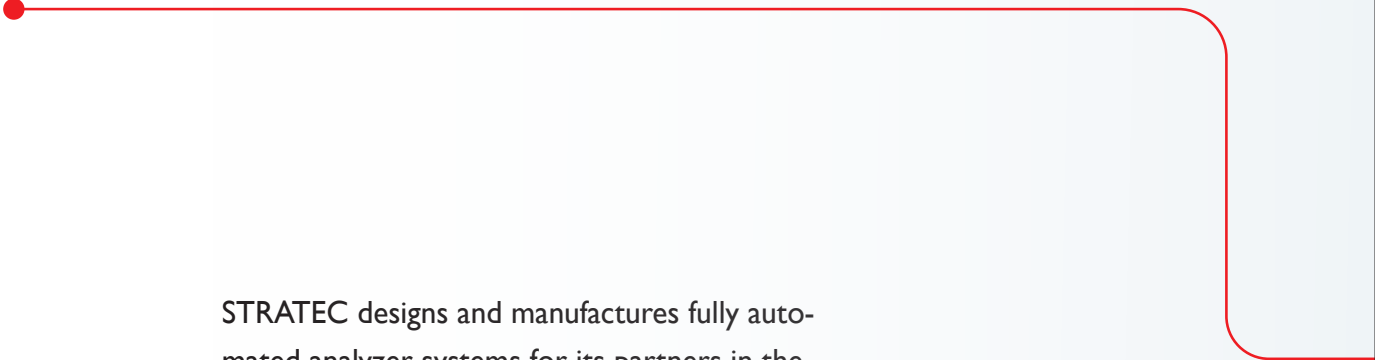


MAKE THE
INVISIBLE

**VISI
BLE**

HALF-YEAR FINANCIAL REPORT HI|2021

January 1 to June 30, 2021



STRATEC designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and life sciences.

Furthermore, the company offers complex consumables for diagnostic and medical applications. For analyzer systems and consumables, STRATEC covers the entire value chain – from development to design and production through to quality assurance.

Our partners market the systems, software, and consumables, in general together with their own reagents, as system solutions to laboratories, blood banks and research institutes around the world. STRATEC develops its products on the basis of patented technologies.

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CURRENT INFORMATION

- Sales up by 36.0% at constant currency to € 155.8 million in H1/2021; nominal +30.5% (H1/2020: € 119.4 million)
- Adjusted EBIT in H1/2021 rises by 87.1% to € 34.5 million (H1/2020: € 18.4 million)
- Adjusted EBIT margin improves by 670 basis points to 22.1% (H1/2020: 15.4%)
- New products launched and important development milestones achieved
- Recently raised guidance for 2021 confirmed: Constant-currency sales growth of at least 12.0% and adjusted EBIT margin of around 17.5% to 18.5%

KEY FIGURES¹

€ 000s	H1/2021	H1/2020	Change	Q2/2021	Q2/2020	Change
Sales	155,765	119,367	+30.5%	83,770	62,863	+33.3%
EBITDA	40,274	23,537	+71.1%	21,434	13,395	+60.0%
EBITDA margin (%)	25.9	19.7	+620 bps	25.6	21.3	+430 bps
Adjusted EBIT	34,457	18,413	+87.1%	18,412	10,755	+71.2%
Adjusted EBIT margin (%)	22.1	15.4	+670 bps	22.0	17.1	+490 bps
Adjusted consolidated net income	28,547	15,595 ²	+83.1%	15,400	9,349 ²	+64.7%
Adjusted earnings per share (€)	2.36	1.30 ²	+81.5%	1.27	0.78 ²	+62.8%
Earnings per share (€)	2.08	1.01 ²	+105.9%	1.12	0.64 ²	+75.0%

bps = basis points

¹ To facilitate comparison, adjusted figures exclude amortization resulting from acquisition-related purchase price allocations and an impairment recognized on a proprietary development project.

² Results from continuing operations.

€ 000s	06.30.2021	12.31.2020	Change
Equity	189,015	172,545	+9.5%
Total assets	363,259	331,904	+9.4%
Equity ratio (%)	52.0	52.0	+0 bps

bps = basis points

LETTER FROM THE BOARD OF MANAGEMENT

Dear Shareholders,
Partners and Friends of STRATEC,

In the second quarter of 2021, STRATEC further increased the strong growth momentum already seen at the beginning of the year and posted new record levels of sales and earnings. For the first half of 2021, the company can report constant-currency sales growth of 36.0% and an 87.1% increase in its adjusted EBIT. This strong growth continued to be driven by high demand for diagnostics products relating to the COVID-19 pandemic. The company also witnessed growth in systems for routine test applications in the fields of hematology and immunohematology, as well as growth contributions from products recently launched onto the market.

Overall, the advances made with vaccination campaigns meant that numerous countries reported substantial and very pleasing progress in containing the pandemic in the first half of 2021. This can be expected to reduce demand for tests relevant to SARS-CoV-2. This development is not surprising and was factored into our planning scenarios from the outset. Based on our strong first-half performance, we recently even raised our sales growth guidance figure for the 2021 financial year as a whole.

We see ourselves as very well positioned for the period after the pandemic. The STRATEC Group has a very young product portfolio, with numerous systems in early stages of their growth. Not only that, based on our well-stocked development pipeline we will launch a continuous stream of additional new products

onto the market together with our partners in the years ahead as well. Moreover, the significant expansion in the system installation base during the pandemic, on which numerous other tests are performed alongside those for COVID-19, should impact positively on our recurring business with service parts and consumables in the long term.

STRATEC reached important milestones in its new product developments once again in the first half and is holding promising negotiations with partners for new products. The second quarter also witnessed the market launch of our proprietary analyzer system KleeYa by the first customer.

We were delighted to welcome numerous new colleagues to STRATEC's team again in the first half of 2021. Overall, we expanded our workforce by 4.9% compared with the previous year's reporting date and for the first time reached a total of 1,400 employees.

We would like to thank our shareholders for their trust, which was also reflected in the high levels of approval they granted once again at this year's Annual General Meeting. These included the approval of a further record dividend of € 0.90 per share, which we were then able to distribute in May 2021. This marks the seventeenth consecutive increase since payment of the first dividend in 2004.

Birkenfeld, August 2021

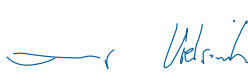
The Board of Management of STRATEC SE



Marcus Wolfinger



Dr. Robert Siegle



Dr. Claus Vielsack

INTERIM GROUP MANAGEMENT REPORT

Report on earnings, financial, and asset position

Earnings position

The STRATEC Group can report a highly dynamic business performance for the first six months of the 2021 financial year, in which it generated clearly double-digit sales and earnings growth rates in all three of its segments (Instrumentation, Diatron, Smart Consumables). Overall, consolidated sales increased by 30.5% to € 155.8 million in the first half of 2021, compared with € 119.4 million in the previous year. On a constant-currency basis, this corresponds to organic sales growth of 36.0%. This was driven by significant sales growth both with Systems and with Service Parts and Consumables. System sales showed year-on-year growth of 43.8% in the first six months of 2021 (constant currency: +50.3%), while the Service Parts and Consumables business generated growth of 19.5% (constant currency +24.7%). The sales performance of both fields continued to benefit from high demand for product groups relevant to COVID-19. Furthermore, STRATEC also witnessed growth with systems for routine test applications in the fields of hematology and immuno-hematology, as well as with products newly launched onto the market. By contrast, sales with Development and Services decreased in line with expectations, falling year-on-year by 7.4% in the first half of 2021 (constant currency: -6.2%). The volume of sales recognized for development services is nevertheless expected to increase once again in the second half of 2021.

