

# Financial Reporting

## Alternative performance measures 2025 of the Galenica Group

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## Definitions of alternative performance measures

The annual report, the half year report and other communication to investors contain certain financial performance measures, which are not defined by IFRS Accounting Standards. In addition to information based on IFRS Accounting Standards, management uses these alternative performance measures to assess the financial and operational performance of the Group. Management believes that these non-IFRS financial performance measures provide useful information regarding Galenica's financial and operational performance. Alternative performance measures are used in Galenica's value-based management as the basis for management's incentive and remuneration schemes. Such measures may not be comparable to similar measures presented by other companies. The main alternative performance measures used by Galenica are explained and/or reconciled with the IFRS Accounting Standards measures in this section.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. Totals are calculated using the underlying amount rather than the presented rounded number.

### IAS 19 – Employee benefits

The pension plans of Galenica are organised in legally independent pension funds and are based purely on the defined contribution principle as stated in the Swiss «BVG» law. Nevertheless, Galenica's pension plans are classified as defined benefit pension plans under IAS 19. For this reason, Galenica evaluates its performance by adjusting personnel costs as if those plans were defined contribution plans (adjustments for the effects of IAS 19). Furthermore any compensation payments to the pension funds resulting from the integration of acquired companies into the Galenica pension fund are included under this item.

### IFRS 16 – Leases

With its large network of retail pharmacies, IFRS 16 has a significant impact on Galenica's income statement, balance sheet and cashflow statement. Galenica adjusts its financial statements for comparability by treating lease agreements as operating leases. All lease expenses are shown evenly under other operating costs, while depreciation, interest on lease liabilities and the corresponding tax effects are removed.

### IFRS 3 - Acquisition-related amortisation (new)

Following the acquisition of Diagnostic Group (Labor Team), Galenica's profitability is significantly affected by acquisition-related amortisation of intangible assets such as customer relationships, trademarks or other intangible assets. As these charges do not reflect operational value creation of the acquired business, they are excluded from the alternative performance measures. This adjustment applies prospectively from the 2025 financial year.

### One-off effect - Revaluation of associates and joint ventures (new)

Galenica occasionally carries out step acquisitions, which require a revaluation of the previously held investments. Such revaluations as well as other value changes or impairments of investments in associates and joint ventures do not affect operational value creation, they are consequently excluded from the alternative performance measures.

### One-off effect - Gains and losses related to the disposal or closure of business units (new)

The planned discontinuation of the production activities at Bichsel would have a significant impact on Galenica's results, particularly in the first half of 2026. As these effects are not related to Galenica's continuing business operations, they are excluded from the alternative performance measures. No effects from this planned discontinuation have been recognised in the financial year 2025.

## Organic growth of net sales

Organic growth of net sales shows the development of net sales for the operating segments Products & Care and Logistics & IT excluding the effects of acquisitions, new license agreements, openings and closures of pharmacies (effect of net expansion). It provides a "like-for-like" comparison with previous periods. In the business area "Pharmacies Omni-Channel", organic growth of net sales is calculated only including points of sales with a full year period comparison. In the other business areas, organic growth of net sales is calculated only including existing business activities with a full year period comparison. In order to show the impact of mandatory price reductions of medications reimbursed by health insurers on net sales transparently, organic growth of net sales is also disclosed without the effect of mandatory price reductions.

The reporting of net sales has been adjusted to the changed organisational and management structure. For comparability, net sales for the previous period has been adjusted.

### Logistics & IT - Organic growth of net sales 2025

in thousand CHF	Wholesale	Logistics & IT Services	Logistics & IT <sup>1)</sup>
Net sales	3,255,295	79,640	<b>3,332,615</b>
Change to previous period	4.8%	2.8%	<b>4.8%</b>
Effect of net expansion	–	–	–
In % of net sales of previous period	0.0%	0.0%	<b>0.0%</b>
<b>Net sales excluding effect of net expansion</b>	<b>3,255,295</b>	<b>79,640</b>	<b>3,332,615</b>
<b>Organic growth of net sales</b>	<b>4.8%</b>	<b>2.8%</b>	<b>4.8%</b>
Mandatory price reductions <sup>2)</sup>	68,233		
In % of net sales of previous period	2.2%		

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

### Products & Care - Organic growth of net sales 2025

in thousand CHF	Pharmacies Omni-Channel	Products & Brands	Services & Production	Diagnostics	Products & Care <sup>1)</sup>
Net sales	1,473,330	194,233	119,875	40,670	<b>1,816,417</b>
Change to previous period	4.9%	2.1%	4.0%		<b>6.8%</b>
Effect of net expansion	21,805 <sup>2)</sup>	9,047 <sup>3)</sup>	–	40,670 <sup>3)</sup>	<b>71,522</b>
In % of net sales of previous period	1.6%	4.8%	0.0%		<b>4.2%</b>
<b>Net sales excluding effect of net expansion</b>	<b>1,451,525</b>	<b>185,185</b>	<b>119,875</b>	<b>–</b>	<b>1,744,895</b>
<b>Organic growth of net sales</b>	<b>3.3%</b>	<b>–2.7%</b>	<b>4.0%</b>		<b>2.6%</b>
Mandatory price reductions <sup>4)</sup>	21,359				
In % of net sales of previous period	1.5%				

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> The effect of net expansion is calculated only including point of sales without a full year period comparison (acquisitions, openings and closure of pharmacies)

<sup>3)</sup> The effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

<sup>4)</sup> Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

**Logistics & IT - Organic growth of net sales 2024 (restated)**

in thousand CHF	Wholesale	Logistics & IT Services	Logistics & IT <sup>1)</sup>
Net sales	3,105,223	77,496	<b>3,180,457</b>
Change to previous period	5.2%	4.2%	<b>5.1%</b>
Effect of net expansion	–	–	–
In % of net sales of previous period	0.0%	0.0%	<b>0.0%</b>
<b>Net sales excluding effect of net expansion</b>	<b>3,105,223</b>	<b>77,496</b>	<b>3,180,457</b>
<b>Organic growth of net sales</b>	<b>5.2%</b>	<b>4.2%</b>	<b>5.1%</b>
Mandatory price reductions <sup>2)</sup>	59,924		
In % of net sales of previous period	2.0%		

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

**Products & Care - Organic growth of net sales 2024 (restated)**

in thousand CHF	Pharmacies Omni- Channel	Products & Brands	Services & Production	Products & Care <sup>1)</sup>
Net sales	1,404,321	190,194	115,239	<b>1,700,226</b>
Change to previous period	4.1%	3.3%	6.8%	<b>3.9%</b>
Effect of net expansion	21,701 <sup>2)</sup>	1,160 <sup>3)</sup>	–	<b>22,861</b>
In % of net sales of previous period	1.6%	0.6%	0.0%	<b>1.4%</b>
<b>Net sales excluding effect of net expansion</b>	<b>1,382,620</b>	<b>189,034</b>	<b>115,239</b>	<b>1,677,365</b>
<b>Organic growth of net sales</b>	<b>2.5%</b>	<b>2.7%</b>	<b>6.8%</b>	<b>2.5%</b>
Mandatory price reductions <sup>4)</sup>	28,396			
In % of net sales of previous period	2.1%			

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> The effect of net expansion is calculated only including point of sales without a full year period comparison (acquisitions, openings and closure of pharmacies)

<sup>3)</sup> The effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

<sup>4)</sup> Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

# Adjusted consolidated statement of income

Galenica's consolidated statement of income is adjusted as described in the [section definitions of alternative performance measures](#).

## Adjusted consolidated statement of income 2025

in thousand CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjustments IFRS 3	One-off effects	Adjusted
<b>Net sales</b>	<b>4,135,621</b>	–	–	–	–	<b>4,135,621</b>
Products & Care <sup>1)</sup>	1,816,417	–	–	–	–	1,816,417
Logistics & IT <sup>1)</sup>	3,332,615	–	–	–	–	3,332,615
Other income	14,277	–	–	–	–	14,277
<b>Operating income</b>	<b>4,149,898</b>	–	–	–	–	<b>4,149,898</b>
Cost of goods	–2,990,316	–	–	–	–	–2,990,316
Personnel costs	–610,317	–273	–	–	–	–610,590
Other operating costs	–206,150	–	–57,008	–	–	–263,158
Share of profit from associates and joint ventures	5,667	35	–103	–	2,351 <sup>3)</sup>	7,949
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>348,782</b>	<b>–238</b>	<b>–57,112</b>	–	<b>2,351</b>	<b>293,783</b>
Products & Care <sup>1)</sup>	250,021	–	–55,007	–	2,351 <sup>3)</sup>	197,365
Logistics & IT <sup>1)</sup>	77,929	–	–2,097	–	–	75,832
Depreciation, amortisation and impairment	–116,403	–	54,226	3,192	–	–58,986
<b>Earnings before interest and taxes (EBIT)</b>	<b>232,378</b>	<b>–238</b>	<b>–2,886</b>	<b>3,192</b>	<b>2,351</b>	<b>234,797</b>
Return on sales (ROS) <sup>2)</sup>	5.6%	0.0%	–0.1%	0.1%	0.1%	5.7%
Products & Care <sup>1)</sup>	172,453	–	–2,824	3,192	2,351	175,173
Return on sales (ROS) <sup>2)</sup>	9.5%	0.0%	–0.2%	0.2%	0.1%	9.6%
Logistics & IT <sup>1)</sup>	61,800	–	–63	–	–	61,736
Return on sales (ROS) <sup>2)</sup>	1.9%	0.0%	0.0%	0.0%	0.0%	1.9%
Net financial result	–10,008	–108	2,860	–	–	–7,256
<b>Earnings before taxes (EBT)</b>	<b>222,371</b>	<b>–347</b>	<b>–25</b>	<b>3,192</b>	<b>2,351</b>	<b>227,541</b>
Income taxes	–38,488	69	–17	–454	–	–38,890
<b>Profit from continuing operations</b>	<b>183,883</b>	<b>–277</b>	<b>–42</b>	<b>2,738</b>	<b>2,351</b>	<b>188,652</b>
Profit from discontinued operations	–1,607	–	–	–	–	–1,607
<b>Net Profit</b>	<b>182,276</b>	<b>–277</b>	<b>–42</b>	<b>2,738</b>	<b>2,351</b>	<b>187,045</b>
Attributable to:						
– Shareholders of Galenica Ltd.	181,099	–277	–43	2,676	2,351	185,804
– Non-controlling interests	1,177	–	1	62	–	1,241

<sup>1)</sup> Reported for each operating segment not taking into account Group Services and Eliminations

<sup>2)</sup> Calculated as EBIT divided by net sales

<sup>3)</sup> Including one-off loss from the impairment of an associate investment

in CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjustments IFRS 3	One-off effects	Adjusted
Earnings per share from continuing operations	3.67	–0.01	–	0.05	0.05	3.76
Diluted earnings per share from continuing operations	3.66	–0.01	–	0.05	0.05	3.76

Adjusted consolidated statement of income 2024

in thousand CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
<b>Net sales</b>	<b>3,921,081</b>	–	–	<b>3,921,081</b>
Products & Care <sup>1)</sup>	1,700,226	–	–	1,700,226
Logistics & IT <sup>13)</sup>	3,180,457	–	–	3,180,457
Other income	16,223	–	–	16,223
<b>Operating income</b>	<b>3,937,304</b>	–	–	<b>3,937,304</b>
Cost of goods	–2,843,240	–	–	–2,843,240
Personnel costs	–582,726	–488	–	–583,214
Other operating costs	–193,402	–	–55,499	–248,901
Share of profit from associates and joint ventures	6,209	–22	–202	5,985
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>324,144</b>	<b>–510</b>	<b>–55,701</b>	<b>267,933</b>
Products & Care <sup>13)</sup>	233,809	–	–53,275	180,534
Logistics & IT <sup>13)</sup>	71,597	–	–2,404	69,193
Depreciation, amortisation and impairment	–109,778	–	52,883	–56,895
<b>Earnings before interest and taxes (EBIT)</b>	<b>214,367</b>	<b>–510</b>	<b>–2,819</b>	<b>211,038</b>
Return on sales (ROS) <sup>2)</sup>	5.5%	0.0%	–0.1%	5.4%
Products & Care <sup>13)</sup>	162,826	–	–2,757	160,070
Return on sales (ROS) <sup>23)</sup>	9.6%	0.0%	–0.2%	9.4%
Logistics & IT <sup>13)</sup>	53,860	–	–60	53,800
Return on sales (ROS) <sup>23)</sup>	1.7%	0.0%	0.0%	1.7%
Net financial result	230	–398	3,116	2,948
<b>Earnings before taxes (EBT)</b>	<b>214,597</b>	<b>–907</b>	<b>297</b>	<b>213,987</b>
Income taxes	–30,898	159	–85	–30,823
<b>Profit from continuing operations</b>	<b>183,699</b>	<b>–748</b>	<b>213</b>	<b>183,164</b>
Profit from discontinued operations	–80	–	–	–80
<b>Net Profit</b>	<b>183,619</b>	<b>–748</b>	<b>213</b>	<b>183,084</b>
Attributable to:				
– Shareholders of Galenica Ltd.	182,951	–748	209	182,412
– Non-controlling interests	668	–	4	672

<sup>1)</sup> Reported for each operating segment not taking into account Group Services and Eliminations

<sup>2)</sup> Calculated as EBIT divided by net sales

<sup>3)</sup> Figures restated (refer to note 3 of the Consolidated financial statements 2025 of the Galenica Group)

in CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
Earnings per share from continuing operations	3.67	–0.01	–	3.66
Diluted earnings per share from continuing operations	3.67	–0.01	–	3.66

## Free cash flow

The free cash flow shows Galenica's capacity to pay dividends and repay debt and repay equity. It provides information on the remaining cash and cash equivalents from the operating cash flow, reduced by all lease payments and after consideration of investment activities.

### Free cash flow

in thousand CHF	2025	2024
Cash flow from operating activities before working capital changes	308,539	277,317
Payment of lease liabilities	-54,064	-52,576
<b>Cash flow from operating activities before working capital changes adjusted</b>	<b>254,475</b>	<b>224,741</b>
Working capital changes	-8,774	-12,613
<b>Cash flow from operating activities adjusted</b>	<b>245,701</b>	<b>212,128</b>
Cash flow from investing activities without M&A <sup>1)</sup>	-57,691	-128,021
<b>Free cash flow before M&amp;A</b>	<b>188,009</b>	<b>84,106</b>
Cash flow from M&A <sup>2)</sup>	-275,447	-23,061
<b>Free cash flow</b>	<b>-87,438</b>	<b>61,045</b>

<sup>1)</sup> Cash flow from investing activities without net cash flow from business combinations and net cash flow from sale of subsidiaries

<sup>2)</sup> Net cash flow from business combinations and net cash flow from sale of subsidiaries

### CAPEX

in thousand CHF	2025	2024
Investments in property, plant and equipment	31,767	36,023
Investments in intangible assets	29,377	36,742
<b>CAPEX</b>	<b>61,144</b>	<b>72,765</b>

### Cash conversion

	2025	2024
Cash conversion <sup>1)</sup>	79.2%	72.8%

<sup>1)</sup> Calculated as EBITDA adjusted less CAPEX divided by EBITDA adjusted

## Capital management

Galenica's capital is managed and monitored at Group level. The objective of capital management at Galenica is to ensure the continuity of operations, increase enterprise value on a sustainable basis, provide an adequate return to investors, provide the financial resources to enable investments in areas that deliver future benefits for patients and customers and further returns to investors.

Galenica defines the capital that it manages as invested interest-bearing liabilities and equity. Galenica uses a system of financial control based on various key performance indicators. Capital is monitored based on the gearing, for example, which expresses net debt as a percentage of shareholders' equity including non-controlling interests and is communicated regularly to management as part of internal reporting. The debt coverage expresses net debt as a multiple of earnings before interest, taxes, depreciation and amortisation (EBITDA). Debt coverage ratio provides information about the creditworthiness of the Group. Galenica has no covenants requiring a minimum level of debt coverage.

Total assets and shareholders' equity are adjusted for the cumulative effects of the IAS 19, IFRS 16 and IFRS 3 adjustments and net debt is adjusted for lease liabilities.

### Total assets

in thousand CHF	2025	2024
<b>Total assets</b>	<b>3,297,140</b>	<b>3,070,898</b>
Cumulative effects of IAS 19 adjustments	-2,315	-1,731
Cumulative effects of IFRS 16 adjustments	-236,845	-228,794
Cumulative effects of IFRS 3 adjustments	3,192	-
<b>Total assets adjusted</b>	<b>3,061,172</b>	<b>2,840,373</b>

### Net debt

in thousand CHF	2025	2024
Current financial liabilities <sup>1)</sup>	207,566	38,868
Current lease liabilities	55,311	52,693
Non-current financial liabilities <sup>1)</sup>	589,248	519,811
Non-current lease liabilities	188,687	183,195
Cash and cash equivalents	-115,507	-129,682
Interest-bearing receivables	-6,500	-4,899
<b>Net debt</b>	<b>918,806</b>	<b>659,986</b>
Lease liabilities (current and non-current)	-243,998	-235,887
<b>Net debt adjusted</b>	<b>674,808</b>	<b>424,099</b>

<sup>1)</sup> Excluding non-interest-bearing financial liabilities

### Shareholders' equity

in thousand CHF	2025	2024
<b>Shareholders' equity</b>	<b>1,485,002</b>	<b>1,551,844</b>
Cumulative effects of IAS 19 adjustments	15,030	15,799
Cumulative effects of IFRS 16 adjustments	5,757	5,799
Cumulative effects of IFRS 3 adjustments	2,738	-
<b>Shareholders' equity adjusted</b>	<b>1,508,526</b>	<b>1,573,442</b>

**Equity ratio**

	2025	2024
Equity ratio <sup>1)</sup>	45.0%	50.5%
Equity ratio adjusted <sup>2)</sup>	49.3%	55.4%

<sup>1)</sup> Calculated as shareholders' equity divided by total assets

<sup>2)</sup> Calculated as shareholders' equity adjusted divided by total assets adjusted

**Gearing**

	2025	2024
Gearing <sup>1)</sup>	61.9%	42.5%
Gearing adjusted <sup>2)</sup>	44.7%	27.0%

<sup>1)</sup> Calculated as net debt divided by shareholders' equity

<sup>2)</sup> Calculated as net debt adjusted divided by shareholders' equity adjusted

**Debt coverage**

	2025	2024
Debt coverage <sup>1)</sup>	2.6 x	2.0 x
Debt coverage adjusted <sup>2)</sup>	2.3 x	1.6 x

<sup>1)</sup> Calculated as net debt divided by EBITDA

<sup>2)</sup> Calculated as net debt adjusted divided by EBITDA adjusted

## Value based management

Galenica has an integrated value-based management concept in place that derived from an economic value added (EVA) approach. It is based on the understanding that in the interest of shareholders and other important groups of stakeholders, Galenica will strive to achieve a long-term investment return which exceeds the weighted average cost of capital (WACC). Targets, plans, performance measurement and management compensation are aligned to increase the enterprise value.

