

medmix

Combined and carve-out interim financial statements 2021 and 2020

Combined and carve-out income statement

January 1 – June 30

millions of CHF	Notes	2021	2020
Revenue	3	228.3	166.1
Cost of goods sold		-136.5	-108.7
Gross profit		91.8	57.4
Selling and administrative expenses		-46.9	-39.2
Research and development expenses		-12.2	-9.6
Other operating income and expenses, net	5	-1.5	-0.6
Operating income (EBIT)		31.3	8.0
Interest and securities income	6	0.0	0.2
Interest expenses	6	-4.1	-3.7
Other financial income and expenses, net	6	0.1	-0.0
Income before income tax expenses		27.3	4.4
Income tax expenses	7	-4.5	-0.4
Net income		22.7	4.0

Combined and carve-out statement of comprehensive income

January 1 – June 30

millions of CHF	Notes	2021	2020
Net income		22.7	4.0
Items that may be reclassified subsequently to the income statement			
Cash flow hedges, net of tax		-0.5	-0.1
Currency translation differences		10.5	-3.8
Total of items that may be reclassified subsequently to the income statement		9.9	-3.9
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit obligations, net of tax		4.5	0.8
Total of items that will not be reclassified to the income statement		4.5	0.8
Total other comprehensive income		14.5	-3.1
Total comprehensive income for the period		37.2	0.9

Combined and carve-out balance sheet

millions of CHF	Notes	June 30, 2021	December 31, 2020	June 30, 2020
Non-current assets				
Goodwill		265.9	263.2	216.1
Other intangible assets		150.9	158.7	126.3
Property, plant and equipment		165.7	161.0	136.2
Lease assets		46.8	46.1	21.7
Non-current receivables		0.0	–	–
Deferred income tax assets		6.2	6.2	4.4
Total non-current assets		635.6	635.3	504.6
Current assets				
Inventories		69.3	63.0	68.6
Current income tax receivables		0.0	1.8	0.1
Advance payments to suppliers		5.7	3.7	3.8
Contract assets		–	–	1.3
Trade accounts receivable		35.1	26.1	29.4
Other current receivables and prepaid expenses		16.6	13.6	13.1
Current financial assets		0.2	31.4	33.1
Cash and cash equivalents		87.1	14.8	1.9
Total current assets		214.0	154.5	151.2
Total assets		849.7	789.9	655.8
Equity				
Owner's equity	8	234.1	333.4	243.3
Equity attributable to owners of medmix	8	234.1	333.4	243.3
Total equity	8	234.1	333.4	243.3
Non-current liabilities				
Non-current borrowings	9	269.3	239.5	219.2
Non-current lease liabilities		39.6	39.9	17.0
Deferred income tax liabilities		24.3	26.7	22.0
Non-current income tax liabilities		1.9	2.1	–
Defined benefit obligations		3.5	8.3	9.0
Non-current provisions	10	4.0	4.5	3.3
Other non-current liabilities		0.2	1.0	1.0
Total non-current liabilities		342.9	322.0	271.4
Current liabilities				
Current borrowings	9	170.3	46.5	56.2
Current lease liabilities		7.1	6.4	4.9
Current income tax liabilities		6.1	4.8	8.9
Current provisions	10	8.0	15.4	10.2
Contract liabilities		5.8	5.0	4.1
Trade accounts payable		36.6	29.8	29.3
Other current and accrued liabilities		38.8	26.5	27.5
Total current liabilities		272.7	134.4	141.0
Total liabilities		615.6	456.4	412.4
Total equity and liabilities		849.7	789.9	655.8