Consolidated sales by operating division (€ 000s)

	H1/2021	H1/2020	Change
Systems	95,748	66,563	+43.8% cc +50.3%
Service Parts & Consumables	48,602	40,677	+19.5% cc +24.7%
Development and Services	10,922	11,792	-7.4% cc -6.2%
Other	493	335	+47.2% cc +53.6%
Consolidated sales	155,765	119,367	+30.5% cc +36.0%

cc = constant currency

Given the higher volume of sales, gross profit (gross profit on sales) rose from € 34.2 million in the previous year's period to € 49.1 million in the first half of 2021. The gross margin increased by 290 basis points to 31.5% as of June 30, 2021 (previous year: 28.6%).

As a result of the development pipeline, which remains well stocked, gross development expenses increased slightly to € 23.5 million in the first six months of 2021 (H1/2020: € 22.8 million).

Sales-related expenses decreased from € 5.1 million in the previous year's period to € 4.6 million in the first half of 2021, while general administration expenses fell by € 1.2 million to € 8.4 million (previous year: € 9.6 million).

Adjusted EBIT for the first six months of 2021 rose by 87.1% to € 34.5 million, compared with € 18.4 million in the previous year. Accordingly, the adjusted EBIT margin improved by 670 basis points to 22.1% (H1/2020: 15.4%). This significant margin growth was due among other factors to positive benefits of scale, a strong product mix, and measures initiated to enhance efficiency. Moreover, at € -0.8 million in the first half of 2021 the negative measurement items for stock appreciation rights (SARs) were significantly lower than in the previous year (€ -2.4 million).

Given the company's operating earnings growth, adjusted consolidated net income also improved, in this case by 83.1% to € 28.5 million (H1/2020: € 15.6 million). Adjusted earnings per share for the first six months of 2021 rose by 81.5% to € 2.36 compared with € 1.30 in the previous year's period. Unadjusted earnings per share amounted to € 2.08 (previous year: € 1.01).

To facilitate comparison, key earnings figures have been adjusted to exclude amortization resulting from acquisition-related purchase price allocations and an impairment recognized on a proprietary development project in the Diatron segment.

A reconciliation of the adjusted figures with those reported in the consolidated statement of comprehensive income is presented in the following tables.

€ 000s	H1/2021	H1/2020
Adjusted EBIT	34,457	18,413
Adjustments		
• PPA amortization	-2,909	-4,076
• Impairment	-1,049	0
EBIT	30,499	14,337

€ 000s	H1/2021	H1/2020 ¹
Adjusted consolidated net income	28,547	15,595
Adjusted earnings per share in € (basic)	2.36	1.30
Adjustments		
• PPA amortization	-2,909	-4,076
• Impairment	-1,049	0
• Taxes on income	572	637
Consolidated net income	25,161	12,156
Earnings per share in € (basic)	2.08	1.01

¹ Results from continuing operations.

Segments

The business activities of the STRATEC Group are divided into three reporting segments.

In its Instrumentation segment, STRATEC pools its business with designing and manufacturing fully automated analyzer systems, including service parts and consumables, for its clinical diagnostics and life sciences customers.

The Diatron segment comprises the business with systems, system components, consumables and tests in the low throughput hematology and clinical chemistry segment.

The Smart Consumables segment includes the business with developing and manufacturing smart consumables in the fields of diagnostics, life sciences, and medical technology.

Instrumentation segment

Sales in the Instrumentation segment grew by 29.9% (constant currency: +36.5%) to € 109.9 million in the first six months of 2021 (previous year: € 84.6 million). Within this segment, sales with Systems in particular showed significant double-digit percentage growth, while the Service Parts and Consumables business posted high single-digit percentage growth. By contrast, but in line with expectations, sales with Development and Services decreased. The adjusted EBIT margin for the first six months of 2021 improved by 560 basis points to 20.3% (H1/2020: 14.7%).

The positive development in the margin was driven in particular by positive benefits of scale, the product mix, and a year-on-year reduction in measurement items for stock appreciation rights (SARs).

Diatron segment

The Diatron segment reported sales growth of 25.3% to € 35.2 million in the first half of the 2021 financial year (H1/2020: € 28.1 million). On a constant-currency basis, this corresponds to sales growth of 27.3%. The increase in sales was due in particular to high call-up figures for Systems, as well as to strong business volumes with Service Parts and Consumables. The adjusted EBIT margin for the first half of 2021 rose to 31.0%, up from 26.7% in the previous year's period. Here, the margin benefited in particular from positive benefits of scale, a strong product mix, and the measures initiated to enhance efficiency.

Smart Consumables segment

The Smart Consumables segment generated sales growth of 59.1% to € 10.7 million in the first half of the 2021 financial year (H1/2020: € 6.7 million), with a significant increase in product sales in particular. Due among other factors to the resultant improvement in the sales mix, as well as to positive benefits of scale, adjusted EBIT improved to € 1.3 million, contrasting with the negative figure of € -1.6 million still reported for the previous year's period.

Summary of reporting segment performance (in € 000s)

	H1/2021	H1/2020	Change
Instrumentation			
Sales	109,873	84,551	+29.9% cc +36.5%
Adjusted EBIT	22,267	12,468	+78.6%
Adjusted EBIT margin	20.3%	14.7%	+560 bps
Diatron			
Sales	35,206	28,101	+25.3% cc +27.3%
Adjusted EBIT	10,916	7,515	+45.3%
Adjusted EBIT margin	31.0%	26.7%	+430 bps
Smart Consumables			
Sales	10,686	6,715	+59.1% cc +65.8%
Adjusted EBIT	1,274	-1,570	n/a
Adjusted EBIT margin	11.9%	-23.4%	+3,530 bps

cc = constant currency
bps = basis points

Financial position

The cash flow from operating activities rose from € 11.9 million in the previous year to € 33.3 million in the first six months of 2021. This increase was mainly due to the significant rise in consolidated net income, as well as to higher trade payables.

The cash flow from investing activities came to € -10.3 million in the first six months of 2021, compared with € -8.8 million in the first half of 2020. Within this item, the outflows of funds for property, plant and equipment showed a slight reduction of € 0.2 million to € 6.3 million (H1/2020: € 6.5 million). Among other items, investments in property, plant and equipment include the acquisition of new production resources at the Budapest and Anif locations. Investments in intangible assets amounted to € 4.0 million, compared with € 5.0 million one year earlier.

The investment ratio (investments in property, plant and equipment and intangible assets / sales) therefore amounted to 6.7% in the first six months and was within the corridor of 6.0% to 8.0% targeted for the 2021 financial year as a whole.

The cash flow from financing activities stood at € -18.9 million in the first half of 2021 and mainly consisted of the dividend of € 10.9 million distributed to shareholders in May 2021 and net repayments of financing liabilities amounting to € 8.6 million.

Cash and cash equivalents increased from € 37.6 million as of December 31, 2020 to € 41.3 million as of June 30, 2021.

Asset position

Total assets grew by € 31.4 million from € 331.9 million as of December 31, 2020 to € 363.3 million as of June 30, 2021.

Non-current assets showed an increase of € 3.6 million to € 179.2 million as of June 30, 2021, up from € 175.6 million as of December 31, 2020. This growth mainly resulted from an increase in financial assets and property, plant and equipment.

Property, plant and equipment rose from € 55.4 million as of December 31, 2020 to € 58.5 million as of June 30, 2021. Among other factors, this increase was due to the acquisition of additional production resources at the Budapest and Anif locations.

Current assets increased to € 184.0 million as of June 30, 2021, compared with € 156.3 million as of December 31, 2020. In this case, the increase was attributable in particular to higher trade receivables in connection with the higher volume of sales.

Cash and cash equivalents amounted to € 41.3 million as of June 30, 2021, as against € 37.6 million as of December 31, 2020.

Changes on the equity and liabilities side of the balance sheet resulted in particular from the reduction in financial liabilities, which decreased from € 120.2 million as of December 31, 2020 to € 114.0 million as of June 30, 2021. Furthermore, contract liabilities showed an increase of € 11.0 million, with this being due among other factors to prepayments received for development projects.

