Management Report

Financial Performance Group	09
Products & Care	11
Logistics & IT	19

Financial Performance Group

Management Report

In the first half of 2026, the Galenica Group generated consolidated net sales of CHF 2,136.5 million, corresponding to strong year-on-year growth of 7.1%. Adjusted[1] EBIT increased by 7.1% to CHF 117.7 million.

Net sales

+7.1%

Galenica Group CHF 2,136.5 million

EBIT adjusted[1]

+7.1%

Galenica Group CHF 117.7 million

Employees

8,566

Galenica Group

Strong sales performance

Galenica achieved pleasing sales growth of 7.1% to CHF 2,136.5 million in the first half of the year. The main drivers are strong growth in the pharmacy business and the continued increase in wholesale sales. The home care business also performed very well, with strong growth in the "Services & Production" sector of 9.4% to CHF 63.4 million, as well as the "Diagnostics" sector, which contributed 3.1% to the increase in sales with CHF 62.2 million.

By way of comparison, the Swiss pharmaceutical market grew by 3.7% in the reporting year (IQVIA, Pharmaceutical Market Switzerland, 06/2026). Sales volumes were 0.6% percent lower.

EBIT growth in line with strong sales performance

The adjusted[1] operating result (EBIT) increased by 7.1% year on year to CHF 117.7 million (previous year: CHF 109.9 million). In addition to strong organic growth, earnings were positively influenced by the acquisition of Labor Team, which was completed in the previous year. On the other hand, EBIT growth was dampened by positive special factors of CHF 5.4 million in the previous year. This was due to significantly lower than originally threatened sanctions in two competition proceedings, which had a positive impact on earnings in the "Logistics & IT" segment during the same period last year. Adjusted for this effect, the EBIT growth was 12.6%.

The one-off special costs associated with the closing of the Bichsel production division are expected to amount to around CHF 30 million, which is lower than originally anticipated. In the first half of 2026, closure costs of CHF 30.4 million were recognised, of which CHF 17.2 million was attributable to impairments of inventories, production and other tangible assets. As a result, reported EBIT declined by 18.9% to CHF 88.2 million (previous year: CHF 108.8 million).

Adjusted[1] net profit from continuing operations increased by 1.3% to CHF 91.9 million (previous year: CHF 90.7 million). Reported net profit from continuing operations decreased by 24.1% to CHF 67.3 million due to the closure of the Bichsel production division (previous year: CHF 88.6 million).

Balance sheet remains strong

The Galenica Group's balance sheet remains strong. Adjusted[1] equity decreased slightly by 1.5% to CHF 1,442.6 million compared to 30 June 2025, due to the negative value change in the investment in Redcare in the second half of 2025. Adjusted[1] net debt, excluding lease liabilities, increased by CHF 304 million to CHF 836.9 million compared to 30 June 2025, which corresponds to 2.7 times adjusted[1] EBITDA. The reason for the increase is the acquisition of Labor Team in September 2025, as well as a slight increase in net working capital resulting from delayed invoicing due to tariff changes and a build-up of inventory in preparation for the ERP transition of the distribution centre in Niederbipp in the second half of 2026.

Solid operating cash flow

Adjusted[1] operating cash flow before changes in net working capital was slightly above the previous year's level (CHF 125.8 million) at CHF 126.7 million in the 2026 financial year. Following the implementation of sustainable measures to reduce net working capital in the previous year, the increase in net working capital in the current business period is primarily attributable to seasonal factors. In addition, there is a temporarily higher level of receivables due to delayed invoicing resulting from tariff changes, and an increase in inventory in preparation for the ERP transition of the distribution centre in Niederbipp in the second half of 2026.

Investments in tangible and intangible assets amounted to CHF 31.3 million in the first half of 2026 (previous year: CHF 27.6 million). These were mainly attributable to the remodelling and renovations of pharmacies, the expansion of logistics infrastructure at Galexis, and investments in the expansion of digital infrastructure.

Guidance 2026

For the 2026 financial year, Galenica continues to expect net sales growth of between 5% and 7%. In terms of adjusted[1] EBIT, Galenica projects an increase of between 6% and 8%.