Combined and carve-out statement of changes in equity

January 1 – June 30

millions of CHF	Notes	Attributable to owners of medmix			Total equity
		Retained earnings	Cash flow hedge reserve	Currency translation adjustment	
Equity as of January 1, 2020		303.7	-0.0	-8.6	295.1
Comprehensive income for the period:					
Net income		4.0			4.0
- Cash flow hedges, net of tax		-	-0.1	-	-0.1
- Remeasurements of defined benefit obligations, net of tax		0.8	-	-	0.8
- Currency translation differences		-	-	-3.8	-3.8
Other comprehensive income		0.8	-0.1	-3.8	-3.1
Total comprehensive income for the period		4.9	-0.1	-3.8	0.9
Transactions with owners of the company:					
Distribution to the Sulzer group		-0.9	-	-	-0.9
Share-based payments		0.3	-	-	0.3
Dividends		-52.0	-	-	-52.0
Equity as of June 30, 2020	8	255.9	-0.1	-12.4	243.3
Equity as of January 1, 2021		345.7	-	-12.3	333.4
Comprehensive income for the period:					
Net income		22.7			22.7
- Cash flow hedges, net of tax		-	-0.5	-	-0.5
- Remeasurements of defined benefit obligations, net of tax		4.5	-	-	4.5
- Currency translation differences		-	-	10.5	10.5
Other comprehensive income		4.5	-0.5	10.5	14.5
Total comprehensive income for the period		27.3	-0.5	10.5	37.2
Transactions with owners of the company:					
Distribution to the Sulzer group	8	-95.8	-	-	-95.8
Share-based payments		0.4	-	-	0.4
Dividends		-41.3	-	-	-41.3
Equity as of June 30, 2021	8	236.4	-0.5	-1.8	234.1

Combined and carve-out statement of cash flows

January 1 – June 30

millions of CHF	Notes	2021	2020
Cash and cash equivalents as of January 1		14.8	4.5
Net income		22.7	4.0
Interest and securities income	6	-0.0	-0.2
Interest expenses	6	4.1	3.7
Income tax expenses	7	4.5	0.4
Depreciation, amortization and impairments		25.6	20.4
Income from disposals of tangible and intangible assets		-0.0	-0.1
Changes in inventories		-4.6	-7.8
Changes in advance payments to suppliers		-1.9	-0.1
Changes in trade accounts receivable		-8.5	-2.1
Changes in contract liabilities		0.7	0.1
Changes in trade accounts payable		6.4	-7.8
Change in provision for employee benefit plans		0.8	1.3
Changes in provisions		-6.9	-5.1
Changes in other net current assets		8.2	0.9
Other non-cash items		5.2	0.5
Interest received		0.0	0.2
Interest paid		-4.1	-3.7
Income tax paid		-4.3	0.4
Total cash flow from operating activities		47.9	5.0
Purchase of intangible assets		-0.3	-0.4
Sale of intangible assets		-	0.0
Purchase of property, plant and equipment		-14.4	-21.0
Sale of property, plant and equipment		0.4	1.4
Acquisitions of subsidiaries, net of cash acquired		-1.0	-1.5
Purchase of current financial assets		-0.1	-7.7
Sale of current financial assets		31.4	49.4
Total cash flow from investing activities		16.1	20.2
Dividends paid to shareholders		-41.3	-52.0
Payments of lease liabilities		-3.7	-2.7
Proceeds from non-current borrowings	9	28.7	-
Repayments of non-current borrowings	9	-2.7	-
Proceeds from current borrowings	9	46.2	36.4
Repayments of current borrowings	9	-19.8	-8.4
Total cash flow from financing activities		7.3	-26.7
Exchange gains/losses on cash and cash equivalents		0.9	-1.1
Net change in cash and cash equivalents		72.2	-2.6
Cash and cash equivalents as of June 30		87.1	1.9

1 General information and basis of preparation

1.1 General information

Sulzer Ltd announced on May 27, 2021, the intention to spin-off its Applicator Systems (APS) division through a 1:1 share split, granting Sulzer shareholders one APS share in addition to each Sulzer share held. The listing of APS on the Swiss Exchange (SIX) is planned for late Q3, 2021, or early Q4, 2021. Upon market introduction, APS will be renamed medmix and its listing will be combined with a share capital increase by medmix in the amount of CHF 200–300 million without subscription rights for existing shareholders.

The spin-off of medmix will be executed in the form of a symmetrical split, according to art. 29 para b) and art. 31 para 2a) of the Swiss Merger Act, with existing shareholders receiving one medmix share in addition to each Sulzer share held. Sulzer's Board of Directors has unanimously approved the transaction. The split of Sulzer into two separate companies and its associated capital increase will be proposed for shareholder approval at an extraordinary general meeting (EGM) to be scheduled in Q3, 2021.

medmix (the "group") is a global market leader in high-precision delivery devices for the healthcare and consumer and industrial business areas. medmix specializes in the design and production of innovative, high-precision delivery devices and applicators for the dental, drug delivery, surgery, industrial and beauty markets. medmix employs around 1'900 people in 20 production, sales and service sites around the world.