The equity ratio amounted to 52.0% as of June 30, 2021. Despite the dividend of € 10.9 million distributed in May 2021, this key figure was thus at the same level as at December 31, 2020.

Macroeconomic and sector-specific framework

Macroeconomic framework

In its Economic Outlook for 2021 published in May 2021, the Organisation for Economic Co-operation and Development (OECD) forecast global GDP growth of 5.8%. The OECD's latest economic forecast is thus significantly more optimistic than in December 2020, at which point it forecast global GDP growth of 4.2% for 2021. The higher forecast is due in particular to the positive impact of vaccination campaigns against SARS-CoV-2 in numerous economies, as well as to the massive fiscal and monetary stimulus programs in several countries. Economic developments have varied widely from country to country. A small number of countries has already regained pre-pandemic levels of GDP per capita, while others will still need years to do so.

For the current year, the OECD has forecast economic growth of 8.5% for China, 6.9% for the US, and 4.3% for the euro area. According to the OECD, the economic horizon is also set to brighten for Germany as well, with economic growth expected to reach 3.3% in the current year. Based on its own statements, however, the OECD's forecasts are still subject to significant uncertainty.

Given its long-term project and product lifecycles, STRATEC and the decisions its customers take concerning joint development projects are only affected by macroeconomic fluctuations to a limited extent. Having said this, the macroeconomic climate nevertheless plays a major role in STRATEC's entrepreneurial activity and is therefore extensively factored into the company's assessments and planning.

Sector-specific framework

Based on various estimates, the in-vitro diagnostics (IVD) market will continue to generate very healthy and sustainable growth rates. Due among other factors to increased demand for the molecular diagnostic tests used to detect coronavirus infections, the market showed particularly strong growth in 2020. According to different estimates, the global IVD market currently has a volume of almost 85 billion US dollars, compared with 70 billion US dollars in 2019. Consistently aging populations, the increased prevalence of chronic diseases, the more frequent occurrence of infectious diseases, and the growing importance of precision medicine – these are important and sustainable drivers of growth in the market. Over and above that, the research being performed on innovative technologies, such as specific biomarkers, will create new opportunities for future market growth.

The various segments within IVD are showing different growth rates. STRATEC particularly operates in those segments which are reporting above-average high growth rates. These include molecular diagnostics, for example, as well as highly sensitive processes within immunodiagnostics. STRATEC offers products and solutions in numerous important areas of IVD.

Due not least to the increasing complexity of IVD tests, it is difficult for any one company to develop proprietary products in all technology and market segments. In view of this, diagnostics groups frequently procure specific technologies to maintain their technological leadership and survive in the market. As a result, a process of consolidation has been apparent in the IVD market for years now and is expected to continue in future as well.

At the same time, the constant rise in regulation recently seen in the diagnostics industry also represents an increasingly high barrier to potential competitors to STRATEC entering the market. There are only very few comparable companies with the ability to offer a comparable range of products and services from compiling specifications, through development, approval, and production of the respective instruments and solutions. The competitive situation therefore remains very limited and, alongside in-house development departments, is restricted to a handful of specialist companies. With the companies acquired in recent years, STRATEC has extended the range of products and services it can offer to customers and accessed new market segments. This has further improved the company's competitive situation.

Report on forecasts and other statements concerning the company's expected development

The COVID-19 pandemic has once again underlined the great importance of in-vitro diagnostics solutions within global health-care systems. Global megatrends, such as aging populations and the increasing number of chronic and infectious diseases, are also generating sustainable growth in the volume of demand for in-vitro diagnostics products. Furthermore, major technological advances and the increasing sensitivity of tests is opening up ever more areas of application for in-vitro diagnostic processes. In view of these factors, the long-term growth prospects in the target markets served by STRATEC's customers are assessed just as positively as before. Not only that, STRATEC is benefiting from the willingness generally shown by customers to out-source the development and production of automation solutions to specialist partners. This is reflected on the one hand in the large number of market launches implemented in recent years and on the other in the company's well-stocked development pipeline.

To account for the company's better than expected performance in the first half, as well as for updates in its risk adjustments and the resultant partial inclusion of orders for the second half that were previously not accounted for, STRATEC has upwardly revised its initial financial guidance for 2021 financial year (issued on March 31), firstly on April 26, and once again on July 21, 2021, in both cases by ad-hoc announcement.

For the 2021 financial year, STRATEC currently expects to generate constant-currency sales growth of at least 12.0%. For its adjusted EBIT margin, the company has forecast a figure of around 17.5% to 18.5%.

The above guidance is based on a planning scenario which assumes that the vaccines currently available will remain highly effective against new virus mutations and that further major waves of infection can be avoided in North America and Europe. Furthermore, STRATEC continues to observe a high level of volatility in its customers' order behavior. This volatility is tending to increase overall. In view of this, some customer orders for the fourth quarter of 2021 are still not incorporated in the above guidance.

Following the completion in 2020 of the construction measures to convert and extend buildings at the Birkenfeld location, STRATEC expects its investment ratio to decrease in 2021. The company expects total investments in property, plant and equipment and intangible assets in 2021 to correspond to around 6.0% to 8.0% of sales (2020: 10.2%).

Depending on its ability to recruit adequate numbers of suitably qualified employees, STRATEC plans to further expand its workforce in the years ahead in order to do justice continuing high demand for development services.

STRATEC's financial forecast is based on budgets that account for the specific features of its business model, as well as for numerous internal and external factors, and that weight such factors in accordance with their significance. New order figures, our customers' forecasts and their order behavior, and their stocking of service parts play a superordinate role here, as do the numbers of projects in development and negotiation. This forecast does not account for additional opportunities resulting from external growth. Given the long-term nature of its business relationships, macroeconomic developments are of subordinate significance for STRATEC. The macroeconomic factor is therefore weighted less prominently in the company's forecasts.

Opportunity and risk report

We analyze and evaluate the risks facing the company and its business environment within the framework of our risk management system, which has been established as an early warning risk identification system. Furthermore, this system also includes an internal control system (IKS) and a compliance system to additionally ensure compliance with the relevant legal and industry-specific requirements.

One of the core tasks performed by risk management at the STRATEC Group involves managing and monitoring the Group's internal financing requirements and securing the overall company's financial independence.

Financial risks are monitored by the reporting department and managed using detailed rolling financial and liquidity planning.

Given the economic effects of the COVID-19 pandemic, future developments in relevant markets and their currencies can only be assessed to a limited extent. Among other factors, this is reflected in the slight increase in volatility shown by customers in their order forecasts and in correspondingly volatile movements in exchange rates.

From STRATEC's perspective, there were no further changes as of June 30, 2021 compared with the risks and opportunities identified in the Group Management Report for the 2020 financial year dated March 31, 2021. Details of our risk management system and our company's specific opportunity and risk profile and of our use of financial instruments can be found in Section 'D. Opportunities and Risks' in the 2020 Group Management Report.