### Invested capital

Invested capital corresponds to current and fixed operating assets less cash and cash equivalents, equity instruments held for strategic purposes and designated as fair value through other comprehensive income according to IFRS Accounting Standards and non-interest-bearing current liabilities. In the following, invested capital is calculated indirectly via equity and net debt.

#### Invested capital

in thousand CHF	2025	2024
Shareholders' equity adjusted	1,508,526	1,573,442
Net debt adjusted	674,808	424,099
Equity instruments at fair value through other comprehensive income <sup>1)</sup>	-133,526	-265,638
Deferred tax assets <sup>2)</sup>	-1,758	-1,309
Deferred tax liabilities <sup>2)</sup>	72,751	47,766
<b>Invested capital</b>	<b>2,120,802</b>	<b>1,778,361</b>
<b>Weighted average invested capital</b>	<b>1,900,542</b>	<b>1,743,749</b>

<sup>1)</sup> Including loans related to strategic investments

<sup>2)</sup> Without deferred taxes due to IAS 19, IFRS 16 and IFRS 3 adjustments as already taken into account in shareholders' equity adjusted

### Net operating profit after tax (NOPAT) and return on invested capital (ROIC)

Net operating profit after tax (NOPAT) is the profit before interest and after depreciation, amortisation and taxes. It is calculated from the operating result (EBIT adjusted) less calculatory income taxes.

Return on invested capital (ROIC) is calculated as NOPAT divided by the average of invested capital. This measure of performance integrates both measures of profitability and measures of capital efficiency.

#### Net operating profit after tax (NOPAT) and return on invested capital (ROIC)

in thousand CHF	2025	2024
EBIT adjusted	234,797	211,038
Net financial income from financial assets	282	775
<b>Net operating profit before taxes</b>	<b>235,079</b>	<b>211,814</b>
Calculatory tax rate (18%)	-42,314	-38,127
<b>Net operating profit after taxes (NOPAT)</b>	<b>192,765</b>	<b>173,687</b>
<b>Return on invested capital (ROIC)<sup>1)</sup></b>	<b>10.1%</b>	<b>10.0%</b>

<sup>1)</sup> Calculated as NOPAT in % of weighted average invested capital

## Galenica economic profit (GEP)

The most important key figure in Galenica's value-based management concept is the Galenica economic profit (GEP). The GEP illustrates the result of the Galenica Group after consideration of the cost of capital. GEP is a measure designed to reflect the principles of value-based management derived from an economic value added (EVA) approach. GEP is calculated as the NOPAT less the WACC over the average invested capital.

### Galenica economic profit (GEP)

in thousand CHF	2025	2024
Net operating profit after taxes (NOPAT)	192,765	173,687
Cost of capital <sup>1)</sup>	-118,784	-108,984
<b>Galenica economic profit (GEP)</b>	<b>73,981</b>	<b>64,703</b>

<sup>1)</sup> Calculated as weighted average invested capital multiplied with WACC (weighted average cost of capital) of 6.25%

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## Consolidated statement of income

in thousand CHF	Note	2025	2024
Net sales	5	4,135,621	3,921,081
Other income	6	14,277	16,223
<b>Operating income</b>		<b>4,149,898</b>	<b>3,937,304</b>
Cost of goods		-2,990,316	-2,843,240
Personnel costs	7, 23	-610,317	-582,726
Other operating costs	8	-206,150	-193,402
Share of profit from associates and joint ventures	17	5,667	6,209
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>348,782</b>	<b>324,144</b>
Depreciation, amortisation and impairment	14,15,16	-116,403	-109,778
<b>Earnings before interest and taxes (EBIT)</b>		<b>232,378</b>	<b>214,367</b>
Financial income	9	5,632	13,379
Financial expenses	9	-15,639	-13,148
<b>Earnings before taxes (EBT)</b>		<b>222,371</b>	<b>214,597</b>
Income taxes	11	-38,488	-30,898
<b>Profit from continuing operations</b>		<b>183,883</b>	<b>183,699</b>
Profit from discontinued operations		-1,607	-80
<b>Net profit</b>		<b>182,276</b>	<b>183,619</b>
Attributable to:			
– Shareholders of Galenica Ltd.		181,099	182,951
– Non-controlling interests		1,177	668

  

in CHF	Note	2025	2024
<b>Earnings per share</b>			
Earnings per share	10	3.63	3.67
Diluted earnings per share	10	3.63	3.67
<b>Earnings per share from continuing operations</b>			
Earnings per share from continuing operations	10	3.67	3.67
Diluted earnings per share from continuing operations	10	3.66	3.67
<b>Earnings per share from discontinued operations</b>			
Earnings per share from discontinued operations	10	-0.03	-
Diluted earnings per share from discontinued operations	10	-0.03	-

# Consolidated statement of comprehensive income

in thousand CHF	Note	2025	2024
<b>Net profit</b>		<b>182,276</b>	<b>183,619</b>
Translation differences		-35	87
<b>Items that may be reclassified subsequently to profit or loss</b>		<b>-35</b>	<b>87</b>
Remeasurement of net defined benefit plans	23	4,278	-19,624
Income taxes from remeasurement of net defined benefit plans		-748	3,532
Share of other comprehensive income from associates and joint ventures	17	796	499
Gain / (Loss) on equity instruments at fair value through other comprehensive income	25	-137,014	2,408
Income taxes from fair value measurement on equity instruments at fair value through other comprehensive income		125	17,541
<b>Items that will not be reclassified to profit or loss</b>		<b>-132,563</b>	<b>4,356</b>
<b>Other comprehensive income/(loss)</b>		<b>-132,598</b>	<b>4,443</b>
<b>Comprehensive income</b>		<b>49,678</b>	<b>188,062</b>
Attributable to:			
- Shareholders of Galenica Ltd.		48,500	187,394
- Non-controlling interests		1,177	668

## Consolidated statement of financial position

in thousand CHF	Note	2025	2024		
Cash and cash equivalents		115,507	129,682		
Trade and other receivables	12	526,776	499,999		
Inventories	13	385,401	363,055		
Prepaid expenses and accrued income		42,213	39,043		
<b>Current assets</b>		<b>32.4%</b>	<b>1,069,897</b>	<b>33.6%</b>	<b>1,031,779</b>
Property, plant and equipment	14	274,420	257,676		
Right-of-use assets	15	237,066	229,118		
Intangible assets	16	1,413,869	1,115,844		
Investments in associates and joint ventures	17	147,888	145,087		
Financial assets	18	149,264	286,929		
Deferred tax assets	11	4,735	4,464		
<b>Non-current assets</b>		<b>67.6%</b>	<b>2,227,243</b>	<b>66.4%</b>	<b>2,039,118</b>
<b>Assets</b>		<b>100.0%</b>	<b>3,297,140</b>	<b>100.0%</b>	<b>3,070,898</b>
Financial liabilities	19	215,422	58,385		
Lease liabilities	15	55,311	52,693		
Trade and other payables	20	499,667	455,348		
Income tax payables		30,934	28,845		
Accrued expenses and deferred income		124,823	131,451		
Provisions	21	6,782	4,983		
<b>Current liabilities</b>		<b>28.3%</b>	<b>932,939</b>	<b>23.8%</b>	<b>731,705</b>
Financial liabilities	19	601,543	539,708		
Lease liabilities	15	188,687	183,195		
Deferred tax liabilities	11	71,157	46,643		
Employee benefit liabilities	23	17,344	17,530		
Provisions	21	468	273		
<b>Non-current liabilities</b>		<b>26.7%</b>	<b>879,200</b>	<b>25.6%</b>	<b>787,349</b>
<b>Liabilities</b>		<b>55.0%</b>	<b>1,812,138</b>	<b>49.5%</b>	<b>1,519,053</b>
Share capital	24	5,000	5,000		
Reserves		1,476,901	1,543,694		
<b>Equity attributable to shareholders of Galenica Ltd.</b>		<b>1,481,901</b>	<b>1,548,694</b>		
Non-controlling interests		3,100	3,150		
<b>Shareholders' equity</b>	24	<b>45.0%</b>	<b>1,485,002</b>	<b>50.5%</b>	<b>1,551,844</b>
<b>Liabilities and shareholders' equity</b>		<b>100.0%</b>	<b>3,297,140</b>	<b>100.0%</b>	<b>3,070,898</b>

# Consolidated statement of cash flows

in thousand CHF	Note	2025	2024
Profit from continuing operations		183,883	183,699
Income taxes	11	38,488	30,898
Depreciation, amortisation and impairment	14,15,16	116,403	109,778
Net loss on disposal of non-current assets	6,8	-226	-3,302
Decrease in provisions and employee benefit assets and liabilities		-2,116	-966
Net financial result	9	10,008	-230
Share of profit from associates and joint ventures	17	-5,667	-6,209
Share-based payments	28	7,402	5,963
Interest received		918	1,445
Interest paid		-12,748	-10,936
Other net financial receipts		225	411
Dividends received	17	5,668	7,677
Income taxes paid		-33,699	-40,911
<b>Cash flow from operating activities before working capital changes</b>		<b>308,539</b>	<b>277,317</b>
Change in trade and other receivables		-10,476	20,588
Change in inventories		-15,477	-4,192
Change in trade and other payables		31,722	34,585
Change in other net current assets		-14,543	-63,595
<b>Working capital changes</b>		<b>-8,774</b>	<b>-12,613</b>
<b>Cash flow from operating activities</b>		<b>299,765</b>	<b>264,703</b>
Investments in property, plant and equipment		-27,411	-37,010
Investments in intangible assets		-28,352	-35,353
Investments in associates and joint ventures	17	-2,000	-2,071
Investments in financial assets		-11,272	-65,975
Proceeds from sale of property, plant and equipment and intangible assets		532	4,432
Proceeds from sale of financial assets		10,737	7,955
Proceeds from sale of associates and joint ventures		74	-
Net cash flow from business combinations	4	-275,447	-23,061
<b>Cash flow from investing activities</b>		<b>-333,138</b>	<b>-151,083</b>
Dividends paid		-115,113	-110,173
Purchase of treasury shares		-14,008	-9,703
Proceeds from sale of treasury shares		6,043	4,107
Proceeds from financial liabilities	19	581,415	309,645
Repayment of financial liabilities	19	-385,079	-241,039
Payment of lease liabilities		-54,064	-52,576
Purchase of non-controlling interests		-	-486
<b>Cash flow from financing activities</b>		<b>19,195</b>	<b>-100,224</b>
Effects of exchange rate changes on cash and cash equivalents		4	127
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>-14,175</b>	<b>13,523</b>
Cash and cash equivalents as at 1 January <sup>1)</sup>		129,682	116,159
<b>Cash and cash equivalents as at 31 December<sup>1)</sup></b>		<b>115,507</b>	<b>129,682</b>

<sup>1)</sup> Cash and cash equivalents include cash, sight deposits at financial institutions and time deposits with an original term of three months or less. Cash and cash equivalents are measured at nominal value.

## Consolidated statement of changes in equity

in thousand CHF	Share capital	Treasury shares	Retained earnings	Equity attributable to shareholders of Galenica Ltd.	Non-controlling interests	Equity
<b>Balance as at 31 December 2023</b>	<b>5,000</b>	<b>-11,816</b>	<b>1,478,235</b>	<b>1,471,419</b>	<b>3,777</b>	<b>1,475,196</b>
Net profit			182,951	182,951	668	183,619
Other comprehensive income			4,443	4,443	-	4,443
<b>Comprehensive income</b>			<b>187,394</b>	<b>187,394</b>	<b>668</b>	<b>188,062</b>
Dividends			-109,740	-109,740	-437	-110,177
Transactions on treasury shares		-679	-4,891	-5,570	-	-5,570
Share-based payments			6,034	6,034	-	6,034
Change in non-controlling interests			-842	-842	-859	-1,701
<b>Balance as at 31 December 2024</b>	<b>5,000</b>	<b>-12,495</b>	<b>1,556,189</b>	<b>1,548,694</b>	<b>3,150</b>	<b>1,551,844</b>
Net profit			181,099	181,099	1,177	182,276
Other comprehensive loss			-132,598	-132,598	-	-132,598
<b>Comprehensive income</b>			<b>48,500</b>	<b>48,500</b>	<b>1,177</b>	<b>49,678</b>
Dividends			-114,757	-114,757	-359	-115,117
Transactions on treasury shares		-2,560	-5,540	-8,101	-	-8,101
Share-based payments			7,644	7,644	-	7,644
Change in non-controlling interests			-80	-80	-867	-947
<b>Balance as at 31 December 2025</b>	<b>5,000</b>	<b>-15,055</b>	<b>1,491,956</b>	<b>1,481,901</b>	<b>3,100</b>	<b>1,485,002</b>

# Notes to the consolidated financial statements of the Galenica Group

## 1. Group organisation

### General information

Galenica is a fully-integrated healthcare service provider in Switzerland. Galenica operates a network of pharmacies, develops and offers own brands and products, exclusive brands and products from business partners as well as a variety of on-site health services and tests for customers. Galenica is also a provider of pre-wholesale and wholesale distribution and database services in the Swiss healthcare market. By acquiring the Diagnostics Group (Labor Team) in 2025, Galenica is adding a diagnostic service provider to its healthcare network.

The parent company is Galenica Ltd., a Swiss public limited company with its headquarters in Bern. The registered office is at Untermattweg 8, 3027 Bern, Switzerland. Shares in Galenica Ltd. are traded on the SIX Swiss Exchange under securities no. 36067446 (ISIN CH0360674466).

The Board of Directors released the consolidated financial statements 2025 for publication on 5 March 2026. The 2025 consolidated financial statements will be submitted for approval to the Annual General Meeting on 21 April 2026.

## 2. Accounting principles

### Basis of preparation

The consolidated financial statements of Galenica have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB), as well as the interpretations of the IFRS Interpretations Committee (IFRIC) and the provisions of Swiss law.

The consolidated financial statements are based on the financial statements of the individual companies of Galenica, prepared in accordance with uniform accounting principles. The reporting period comprises twelve months to 31 December.

Galenica's consolidated financial statements are prepared in Swiss francs (CHF) and, unless otherwise indicated, figures are rounded to the nearest CHF 1,000.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. Totals are calculated using the underlying amount rather than the presented rounded number.

Foreign currencies are not material for the consolidated financial statements.

### Estimation uncertainty, assumptions and judgments

The preparation of the Group's consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and the disclosure of contingent liabilities as at the reporting date. Although these estimates and assumptions are made on the basis of all available information and with the greatest of care, the actual results may differ. This applies primarily to estimates and assumptions made with regard to the items set out below.

### Leases (note 15)

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee is reasonably certain to exercise that option. Where a lease includes the option for the Group to extend the lease term, Galenica applies judgment in assessing whether it is reasonably certain that the option will be exercised. This will take into account the length of the time remaining before the option is exercisable, current trading, future trading forecasts as to the ongoing profitability of the point of sale and the level and type of planned future capital investment. A reassessment of the remaining life of the lease could result in a recalculation of the lease liability and a material adjustment to the associated balances.

### Goodwill and intangible assets (note 16)

Goodwill and other intangible assets with an indefinite useful life are tested for impairment at least once a year. This involves estimating the value in use of the cash-generating unit (CGU) or group of CGUs to which the goodwill is allocated. It also requires a forecast of expected future cash flows as well as the application of an appropriate discount rate to calculate the present value of these cash flows.

### Employee benefit plans and other non-current employee benefits (note 23)

The costs of the employee benefit plans and other long-term employee benefits are determined using actuarial valuations. These valuations involve making assumptions about the discount rate, future salary and pension developments, mortality and the employee turnover rate. Galenica considers the discount rate, the selection of mortality tables and the development of salaries to be key assumptions.

### Fair value of contingent consideration liabilities from business combinations (note 25)

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount rate.

## Amendments to IFRS Accounting Standards

As at 1 January 2025 Galenica adopted the following amended IFRS Accounting Standards:

- Amendments to IAS 21 – Lack of exchangeability

This change has no or no material impact on the financial position, financial performance and cash flows of Galenica nor on disclosures in these consolidated financial statements. Galenica has not early adopted any other standard or interpretation that has been issued but is not yet effective.

## Future amendments to IFRS Accounting Standards

The IASB has issued various new and amended standards and interpretations with effective dates in the financial year 2026 or later. Galenica has not early adopted any of the following amendments to standards or interpretations that are potentially relevant for Galenica. Galenica intends to apply the new or amended standards for the first time in the financial year beginning on the date shown below:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (1 January 2026)
- Annual Improvements to IFRS Accounting Standards – Volume 11 (1 January 2026)
- IFRS 18 – Presentation and Disclosure in financial statements (1 January 2027)

Galenica is currently working to identify all the impacts the introduction of IFRS 18 will have on the financial statements and related notes. Based on a preliminary analysis, Galenica does not expect a material impact on the consolidated financial statement for the other new or amended standards.

### 3. Operating segment information

Galenica operates mainly in Switzerland within two operating segments Products & Care and Logistics & IT. The CEO of Galenica acting as chief operating decision maker (CODM) allocates resources and monitors performance of the Group's operating segments Products & Care and Logistics & IT on the basis of information prepared in accordance with IFRS Accounting Standards, with exceptions described below.

Based on the changed organisational and management structure, Galenica has revised its segments and CODM-Reporting. The main change is the reallocation of internal IT services from the Logistics & IT segment to Group Services. This reallocation affects only intra-group IT services. External IT services remain within the Logistics & IT segment. Furthermore Diagnostics Group (Labor Team) was added to the Products & Care segment.

#### Basis of preparation (Adjustments & Eliminations)

Galenica adjusts its internal reporting compared with the reported IFRS results to enhance comparability by neutralising certain IFRS-driven valuation effects that management considers to be outside operational performance. Under IFRS 16, lease contracts—particularly relevant due to Galenica's extensive pharmacy network—significantly affect the balance sheet and the income statement. For management reporting, leases are treated as operating leases, with all lease expenses recognised evenly in operating costs, while depreciation, interest and the related tax effects are removed.

Following recent acquisitions, depreciation, amortisation and impairment arising from IFRS 3 purchase price allocations are excluded from operational performance metrics. This adjustment applies prospectively from the 2025 financial year.

Value changes of investments in associates or joint ventures are not disclosed in segment reporting, as they do not reflect normal operating activities and may distort period-to-period comparability.

Furthermore, defined benefit plans and long-service awards resulted from IAS 19 are recognised at Group level.

These valuation differences are presented in the segment reporting under the column Adjustments & Eliminations.

Operating activities involve the sale of goods and services between the operating segments.

The operating result (EBIT) comprises all operating income generated and expenses incurred in the corresponding segments. Financial income and expenses as well as income taxes are reported at Group level only and not allocated to the segments. The assets and liabilities include all items of the statement of financial position that can be directly or reasonably allocated to a segment.

