medical Technologies 21 LLC, a leading distributor of premium dental implants in Russia. The total consideration amounts to CHF 10.8 million, of which CHF 4.3 million is to be paid upfront in cash, while the remaining CHF 6.5 million is to be settled according to a contingent consideration agreement.

The financial effects of this transaction are not recognized at 30 June 2021. The transaction is expected to close by the end of August 2021.

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