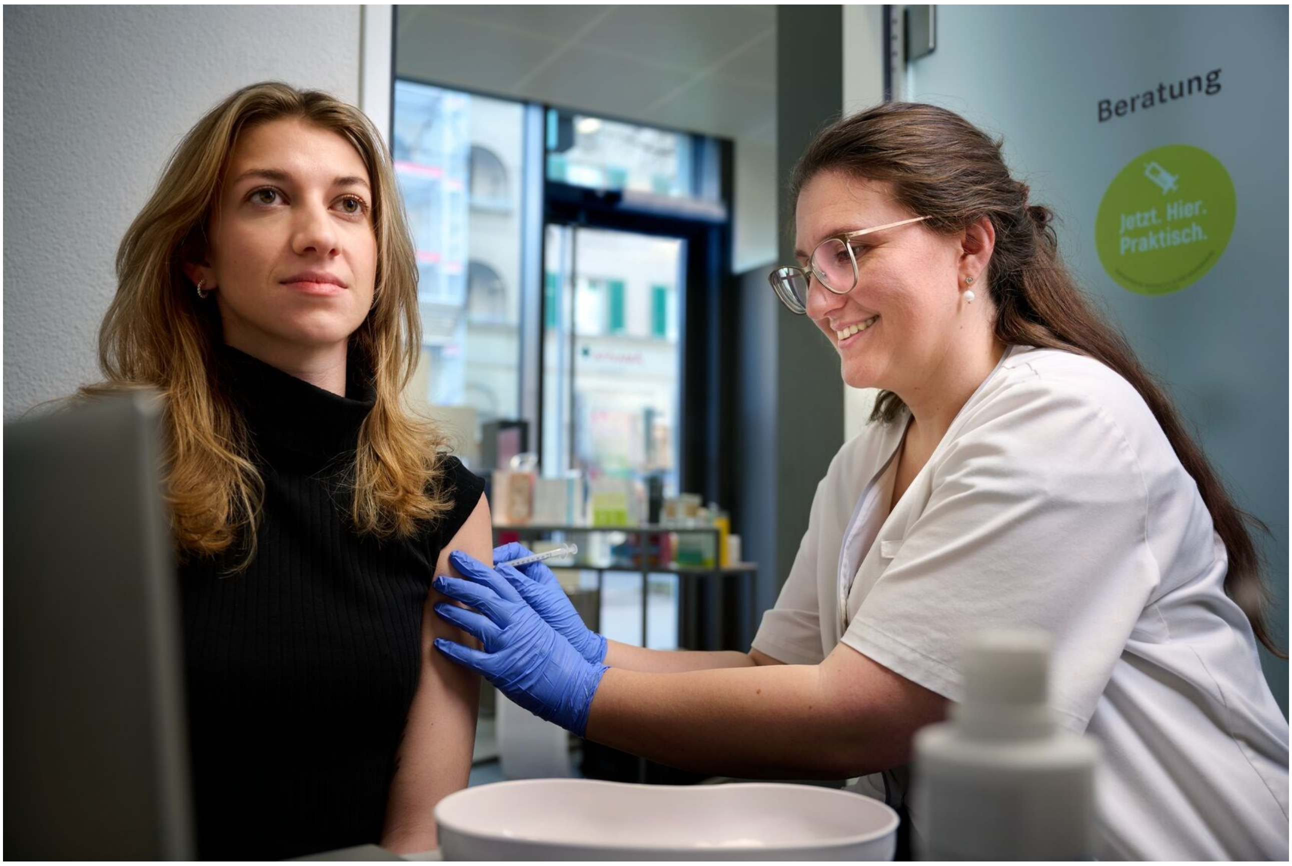
Adjusted for positive special factors in the previous year, this corresponds to an increase in EBIT[1] of between 9% and 11%. Galenica aims for a strong and sustainable dividend development and plans a dividend for 2026 that is at least at previous year's level.