Sale of goods and services between the operating segments and resulting unrealised gains are eliminated in the Adjustments & Eliminations column. In addition, Adjustments & Eliminations include adjustments recorded on Group level which mainly consist of costs for IAS 19 from defined benefit plans and long-service awards.

Segment assets and liabilities include loans and current accounts held with respect to other segments. These positions are eliminated in the Adjustments & Eliminations column.

#### Products & Care

The Products & Care segment consists of the following business areas: «Pharmacies Omni-Channel», «Products & Brands», «Services & Production» and «Diagnostics».

The «Pharmacies Omni-Channel» business area provides offerings for patients, end customers, business customers and partners in the healthcare sector. This area includes both point-of-sale and mail-order operations. Galenica manages a network of 563 locations, which is the largest pharmacy network in Switzerland. The company operates 381 owned pharmacies. Galenica's own pharmacies comprise the Amavita brand with 202 branches and the Sun Store brand with 86 branches. Galenica also operates a chain of 87 pharmacies in partnership with Coop under the Coop Vitality brand. Galenica's pharmacy network also covers the speciality pharmacy Mediservice in partnership with Redcare Pharmacy N.V., which is focused on

medication for treatment of patients at home, 5 majority interests in pharmacies and 182 Winconcept partner pharmacies.

The «Products & Brands» and «Services & Production» business areas are dedicated to the development, marketing and sale of healthcare services and products through various Galenica distribution channels.

The «Diagnostics» business area provides a comprehensive range of services, including laboratory medicine, pathology and specialised personalised diagnostics.

### **Logistics & IT**

The Logistics & IT segment comprises the two business areas «Wholesale» and «Logistics & IT Services». These provide services for all those involved in the healthcare sector – pharmacies, drugstores, doctors, hospitals and care homes, partners and suppliers. Their activities focus on optimising and further developing the logistics services and service offering as well as providing innovative solutions that promote digitalisation in the healthcare market.

«Wholesale» plays an important role in the pharmaceutical supply chain. As a pharmaceutical wholesaler, «Wholesale» ensures on-schedule delivery within short deadlines to pharmacies, drugstores, doctors, hospitals and care homes throughout Switzerland.

«Logistics & IT Services» offers pharmaceutical and healthcare companies a broad range of specialised pre-wholesale services, from storage and distribution of products in Switzerland to debt collection. The companies of the «Logistics & IT Services» also offer solutions for the healthcare market. They operate comprehensive databases that provide additional knowledge for all service providers in the Swiss healthcare market and develop management solutions tailored specifically to the needs of the healthcare market. «Logistics & IT Services» is the leading provider of master data systems for Switzerland's entire healthcare market and publishes printed and electronic technical information on pharmaceutical products as well as complete management solutions for pharmacies.

### **Group Services**

The activities included within Group Services mainly comprise Galenica's central operations, which include Group Management and centralised corporate functions such as Group internal IT services, Finance, Investor Relations, Insurance, Indirect procurement, Human Resources, Legal & Board Services, Communications and Transformation.

Corporate charges management fees to the group companies for the organisational and financial management services that it provides.

### **Operating segment information 2024**

Operating segment information 2024 has been restated to the changed organisational and management structure and the internal financial reporting to the CODM.

## Operating segment information 2025

### Operating segment information 2025

in thousand CHF	Products & Care	Logistics & IT	Group Services	Adjustments & Eliminations	Galenica Group
<b>Net sales</b>	<b>1,816,417</b>	<b>3,332,615</b>	<b>153,656</b>	<b>-1,167,066</b>	<b>4,135,621</b>
- of which intersegmental net sales	113,629	906,845	146,592	-1,167,066	-
- of which net sales to third parties	1,702,788	2,425,770	7,063	-	4,135,621
Cost of goods	-977,048	-3,026,028	-	1,012,760	-2,990,316
Personnel costs	-397,149	-127,288	-89,004	3,124	-610,317
Share of profit from associates and joint ventures	7,731	223	-	-2,287 <sup>1)</sup>	5,667
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>197,365</b>	<b>75,832</b>	<b>20,740</b>	<b>54,844<sup>2)</sup></b>	<b>348,782</b>
Depreciation, amortisation and impairment	-22,192	-14,096	-22,824	-57,291 <sup>3)</sup>	-116,403
<b>Earnings before interest and taxes (EBIT)</b>	<b>175,173</b>	<b>61,736</b>	<b>-2,084</b>	<b>-2,447</b>	<b>232,378</b>
Interest income					1,126
Interest expense					-13,457
Other net financial result					2,323
<b>Earnings before taxes (EBT)</b>					<b>222,371</b>
Income taxes					-38,488
<b>Profit from continuing operations</b>					<b>183,883</b>
<b>Assets</b>	<b>1,984,800</b>	<b>955,905</b>	<b>567,801</b>	<b>-211,366<sup>4)</sup></b>	<b>3,297,140</b>
Investments in associates and joint ventures	149,427	271	-	-1,809	147,888
<b>Liabilities</b>	<b>397,978</b>	<b>548,298</b>	<b>1,036,720</b>	<b>-170,858<sup>5)</sup></b>	<b>1,812,138</b>
Investments in property, plant and equipment	20,430	8,539	2,799	-	31,767 <sup>6)</sup>
Investments in intangible assets	2,863	9,563	17,098	-147	29,377 <sup>7)</sup>
Employees as at 31 December (FTE)	4,728	1,285	545	-	6,558

<sup>1)</sup> Including impairments of investments in associates of CHF -2.4 million

<sup>2)</sup> Including lease expense adjustment (IFRS 16) of CHF 57.1 million, impairments of investments in associates of CHF -2.4 million and effects of IAS 19 from defined benefit plans and long-service awards of CHF 0.2 million

<sup>3)</sup> Including depreciation and impairment of right-of-use asset adjustment (IFRS 16) of CHF -54.2 million and depreciation and impairment of intangible asset adjustment resulted from IFRS 3 of CHF -3.2 million

<sup>4)</sup> Of which elimination of intercompany positions of CHF -426.8 million, considering right-of-use assets (IFRS 16) of CHF 236.8 million, intangible assets (IFRS 3) of CHF -3.2 million and other unallocated amounts of CHF -18.2 million

<sup>5)</sup> Of which elimination of intercompany positions of CHF -426.8 million, considering lease liabilities (IFRS 16) of CHF 242.6 million and other unallocated amounts of CHF 13.4 million

<sup>6)</sup> Of which non-cash investments of CHF 5.8 million

<sup>7)</sup> Of which non-cash investments of CHF 3.5 million

### Geographic information 2025

in thousand CHF	Switzerland	Other countries	Galenica Group
Net sales to third parties	4,084,732	50,889	4,135,621
Non-current assets <sup>1)</sup>	2,072,967	277	2,073,244

<sup>1)</sup> Without financial assets and deferred tax assets

## Operating segment information 2024 (restated)

### Operating segment information 2024 (restated)

in thousand CHF	Products & Care	Logistics & IT	Group Services	Adjustments & Eliminations	Galenica Group
<b>Net sales</b>	<b>1,700,226</b>	<b>3,180,457</b>	<b>140,222</b>	<b>-1,099,823</b>	<b>3,921,081</b>
– of which Intersegmental net sales	107,763	858,138	133,922	-1,099,823	–
– of which net sales to third parties	1,592,462	2,322,319	6,301	–	3,921,081
Cost of goods	-909,819	-2,891,227	–	957,806	-2,843,240
Personnel costs	-378,146	-125,415	-82,499	3,335	-582,726
Share of profit from associates and joint ventures	6,035	-17	–	191	6,209
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>180,534</b>	<b>69,193</b>	<b>19,248</b>	<b>55,170<sup>1)</sup></b>	<b>324,144</b>
Depreciation, amortisation and impairment	-20,464	-15,393	-21,226	-52,695 <sup>2)</sup>	-109,778
<b>Earnings before interest and taxes (EBIT)</b>	<b>160,070</b>	<b>53,800</b>	<b>-1,977</b>	<b>2,475</b>	<b>214,367</b>
Interest income					2,017
Interest expense					-12,654
Other net financial result					10,868
<b>Earnings before taxes (EBT)</b>					<b>214,597</b>
Income taxes					-30,898
<b>Profit from continuing operations</b>					<b>183,699</b>
<b>Assets</b>	<b>1,622,585</b>	<b>940,666</b>	<b>742,940</b>	<b>-235,293<sup>3)</sup></b>	<b>3,070,898</b>
Investments in associates and joint ventures	147,633	122	–	-2,669	145,087
<b>Liabilities</b>	<b>341,481</b>	<b>543,611</b>	<b>830,684</b>	<b>-196,722<sup>4)</sup></b>	<b>1,519,053</b>
Investments in property, plant and equipment	23,319	8,776	3,928	–	36,023 <sup>5)</sup>
Investments in intangible assets	1,388	17,061	18,444	-151	36,742 <sup>6)</sup>
Employees as at 31 December (FTE)	4,355	1,268	496	–	6,119

<sup>1)</sup> Including lease expense adjustment (IFRS 16) of CHF 55.7 million and effects of IAS 19 from defined benefit plans and long-service awards of CHF 0.5 million

<sup>2)</sup> Including depreciation and impairment of right-of-use asset adjustment (IFRS 16) of CHF -52.9 million

<sup>3)</sup> Of which elimination of intercompany positions of CHF -445.1 million, considering right-of-use assets (IFRS 16) of CHF 228.8 million and other unallocated amounts of CHF -19.0 million

<sup>4)</sup> Of which elimination of intercompany positions of CHF -445.1 million, considering lease liabilities (IFRS 16) of CHF 234.6 million and other unallocated amounts of CHF 13.8 million

<sup>5)</sup> Of which non-cash investments of CHF 1.5 million

<sup>6)</sup> Of which non-cash investments of CHF 4.1 million

### Geographic information 2024

in thousand CHF	Switzerland	Other countries	Galenica Group
Net sales to third parties	3,874,423	46,658	3,921,081
Non-current assets <sup>1)</sup>	1,747,311	414	1,747,725

<sup>1)</sup> Without financial assets and deferred tax assets

## 4. Business combinations

### Business combinations 2025

**Acquisition of Diagnostics Group GmbH.** On 9 September 2025, Galenica acquired 100% of the interests in the Swiss company Diagnostics Group GmbH. Diagnostics Group GmbH is the parent company of the Labor Team Group with its subsidiaries Labor Team Holding AG, Labor Team W AG, Labor Team (Liechtenstein) AG (Principality of Liechtenstein based), Haemoclot AG and Modern-Path SA. The group offers a comprehensive range of services from laboratory medicine and pathology to personalised special diagnostics.

The total purchase consideration amounted to CHF 238.4 million and was fully settled in cash. The fair value of the net identifiable assets amounts to CHF 112.1 million at the acquisition date. The goodwill of CHF 130.2 million was allocated to the operating segment Products & Care. The goodwill corresponds to added value based on the acquirer-specific synergies expected to arise from the acquisition in expanding sales forces, synergies with pharmacies, pharma logistics and Home-Care-Services, procurement synergies and the know-how of the employees gained. Transaction costs amounted to CHF 1.1 million and were expensed in the consolidated statement of income. Remaining 20% of the shares of Modern-Path SA were retained by the previous owner. Non-controlling interests have been measured at the proportionate share of net identifiable assets. The remaining shareholders have a put option to sell their shares to Galenica which gives rise to a financial liability in the amount of CHF 4.2 million.

**Acquisition of pharmacies.** Galenica acquired 100% of the interests in pharmacies in various locations in Switzerland. Upon acquisition, the pharmacies were merged with Galenicare Ltd.

The total purchase consideration amounted to CHF 29.9 million, of which 29.2 million was settled in cash and CHF 0.7 million were recognised as deferred consideration. The fair value of the net identifiable assets amounts to CHF 10.3 million at the acquisition date. The goodwill of CHF 19.6 million was allocated to the operating segment Products & Care and corresponds to the added value of the pharmacies based on their locations and the know-how of the employees gained. Transaction costs were not material.

#### Business combinations

in thousand CHF	Diagnostics Group	Pharmacies	2025 Total	2024 Total
Cash and cash equivalents	10,577	4,020	14,597	3,580
Trade receivables	8,774	3,609	12,383	3,367
Inventories	5,634	1,261	6,895	1,751
Property, plant and equipment	20,476	232	20,708	382
Right-of-use assets	12,779	4,083	16,862	4,376
Intangible assets	145,655	–	145,655	–
Financial assets	1,762	52	1,814	–
Other current and non-current assets	3,863	3,817	7,680	742
Trade payables	–5,131	–1,262	–6,393	–1,593
Financial liabilities	–41,785	–	–41,785	–
Lease liabilities	–12,779	–4,083	–16,862	–4,376
Net deferred tax liabilities	–21,382	6	–21,376	95
Employee benefit liabilities	–4,474	–	–4,474	–
Other current and non-current liabilities	–11,908	–1,470	–13,378	–1,915
<b>Fair value of net assets</b>	<b>112,062</b>	<b>10,264</b>	<b>122,326</b>	<b>6,409</b>
Goodwill	130,155	19,588	149,744	20,168
Non-controlling interests	–3,860	–	–3,860	–
<b>Purchase consideration</b>	<b>238,357</b>	<b>29,853</b>	<b>268,210</b>	<b>26,577</b>
Cash acquired	–10,577	–4,020	–14,597	–3,580
Deferred consideration	–	–666	–666	–
<b>Net cash flow from current business combinations</b>	<b>227,780</b>	<b>25,167</b>	<b>252,947</b>	<b>22,997</b>
Payment of consideration due to previous business combinations			22,500	64
<b>Net cash flow from business combinations</b>			<b>275,447</b>	<b>23,061</b>

### Pro forma figures for acquisitions made in 2025 for the full 2025 financial year

Since their inclusion in Galenica's scope of consolidation, the businesses acquired contributed net sales of CHF 62.2 million and an operating result (EBIT) of CHF 5.9 million to the Group's results. If these acquisitions had occurred on 1 January 2025, they would have contributed additional net sales of CHF 87.1 million and increased EBIT by CHF 4.3 million.

### Business combinations 2024

**Acquisition of pharmacies.** Galenica acquired 100% of the interests in pharmacies in various locations in Switzerland. Upon acquisition, the pharmacies were merged with Galenicare Ltd.

The total purchase consideration amounted to CHF 23.0 million and was fully settled in cash. The fair value of the net identifiable assets amounts to CHF 6.4 million at the acquisition date. The goodwill of CHF 20.2 million was allocated to the operating segment Products & Care and corresponds to the added value of the pharmacies based on their locations and the know-how of the employees gained. Transaction costs were not material.

#### Accounting principles business combinations

Subsidiaries, associates and joint ventures acquired during the reporting period are included in the financial statements as at the date when control, significant influence or joint control was obtained. Companies sold during the reporting period are included up to the date when control, significant influence or joint control was lost. The profit or loss on deconsolidation is recognised in operating income or other operating costs.

Contingent consideration is measured at fair value at the acquisition date and qualifies as a financial instrument. It is remeasured to fair value and any difference is recognised in other financial income or other financial expenses.

The difference arise from the acquisition of additional non-controlling interests in fully consolidated companies (purchase consideration less proportionate carrying amount of non-controlling interests) is considered to be an equity transaction and is thus taken directly to retained earnings in shareholders' equity.

## 5. Net sales

### Net sales 2025

Based on the changed organisational and management structure of Galenica, the internal reporting and disaggregation of net sales has been adjusted accordingly. Net sales information for the previous period has been restated to conform to the new presentation.

#### Net sales 2025

in thousand CHF	Sale of goods	Sale of services	Total net sales	Intersegmental net sales	Total net sales to third parties	of which sale of goods to third parties	of which sale of services to third parties
Pharmacies Omni-Channel	1,366,096	107,234	1,473,330	-16,110	1,457,220	1,366,084	91,135
Products & Brands	189,564	4,668	194,233	-92,439	101,794	97,467	4,327
Services & Production	114,627	5,248	119,875	-16,770	103,105	97,883	5,222
Diagnostics	-	40,670	40,670	-	40,670	-	40,670
<b>Products &amp; Care<sup>1)</sup></b>	<b>1,663,373</b>	<b>153,044</b>	<b>1,816,417</b>	<b>-113,629</b>	<b>1,702,788</b>	<b>1,561,434</b>	<b>141,354</b>
Wholesale	3,246,020	9,275	3,255,295	-901,269	2,354,027	2,347,247	6,780
Logistics & IT Services	49	79,591	79,640	-7,897	71,743	90	71,653
<b>Logistics &amp; IT<sup>1)</sup></b>	<b>3,246,068</b>	<b>86,547</b>	<b>3,332,615</b>	<b>-906,845</b>	<b>2,425,770</b>	<b>2,347,337</b>	<b>78,433</b>
Group Services	-	153,656	153,656	-146,592	7,063	-	7,063
Eliminations <sup>2)</sup>	-1,000,670	-166,396	-1,167,066	1,167,066	-	-	-
<b>Galenica Group</b>	<b>3,908,771</b>	<b>226,850</b>	<b>4,135,621</b>	<b>-</b>	<b>4,135,621</b>	<b>3,908,771</b>	<b>226,850</b>

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> Eliminations of intersegmental net sales

### Net sales 2024 (restated)

#### Net sales 2024 (restated)

in thousand CHF	Sale of goods	Sale of services	Total net sales	Intersegmental net sales	Total net sales to third parties	of which sale of goods to third parties	of which sale of services to third parties
Pharmacies Omni-Channel	1,302,713	101,608	1,404,321	-12,774	1,391,547	1,302,705	88,842
Products & Brands	188,462	1,732	190,194	-89,728	100,466	98,943	1,523
Services & Production	110,381	4,858	115,239	-14,791	100,449	95,629	4,820
<b>Products &amp; Care<sup>1)</sup></b>	<b>1,595,357</b>	<b>104,869</b>	<b>1,700,226</b>	<b>-107,763</b>	<b>1,592,462</b>	<b>1,497,277</b>	<b>95,185</b>
Wholesale	3,095,583	9,640	3,105,223	-853,435	2,251,789	2,244,698	7,090
Logistics & IT Services	128	77,368	77,496	-6,966	70,530	168	70,362
<b>Logistics &amp; IT<sup>1)</sup></b>	<b>3,095,711</b>	<b>84,745</b>	<b>3,180,457</b>	<b>-858,138</b>	<b>2,322,319</b>	<b>2,244,866</b>	<b>77,453</b>
Group Services	-	140,222	140,222	-133,922	6,301	-	6,301
Eliminations <sup>2)</sup>	-948,925	-150,897	-1,099,823	1,099,823	-	-	-
<b>Galenica Group</b>	<b>3,742,143</b>	<b>178,938</b>	<b>3,921,081</b>	<b>-</b>	<b>3,921,081</b>	<b>3,742,143</b>	<b>178,938</b>

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> Eliminations of intersegmental net sales

## Accounting principles net sales

Net sales represent revenue from contracts with customers from the sale of goods or services. Revenue is recognised in the amount that reflects the consideration to which Galenica expects to be entitled when the promised goods or services are transferred to customers.