The group did not exist as a separate legal and reporting group and no separate financial statements were therefore prepared. Accordingly, in order to evaluate the historical financial results of the group and the preparation for capital market access, historical interim combined and carve-out financial statements of medmix, as of and for the six months ended June 30, 2021 have been prepared (the "interim financial statements"). An overview of the major companies and businesses included in the interim financial statements is included in [note 13](#).

The interim financial statements have been prepared in accordance with the requirements of IAS 34 "Interim financial reporting." Details of the change in accounting policies are described in [note 11](#). Throughout the reporting periods, the group did not have a parent entity.

1.2 Basis of preparation

The interim financial statements have been prepared on a carve-out basis from the Sulzer group financial statements for the purpose of presenting the balance sheet, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and the notes of the group on a stand-alone basis.

The interim financial statements have been prepared in accordance with the requirements of IAS 34 Interim Financial Reporting. The basis of preparation and the accounting policies applied are consistent with those applied in the combined and carve-out financial statements for the year 2020 and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the combined and carve-out financial statements for the year ended December 31, 2020.

2 Significant events and transactions during the reporting period

The financial position and performance of the group was particularly affected by the following events and transactions during the reporting period:

- The group experienced substantial revenue growth in the first six months of 2021 compared to the same period in the previous year. In 2020, revenues were strongly impacted by the outbreak of COVID-19. Following the closing of stores, factories and dental clinics, the markets stalled in the second quarter of 2020. Since the third quarter of 2020 the group has been experiencing a strong recovery, with revenue reaching pre-COVID-19 levels, and the recovery continued into the first six months of 2021 for all market segments except surgery.
- Dividend distribution by Sulzer Mixpac AG to the Sulzer group, in the amount of CHF 34.0 million, financed by a loan from Sulzer to Sulzer Mixpac AG in the amount of CHF 35.0 million;
- Dividend distribution of Sulzer Mixpac USA Inc. to the Sulzer group, in the amount of USD 8.0 million (CHF 7.3 million); and
- Acquisition of Sulzer Mixpac (UK) Ltd. from Sulzer (UK) Holding Ltd. by Sulzer Mixpac AG for GBP 14.0 million, financed by a loan from Sulzer to Sulzer Mixpac AG in the amount of CHF 17.9 million. Sulzer Mixpac (UK) Ltd. has been included in the interim financial statements for all the periods presented whereas the loan between Sulzer and Sulzer Mixpac AG has been established during the half year 2021 as a result of the acquisition. The loan is presented in equity as a distribution to the Sulzer group.
- The group is exposed to foreign exchange risk through the translation of group entities' functional currencies to the Swiss franc in the financial statements. For the first six months of 2021, currency translation-related gains recorded in the comprehensive income amounted to CHF 10.5 million (half year 2020: CHF –3.8 million), mainly related to exposures in EUR and USD.
- As part of the debt split between Sulzer and medmix, the unfulfilled part of a loan agreement amounting to CHF 80.0 million with Sulzer Capital B.V., namely the repayment and interest payment obligations under the loan agreement, will be transferred to medmix in the course of the spin-off, while the loan proceeds will remain with Sulzer. The debt split between Sulzer and medmix has been reflected in the balance sheet and statement of changes in equity as of June 30, 2021, and as a result the equity of medmix decreased by CHF 80.0 million and current borrowings increased by the same amount.
- The group terminated the cash pool with the Sulzer group as of June 30, 2021. The cash pool debit balances, presented as current financial assets, amounted to CHF 31.4 million, and the cash pool credit balances, presented as borrowings, amounted to CHF 14.1 million as of December 31, 2020. The termination of the cash pool led to cash flow movements for the first six months of 2021 of CHF 31.4 million disclosed in the cash flow statement as “sale of current financial assets” and to CHF 14.1 million disclosed as “repayments of current borrowings”.

