



Annual Report 2024
of the Galenica Group
and Galenica Ltd.

Milestones 2024

January



New prospects for pharmacy specialists

With the three new "roles" of deployment planning, vocational training and health services, these employees can develop further in their day-to-day work and take on more responsibility.

February



Social commitment 2024

In addition to supporting projects on the "there for you" digital donation platform, employees can also submit their own applications for social projects from their personal area. Numerous project proposals were received in the first few days after the launch.

March



HCI Solutions presents new brand identity

Repositioning the content and overhauling the visual identity of the market presence reflect the strategic direction of HCI Solutions and correspond to a contemporary style for providers of digital eHealth solutions.

April



7th Annual General Meeting of Galenica Ltd.

The shareholders approved all the proposals of the Board of Directors on 10 April 2024 in the Kursaal in Bern. For the first time, they also approved the report on non-financial matters pursuant to Article 964a of the Swiss Code of Obligations.

May



Health Supply Ltd. gathers momentum

The joint venture with Planzer – Health Supply – with the aim of optimising pharmaceutical logistics with sustainable transport solutions has developed well in 2024. In early May, the company already had around 120 employees, twice as many as initially anticipated.

June



Alloga receives the Ecovadis label

With this certification, our pre-wholesaler Alloga demonstrates that it is addressing environmental, social and ethical challenges and is striving to make progress in the area of corporate responsibility and sustainability measurable.

July



Increase in stake in Redcare Pharmacy to 10%

Galenica is thus strengthening its collaboration with Redcare Pharmacy, which has developed positively since the partnership was founded in April 2023. The integration of Redcare Pharmacy into the specialty pharmacy Mediservice was completed in the reporting year.

August



Galenica expands its Executive Committee and strengthens its customer focus

As of 1 September 2024, Galenica will further develop its organisation from a position of strength. With Stephan Mignot, Marketing for Pharmacies is now represented on the Executive Committee.

September



Lukas Ackermann named Top CIO of the Year

The award, granted annually by EY Switzerland in collaboration with the CIO platform Confare, recognises our efforts in the area of deploying digitalisation for the health and well-being of our customers.

October



Project partnership with Stapferhaus

As official partner of the "Hauptsache gesund" (Being healthy is the main thing) exhibition, Galenica is committed to promoting dialogue on the challenges and opportunities in healthcare of today and tomorrow.

November



Expansion of the partnership with Cooper Consumer Health

In addition to the existing Cooper Consumer Health brands, Verfora will also take over the marketing and distribution of the former Viatrix OTC products as of 1 January 2025.

Dezember



Handover of the CFO position

Our long-standing CFO Felix Burkhard is leaving the company at the end of 2024 after almost 30 years at Galenica and handing over to his successor Julian Fiessinger. We thank Felix for his many years of commitment.

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About this report

Overview

Galenica's Annual Report 2024 builds on and systematically develops the integrated approach introduced in 2023. The annual and sustainability reports are even more closely integrated, highlighting the strong interconnection between the company's strategic direction, financial performance and sustainability goals.

The Annual Report 2024 incorporates the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for the first time. This includes the key categories of strategy, governance, risk management, metrics and targets in order to present a comprehensive picture of climate-related risks and opportunities. The report covers the period from 1 January 2024 to 31 December 2024.

Standards and frameworks

The reporting is based on the requirements of the SIX guidelines on corporate governance and internationally recognised standards, including:

- Swiss Code of Obligations
- GRI Sustainability Reporting Standards
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- UN Sustainable Development Goals (SDGs)
- IFRS Accounting Standards

Reporting principles

- Accuracy
- Balance
- Clarity
- Comparability
- Timeliness
- Verifiability



Scope

In addition to financial performance, environmental and social aspects that reflect Galenica's long-term commitment to sustainable healthcare are also addressed.

Note on gendered language and ease of reading

In this Annual Report, we attach importance to gender-neutral language and high readability. Our aim is to address to all genders equally. We are aware that language is an important means of promoting equality and inclusion. We are therefore committed to ensuring respectful and appreciative communication as well as fluent and comprehensible texts.

Highlights

Overview

Galénica continues to grow in the 2024 financial year: the Galénica Group achieved strong growth with sales up 4.7% in the 2024 financial year and generated consolidated net sales of CHF 3,921.1 million and gained market share.

Highlights of the 2024 financial year Consultations and healthcare services

193,000

+39% year on year

Generic substitution rate in pharmacies

79.2%

+4% year on year

Employee survey – Opinion

76

Satisfaction and motivation rate
among Galénica Group employees

Adjusted¹⁾ EBIT increased by 10.3% to CHF 211.0 million. Excluding the one-off special factors in the previous year, adjusted¹⁾ earnings before interest and taxes (EBIT) would have grown by 4.9%. Adjusted¹⁾ net profit from continuing operations increased by a strong 13.4% to CHF 183.2 million. Thanks to this good result, the Board of Directors will propose to the annual general meeting a dividend of CHF 2.30 per share, representing an increase of 4.5%.

Highlights from the 2024 financial year

- The pharmacy network (excluding Coop Vitality) continued to develop dynamically: twelve pharmacies were acquired, two new pharmacies were opened and four were closed or merged with other locations.
- Thanks to high demand for prescription-only medications, Galénica pharmacies grew organically by 2.7% and gained further market share.
- Around 193,000 customers made use of the healthcare services and consultations offered by Galénica pharmacies in 2024, 39% more than in the previous year. Demand for vaccinations increased by 20%.
- Verfora's export business performed very positively with organic growth of 15.1%. This pleasing result was driven by higher demand for Perskindol® in Asia and by sooner-than-expected product deliveries abroad in anticipation of a regulatory change.
- Growth drivers in the "Services for Professionals" sector (+7.5%) were once again Lifestage Solutions and Medifilm in business with care homes and home care organisations. In 2024, Medifilm put two new blister packaging machines into operation and increased the number of patients by around 10%.
- In the "Wholesale" sector, very strong growth of 7.8% was achieved in the doctor's segment, resulting in market share gains.



- Health Supply Ltd., a joint venture with Planzer, developed according to plan in 2024. Galexis was able to reduce complexity by bundling outsourced services.
- HCI Solutions has also developed positively. By the end of December, around 369 million CDS checks had been carried out (+33%), making an important contribution to patient safety.

¹⁾ Excluding the effects of IAS 19 and IFRS 16. See chapter "[Alternative performance measures](#)".

Financial key figures

Net sales
in million CHF



■ Products & Care¹⁾: 1,700.2
■ Logistics & IT¹⁾: 3,241.4

EBIT adjusted²⁾
in million CHF



■ Products & Care^{1) 2)}: 157.3
■ Logistics & IT^{1) 2)}: 56.8

Number of employees
at 31 December 2024



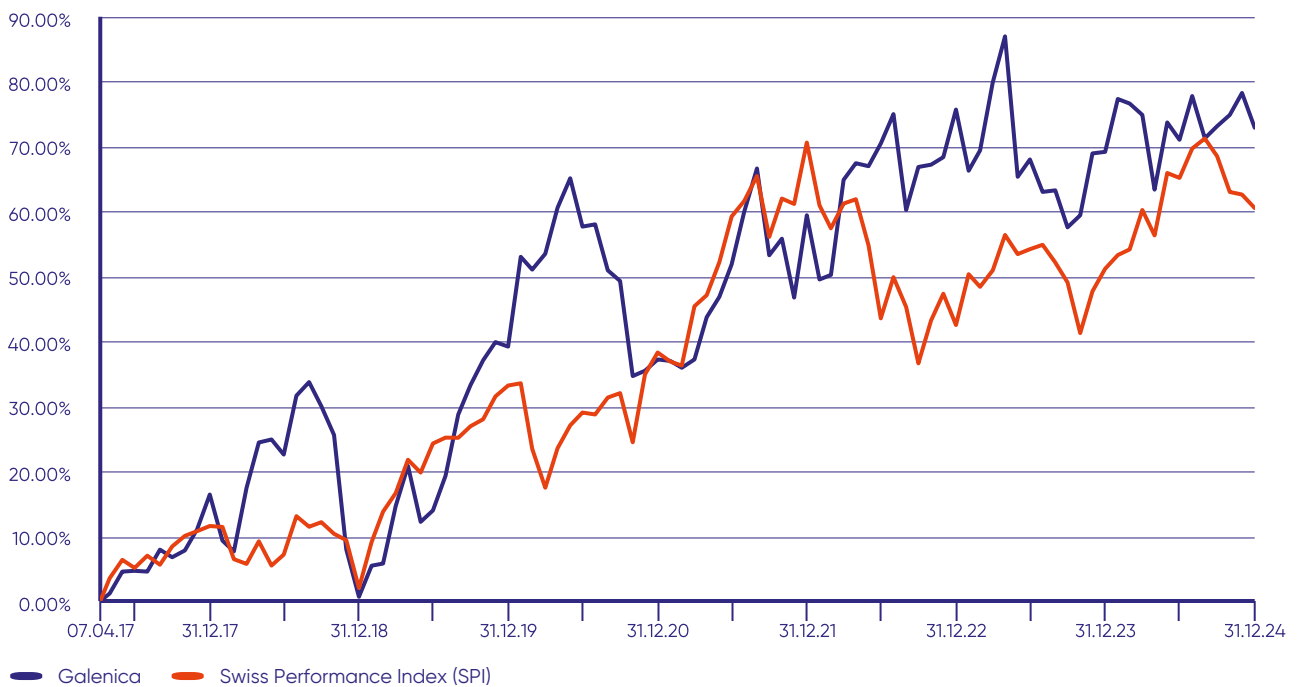
■ Products & Care: 5,864
■ Logistics & IT: 1,813
■ Group Services: 294

in million CHF	2024	2023	Change
Net sales	3,921.1	3,746.0	4.7%
Products & Care ¹⁾	1,700.2	1,635.6	3.9%
Logistics & IT ¹⁾	3,241.4	3,077.0	5.3%
EBIT	214.4	199.1	7.6%
EBIT adjusted²⁾	211.0	191.3	10.3%
in % of net sales	5.4%	5.1%	
Products & Care ^{1) 2)}	157.3	152.3	3.2%
in % of net sales	9.2%	9.3%	
Logistics & IT ^{1) 2)}	56.8	42.3	34.2%
in % of net sales	1.8%	1.4%	
Profit from continuing operations	183.7	165.7	10.9%
Profit from continuing operations adjusted²⁾	183.2	161.6	13.4%
Total assets	3,070.9	2,991.0	2.7%
Shareholders' equity	1,551.8	1,475.2	5.2%
Equity ratio	50.5%	49.3%	
Capital contribution reserves	145.0	199.9	-27.4%
Net debt adjusted²⁾	424.1	362.1	17.1%
Debt coverage adjusted ²⁾	1.6 x	1.5 x	
Gearing adjusted ²⁾	27.0%	24.4%	
Investments in property, plant and equipment and intangible assets	72.8	78.8	-7.7%
Cash flow from operating activities adjusted²⁾	212.1	173.5	22.3%
Free cash flow²⁾	61.0	49.3	23.7%
Employees at reporting date (FTE)	6,119	5,907	3.6%

¹⁾ Reported for each segment not taking into account Group Services and Eliminations

²⁾ For details to the adjusted key figures refer to chapter Alternative performance measures of the Annual Report 2024

Share price performance in percent



Share information

in CHF	2024	2023
Share price at reporting date	74.35	72.75
Highest share price for the year	78.15	82.20
Lowest share price for the year	69.30	65.10
Market capitalisation at reporting date in million CHF	3,704.6	3,625.3
Earnings per share from continuing operations ¹⁾	3.67	3.31
Earnings per share adjusted from continuing operations ¹⁾²⁾	3.66	3.23
Shareholders' equity per share ¹⁾	31.07	29.52
Gross dividend per share ³⁾	2.30	2.20
– of which paid out from retained earnings	1.15	1.10
– of which paid out from reserves from capital contributions	1.15	1.10
Dividend yield ⁴⁾	3.1%	3.0%
Pay-out ratio adjusted ⁵⁾	62.8%	68.2%
Price-earnings ratio (P/E) adjusted ⁶⁾	20.3	22.6

¹⁾ Attributable to shareholders of Galenica Ltd.

²⁾ Net profit adjusted divided by average number of outstanding shares

³⁾ According to Board of Directors' proposal to Annual General Meeting of 10 April 2025

⁴⁾ Gross dividend per share in relation to the share price at reporting date

⁵⁾ Gross dividend per share in relation to earnings per share adjusted from continuing operations

⁶⁾ Share price at reporting date in relation to earnings per share adjusted from continuing operations

Non-financial key figures

Key figures

Galenica reports key employee figures on employment, occupational health and safety, training and development as well as diversity and equal opportunities. In addition, further key figures on patient safety and health as well as procurement and supply security are published.

Aspect	Unit	2024	2023
Employment			
Employees	number	7,971	7,902
Investment in training	Mio. CHF	5.9	6.0
Apprentices in training	number	944	896
Patient safety and health			
Availability of medicinal products on average	%	99.0	98.8
Energy consumption			
Energy consumption (within and outside of the organisation)	MWh	70,914	70,639
Energy intensity	MWh/ FTE	11.59	11.96
Emissions			
Direct and indirect GHG emissions	tCO ₂ e	11,485	12,148
Intensity of GHG emissions	tCO ₂ e/ FTE	1.88	2.06
Waste			
Total weight of waste generated	t	3,579	3,653
Water			
Water withdrawal	m ³	1,419,862	1,149,293

Galenica continues to successfully expand the integrated healthcare system of the future (GRI 2-22)

Dear Shareholders, Ladies and Gentlemen,



Marc Werner, CEO, and Dr Markus R. Neuhaus, Chair of the Board of Directors

We are pleased to present the continued positive development of Galenica in this Annual Report. The company, which will celebrate its centenary in 2027, stands out due to its sustainable strategy and has a unique market position thanks to its business model. As the largest healthcare network, we play a leading role in the Swiss healthcare market. We always achieve this in line with our social and environmental responsibility and corporate governance based on diligently practised values. Since we introduced our new strategy just over four years ago, we have strengthened our market position sustainably, developed innovative services and advanced digitalisation in healthcare. In the financial year 2024, we further improved the customer focus in our organisation and refined our strategy in line with the four areas of activity: creating added value in the network for customers and partners, shaping the future of healthcare, achieving sustainable success through efficient and effective action, and daring to do new things as pioneers in transformation. We strive for focused growth and our philosophy as a healthcare network, which is now well established throughout the company.