Where invoices are issued, payment terms in Switzerland usually range between 10 and 30 days, for both goods and services.

### Sale of goods

For retail pharmacy sales, revenue is recognised at the point in time when the customer takes possession of the products at the point-of-sale and for wholesale transactions upon shipment of the products to the customer.

Galenica has determined that its customer loyalty programs represent separate performance obligations to which revenue is allocated based on relative stand-alone selling prices, which considers historical redemption patterns. Revenue is deferred and recognised when the award credits are redeemed, which is typically 2 to 4 months after the sale of the initial products. At the end of each period, unredeemed credits are reflected as contract liabilities and included in trade and other payables in the consolidated statement of financial position.

Refund liabilities from contracts with customers are estimated based on actual sales volumes for the financial year and refund percentages as agreed with customers. These liabilities are usually settled in the subsequent financial year. Revenue from gift cards purchased by customers is deferred as contract liabilities until goods or services are transferred, which is typically within 12 months after the sale of the gift card. Any amounts not expected to be redeemed are recognised based on historical redemption patterns.

Customer returns are not material.

### Sale of services

Revenue from services includes logistics services, healthcare and consultation services, diagnostic services, the processing and sale of information and IT services as well as other contractually agreed services.

In the business area "Pharmacies Omni-Channel" sale of services mainly includes healthcare services and consultations sales. In the business area "Diagnostics" sale of services mainly includes diagnostic services. Depending on the service the performance obligations are either satisfied over time or at a point in time (i.e. when consultation or diagnostic service took place).

In the business area "Logistics & IT Services" sale of services mainly includes pre-wholesale services and group external IT services and in the business area "Wholesale" sale of service mainly includes various logistic services. Depending on the service the performance obligations are either satisfied over time or at a point in time (i.e. when volumes are handled).

## 6. Other income

### Other income

in thousand CHF	2025	2024
Income from own work capitalised	10,216	9,491
Rental income from operating leases	467	551
Gain on disposal of property, plant and equipment	351	3,308
Other operating income	3,242	2,872
<b>Other income</b>	<b>14,277</b>	<b>16,223</b>

## 7. Personnel costs

### Personnel costs

in thousand CHF	2025	2024
Salaries and wages	499,050	476,846
Social security costs and pension expenses	71,315	68,459
Other personnel costs	39,953	37,422
<b>Personnel costs</b>	<b>610,317</b>	<b>582,726</b>
Average number of employees (FTE)	6,503	6,090

Social security costs and pension expenses contain expenses for defined benefit plans of CHF 35.1 million (previous year: expenses of CHF 33.9 million) (refer to [note 23](#)). Salaries and wages includes expenses for share-based payments of CHF 7.4 million (previous year: CHF 6.0 million) (refer to [note 28](#)).

## 8. Other operating costs

### Other operating costs

in thousand CHF	2025	2024
Maintenance and repairs	40,745	32,857
Transport and shipping costs	50,341	44,116
Other operating and production costs	18,131	21,420
Rental and other lease expenses <sup>1)</sup>	12,241	10,510
Administration costs	44,725	50,375
Marketing and sales costs	37,834	32,538
Non-income taxes	2,008	1,579
Loss on disposal of property, plant and equipment	125	6
<b>Other operating costs</b>	<b>206,150</b>	<b>193,402</b>

<sup>1)</sup> Of which other lease expenses (incidental expenses) of CHF 5.0 million (previous year: CHF 3.9 million)

### Research and development

During the reporting period, expenses for research and development totalling CHF 8.3 million were recognised directly in other operating costs (previous year: CHF 14.0 million).

## 9. Financial result

### Financial result

in thousand CHF	2025	2024
Interest income	1,018	1,619
Net interest income from employee benefit plans	108	398
Net remeasurement of change in fair value of contingent consideration liabilities	4,257	10,600
Other financial income	143	337
Net gain on foreign exchange	105	425
<b>Financial income</b>	<b>5,632</b>	<b>13,379</b>
Interest expense	10,596	9,538
Interest expense on lease liabilities	2,860	3,116
Other financial costs	2,183	494
<b>Financial expenses</b>	<b>15,639</b>	<b>13,148</b>
<b>Net financial result</b>	<b>10,008</b>	<b>-230</b>

## 10. Earnings per share

### Number of outstanding shares

	2025	2024
Total number of shares	50,000,000	50,000,000
Average number of treasury shares	-154,450	-157,074
<b>Average number of outstanding shares</b>	<b>49,845,550</b>	<b>49,842,926</b>
Effect from share-based payments	41,487	43,301
<b>Theoretical average number of outstanding shares (diluted)</b>	<b>49,887,037</b>	<b>49,886,227</b>

### Earnings per share

	2025	2024
<b>Earnings per share</b>		
Net profit – attributable to shareholders of Galenica Ltd. (in thousand CHF)	181,099	182,951
<b>Earnings per share (in CHF)</b>	<b>3.63</b>	<b>3.67</b>
<b>Diluted earnings per share (in CHF)</b>	<b>3.63</b>	<b>3.67</b>
<b>Earnings per share from continuing operations</b>		
Profit from continuing operations – attributable to shareholders of Galenica Ltd. (in thousand CHF)	182,705	183,031
<b>Earnings per share from continuing operations (in CHF)</b>	<b>3.67</b>	<b>3.67</b>
<b>Diluted earnings per share from continuing operations (in CHF)</b>	<b>3.66</b>	<b>3.67</b>
<b>Earnings per share from discontinued operations</b>		
Profit from discontinued operations – attributable to shareholders of Galenica Ltd. (in thousand CHF)	-1,607	-80
<b>Earnings per share from discontinued operations (in CHF)</b>	<b>-0.03</b>	<b>-</b>
<b>Diluted earnings per share from discontinued operations (in CHF)</b>	<b>-0.03</b>	<b>-</b>

## 11. Income taxes

### Income taxes

in thousand CHF	2025	2024
Current income taxes	35,384	33,732
Income taxes of prior periods	751	-1,419
Deferred income taxes	2,352	-1,415
<b>Income taxes from continuing operations</b>	<b>38,488</b>	<b>30,898</b>
Income taxes related to discontinued operations	-414	-21
<b>Total income taxes</b>	<b>38,074</b>	<b>30,877</b>

### Tax reconciliation

in thousand CHF	2025	2024
Earnings before taxes from continuing operations	222,371	214,597
Earnings before taxes from discontinued operations	-2,021	-101
<b>Earnings before income taxes</b>	<b>220,349</b>	<b>214,496</b>
Weighted income tax rate in % of accounting profit	18.0%	18.3%
<b>Expected income taxes</b>	<b>39,554</b>	<b>39,290</b>
Effects of changes in tax rates	17	373
Effects of unrecognised losses in the current year	32	72
Realisation of unrecognised tax losses of prior periods	-8	-43
Recognition of tax losses of prior periods	-	-390
Remeasurement contingent consideration liabilities from business combinations (not taxable)	-873	-2,173
Effects of changes in investments (write-down/reversal of write down)	-690	-7,122
Income taxes of prior periods	751	-1,419
Other items	-710	2,289
<b>Effective income taxes</b>	<b>38,074</b>	<b>30,877</b>
<b>Effective income tax rate in % of accounting profit</b>	<b>17.3%</b>	<b>14.4%</b>
- of which income taxes attributable to continuing operations (reported in the statement of income)	38,488	30,898
- effective income tax rate attributable to continuing operations in % of EBT	17.3%	14.4%
- of which income taxes attributable to discontinued operations	-414	-21

Deferred taxes

in thousand CHF	2025			2024		
	Deferred tax assets	Deferred tax liabilities	Net carrying amount	Deferred tax assets	Deferred tax liabilities	Net carrying amount
Current assets	4,081	-27,449	-23,368	3,871	-26,686	-22,815
Property, plant and equipment	10	-2,853	-2,843	24	-2,122	-2,098
Right-of-use assets	-	-39,931	-39,931	-	-38,835	-38,835
Intangible assets	2,147	-46,413	-44,266	2,909	-25,561	-22,652
Investments	-	-	-	-	-690	-690
Financial assets	-	-1,013	-1,013	-	-2,025	-2,025
Lease liabilities	41,114	-	41,114	39,988	-	39,988
Provisions	-	-272	-272	-	-737	-737
Employee benefit plans	2,978	-	2,978	3,155	-	3,155
Other temporary differences	389	-550	-160	641	-1,823	-1,182
Shareholders' equity	718	-	718	614	-	614
<b>Deferred taxes due to temporary differences</b>	<b>51,438</b>	<b>-118,481</b>	<b>-67,043</b>	<b>51,203</b>	<b>-98,480</b>	<b>-47,277</b>
Tax loss carryforwards	622	-	622	5,098	-	5,098
<b>Gross deferred taxes</b>	<b>52,060</b>	<b>-118,481</b>	<b>-66,422</b>	<b>56,301</b>	<b>-98,480</b>	<b>-42,179</b>
Netting of assets and liabilities	-47,324	47,324	-	-51,837	51,837	-
<b>Net deferred taxes</b>	<b>4,735</b>	<b>-71,157</b>	<b>-</b>	<b>4,464</b>	<b>-46,643</b>	<b>-</b>

Analysis of net deferred taxes

in thousand CHF	2025	2024
<b>1 January</b>	<b>-42,179</b>	<b>-64,515</b>
Recognised as income taxes in profit or loss		
- Change in temporary differences	2,154	-1,826
- Fiscal realisation of recognised tax loss carryforwards	-4,352	-563
- Tax loss carryforwards taken into account for the first time	-82	4,178
- Tax loss carryforwards no longer taken into account	-56	-
- Effects of changes in tax rates	-17	-373
Recognised in other comprehensive income	-748	20,728
Recognised in shareholders' equity (related to share-based payments)	242	71
Addition to scope of consolidation	-21,376	95
Translation differences	-8	27
<b>31 December</b>	<b>-66,422</b>	<b>-42,179</b>

Temporary differences on which no deferred taxes have been recognised

in thousand CHF	2025	2024
Investments in subsidiaries	387,501	337,862

**Tax loss carryforwards and tax credits**

in thousand CHF	2025		2024	
	Tax loss carryforwards / tax credits	Tax effect	Tax loss carryforwards / tax credits	Tax effect
<b>Tax loss carryforwards and tax credits</b>	<b>3,330</b>	<b>727</b>	<b>28,805</b>	<b>5,116</b>
– of which capitalised as deferred tax assets	–2,703	–622	–5,007	–1,122
– of which netted with deferred tax liabilities	–	–	–23,666	–3,976
<b>Unrecognised tax loss carryforwards and tax credits</b>	<b>627</b>	<b>105</b>	<b>132</b>	<b>18</b>
Of which expire:				
– within 1 year	–	–	–	–
– in 2 to 5 years	46	6	–	–
– in more than 5 years	581	99	132	18

**OECD Pillar Two model rules**

The OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses tax challenges from the digital economy, introducing the Global Anti-Base Erosion Model Rules (Pillar Two), applicable to multinational enterprises (MNEs) with revenues over EUR 750 million. Galenica is within the scope of the OECD Pillar Two model rules. Galenica applies the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The Pillar Two model rules were adopted in Switzerland at the end of 2023 and are applicable starting from 1 January 2024. According to these rules, Galenica is considered a multinational enterprise to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates effective for the financial year beginning 1 January 2024.

Galenica has performed an assessment and reporting of its potential exposure to Pillar Two income taxes based on the 2024 country-by-country reporting and 2025 financial information for the constituent entities in the Group. The Pillar Two effective tax rates in all of the jurisdictions in which the Group operates is above 15%.

Galenica continues to monitor legislative developments related to Pillar Two in Switzerland and other relevant jurisdictions to assess any potential future impact on its consolidated financial position, performance and cash flows.

## 12. Trade and other receivables

### Trade and other receivables

in thousand CHF	2025	2024
Trade receivables	471,003	468,568
Bad debt allowances	-9,817	-8,286
Other receivables	65,590	39,717
<b>Trade and other receivables</b>	<b>526,776</b>	<b>499,999</b>

### Change in bad debt allowances for trade receivables

in thousand CHF	2025	2024
<b>1 January</b>	<b>-8,286</b>	<b>-16,044</b>
Addition	-5,815	-1,743
Use	671	7,460
Reversal	3,612	2,042
Translation differences	1	-1
<b>31 December</b>	<b>-9,817</b>	<b>-8,286</b>

### Maturity profile of trade receivables

in thousand CHF	2025			2024		
	Gross trade receivables	Bad debt allowances	Net trade receivables	Gross trade receivables	Bad debt allowances	Net trade receivables
Not past due	360,178	-4,434	355,744	403,591	-3,596	399,995
Past due:						
- 1 to 30 days	87,796	-1,152	86,644	46,149	-1,016	45,133
- 31 to 60 days	10,932	-624	10,308	7,192	-831	6,361
- 61 to 90 days	4,780	-591	4,189	2,466	-791	1,675
- more than 90 days	7,317	-3,015	4,302	9,170	-2,052	7,118
<b>Total</b>	<b>471,003</b>	<b>-9,817</b>	<b>461,186</b>	<b>468,568</b>	<b>-8,286</b>	<b>460,282</b>

### Accounting principles trade and other receivables

Trade receivables are initially measured at the transaction price determined in accordance with IFRS 15. Other receivables are carried at original invoice value. Allowances for uncollectable amounts are estimated based on expected credit losses, using life-time expected credit losses for trade receivables (simplified approach).

Any impairment losses are recognised in profit or loss in other operating costs.

## 13. Inventories

### Inventories

in thousand CHF	2025			2024		
	Raw material and merchandise <sup>1)</sup>	Semi-finished and finished goods <sup>2)</sup>	Total inventories	Raw material and merchandise <sup>1)</sup>	Semi-finished and finished goods <sup>2)</sup>	Total inventories
<b>Gross carrying amount as at 1 January</b>	<b>371,881</b>	<b>10,969</b>	<b>382,850</b>	<b>366,064</b>	<b>9,550</b>	<b>375,614</b>
Change in inventories	16,975	298	17,272	4,056	1,407	5,463
Addition to scope of consolidation	1,766	5,129	6,895	1,751	–	1,751
Translation differences	–23	–6	–29	10	12	22
<b>Gross carrying amount as at 31 December</b>	<b>390,598</b>	<b>16,389</b>	<b>406,988</b>	<b>371,881</b>	<b>10,969</b>	<b>382,850</b>
<b>Allowance as at 1 January</b>	<b>–17,860</b>	<b>–1,935</b>	<b>–19,795</b>	<b>–17,006</b>	<b>–1,512</b>	<b>–18,518</b>
Addition	–4,710	–74	–4,784	–3,821	–672	–4,493
Reversal / use	2,608	382	2,989	2,971	252	3,223
Translation differences	3	–	3	–3	–3	–6
<b>Allowance as at 31 December</b>	<b>–19,958</b>	<b>–1,628</b>	<b>–21,586</b>	<b>–17,860</b>	<b>–1,935</b>	<b>–19,795</b>
<b>Net carrying amount as at 31 December</b>	<b>370,640</b>	<b>14,761</b>	<b>385,401</b>	<b>354,021</b>	<b>9,034</b>	<b>363,055</b>

<sup>1)</sup> Including prepayments to suppliers

<sup>2)</sup> Including consumables / auxiliary material

### Accounting principles inventories

The weighted average method is primarily used to determine cost for raw materials and merchandise. Semi-finished and finished goods are carried at the lower of cost of direct materials and labour and net realisable value.

Inventory allowances are recognised on inventories for slow moving items and excess stock.

Cost of goods mainly include costs of goods and merchandise from the operating segments Products & Care and Logistics & IT. Price discounts, rebates or supplier discounts and other payments received from suppliers that are not payment for distinct goods or services provided by Galenica and thus on the purchase of goods are directly deducted from cost of goods.

## 14. Property, plant and equipment

### Property, plant and equipment

in thousand CHF	Real estate	Assets under construction	Warehouse equipment	Furniture, fittings	Other property, plant and equipment	Total property, plant and equipment
<b>Net carrying amount as at 31.12.2023</b>	<b>168,019</b>	<b>3,129</b>	<b>39,996</b>	<b>25,156</b>	<b>23,402</b>	<b>259,702</b>
Addition	16,007	2,654	5,578	6,507	5,277	36,023
Disposal	-714	-	-63	-24	-235	-1,037
Reclassification	772	-1,375	392	-	212	-
Depreciation	-16,341	-	-6,096	-5,377	-9,580	-37,394
Addition to scope of consolidation	-	-	-	359	23	382
<b>Net carrying amount as at 31.12.2024</b>	<b>167,743</b>	<b>4,408</b>	<b>39,807</b>	<b>26,620</b>	<b>19,098</b>	<b>257,676</b>
Addition	11,430	5,792	5,513	5,877	3,156	31,767
Disposal	-	-	-	-	-281	-281
Reclassification	1,626	-2,449	115	114	529	-65
Depreciation	-15,351	-	-6,476	-5,455	-8,104	-35,385
Addition to scope of consolidation	386	240	-	175	19,907	20,708
<b>Net carrying amount as at 31.12.2025</b>	<b>165,834</b>	<b>7,990</b>	<b>38,959</b>	<b>27,331</b>	<b>34,305</b>	<b>274,420</b>
<b>Overview as at 31.12.2024</b>						
Cost	357,799	4,408	122,524	125,266	67,806	677,802
Accumulated depreciation and impairment	-190,056	-	-82,716	-98,645	-48,708	-420,126
<b>Net carrying amount as at 31.12.2024</b>	<b>167,743</b>	<b>4,408</b>	<b>39,807</b>	<b>26,620</b>	<b>19,098</b>	<b>257,676</b>
<b>Overview as at 31.12.2025</b>						
Cost	368,558	7,990	127,721	128,642	75,152	708,063
Accumulated depreciation and impairment	-202,724	-	-88,762	-101,310	-40,847	-433,643
<b>Net carrying amount as at 31.12.2025</b>	<b>165,834</b>	<b>7,990</b>	<b>38,959</b>	<b>27,331</b>	<b>34,305</b>	<b>274,420</b>

### Accounting principles property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment. Depreciation is charged on a straight-line basis over the assets' useful lives as follows:

	Years
Land	unlimited
Buildings	10 – 50
Warehouse equipment	5 – 15
Manufacturing equipment	5 – 15
Furniture, fittings	5 – 10
IT equipment	3 – 10
Vehicles	3 – 10

Other property, plant and equipment consists of manufacturing equipment, IT equipment and vehicles.

When items of property, plant and equipment are sold or derecognised, gains are recognised in other income and losses in other operating costs.