3 Segment information

Segment information by business areas

millions of CHF	Healthcare		Consumer & Industrial		Total medmix	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Revenue¹⁾	87.9	42.5	140.5	123.6	228.3	166.1
Business area cost of goods sold	-33.5	-14.3	-83.2	-74.9	-116.7	-89.3
Business area gross profit	54.3	28.2	57.3	48.6	111.6	76.8
Business area gross profit margin	61.9%	66.3%	40.8%	39.3%	48.9%	46.2%
Other cost of goods sold					-19.8	-19.4
Gross profit					91.8	57.4
Operating expenses					-60.5	-49.4
Operating income (EBIT)					31.3	8.0
Depreciation					13.8	11.3
Amortization					11.2	9.0
Impairments on tangible and intangible assets					0.6	0.1
EBITDA					56.9	28.4
Restructuring expenses					0.2	1.1
Non-operational items					0.8	0.3
Adjusted EBITDA					57.9	29.8
Adjusted EBITDA margin					25.4%	17.9%
Free cash flow (FCF)					33.6	-14.9

1) Revenue from external customers.

Information about reportable segments

Sulzer managed its business by divisions whereof Applicator Systems (APS) was one reportable segment. After the spin-off of the APS division, operating segments will be determined based on the reports reviewed by the medmix Board of Directors (BoD) that will be used to measure performance, make strategic decisions, and allocate resources to the segments. The business will be managed based on business areas, and the reportable segments have been identified as disclosed below. The medmix BoD will assess the performance of the two segments based on the business area's revenue and gross profit.

The medmix BoD will assess performance of the group using alternative performance measures (APM) which are derived from the financial statements prepared in accordance with IFRS. The APMs are prepared in addition to IFRS to assist in comparability of information across periods by adjusting for impairment, restructuring and other non-operational items. In this context, the medmix BoD will assess the performance of the group based on adjusted EBITDA in addition to the business area's revenue and gross profit.

Revenue from external customers which will be reported to the medmix BoD is measured in a manner consistent with that in the income statement. There is no significant revenue between the segments. No individual customer represents a significant portion of the group's revenue.

Healthcare

Through its well-known brands Haselmeier, medmix, Mixpac and Transcodent, the Healthcare business area specializes in the design and production of innovative high-precision delivery devices and services within the drug delivery, surgery and dental markets. Products include injection pens for subcutaneous delivery of drugs, surgical delivery devices focusing on trauma bone repair and

wound-healing tissue treatment and mixing, filling and delivery device systems for the dental consumable industry.

The business area's IP-protected solutions make the customers' products precise, safe, unique and more sustainable, leveraging the business's expertise in drug delivery, plastic-injection technology, molding and two-component mixing.

Consumer & Industrial

Through its well-known brands Mixpac, MK, Cox and Geka, the Consumer & Industrial business area specializes in the design and production of innovative high-precision delivery devices and services within Industrial, such as adhesives used in construction, electronics, automotive, aerospace and various industries and consumer markets such as beauty and other microbrush applications. Products include hand-held mixing and dispensing delivery devices for two-component adhesives and sealants, mixing tips, cartridges, high-precision make-up applicators and microbrushes.

The business area's IP-protected solutions make the customers' products precise, safe, unique and more sustainable, leveraging the business's expertise in plastic-injection molding, two-component mixing, fluid handling, material design and microbrushes.

Regional segment information

The allocation of revenue from external customers is based on the ship-to location defined by medmix's customer, which does not necessarily correspond with the location of the end customer.

Revenue by region

millions of CHF	H1 2021		
	Healthcare	Consumer & Industrial	Total medmix
Europe, the Middle East and Africa	52.6	83.2	135.7
– thereof Germany	25.3	27.9	53.2
– thereof Italy	9.2	9.7	18.9
– thereof France	1.0	10.5	11.5
– thereof Switzerland	7.9	1.7	9.5
Americas	29.7	41.1	70.8
– thereof USA	28.4	36.4	64.8
Asia-Pacific	5.6	16.2	21.8
– thereof China	0.9	9.2	10.1
Total	87.9	140.5	228.3

	H1 2020		
millions of CHF	Healthcare	Consumer & Industrial	Total medmix
Europe, the Middle East and Africa	21.9	74.9	96.8
– thereof Germany	14.6	23.1	37.8
– thereof France	0.6	11.4	12.0
– thereof Italy	2.3	8.6	10.9
– thereof Switzerland	0.8	2.4	3.2
Americas	16.2	39.3	55.5
– thereof USA	15.3	34.6	50.0
Asia-Pacific	4.5	9.4	13.8
– thereof China	0.6	5.9	6.4
Total	42.5	123.6	166.1

Market segment information

The following table shows the allocation of revenue from external customers by market segments:

Revenue by market segment

millions of CHF	H1 2021	H1 2020
Dental	60.7	35.9
Drug delivery	21.3	–
Surgery	5.8	6.6
Total Healthcare	87.9	42.5
Industry	78.5	62.7
Beauty	61.9	60.8
Total Consumer & Industrial	140.5	123.6
Total medmix	228.3	166.1

4 Financial instruments

The following tables present the carrying amounts and fair values of financial assets and liabilities as of June 30, 2021, and December 31, 2020, including their levels in the fair value hierarchy. For financial assets and financial liabilities not measured at fair value in the balance sheet, fair value information is not provided if the carrying amount is a reasonable approximation of fair value.