CONSOLIDATED BALANCE SHEET

as of June 30, 2021

Assets

€ 000s	06.30.2021	12.31.2020
Non-current assets		
Goodwill	38,793	37,860
Other intangible assets	49,397	50,753
Right-of-use assets	9,451	10,099
Property, plant and equipment	58,537	55,370
Non-current financial assets	3,602	581
Non-current contract assets	17,792	19,498
Deferred taxes	1,638	1,462
	179,210	175,623
Current assets		
Inventories	76,218	68,025
Trade receivables	49,578	34,782
Current financial assets	1,395	2,812
Current other receivables and assets	10,610	8,247
Current contract assets	4,759	3,144
Income tax receivables	217	1,710
Cash and cash equivalents	41,272	37,561
	184,049	156,281
Total assets	363,259	331,904

Shareholders' equity and debt

€ 000s	06.30.2021	12.31.2020
Shareholders' equity		
Share capital	12,114	12,103
Capital reserve	30,829	29,866
Revenue reserves	150,325	136,052
Treasury stock	-65	-65
Other equity	-4,188	-5,411
	189,015	172,545
Non-current debt		
Non-current financial liabilities	99,806	106,324
Non-current contract liabilities	13,229	4,373
Provisions for pensions	5,730	5,620
Deferred taxes	7,654	7,376
	126,419	123,693
Current debt		
Current financial liabilities	14,208	13,914
Trade payables	15,289	8,485
Current other liabilities	8,764	6,985
Current contract liabilities	4,072	1,902
Provisions	1,597	1,606
Income tax liabilities	3,895	2,774
	47,825	35,666
Total shareholders' equity and debt	363,259	331,904

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period January 1 to June 30, 2021

€ 000s	01.01. – 06.30.2021	01.01.–06.30.2020 ¹
Sales	155,765	119,367
Cost of sales	-106,638	-85,217
Gross profit	49,127	34,150
Research and development expenses	-3,992	-5,323
Sales-related expenses	-4,561	-5,122
General administrative expenses	-8,356	-9,552
Other operating income and expenses	-1,719	184
Earnings before interest and taxes (EBIT)	30,499	14,337
Net financial expenses	-713	-207
Earnings before taxes (EBT)	29,786	14,130
Taxes on income	-4,625	-1,974
Earnings from continuing operations	25,161	12,156
Earnings from discontinued operations	0	-3,526
Consolidated net income	25,161	8,630
Items that may not be reclassified to profit or loss:		
Remeasurements of defined benefit pension plans	0	-48
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences from translation of foreign operations	1,223	-2,494
Other comprehensive income (OCI)	1,223	-2,542
Comprehensive income	26,384	6,088
Basic earnings per share in €	2.08	0.72
from continuing operations	2.08	1.01
from discontinued operations	0.00	-0.29
No. of shares used as basis (basic)	12,101,550	12,031,695
Diluted earnings per share in €	2.07	0.71
from continuing operations	2.07	1.00
from discontinued operations	0.00	-0.29
No. of shares used as basis (diluted)	12,175,513	12,115,478

¹ Retrospectively adjusted to account for the amended allocation of costs within individual functional areas.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period April 1 to June 30, 2021

€ 000s	04.01.–06.30.2021	04.01.–06.30.2020 ¹
Sales	83,770	62,863
Cost of sales	-57,405	-44,003
Gross profit	26,365	18,860
Research and development expenses	-2,310	-3,371
Sales-related expenses	-2,393	-2,021
General administrative expenses	-3,829	-4,914
Other operating income and expenses	-1,462	187
Earnings before interest and taxes (EBIT)	16,371	8,741
Net financial expenses	-135	69
Earnings before taxes (EBT)	16,236	8,810
Taxes on income	-2,624	-1,157
Earnings from continuing operations	13,612	7,653
Earnings from discontinued operations	0	-1,399
Consolidated net income	13,612	6,254
Items that may not be reclassified to profit or loss:		
Remeasurements of defined benefit pension plans	0	-48
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences from translation of foreign operations	2,617	1,449
Other comprehensive income (OCI)	2,617	1,401
Comprehensive income	16,229	7,655
Basic earnings per share in €	1.12	0.52
from continuing operations	1.12	0.64
from discontinued operations	0.00	-0.11
No. of shares used as basis (basic)	12,103,734	12,038,091
Diluted earnings per share in €	1.12	0.51
from continuing operations	1.12	0.63
from discontinued operations	0.00	-0.11
No. of shares used as basis (diluted)	12,170,939	12,131,358

¹ Retrospectively adjusted to account for the amended allocation of costs within individual functional areas.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period January 1 to June 30, 2020

€ 000s	Share capital	Capital reserve
As of 01.01.2020	12,030	26,457
Equity transactions with owners		
• Dividend payments		
• Issue of subscription shares from stock option programs, less costs of capital issue after taxes	55	1,887
Allocations due to stock option programs		276
Allocations due to employee participation program		85
Comprehensive income of the year		
As of 06.30.2020	12,085	28,705

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period January 1 to June 30, 2021

€ 000s	Share capital	Capital reserve
As of 01.01.2021	12,103	29,866
Equity transactions with owners		
• Dividend payments		
• Issue of subscription shares from stock option programs, less costs of capital issue after taxes	11	540
Allocations due to stock option programs		423
Comprehensive income of the year		
As of 06.30.2021	12,114	30,829

Other equity				
Revenue reserves	Treasury stock	Pension plans	Currency translation	Group equity
120,978	-89	-1,856	1,487	159,007
-10,101				-10,101
				1,942
				276
	24			109
8,630		-48	-2,494	6,088
119,507	-65	-1,904	-1,007	157,321

Other equity				
Revenue reserves	Treasury stock	Pension plans	Currency translation	Group equity
136,052	-65	-2,314	-3,097	172,545
-10,888				-10,888
				551
				423
25,161			1,223	26,384
150,325	-65	-2,314	-1,874	189,015

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period January 1 to June 30, 2021

€ 000s	01.01. – 06.30.2021	01.01.–06.30.2020
I. Operations		
Consolidated net income (after taxes)	25,161	8,630
Depreciation and amortization	9,775	13,555
Current income tax expenses	4,592	2,028
Income taxes paid less income taxes received	-1,987	-763
Financial income	-75	-30
Financial expenses	705	644
Interest paid	-675	-660
Interest received	49	47
Other non-cash expenses	2,921	2,198
Other non-cash income	-1,164	-2,733
Change in net pension provisions through profit or loss	179	177
Change in deferred taxes through profit or loss	33	580
Profit (-) / loss (+) on disposals of non-current assets	2	0
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-27,544	-21,421
Increase (+) / decrease (-) in trade payables and other liabilities	21,297	9,621
Cash flow from operating activities	33,269	11,873
II. Investments		
Incoming payments from disposals of non-current assets		
• Property, plant and equipment	33	1
• Financial assets	24	805
Outgoing payments for investments in non-current assets		
• Intangible assets	-4,031	-5,022
• Property, plant and equipment	-6,339	-6,511
Incoming payments from sale of previously consolidated companies less cash and cash equivalents transferred	0	1,927
Cash flow from investing activities	-10,313	-8,800
III. Financing		
Incoming payments from taking up of financial liabilities	10,000	22,000
Outgoing payments for repayment of financial liabilities	-18,589	-13,777
Incoming payments from issue of shares for employee stock option programs	551	1,942
Dividend payments	-10,888	-10,101
Cash flow from financing activities	-18,926	64
IV. Cash-effective change in cash and cash equivalents (net balance I – III)	4,030	3,137
Cash and cash equivalents at start of period	37,561	22,708
Impact of exchange rate movements	-319	-27
Cash and cash equivalents at end of period	41,272	25,818

SELECT EXPLANATORY NOTE DISCLOSURES

for the period January 1 to June 30, 2021

Information about the company

STRATEC SE designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and life sciences. Furthermore, the STRATEC Group (hereinafter also 'STRATEC') offers complex consumables for diagnostic and medical applications. STRATEC covers the entire value chain – from development to design and production through to quality assurance. The partners market the systems, software and consumables, in general together with their own reagents, as system solutions to laboratories, blood banks and research institutes around the world. STRATEC develops its products on the basis of its own patented technologies.

STRATEC SE, whose legal domicile is at Gewerbestrasse 35-37, 75217 Birkenfeld, Germany, is a publicly listed corporation under European law and is registered in the Commercial Register in Mannheim, Germany, with the number HRB 732007.

This half-year financial report was approved for publication by the Board of Management of STRATEC SE on August 6, 2021.