## 15. Leases

### Right-of-use assets

in thousand CHF	Real estate	Other right of-use assets	Total right-of-use assets
<b>Net carrying amount as at 31.12.2023</b>	<b>229,366</b>	<b>217</b>	<b>229,583</b>
Addition	19,055	88	19,143
Reassessment of existing lease contracts	28,905	-7	28,898
Depreciation	-52,718	-117	-52,834
Impairment	-98	-	-98
Reversal of impairment	49	-	49
Addition to scope of consolidation	4,376	-	4,376
Translation differences	-	1	1
<b>Net carrying amount as at 31.12.2024</b>	<b>228,936</b>	<b>182</b>	<b>229,118</b>
Addition	4,791	368	5,159
Reassessment of existing lease contracts	40,159	-5	40,155
Depreciation	-53,823	-197	-54,020
Impairment	-206	-	-206
Addition to scope of consolidation	15,534	1,328	16,862
Translation differences	-	-1	-1
<b>Net carrying amount as at 31.12.2025</b>	<b>235,392</b>	<b>1,674</b>	<b>237,066</b>

### Lease liabilities

in thousand CHF	2025	2024
<b>Net carrying amount as at 1 January</b>	<b>235,887</b>	<b>236,041</b>
Addition	5,159	19,143
Reassessment of existing lease contracts	40,155	28,902
Interest expense on lease liabilities	2,860	3,116
Repayment of lease liabilities (including interest)	-56,924	-55,691
Addition to scope of consolidation	16,862	4,376
Translation differences	-1	1
<b>Net carrying amount as at 31 December</b>	<b>243,998</b>	<b>235,887</b>
- of which current lease liabilities	55,311	52,693
- of which non-current lease liabilities	188,687	183,195

**Leases recognised in profit or loss**

in thousand CHF	2025	2024
Rental income from operating leases (included in other income)	467	551
Short-term lease expense (included in other operating costs)	-1,326	-1,494
Low-value lease expense (included in other operating costs)	-1,340	-731
Variable lease expense (included in other operating costs)	-4,593	-4,339
Depreciation of right-of-use assets	-54,020	-52,834
Impairment of right-of-use assets	-206	-98
Reversal of impairment of right-of-use assets	-	49
Interest expense on lease liabilities	-2,860	-3,116

The total cash outflow for leases including short-term leases, leases of low-value-assets and variable lease expenses was CHF 64.2 million (previous year: CHF 62.3 million).

**Maturity profile of undiscounted lease liabilities**

in thousand CHF	2025	2024
Up to 3 months	14,615	13,922
In 3 to 12 months	43,139	41,317
In 2 years	52,691	49,867
In 3 years	44,335	40,933
In 4 to 5 years	57,175	56,091
In 6 to 10 years	35,847	38,745
In more than 10 years	4,833	4,520
<b>Total future cash flows from undiscounted lease liabilities</b>	<b>252,636</b>	<b>245,395</b>

Possible future cash outflows related to extension options in an amount of CHF 206.0 million (previous year: CHF 213.8 million) are not included in lease liabilities because it is not reasonably certain that these options will be exercised.

The cash outflows for variable lease expenses in 2026 is expected to be similar to the amount recognised in 2025.

Galenica has entered into various lease contracts that have not yet commenced as at 31 December 2025. The future lease payments for these non-cancellable lease contracts amount to CHF 36.5 million (previous year: CHF 40.1 million).

### **Accounting principles leases**

Galenica has lease contracts for furniture, vehicles and a large number of contracts for real estate, mainly store locations, which include fixed rental payments and variable sales-based components. The significant majority of these lease contracts concerns locations of the pharmacies in the operating segment Products & Care.

Galenica determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain at inception of the contract to be exercised. Galenica has the option, under some of its leases, to lease the assets for additional terms of several (three, five or more) years. Galenica applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. In doing so, Galenica considers all relevant factors including economic incentives. Galenica reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise, or not to exercise, the option to renew (e.g. a change in business strategy of the underlying asset).

Galenica uses the recognition exemptions for lease contracts that have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

## 16. Intangible assets

### Intangible assets

in thousand CHF	Intangible assets with finite useful lives <sup>1)</sup>	Trademarks with indefinite useful lives	Software	Goodwill	Total intangible assets
<b>Net carrying amount as at 31.12.2023</b>	<b>8,332</b>	<b>91,660</b>	<b>107,204</b>	<b>871,307</b>	<b>1,078,503</b>
Addition	392	–	36,350	–	36,742
Disposal	–	–	–74	–	–74
Amortisation	–2,677	–	–16,824	–	–19,501
Addition to scope of consolidation	–	–	–	20,168	20,168
Translation differences	6	–	–	–	6
<b>Net carrying amount as at 31.12.2024</b>	<b>6,054</b>	<b>91,660</b>	<b>126,656</b>	<b>891,475</b>	<b>1,115,844</b>
Addition	905	–	28,472	–	29,377
Disposal	–	–	–21	–	–21
Reclassification	–	–	65	–	65
Amortisation	–5,272	–	–21,520	–	–26,792
Addition to scope of consolidation	140,478	–	5,177	149,744	295,398
Translation differences	–2	–	–	–	–2
<b>Net carrying amount as at 31.12.2025</b>	<b>142,162</b>	<b>91,660</b>	<b>138,828</b>	<b>1,041,218</b>	<b>1,413,869</b>
<b>Overview as at 31.12.2024</b>					
Cost	23,260	91,660	202,484	891,475	1,208,879
Accumulated amortisation and impairment	–17,206	–	–75,829	–	–93,035
<b>Net carrying amount as at 31.12.2024</b>	<b>6,054</b>	<b>91,660</b>	<b>126,656</b>	<b>891,475</b>	<b>1,115,844</b>
<b>Overview as at 31.12.2025</b>					
Cost	164,638	91,660	196,274	1,041,218	1,493,791
Accumulated amortisation and impairment	–22,476	–	–57,446	–	–79,922
<b>Net carrying amount as at 31.12.2025</b>	<b>142,162</b>	<b>91,660</b>	<b>138,828</b>	<b>1,041,218</b>	<b>1,413,869</b>

<sup>1)</sup> Including trademarks, patents, licences and customer relationships

**Trademarks with indefinite useful lives**

This position includes trademarks that are well known nationally and internationally and actively advertised. These acquired trademarks are regarded as having indefinite useful lives for the following reasons: they were created many years ago, they do not expire, and the products sold under the trademarks have a history of strong revenue and cash flow performance. Galenica intends and has the ability to support the trademarks to maintain their values for the foreseeable future.

For impairment testing purposes the trademarks have been allocated to the cash-generating units Verfora, Padma and Spagyros in the operating segment Products & Care. The recoverable amount is determined on the basis of future discounted cash flows. Cash flows beyond the three-year planning period are based on the growth rates and discount rates before tax set out below, as approved in medium-term planning by management:

**Trademarks with indefinite useful lives**

in thousand CHF	2025	2024
Carrying amount	91,660	91,660
Growth rate	0.7%	1.2%
Pre-tax discount rate	6.8%	7.2%

According to the results of impairment testing for 2025 and 2024 using value in use calculations, no impairment was necessary. Galenica performed a sensitivity analysis taking into account reasonable changes in the assumptions used to calculate the discounted cash flows, such as higher discount rates, lower EBIT margins or lower perpetual growth rates. The sensitivity analysis for 2025 and 2024 did not reveal that a reasonable possible change in assumption would lead to an impairment.

**Goodwill**

**Goodwill**

in thousand CHF	2025			2024		
	Carrying amount	Growth rate	Pre-tax discount rate	Carrying amount	Growth rate	Pre-tax discount rate
Products & Care	955,671	0.7%	6.8%	805,928	1.2%	7.2%
Logistics & IT	85,547	0.7%	6.8%	85,547	1.2%	7.2%
<b>Total</b>	<b>1,041,218</b>			<b>891,475</b>		

According to the results of impairment testing for 2025 and 2024 using value in use calculations, no impairment was necessary. Galenica performed a sensitivity analysis taking into account reasonable changes in the assumptions used to calculate the discounted cash flows, such as higher discount rates, lower EBIT margins or lower perpetual growth rates. The sensitivity analysis for 2025 and 2024 did not reveal that a reasonable possible change in assumption would lead to an impairment.

## Accounting principles intangible assets

Intangible assets include acquired trademarks, patents, licences, customer relationships, purchased or internally developed software and other assets without physical substance. These items are measured at cost less accumulated amortisation and impairment.

Expenditure on internally developed software is capitalised when the capitalisation criteria are met and future economic benefits from use or sale of the software are expected. Software that is not yet available for use is tested for impairment annually or more frequently if there are indications of impairment.

Amortisation is charged on a straight-line basis over the estimated economic or legal useful life, whichever is shorter as follows:

	Years
Trademarks, patents, licences, customer relationships	5 – 20
Software	2 – 15

The amortisation period and the amortisation method are reviewed at least at each financial year-end.

With the exception of trademarks in the business area Products & Brands, all intangible assets are assessed as having a finite useful life. Intangible assets with indefinite useful lives are not amortised but tested for impairment annually in the fourth quarter of the year, or more frequently if there are indications of impairment.

Goodwill is allocated to the cash-generating unit (CGU) or group of CGUs that are expected to benefit from a business combination. Management monitors goodwill at operating segment level.

Goodwill is tested for impairment annually in the fourth quarter of the year, or more frequently if there are indications of impairment. The impairment test is based on the discounted cash flow method. The WACC is used to determine the applicable pre-tax discount rate. The recoverable amount (higher of fair value less costs of disposal and value in use) of each CGU is determined on the basis of the medium-term plans for the next three years approved by management. Cash flows beyond the three-year planning period are extrapolated using a perpetual growth rate. If the recoverable amount is lower than the carrying amount, the carrying amount is reduced to the recoverable amount by recording an impairment charge.

## 17. Investments in associates and joint ventures

### Investments in associates

#### Investments in associates

in thousand CHF	2025	2024
<b>Net carrying amount as at 1 January</b>	<b>112,729</b>	<b>112,969</b>
Share of profit from associates	-1,997 <sup>1)</sup>	257
Remeasurement of net defined benefit plans from associates	791	405
Investments	2,081	2,071
Dividends received	-4,933	-2,973
<b>Net carrying amount as at 31 December</b>	<b>108,669</b>	<b>112,729</b>

<sup>1)</sup> Including a revaluation loss of CHF -2.4 million

Mediservice is the only significant associate of Galenica. Mediservice as specialty pharmacy offers a range of services for chronic and rare disease. Furthermore, Mediservice operates the pure online pharmacy Redcare-apotheke.ch and is registered in Zuchwil, Switzerland. Galenica owns 49% of the share capital and voting rights, Redcare Pharmacy N.V., Netherlands owns 51% of the share capital and voting rights.

#### Condensed financial information of Mediservice

in thousand CHF	2025	2024
Current assets	74,541	80,601
Non-current assets	200,905	200,737
Current liabilities	64,229	59,752
Non-current liabilities	4,688	7,269
Equity before appropriation of earnings	206,529	214,317
Operating income	528,651	471,376
EBIT	511	1,655
Net profit	598	1,632
Remeasurement of net defined benefit plans recognised in other comprehensive income	1,614	826

The net carrying amount of the investment in Mediservice is CHF 101.2 million as at 31 December 2025 (previous year: CHF 105.0 million). Unrealised profits on inventory are not considered in these amounts.

## Investments in joint ventures

### Investments in joint ventures

in thousand CHF	2025	2024
<b>Net carrying amount as at 1 January</b>	<b>32,358</b>	<b>31,016</b>
Share of profit from joint ventures	7,664	5,951
Remeasurement of net defined benefit plans from joint ventures	5	95
Disposal	-73	-
Dividends received	-735	-4,704
<b>Net carrying amount as at 31 December</b>	<b>39,219</b>	<b>32,358</b>

Coop Vitality is the only significant joint venture of Galenica. Coop Vitality is registered in Bern, Switzerland. Galenica owns 49% of the share capital and voting rights, Coop Cooperative owns 51% of the share capital and voting rights.

In case Coop Vitality was overindebted, Galenica has an unlimited obligation, in proportion to its equity interest, to restructure the company. At the reporting date, this joint venture is not overindebted.

### Condensed financial information of Coop Vitality

in thousand CHF	2025	2024
Current assets	48,019	46,860
Non-current assets	109,102	104,643
– of which right-of-use assets	40,157	38,314
Current liabilities	40,871	51,101
– of which current lease liabilities	9,917	9,727
Non-current liabilities	36,961	35,487
– of which non-current lease liabilities	30,747	29,351
Equity before appropriation of earnings	79,290	64,915
Operating income	310,766	293,095
EBIT	19,979	16,324
Net profit	15,864	12,644
Remeasurement of net defined benefit plans recognised in other comprehensive income	11	194

The net carrying amount of the investment in Coop Vitality is CHF 38.9 million as at 31 December 2025 (previous year: CHF 31.8 million). Unrealised profits on inventory are not considered in these amounts.

## 18. Financial assets

### Financial assets

in thousand CHF	2025	2024
Loans	8,498	13,845
Rental deposits	5,515	5,248
Other financial assets	776	780
<b>Loans and other financial assets</b>	<b>14,789</b>	<b>19,873</b>
Equity instruments at fair value through profit or loss	2,116	2,515
Equity instruments at fair value through other comprehensive income	132,359	264,541
<b>Financial assets</b>	<b>149,264</b>	<b>286,929</b>

### Accounting principles financial assets

Non-current financial assets comprise loans, time deposits with a term to maturity of more than twelve months, rental deposits, equity instruments and derivative financial instruments with a positive fair value and a residual term to maturity of more than twelve months. Other than the derivatives measured at fair value through profit or loss, the financial assets are held to collect contractual cash flows comprising solely principal and interest payments and are therefore measured at amortised cost subsequent to initial recognition. Any credit losses on financial assets recognised represent 12 month expected losses and are estimated based on the credit risk of the counterparty. Any impairment is recognised in financial expenses.

## 19. Financial liabilities

### Financial liabilities

in thousand CHF	2025	2024
Loans	12,440	24,503
Liabilities to pension funds	15,087	14,365
Bonds	769,288	519,811
Contingent consideration liabilities from business combinations	4,150	30,907
Other financial liabilities	16,001	8,506
<b>Financial liabilities</b>	<b>816,965</b>	<b>598,093</b>
- of which current financial liabilities	215,422	58,385
- of which non-current financial liabilities	601,543	539,708

### Bonds

in thousand CHF	ISIN	Nominal	Coupon	2025	2024
Straight Bond (15 June 2017 - 15 December 2026)	CH0367206700	180,000	1.00%	180,039	180,080
Straight Bond (8 May 2023 - 8 November 2029)	CH1255924453	240,000	2.35%	239,832	239,791
Straight Bond (30 April 2024 - 30 April 2031)	CH1331113634	100,000	1.65%	99,949	99,940
Straight Bond (9 December 2025 - 9 December 2032)	CH1494626398	250,000	1.08%	249,467	-
<b>Bonds</b>		<b>770,000</b>		<b>769,288</b>	<b>519,811</b>

Cash flow from financial liabilities and lease liabilities 2025

in thousand CHF	01.01.2025	Proceeds from financial liabilities	Repayment of financial liabilities	Addition to scope of consolidation	Other changes	31.12.2025
Bank loans	–	280,000	–321,750	41,750	–	–
Loans	24,503	1,129	–13,193	–	–	12,440
Liabilities to pension funds	14,365	823	–101	–	–	15,087
Private placement (notes)	–	50,000	–50,000	–	–	–
Bonds	519,811	249,463	–	–	14	769,288
Contingent consideration liabilities from business combinations	30,907	–	–	–	–26,757	4,150
Other financial liabilities	8,506	–	–35	35	7,495	16,001
<b>Financial liabilities</b>	<b>598,093</b>	<b>581,415</b>	<b>–385,079</b>	<b>41,785</b>	<b>–19,248</b>	<b>816,965</b>
Lease liabilities	235,887	–	–54,064	16,862	45,312	243,998
<b>Financial liabilities and lease liabilities</b>	<b>833,980</b>	<b>581,415</b>	<b>–439,143</b>	<b>58,647</b>	<b>26,064</b>	<b>1,060,963</b>

Cash flow from financial liabilities and lease liabilities 2024

in thousand CHF	01.01.2024	Proceeds from financial liabilities	Repayment of financial liabilities	Addition to scope of consolidation	Other changes	31.12.2024
Bank loans	30,000	160,000	–190,000	–	–	–
Loans	28,053	1,150	–4,810	–	110	24,503
Mortgages	1,229	–	–1,229	–	–	–
Liabilities to pension funds	10,708	3,560	–	–	97	14,365
Private placement (notes)	–	45,000	–45,000	–	–	–
Bonds	419,871	99,934	–	–	6	519,811
Contingent consideration liabilities from business combinations	41,507	–	–	–	–10,600	30,907
Other financial liabilities	7,431	–	–	–	1,075	8,506
<b>Financial liabilities</b>	<b>538,799</b>	<b>309,645</b>	<b>–241,039</b>	<b>–</b>	<b>–9,312</b>	<b>598,093</b>
Lease liabilities	236,041	–	–52,576	4,376	48,046	235,887
<b>Financial liabilities and lease liabilities</b>	<b>774,841</b>	<b>309,645</b>	<b>–293,615</b>	<b>4,376</b>	<b>38,733</b>	<b>833,980</b>

## 20. Trade and other payables

Trade and other payables

in thousand CHF	2025	2024
Trade payables	462,066	418,274
Contract liabilities	10,968	10,381
Other payables	26,632	26,693
<b>Trade and other payables</b>	<b>499,667</b>	<b>455,348</b>

Contract liabilities are generally recognised in revenue within 12 months.

## 21. Provisions

### Provisions

in thousand CHF	2025	2024
<b>1 January</b>	<b>5,256</b>	<b>5,558</b>
Addition	1,557	654
Use	-380	-760
Reversal	-3,020	-372
Addition to scope of consolidation	3,837	176
<b>31 December</b>	<b>7,250</b>	<b>5,256</b>
- of which current provisions	6,782	4,983
- of which non-current provisions	468	273

Provisions are recognised for the estimated cost on damage, contractual liabilities, customer complaints, litigation risk and ongoing legal proceedings.

## 22. Contingent liabilities and commitments

Galenica is subject to a variety of risks. These risks include, but are not limited to, risks regarding product liability, patent law, tax law, competition laws and anti-trust laws. A number of Group companies are currently involved in administrative proceedings, legal disputes and investigations relating to their business activities. The results of ongoing proceedings cannot be predicted with certainty. Management has established appropriate provisions for any expenses likely to be incurred. These projections, however, are also subject to uncertainty. Galenica does not expect the results of these proceedings to have a significant impact on the financial statements.

Galenica entered into various obligations regarding the purchase of services, goods and equipment as part of its ordinary business operations.

Galenica signed purchase agreements to acquire property, plant and equipment and intangible assets totalling CHF 10.3 million (previous year: CHF 15.9 million). The payments under these purchase commitments become due in 2026.

Furthermore, there are guarantees of CHF 11.8 million (previous year: CHF 12.4 million) and subordinated loans of CHF 1.2 million (previous year: CHF 1.1 million) to third parties.

There are no unusual pending transactions or risks to be disclosed.