Management Report 2024

„The current organisational structure promotes dialogue within the network through flat hierarchies and shared responsibilities.“

Generational change and expansion of the Executive Committee

In order to align our pharmacies even more closely with the needs of customers, Stephan Mignot, Head of Marketing, became a new member of the Executive Committee as of September 2024. A generational change took place in the positions of CFO and Head of Corporate Communications. The current organisational structure promotes dialogue within the network through flat hierarchies and shared responsibilities. We drive forward overarching business processes centrally. We promote a strong corporate culture based on trust and collaboration. The business is directly represented on the Executive Committee, and with the core functions of People & Culture, IT and Finance, we are working together to modernise our systems and secure the necessary skilled employees. As a result, we are more in tune than ever with the needs of our customers, well-connected in the industry and focused on growth.

„With our product and service offerings, we provide integrated solutions from a single source.“

Added value for customers – expansion of “Consultation plus”

The customer-focused approach plays a key role in implementing the strategy and its associated objectives. We aim to inspire our customers and advance healthcare in Switzerland through innovative, sustainable and patient-oriented solutions. We achieve this by providing personal, expert advice and a unique range of products and healthcare services – available at anytime and anywhere throughout Switzerland. What started as a pilot project at the Amavita pharmacy in Zollikofen in 2023 has since made promising progress in 2024: our “Consultation plus” service offers the highest level of discretion, from online appointment booking to private meeting rooms. It strengthens the pharmacy’s position as a highly qualified point of contact in the healthcare sector. Over 40 Amavita pharmacies throughout Switzerland already offer advice and solutions for ailments such as skin and bladder problems. “Consultation plus” is continuously being refined and its roll-out expanded in dialogue with the pharmacy teams and by incorporating customer feedback. To meet the growing demand for consultation and treatment services in pharmacies, we focus on high customer loyalty, efficient processes and integrated collaboration. Another 25 pharmacies will offer “Consultation plus” as of spring 2025. We are also striving to ensure that consultation and services offered in pharmacies are reimbursed by health insurers to a greater extent.

Spotlight Consultation plus

„Setting new standards for patient-oriented care.“

Digitally connected – shaping the healthcare of the future

Digitalisation is crucial for the advancement of a cost-efficient healthcare system. Galenica plays a leading role in this. Collaborating with digital healthcare platforms is an important part of Galenica’s digitalisation strategy. This investment aims to set new standards for patient-centred care and ensure fast, safe and cost-effective access to high-quality healthcare services. At the same time, the pharmacy is increasingly being positioned as a central point of contact for health-related matters via digital access for customers. With our range of products and services, we offer integrated solutions as a single provider, work with the best partners and can now fulfil needs in a more seamless, efficient and, above all, personal way.

Spotlight Digital solutions

Unique in Switzerland – our home care services

Galenica now also offers a unique range of services across Switzerland for retirement and nursing homes as well as home care organisations. It includes the blister packaging of medications, the fully automated ordering and billing of consumables and care products, and clinical nutrition. Even considered individually, these offers provide valuable relief for nursing staff. In combination, they mean even greater added value. With access to all these services offerings on the shared digital platform from Lifestage Solutions, the home care offers as a whole have attracted great interest from managers of retirement and nursing homes as well as home care organisations. Similar to the online pharmacy shops, which are the digital gateway to all products and healthcare services for private customers, healthcare professionals also have the opportunity to access bundled offers from the Galenica network.

Spotlight Home Care

„The introduction of the warehouse management module at the Lausanne-Ecublens site will be a milestone.“

Galexis offering even more comprehensive

Health Supply, the joint venture with Planzer, launched in late 2023, performed well in 2024 and already employs around 200 people. With the aim of advancing pharmaceutical logistics through optimised and sustainable transport solutions, we focus on delivering medicines and medical devices to pharmacies, doctors, hospitals and care homes efficiently, safely and in an environmentally friendly way. In the medical market, Galenica continues to stand out with a comprehensive range of services and a high degree of digitalisation. For example, the easy-to-install DispoCura interface software enables doctors to place their orders without changing systems. In the 2024 financial year, Galexis also closed a gap in its offering: the product range for the medical profession now includes relevant laboratory equipment, associated materials and furnishings. Training for the equipment and a reliable sales service are also part of the offer, which has met with a very positive response. The ERP roll-out at Galexis also got off to a successful start. The first milestone in spring 2025 will be the introduction of the warehouse management module at the Lausanne-Ecublens site, which will enable Galexis to make products available for French-speaking Switzerland much more quickly in the future.

Spotlight DispoCura

„We have made significant progress towards achieving our sustainability goals.“

Sustainability as an integral part of our strategy

Health and well-being are at the heart of what we do. They are the reason we give our best every day. This is our vision – and sustainability is a core part of our strategy. We attach great importance to environmental responsibility, social commitment and responsible corporate governance. In 2024, we have made significant progress towards achieving our sustainability goals. For example, healthcare professionals throughout Switzerland once again increased their use of clinical decision support checks (CDS.CE) in the reporting year, this time to 369 million. The CDS checks are performed via the Documedis® system by HCI Solutions and enable doctors, pharmacists and other specialists to check a patient's current or planned medication for known risks, duplications or allergies to active substances. By using these checks, potential medication errors can be identified in good time and avoided, leading to safer and more effective treatment. By doing this, we have made a significant contribution to patient safety, our most relevant ESG topic. We have also introduced a new, completely digital quality management system for all our pharmacy formats, which has been used by 5,000 employees since the start of 2025 and greatly reduces the administrative workload. The protection of our data is another important topic for us, especially in light of the current developments in artificial intelligence. We therefore established the Data & AI Governance Board in 2024. This committee sets out a clear regulatory framework for the responsible use of data and AI applications.

Sustainability is embedded as a core principle in our corporate strategy. This means that we are well prepared for the future requirements of customers, partners and employees as well as potential political developments. Accordingly, our annual report not only reflects our financial performance, but also provides an insight into how we are paving the way to a more sustainable future. Read our GRI Report and the report on non-financial matters to find out what we do and what specific progress we made in 2024.

Sustainability at Galenica

„A living example of sustainability, innovative interior design and corporate culture.“

Our new working environment at headquarters – more room for change

We also continuously pursue our goal of being an attractive employer. This promise must be kept in order to retain skilled personnel and attract new talent. We promote an open corporate culture in which our employees feel comfortable and can realise their potential. Modern working environments are also part of this. A good example is our new office space known as the Swing Space, at our headquarters in Bern. Opened in July 2024, the redesigned location is serving as an innovative working environment for more than 800 employees until the move to the renovated tower in 2027. But the Swing Space is so much more than just an interim solution. It is also an example of how sustainability, innovative interior design and corporate culture can go hand in hand. Its features include the use of recycled materials, designs that allow for flexibility of use and a central meeting point that promotes collaboration. Open-plan workspaces, numerous meeting areas and a wide range of opportunities for dialogue provide the ideal setting for modern forms of collaboration. In addition, we have deliberately reused a lot of existing material and plan to use newly purchased equipment in the renovated headquarters, as well.

Spotlight Swing Space

Galenica – a well-connected partner in healthcare

Galenica serves more than 100,000 customers in Switzerland in its pharmacies every day. In addition to our own pharmacies, we also supply over 8,000 healthcare institutions such as doctors, hospitals, care homes, drugstores and third-party pharmacies with medicines, medical devices and laboratory supplies from our distribution centres in Niederbipp and Lausanne-Ecublens. We are therefore a key player in the healthcare system and are committed to safe and cost-effective healthcare. As a network, Galenica collaborates with strong partners and applies its wide-ranging expertise to solve major social challenges. In conclusion, we can state that Galenica, with its integrated business model is prepared to make a significant contribution to the success of the healthcare system – today and tomorrow.

We would like to thank everyone who is accompanying and supporting us on this journey: first and foremost our employees, who give their best for our customers and patients every day. We would also like to thank you, dear shareholders, for placing your trust in us. Our thanks also go to our partners, who share our vision, as well as to our customers, who entrust us with their health and well-being every day.

**In memory of our long-standing Board member
Dr Andreas Walde**

Galenica achieved many milestones and celebrated multiple successes in 2024. However, we also had to say goodbye to cherished people and long-standing employees. We would like to take this opportunity to pay tribute to our long-standing member of the Board of Directors and esteemed colleague Dr Andreas Walde, who passed away in December 2024 after a long, serious illness. In Andreas Walde, Galenica has lost a valued colleague and wonderful person. We will always remember his tireless dedication to Galenica, his humanity and the enormous passion for his work. We all miss Andi very much and are grateful for the time we were able to spend together.

Bern, 11 March 2025



Dr Markus R. Neuhaus
Chair of the Board of Directors

Marc Werner
CEO

About us



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Purpose of the company

About us

Galenica is the leading healthcare provider in Switzerland and combines an extensive network of pharmacies, pharmaceutical logistics and digital healthcare solutions. Around 8,000 employees give their best every day for the well-being and health of people in Switzerland.

Our vision is to advance healthcare in Switzerland through innovative, sustainable and patient-oriented solutions. We achieve this by providing personal, expert advice and a unique range of products and healthcare services – anytime and anywhere in Switzerland. Our three core values help us to make the right decisions in implementing our strategy and making our vision a reality.

As the largest healthcare network, we play a key role in the Swiss healthcare market. Our aim is to sustainably strengthen our market position, offer innovative services and actively shape the healthcare system of tomorrow – always in line with our social and environmental responsibilities. In this way, we support people at all stages of life on their journey to health and well-being.

Our vision

Health and well-being are at the heart of what we do. They are the reason we give our best every day.

Our vision is at the heart of our strategy – the Galenica story. It is well established and guides us on our journey into the future. It is the ingredient that makes our work so meaningful.

Our values

We delight our customers.

We act as entrepreneurs.

We build trust.

The three values are our compass that guides us in our actions. Whatever we do, we want to inspire our customers, act entrepreneurially and foster trust. This also applies to our employees, partners, patients, shareholders and society. The three values help us to set the right goals, make sound decisions and provide a simple basis for guiding our actions accordingly.

Our guiding principle

Our guiding principle – there for you every day, strong together – sums up our Galenica story and serves as an anchor for communicating it. It is there to inspire people and establish a sense of community – because it expresses what defines us all as the Galenica network:

"There for you every day. #StrongTogether."

Our guiding principle brings the Galenica story to life and communicates it on an emotional level to people inside and outside our company.

Our service commitment

Galenica is a network of companies that are passionate about their brands. Our top priority is to work together, share ideas and leverage knowledge and skills. Because we are convinced that together we can create the greatest possible added value for our customers and partners. We are close to people, think ahead and act pragmatically. With this approach, we shape our offers, products and services across our entire network. This is how we meet the needs of our customers today and tomorrow – seamlessly, efficiently and personally.

Galenica Strategy

About us

Galenica's corporate strategy focuses on four strategic areas of action, each of which has two priorities. This is what we use as a guide and how we measure ourselves. We pursue our vision consistently: to give our customers our best every day for their health and well-being.

The strategy – our Galenica story – is based on developments and megatrends that have been identified in Galenica's business environment and ensures that we can react flexibly to changes. This means that we are well equipped for the opportunities and challenges of the healthcare system of today and tomorrow.

Megatrends identified include:

- Digitalisation
- Interconnectedness
- Changing consumer needs
- Ageing society
- Climate change
- Diversity and equal opportunities
- Shortage of skilled workers

Galenica's strategy is based on exploiting the opportunities presented by megatrends while also minimising risks. By focusing on innovation and sustainability, we are positioning ourselves as a pioneer in a rapidly changing world.

[Find out more about the megatrends](#)

Strategic fields of action and priorities

We set our priorities and targets in line with the four strategic fields of action, which also contribute to sustainability. In doing so, we ensure that Galenica's strategy and activities have a positive impact on society, the environment and the economy. Based on this, we ascertain what steps need to be taken to be successful and competitive in the long term.



Added value in the network: We generate value for customers and partners

We create added value for customers and partners with our wide range of healthcare services and products. A key aspect of this is to convince and inspire people with our offerings – whether on site in the pharmacy, digitally or at home. We are constantly expanding and improving our services and sales channels, refining them in collaboration with partners from the healthcare sector, and remain consistently committed to inspiring our customers.

Omni-Channel

Best customer experience anytime and anywhere

- We are constantly expanding and optimising our pharmacy network
- We connect personal and digital customer interfaces
- We combine online and offline channels for a seamless customer experience
- We build the digital infrastructure required for efficient workflows
- We create a unique and consistent experience for all customer interactions

Health Services & Products

First-class healthcare services and products

- We offer specialist retailers and our pharmacies an attractive product range
- We relieve the burden on the healthcare system with on-site pharmacy advisory services
- We contribute to prevention and health promotion with our offerings

Wide-ranging home care offering

- We contribute to an improved quality of life for patients, for example by providing artificial nutrition and intravenous therapies that do not require inpatient treatment
- We provide medical devices, consumables and assistance with organising and managing care
- We help improve patient safety and patient adherence by providing medications in patient-specific blister packaging

Shaping the future: We are shaping the healthcare of tomorrow

Digitalisation plays a pivotal role in the modernisation of healthcare. We aspire to be pioneers and expand our network. Whether by optimising logistics processes, using state-of-the-art technologies in all business areas or through strategic partnerships and acquisitions, we are constantly improving and expanding our offering, making it more efficient, sustainable and innovative. In this way, Galenica creates significant added value for customers and partners and is helping to drive healthcare forward.

Digital Health

Leader in e-health

- We develop innovative solutions to promote digitalisation in healthcare and set new standards in the provision and use of health data
- We make the medication process safer and more efficient with new software solutions
- We provide digital B2B offerings and connect health insurers with pharmaceutical companies

Connecting Healthcare

Comprehensive logistics services

- We are a leader in healthcare logistics and digital solutions for the Swiss healthcare market
- We offer comprehensive logistics and IT services to ensure that medicines and healthcare products are distributed efficiently

Digital connectivity in healthcare

- We connect healthcare providers and simplify their healthcare workflows – for example via the Lifestage Solutions platform

- We also invest in digital healthcare platforms such as Well to promote connectivity and integration of healthcare services

Sustainably successful: We work efficiently and effectively

More than ever, sustainability has become a central pillar of business activity. In a world of constant change, Galenica takes responsibility for the impact of its business activities on the environment, society and the economy. Sustainability and efficiency are among our key priorities. For us, this means implementing projects on time, cost-effectively and in a way that conserves resources. We also set ourselves ambitious sustainability goals.

Efficiency & Sustainability (ESG)

Simple, efficient, resource-saving – for customers, partners and employees

- We are constantly optimising our services and organising our corporate network in a clearly structured manner
- We utilise synergies, simplify collaboration through standardised processes and systems, and digitalise our business where it adds value
- We continuously invest in the modernisation and automation of our distribution centres
- We are reducing CO₂ emissions by increasing efficiency in logistics and installing renewable energy production at our operating sites

Pioneers in transition: We venture new ideas and move forward together

This is part of Galenica's DNA and our 100-year history. We take responsibility for ensuring that we will still be there for people's health and well-being in the future. An important part of this is to continuously adapt our company to changing customer needs. As an attractive employer, we promote diversity, are committed to equal opportunities and take care of our talents – in order to attract the best specialists over the long term.