[1] See definition in section "Alternative performance measures"

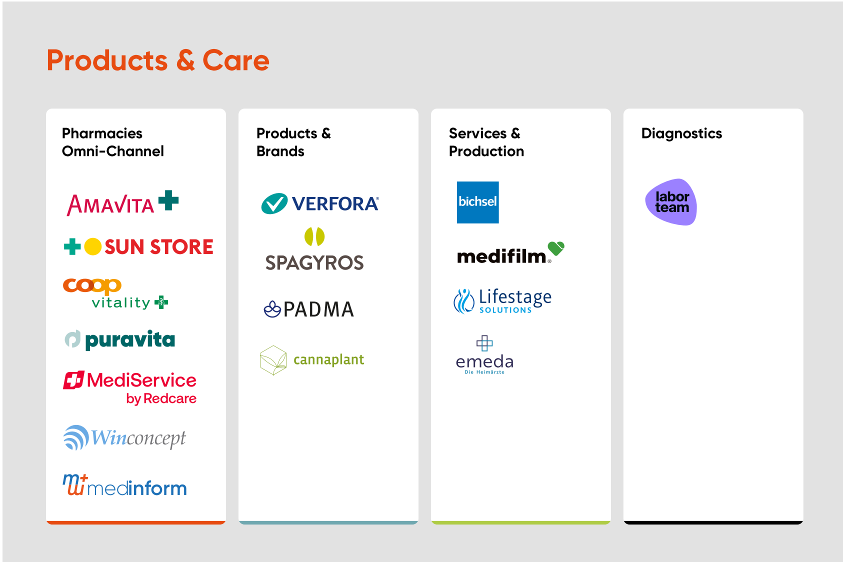
Products & Care

Management Report

The "Products & Care" segment comprises the four business areas "Pharmacies Omni-Channel", "Products & Brands", "Services & Production" and "Diagnostics". The focus is on the development, marketing and sale of services and products through the various Galenica distribution channels.



Depending on their needs, end customers can benefit from their own bricks-and-mortar pharmacies, home care services, mail-order pharmacies and online shops. Galenica also supports healthcare providers such as pharmacies, drugstores, physicians, care homes, hospitals and home care organisations as a strong partner.



"Products & Care" segment key figures

The "Products & Care" segment generated net sales of CHF 967.2 million (+11.5%) in the first half of 2026. Of this, CHF 756.9 million (+6.2% excluding Coop Vitality and Mediservice) was attributable to the "Pharmacies Omni-Channel" business area. The "Products & Brands" business area achieved sales of CHF 91.2 million (-9.8%), while the "Services & Production" business area grew by 9.4% to CHF 63.4million. The new "Diagnostics" business area contributed CHF 62.2 million to sales growth.

The adjusted[1] operating result (EBIT) increased by 15.2% to CHF 93.3 million in the first half of 2026, while the adjusted[1] return on sales (ROS) also increased to 9.6% (previous year: 9.3%).

Investments in the "Products & Care" segment amounted to CHF 13.4 million (previous year: CHF 9.5 million) and related in particular to pharmacy remodellings.

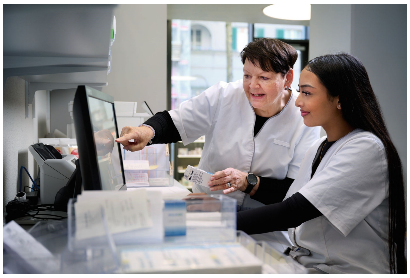
[1] See definition in chapter "Alternative performance measures".

Pharmacies Omni-Channel

Pharmacies in the Galenica network have further expanded their role as the first point of contact in the healthcare system. Galenica strengthened the pharmacy network through targeted acquisitions, adding a net total of 3 locations to bring the total to 384 pharmacies (with Coop Vitality). Sales in the "Pharmacies Omni-Channel" sector increased by 6.2% to CHF 756.9 million (excluding Coop Vitality).

Adjusted for the expansion effect of 1.9%, the area grew organically by 4.3%, which, taking the product mix into account, is above market growth for bricks-and-mortar pharmacies (Rx and OTC products: 5.4%[2], non-medical segment in the consumer healthcare market: 0.5%[3]).