Basis of preparation

Consistent with § 115 (2) in conjunction with § 117 No. 2 of the German Securities Trading Act (WpHG), the half-year financial report of STRATEC SE comprises interim consolidated financial statements, an interim group management report, and a responsibility statement. The interim consolidated financial statements, which have not been audited, have been prepared in abridged form in accordance with the requirements of IAS 34 (Interim Financial Reporting) and in accordance with those International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, and interpretations issued by the International Financial Reporting Interpretations Committee (IFRS IC) that were valid and endorsed by the EU as of the reporting date and, in the case of the interim group management report, additionally in accordance with the applicable requirements of the German Securities Trading Act (WpHG).

The group currency is the euro. Unless otherwise indicated, all amounts have been stated in thousand euros (€ 000s). Due to numbers being rounded up or down, individual figures may not add up exactly to the totals stated and percentage figures may not correlate exactly with the absolute figures to which they refer.

Accounting policies applied

Apart from those accounting standards and interpretations requiring mandatory application for the first time in the current financial year and unless indicated otherwise below, the accounting policies applied in the interim consolidated financial statements are consistent with those applied in preparing the consolidated financial statements as of December 31, 2020. A detailed description of the accounting policies was published in the notes to the consolidated financial statements. Reference is made to the information provided in Section 'B. Accounting policies applied' in the 2020 Annual Report.

STRATEC has not made premature application of new or amended accounting standards and interpretations that have already been published but do not yet require mandatory application.

The following accounting standards and interpretations require mandatory application for the first time in the current financial year:

Standard	Title	Effective date ¹	EU endorsement
New and amended standards and interpretations			
IFRS 16	Amendments: Covid-19-Related Rent Concessions	06.01.2020	10.09.2020
IFRS 4	Amendments: Deferral of IFRS 9	01.01.2021	12.15.2020
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Amendments: Interest Rate Benchmark Reform (Phase 2)	01.01.2021	01.13.2021

¹ For companies like STRATEC whose financial year corresponds to the calendar year

The application of these standards and interpretations in the current financial year is consistent with the respective transition requirements. Unless explicitly required by individual standards and interpretations and explained separately below, the respective requirements have generally been applied retrospectively, i.e. the information has been presented as if the new accounting

methods had always been applied in the past. In these cases – and where called for by the respective standard – the comparative figures have been adjusted accordingly.

The aforementioned amendments did not have any implications for these interim consolidated financial statements.

Voluntary amendment of accounting policies

Due to the continued integration of further processes and modules into the uniform ERP system introduced across the Group since the 2019 financial year and the enhanced possibilities thus now available for STRATEC's internal reporting, since

the 2020 financial year the company has amended the presentation of its proportional costs of sales. The figures reported for the comparative period have been adjusted accordingly.

Amendments to accounting estimates

In the 2021 financial year, STRATEC has made **amendments to accounting estimates** pursuant to IAS 8.32 (d) in conjunction with IAS 38.104 et seq. in respect of determining the useful life and expected amortization pattern of certain internally generated intangible assets. Up to and including the 2020 financial year, the **period and method of amortization for internally generated intangible assets** was based on the methodology presented in detail in the following sections of the 2020 Annual Report: 'Other intangible assets' (Page 95) and 'Discretionary decisions and forward-looking assumptions' in subsection '9. Determining the period and method of amortization applicable to intangible assets capitalized in the context of development cooperations in the OEM partnering business model' (Page 108).

In this approach, intangible assets resulting from 'proprietary development projects' were amortized over 5 years, while those resulting from development cooperations in the OEM partnering business model were basically amortized over the expected product lifecycle, generally ranging from 12 to 15

years, depending on the number of units. From the 2021 financial year, by contrast, STRATEC will act in accordance with the 'doubtful case rule' in IAS 38.97 and in all cases recognize 'minimum amortization' determined using the straight-line method over the expected product lifecycle. Here, the **amortization for the respective period under report is determined** by comparing (accumulated) minimum amortization over the expected useful life and (accumulated) amortization required based on the expected number of units, with application of the **higher of the two figures**. For the existing development cooperations in the OEM partnering business model affected by this amendment to accounting estimates, the amendment is expected to result in € 8k **higher amortization** in 2021 and € 8k **lower amortization** in 2022 compared with retention of the existing method.

For a further development cooperation in the OEM partnering business model expected to enter the amortization phase for the first time in the 2021 financial year, based on the currently forecast number of units this amendment is expected to result

in € 18k **higher amortization** in 2021 and € 18k **lower amortization** in 2022 compared with retention of the method applied through to the end of 2020.

Furthermore, the aforementioned method, which is due to be applied from 2021, will also be used to determine the amortization for a 'proprietary development project' which, similar to the development cooperations in the OEM partnering business model, should lead to direct sales from the marketing of appliances to external customers. In this respect, it differs significantly from existing internally generated intangible assets in the 'proprietary development projects' category, which previously consisted exclusively of 'internal developments' which did not involve the direct generation of sales. This new category did not previously exist at STRATEC, as a result of which it has been necessary to determine a suitable amortization method for this category for the first time. Given the material similarity between this category and the intangible assets recognized for development cooperations in the OEM partnering business model, STRATEC has concluded that **amortization for the respective period under report should be determined** by comparing the (accumulated) minimum amortization over the expected useful life and (accumulated) amortization required based on the expected number of units, with application of the **higher of the two figures**, and that this approach best reflects the expected pattern of economic use for the intangible asset. Amortization began as of March 1, 2021 and the expected useful life and period of amortization have been estimated at 12 years. Due to 'minimum amortization' and the currently forecast number of units, this approach is expected to have the following estimated **impact on earnings** in the financial years 2021 to 2033 compared with amortization based solely on the number of units: € -564k (2021) and € -314k (2022) due to higher amortization; € 234k (2023) and € 644k (2024) due to lower amortization.

Addition of the individual items presented above results in the following estimated impact on earnings in the financial years 2021 to 2024: € -590k (2021), € -288k (2022), € 234k (2023), and € 644k (2024).

Impairment tests

STRATEC performs impairment tests pursuant to IAS 36 (Impairment of Assets) on goodwill and other intangible assets with unlimited or indefinite useful lives, as well as on intangible assets not yet ready for use, at least once a year and generally on a year-end basis. Furthermore, impairment tests pursuant to IAS 36 (Impairment of Assets) are performed when specific indications of impairment arise on the basis of external and internal sources of information. In the period under report, an impairment loss of € 1,049k was recognized on internally generated intangible assets relating to proprietary development projects. This impair-

ment is allocable to the Diatron segment. The events and circumstances leading to this impairment involve a decision taken by the Board of Management to initially suspend this development project and possibly continue with it at a later point in time. The decision was motivated by the expectation that the project would fail to offer the technical and economic performance capacity expected by STRATEC in the medium term and by the desire to optimize the allocation of resources.

Scope of consolidation

In accordance with the requirements of IFRS 10 (Consolidated Financial Statements), the consolidated financial statements of STRATEC SE (parent company) basically include all companies controlled by STRATEC SE (subsidiaries). Specifically, alongside STRATEC SE these comprise the following subsidiaries:

Company	Domicile	Shareholding %	
		06.30.2021	12.31.2020
Germany			
STRATEC Capital GmbH	Birkenfeld, Germany	100%	100%
STRATEC PS Holding GmbH	Birkenfeld, Germany	100%	100%
European Union			
STRATEC Biomedical S.R.L.	Cluj-Napoca, Romania	100%	100%
STRATEC Consumables GmbH	Anif, Austria	100%	100%
RE Medical Analyzers Luxembourg 2 S.à r.l.	Luxembourg, Luxembourg	100%	100%
Diatron Medicinal Instrumentumok Laboratóriumi Diagnosztikai Fejlesztő-Gyártó Zrt	Budapest, Hungary	100%	100%
Mod-n-More Kft.	Budapest, Hungary	100%	100%
Other			
STRATEC Switzerland AG	Beringen, Switzerland	100%	100%
STRATEC Biomedical USA, Inc.	Glendale, US	100%	100%
STRATEC Services AG	Beringen, Switzerland	100%	100%
Medical Analyzers Holding GmbH	Zug, Switzerland	100%	100%
STRATEC Biomedical Inc.	Southington, US	100%	100%
Diatron (US), Inc.	Delaware, US	100%	100%

Due to its immaterial significance, the subsidiary STRATEC Biomedical (Taicang) Co. Ltd., Taicang, China, has not been included in the consolidated financial statements by way of full consolidation.