Transformation

Decision-making by competent, agile teams

- We work with as few hierarchies as possible and build strong teams that work together across organisational boundaries
- We create attractive, modern working environments that promote networking

Driving digitalisation

- We are driving the integration of digital technologies in all business areas
- We are spurring on the automation of processes, the use of artificial intelligence and the improvement of digital infrastructure

Employer of choice

Forward-thinking corporate culture

- We support the continuous development of our employees
- We help to strengthen mental health through modern management principles
- We make decisions in the areas we know the most about

Enhancing our attractiveness as an employer

- We promote an appreciative, values-based corporate culture
- We facilitate flexible working models to provide a healthy work-life balance
- We believe in a strong sense of community and a collaborative working environment

Management report



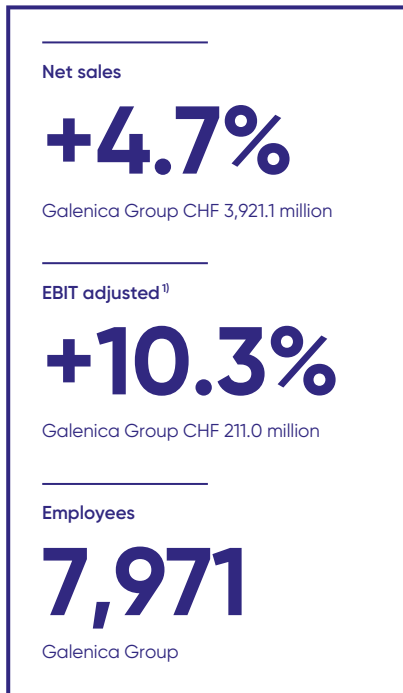
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Financial Performance Group

Management report

In the 2024 financial year, the Galenica Group generated consolidated net sales of CHF 3,921.1 million, representing strong year-on-year growth of 4.7%. The adjusted¹⁾ EBIT increased significantly by 10.3% to CHF 211.0 million.



Strong sales development

Sales of the Galenica Group performed very pleasingly in 2024, with growth of 4.7% to CHF 3,921.1 million. The main growth driver was the “Logistics & IT” segment, which achieved sales growth of 5.3% thanks to market share gains in the wholesale business with doctors and pharmacies. The “Products & Care” segment also recorded a favourable performance with sales growth of 3.9%, supported by strong growth in prescription-only medications and the acquisition of new pharmacies.

Following a solid 2.6% increase in sales in the first half of 2024, growth accelerated to 6.7% in the second half of the year. The strong growth was boosted by two additional days of sales in the second half of the year, which had a positive impact on growth in this period of an estimated 1.6%. Over the full year 2024, Galenica benefited from an additional day of sales due to the leap year, amounting to a one-off additional growth effect of around 0.4%. A mild flu season and low prevalence of colds dampened sales growth in the fourth quarter of 2024. In addition, a slightly higher impact of the annual price reduction round as well as strong additional sales of generics and biosimilars reduced the growth momentum. A key factor in this development was the measures to promote generics and biosimilars that came into force on 1 January 2024, including the increase in the co-payment from 20% to 40% if patients prefer certain products. In light of this, Galenica pharmacies increased the generic substitution rate by 4.0% on average to a high 79.2% in 2024 (75.2% at the end of December 2023). By way of comparison, the Swiss pharmaceutical market grew by 3.5% in the reporting year (IQVIA, Pharmaceutical Market Switzerland, 2024). Sales volumes rose by 0.5%.

EBIT growth in line with strong sales performance

The reported EBIT increased by 7.6% to CHF 214.4 million. The adjusted¹⁾ operating result (EBIT), adjusted for the effects of the IFRS 16 (Leases) and IAS 19 (Employee Benefits) accounting standards, increased significantly year-on-year by 10.3% to CHF 211.0 million. Excluding the one-off special factors in the previous year of CHF 9.8 million, the adjusted¹⁾ operating result (EBIT) would have grown by 4.9%. The adjusted¹⁾ return on sales (ROS) improved year-on-year from 5.1% to 5.4%.

The revised distribution share for reimbursable medications that entered into force on 1 July 2024 had essentially no impact on earnings for the Galenica Group.

The adjusted¹⁾ net profit from continuing business activities increased by a strong 13.4% to CHF 183.2 million (previous year: CHF 161.6 million). Reported net profit from continuing business activities was CHF 183.7 million (previous year: CHF 165.7 million, +10.9%). Net profit was bolstered by the extraordinary value adjustment of earn-out obligations from acquisitions of CHF 10.6 million (previous year: CHF 10.1 million) and an exceptionally low tax rate of 14.4% due to the effect of the amortisation of investments in companies on tax liability.

Balance sheet remains strong

The Galenica Group's balance sheet has remained strong. Consolidated shareholders' equity increased by CHF 76.6 million to CHF 1,551.8 million, thanks in particular to the annual profit. The equity ratio increased by 1.2% points to 50.5%.

Adjusted¹⁾ net debt, adjusted for lease liabilities, increased by CHF 62.0 million compared to the end of December 2023 to CHF 424.1 million, amounting to 1.6 times the adjusted¹⁾ EBITDA. This increase is primarily attributable to the increase in the strategic investment in Redcare Pharmacy amounting to CHF 61.2 million, giving Galenica a shareholding of 10.3% at the end of the year. Investments in fixed and intangible assets in the 2024 financial year totalled CHF 72.8 million (previous year: CHF 78.8 million). They were primarily related to the introduction of the new ERP (Enterprise Resource Planning) system at Galexis, the rebuilding and renovation of pharmacies and other operational sites, and investments in the expansion of the digital infrastructure. The year-on-year decrease in investments is attributable to normalised investment activity in pharmacy renovations and the modernisation of the distribution centre in Lausanne-Ecublens, which was completed in 2023.

In the 2024 financial year, at CHF 212.1 million, adjusted¹⁾ operating cash flow was well above the previous year's level (CHF 173.5 million). Free cash flow after acquisitions also improved significantly to CHF 61.0 million (previous year: CHF 49.3 million), despite the further increase in the strategic investment in Redcare Pharmacy. The positive development in cash flow was due to a combination of a higher operating cash flow and a strong focus on net working capital management.

¹⁾ Excluding the effects of IAS 19 and IFRS 16. See chapter "[Alternative performance measures](#)".

Products & Care

Management report

The "Products & Care" segment comprises the "Retail" business area with offerings for patients and end customers (B2C) and the "Professionals" business area with offerings for business customers and partners in the healthcare industry (B2B).



The "Retail" business area comprises the two sectors "Local Pharmacies" (bricks-and-mortar pharmacies) and "Pharmacies at Home" (mail-order pharmacies and home care), while the "Professionals" business area consists of the "Products & Brands" and "Services for Professionals" sectors. Both business areas focus on the development, marketing and sale of services and products through the various Galenica distribution channels. Depending on their needs, end customers (B2C) can benefit from their own bricks-and-mortar pharmacies, home care services, mail-order pharmacies and online shops. Galenica also supports healthcare providers (B2B) 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 1,700.2 million (+3.9%) in the 2024 financial year. Of this, CHF 1,442.0 million (+4.1% excluding Coop Vitality and Mediservice) was attributable to the “Retail” business area (B2C). The “Professionals” (B2B) business area increased sales to CHF 268.2 million (+4.7%).

The adjusted¹⁾ operating result (EBIT) increased by 3.2% to CHF 157.3 million in the 2024 financial year, while the adjusted¹⁾ return on sales (ROS) decreased to 9.2% (previous year: 9.3%). Adjusted for a one-off valuation effect on the inventory in the previous year, the adjusted¹⁾ ROS improved from 9.1% in 2023 to 9.2% in 2024.

Investments in the “Products & Care” segment amounted to CHF 24.7 million (previous year: CHF 29.3 million). The year-on-year decline in investment activity is attributable to the normalisation of expansion and renovation activities in the pharmacy sector.

¹⁾ Excluding the effects of IFRS 16. See chapter “Alternative performance measures”.



“Retail” business area (B2C)

Local Pharmacies

In financial year 2024, the “Local Pharmacies” sector generated net sales of CHF 1,365.1 million (+4.4%, excluding Coop Vitality). The pharmacy network (excluding Coop Vitality) has continued to develop dynamically: a total of 12 pharmacies were newly acquired and 2 new locations opened, while 4 pharmacies were closed or merged with other locations. The expansion contributed +1.7% to sales growth in the “Local Pharmacies” sector. Adjusted for this expansion effect, Galenica pharmacies grew organically by 2.7% thanks to high demand for prescription-only medications.

By way of comparison, drug sales from bricks-and-mortar pharmacies in Switzerland (prescription [Rx] and OTC products) grew by 3.5% in the reporting year (IQVIA, Pharmaceutical Market Switzerland, 2024). The consumer healthcare market recorded year-on-year growth of 1.1%, with the non-medications segment recording a decline of 0.8% (IQVIA, Consumer Health Market Switzerland, 2024). As a result, Galenica Group pharmacies achieved stronger growth than the overall market and gained market shares organically.

At the end of 2024, Galenica’s network of own pharmacies comprised a total of 376 locations (net +7, including Coop Vitality). The significant increase in bricks-and-mortar pharmacies is a clear sign that Galenica is successfully implementing its strategy of continuously strengthening the pharmacy network and thus making an important contribution to the nationwide pharmaceutical supply of the Swiss population. In the reporting year, the Group strengthened its presence in the Bernese Oberland and Ticino regions in particular.

Own sales points

	31.12.2024	31.12.2023	Change
Amavita pharmacies ¹⁾	198	188	+10
Sun Store pharmacies ¹⁾	85	85	–
Coop Vitality pharmacies ²⁾	86	89	-3
Specialty pharmacy Mediservice ²⁾	1	1	–
Majority holdings in other pharmacies ¹⁾	6	6	–
Total own points of sale	376	369	+7

¹⁾ Fully consolidated
²⁾ Consolidated at equity



For the best customer experience

The customer-focused approach plays a key role in implementing the strategy and its associated objectives. We want to inspire our customers – with the right range of products and healthcare services. Galenica aims to align itself even more closely with the market and customers, and to be a convincing provider. We are therefore placing an increased focus on refining the omni-channel marketing mix and utilising new marketing tools. In particular, the focus is also on involving pharmacies (shop windows, retail spaces) for marketing communication.

Spotlight Social media campaign



“Consultation plus” is becoming ever more established

The importance of bricks-and-mortar pharmacies for providing low-threshold healthcare services to the population has been further consolidated. Demand for the “Consultation plus” offering developed positively in the reporting year. In the 2024 financial year, Galenica pharmacies provided 193,000 paid consultations and services, 39% more than in the previous year. Pharmacy staff can provide comprehensive support for almost all simple medical conditions, advise on health prevention and administer vaccinations in an increasing number of cantons. Furthermore, with “Book a Doc”, telemedical consultations can still be accessed at short notice if required. Over the course of 2025, Sun Store customers will also benefit from the comprehensive “Consultation plus” approach.

Spotlight Consultation plus

Contribution to occupational health management

At the same time, Galenica also plays an important role in companies' occupational health management. It collaborates with more than 90 well-known companies that offer employees free flu vaccinations as part of their health initiatives. For employees, the nearest Galenica Group pharmacy is usually not far away, so they can be vaccinated with little effort.

Recognised pioneer in healthcare

Remuneration for pharmacy services such as vaccinations, consultation and preventive measures is increasingly being covered by health insurers in basic and supplementary insurance models. Galenica is committed to this strategic objective, not least on behalf of the industry as a whole and in keeping with its role as a pioneer in healthcare. In the 2024 financial year, Galenica has once again been able to collaborate constructively with health insurers. In the first half of 2024, for example, AXA and Galenica concluded an agreement that covers the costs of pharmacy-based advisory services as part of AXA supplementary insurance. Furthermore, numerous healthcare services have been additionally integrated into existing primary care insurance models, such as the PrimaFlex model from Groupe Mutuel or PreventoMed from Assura.

More women in pharmacy management

For Galenica, it is important to create opportunities for and empower women in management positions. In the 2024 financial year, the proportion of women in pharmacy management was 75%. Galenica is also constantly working to further develop the professional profile of pharmacy assistants. They can now take on responsibility in the areas of deployment planning, vocational training and healthcare services. Pharmacy assistants also have the opportunity to take on managerial roles in pharmacies, such as co-manager.

Soundly planned introduction of a new quality management system

In the year under review, Galenica launched an important quality assurance measure in pharmacies: it established a new quality management system that meets the high requirements of the authorities and customers, while also reducing the administrative burden on pharmaceutical staff. In order to ensure a high degree of acceptance for the changeover from the outset, Galenica incorporated the opinions of users and authorities in the form of sounding boards. Around 5,000 employees were trained in the reporting year; the new system has been in use since the beginning of January 2025.



Pharmacies at Home

The “Pharmacies at Home” sector contributed net sales of CHF 77.3 million (-2.1%, excluding Mediservice) to the overall result. The slight decline is mainly due to various adjustments to the product range and the flat development of the Amavita and Sun Store online shops. The largest area, “Bichsel HomeCare”, continued to grow pleasingly.

Bichsel, a company specialising in clinical nutrition, continued its positive trend of the first half of the year and made a significant contribution to the favourable result. Galenica strengthened its presence in southern Switzerland with an investment of 33% in Ticino-based Farmadomo Home Care Provider SA, the leading home care organisation in the field of clinical nutrition and blister packaging, i.e. the patient-specific packaging of medicines. Last but not least, the sector intensified its collaboration with home care organisations for the indications of Parkinson’s disease and palliative care.

Positive development for Redcare Pharmacy

The integration of the Swiss online pharmacy Redcare into the speciality pharmacy Mediservice was completed in the reporting year, allowing Switzerland’s leading online pharmacy to focus on further expanding its product range and on brand management. In addition, Galenica increased its stake in Redcare Pharmacy from 7.9% to 10.3% in the year under review. By expanding its investment in the company, Galenica is strengthening its partnership with Redcare Pharmacy, which has developed very positively since it was founded.

Forthcoming roll-out of the Prescription Manager

In the “Pharmacies at Home” area, the roll out of the Prescription Manager to all Galenica Group pharmacy formats was prepared in the reporting year. The Prescription Manager is a digital assistant for people who need medication on a regular basis and have to renew their repeat prescriptions every six months. Many patients struggle with this task, which in turn poses a challenge for patient adherence and efficacy of their therapy. With this in mind, Galenica has developed a simple solution that is also easy to use for elderly people. It allows repeat prescriptions to be easily managed and medication to be conveniently re-ordered, either at home or in the pharmacy of choice. The Prescription Manager is therefore a good example of the implementation of the Omni-Channel strategy.