## 23. Employee benefit plans

The vast majority of the Galenica employees work in Switzerland and participate in the Galenica Pension Fund, which is financed by the employers and the employees. This plan is legally separate from Galenica and qualifies as a defined benefit plan. The pension plan covers the risks of the economic consequences of old age, disability and death in accordance with the Swiss Federal Occupational Retirement, Survivors and Disability Pension Plans Act (BVG/LPP). The pension plan is structured in the legal form of a foundation. All actuarial risks are borne by the foundation and regularly assessed by the Board of Trustees based on an annual actuarial appraisal prepared in accordance with BVG/LPP. The company's liabilities are limited to contributions that are based on a percentage of the insured salary under the Swiss law. Only in cases of a funded status that is significantly below a funded status of 100% as per the BVG/LPP law can Galenica be required to pay additional contributions. The calculations made in these appraisals do not apply the projected unit credit method required by IFRS Accounting Standards. If the calculations made in accordance with the provisions of BVG/LPP reveal a funded status of less than 100%, suitable restructuring measures need to be introduced. The Board of Trustees consists of employee and employer representatives.

The defined benefit plan is funded. Plan assets are managed separately from Galenica's assets by the independent pension fund.

The most recent actuarial valuation was prepared as at 31 December 2025. The pension fund assets are invested in accordance with local investment guidelines. Galenica pays its contributions to the pension fund in accordance with the regulations defined by the fund.

The final funded status pursuant to BVG/LPP is not available until the first quarter of the subsequent year. The projected funded status as at 31 December 2025 for Galenica Pension Fund is 118.8% (unaudited) and as at 31 December 2024 117.6% (final).

### Defined benefit plans and long-service awards

in thousand CHF	2025			2024		
	Defined benefit plans	Long-service awards <sup>1)</sup>	Total	Defined benefit plans	Long-service awards <sup>1)</sup>	Total
Plan assets measured at fair value	1,346,671	–	1,346,671	1,228,826	–	1,228,826
Present value of defined benefit obligation	-1,238,613	-13,843	-1,252,456	-1,188,654	-13,680	-1,202,334
<b>Surplus / (deficit)</b>	<b>108,058</b>	<b>-13,843</b>	<b>94,215</b>	<b>40,172</b>	<b>-13,680</b>	<b>26,492</b>
Effect of asset ceiling	-111,559	–	-111,559	-44,022	–	-44,022
<b>Net carrying amount recognised in employee benefit assets / liabilities</b>	<b>-3,501</b>	<b>-13,843</b>	<b>-17,344</b>	<b>-3,850</b>	<b>-13,680</b>	<b>-17,530</b>
of which recognised in liabilities	-3,501	-13,843	-17,344	-3,850	-13,680	-17,530

<sup>1)</sup> Long-service awards relate to provisions for jubilee payments

### Change in present value of defined benefit obligation

in thousand CHF	2025			2024		
	Defined benefit plans	Long-service awards	Total	Defined benefit plans	Long-service awards	Total
<b>1 January</b>	<b>-1,188,654</b>	<b>-13,680</b>	<b>-1,202,334</b>	<b>-1,079,958</b>	<b>-14,290</b>	<b>-1,094,248</b>
Current service cost	-34,108	-1,503	-35,611	-32,761	-1,756	-34,517
Past service cost	–	–	–	-95	–	-95
Interest on defined benefit obligation	-11,040	-125	-11,165	-14,752	-184	-14,937
Actuarial gain/(loss)	32,782	424	33,206	-55,377	1,023	-54,354
Employee contributions	-22,941	–	-22,941	-22,027	–	-22,027
Benefits/awards paid	24,277	1,425	25,702	16,315	1,527	17,842
Change in scope of consolidation	-38,929	-385	-39,314	–	–	–
<b>31 December</b>	<b>-1,238,613</b>	<b>-13,843</b>	<b>-1,252,456</b>	<b>-1,188,654</b>	<b>-13,680</b>	<b>-1,202,334</b>

**Change in fair value of plan assets**

in thousand CHF	2025	2024
<b>1 January</b>	<b>1,228,826</b>	<b>1,101,802</b>
Interest on plan assets	11,691	15,423
Remeasurement gain/(loss)	38,615	73,340
Employee contributions	22,941	22,027
Employer contributions	35,032	33,586
Net benefits paid	-24,277	-16,315
Administration cost	-997	-1,036
Change in scope of consolidation	34,840	-
<b>31 December</b>	<b>1,346,671</b>	<b>1,228,826</b>

**Net defined benefit cost**

in thousand CHF	2025	2024
Current service cost	34,108	32,761
Past service cost	-	95
Net interest on net defined benefit liability	-233	-582
Administration cost	997	1,036
<b>Net defined benefit cost</b>	<b>34,872</b>	<b>33,310</b>

**Remeasurement of net defined benefit assets / liabilities**

in thousand CHF	2025	2024
Actuarial gain/(loss) due to:		
- Changes in demographic assumptions	-	24,399
- Changes in financial assumptions	48,275	-54,261
- Experience adjustments	-15,493	-25,515
Remeasurement of plan assets	38,615	73,340
Effect in the change of asset ceiling	-67,119	-37,587
<b>Remeasurement of net defined benefit liabilities recognised in other comprehensive income</b>	<b>4,278</b>	<b>-19,624</b>

**Change in assumption and in estimate**

The experience adjustments of minus CHF 15.5 million (previous year: minus CHF 25.5 million) were the result of various elements not expected in the prior year mainly the additional interest rate in 2025 on the defined benefit plans, additional onetime pension payments and the overall development of the population and other items as calculated by the external actuary.

The increase of the discount rate from 0.95% to 1.30% (previous year: decrease from 1.40% to 0.95%) resulted in a decrease of the defined benefit obligation of CHF 48.3 million (previous year: increase of CHF 54.3 million).

In the previous year, Galenica conducted a review of actuarial valuation parameters, including employee turnover rates. Based on observed historical patterns, turnover rates were adjusted to approximately 120% of the BVG 2020 tables for the retail business and 110% for the non-retail business. These adjustments resulted in a decrease of the defined benefit obligation by CHF 24.4 million, which was recognised in other comprehensive income in 2024.

**Asset ceiling**

in thousand CHF	2025	2024
<b>1 January</b>	<b>-44,022</b>	<b>-6,346</b>
Interest income	-418	-89
Change in the asset ceiling (recognised in other comprehensive income)	-67,119	-37,587
<b>31 December</b>	<b>-111,559</b>	<b>-44,022</b>

**Investment structure of plan assets**

in thousand CHF	2025		2024	
Cash and cash equivalents	4,334	0.3%	9,514	0.8%
Debt instruments	273,339	20.3%	269,158	21.9%
Equity instruments	557,947	41.4%	524,226	42.7%
Real estate	323,269	24.0%	276,572	22.5%
Other investments	187,782	13.9%	149,356	12.2%
<b>Fair value of plan assets</b>	<b>1,346,671</b>	<b>100.0%</b>	<b>1,228,826</b>	<b>100.0%</b>
Current return on plan assets		4.0%		8.1%

The Board of Trustees is responsible for investing the plan assets. It defines the investment strategy and determines the long-term target asset structure (investment policy), taking into account the legal requirements, objectives set, the benefit obligations and the foundations' risk capacity. The Board of Trustees delegates implementation of the investment policy in accordance with the investment strategy to an investment committee, which also comprises trustees from the Board of Trustees and a general manager. Plan assets are managed by external asset managers in line with the investment strategy.

Cash and cash equivalents are deposited with financial institutions with a credit rating of A or above.

Debt instruments (e.g. bonds) have a credit rating of at least BBB and quoted prices in active markets (level 1 of the fair value hierarchy). They can be investments in funds and direct investments.

Equity instruments are investments in equity funds. These generally have quoted prices in active markets (level 1 of the fair value hierarchy).

Real estate relates to both residential property and offices. These can be investments in quoted real estate funds (level 1 of the fair value hierarchy) or direct investments (level 3 of the fair value hierarchy). If real estate is held directly, it is valued by an independent expert.

Other investments consist of hedge funds, insurance linked securities (ILS), infrastructures, senior loans, private equity and receivables. There are receivables from Group companies amounted to CHF 13.6 million (previous year: CHF 12.9 million). Investments in hedge funds are classified as alternative investments. They are primarily used for risk management purposes. In most cases, quoted prices in an active market are not available for hedge funds investments (level 2 or level 3 of the fair value hierarchy).

The use of derivative financial instruments is only permitted if sufficient liquidity or underlying investments are available. Leverage and short selling are not permitted.

The pension funds manage the assets of 6,269 active members (previous year: 5,900) and 1,071 pensioners (previous year: 1,036).

Galenica does not use any pension fund assets.

**Basis for measurement**

	2025	2024
Discount rate	1.30%	0.95%
Salary development	1.90%	2.10%
Pension development	0.00%	0.00%
Mortality (mortality tables)	BVG 2020 GT (CMI), 1.5%	BVG 2020 GT (CMI), 1.5%
Turnover	BVG 2020 (110% –120%)	BVG 2020 (110% –120%)

**Sensitivity analysis**

The discount rate, future salary development and mortality were identified as key actuarial assumptions. Changes in these assumptions would affect the defined benefit obligation (DBO) as follows:

**Sensitivity analysis**

in thousand CHF	2025		2024	
	Variations in assumptions	Impact on DBO	Variations in assumptions	Impact on DBO
Discount rate	+0.25%	–35,881	+0.25%	–36,871
	–0.25%	38,397	–0.25%	39,257
Salary development	+0.25%	2,477	+0.25%	3,581
	–0.25%	–2,477	–0.25%	–2,400
Mortality	+1 year	29,417	+1 year	30,837
	–1 year	–30,617	–1 year	–30,837

The sensitivity analysis assumes potential changes in the above parameters as at year end. Every change in a key actuarial assumption is analysed separately. Interdependencies were not taken into account.

The pension obligations have an average duration of 14.2 years (previous year: 14.7 years).

Cash outflows for pension payments and other obligations can be budgeted reliably. The benefit plans collect regular contribution payments. Furthermore, the investment strategies safeguard liquidity at all times.

The employer contributions to the pension fund are estimated at CHF 36.7 million for 2026.

## 24. Shareholders' equity

### 24.1 Share capital and number of shares

Galenica has fully paid-up share capital of CHF 5,000,000, divided into 50,000,000 publicly listed shares with a par value of CHF 0.10 each, as at the reporting date. All shares have the same capital rights with the exception of the treasury shares which do not generate any dividends. Voting rights and restrictions on voting rights are described in detail in Galenica's Annual Report 2025 in the chapter Corporate Governance (unaudited).

#### Number of shares

	Total shares Galenica Ltd.	Treasury shares	Outstanding shares
<b>Balance as at 31.12.2023</b>	<b>50,000,000</b>	<b>-167,820</b>	<b>49,832,180</b>
Transactions with treasury shares	-	-5,159	-5,159
<b>Balance as at 31.12.2024</b>	<b>50,000,000</b>	<b>-172,979</b>	<b>49,827,021</b>
Transactions with treasury shares	-	-2,637	-2,637
<b>Balance as at 31.12.2025</b>	<b>50,000,000</b>	<b>-175,616</b>	<b>49,824,384</b>

The treasury shares are reserved for share-based payments to employees.

### 24.2 Changes in consolidated shareholder's equity

On 10 April 2025, the Annual General Meeting approved a dividend payment of CHF 114.7 million for the financial year 2024 (previous year: CHF 109.7 million), corresponding to CHF 2.30 per registered share (previous year: CHF 2.20). For this purpose, CHF 1.15 was taken from the reserves from capital contributions (previous year: CHF 1.10) and CHF 1.15 from retained earnings (previous year: CHF 1.10) of Galenica Ltd. The dividend was paid out to the shareholders on 16 April 2025.

In the reporting period, 161,623 treasury shares (previous year: 131,964 treasury shares) were bought at an average price of CHF 86.67 (previous year: CHF 73.53) and 158,986 treasury shares (previous year: 126,805 treasury shares) were issued as share-based payments.

The expense for share-based payment transactions, allocated over the vesting period, has been recognised in personnel costs and accrued in consolidated shareholders' equity.

The remaining shareholders of acquisitions completed in 2022 and 2025 hold put options to sell their shares to Galenica, which gives rise to a financial liability. Changes in the carrying amount of this financial liability reduced consolidated shareholders' equity by CHF 4.8 million (previous year: CHF 1.2 million). In the previous year the acquisition of non-controlling interests reduced consolidated shareholders' equity by CHF 0.5 million.

The Board of Directors will submit a proposal to the Annual General Meeting on 21 April 2026 to pay a dividend of CHF 2.50 per share entitled to receive dividend for the financial year 2025. For this purpose, CHF 1.25 is to be taken from the reserves from capital contributions and CHF 1.25 from the retained earnings. However, no dividend will be paid on treasury shares. Based on the number of treasury shares as at 31 December 2025, the total dividend would amount to CHF 124.6 million.

## 25. Financial instruments

### 25.1 Categories of financial instruments

#### Carrying amounts of financial instruments 2025

in thousand CHF	Financial assets at amortised costs	Financial assets at fair value through OCI	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised costs	Total
Cash and cash equivalents	115,507	–	–	–	115,507
Trade and other receivables	526,776	–	–	–	526,776
Financial assets	16,905 <sup>1)</sup>	132,359	–	–	149,264
Current financial liabilities	–	–	4,150	211,272	215,422
Current lease liabilities	–	–	–	55,311	55,311
Trade and other payables	–	–	–	488,698	488,698
Non-current financial liabilities	–	–	–	601,543 <sup>2)</sup>	601,543
Non-current lease liabilities	–	–	–	188,687	188,687
<b>Total</b>	<b>659,188</b>	<b>132,359</b>	<b>4,150</b>	<b>1,545,511</b>	

<sup>1)</sup> Of which CHF 2.1 million are in connection to equity instruments which are designated as financial asset at fair value through profit or loss

<sup>2)</sup> Of which CHF 10.3 million are in connection to put options for non-controlling interests. Changes in the liability amount are recognised in equity

#### Carrying amounts of financial instruments 2024

in thousand CHF	Financial assets at amortised costs	Financial assets at fair value through OCI	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised costs	Total
Cash and cash equivalents	129,682	–	–	–	129,682
Trade and other receivables	499,999	–	–	–	499,999
Financial assets	22,388 <sup>1)</sup>	264,541	–	–	286,929
Current financial liabilities	–	–	18,500	39,885	58,385
Current lease liabilities	–	–	–	52,693	52,693
Trade and other payables	–	–	–	444,967	444,967
Non-current financial liabilities	–	–	12,407	527,300 <sup>2)</sup>	539,708
Non-current lease liabilities	–	–	–	183,195	183,195
<b>Total</b>	<b>652,069</b>	<b>264,541</b>	<b>30,907</b>	<b>1,248,039</b>	

<sup>1)</sup> Of which CHF 2.5 million are in connection to equity instruments which are designated as financial asset at fair value through profit or loss

<sup>2)</sup> Of which CHF 5.5 million are in connection to put options for non-controlling interests. Changes in the liability amount are recognised in equity

**Net gain/(loss) on financial instruments 2025**

in thousand CHF	Financial assets at amortised costs	Financial assets at fair value through OCI	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised costs	Total
Change in fair value	–	–	4,257	–	4,257
Net gain/(loss) on foreign exchange	–760	–	–	866	105
Other financial result	143	–	–	–52	91
Interest income	863	–	–	–	863
Interest expense	–	–	–	–10,596	–10,596
Interest expense on lease liabilities	–	–	–	–2,860	–2,860
Interest income on impaired trade receivables	155	–	–	–	155
Expected credit losses	–2,202	–	–	–	–2,202
Impairment on financial assets	–2,131	–	–	–	–2,131
<b>Net gain/(loss) recognised in profit or loss</b>	<b>–3,932</b>	<b>–</b>	<b>4,257</b>	<b>–12,643</b>	<b>–12,318</b>
<b>Net gain/(loss) recognised in other comprehensive income <sup>1)</sup></b>	<b>–</b>	<b>–137,014</b>	<b>–</b>	<b>–</b>	<b>–137,014</b>

<sup>1)</sup> Other comprehensive income includes changes in value of strategic investments (publicly and non-publicly traded equity instruments)

**Net gain/(loss) on financial instruments 2024**

in thousand CHF	Financial assets at amortised costs	Financial assets at fair value through OCI	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised costs	Total
Change in fair value	–	–	10,600	–	10,600
Net gain/(loss) on foreign exchange	357	–	–	69	425
Other financial result	337	–	–	–42	295
Interest income	1,407	–	–	–	1,407
Interest expense	–	–	–	–9,538	–9,538
Interest expense on lease liabilities	–	–	–	–3,116	–3,116
Interest income on impaired trade receivables	212	–	–	–	212
Expected credit losses	337	–	–	–	337
Impairment on financial assets	–452	–	–	–	–452
<b>Net gain/(loss) recognised in profit or loss</b>	<b>2,198</b>	<b>–</b>	<b>10,600</b>	<b>–12,628</b>	<b>170</b>
<b>Net gain/(loss) recognised in other comprehensive income <sup>1)</sup></b>	<b>–</b>	<b>2,408</b>	<b>–</b>	<b>–</b>	<b>2,408</b>

<sup>1)</sup> Other comprehensive income includes changes in value of strategic investments (publicly and non-publicly traded equity instruments)

## **Accounting principles financial instruments (measurement and categories)**

Galenica distinguishes between the following types of financial assets and financial liabilities:

### **Financial assets at amortised cost**

This category includes trade and other receivables as well as loans and other financial assets such as rental deposits. These financial assets are subsequently measured at amortised cost using the effective interest rate method less expected credit losses. Galenica uses the simplified approach to determine its bad debt allowances for trade receivables using lifetime expected credit losses. Expenses for expected credit losses comprise the change in bad debt allowance and receivables directly written off.

Uncollectible loans and receivables are only derecognised if a certificate of loss has been issued.

### **Financial assets at fair value through other comprehensive income**

Financial assets measured at fair value through other comprehensive income includes equity instruments which were irrevocably classified to be strategic in nature.

### **Financial liabilities at fair value through profit or loss**

Financial liabilities classified as at fair value through profit or loss correspond to contingent consideration liabilities from business combinations.

### **Financial liabilities at amortised costs**

Financial liabilities mainly comprise trade and other payables as well as financial liabilities and bonds and are measured at amortised cost using the effective interest rate method.

Put options granted to non-controlling interests to sell their shares to Galenica as part of a business combination represent a contractual obligation to purchase non-controlling interests and give rise to a financial liability if the option does not provide Galenica with a present ownership interest in the shares concerned. This liability is measured at the redemption amount as if the put option had been exercised at the balance sheet date. Galenica accounts for changes in the carrying amount of this financial liability as an equity transaction.

## 25.2 Fair value measurement

### Fair value

in thousand CHF	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Bond (level 1 of the fair value hierarchy)	769,288	785,520	519,811	541,600

With the exception of the bond the carrying amounts of all financial instruments approximate to their fair value or fair value disclosure is not required (lease liabilities).