Discontinued operation

By contract dated May 4, 2020, all shares held in **STRATEC Biomedical UK, Ltd., Burton upon Trent, UK**, all shares held in **Sanguin International Inc., Southington, US**, and all loans granted by STRATEC SE to STRATEC Biomedical UK, Ltd. were sold. Due to the loss of control resulting from this transaction, STRATEC Biomedical UK, Ltd. was deconsolidated as of May 4, 2020. The earnings from this operation have been presented separately in the consolidated statement of comprehensive income. STRATEC Biomedical UK, Ltd. was allocated to the 'Others' segment.

The earnings from the discontinued operation in the period from January 1, 2020 to April 30, 2020 are structured as follows:

€ 000s	2020
Sales	6,153
Current income and expenses	-5,131
Current earnings from discontinued operation (before taxes on income)	1,022
Taxes on income	-209
Expenses from fair value measurement less costs to sell and disposal of discontinued operation	-4,339
Earnings from discontinued operation (after taxes on income)	-3,526

In the cash flow statement, the discontinued operation had the following implications in the period from January 1, 2020 to June 30, 2020:

€ 000s	2020
Cash flow from operating activities	2,404
Cash flow from investing activities	-284
Cash flow from financing activities	-27

Depreciation and amortization of € 185k and impairments of non-current assets amounting to € 4,170k were attributable to the discontinued operation in the period from January 1, 2020 to April 30, 2020.

Incoming payments of € 2,576k from the sale of shares held in STRATEC Biomedical UK, Ltd. and STRATEC Molecular GmbH, less the cash funds of € 649k thereby ceded, have been presented as a separate line item within the cash flow from investing activities, while the income of € 256k from deconsolidation has been included in other non-cash income and expenses within the cash flow from operating activities.

Segment disclosures

No changes in segmentation have arisen compared with the consolidated financial statements as of December 31, 2020. STRATEC Biomedical UK, Ltd. was allocated to the 'Others' segment in the comparative period. Existing supply and service relationships between STRATEC and STRATEC Biomedical UK, Ltd. are allocated to the 'Instrumentation' segment.

Segment data by operating segment for the period from January 1 to June 30, 2021

	Instrumentation (includes service parts and consumables allocable to business unit) € 000s	Diatron (includes service parts and consumables allocable to business unit) € 000s	Smart Consumables € 000s	Total € 000s	Reconciliation¹ € 000s	Total € 000s
Sales with external customers	109,873	35,206	10,686	155,765	0	155,765
Inter-segmental sales	740	4,141	312	5,193	-5,193	0
Depreciation, amortization, and impairments	4,176	3,658	1,941	9,775	0	9,775
EBITDA	26,444	11,596	2,234	40,274	0	40,274
Adjusted EBITDA	26,444	11,596	2,234	40,274	0	40,274
EBIT	22,267	7,938	293	30,499	0	30,499
Adjusted EBIT	22,267	10,916	1,274	34,457	0	34,457
Interest income	1,254	0	20	1,274	-1,199	75
Interest expenses	463	1,088	353	1,904	-1,199	705
Additions to non-current assets	7,220	2,107	1,043	0	0	10,370
Average number of employees	781	301	173	1,255	0	1,255

¹ With regard to the reconciliation of the figures adjusted for one-off items with the Group figures, reference is made to the information provided in the 'Report on earnings, financial, and asset position' in the Interim Group Management Report.

Segment data by operating segment for the period from January 1 to June 30, 2020

	Instrumentation (includes service parts and consumables allocable to business unit) € 000s	Diatron (includes service parts and consumables allocable to business unit) € 000s	Smart Consumables € 000s	Total ¹ € 000s	Reconciliation ² € 000s	Total € 000s
Sales with external customers	84,551	28,101	6,715	119,367	0	119,367
Inter-segmental sales	818	1,938	697	3,453	-3,453	0
Depreciation, amortization, and impairments	3,457	3,638	2,105	9,200	4,355	13,555
EBITDA	15,925	8,152	-540	23,537	0	23,537
Adjusted EBITDA	15,925	8,152	-540	23,537	0	23,537
EBIT	12,468	4,514	-2,645	14,337	0	14,337
Adjusted EBIT	12,468	7,515	-1,570	18,413	0	18,413
Interest income	1,233	0	17	1,250	-1,220	30
Interest expenses	477	1,129	241	1,847	-1,220	627
Additions to non-current assets	9,391	1,491	367	11,249	284	11,533
Average number of employees	755	271	176	1,202	33	1,235

¹ Excluding segment data pursuant to IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations)

² With regard to the reconciliation of the figures adjusted for one-off items with the Group figures, reference is made to the information provided in the 'Report on earnings, financial, and asset position' in the Interim Group Management Report.

Sales

The sales generated from contracts with customers in the period from January 1, 2021 to June 30, 2021 are structured as follows:

Segment	Instrumentation € 000s	Diatron € 000s	Smart Consumables € 000s	Total € 000s
Type of goods or services				
Analyzer systems	73,489	22,259	0	95,748
Service parts and consumables	28,986	12,335	7,281	48,602
Development and services	7,280	243	3,399	10,922
Other	118	369	6	493
Total	109,873	35,206	10,686	155,765
Geographical regions				
Germany	13,889	9,810	269	23,968
European Union	53,176	9,494	2,891	65,561
Other	42,808	15,902	7,526	66,236
Total	109,873	35,206	10,686	155,765
Time at which sales are recognized				
Recognized at a point in time	107,507	35,206	9,886	152,599
Recognized over time	2,366	0	800	3,166
Total	109,873	35,206	10,686	155,765

The sales generated from contracts with customers at continuing operations in the period from January 1, 2020 to June 30, 2020 are structured as follows:

Segment	Instrumentation € 000s	Diatron € 000s	Smart Consumables € 000s	Total € 000s
Type of goods or services				
Analyzer systems	49,245	17,318	0	66,563
Service parts and consumables	26,593	10,108	3,976	40,677
Development and services	8,699	359	2,734	11,792
Other	14	316	5	335
Total	84,551	28,101	6,715	119,367
Geographical regions				
Germany	12,603	9,245	229	22,077
European Union	32,513	8,351	2,563	43,427
Other	39,435	10,505	3,923	53,863
Total	84,551	28,101	6,715	119,367
Time at which sales are recognized				
Recognized at a point in time	81,779	28,101	6,124	116,004
Recognized over time	2,772	0	591	3,363
Total	84,551	28,101	6,715	119,367

Research and development expenses

Research and development expenses not meeting the criteria for capitalization pursuant to IAS 38 (Intangible Assets) totaled € 4.0 million in the first six months of the 2021 financial year (previous year: € 5.3 million) and mainly involved personnel expenses and cost of materials. Overall, the STRATEC Group invested a total of € 23.5 million in research and development in the first six months of the 2021 financial year (previous year: € 22.8 million). The previous year's figures refer to continuing operations.

Intangible assets and property, plant and equipment

STRATEC invested a total of € 10,370k in intangible assets and property, plant and equipment in the first six months of the 2021 financial year (previous year: € 11,533k). Of the total stated for the comparative period, investments of € 284k in intangible assets and property, plant and equipment were attributable to STRATEC Biomedical UK, Ltd.