“Professionals” business area (B2B)

Products & Brands

In the 2024 financial year, the “Products & Brands” sector generated sales of CHF 183.4 million (+3.5%). Organic growth in the “Products & Brands” sector in the Swiss market was -0.2%. The Swiss market was dampened by the ongoing reduction in inventories and a mild flu season in the fourth quarter. Nevertheless, sales of Verfora products in the pharmacy and drugstores market outperformed the overall market with an increase of 4.2%, leading to further gains in market share.

The export business performed particularly positively with organic growth of 15.1%. This result was driven by increased demand for Verfora products, particularly Perskindol[®], as well as earlier product deliveries abroad due to an upcoming regulatory change.

By way of comparison, the consumer healthcare market grew by 1.1% year-on-year (IQVIA, Consumer Health Market Switzerland, 2024, excluding COVID-19 self-tests).

Galenica further expanded its leading market position in the competitive consumer healthcare sector with the healthcare company Verfora. In addition to expanding its product portfolio, Verfora is investing in the awareness of its brands in particular and is consistently developing them. This is especially important in a market that is increasingly being supplemented by digital channels. Take Triofan[®], for example, a brand that was originally only used for cold and nasal sprays and is now a popular brand for hay fever and coughs.

Bundling of complementary medicine

Under the Verfora umbrella, Galenica bundles its complementary medicine offerings in its subsidiary Spagyros, enabling this area to be commercialised even more successfully. Since 1 January 2025, Verfora has also been responsible for the exclusive marketing and distribution of Cooper Consumer Health products in Switzerland, further strengthening its presence in the market. Thanks to Cooper’s prescription-only products such as Duphalac, Legalon and Prosta-Urgenin, the product portfolio for the medical sales force is also expanding.



Services for Professionals

The “Services for Professionals” sector generated sales of CHF 84.8 million (+7.5%) in the 2024 financial year. Growth was generated in particular by the strong performance of Lifestage Solutions and with blister packaging solutions from Medifilm.



Digital gateway for professional services

The “Services for Professionals” sector is a particularly good example of how the Galenica network operates and creates added value. The comprehensive range of services relieves the burden on healthcare professionals and optimises workflows. The network includes the specialist for clinical nutrition (Bichsel), patient-specific blister packaging of medications (Medifilm), a digital platform (Lifestage Solutions) and mobile care home doctors (Emeda) – supplemented by almost 380 bricks-and-mortar pharmacies throughout Switzerland. At the centre of this network is the Lifestage Solutions platform, which Galenica is increasingly developing into a digital gateway for its product and service offerings.

Spotlight Home care

Market establishment at Bichsel and Medifilm

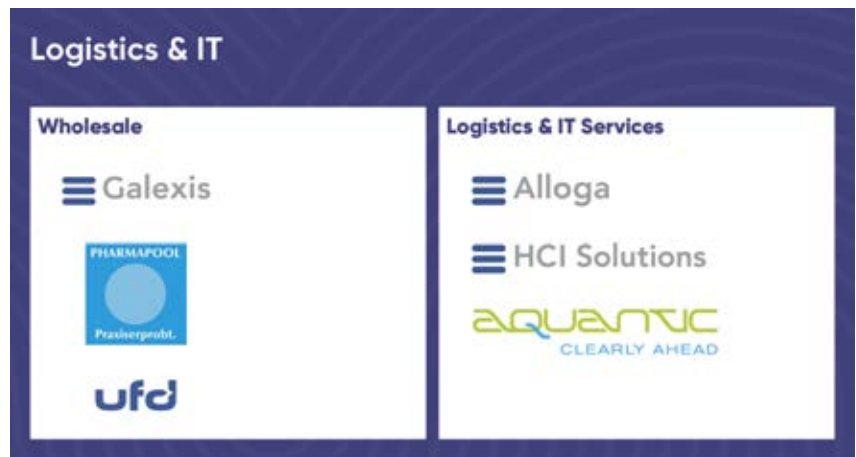
The product range adjustments and process optimisations initiated at Bichsel over the last few years proved to be effective: The specialist in the manufacturing of registered and non-registered medicinal products was successful in the 2024 financial year and is very well established within its primary target group, hospitals.

Medifilm was able to put the two new blister packaging machines into operation in 2024. Certification by Swissmedic will take place in the first quarter of 2025. In the 2024 financial year, the number of Medifilm patients increased by around 10%, as in the previous year. In addition, over than 50 new institutional customers were acquired for the supply of medifilms, including a national care home group for which Galenica pharmacies are one of the main suppliers of medication management.

Logistics & IT

Management report

The "Logistics & IT" segment comprises the two sectors "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” segment key figures

The “Logistics & IT” segment recorded net sales of CHF 3,241.4 million (+5.3%) in 2024. Of this, CHF 3,105.2 million (+5.2%) was attributable to “Wholesale” and CHF 157.2 million (+9.2%) to “Logistics & IT Services”.

The adjusted¹⁾ earnings before interest and taxes (EBIT) improved year-on-year by 34.2% to CHF 56.8 million and the adjusted¹⁾ return on sales (ROS) increased from 1.4% to 1.8%. Besides the increase in sales and efficient cost management in the second half of the year, the improved EBIT performance was primarily due to the absence of one-off special factors of CHF 12.8 million in the previous year. Excluding the one-off special factors in the previous year, EBIT improved by 3.0%, while the adjusted¹⁾ return on sales (ROS) remained stable at 1.8%.

Investments totalled CHF 45.2 million (previous year: CHF 46.4 million). These were primarily used for the gradual introduction of the new ERP software at Galaxis and Alloga and for the development of digital infrastructure.

¹⁾ Excluding the effects of IFRS 16. See chapter “[Alternative performance measures](#)”.



Wholesale

Net sales of CHF 3,105.2 million (+5.2%) were generated in the “Wholesale” sector in 2024. Sales growth in the wholesale business with doctors (+7.8%) and pharmacies (+4.0%) both outperformed market growth, enabling market share to be gained again.

By way of comparison, the market for doctors recorded growth of 5.7%, while the market for bricks-and-mortar pharmacies increased by 3.5%. By contrast, the market for mail-order pharmacies shrank by 2.9% in the reporting period (IQVIA, Pharmaceutical Market Switzerland, 2024).



ERP implementation successfully launched at Galexis

Following the successful completion of the roll-out of SAP/4 HANA and EWM at Alloga, the first functionalities were also successfully put into operation at Galexis in the reporting year. The next milestone in spring 2025 will be the introduction of the warehouse management module (EWM) at the Galexis site in Lausanne-Ecublens, which will enable Galexis to achieve greater efficiency in order picking through additional automation and further increase the number of items available in Lausanne-Ecublens. The faster availability of products will significantly increase customer benefits in Western Switzerland.

Reducing the burden on pharmacy customers

Galexis has implemented a major logistical and technical measure to increase efficiency and reduce the workload of pharmacy staff: the expiry dates of non-medical products are now also transmitted digitally directly to pharmacies. Previously, only the expiry dates of medical products were recorded. Thanks to this initiative, manual entry at incoming goods is no longer necessary, meaning that all orders can be delivered together. This saves an average of 10-15 minutes of work per pharmacy per day.



DispoCura makes everyday life in the practice considerably easier.

Galexis offering even more comprehensive

Galenica continues to differentiate itself in the market for doctors with a comprehensive range of services and high degree of digitalisation. For example, the quickly installed DispoCura interface software enables doctors to place their orders without changing their system. In the financial year, Galexis was also able to close a gap in its portfolio: the offering for the medical profession now also includes relevant laboratory equipment, associated materials and furnishings. Training for the equipment and a reliable sales service are also part of the offer, which has met with a very positive response.

Spotlight DispoCura

Logistics & IT Services

The "Logistics & IT Services" sector generated net sales of CHF 157.2 million (+9.2%) in financial year 2024. The main growth driver was the intra-group charging of IT services. With sales growth of 4.2%, external services such as Alloga's pre-wholesale business and the IT services of HCI Solutions and Aquantic also performed well.

Encouraging development of the transport company Health Supply Ltd.

The joint venture with Planzer named Health Supply Ltd., which was initiated at the end of 2023, developed excellently and already employs around 200 employees. In the financial year, Galaxis significantly exceeded its strategic objective of reducing complexity by bundling services outsourced to different transport service providers with Health Supply. The transport services of the joint venture are to be continuously expanded and are also available to other market participants. In addition, the logistics companies of the Galenica Group will continue to carry out deliveries independently where appropriate and necessary. Health Supply is an ideal complement to the deliveries made by the Galenica Group companies themselves.



Comprehensive offering at Alloga

Prewholesale specialist Alloga had a good 2024 financial year. Once again, it outperformed the market and was able to gain important new partners from the industry, not least thanks to its experience in cooling technology and security logistics and its renowned reliability. With the successful completion of the major ERP implementation, Alloga laid the foundation for further growth in 2024.

HCI Solutions continues to drive networking in the healthcare sector

The digital mapping of medication in the Swiss healthcare system is the core expertise of HCI Solutions. This positioning is emphasised by its new brand identity, which was introduced in 2024. The HCI Connect event series launched in 2023 was once again very well received in 2024.

HCI Connect brings together healthcare professionals and eHealth specialists with the aim of further advancing the development of digital medication solutions. HCI Solutions' in-house editorial team provides the foundation for ensuring that medication data is up-to-date and of high quality, thus making a significant contribution to the quality of therapy and patient safety in Switzerland.

High demand for Documedis®

The Documedis® software platform, a service from HCI Solutions, recorded another increase in demand in the reporting year. Documedis® is integrated into the leading software solutions for medical practices, pharmacies, hospitals, care homes and patient apps. It supports healthcare professionals in their day-to-day work – from creating medication plans (e-mediplan) to digital prescriptions (e-prescriptions). Specialists use Documedis® CDS.CE (Clinical Decision Support) when making clinical decisions or devising optimal medication therapy for patients. Documedis® CDS.CE was accessed over 369 million times last year, making a valuable contribution to increasing patient safety. New features are continuously being developed and made available to software providers as digital services.

E-prescriptions continue to evolve

Under the leadership of the two professional associations FMH and PharmaSuisse, the nationwide introduction of e-prescriptions is being steadily promoted. By the end of 2024, the technical infrastructure was in place for practically all doctors to be able to issue an e-prescription and for pharmacies to use it. HCI Solutions is actively involved in the developments as a private-sector competence partner and is driving the roll-out forward. With PharmaVista.ch, HCI Solutions offers all pharmacies in Switzerland a convenient way to assess and validate electronic prescriptions.

External environment

Management report

In 2024, three important healthcare policy proposals were submitted to the vote of the people, of which only the proposal on the standardised financing of outpatient and inpatient services was accepted. Rising healthcare costs and health insurance premiums are an increasing burden on the population and shaping the political discourse. Healthcare is considered to be one of the most important areas of reform in Switzerland.



Number of employees in the Swiss healthcare sector

575,524

Full-time equivalents (2023, source: Federal Statistical Office)

Healthcare costs continue to rise

The KOF Swiss Economic Institute at ETH Zurich expects healthcare spending to increase to over CHF 102 billion in 2025 and to over CHF 106 billion in 2026. Health spending per capita is forecast at CHF 11,303 (2025) and CHF 11,594 (2026).

For 2024, the KOF projected an increase in growth in healthcare spending of 4.4%. The growth rate is expected to fall again slightly to 3.7% in 2025 and 3.4% in 2026.

The KOF forecast shows that healthcare spending as a proportion of gross domestic product (GDP) will account for 12.0% in 2024, 12.1% in 2025 and 12.2% in 2026. By way of comparison, this share was only around 9.1% in 2020.

According to the KOF forecast, several key factors are contributing to the increase in healthcare spending in Switzerland:

- The increase in the number of healthcare services used is the main reason for the rising costs, rather than price increases. More and more people are using healthcare services.
- The ageing of the population is a significant factor contributing to costs. As the number of elderly people increases, so does the need for medical services and long-term care.
- Innovative new therapies, medications and treatment methods are another factor contributing to costs.
- Both outpatient and inpatient treatment costs are rising significantly.
- Structural factors such as inflation and the shift from inpatient to outpatient treatment are also increasing the financial burden on premium payers.

(Source: [KOF forecast of healthcare expenditure autumn 2024](#))

The development of premiums remains the main concern of the population and Parliament

The UBS Worry Barometer 2024 shows that health issues are the main concern of the Swiss population. 48% of respondents cite this issue as one of the country's most important problems. This is a significant increase compared to the two previous years.

Even the younger generation is concerned: 46% of 19- to 29-year-olds consider healthcare matters to be one of their biggest worries. Among women in this age group, the figure is as high as 51%.

(Source: [UBS Worry Barometer 2024, GfS](#))

One of three popular votes was adopted

Three health policy proposals were submitted to the vote of the people in 2024: the Premium Relief Initiatives, the Cost-Brake Initiative and the proposal on the standardised financing of outpatient and inpatient services.

Premium Relief Initiative

On 9 June 2024, the federal popular initiative "Keep health insurance premiums to no more than 10% of income" ("Premium Relief Initiative") was rejected.

The demand of the Premium Relief Initiative was for policy holders in Switzerland to spend no more than 10% of their disposable income on health insurance premiums.

Parliament adopted an indirect counterproposal. The date on which it will enter into force is still to be decided.



Pharmacies in Switzerland

1,837

(2024, source: pharmaSuisse)

Cost-Brake Initiative

A second health policy bill was rejected on 9 June 2024 with the federal popular initiative "For lower premiums – a cost brake in the healthcare system" ("Cost-Brake Initiative").

As the initiative was rejected, the indirect counterproposal will enter into force. The date of entry into force is not yet known.



Hospitals in Switzerland
275
 (2023, source: Federal Statistical Office)

Standardised financing of healthcare services

The reform of standardised financing of services provides for all compulsory health insurance benefits to be financed according to a standardised formula – regardless of whether they are provided as an outpatient, inpatient or in a nursing home. The aim of the bill is to reduce false incentives and promote outpatient treatment. The reform is also intended to ease the burden on premium payers in the long term.

On 24 November 2024, voters approved the amendment to the Federal Act on Health Insurance (uniform financing of services) with 53.3%.

Health Insurance Act

Discussion on the second package of measures to contain healthcare costs will continue

In 2024, Parliament continued its deliberations on the second package of measures to curb healthcare costs. The finalisation of the differences is to be completed in 2025.

The Federal Council and Parliament have provided for the following measures:

Networks for coordinated care: The Federal Council's draft envisages defining networks for coordinated care as a new service provider.

Differentiated review of efficacy, expediency and economic efficiency (EEE): This measure means it will no longer be necessary to carry out price review rounds every three years for all medications.

Confidential pricing models and reimbursement: Both Councils want to create confidential pricing models to reduce drug costs and promote innovative medicines.