[2] IQVIA, Pharmaceutical Market Switzerland, 06/2026
[3] IQVIA, Consumer Health Market Switzerland, 06/2026



The "Click & Collect" service is popular with customers.

Connected offerings for a seamless customer experience

Galenica is systematically expanding digital and connected offerings to simplify access to healthcare services. The focus is on the overall experience of customers and patients: being able to find, prepare, book and order offerings, and access them through the appropriate channel. This creates a positive customer experience and, at the same time, fosters stronger loyalty to the Galenica network. The online shops of our pharmacy formats remain key components of this Omni-Channel strategy. The combination of online and on-site services – known as "Click & Collect" – is particularly popular. Orders are displayed in a consolidated view on the customer portal, which now also includes the Prescription Manager. This service recorded further growth and had around 90,000 users as of 30 June 2026.

The online visibility of the healthcare services offered in pharmacies was also further improved. Customers and patients can now find all the important information in one place: from advice on common ailments and available online appointments to information on which services are covered by their insurance model. Digitalisation is thus clearly supporting the further development of the "Consultation plus" service.

Demand for fee-based consultations and healthcare services has risen once again.

Expansion of the "Consultation plus" service

With "Consultation plus", Galenica is specifically strengthening pharmacies as the first point of contact for primary care. Since mid-2025, the offering has been gradually introduced as a unified umbrella brand for healthcare services and includes advice for acute ailments, vaccinations and various preventive and health checks. "Consultation plus" has been available in all Galenica pharmacies since the end of March 2026.

Demand for fee-based consultations and healthcare services has risen once again: compared with the previous year, it increased by around 27% to 193,000. Vaccination services also continue to be in high demand from customers, with the number of vaccinations administered rising to around 25,000 in the first half of 2026.

Thanks to the new digital medical history forms, consultations can be prepared efficiently and documented seamlessly. The administrative workload for healthcare professionals is reduced, leaving more time for personal consultation.

Driving forward electronic prescriptions, LOA V implemented in a cost-neutral manner

Galenica remains actively committed to the rapid introduction of electronic prescriptions and is driving forward the digital solution together with key service providers. The roundtable initiated by Galenica last autumn demonstrated that there is broad support for the earliest possible and nationwide roll-out, ideally even before it becomes a legal requirement.

The new service-based remuneration scheme LOA V, effective from 1 January 2026, was introduced without a hitch. Implementation took place on schedule and, from today's perspective, the financial effect is within the expected range and will have no impact on Galenica's earnings.

Cooperations established with health insurance companies

Galenica is systematically expanding its cooperations with health insurers. The focus is on standardised, modular models within basic insurance that can be implemented easily and digitally in pharmacies and are closely linked to "Consultation plus". Since the start of 2026, related services have been integrated into ten alternative insurance models and now reach over one million policy holders. Pharmacies are thus increasingly establishing themselves as the point of entry to healthcare. Initial evaluations show that a large proportion of simple cases can be conclusively treated directly in the pharmacy.

Development of the pharmacy network

Galenica continues to strengthen its pharmacy network through targeted acquisitions and openings in attractive locations. At the end of June 2026, the network comprised 384 pharmacies. Since 1 January 2026, two important locations have joined Galenica through acquisitions: Apotheke Ryser AG in Burgdorf and pharmacieplus Salzmann Sàrl in Malleray, which has been operating under the name Pharmacie Amavita Valbirse since April 2026. The opening of Pharmacie

Sun Store Estavayer on 25 June 2026 further strengthened Galenica's presence in French-speaking Switzerland.

Own sales points

	30.06.2026	31.12.2025	Change
Amavita pharmacies [1]	204	202	+2
Sun Store pharmacies [1]	87	86	+1
Coop Vitality pharmacies [2]	87	87	–
Specialty pharmacy Mediservice [2]	1	1	–
Majority holdings in other pharmacies [1]	5	5	–
Total own points of sale	**384**	**381**	**+3**

1) Fully consolidated
2) Consolidated at equity

The Sun Store Pharmacy in Renens has adopted a new concept.