Fair values are categorized into three different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Such instruments are included in level 1.

The fair values included in level 2 are based on valuation techniques using observable market input data. This may include discounted cash flow analysis, option pricing models or reference to other instruments that are substantially the same, while always making maximum use of market inputs and

relying as little as possible on entity-specific inputs. The fair values of forward contracts are measured based on broker quotes for foreign exchange rates and interest rates.

Fair values measured using unobservable inputs are categorized within level 3 of the fair value hierarchy. This applies particularly to contingent considerations in business combinations.

Fair value table

		June 30, 2021								
		Carrying amount				Fair value				
millions of CHF	Notes	Fair value hedging instruments	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value										
		0.2				0.2	–	0.2	–	0.2
		0.2	0.0	–	–	0.2	–	0.2	0.0	0.2
Financial assets not measured at fair value										
				0.1		0.1				
				35.1		35.1				
				6.1		6.1				
				0.2		0.2				
				87.1		87.1				
		–	–	128.7	–	128.7				
Financial liabilities measured at fair value										
			0.1			0.1	–	–	0.1	0.1
		–	0.1	–	–	0.1	–	–	0.1	0.1
Financial liabilities not measured at fair value										
	9				269.3	269.3				
					0.2	0.2				
	9				90.3	90.3				
					36.6	36.6				
					2.9	2.9				
		–	–	–	399.4	399.4				

Fair value table

December 31, 2020										
	Notes	Carrying amount				Fair value			Total fair value	
		Fair value hedging instruments	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2		Level 3
millions of CHF										
Financial assets measured at fair value										
Derivative assets – current		0.2				0.2	–	0.2	–	0.2
Total financial assets measured at fair value		0.2	0.0	–	–	0.2	–	0.2	0.0	0.2
Financial assets not measured at fair value										
Other non-current financial assets (at amortized cost)						–				
Trade accounts receivable				26.1		26.1				
Other current receivables (excluding current derivative assets and other taxes)				6.5		6.5				
Current financial assets (at amortized cost)				31.4		31.4				
Cash and cash equivalents				14.8		14.8				
Total financial assets not measured at fair value		–	–	78.9	–	78.9				
Financial liabilities measured at fair value										
Contingent considerations			0.5			0.5	–	–	0.5	0.5
Total financial liabilities measured at fair value		–	0.5	–	–	0.5	–	–	0.5	0.5
Financial liabilities not measured at fair value										
Non-current borrowings	9				239.5	239.5				
Other non-current liabilities (excluding non-current derivative liabilities)					1.0	1.0				
Current borrowings and bank loans	9				46.5	46.5				
Trade accounts payable					29.8	29.8				
Other current liabilities (excluding current derivative liabilities, other taxes and contingent considerations)					2.8	2.8				
Total financial liabilities not measured at fair value		–	–	–	319.7	319.7				

5 Other operating income and expenses

millions of CHF	H1 2021	H1 2020
Gain from sale of property, plant and equipment	0.0	0.1
Operating currency exchange gains, net	–	0.1
Other operating income	0.2	0.3
Total other operating income	0.2	0.6
Restructuring expenses	–0.2	–1.1
Impairments on tangible and intangible assets	–0.6	–0.1
Loss from sale of property, plant and equipment	–	–0.0
Operating currency exchange losses, net	–0.9	–
Total other operating expenses	–1.7	–1.2
Total other operating income and expenses, net	–1.5	–0.6

Other operating income includes income from litigation cases, government grants and incentives, and recharges to third parties not qualifying as sales from customers.

For the period ended June 30, 2021, the group recognized restructuring costs of CHF 0.3 million (half year 2020: CHF 2.0 million), partly offset by released restructuring provisions of CHF 0.1 million (2020: CHF 0.9 million). The group further performed impairment tests on production machines and facilities leading to impairments of CHF 0.6 million (half year 2020: CHF 0.1 million).