Strengthening pharmacy services: The Federal Council has proposed expanding the competences of pharmacists in the areas of prevention and therapy support. The strengthening of pharmacy services was

undisputed in Parliament and has already been approved by both Councils:

- In future, pharmacists will be able to bill for preventive measures such as vaccinations without a doctor's prescription as part of cantonal or national programmes, which under current law must be paid for by customers themselves.
- Pharmaceutical services to optimise medications prescribed by a doctor and treatment adherence as well as related analyses, remedies and items provided in interprofessional consultation with the attending doctors can now be billed via basic insurance.



Doctors in Switzerland
41,100
 (2023, source: Swiss Medical Association)

The Federal Council takes measures to increase the proportion of generics

The adjustment of the Health Insurance Ordinance as of 1 January 2024 has resulted in an increase in the co-payment for certain medications. For medicines whose ex-factory price exceeds a defined threshold, the co-payment increased from 20% to 40%. However, the co-payment for most generics and biosimilars remained at 10%.

As of the beginning of 2024, not only generics but also biosimilars can be offered as replacements for original drugs.

As of 1 July 2024, the distribution share for medicinal products was adjusted, which has further increased the price differences between original preparations and generics.

The Federal Council is adjusting the distribution share

The Federal Council brought the amendment to the ordinance on the distribution share of prescription drugs into force on 1 July 2024. The distribution share has remained largely unchanged since its introductions over 20 years ago (2001). However, the costs it has to cover have continued to increase.

The revision of the distribution share promotes the spread of cost-effective generics and biosimilars and reduces false incentives. Patients and premium payers benefit directly from this.

The change will make around two-thirds of medications cheaper, around a third will become more expensive.

The DigiSanté programme

In 2024, Parliament approved the programme to promote digital transformation in healthcare (DigiSanté). The programme will run for 10 years and has a commitment credit of CHF 392 million.



Other key drivers – megatrends

Global megatrends are constantly changing the global economy and society. These long-term trends present both opportunities and challenges that shape our business environment. By analysing these trends, we can make strategic decisions that ensure our company is fit for the future.

Digitalisation

Digitalisation helps to improve the quality and accessibility of healthcare and stabilise costs. New technologies are revolutionising healthcare – for example, in the field of telemedicine, with the introduction of electronic health records and AI-supported diagnostics. In addition, digitalisation makes it easier to manage and analyse large amounts of data, which can lead to new research approaches and innovative therapies. With its IT expertise and e-health initiatives, Galenica is committed to an efficient, secure and increasingly digital healthcare system for the benefit of all stakeholders and the well-being of patients.

Interconnectedness

Patients want a connected healthcare system. Collaboration between different service providers, consolidation and cooperation between the private sector, the public sector and academia are crucial. This is because interdisciplinary teams are working more closely together to ensure holistic, patient-centred care. Galenica is supporting this by bringing the various service providers together and engaging in industry associations.

Changing consumer needs

Personalised healthcare is gaining in importance due to changing customer needs. Patients prefer tailored treatment plans and demand special confidentiality and data protection in the context of digital healthcare. They expect a presence in both the digital and the analogue world and want trustworthy and efficient communication with healthcare providers. With its Omni-Channel strategy, home care offerings and reputation as a leading healthcare network, Galenica has succeeded in positioning itself as a reliable partner for healthcare services.

Ageing society

The population in Switzerland is getting older and older. This is impacting the healthcare sectors in many ways as a megatrend in healthcare: demand for health services is increasing as older people need medical care more often. Chronic illnesses are on the rise, which requires specialised treatments over a longer period of time. In addition, elderly people want to stay at home for as long as possible. Galenica's home care offerings are of great importance against the backdrop of demographic change.

Climate change

Climate change with regular heat waves is affecting the health of the population. For companies, it entails rising energy costs, additional regulations and disclosure requirements. Galenica is convinced that acting responsibly makes a significant contribution to the company's long-term success and has a positive impact both within and outside the company. Sustainability is therefore an integral part of Galenica's corporate management.

Diversity and equal opportunities

Mixed teams are more successful – and so are companies that recognise this. Diversity and inclusion are therefore key corporate principles. The Galenica network makes a conscious effort to promote diversity. The company brings together people from all language regions of Switzerland and from more than 85 different countries. We firmly believe that the varied professional backgrounds, age groups and cultural heritages of our employees make the development and success of Galenica possible in the first place. In addition, we actively promote gender equality and the inclusion of people with specific needs to create a working environment where everyone feels valued and supported. This diversity enables us to anticipate the varied needs of our customers.

Shortage of skilled workers

Many healthcare providers struggle to recruit and retain qualified people, especially when competing with other healthcare professions. This often leads to an increased workload for existing employees. The shortage of qualified specialists affects the entire sector and remains a major challenge for the healthcare system in Switzerland. Galenica gives top priority to its commitment to young professionals and its attractiveness as an employer – through modern working conditions, career opportunities and investments in education and training.

Outlook for 2025

Parliament is expected to complete its reading of the cost containment 2 package of measures in the first half of the year 2025.

In the second half of 2025, the Federal Council will adopt the dispatch on the partial revision of the Therapeutic Products Act (stage 3a), which is intended to clarify access to innovative drug therapies and promote the use of digital instruments in the medication process. A core focus of the digital instruments is an obligation on the part of service providers to use electronic prescriptions and e-medication plans.

In the second half of 2025, the Federal Council will open the consultation process on the amendment of the Ordinance on Integrity and Transparency in the Context of Therapeutic Products (OITTP), with the aim of implementing Parliament's resolution to extend the principle of integrity to medical devices. Article 55 of the Therapeutic Products Act, which covers integrity, states that the choice of treatment may not be influenced by benefits of any kind. As it stands, this principle of integrity applies to the prescription, dispensing and use of prescription-only medicinal products.

The dispatch on the comprehensive revision of the EPRA electronic patient record is also expected in 2025. However, the dispatch is not included in the annual objectives of the Federal Council.

Parliamentary motions to relax the territoriality principle and the contractual obligation in the Health Insurance Act (HIA) are also being discussed. A consultation process on the procurement of funds and items in the EEA will run until the end of March 2025. Galenica is committed to high-quality healthcare services and fair compensation that guarantee an efficient benefit-cost ratio and opposes all proposals that worsen the healthcare situation, create unfair regulatory and economic conditions in Switzerland and abroad and weaken the principles of the HIA.

Health policy continues to focus on the shortage of skilled workers, bottlenecks in the supply of medicinal products and the hospital crisis. Many hospitals are running high deficits and are no longer able to make investments themselves. It is undisputed that there are too many hospitals in Switzerland. The unclear point is what role hospitals should take on in future and how financing that covers the costs can be ensured. Many stakeholders place great hope in expanding the role of outpatient treatment in healthcare. This is still underdeveloped in Switzerland compared to other countries.

Risk management

Management report

Galenica has implemented a comprehensive risk management system that aims to identify and assess potential risks in an early stage. We use a structured risk matrix to identify strategic and operational risks and assess them according to their probability of occurrence and their potential financial and reputational impact. We regularly review and adjust our risk management measures to enable us to respond to changing risks. These measures ensure that we achieve our corporate goals and secure our long-term stability and reputation.



Galenica defines risk as the possibility of an event or action leading to immediate financial loss or other negative consequences. Our risk management process supports the Board of Directors, the Executive Committee and the respective management teams of the Group companies in identifying and assessing potential risks in good time and taking the necessary preventive measures. The goal of this process is to identify, assess and reduce significant risks at all management levels and to manage them while making conscious use of the opportunities the process provides.

A strong risk culture within the company is important to us. To raise awareness of risks, we hold regular training courses and workshops in which employees learn to identify risks at an early stage and take appropriate measures.

Group-wide risk management

Group-wide Galenica Risk Management (GRM) comprises the systematic identification, assessment and management of risks. Regular risk analyses help us to identify potential threats to our business processes in good time. These analyses involve assessing the probability of occurrence and the potential impact of each risk. Based on these assessments, we develop risk mitigation measures, such as implementing control mechanisms and contingency plans. In addition, we continuously monitor our risk landscape and adapt our strategies to respond flexibly to new challenges.

Responsibilities and processes

Our risk managers and the Risk Committee are responsible for the strategic planning and implementation of risk management. Risk management is integrated into Galenica's organisational structure, which means that processes for identifying, assessing and managing risks are defined and integrated into day-to-day operations. The Galenica Board of Directors receives a summary of the most important risks and measures from the Executive Committee at least twice a year and approves the GRM. Suggestions for risk assessments and measures are implemented as part of the subsequent risk management process.

The risk management process is managed centrally by the Controlling unit, while the operational units are responsible for risk management in their respective areas. Specifically, the specialists responsible for each risk area survey, categorise and assess the risks every year in spring and take measures accordingly. This standardised process is based on a risk matrix in order to identify the most important strategic and operational risks as well as their possible financial and reputational effects and assess them according to their probability of occurrence and potential impact.

Most important risk clusters and measures (pursuant to Art. 964a et seq. CO)

Galenica categorises risks into different risk clusters for a structured and targeted analysis. A detailed risk description is prepared for each risk cluster, including the type of the risk, the potential causes and the possible impact on the company. These descriptions are based on predefined criteria and include both qualitative and quantitative evaluations.

Subsequently, specific risk mitigation measures are developed. These measures include preventive strategies to prevent risks, as well as reactive plans to minimise the impact in the event of their occurrence. Examples of such measures include implementing control mechanisms, training employees and developing contingency plans. Regular reviews and adjustments of the measures ensure that they are always up to date and effective.

This systematic approach enables us to ensure that the relevant risks are identified and appropriately addressed to ensure the long-term stability and success of our business.

Risk cluster	Risk description	Measures
Market regulation	Cost-cutting measures by political bodies or regulatory restrictions such as price reductions for medications or other services and products covered by statutory health insurance.	Detailed analysis of the impact of any measures and legislative proposals and development of mitigation measures.
Competitors	Shortage of skilled workers and high staff turnover.	Development of mitigation measures.
Operational infrastructure and IT security	Failure of technical systems and jeopardisation of delivery readiness.	Regular maintenance and adherence to maintenance schedules. Renewal of facilities, control systems and maintenance contracts with key suppliers.
	Cyberattacks on core IT infrastructures and the associated loss of sensitive data and business interruption.	Regular group-wide awareness training programme.
Patient safety	Incorrect delivery/dispensing of medication (incl. blister packaging) to patients (health risk), damage to patient due to an internal process error.	Ongoing development of the quality management system in the pharmacy, including training.
Data protection	Data protection incident due to unauthorised access or unintentional disclosure of personal or sensitive data.	Regular group-wide awareness training programme.
Employees	Lack of development opportunities for employees.	Further development of training and continuing professional development concepts and identification of development opportunities via suitable channels.
Procurement market	Delivery delay/availability of products/raw materials.	Safety Stock initiative in collaboration with pharmaceutical companies to ensure supply. Forward-looking planning and increased inventory coverage for sensitive medicinal products/raw materials.
Climate-related risks	Operational restrictions, including staff shortages, due to rising temperatures and cooling requirements in pharmacies and logistics as well as increasing operating costs due to climate action regulations.	Protective measures, such as cooling, for employees; operational and medication safety measures.

Climate-related risks and measures

In 2024, the "Climate" risk cluster was integrated into the process in accordance with the specifications of the Task Force on Climate-related Financial Disclosures (TCFD). This step was based on a comprehensive analysis involving relevant functions from across the Group. Climate-related risks and opportunities were systematically identified, categorised and assessed. The results were incorporated into a risk matrix, which, like the other 13 risk clusters, served as the basis for approval by the Executive Committee and the Board of Directors in autumn. By integrating climate-related risks and opportunities into the overall risk management process, we ensure that these aspects are continuously monitored and assessed. Additional measures will be defined for the most important risks and opportunities over the course of 2025.

In accordance with the TCFD recommendations, Galenica distinguishes between physical and transition climate-related risks and opportunities. Physical risks arise from direct climate and weather events and thus influence Galenica's operational activities and the supply chain. Transition risks, on the other hand, arise from the decarbonisation of the economy and the resulting legal, social, economic or technological conditions. Galenica has assessed the risks in both categories and categorised them according to their probability of occurrence and financial impact. In addition, the risks and opportunities were classified on a time scale: short-term (1–3 years), medium-term (3–10 years) or long-term (>10 years).

Factoring in different scenarios

In order to better understand the future impact of the identified risks and opportunities on the business strategy, Galenica uses a qualitative scenario analysis. To assess resilience to climate change, Galenica considers two different scenarios based on the IPCC scenarios: The "Less than 2°C scenario", which assumes global warming of less than 2 degrees Celsius and mainly takes into account transition risks, and the "Business as usual" scenario, which assumes global warming of more than 2 degrees Celsius and therefore includes more physical risks.

"Less than 2°C" scenario

- Enhanced international cooperation will drive joint efforts to mitigate climate change and the collective consumption of resources.
- An all-encompassing shift to renewable energy sources reduces dependence on fossil fuels and carbon emissions across all industries.
- The introduction of circular economies reduces dependence on new materials through recycling, reuse and reprocessing.
- Economic systems and social values are oriented towards sustainable practices, while companies align their business models accordingly and influence industry, consumers and politics.

Greenhouse gas emissions are drastically reduced in order to keep global warming below 2°C.

Global warming is kept under control, leading to more stable and predictable climate patterns that increase climate resilience and support ecosystems and communities.

"Business as usual" scenario

- Limited international cooperation, with vulnerable regions facing greater climate impacts.
- Energy systems remain largely dependent on fossil fuels, with the slow adoption of renewable alternatives leading to high carbon emissions.
- Traditional, linear production models remain in use, with a heavy reliance on new materials that are only recycled or reused to a limited extent.
- Economic systems and consumer behaviour continue to follow conventional practices, with only a gradual shift to sustainable choices.

Greenhouse gas emissions remain high and projected global warming is well above 2°C due to limited efforts to contain emissions.

More frequent and severe climate events such as extreme weather, droughts and rising sea levels disrupt ecosystems and communities.

The risks identified in this way and their potential impact on Galenica are summarised in the following table.