New pharmacy concept also being piloted in French-speaking Switzerland

Since October 2025, Galenica has been testing a new pharmacy concept at the Amavita pharmacy Glattzentrum, shifting the focus of the brick-and-mortar pharmacy more strongly on advice, service and a modern customer experience. At the end of May 2026, this concept was also implemented for the first time in French-speaking Switzerland at the Sun Store in Renens – with positive initial feedback. Further implementations will follow in the second half of 2026.

Products & Brands

In the Swiss market, demand for cold and pain relief medication was weaker than in the previous year due to a milder flu season. However, growth was driven by the vitamins and minerals sectors as well as allergies sectors.

As a result, the Swiss consumer healthcare market showed only modest growth of 0.2%[3] in the first half of 2026. In this challenging market environment, Verfora's market sales declined by -2.6% due to its product portfolio, which is dominated by flu- and cold remedies. Sales in the "Products & Brands" business area in the Swiss market decreased by 5.1% to CHF 76.0 million.

The development of international business also had a dampening effect, with Perskindol continuing to reduce inventory of due to a regulatory change in the EU. As a result, overall sales of the "Products & Brands" sector decreased by 9.8% to CHF 91.2 million.

[3] IQVIA, Consumer Health Market Switzerland, 06/2026

Verfora with a refined strategy

Demand and distribution channels in the consumer healthcare market continue to evolve. Verfora is therefore aligning its strategy even more closely with current market trends. As of 1 May 2026, the organisation was set up in a more centralised and functional manner to enable it to respond to these developments more quickly and with a greater focus. In addition to organic growth, partnerships, distribution and targeted acquisitions remain key elements of the growth strategy. The decline in demand in categories such as cold and pain therapy could not be fully offset by positive developments in other areas. Growth momentum came in particular from the vitamins and minerals as well as the allergies segments.

Services & Production

The "Services & Production" sector developed extremely positively, growing by 9.4% to CHF 63.4 million. All units – Bichsel, Lifestage and Medifilm – contributed to this growth.

Positive development in the home care business

Demand for home care services continued to grow. To support this growth in a targeted manner, the organisation was realigned for the future and existing units were merged. HomeCare Bichsel and Lifestage Solutions have been operating under a joint management structure since autumn 2025 and are pooling their expertise to provide an integrated offering. The legal consolidation was completed in the first half of 2026 and forms the basis for further development.

Medifilm is seeing sustained growth in patient days.

Blister packaging is growing – automation continues to advance

Patient-specific blister packaging continues to gain in importance and is a key component of market development. Medifilm is seeing sustained growth in patient days. The renewal of the machinery fleet remains an important project: fully integrated blister packaging machines that have already been installed are contributing to further automation, even though the modernisation of the systems is slightly delayed. Nevertheless, Galenica remains committed to its targeted growth path. The introduction of LOA V for automated blister packaging underscores the growing relevance of this service in the healthcare sector.

Bichsel to focus on home care services

In the first half of 2026, Galenica made the decision to discontinue pharmaceutical production at its subsidiary Bichsel by the end of 2026 and to focus on the fast-growing home care business in future. The decision follows a comprehensive examination of various scenarios. Production had been operating at a loss for years, and even with substantial investments, it was not possible to ensure its continued viability in the long term. So far, the closure of the production facility is proceeding according to plan. The closure affects 152 employees. Galenica is working closely with them during this phase and supporting them with a social plan as well as career reorientation options. The supply of key products to customers will be guaranteed during the transition period until the end of 2026; at the same time, customers will be actively supported in their transition to alternative suppliers. The area of extemporaneous preparations will be taken over by the Galenica company Laboratoire Golaz in Lausanne as far as possible. "Grosse Apotheke Bichsel" in Interlaken has continued to operate as "Amavita Apotheke Bichsel Interlaken" since 1 March 2026.

Diagnostics

With the acquisition of Labor Team in September 2025, Galenica was able to further develop its healthcare network and expand it with the "Diagnostics" sector. In the first half of 2026, Labor Team contributed 3.1% to the Group's revenue growth with sales of CHF 62.2 million. Collaboration within the Galenica network and Labor Team was further intensified in the first half of 2026.