Investments in intangible assets mainly relate to the capitalization of development expenses, while the investments in property, plant and equipment chiefly involve the acquisition of building fittings, machinery, tools, and test materials.

Financial instruments

The following table presents the carrying amounts and fair values of individual financial assets and liabilities for each individual class of financial instruments pursuant to IFRS 9 (Financial Instruments) and reconciles these with the corresponding balance sheet items.

As financial liabilities also include the financial instruments covered by IFRS 2 (Share-based Payment), which are exempted from the scope of IFRS 7 (Financial Instruments: Disclosures), the 'Not in scope of IFRS 7' column provides a corresponding reconciliation of these items.

Abbreviations for IFRS 9 (Financial Instruments) measurement categories

AC	Measured at (amortized) cost
FVTPL	Measured at fair value through profit or loss
FVTOCI	Measured at fair value through OCI
n/a	Not attributable to any measurement category

€ 000s 06.30.2021 (12.31.2020)	IFRS 9 cate- gory	Carrying amount	Amortized cost	Fair value			Not in scope of IFRS 7	Total	Fair value
				of which Level 1	of which Level 2	of which Level 3			
Non-current assets									
Financial assets									
		100					100	100	100
• Investments in associates	n/a	(100)					(100)	(100)	(100)
• Other financial assets	AC	3,502 (481)	3,502 (481)					3,502 (481)	3,502 (481)
Current assets									
Trade receivables									
	AC	49,578 (34,782)	49,578 (34,782)					49,578 (34,782)	49,578 (34,782)
Financial assets									
• Amortized cost	AC	229 (338)	229 (338)					229 (338)	229 (338)
• Fair value through profit or loss	FVTPL	1,166 (2,474)		1,166 (1,248)	0 (1,226)			1,166 (2,474)	1,166 (2,474)
Cash and cash equivalents	AC	41,272 (37,561)	41,272 (37,561)					41,272 (37,561)	41,272 (37,561)
Total financial assets									
• Amortized cost	AC	94,581 (73,162)	94,581 (73,162)	0 (0)	0 (0)	0 (0)	0 (0)	94,581 (73,162)	
• Fair value through profit or loss	FVTPL	1,166 (2,474)	0 (0)	1,166 (1,248)	0 (1,226)	0 (0)	0 (0)	1,166 (2,474)	
• Fair value through OCI	FVTOCI	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	
• Not in scope of IFRS 7	n/a	100 (100)	0 (0)	0 (0)	0 (0)	0 (0)	100 (100)	100 (100)	

€ 000s 06.30.2021 (12.31.2020)	IFRS 9 cate- gory	Carrying amount	Amortized cost	Fair value			Not in scope of IFRS 7	Total	Fair value
				of which Level 1	of which Level 2	of which Level 3			
Non-current debt									
Financial liabilities									
		98,481	98,481					98,481	97,208
• Amortized cost	AC	(104,323)	(104,323)					(104,323)	(103,051)
• Not in scope of IFRS 7	n/a	1,325 (2,001)					1,325 (2,001)	1,325 (2,001)	1,325 (2,001)
Current debt									
Financial liabilities									
		11,979	11,979					11,979	12,893
• Amortized cost	AC	(11,794)	(11,794)					(11,794)	(12,747)
• Fair value through profit or loss	FVTPL	405 (0)			405 (0)			405 (0)	405 (0)
• Not in scope of IFRS 7	n/a	1,824 (2,120)					1,824 (2,120)	1,824 (2,120)	1,824 (2,120)
Trade payables	AC	15,289 (8,485)	15,289 (8,485)					15,289 (8,485)	15,289 (8,485)
Total financial liabilities									
		125,749	125,749	0	0	0	0	125,749	
• Amortized cost	AC	(124,602)	(124,602)	(0)	(0)	(0)	(0)	(124,602)	
• Fair value through profit or loss	FVTPL	405 (0)	0 (0)	0 (0)	405 (0)	0 (0)	0 (0)	405 (0)	
• Fair value through OCI	FVTOCI	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	
• Not in scope of IFRS 7	n/a	3,149 (4,121)	0 (0)	0 (0)	0 (0)	0 (0)	3,149 (4,121)	3,149 (4,121)	

Fair value hierarchy

To enhance the comparability and consistency of fair value measurements and related disclosures, IFRS 13 (Fair Value Measurement) stipulates a fair value hierarchy that allocates the input factors used in valuation methods to calculate fair value to three levels. The hierarchy grants the highest priority to prices (taken over without amendment) on active markets for identical assets or liabilities (Level 1 input factors) and the lowest priority to non-observable input factors (Level 3 input factors). The following specific definitions apply:

Input factors: Assumptions that would be used by market participants when determining the price of an asset or liability, including risk assumptions, such as:

- The risk involved in a specific valuation method used to calculate fair value (such as a price model), and
- The risk involved in the input factors used in the valuation method.

Input factors may be observable or non-observable.

Level 1 input factors: Listed prices (taken over without amendment) on active markets for identical assets or liabilities to which the company has access on the valuation date.

Level 2 input factors: Input factors other than the listed prices included in Level 1 that are either directly or indirectly observable for the asset or liability.

Level 3 input factors: Input factors not observable for the asset or liability.

Observable input factors: Input factors derived from market data, such as publicly available information about actual events or transactions, which reflect those assumptions that would be used by market participants when determining the price of the asset or liability.

Non-observable input factors: Input factors for which no market data is available and which are derived from the best information available concerning the assumptions that would be used by market participants when determining the price of the asset or liability.

No items were reclassified within the three input factor levels in the period from January 1 to June 30, 2021 or in the comparative period. The financial assets allocated to Level 1 involve shares in listed companies, which have been measured at the closing price on the stock market with the highest trading volumes as of the balance sheet date. The financial liabilities allocated to Level 2 involve forward exchange transactions

intended to hedge currency risks. Overall, this had the following implications for the consolidated statement of comprehensive income:

€ 000s	Level 1	Level 2	Level 3
Balance at 01.01.2020	907	0	0
Total gains or losses recognized through profit or loss			
• Other operating income	0	343	0
• Other operating expenses	-1	0	0
• Other financial income/expenses	390	0	0
Total gains or losses recognized in OCI	0	0	0
• Changes in value			
• Reclassifications out of OCI into profit or loss	0	0	0
Additions	0	0	0
Retirements			
• Due to sale	-72	0	0
• Due to derecognition	0	0	0
Balance at 06.30.2020	1,224	343	0
Balance at 01.01.2021	1,248	1,226	0
Total gains or losses recognized through profit or loss			
• Other operating income	0	0	0
• Other operating expenses	0	-1,631	0
• Other financial income/expenses	-82	0	0
Total gains or losses recognized in OCI	0	0	0
• Changes in value			
• Reclassifications out of OCI into profit or loss	0	0	0
Additions	0	0	0
Retirements			
• Due to sale	0	0	0
• Due to derecognition	0	0	0
Currency differences	0	0	0
Balance at 06.30.2021	1,166	-405	0

Financial liabilities

Financial liabilities include liabilities to banks of € 91,020k (12.31.2020: € 98,893k). Of this total, € 49 million (12.31.2020: € 65 million) involve liabilities in connection with a master credit facility with a revolving credit line of up to € 70 million. This was concluded with three banks and has a term until January 31, 2023 (12.31.2020: until June 30, 2022). In some cases, the loan agreements include contractual clauses requiring compliance with specific key financial figures (covenants) and general obligations involving restrictions on the disposability of assets and provisos concerning further borrowing.

Furthermore, financial liabilities include the total obligation of € 3,149k (12.31.2020: € 4,121k) stated for expected payments in connection with stock appreciation rights (SARs) granted. In the period under report, expenses of € 753k were recognized through profit or loss for cash-settled share-based payments (previous year: € 2,395k).