As at 31 December 2025 Galenica holds equity instruments designated at fair value through other comprehensive income including a 10.4% (previous year: 10.3%) investment in the listed (level 1 of the fair value hierarchy) company Redcare Pharmacy N.V., Netherlands, with a fair value of CHF 131.0 million (previous year: CHF 261.4 million) and other investment in non-listed (level 3 of the fair value hierarchy) companies with a fair value of CHF 1.3 million (previous Year: CHF 3.2 million). These investments were irrevocably designated at fair value through other comprehensive income as Galenica considers these investments to be strategic in nature. Galenica recognised in the consolidated statement of comprehensive income a remeasurement loss of CHF 137.0 million (previous year: gain of CHF 2.4 million).

### Fair value of financial instruments (level 3 of the fair value hierarchy)

#### Fair value of contingent consideration liabilities from business combinations (level 3 of the fair value hierarchy)

in thousand CHF	2025	2024
<b>1 January</b>	<b>30,907</b>	<b>41,507</b>
Change in fair value (recognised in profit or loss)	-4,257	-10,600
Payments (cash out)	-22,500	-
<b>31 December</b>	<b>4,150</b>	<b>30,907</b>

Fair value changes of contingent consideration liabilities from business combinations are recognised in profit or loss (financial result) for the relevant reporting period.

#### Fair value of equity instruments designated at fair value through other comprehensive income (level 3 of the fair value hierarchy)

in thousand CHF	2025	2024
<b>1 January</b>	<b>3,181</b>	<b>3,928</b>
Addition	-	935
Change in fair value (recognised in other comprehensive income)	-1,851	-1,682
<b>31 December</b>	<b>1,330</b>	<b>3,181</b>

**Fair value and sensitivity analysis of contingent consideration liabilities from discontinued operations**

Determining the contingent consideration liability in connection with the sale of Mediservice forecasted gross margin of the discontinued operation was identified as key assumptions. During the current financial year, a post-transaction review was conducted together with Mediservice's strategic partners. As a result of this review, the original contractual arrangement relating to the contingent consideration was amended, in particular by extending its duration. Consequently, the contingent consideration liability related to discontinued operations was increased by CHF 2.0 million. Accordingly Galenica has recorded the amount of CHF 5.1 million (previous year CHF 3.0 million) as other liability in the consolidated statement of financial position. The future cash outflows range between zero and CHF 5.1 million.

**Sensitivity analysis of contingent consideration liabilities from business combinations (level 3 of the fair value hierarchy)**

An initial tranche of the contingent consideration liability arising from the business combination of Bahnhof Apotheke Langnau was settled during financial year 2025 with an amount of CHF 9.0 million. The remaining tranche is contingent upon the net sales achieved by the acquired business in the years 2026 and 2027. Galenica has recorded no amount as contingent consideration liability based on assumed probability-adjusted net sales. The possible future cash outflows range between zero and CHF 20.0 million. An increase of 20% in the expected net sales of the acquired business 2026 and 2027 would increase the contingent consideration liability by CHF 5.0 million. In return, a decrease of the expected net sales 2026 and 2027 would not have any impact on the assessment of the contingent consideration liability.

The contingent consideration liabilities arising from the business combinations of Lifestage Solutions and Padma were fully settled during the financial year 2025 for CHF 9.5 million and CHF 4.0 million respectively.

In addition, the contingent consideration liability related to the acquisition of Aquantic was settled on 30 January 2026 for CHF 4.2 million.

## 26. Financial risk management

Galenica is exposed to various financial risks and liquidity requirements. Galenica's financing and financial risk management activities are centralised in Group Treasury, which manages financial exposures of Galenica on account of changes in interest rates, currency risks, credit risks and liquidity in a manner that is consistent with underlying business risks and in line with the treasury policy approved by the Board of Directors as well as internal guidelines on cash and liability management. In addition, capital management of Galenica is also mainly exercised and monitored at Group level.

It is Galenica's policy not to enter into any speculative financial arrangements and to ensure matching maturities. Together, the risk management and monitoring measures described below are designed to limit negative impact on the financial statements.

### 26.1 Liquidity risk

#### Liquidity risk management

The aim of liquidity risk management is to provide sufficient cash to meet Galenica's financial liabilities on time while maintaining the flexibility to take advantage of market opportunities and optimum investment conditions. Group Treasury is responsible for raising current and non-current loans as well as for decisions on investments. Apart from financing operations, Galenica's credit standing enables it to borrow funds at an advantageous rate. To ensure that Galenica can meet its payment obligations in good time, liquidity is monitored centrally. Group Treasury monitors the cash flows using rolling liquidity planning. This takes into account the maturities of the financial instruments as well as the cash flows from operating activities.

#### Maturity profile of financial liabilities 2025

in thousand CHF	Carrying amount	Total undiscounted cash flows	up to 3 months	3 to 12 months	1 to 5 years	Maturities more than 5 years
Trade and other payables	488,698	488,698	488,698	–	–	–
Current financial liabilities	35,383	35,383	28,702	6,681	–	–
Current lease liabilities	55,311	57,754	14,615	43,139	–	–
Non-current financial liabilities	12,295	12,465	–	–	12,465	–
Bonds	769,288	823,160	–	191,790	274,320	357,050
Non-current lease liabilities	188,687	194,881	–	–	154,201	40,680
<b>Total</b>	<b>1,549,661</b>	<b>1,612,341</b>	<b>532,015</b>	<b>241,610</b>	<b>440,986</b>	<b>397,730</b>

#### Maturity profile of financial liabilities 2024

in thousand CHF	Carrying amount	Total undiscounted cash flows	up to 3 months	3 to 12 months	1 to 5 years	Maturities more than 5 years
Trade and other payables	444,967	444,967	444,967	–	–	–
Current financial liabilities	58,385	58,388	56,068	2,320	–	–
Current lease liabilities	52,693	55,239	13,922	41,317	–	–
Non-current financial liabilities	19,896	20,154	–	–	20,154	–
Bonds	519,811	563,350	–	9,090	452,610	101,650
Non-current lease liabilities	183,195	190,156	–	–	146,891	43,265
<b>Total</b>	<b>1,278,946</b>	<b>1,332,254</b>	<b>514,956</b>	<b>52,728</b>	<b>619,655</b>	<b>144,915</b>

## 26.2 Credit risk

### Credit risk management

Credit risk arise when a customer or a third party fails to meet its contractual obligations and causes Galenica a financial loss. Credit risk are minimised and monitored by restricting business relations to known, reliable partners.

Corporate policy ensures that credit checks are performed for customers who are supplied on credit. Trade receivables are subject to active risk management procedures. They are continually monitored and credit risk is reviewed in the process of reporting to management. Allowances for expected credit losses are made in accordance with uniform guidelines on the measurement of outstanding receivables.

In addition, credit risk arise in relation to financial assets, comprising cash and cash equivalents, securities and loans. The creditworthiness of the counterparties is regularly monitored and reported to management.

#### Financial assets subject to credit risk

in thousand CHF	2025	2024
Cash and cash equivalents (without cash on hand)	113,852	128,055
Trade and other receivables	526,776	499,999
Loans and other financial assets	14,789	19,873
<b>Financial assets subject to credit risk</b>	<b>655,418</b>	<b>647,927</b>

The financial assets subject to credit risk are primarily receivables.

Galenica applies internal risk management guidelines to identify concentrations of credit risk.

Galenica's financial assets are not exposed to a concentration of credit risk.

Trade receivables past due are analysed on an ongoing basis. These receivables are accounted for using individual bad debt allowances, adjusted for forward-looking factors specific to the debtors and the economic environment. Based on past experience, Galenica considers the creditworthiness of non-past due trade receivables to be good.

## 27. Capital management

The capital of Galenica is managed and monitored at Group level. The objective of capital management at Galenica is to ensure the continuity of operations, increase enterprise value on a sustainable basis, provide an adequate return to investors, provide the financial resources to enable investments in areas that deliver future benefits for patients and customers and further returns to investors.

Galenica defines the capital that it manages as invested interest-bearing liabilities and equity. Galenica uses a system of financial control based on various key performance indicators. Capital is monitored based on the gearing, for example, which expresses net debt as a percentage of shareholders' equity including non-controlling interests and is communicated regularly to management as part of internal reporting.

Net debt, shareholders' equity and gearing are shown in the table below.

### Net debt, shareholder's equity and gearing

in thousand CHF	2025	2024
Current financial liabilities <sup>1)</sup>	207,566	38,868
Current lease liabilities	55,311	52,693
Non-current financial liabilities <sup>1)</sup>	589,248	519,811
Non-current lease liabilities	188,687	183,195
Cash and cash equivalents	-115,507	-129,682
Interest-bearing receivables	-6,500	-4,899
<b>Net debt</b>	<b>918,806</b>	<b>659,986</b>
Equity attributable to shareholders of Galenica Ltd.	1,481,901	1,548,694
Non-controlling interests	3,100	3,150
Shareholders' equity	1,485,002	1,551,844
<b>Gearing</b>	<b>61.9%</b>	<b>42.5%</b>

<sup>1)</sup> Excluding non-interest-bearing financial liabilities

Galenica has no covenants requiring a minimum level of equity, nor is Galenica subject to any externally regulated capital requirements as seen in the financial services sector.

## 28. Share-based payments

### Remuneration for members of the Board of Directors

The members of the Board of Directors receive fixed annual remuneration and can choose whether to receive it in full or in part (50%) in shares of Galenica Ltd. The amount settled in shares is paid out with a discount of 25%. The shares may not be traded for the first five years.

The fair value of the shares granted is equivalent to the amount to be paid out in shares plus the discount of 25%.

### Share plan for members of senior management

According to the participation plan, members of senior management receive their performance-related bonus partly in cash and partly in shares of Galenica Ltd. The proportion of cash to shares is set out in the regulations and is based on the salary grade of the recipient. In addition, all members of senior management are obliged to hold a number of shares of Galenica. The amount to be settled in shares is paid out in the form of shares of Galenica Ltd. with a discount of 25%. The shares may not be traded for the first five years.

The fair value of the shares granted is equivalent to the amount to be paid out in shares plus the discount of 25%.

### Long-term incentive plan (LTI)

Members of the Corporate Executive Committee of Galenica and certain members of senior management participate in a LTI plan for the allocation of performance share units. The number of these performance share units is based on the extent to which defined long-term performance targets such as the Galenica Economic Profit and the relative total shareholders return (TSR) are attained. TSR is measured as a percentile ranking against a peer group of relevant companies. A LTI plan always runs for a vesting period of three years. At the beginning of each financial year a new LTI plan with a new vesting period of three years is issued. At the start of the vesting period a defined number of performance share units are individually allocated. The number of performance share units allocated is dependent on the defined percentage of the annual salary incorporated into the LTI plan as well as the effective share price at the time of the allocation. At the end of the vesting period performance share units are paid out to eligible beneficiaries in the form of shares of Galenica Ltd.

16,846 performance share units (previous year: 16,780 performance share units) were granted to beneficiaries at a fair value of CHF 73.50 (previous year: CHF 69.05) at the beginning of the reporting period for the 2025 LTI plan.

### Employee share plan

Employees of Galenica are entitled to buy a fixed number of shares of Galenica Ltd. at a preferential price. All employees who, at the time of the purchase offer, are not under notice and have an employment contract of unlimited duration are entitled to acquire shares.

The purchase price for the shares is calculated at the time of the purchase offer based on the average price for the previous month less a 30% discount. The price discount is borne by the employer. The shares may not be traded for the first three years.

In the reporting period, employees purchased 76,121 shares of Galenica Ltd. (previous year: 65,248 shares) at a price of CHF 61.75 (previous year: CHF 52.70). This includes a discount of CHF 26.43 (previous year: CHF 23.00) per share.

### Share-based payment expense

in thousand CHF	2025	2024
Remuneration for members of the Board of Directors	1,760	1,387
Share plan for members of senior management	2,530	2,040
Long-term incentive plan (LTI)	1,100	1,036
Employee share plan	2,012	1,501
<b>Total</b>	<b>7,402</b>	<b>5,963</b>

## 29. Related party transactions

Related parties include all joint ventures, associates, pension funds, members of the Board of Directors and members of the Corporate Executive Committee.

### Related party transactions

The transactions shown in the table below under joint ventures largely concern transactions with Coop Vitality and those under associates mainly concern transactions with Mediservice. All transactions are realised at market-based prices. The invoice payment for the sale of goods and services are due within 30 days and is payable in CHF.

#### Related party transactions

in thousand CHF	2025		2024	
	Joint ventures	Associates	Joint ventures	Associates
Sale of goods	191,672	27,596	181,119	25,581
Income from services	8,461	1,340	7,589	1,560
Other income	19	13	18	–
Purchase of goods	14	198	283	9
Other operating costs	29	31,156	25	9,519
Financial income	157	27	249	1
Financial expenses	108	30	71	187
Receivables and loans	12,997	20,544	22,069	14,977
Trade payables and loans	5,954	7,669	5,863	20,357

The financial liabilities to pension funds amounted to CHF 15.1 million (previous year: CHF 14.3 million).

### Remuneration of the Board of Directors and the Corporate Executive Committee

#### Remuneration of the Board of Directors and the Corporate Executive Committee

in thousand CHF	2025	2024
Remuneration	4,507	4,226
Social security costs and pension expenses	1,170	1,102
Share-based payments	2,871	2,184
<b>Total</b>	<b>8,548</b>	<b>7,512</b>

### 30. Subsequent events

The following transactions occurred between 31 December 2025 and 5 March 2026, the date on which the consolidated financial statements 2025 were released for publication.

**Acquisition of pharmacies.** Galenica acquired 100% of the interests in pharmacies at various locations in Switzerland.

The purchase consideration was CHF 12.1 million and the fair value of the provisional net assets resulting from these additions was estimated at CHF 1.9 million at the acquisition date. Since the transactions were concluded shortly before the consolidated financial statements were issued, no further information was available to disclose the additional information required by IFRS Accounting Standards.

Furthermore Galenica signed purchase agreements after 31 December 2025 to acquire 100% of the interests in pharmacies at various locations in Switzerland. The net assets of these acquisitions will be consolidated beginning from the date control is obtained, which will be after 5 March 2026. The total purchase considerations are estimated to CHF 4.7 million and are due with the closing of the transactions. Since the transactions have not yet been concluded, it is not possible to disclose the additional information required by IFRS Accounting Standards.

**Acquisition of puravita AG.** On 5 January 2026, Galenica acquired an additional 32.91% of the shares in puravita AG, which had previously been accounted for as an investment in an associate. As a result of this transaction, Galenica obtained control over puravita AG and will therefore include puravita AG in its consolidated financial statements. The purchase consideration was CHF 3.4 million and the fair value of the provisional net assets resulting from these additions was estimated at CHF 2.4 million at the acquisition date. Since the transaction was concluded shortly before the consolidated financial statements were issued, no further information was available to disclose the additional details required under IFRS Accounting Standards.

**Discontinue of Bichsel's production division.** On 24 February 2026, and after a process of carefully evaluating several strategic alternatives, Galenica announced the intention to discontinue Bichsel's production division by the end of 2026 at the latest for economic reasons and focus on its home care operations. As a result of the planned production closure, Galenica expects up to 170 jobs in production and sales at Bichsel to be affected by the end of 2026 at the latest. The consultation process has been initiated and is not finished on the date of release of the financial statement. In the event of the closure of Bichsel's production division, the Galenica Group expects one-off special costs of CHF 35–40 million, which will arise in particular in the first half of 2026, of which CHF 17–19 million is attributable to value adjustments to inventories, manufacturing plants and other tangible assets.

There were no further significant events after the reporting date.

## 31. Group companies

### Group companies Products & Care

Group companies	Registered office	Method of consolidation	Currency	Share capital in thousand	2025 Equity interest	2024 Equity interest
<b>Products &amp; Care</b>						
Amavita Health Care Ltd.	CH-Niederbipp	full	CHF	100	100%	100%
Bahnhof Apotheke Langnau AG	CH-Langnau im Emmental	full	CHF	100	100%	100%
Bahnhof Apotheken Thun AG	CH-Thun	full	CHF	200	50%	50%
Bichsel AG <sup>1)</sup>	CH-Interlaken	full	CHF	100	100%	100%
Coop Vitality AG	CH-Bern	at equity	CHF	5,000	49%	49%
Coop Vitality Health Care GmbH <sup>1)</sup>	CH-Niederbipp	at equity	CHF	20	49%	49%
Coop Vitality Management AG	CH-Bern	at equity	CHF	100	49%	49%
curarex swiss AG <sup>2)</sup>	CH-Zuchwil	-	-	-	-	49%
Diagnostics Group LLC	CH-Goldach	full	CHF	1,000	100%	-
Dr. A.&L. Schmidgall GmbH & Co KG <sup>1)</sup>	AT-Vienna	full	EUR	145	100%	100%
Emeda Ltd.	CH-Wangen-Brüttisellen	at equity	CHF	200	50%	50%
FARMACIA CHIASSESE FARMADOMO SA <sup>1)</sup>	CH-Chiasso	at equity	CHF	100	33%	33%
Farmadomo Home Care Provider SA	CH-Bellinzona	at equity	CHF	100	33%	33%
Galenicare Ltd.	CH-Bern	full	CHF	700	100%	100%
Galenicare Management Ltd.	CH-Bern	full	CHF	500	100%	100%
G-Pharma AG	CH-Niederbipp	full	CHF	100	100%	100%
Grosse Apotheke Dr. G. Bichsel AG <sup>1)</sup>	CH-Interlaken	full	CHF	200	100%	100%
Haemoclot AG <sup>1)</sup>	CH-Zürich	full	CHF	100	100%	-
Hedoga AG	CH-Villars-sur-Glâne	full	CHF	100	100%	100%
Laboratorium Dr. G. Bichsel AG <sup>1)</sup>	CH-Unterseen	full	CHF	200	100%	100%
Labor Team Holding Ltd. <sup>1)</sup>	CH-Goldach	full	CHF	100	100%	-
labor team (liechtenstein) ag <sup>1)</sup>	LI-Schaan	full	CHF	50	100%	-
labor team w ag <sup>1)</sup>	CH-Goldach	full	CHF	6,210	100%	-
Lifestage Solutions Ltd.	CH-Otelfingen	full	CHF	152	100%	100%
Medifilm Ltd.	CH-Oensingen	full	CHF	1,300	100%	100%
medinform AG	CH-Zürich	full	CHF	100	50%	50%
MediService Ltd.	CH-Zuchwil	at equity	CHF	363	49%	49%
Modern-Path SA <sup>1)</sup>	CH-Montreux	full	CHF	100	80%	-
MolecWise AG <sup>1)</sup>	CH-Goldach	at equity	CHF	200	40%	-
PADMA Inc.	CH-Wetzikon	full	CHF	152	100%	100%
Padma Aktiengesellschaft für tibetische Heilmittel <sup>1)</sup>	CH-Freienbach	full	CHF	100	100%	100%
PADMA EUROPE GmbH <sup>1)</sup>	AT-Vienna	full	EUR	35	100%	100%
PADMA Deutschland GmbH <sup>1)</sup>	DE-Gräfelfing	full	EUR	25	100%	100%
puravita AG	CH-Speicher	at equity	CHF	189	47.09%	34.34%
Schmidgall GmbH <sup>1)</sup>	AT-Vienna	full	EUR	36	100%	100%
Spagyros Ltd.	CH-Worb	full	CHF	860	100%	100%
Sun Store Health Care Ltd.	CH-Niederbipp	full	CHF	100	100%	100%
SWISS PHARMA GmbH	DE-Rülzheim	full	EUR	51	100%	100%
Verfora Ltd.	CH-Villars-sur-Glâne	full	CHF	100	100%	100%
Winconcept Ltd.	CH-Bern	full	CHF	100	100%	100%
Zentral Apotheke Heerbrugg AG	CH-Au	full	CHF	100	100%	100%

<sup>1)</sup> Not directly held by Galenica Ltd.