A quarter of a century of diagnostics expertise

The further modernisation of the microbiology facility provided a further boost for Labor Team. The new automated microbiology processing line was opened in the first half of the year. This investment underlines the company's consistent focus on innovation. Furthermore, Labor Team is celebrating its 25th anniversary in 2026 – a visible sign of the company's established position in the Swiss diagnostics market. With almost 350 employees, Labor Team is now one of the largest medical laboratories in Switzerland and is a pioneer in personalised diagnostics.

Logistics & IT

Management Report

The "Logistics & IT" segment comprises the two business areas "Wholesale" and "Logistics & IT Services". They operate and develop the logistics and IT platforms of the Galenica Group and offer services to all healthcare providers such as pharmacies, drugstores, physicians, hospitals and care homes.

The focus is on optimising and further developing the range of logistics and services as well as innovative solutions to promote digitalisation in the healthcare market.

Logistics & IT

Wholesale

Logistics & IT Services

“Logistics & IT” segment key figures

The “Logistics & IT” segment performed well in the first half of 2026 and generated net sales of CHF 1,684.9 million (+4.2%). Of this, CHF 1,647.3 million (+4.3%) was attributable to the “Wholesale” sector and CHF 38.9 million (-0.8%) to the “Logistics & IT Services” sector. The adjusted[1)] operating result (EBIT) decreased by 16.2% year on year to CHF 25.3 million. The EBIT development was driven by the one-off special effects of CHF 5.4 million in the prior-year period thanks to significantly lower than originally threatened sanctions in two competition proceedings.

Excluding the one-time special effects of the previous year, EBIT increased by 2.0%. Adjusted[1)] return on sales (ROS) was 1.5% and remained stable, taking into account the previous year’s extraordinary special factors.

Investments amounted to CHF 6.5 million (previous year: CHF 9.1 million). These were primarily used for the gradual introduction of the new ERP software at Galexis and for the development of the digital infrastructure.

1) See definition in chapter "Alternative performance measures"

Wholesale

In the "Wholesale" sector, sales grew by 4.3% to CHF 1,647.3 million. The physicians segment performed slightly below market level, with growth of 1.0%, due to a product range adjustment, whereas market share was gained in the high-volume pharmacy segment, with growth of 6.3%.

Over the same period, the overall pharmaceutical market grew by 3.7%, with the physicians segment growing by 3.1%[2)] and the inpatient pharmacy segment growing by 5.4%[2)].

[2)] IQVIA, Pharmaceutical market Switzerland, 06/2026

Galexis business performance

Galexis was able to maintain its strong position in the Swiss pharmaceutical wholesale business. Market shares in the pharmacy segment were maintained at a high level and Galexis also performed well in the physicians segment. At the Galenica level, however, the interpretation of market shares is influenced by structural shifts within the Group, including the consolidation of activities in the mail-order business for physicians.

SAP roll-out at Galexis

Following the completion of the system change at the Lausanne-Ecublens site, the focus in the first half of the year was on further stabilisation and on preparing for the next implementation step in Niederbipp. The experience gained in Lausanne-Ecublens was specifically applied, processes were tested in depth and the organisation was systematically prepared for the transition in September 2026. The aim is to focus more on the value chain in order to further increase customer benefits. HCI is supporting this with its expertise and its contacts with system providers, in particular in the further development of ordering and interface processes for doctors and pharmacies.