Climate-related risks and opportunities

Category	Risk/opportunity	Impact description
Physically acute	Disruptions in the supply chain due to extreme weather events	Upstream supply chain
		Loss of sales or increase in costs due to supply problems with medicines, loss of suppliers, disruption in the supply chain 1) medium term; 2) medium; 3) medium
	Operating restrictions due to rising temperatures	Own operations
		Lower sales/cost increase due to increasing staff shortages due to heat (in logistics and pharmacies), lower productivity, potential shortening of opening hours 1) medium term; 2) medium; 3) medium
Cooling requirements in pharmacies and logistics	Own operations	
	Increased energy costs, increased staff costs (skills) Requirement for cooling systems (due to rising temperatures) 1) short term; 2) high; 3) high	
Physically chronic	Climate-related health and behavioural changes among consumers	Downstream supply chain
		Lower sales: Absence/reduced impact or postponement of allergy or flu season. People avoid cities and therefore visit pharmacies less (shift offline > online, resulting in lower margins) 1) short term; 2) medium; 3) medium
	Increase in manufacturing costs for OTC drugs due to regulation	Upstream supply chain
		Increasing regulation: increasing taxes and prices (certain raw materials or increased transport requirements, ESG EU criteria, electricity prices, CO ₂) 1) short term; 2) medium; 3) medium
Policy	Rising operating costs due to climate action regulations	Own operations
		Higher energy and operating costs Further regulations (CO): corresponding increase in staffing costs 1) short term; 2) high; 3) medium
	Deteriorating transport conditions for delivery services due to CO ₂ taxes	Downstream supply chain
		CO ₂ tax on transport services could reduce the gross margin for pharmacies. 1) short term; 2) high; 3) medium
Market	Increasing sustainability requirements of business customers	Downstream supply chain
		Increasing costs due to higher demands from the market and the deployment of staff 1) medium term; 2) high; 3) medium
	Innovation in working models triggered by climate change	Own operations and downstream supply chain
Opportunity	Offers in response to changing disease patterns due to climate change	Changes in working time models required by climate change 1) long-term; 2) high; 3) medium
		Downstream supply chain
	Improved reputation due to focus on sustainability	Higher temperatures lead to new diseases or diseases that were previously unknown within the scope of our preparations or deterioration of health, especially among vulnerable people. This increases the demand for services and products in pharmacies. 1) medium term; 2) high; 3) medium
		Own operations and downstream supply chain
		Sustainability as part of the value proposition: Galenica is perceived as an attractive employer and business partner 1) medium term; 2) medium; 3) medium

1) Time horizon: short-term = 1-3 years; medium-term = 3-10 years; long-term = >10 years
 2) Probability of occurrence: Low = low probability <30%; Medium = possible 30% to 70%; High = very likely >70%
 3) Financial impact (cash-out): Low <1 million; Medium 1-5 million; High >5 million;

Impact of climate-related risks and opportunities

The assessment shows that most risks are of a physical nature, such as flooding or landslides, which can cause acute disruptions in the supply chain. Chronic physical risks due to long-term temperature changes could impact the entire value chain, especially the production of OTC medicines such as phytomedicine, which could necessitate a relocation of production.

In addition, climate-related changes could lead to productivity losses in the company's own operations and have more serious financial consequences, such as changes in disease patterns or climate-related behavioural changes among consumers. This could lead to lower sales or higher costs due to increased staff shortages caused by heat. However, Galenica could also take advantage of opportunities in the long term if it prepared in good time for new patterns of behaviour or disease, such as the spread of the tiger mosquito. This requires timely investment in alternative sales channels, such as an increased focus on online consultations or the manufacturing and distribution of new medicines.

In the transition to a lower-carbon economy, Galenica may also be exposed to political, legal or market economy risks in order to fulfil the requirements to mitigate and adapt to climate change. The most significant risk is increasing regulation, in particular the CO₂ tax and other regulatory requirements, such as ESG reporting. This affects Galenica's entire value chain and could result in higher purchasing and operational costs as well as shrinking margins and service losses right up to the end customers.

Sustainability as a competitive advantage

Opportunities can arise if Galenica takes effective climate action and successfully adapts its business model and strategy to the challenges of climate change. CO₂ taxes could serve as a catalyst for innovative logistics and distribution models. In particular, Galenica could improve its customer service through advanced last-mile concepts that optimise the frequency of deliveries. Electric vehicle fleets and energy-efficient commercial buildings may also increase the attractiveness of the company as a responsible and forward-thinking business partner.

Galenica has embedded sustainability as a core principle in its corporate strategy and is therefore well prepared for future demands from politicians, customers and partners. These efforts could be key to attracting and retaining talented employees and fostering stable long-term business partnerships. Overall, sustainability as part of Galenica's value proposition could become a driver for innovative solutions and offerings in an increasingly environmentally conscious market economy.

Transition plan: Galenica's path to net zero emissions

The identification of climate-related risks and opportunities encourages Galenica to embed sustainability as an integral part of its corporate strategy and to systematically reduce its CO₂ emissions. In line with Switzerland's national climate targets, Galenica has committed to achieving net zero emissions by 2050. A key element of the transition plan are the climate targets, which aim to limit global warming to well below 2°C.

Targets

- We will reduce our operational greenhouse gas emissions (Scope 1+2) by 25% by 2025 and by 50% by 2030 (base year 2021).
- From 2025, we will be sourcing 100% of our electricity from renewable sources at all our locations.

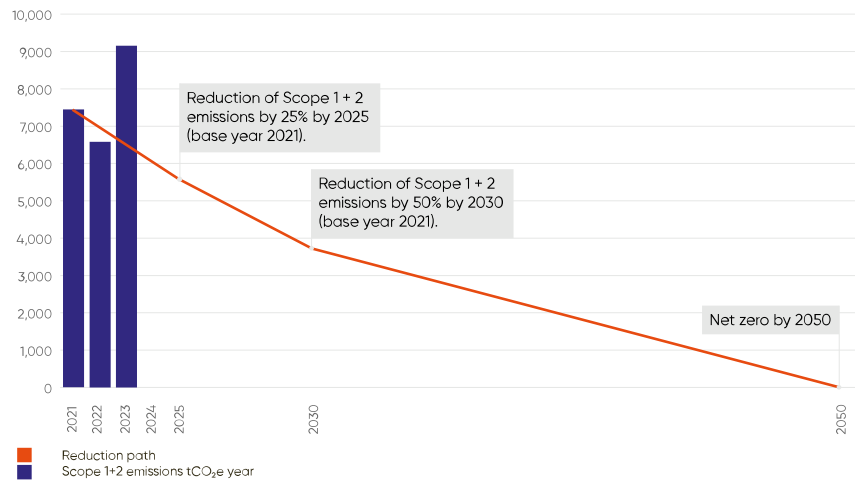
In order to achieve these goals and increase Galenica's resilience to climate-related risks, the Group has addressed sustainability – and therefore also climate-related issues – centrally: Sustainability in all its forms is firmly rooted in the corporate strategy and an integral part of the measures contributing to the decarbonisation of the Group. In 2025, Galenica also plans to develop an in-depth climate strategy that includes the reduction of total greenhouse gas emissions (all scopes) by 2050.

Integration into the corporate strategy: Sustainability is firmly rooted in the corporate strategy, the business model and the strategic areas of action and priorities. The strategic priority of "Efficiency" in particular aims to use resources sustainably and reduce CO₂ emissions. The definition of group-wide objectives and measures forms the framework for resource-conserving and efficient operations.

Initiatives to reduce operational emissions: In order to mitigate potential climate risks and take advantage of the opportunities, Galenica is striving to continuously reduce its operational emissions (Scope 1+2). The activities focus on the following areas:

- Use of renewable energies: From 2025, Galenica is aiming to obtain electricity from renewable sources at all operating sites. To this end, Galenica relies on its own photovoltaic systems and heat pumps, among other things.
- Increased energy efficiency: When undertaking renovations, Galenica focuses on measures to increase energy efficiency, such as the renovation and insulation of roofs.
- Reduction of fuel consumption: In distribution, Galenica is increasingly relying on vehicles with more efficient or renewable drive systems. Vehicle capacity utilisation is also being optimised.

Galenica reduction path (Scope 1+2 emissions)



Reduction of Scope 3 emissions: In 2024, Galenica carried out an initial full screening of its Scope 3 emissions. This shows that Scope 3 accounts for around 98% of all emissions. The vast majority (approx. 94%) falls into category 1 “Purchased Goods and Services”. This initial screening forms the basis for developing a reduction path to net zero, the associated measures and for examining a possible SBTi commitment.

Up to now, the main instrument relied upon in efforts in the supply chain has been the Supplier Code of Conduct for suppliers, which also covers environmental aspects. From 2025, Galenica will carry out random checks to ensure compliance with the Code.

More information on the management of greenhouse gas emissions and the detailed measures and KPIs can be found in the section on [greenhouse gas emissions and resources](#).

Resilience under consideration of scenarios

Galenica acknowledges the importance of sustainability and recognises both the opportunities and risks that climate-related changes entail. By taking a proactive and strategic approach, the company ensures that it is prepared for future challenges while at the same time having the opportunity to seize opportunities as they arise.

The analysis shows that Galenica is exposed to both climate-related risks and opportunities. While the “business as usual” scenario (above 2°C) entails risks for the company’s infrastructure and supply chain security, these impacts are further in the future and allow Galenica to take preventive action. Galenica is focussing on maintaining a financially sound foundation, a diversified supply chain and protecting and upgrading its sites against climate-related physical risks such as flooding.

The “below 2°C” scenario, and thus the decarbonisation of the economy, also involves some risks. However, Galenica estimates that their financial impact will be moderate. In addition, the company is well positioned, having already integrated sustainability and climate considerations into its corporate strategy and implementing measures to increase energy efficiency and reduce operational emissions. This enables Galenica not only to mitigate the transition risks but also lays the foundations for utilising potential climate-related opportunities.

Internal control system

As part of its risk management system, Galenica operates an internal control system (ICS) to ensure reliable internal and external financial reporting and to prevent misstatements and errors about business transactions. The ICS offers the necessary processes and controls to ensure that risks in connection with the quality of the company’s financial reporting can be identified and managed in good time. A thorough review of the existence of the processes and controls of the Galenica ICS is carried out annually by the external auditors at the time of the interim audit. The results of these reviews are reported to the Audit and Risk Committee. Management takes appropriate measures to continuously improve business processes in the areas of purchasing, procurement, investment, sales, human resources, general financial management and reporting, and IT controls.

Internal Audit

Internal Audit carries out audits of operational and strategic risk management and the ICS in accordance with the audit plan determined by the Audit and Risk Committee. It carries out audits, analyses and interviews throughout the Group and supports the Service Units in achieving their objectives by ensuring an independent assessment of the effectiveness of internal control processes. Internal Audit prepares regular reports on the audits carried out and reports directly to the Audit and Risk Committee in writing. The activities of Internal Audit are conducted through contracts issued to external service providers.

Outlook 2025

Management report

Galenica is continuing to focus on measures that contribute to its four strategic areas of action, each of which has two priorities. This is how we orientate and measure ourselves. We consistently pursue our vision: to give our customers the best every day for their health and well-being.

The entire Leadership Team of Galenica



The Executive Committee of the Galenica Group including members of the extended Executive Committee¹⁾ From left to right: Julian Fiessinger, CFO; Arianne Hasler, Chief People & Culture; Stephan Mignot, Chief Pharmacies Marketing; Andreas Koch, Chief Wholesale & Logistics; Iris Müller¹⁾, Chief Communications Officer; Virginie Pache Jeschka, Chief Pharmacies Sales; Jürg Pauli¹⁾, Chief Sustainability, Public Affairs & Transformation; Dr Thomas Szuran, Chief Products & Home Care; Daniele Madonna, Chief Pharmacies Category Management & Health Services; Lukas Ackermann, Chief IT & Digital Business; Barbara Wälchli¹⁾, Group General Council and General Secretary; Marc Werner, CEO.



Products & Care

- The pharmacy network is being continuously optimised and reinforced by means of acquisitions, including through investments in the shopfitting and consultation concept at physical points of sale.
- Roll-out of the Prescription Manager in all Galenica pharmacies. The digital helper supports people who need medication regularly and have to extend their repeat prescriptions.

- The online presence of Galenica pharmacies will be further developed and strengthened as an important part of the Omni-Channel strategy. In addition to an improved online shopping experience, the focus is on providing knowledge about health and well-being and the opportunity to make appointments for consultations and services.
- The importance of the pharmacy as the first point of contact for health issues is to be developed further. This includes easy customer access to advisory and service offerings and a service portfolio tailored to customer needs. In addition, Galenica is committed to ensuring that the advice and services provided in pharmacies are reimbursed by other health insurers.
- In the home care and care home sector, the collaboration between Bichsel, Mediservice, Medifilm, Lifestage Solutions and Emeda will be further expanded and the applications established with customers will be combined.
- Cooper Consumer Health and Verfora Ltd. are intensifying their partnership. From 1 January 2025, Verfora Ltd. will be distributing the former Viatrix OTC products, which were taken over by Cooper Consumer Health.



Logistics & IT

- Following the successful pilot projects, the electronic prescription is to be implemented as a new standard for service providers. Galenica is also actively participating in developing and implementing national standards.
- The Documedis[®] software solution from HCI Solutions is to be introduced to more doctors, care homes and hospitals. Documedis[®] supports service providers in making decisions (clinical decision support) and makes an important contribution to increasing patient safety.
- HCI Solutions lodged an appeal with the Federal Administrative Court against a ruling by the Swiss Competition Commission (COMCO) in 2017. In line with practice, the COMCO demanded payment of the sanction in the amount of CHF 3.8 million and the costs of the proceedings once the Federal Administrative Court's decision was available. In January 2025, the Federal Supreme Court ruled largely in favour of HCI Solutions and referred the case to the Federal Administrative Court for a new determination of the sanction and the procedural costs incurred by the previous instance. Galenica expects that the new sanction will be significantly reduced or not imposed at all. The resulting income is not reflected in the EBIT guidance for 2025.
- The implementation of the defined measures for achieving the sustainability goals is also a top priority. For example, further pilot projects with alternative drives for delivery vehicles are to be launched and the necessary charging infrastructure for company vehicles is to be set up at relevant locations.
- The ERP replacement at the Galexis site in Lausanne-Ecublens in spring 2025 will enable the product range to be expanded. As a result, more products will be available more quickly in French-speaking

Switzerland in the future. In addition, picking productivity can be increased.

- In the doctor's segment, even more customers should benefit from the DispoCura ordering interface and thus be able to increase efficiency in medical practices. The range of laboratory analyses in practices is also being expanded.

Guidance 2025

For the 2025 financial year, Galenica expects sales growth of between 3% and 5%. In terms of adjusted¹⁾ EBIT, Galenica projects an increase of between 4% and 6%. Galenica strives for strong yet sustainable dividend growth and plans a dividend for 2025 at least at the previous year's level.

¹⁾ Excluding the effects of IAS 19 and IFRS 16.

Sustainability

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„Sustainability cannot be achieved on your own“

Sustainability

Marc Werner, CEO, explains in an interview how Galenica's network philosophy strengthens its sustainable behaviour.



Marc Werner, CEO

Marc Werner, how important is sustainability at Galenica?

We firmly believe that we can only secure our long-term success if we take responsibility for society, take care of our employees and use natural resources consciously and efficiently. This belief is reflected in our three sustainability principles, which underpin our vision and relate to our corporate values, employees and resource efficiency. However, it is important to remember that we cannot achieve sustainability on our own. Our network philosophy strengthens our approach to sustainability, both within Galenica and in collaboration with our partners. Transparency through regular reporting and incentives for environmentally friendly behaviour further reinforce our commitment.