The functional allocation of the total restructuring expenses and impairments is as follows: cost of goods sold CHF 0.0 million (half year 2020: –1.1 million), selling and administrative expenses CHF –0.2 million (half year 2020: CHF 0.1 million), and research and development expenses CHF –0.6 million (half year 2020: CHF –0.1 million).

6 Financial income and expenses

millions of CHF	H1 2021	H1 2020
Interest and securities income	0.0	0.2
Total interest and securities income	0.0	0.2
Interest expenses on borrowings and lease liabilities	–4.1	–3.7
Total interest expenses	–4.1	–3.7
Total interest income and expenses, net	–4.1	–3.6
Currency exchange gains/losses, net	0.1	–
Total other financial income and expenses, net	0.1	–0.0
Total financial income and expenses, net	–4.0	–3.6
– thereof interest income on financial assets at amortized costs	0.0	0.2
– thereof currency exchange gains/losses, net	0.1	–
– thereof interest expenses on borrowings	–3.8	–3.6
– thereof interest expenses on lease liabilities	–0.3	–0.2

Total financial expenses amounted to CHF 4.0 million, compared with CHF 3.6 million in the first half of 2020.

The financial expenses are mainly driven by interest expenses on borrowings as a result of current and non-current borrowings with the Sulzer group.

7 Income taxes

Income tax expenses comprise current and deferred tax. Income tax expenses are recognized based on the estimated income tax rate for the full financial year. The estimated average annual tax rate used for the year 2021 is 16.6%, compared with 8.8% for the six months ended June 30, 2020. The effective income tax rate used for 2021 was impacted by tax losses where no corresponding tax effects could have been recognized.

8 Equity

The equity attributable to the owners of the group consists of the net assets attributable to the group and represents the cumulative net investment by the Sulzer group through the years presented.

Share capital

The combined and carved-out entities and businesses have historically not formed a group and the group has no historical capital structure. Consequently, no share capital has been presented for the group.

Distribution to the Sulzer group

Some changes in net assets allocated between the Sulzer group and medmix are presented separately in the interim financial statements through the line “distribution to the Sulzer group” in the statement of changes in equity reflecting the internal activities between the Sulzer group and medmix during the periods presented. For the half year 2021, these are primarily related to the debt split between Sulzer and medmix and to legal ownership changes of two medmix entities.

As part of the debt split between Sulzer and medmix, the unfulfilled part of a loan agreement amounting to CHF 80.0 million with Sulzer Capital B.V., namely the repayment and interest payment obligations under the loan agreement, will be transferred to medmix in the course of the spin-off, while the loan proceeds will remain with Sulzer. The debt split between Sulzer and medmix has been reflected in the balance sheet and statement of changes in equity as of June 30, 2021, and as a result the equity of medmix decreased by CHF 80.0 million and current borrowings increased by the same amount.

Retained earnings

The retained earnings include prior years' undistributed income of the combined companies and carved-out businesses and all remeasurements of the net liability for defined benefit plans.

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred. Amounts are reclassified to profit or loss when the associated hedged transaction affects the income statement.

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of combined entities and carved-out net assets, whose currency differs from the reporting currency of the group.

Dividends

Dividends include distributed dividends of the group to the Sulzer group for all the periods presented.

9 Borrowings

The group is mainly financed through current and non-current borrowings with the Sulzer group. The group plans to refinance these borrowings after the spin-off with non-current external bank loans.

millions of CHF			2021
	Non-current borrowings	Current borrowings	Total
Balance as of January 1	239.5	46.5	286.0
Cash flow from proceeds	28.7	46.2	74.9
Cash flow for repayments	-2.7	-19.8	-22.5
Distribution to the Sulzer group	-	95.8	95.8
Currency translation differences	3.9	1.6	5.5
Total borrowings as of June 30	269.3	170.3	439.6

millions of CHF			2020
	Non-current borrowings	Current borrowings	Total
Balance as of January 1	240.4	12.1	252.5
Cash flow from proceeds	-	37.4	37.4
Cash flow for repayments	-	-22.2	-22.2
Assumed through business combination	23.0	-	23.0
Reclassifications	-19.6	19.6	-
Currency translation differences	-4.2	-0.4	-4.6
Total borrowings as of December 31	239.5	46.5	286.0

For details regarding the line “distribution to the Sulzer group” please refer to [note 8](#).