The fair value of stock appreciation rights (SARs) developed as follows:

Stock appreciation rights (SARs)	Tranche 1/2021	Tranche 1/2020
Issue date	03.08.2021	01.23.2020
Fair value at issue date	38.05 €	17,55 €
Fair value at 12.31.2020	n/a	66.68 €
Fair value at 06.30.2021	44.16 €	60.81 €

The development in the number of stock appreciation rights (SARs) is presented below:

Number of rights	Total at 01.01.2021	Granted	Exercised/lapsed/forfeited	Total at 06.30.2021	of which exercisable
Tranche 1/2019	30,000	0	30,000	0	0
Tranche 1/2020	30,000	0	0	30,000	0
Tranche 1/2021	0	30,000	0	30,000	0
Total	60,000	30,000	0	60,000	0

Risk management activities

STRATEC's assets, liabilities and future activities are subject to liquidity risks, default risks, and market risks resulting from changes in exchange rates, interest rates and stock market prices.

The allowances recognized for expected credit losses on trade receivables are structured as follows:

€ 000s	Carrying amount	of which: not overdue at balance sheet date	of which: overdue at balance sheet date within following time bands		
			up to 60 days	between 60 and 90 days	more than 90 days
06.30.2021	50,855	43,137	5,487	815	1,416
Expected credit loss		228	121	52	889
12.31.2020	35,952	31,077	3,121	221	1,533
Expected credit loss		135	148	53	847

Furthermore, allowances of € 60k were recognized as of June 30, 2021 for expected credit losses on contract assets (12.31.2020: € 102k).

STRATEC had concluded hedging transactions as of June 30, 2021. These involve currency futures intended to hedge future cash flows from sales in USD. No use was made of the hedge accounting provisions of IFRS 9 (Financial Instruments).

Shareholders' equity

The development in shareholders' equity at STRATEC and dividends paid is presented in the consolidated statement of changes in equity. The number of ordinary shares issued by STRATEC SE as of June 30, 2021 amounts to 12,114,395 (12.31.2020: 12,102,945). All shares are fully paid in and are registered shares.

Treasury stock holdings

The company owned a total of 3,579 treasury stock shares at the interim balance sheet date. This corresponds to a prorated amount of € 3,579.00 of the company's share capital and to a 0.03% share of its equity.

Stock option programs

The company had two stock option programs (equity-settled share-based payment) as of June 30, 2021.

In the financial years 2015 to 2017, the individual members of the Board of Management were not granted any stock options, but rather received stock appreciation rights (cash-settled share-based payment – SARs) as a variable compensation component of a long-term incentive nature. From the 2018 financial year, a modification to this approach means that the company no longer exclusively grants stock appreciation rights (SARs), but has once again granted stock options at a ratio of 75% (SARs) to 25% (stock options).

The following option schedule provides a summary of the development in stock option rights in the period under report:

Stock option rights	Board of Management No. of options	Employees No. of options	Total No. of options
Outstanding on 01.01.2021	30,000	129,850	159,850
• of which exercisable	0	500	500
Granted	10,000	25,000	35,000
Exercised	0	11,450	11,450
Lapsed	0	0	0
Forfeited	0	10,500	10,500
Outstanding on 06.30.2021	40,000	132,900	172,900
• of which exercisable	0	6,050	6,050

Components of other comprehensive income (OCI)

The currency translation reserve of € -1,874k recognized within other comprehensive income (OCI) as of June 30, 2021 (previous year: € -1,007k; 12.31.2020: € -3,097k) mainly comprises currency differences arising upon the translation of the separate financial statements of companies whose functional currency is not the euro and from the translation within equity of group-internal net investments as of the reporting date. The change in this item is recognized in the 'Currency translation differences from translation of foreign business operations' line item in the statement of comprehensive income. In the comparative period, the deconsolidation of STRATEC Biomedical UK, Ltd. led to the recognition of an amount of € 1,278k from the currency translation reserve through profit or loss under earnings from discontinued operations.

Select related party disclosures

In the first half of 2021, STRATEC SE purchased services of € 110k from STRATEC Biomedical (Taicang) Co. Ltd. (previous year: € 172k). As of the interim reporting date, there were receivables of € 13k (12.31.2020: € 13k) and liabilities of € 23k (12.31.2020: € 13k).

Mod-n-More Kft. purchased services of € 98k from STRATEC Biomedical (Taicang) Co. Ltd. in the first half of 2021 (previous year: € 64k). As of the interim reporting date, there were liabilities of € 30k in this respect (12.31.2020: € 0k).

Hermann Leistner did not receive any compensation in the period under report for his activity as a member of the Administrative Board of STRATEC Switzerland AG.

DITABIS Digital Biomedical Imaging Systems AG is no longer a related company pursuant to IAS 24 (Related Party Disclosures). In the first half of 2020, STRATEC SE generated revenues of € 36k from transactions with this company and purchased services of € 1,255k from it. Services were performed on customary contractual conditions.

As of June 30, 2021, STRATEC reported outstanding balances of € 4,335k in connection with profit participation by members of the Board of Management (12.31.2020: € 5,909k).

Employees

Including temporary employees, STRATEC had a total of 1,400 employees as of June 30, 2021 (previous year: 1,335).

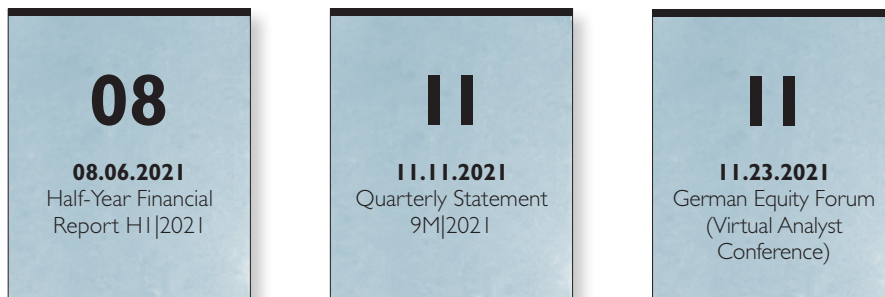
Major events after the interim reporting date

No events of particular significance which can be expected to materially influence the Group's earnings, financial, or asset position have occurred since the interim reporting date.

Responsibility statement

We hereby affirm that, to the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group consistent with the principles of proper accounting, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remainder of the financial year.

FINANCIAL CALENDAR



Subject to amendment.

Quarterly statements and half-year financial reports are neither audited nor subject to an audit review by the group auditor Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart.

ABOUT STRATEC

STRATEC SE (www.stratec.com) designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and life sciences. Furthermore, the company offers complex consumables for diagnostic and medical applications. For analyzer systems and consumables, STRATEC covers the entire value chain – from development to design and production through to quality assurance.

The partners market the systems, software and consumables, in general together with their own reagents, as system solutions to laboratories, blood banks and research institutes around the world. STRATEC develops its products on the basis of patented technologies.

Shares in the company (ISIN: DE000STRA555) are traded in the Prime Standard segment of the Frankfurt Stock Exchange and are listed in the SDAX select index of the German Stock Exchange.

IMPRINT AND CONTACT

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Notice

Forward-looking statements involve risks: This half-year financial report contains various statements concerning the future performance of STRATEC. These statements are based on both assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we can provide no guarantee of this. This is because our assumptions involve risks and uncertainties which could result in a substantial divergence between actual results and those expected. It is not planned to update these forward-looking statements.

This half-year financial report contains various disclosures that from an economic point of view are not required by the relevant accounting standards. These

disclosures should be regarded as a supplement, rather than a substitute for the IFRS disclosures.

Apparent discrepancies may arise throughout this half-year financial report on account of mathematical rounding up or down in the course of addition.

This half-year financial report is available in both German and English. Both versions can be downloaded from the company's website at www.stratec.com. In the event of any discrepancies between the two, the German report is the definitive version.