<sup>2)</sup> The company was merged into MediService Ltd.

**Group companies Logistics & IT and Group Services**

Group companies	Registered office	Method of consolidation	Currency	Share capital in thousand	2025 Equity interest	2024 Equity interest
<b>Logistics &amp; IT</b>						
1L Logistics Ltd.	CH-Burgdorf	full	CHF	100	100%	100%
Alloga Ltd.	CH-Burgdorf	full	CHF	8,332	100%	100%
Aquantic AG	CH-Rheinfelden	full	CHF	100	100%	100%
Dauf SA <sup>1)</sup>	CH-Lugano	full	CHF	100	94.54%	94.54%
Galexis Ltd.	CH-Niederbipp	full	CHF	25,000	100%	100%
HCI Solutions Ltd.	CH-Bern	full	CHF	100	100%	100%
Health Supply Ltd.	CH-Villmergen	at equity	CHF	100	40%	40%
Pharma-Info AG <sup>2)</sup>	CH-Biel	-	-	-	-	49%
PharmaBlist Ltd. <sup>1)</sup>	CH-Widnau	full	CHF	100	100%	100%
Pharmapool Ltd. <sup>1)</sup>	CH-Widnau	full	CHF	962	100%	100%
Unione Farmaceutica Distribuzione SA	CH-Lugano	full	CHF	2,000	94.54%	94.54%
<b>Group Services</b>						
Galenica Finanz Ltd.	CH-Bern	full	CHF	100	100%	100%

<sup>1)</sup> Not directly held by Galenica Ltd.

<sup>2)</sup> The company was sold in the second half of 2025



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To the General Meeting of  
Galenica Ltd., Berne

Berne, 5 March 2026

## Report of the statutory auditor

### Report on the audit of the consolidated financial statements



#### Opinion

We have audited the consolidated financial statements of Galenica Ltd. and its subsidiaries (the Group), which comprise the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of financial position as at 31 December 2025, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.



#### Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements.



The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the consolidated financial statements.

#### Impairment risk of goodwill and other intangibles

<b>Risk</b>	<p>As disclosed in note 16, goodwill amounts to CHF 1'041.2 million as at 31 December 2025 and represents a major asset of Galenica. In addition, Galenica recorded intangible assets with indefinite useful lives with a carrying amount of CHF 91.7 million. Both goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually.</p> <p>Auditing management's annual impairment test is considered important to our audit as it depends on various estimates made by management and therefore includes judgmental elements. In particular, the assessment is sensitive to significant assumptions made about future market and economic conditions, such as economic growth, expected market share, revenue and margin development. Moreover, the terminal growth and the discount rate used have an impact on the net present value of the underlying cash generating unit.</p>
<b>Our audit response</b>	<p>We performed audit procedures that included, among others, assessing the methodology and testing the assumptions discussed above, the weighted average cost of capital (WACC), and technical input parameters used by Galenica. We involved our internal valuation specialists to assist us with these audit procedures. In addition, we assessed the cash flow projections for all cash generating units (CGUs) including the terminal growth. These procedures included an assessment of the historical accuracy of management's estimates and evaluation of business plans. In particular, we considered the available headroom of CGUs and performed sensitivity analyses of assumptions to evaluate whether changes in assumptions as described in note 16 could cause the carrying amount to exceed its recoverable amount. Our audit procedures did not lead to any reservations regarding the impairment tests of goodwill and other intangibles.</p>



#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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**Board of Directors' responsibilities for the consolidated financial statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

**Report on other legal and regulatory requirements**

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Daniel Zaugg  
Licensed audit expert  
(Auditor in charge)

Simone Wittwer  
Licensed audit expert

# Financial statements 2025 of Galenica Ltd.

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## Statement of income of Galenica Ltd.

in thousand CHF	2025	2024
Income from investments	139,199	105,160
Financial income	47,259	22,218
Other income	174,740	159,426
<b>Operating income</b>	<b>361,198</b>	<b>286,804</b>
Personnel costs	-89,682	-83,234
Financial expenses	-95,300	-12,434
Depreciation and amortisation	-22,777	-21,114
Other expenses	-50,757	-44,466
<b>Operating expenses</b>	<b>-258,516</b>	<b>-161,248</b>
<b>Earnings before taxes</b>	<b>102,682</b>	<b>125,556</b>
Direct taxes	-1,061	-1,011
<b>Net profit for the year</b>	<b>101,621</b>	<b>124,545</b>

## Statement of financial position of Galenica Ltd.

in thousand CHF		2025		2024
Cash and cash equivalents		105		183
Other receivables				
– Third parties		1,215		7,051
– Group companies		532		1
Prepaid expenses and accrued income				
– Third parties		8,697		5,686
– Group companies		1,500		1,345
<b>Current assets</b>		<b>0.7%</b>	<b>12,049</b>	<b>0.9%</b>
				<b>14,266</b>
Financial assets		211,472		262,067
Investments		1,366,693		1,101,488
Property, plant and equipment		8,242		9,792
Intangible assets		117,852		119,247
<b>Non-current assets</b>		<b>99.3%</b>	<b>1,704,259</b>	<b>99.1%</b>
				<b>1,492,594</b>
<b>Assets</b>		<b>100.0%</b>	<b>1,716,308</b>	<b>100.0%</b>
				<b>1,506,860</b>
Current interest-bearing liabilities		188,056		20,816
Other current liabilities				
– Third parties		17,191		11,759
– Group companies		46,501		56,743
Accrued expenses and deferred income				
– Third parties		17,332		13,252
– Group companies		-		740
<b>Current liabilities</b>		<b>15.7%</b>	<b>269,080</b>	<b>6.9%</b>
				<b>103,310</b>
Non-current interest-bearing liabilities		590,000		520,000
Other non-current liabilities		2,014		14,422
<b>Non-current liabilities</b>		<b>34.5%</b>	<b>592,014</b>	<b>35.5%</b>
				<b>534,422</b>
<b>Liabilities</b>		<b>50.2%</b>	<b>861,094</b>	<b>42.3%</b>
				<b>637,732</b>
Share capital		5,000		5,000
Legal capital reserves				
– Reserves from capital contributions		87,659		145,038
Legal retained earnings				
– General legal retained earnings		1,000		1,000
Voluntary retained earnings				
– Free reserve		674,120		605,337
Treasury shares		-15,055		-12,495
Balance brought forward from previous year		869		703
Net profit for the year		101,621		124,545
<b>Shareholders' equity</b>		<b>49.8%</b>	<b>855,214</b>	<b>57.7%</b>
				<b>869,128</b>
<b>Liabilities and shareholders' equity</b>		<b>100.0%</b>	<b>1,716,308</b>	<b>100.0%</b>
				<b>1,506,860</b>

# Notes to the financial statements of Galenica Ltd.

## Principles

The financial statements of Galenica Ltd. with registered office in Bern, Switzerland, have been prepared in accordance with Article 957 et seqq. of Title 32 of the accounting law based on the Swiss Code of Obligations (CO). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Galenica Ltd. has prepared its consolidated financial statements in accordance with a recognised accounting standard (IFRS Accounting Standards). In accordance with the CO, the Company decided to forgo presenting additional information on audit fees in the notes as well as a cash flow statement.

## Financial income

Financial income includes a reversal of a bad debt allowance on non-current intercompany loans of CHF 15.0 million (previous year: CHF 15.0 million) as well as reversals of impairments on investments of CHF 30.1 million (previous year: none).

## Other income

Other income includes group-internal management fees of CHF 57.3 million (previous year: CHF 51.6 million) and IT services of CHF 96.9 million (previous year: CHF 86.7 million). Revenue is recognised when the service is provided.

## Financial expenses

Financial expenses include impairments on financial assets of CHF 48.5 million (previous year: CHF 1.7 million) and impairments on investments of CHF 30.9 million (previous year: none).

## Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment. Depreciation is charged on a straight-line basis over the assets' useful lives.

### Property, plant and equipment

in thousand CHF	2025	2024
Furniture, fittings	1,852	1,772
IT equipment	1,484	3,020
Vehicles	4,906	5,000
<b>Total net carrying amount</b>	<b>8,242</b>	<b>9,792</b>

## Intangible assets

Intangible assets include purchased or internally developed software. These items are measured at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated economic useful life.

## Financial assets

Galenica holds equity instruments of CHF 132.6 million (previous year: CHF 176.3 million). Those financial assets are measured at cost less accumulated impairments. Furthermore, financial assets include non-current loans to Group companies of CHF 74.7 million (previous year: CHF 74.7 million), to joint ventures of CHF 3.1 million (previous year: CHF 10.0 million) and to other companies of CHF 1.2 million (previous year: CHF 1.1 million).

### Subordinated loans

As at 31 December 2025, subordinated loans to Group companies amounted to CHF 1.9 million (previous year: CHF 1.9 million) and to third parties amounted to CHF 1.2 million (previous year: CHF 1.1 million).

### Investments

An overview of the investments that are directly or indirectly controlled by Galenica Ltd. is provided in [note 31](#) to the Consolidated financial statements 2025 of the Galenica Group.

### Interest-bearing liabilities

The current and non-current interest-bearing liabilities are recognised at nominal value.

#### Interest-bearing liabilities

in thousand CHF	ISIN	Coupon	2025	2024
Straight Bond (15 June 2017 – 15 December 2026)	CH0367206700	1.00%	180,000	180,000
Straight Bond (8 May 2023 – 8 November 2029)	CH1255924453	2.35%	240,000	240,000
Straight Bond (30 April 2024 – 30 April 2031)	CH1331113634	1.65%	100,000	100,000
Straight Bond (9 December 2025 – 9 December 2032)	CH1494626398	1.08%	250,000	–
<b>Interest-bearing liabilities</b>			<b>770,000</b>	<b>520,000</b>
– of which current interest-bearing liabilities			180,000	–
– of which non-current interest-bearing liabilities			590,000	520,000

### Lease obligations

The lease obligations, which do not expire or cannot be terminated within 12 months, have the following maturity structure. These amounts include the payments owed from rental and leasing agreements up to the end of the contract or the expiry of the notice period.

#### Lease obligations

in thousand CHF	2025	2024
Within 1 year	–	8
In 2 to 5 years	8,433	6,306
In more than 5 years	23,395	25,522
<b>Total</b>	<b>31,828</b>	<b>31,836</b>

### Share capital

As at 31 December 2025, the share capital of Galenica amounted to CHF 5,000,000, divided into 50,000,000 fully paid-up and publicly listed shares with nominal value of CHF 0.10 each.

### Authorised capital

As at 31 December 2025, Galenica Ltd. has no authorised capital.

### Reserves from capital contributions

The reserves from capital contributions have been reduced to CHF 87.7 million (previous year: CHF 145.0 million) due to the dividend paid out to the shareholders on 16 April 2025 taken from the reserves from capital contributions in the amount of CHF 57.4 million (previous year: CHF 54.9 million).

### Release of hidden reserves

In 2025, hidden reserves of CHF 13.9 million were released (previous year: CHF 15.0 million).

### Contingent liabilities

As at 31 December 2025, total contingent liabilities amounted to CHF 577.0 million (previous year: CHF 448.2 million), including issued guarantees to Group companies of CHF 374.0 million (previous year: CHF 245.4 million) as well as CHF 200.0 million (previous year: CHF 200.0 million) for guarantees to secure intraday transactions for Group companies in connection with the zero balance cash pooling. Guarantees to third parties amounted to CHF 3.1 million (previous year: CHF 2.9 million).

### Full-time equivalents

The average number of full-time equivalents for the reporting period amounted to 531 (previous year: 487).

### Treasury shares

#### Treasury shares

	2025		2024	
	Number	in CHF	Number	in CHF
<b>1 January</b>	<b>172,979</b>		<b>167,820</b>	
Purchases on the market	161,623	14,007,711	131,964	9,702,937
Allocated for share-based payments	-158,986	-13,230,542	-126,805	-9,389,211
<b>31 December</b>	<b>175,616</b>		<b>172,979</b>	

The treasury shares are reserved for share-based payments to employees.

### Further disclosures

In 2025, 14,038 shares (previous year: 13,904 shares) with fair value of CHF 1,319,993 (previous year: CHF 1,040,158) have been allocated to the members of the Board of Directors.

In 2025, 10,799 performance share units (previous year: 10,880 performance share units) with fair value at grant date of CHF 817,918 (previous year: CHF 746,014) have been allocated to the members of the Corporate Executive Committee. In 2025, 2,924 performance share units (previous year: 2,998 performance share units) with fair value at grant date of CHF 221,464 (previous year: CHF 205,564) have been allocated to other employees of Galenica Ltd.

## Shareholders' equity

Shareholders' equity developed as follows:

### Shareholders' equity

in thousand CHF	Share capital	Reserves from capital contributions	General legal retained earnings	Reserves for treasury shares <sup>1)</sup>	Treasury shares	Free reserve	Available earnings	Shareholders' equity
<b>Balance as at 31 December 2022</b>	<b>5,000</b>	<b>254,789</b>	<b>1,000</b>	<b>8,000</b>	<b>-</b>	<b>314,000</b>	<b>169,192</b>	<b>751,980</b>
Allocation to free reserve						114,000	-114,000	-
Adjustment to the reserves for treasury shares				-6,900		6,900		-
Change of treasury shares					-10,725			-10,725
Dividends		-54,881					-54,881	-109,761
Profit for the year							224,262	224,262
<b>Balance as at 31 December 2023</b>	<b>5,000</b>	<b>199,908</b>	<b>1,000</b>	<b>1,100</b>	<b>-10,725</b>	<b>434,900</b>	<b>224,573</b>	<b>855,756</b>
Allocation to free reserve						169,000	-169,000	-
Adjustment to the reserves for treasury shares				-1,100		1,100		-
Change of treasury shares					-1,770	337		-1,433
Dividends		-54,870					-54,870	-109,740
Profit for the year							124,545	124,545
<b>Balance as at 31 December 2024</b>	<b>5,000</b>	<b>145,038</b>	<b>1,000</b>	<b>-</b>	<b>-12,495</b>	<b>605,337</b>	<b>125,248</b>	<b>869,128</b>
Allocation to free reserve						67,000	-67,000	
Change of treasury shares					-2,560	1,783		-777
Dividends		-57,379					-57,379	-114,758
Profit for the year							101,621	101,621
<b>Balance as at 31 December 2025</b>	<b>5,000</b>	<b>87,659</b>	<b>1,000</b>	<b>-</b>	<b>-15,055</b>	<b>674,120</b>	<b>102,490</b>	<b>855,214</b>

<sup>1)</sup> Owned by subsidiaries

## Proposal of the Board of Directors for the appropriation of available earnings and reserves from capital contributions

At the Annual General Meeting as at 21 April 2026, the Board of Directors will propose the following allocation of available earnings and reserves from capital contributions:

in CHF	2025	2024
<b>Appropriation of available earnings</b>		
Balance brought forward	868,940	702,860
Profit for the year	101,620,880	124,544,796
<b>Available earnings at the disposal of the Annual General Meeting</b>	<b>102,489,820</b>	<b>125,247,656</b>
Dividend per share CHF 1.25 (2024: CHF 1.15)	-62,500,000 <sup>1)</sup>	-57,378,716
Allocation to free reserve	-39,000,000	-67,000,000
<b>Balance to be carried forward</b>	<b>989,820</b>	<b>868,940</b>
<b>Appropriation of reserves from capital contributions</b>		
<b>Reserves from capital contributions</b>	<b>87,659,027</b>	<b>145,037,743</b>
Dividend per share CHF 1.25 (2024: CHF 1.15) paid out of reserves from capital contributions	-62,500,000 <sup>1)</sup>	-57,378,716
<b>Balance to be carried forward</b>	<b>25,159,027</b>	<b>87,659,027</b>

<sup>1)</sup> The proposed dividend payment and appropriation of reserves from capital contributions covers all issued shares. However, no dividend will be paid on treasury shares. As a result, the total dividend amount payable depends on the number of treasury shares held on the distribution date. Based on the number of treasury shares held as at 31 December 2025, the total dividend would amount to CHF 124.6 million

The Board of Directors proposes to issue a dividend for fiscal year 2025 of CHF 2.50 per registered share. For this purpose, CHF 1.25 is to be taken from the reserves from capital contributions and CHF 1.25 from retained earnings. On the part taken from the reserves from capital contributions, the dividend can be distributed without deduction of Swiss withholding tax of 35%. Natural persons living in Switzerland are not liable for income tax on the dividend paid from the reserves from capital contributions.

Assuming the Annual General Meeting approves the dividend, payments will be made on 27 April 2026. The last trading day with entitlement to receive the dividend is 22 April 2026. The shares will be traded ex-dividend on 23 April 2026.



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To the General Meeting of  
Galenica Ltd., Berne

Berne, 5 March 2026

## Report of the statutory auditor

### Report on the audit of the financial statements



#### Opinion

We have audited the financial statements of Galenica Ltd. (the Company), which comprise the statement of income for the year then ended, the statement of financial position as at 31 December 2025 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.



#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the financial statements.



### Impairment risk of investments

<b>Risk</b>	<p>Investments amount to CHF 1'367 million as at 31 December 2025 and represent a major asset of Galenica Ltd. They are tested for impairment at least annually.</p> <p>Auditing management's annual impairment test is considered important to our audit as it depends on various estimates made by management and therefore includes judgmental elements. Especially the assessment for investments with a higher risk of an impairment is sensitive to significant assumptions made about future market and economic conditions, such as discount rate, economic growth, revenue and margin development and terminal value growth.</p>
<b>Our audit response</b>	<p>We performed audit procedures that included, among others, assessing the valuation methodology and testing the assumptions discussed above. We involved our valuation specialists in checking particularly the reasonableness of the discount rates used.</p> <p>Our audit procedures did not lead to any reservations regarding the impairment tests of investments.</p>



### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

#### **Report on other legal and regulatory requirements**



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposals of the Board of Directors comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Daniel Zaugg

Licensed audit expert  
(Auditor in charge)

Simone Wittwer

Licensed audit expert