10 Provisions

millions of CHF					2021
	Other employee benefits	Warranties/liabilities	Restructuring	Other	Total
Balance as of January 1	4.0	1.3	5.8	8.7	19.9
Additions	0.4	0.7	0.3	3.9	5.4
Released as no longer required	-	-0.2	-0.1	-1.7	-2.0
Utilized	-0.4	-	-5.5	-4.3	-10.1
Currency translation differences	0.0	0.0	0.1	-1.3	-1.2
Total provisions as of June 30	4.1	1.9	0.6	5.4	11.9
- thereof non-current	3.3	-	-	0.7	4.0
- thereof current	0.7	1.9	0.6	4.7	8.0

The category “Other employee benefits” includes provisions for jubilee gifts, early retirement of senior managers and other obligations to employees.

The category “Warranties/liabilities” includes provisions for warranties, customer claims, penalties, litigation and legal cases relating to goods delivered or services rendered.

In 2020, medmix had initiated restructuring measures of its production facilities in Germany. Up to June 2021, utilization of CHF 5.5 million (half year 2020: CHF 4.5 million) mainly consisted of these

structural actions taking effect. The remaining restructuring provision as of June 30, 2021, is CHF 0.6 million (half year 2020: 6.8 million).

“Other” includes provisions that do not fit into the aforementioned categories. Although medmix expects a large part of the category “Other” to be realized in one year, by their nature the amounts and timing of any cash outflows are difficult to predict.

11 Change in accounting policies

a) Standards, amendments and interpretations which are effective for 2021

A number of amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

b) Standards, amendments and interpretations issued but not yet effective which the group has decided not to early adopt in 2021

There are no IFRS standards or interpretations not yet effective that would be expected to have a material impact on the group.

12 Subsequent events after the balance sheet date

Subsequent events have been considered for adjustment of disclosure up to August 16, 2021, the date these interim financial statements were authorized for issue.

13 Major group companies and business

	Major group companies and business	Equity participation	Registered capital (including paid-in capital in the USA and Canada)	Research and development	Production and engineering	Sales	Service
Europe							
Switzerland	Sulzer Mixpac AG, Haag	100%	CHF 100'000	•	•	•	
	Applicator Systems AG ¹⁾ , Zug	100%	CHF 100'000				
	medmix GmbH ¹⁾ , Zug	100%	CHF 20'000				
	Sulzer Management AG, Winterthur	n/a ²⁾	CHF 500'000				
	Haselmeier AG, St. Gallen	100%	CHF 2'000'000	•			
Czech Republic	Haselmeier s.r.o., Dnesice	100%	CZK 50'200'000		•		
Germany	Sulzer APS Deutschland Holding GmbH, Bechhofen	100%	EUR 870'000				
	Geka GmbH, Bechhofen	100%	EUR 878'600	•	•	•	•
	Sulzer Mixpac Deutschland GmbH, Kiel	100%	EUR 26'000	•	•	•	•
	Haselmeier GmbH, Stuttgart	100%	EUR 2'027'700	•		•	•
Great Britain	Sulzer Mixpac (UK) Ltd., Hungerford	100%	GBP 1'000'000		•	•	
Poland	Sulzer Mixpac Poland Sp. z o.o., Nowa Wies Wroclawska	100%	PLN 5'000		•		
North America							
USA	Sulzer Mixpac USA Inc., Salem, New Hampshire	100%	USD 100			•	
	Geka Manufacturing Corporation, Elgin, Illinois	100%	USD 603'719		•	•	•
	Sulzer APS US Holding Inc. ¹⁾ , Houston, Texas	100%	USD 1000				
Central and South America							
Brazil	Geka do Brasil Indústria e Comércio de Embalagens Ltda., Cotia	100%	BRL 15'009'794		•	•	•
Asia							
People's Republic of China	Sulzer Applicators System Shanghai Ltd. ¹⁾ , Shanghai	100%	CHF 1'000'000		•		
	Sulzer Shanghai Eng. & Mach. Works Ltd., Shanghai	n/a ²⁾	CNY 54'267'608	•	•	•	•

1) Established in 2021.

2) The entity is not part of the medmix group but a part of the business has been carved out for the interim financial statements.