Can you give some examples?

We offer financial incentives to encourage our employees to use public transport and implement resource-efficient mobility measures together with our suppliers and distribution partners. In addition, we are seeking and promoting an ongoing dialogue with industry representatives, authorities and digitalisation partners so that we can work together to develop innovative and sustainable solutions. We raise awareness about sustainability among our employees through various measures such as training and participatory initiatives. The members of the Sustainability Committee play a key role in this, acting as ambassadors, raising awareness, and promoting and implementing sustainable action in their respective areas of responsibility. For example, when renovating our headquarters and pharmacies, we take the approach of reusing building elements and furniture as much as possible with a focus on sustainable materials. State-of-the-art systems such as automated blister packaging at Medifilm help to reduce waste.

„We apply the highest quality standards so that our customers can trust us.“

Patient safety is one of your core sustainability goals. How does Galenica contribute specifically to this?

The safety of our patients is our top priority. Whether in our pharmacies, pharmaceutical logistics, products and services or home care: our customers should always be able to trust that they are receiving the right medication in the correct dosage and that it has been stored and transported under optimal conditions. To achieve this, we apply the highest quality standards, carry out regular audits and rely on digital

innovations. Examples include compliance with GDP (good distribution practice) guidelines and the use of digital solutions such as Documedis® to reduce medication errors. We continuously support our employees in their professional development and training in order to meet the highest standards. This also includes examining interactions, intolerances and support to help patients adhere to their medication regimens. We offer our patients comprehensive advisory services – whether in person in the pharmacy, digitally or through home care.

„Our logistics companies review the warehouse inventory on a daily basis.“

And how does Galenica contribute to ensuring a secure supply of medicines in Switzerland?

Galenica works closely with suppliers to make sure medicines are available at all times. After all, bottlenecks in the supply of medicines are a major challenge around the world and also affect Switzerland. Our logistics companies review the inventory on a daily basis in order to react in good time to supply gaps and increased demand. Galenica has also launched the Safety Stock Initiative to increase the safety stocks of generic medicines for chronic diseases. Pharmacies can bridge short-term bottlenecks by substituting and manufacturing prescriptions or finding suitable alternatives for patients. In the area of home care, Medifilm is helping to reduce medication waste by implementing individual blister packaging. This tailor-made packaging doses medications precisely according to patients' needs.

„We are firmly committed to a servant leadership management style.“

What makes Galenica an attractive employer and how do you support your employees?

Employees stay with a company when they resonate with the corporate culture, have the opportunity to develop and fulfil their potential, and can pursue a meaningful activity. We offer attractive career paths across our network and are firmly committed to a servant leadership management style. For example, we work on a role-model basis in pharmacies, which has a positive impact on employee development opportunities and motivation. We attach great importance to promoting an inclusive working environment that practises diversity and equal opportunities. Trust, flat hierarchies and collaboration networks are the foundation of our corporate culture. Modern working environments, such as the new Swing Space at the headquarters in Bern, also support this philosophy. Open workspaces, state-of-the-art digital infrastructure and diverse meeting areas create the ideal setting for employees to work together in a flexible way.

Business model (GRI 2-6)

About us

Galenica is active in the healthcare industry and offers healthcare services and products throughout Switzerland. Its customers include patients, pharmacies, drugstores, physicians, hospitals, care homes, home care organisations, health insurers and pharmaceutical companies.

The business activities of the Galenica Group comprise two segments.

“Products & Care” segment

The “Products & Care” segment comprises the “Retail” business area with offerings for patients and end customers (B2C) and the “Professionals” business area with offerings for business customers and partners in the healthcare industry (B2B).

“Logistics & IT” segment

The “Logistics & IT” segment comprises the two sectors “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 value chain of the Galenica network comprises the production, logistics, marketing and sale of products and services in the healthcare market.

Inputs

Financial capital

- Equity/shareholders
- Liabilities

KPIs

1.6x net debt

Produced capital

- Buildings (owned/rented)
- Infrastructure (transport/IT)
- Production equipment (internal/external)
- Vehicle fleet (own/partner)

KPIs

15% vehicles with alternative drive systems

376 pharmacies

CHF 72.8 million investments in property, plant and equipment and intangible assets (capex)

Intellectual/innovation capital

- Brands
- Distribution licences
- Proprietary software
- Investments in digital services
- Specialist staff

KPIs

80 own and partner brands

CHF 4.8 million investments in proprietary software

Human capital

- Number of employees
- Training/further education
- Personnel expenses
- Cultural development

KPIs

7,971 employees

CHF 583.2 million personnel expenses

CHF 5.9 million investments in further education

Social capital

- Strong long-term partnerships
- Regulators
- Suppliers
- Customers

KPIs

>2,500 suppliers

39 memberships in associations

Ecological capital

- Energy use
- Fossil fuels
- Renewable resources
- Water
- Land

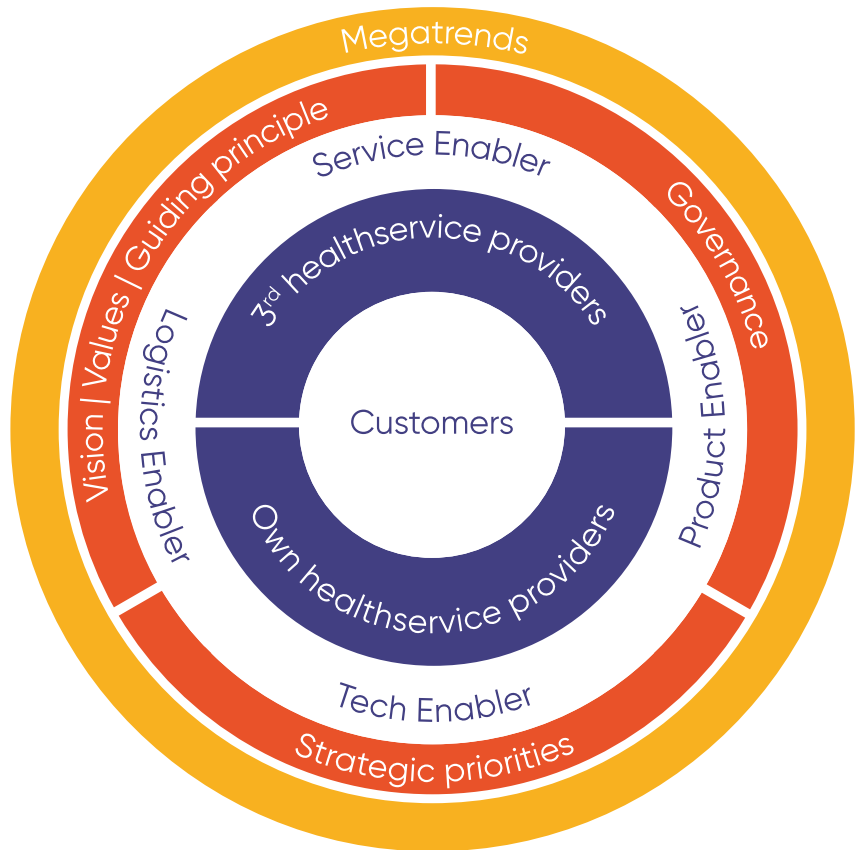
KPIs

100% electricity from renewable sources

15% renewable drives for vehicle fleet

1,419,862m³ water withdrawal

Business model



Outputs/Impacts

Financial capital

- Sales/profit
- Operating Cash Flow
- Dividend

KPIs

5.4% ROS
3.1% dividend yield

Produced capital

- Pharmacy network
- Products
- Security of supply/procurement

KPIs

99.0% availability of medicinal products

Intellectual/innovation capital

- Healthcare services in pharmacies
- Licensing of own software
- Consistent customer experience
- Efficient processes
- Patient safety
- Prevention
- Generics substitution

KPIs

369 million CDS.CE checks
193,000 health services performed

Human capital

- Employee satisfaction
- Motivation
- Recommendations/employer attractiveness
- Safe working environment

KPIs

10.8% turnover rate
53.6% women in management
0.1% absence rate
76 motivation score
75 recommendation score

Social capital

- Broader product range
- Remuneration of health insurers
- Efficiency gains
- Expansion of expertise
- Representation of interests
- Long-term contracts
- Integrity in supply chains
- Reputation
- Customer satisfaction

KPIs

10 partnerships with health insurers
95.5% net promoter score (degree of target achievement)

Ecological capital

- Emissions
- Water consumption

KPIs

23,938 MWh electricity consumption
11,485 tCO₂e GHG emissions

Outcomes

Contribution to the SDGs



Our approach

Sustainability

Sustainability is an integral part of Galenica's corporate management. This is based on the steadfast belief that proactive and responsible action contributes significantly to the long-term economic success of a company and has an impact both within and outside a company.

Our sustainability principles

Taking a responsible attitude towards society and the environment is the foundation of our economic success.

This conviction is reflected in Galenica's three key sustainability principles. Supported by the Executive Committee, they form an essential part of the corporate culture.

Company value

We increase the value of the company in the long term by having a sustainable impact.

Employees

We oblige our employees to act responsibly and ensure they have a safe, flexible and supportive working environment.

Resource efficiency

We use resources sparingly and efficiently and reduce negative environmental impacts.

With these guiding principles, we sensitise and motivate employees to continuously increase our resource efficiency, capacity for innovation and, ultimately competitiveness. On the other hand, the lively, ongoing dialogue with the various stakeholders helps to identify requirements and expectations at an early stage and to maintain Galenica's strong reputation.

Our key sustainability topics are integrated into the corporate vision and strategic areas of activity and are therefore part of the [corporate strategy](#).

Sustainability organisation (GRI 2-12, 2-13, 2-17)

The Board of Directors bears ultimate responsibility for the economic, environmental and social impact of the Galenica Group, including climate-related topics. The Governance, Nomination and Sustainability Committee (GNSC) advises the Chair of the Board of Directors and the entire Board of Directors on sustainability matters. The GNSC consists of the Chair of the Board of Directors, the Vice Chair and other members of the Board of Directors who are appointed by the entire Board of Directors at the inaugural meeting (first meeting after the General Meeting) for a term of office of one year. The Committee annually reviews the materiality matrix, sustainability goals and potential climate-related risks and opportunities, and ensures that the corporate strategy is aligned with sustainable business management. In the reporting year, the GNSC discussed the topic of sustainability, including climate issues, twice.

The Board of Directors, which approves the sustainability goals and monitors progress in achieving them, discussed the topic of sustainability, including climate-related matters, four times in 2024.

The Executive Committee is responsible for implementing the sustainability goals and integrating them into day-to-day business.

The Sustainability Committee (SC) is led by the Chief Sustainability, Public Affairs & Transformation Officer, who plays an advisory and coordinating role as a member of the extended Executive Committee. The Committee prepares specific proposals on implementing the sustainability strategy for the attention of the Executive Committee and the Board of Directors. The main task is to systematise internal sustainability management and external reporting and to ensure that targets are set and measures implemented. The Committee includes representatives from all key sustainability topics, all companies and company areas as well as the Executive Committee.

The SC met four times in the reporting year. The focus was on TCFD implementation, Scope 3 emissions, customer satisfaction and employee health. In between Committee meetings, several smaller meetings were held by individual working groups to discuss the progress made with the sustainability goals and the implementation of the measures. In 2024, these were further substantiated or already implemented in the responsible areas. The SC coordinates the activities and the Chief Sustainability, Public Affairs & Transformation reports regularly to the Executive Committee and the Board of Directors.

The Executive Committee is responsible for the implementation and management of climate-related risks and opportunities. The Chief Sustainability, Public Affairs & Transformation chairs the Sustainability Committee and is primarily responsible for the sustainability strategy. The CFO integrates climate-related risks and opportunities into risk management and reports to the Executive Committee on progress twice per year.

Conduct			
Board of Directors			
Executive Committee			
Planning & coordination			
Sustainability Committee			
Implementation			
Pharmacies Category Management & Health Services	Pharmacies Marketing	Pharmacies Sales	Products & Home Care
Wholesale & Logistics	IT & Digital Business	Finance	People & Culture
Corporate Communications	Legal & Board Services	Sustainability, Public Affairs & Transformation	

Materiality analysis and matrix (GRI 2-14, 3-1, 3-2)

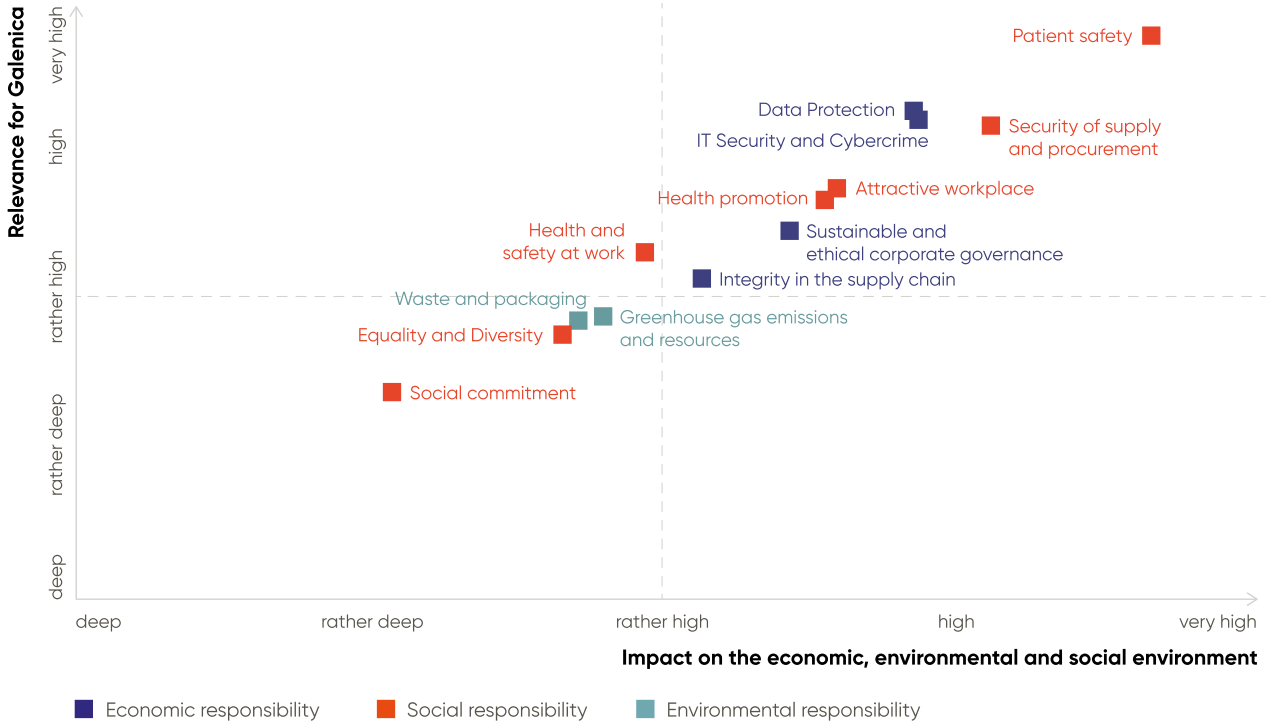
Already in 2023, Galenica conducted a materiality analysis based on the dual materiality principle. First, the impact of Galenica’s business activities on its social, environmental and economic environment was assessed through expert interviews with internal and external stakeholder groups relevant to Galenica. This information was combined with legal requirements, ESG standards and ratings as well as comparisons with other companies. The results were summarised thematically and discussed by the Executive Committee and the Board of Directors. Using an online survey, internal and external stakeholder groups – investors, partners, suppliers, customers, associations, employees and authorities – were asked about the key topics. They had to assess each from two perspectives and assign a score from very low to very high:

- Financial relevance for Galenica (outside-in perspective)
- Relevance for the social, environmental and economic environment of Galenica (inside-out perspective)

The evaluated results of the online survey are summarised in the matrix below. As part of the annual review, the materiality matrix was confirmed and acknowledged by the Executive Commitment and the Board of Directors for the year under review.