Physician market and collaboration with Labor Team

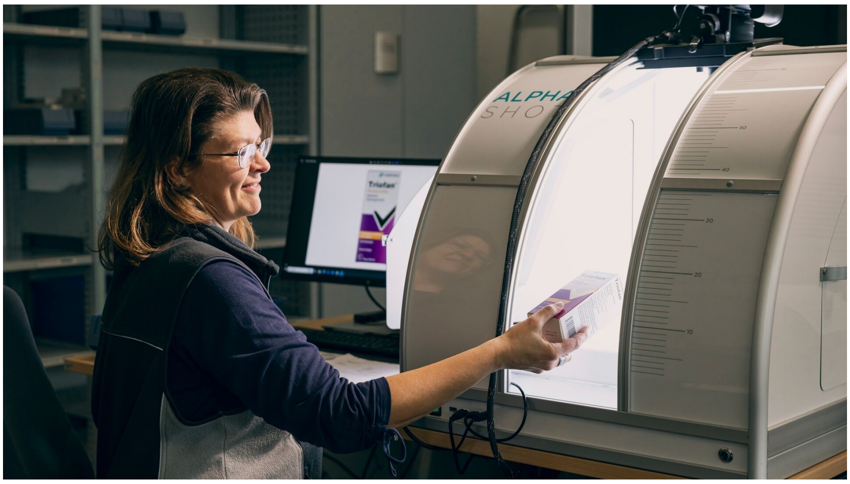
In the physician market, the collaboration with Labor Team was further intensified in the first half of 2026. Galexis and Labor Team have complementary customer access and offerings: Galexis is strong in the supply of medicines, practice materials and consumables, as well as practice equipment, while Labor Team plays a key role in the area of laboratory services. The aim is to offer medical practices a coordinated, comprehensive range of services from a single source and to exploit synergies within the Galenica Group in a targeted manner. Against this backdrop, the practice laboratory project was also realigned in order to optimally coordinate the respective service offerings.

UFD (Unione Farmaceutica Distribuzione) has been a reliable partner for 95 years.

Anniversary and future investments at UFD

UFD (Unione Farmaceutica Distribuzione) performed according to plan and further consolidated its position in the Ticino pharmacy market. Growth was driven by new customers and rising demand for the E>Box® solution, which makes online retail in the over-the-counter product range more efficient. Customer satisfaction remained at a high level and forms the basis for further quality initiatives. In the reporting year, UFD is also celebrating its 95th anniversary; at the same time, planned plant modernisations are strengthening operational reliability for the future.

Spotlight UFD Anniversary



Logistics & IT Services

Net sales in the "Logistics & IT Services" sector remained flat at -0.8% to CHF 38.9 million.

Alloga increases service quality

Alloga got off to a successful start to the 2026 financial year and systematically expanded its range of services as a pre-wholesaler between pharmaceutical manufacturers and wholesalers. Alloga ensures reliable, on-time delivery of impeccable quality for over 100 national and international pharmaceutical companies, and complements this offering with services such as packaging and labelling. Alloga also provides an interface to the national platform for therapeutic products ("Heilmittelplattform"). The new "HMP Reporting", for example, creates added value: this is a structured data and reporting service provided by Alloga to the national platform for therapeutic products to ensure transparency regarding the availability and possible shortages of medicines.

Health Supply strengthens last-mile transport

Health Supply now also supplies remote regions.

Since its founding, Health Supply has quickly developed into a key provider of last-mile transport in pharmaceutical logistics. With around 250 employees, it carries out some 190 routes across Switzerland every day – around a quarter of all transports in this area. By consolidating its logistics operations with a single transport partner and through the joint venture with Planzer, Galexis is strengthening the quality and management of the transport chain. Health Supply now also supplies remote regions and can offer its transport services to all market participants.

In addition to efficiency and quality, the focus is on sustainability: together with Planzer, a gradual reduction in CO_2 is being driven forward and a platform for sustainable and technological innovations in last-mile transport is being established.

Reliable medication data remains a key basis, even in the age of AI.

HCI Solutions: innovative eHealth solutions

In the first half of 2026, HCI Solutions consolidated its position as the leading provider of digital health information in the Swiss market. The focus is on high-quality, structured and reliable medication data, which remains a key basis for digital applications in the age of AI. The successful re-certification of relevant software solutions underlines the high quality standards in the challenging regulatory environment. The usage figures for Clinical Decision Support Checks (Documedis CDS.CE) continue to rise significantly, with 409 million checks performed in the first half of 2026.

A highlight of the first half of 2026 was the HCI Connect event on 12 March, which has established itself as a key networking platform in the Swiss healthcare sector.

Spotlight HCI Connect

With HCI Insights, HCI Solutions has launched a new AI-based service for market and product information. The development, in collaboration with Aquantic, underlines the potential of the Galenica network, particularly at the intersection of data expertise, market understanding and digital product development.