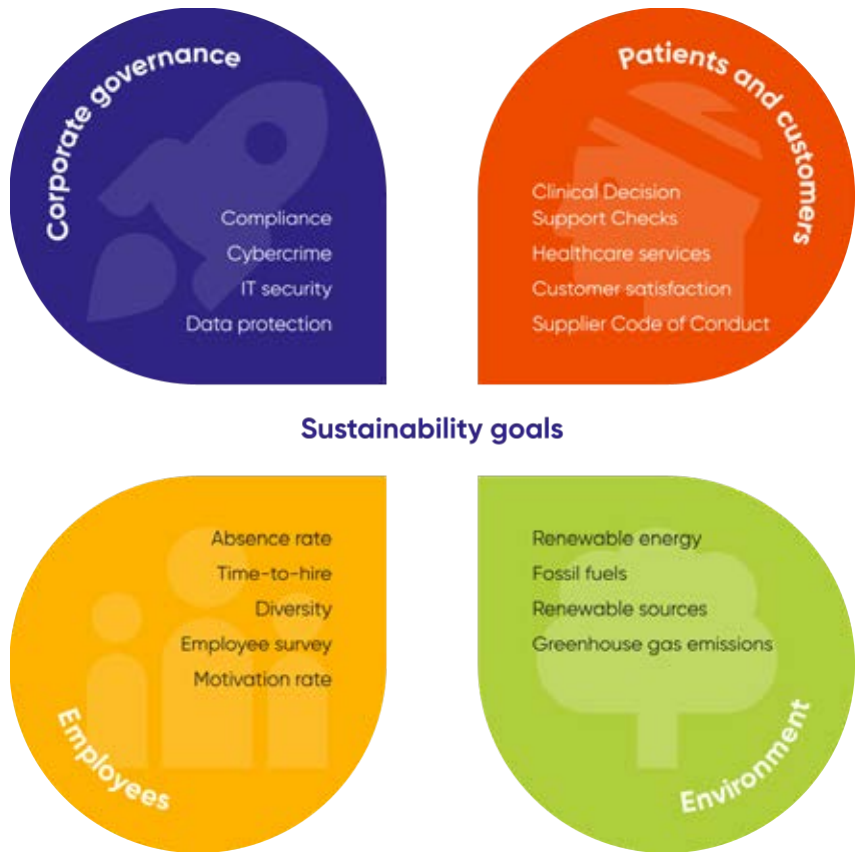
Further information on the management of the material topics can be found in the [Sustainability organisation](#) section and in the [GRI Report](#).

Galenica provides information on the development of material topics once a year in its sustainability report. The Board of Directors is responsible for reviewing and approving the reported information.



Our sustainability goals

The SC has set specific sustainability goals, which were approved for the first time at the end of 2021. These goals have been discussed regularly since then. Following the adjustment in 2023, the SC reviewed the goals again in the reporting year and further specified them. The Executive Committee and the Board of Directors approved them in March 2024.



Corporate governance

We **train** our employees in **compliance** several times a year, tailored to the respective target group.

Several times per year, we carry out measures to raise **employee awareness** in the area of data protection.

Several times per year, we make our employees aware of **IT security and cybercrime**.

Patients and customers

We will increase the use of **Clinical Decision Support Checks (CDS.CE)** to 500 million by 2025 and 1 billion by 2030.

We will check compliance with the **Supplier Code of Conduct** annually from 2025 by means of spot checks.

Customer satisfaction is at the centre of all activities. The satisfaction of end customers is systematically measured by their willingness to recommend us to other (rNPS) and the gap compared to the average of the competition is determined.

We will **increase** the number of **healthcare services** provided by 10% each year until 2027 (base year 2023).

Employees

Employee survey "Opinio": We will **increase** the **participation rate** by 1 percentage point per year and **keep the motivation and recommendation rate** at its current level (base year 2023).

We are **reducing the time-to-hire** by 10% by 2027 (base year 2023 for Pharmacies Sales, 2024 for all other areas).

We will improve **diversity** in all units and group companies and keep the proportion of female managers at 50%.

We will **reduce the incidence** of occupational accidents and illnesses (physical and mental) by 10% (base year 2023).

Environment

From 2025, we will be sourcing **100% of our electricity from renewable sources** at all our locations.

We will **reduce** the intensity of our operational greenhouse **gas emissions** (scope 1+2) by 25% by 2025 and 50% by 2030 (base year 2021).

We will **replace** 40% of the **fossil fuels** in our vehicle fleet (in-house and external vehicles contracted by us) with renewable alternatives by 2032.

Specifically, the following changes were made to the way the goals are formulated in the reporting year:

For all three objectives in the area of corporate governance, the specific number of measures implemented has been replaced with the term "several times a year". The relevance of taking measures varies depending on the target group. A fixed number is therefore not appropriate.

The target for the "employee survey" has been adjusted. It is our ambition to convince more employees to participate each time the survey is conducted. In addition to the motivation rate, we also included the recommendation rate, as these correlate with each other. This value is at a pleasing level and should at least be maintained compared to the base year of 2023.

Furthermore, the target of "time to hire" no longer applies specifically only to IT and pharmacy staff, but to all professional groups. In addition, the staff turnover rate has been deleted, as it varies greatly depending on the area and is not meaningful enough as a target in terms of the sum of areas. This is because our job profiles are very different and therefore the relevance of the loss of expertise varies greatly in terms of staff turnover.

Targets for mental illness and occupational and non-occupational accidents have been combined to ensure consistent recording and reporting of absence rates. The new wording reads: "We will reduce the

absence rate of occupational accidents and illnesses (physical and mental) by 10% (base year 2023)."

The wording of the target regarding "customer satisfaction" now also includes the component of measuring the gap compared to the average among competitors. This allows the rNPS recommendation rate achieved to be classified more precisely.

From 2025, we will not inspect the top 10 suppliers every three years, but will instead carry out random checks every year – and not just of the top suppliers. The annual random check, which also includes smaller suppliers, allows a broader analysis and strengthens compliance with the Supplier Code of Conduct.

When it comes to reducing the intensity of greenhouse gas emissions, we now distinguish between Scope 1, 2 and 3. Our current focus is on operational emissions (Scope 1+2). A roadmap to reduce Scope 3 emissions is in preparation. This then forms the basis for submitting the emission targets (all scopes) to SBTi (Science Based Targets initiative).

The target regarding the replacement of fossil fuels in our vehicle fleet has been supplemented by the addition of the phrase "own and contracted" and is now set for 2032. The reason for this is that partner vehicles are increasingly being added to our fleet and the technology for renewable drive systems with the required power is taking a little longer than originally assumed, particularly in delivery transport. The industry is not yet able to offer us broadly applicable solutions that meet all the requirements.

The previous environmental target "We will reduce our municipal waste by 50% by 2025" was deleted completely in 2024. This decision was made based on multiple responses from internal and external stakeholders who had questioned the relevance of the target in relation to the other targets.

With the measures taken and implemented in 2024, achieving the goals is generally realistic and on track. Some goals will be slightly delayed due to new or adapted processes and expanded data bases or have been adjusted due to new findings.

Further information on progress towards our sustainability goals can be found in the GRI Report.

Progress of the sustainability goals

Dialogue with stakeholders (GRI 2-29)

Meaningful stakeholder engagement is characterised by continuous two-way communication and depends on the goodwill of all parties involved. Galenica strives for successful collaboration by promoting regular exchange through various communication channels. This allows the various stakeholder groups to proactively voice their concerns and expectations of the company at any time. Galenica is addressing the topics arising from this and shaping further dialogue in accordance with the current challenges and needs of its stakeholders. This ensures that the topics are relevant to the target group and that the dialogue brings added value for both sides. The Executive Committee regularly discusses the concerns and priorities of the various stakeholder groups and reports to the Board of Directors. In this way, stakeholder concerns are incorporated into the decision-making process as far as possible.

Stakeholder group	Why we are committed	How we are committed	Topics discussed in 2024
Customers	<ul style="list-style-type: none"> – Increase customer satisfaction – Determine potential for improvement 	<ul style="list-style-type: none"> – Customer surveys 	<ul style="list-style-type: none"> – Satisfaction with healthcare services – Low-threshold access to healthcare services
Shareholders	<ul style="list-style-type: none"> – Increase trust in the company – Cashflow – Galenica as an attractive and secure investment 	<ul style="list-style-type: none"> – Dialogue at AGM – Annual communication via Annual Report – Investor Day and roadshows – Direct investor dialogue 	<ul style="list-style-type: none"> – Galenica's role in Swiss healthcare – Further development of the company – Innovation and new business areas
Suppliers	<ul style="list-style-type: none"> – Continuous improvement process in quality management – Transparency – Providing a seamless service – Supply chain integrity – Ensuring ability to deliver 	<ul style="list-style-type: none"> – Code of Conduct for Suppliers – Direct dialogue between Purchasing and delivery partners – Satisfaction survey of key suppliers – Safety Stock initiative 	<ul style="list-style-type: none"> – Quality aspects – Costs and prices – Innovations – Supply chain integrity – Product availability
Scientific institutions	<ul style="list-style-type: none"> – Promoting young talent – Training for healthcare professions 	<ul style="list-style-type: none"> – Financing of the Chair of the University of Bern (Pharmacy) – Lectures on vocational training 	<ul style="list-style-type: none"> – Quality of teaching – Attractiveness of healthcare professions (retail pharmacy)
Current and potential employees	<ul style="list-style-type: none"> – Attracting and retaining qualified employees – Employee satisfaction and motivation 	<ul style="list-style-type: none"> – Active recruitment – Fringe benefits – Fair employment conditions – University marketing/events – Position Galenica as an employer of choice 	<ul style="list-style-type: none"> – Galenica as an attractive employer – Attractiveness of healthcare professions
Authorities and associations	<ul style="list-style-type: none"> – Political influence – Ensuring sustainable business operations 	<ul style="list-style-type: none"> – Membership of association boards – Regular dialogue with relevant associations – Meetings with politicians, authorities 	<ul style="list-style-type: none"> – Galenica's role in Swiss healthcare – Opportunities and risks of liberalisation in the healthcare sector – Costs/cost containment

Memberships of associations and interest groups (GRI 2-28)

Galenica is involved in various healthcare and industry associations in order to represent its interests. Membership in these organisations allows us to help shape the framework conditions for Galenica and strengthen our network. In addition, we gain new insights into our business activities through exchanges with other companies and organisations. In the reporting period, Galenica was a member of the following associations and interest groups:

ASSGP, Association of the Swiss Self-Medication Industry
Association QualiCCare, Association for the Improvement of Quality in the Treatment of Chronic Diseases in Switzerland
ASTAG, Swiss Commercial Vehicle Association
Avenir Suisse, Switzerland's liberal think tank
Blistersuisse, the association of major professional blister packaging companies in Switzerland
Liberal healthcare alliance
CAP, Centre d'Animation des Pharmaciens de Suisse
Fédération des industries Alimentaires Suisses (FIAL) GESKES, Swiss Society for Clinical Nutrition
Gesellschaft für Marketing
GIRP, European Healthcare Distribution Association
GRIP-Pharma – Groupement Romand de l'Industrie Pharmaceutique
GSASA, Swiss Association of Public Health Administration and Hospital Pharmacists
GS1 Switzerland, Organisation for standards and solutions as a basis for digitalisation
Helvecura Genossenschaft, compulsory storage organisation for therapeutic products
HIV, Trade and Industry Association of the canton of Bern
Interessengemeinschaft eHealth
KEIS, Association for Plastic Disposal in Switzerland
Medswiss.net Trägerverein, Swiss Umbrella Association of Physician Networks
pharmalog, Swiss Pharma Logistics Association
pharmaSuisse, Swiss Association of Pharmacists
Refdata, Refdata Foundation
SANI – Swiss Association of Nutrition Industries
SanteneXt, the do tank of the Swiss healthcare system
ScienceIndustries, Business Association for Chemistry-Pharma-Biotech
SGSH – Swiss Society of Hospital Hygiene
Sitem-Insel AG, research and development activities
SKW – Swiss Association for Cosmetics and Detergents
Swiss Healthcare Startups, leading networking organisation for the Swiss healthcare ecosystem
Swiss Medtech, Swiss Medical Technology Association
GFH Healthcare Retailers Association
VEZ, Association of Electronic Payments
VGUA, Association of Independent Pharmacies
VIPS, Association of Pharmaceutical Companies in Switzerland
VSV, Swiss Mail-order Trade Association
VSVA, Association of Swiss Mail-order Pharmacies
SMVO, Swiss Medicine Verification Organisation
SVKH, Swiss Association for Therapeutic Products in Complementary Medicine

Swissholdings, Association of Industrial and Service Groups in Switzerland
VNL Switzerland, Verein Netzwerk Logistik e.V.
VWG, Volkswirtschaftliche Gesellschaft des Kantons Bern

Our contribution to the Sustainable Development Goals

The Sustainable Development Goals (SDGs) form the global reference framework for sustainable development. The Galenica Group is committed to the SDGs. As Switzerland's leading fully integrated healthcare provider, we make an important contribution to SDG 3 (Good health and Well-being). This objective is central to our business activities and is in line with our customer promise to support people at every stage of life on their journey towards health and well-being. Our corporate activities also influence SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action) and SDG 16 (Peace, Justice and strong institutions).



Patient safety and health

Patient safety and health are a top priority for us. With personal and competent advice and a unique range of products and services, we support our patients in all aspects of life, promote their well-being and enable people of all ages to lead a healthy life.



Emissions and climate change

We promote the use of renewable energies in distribution, the use of public transport and electric cars by our employees. We are looking to increase energy efficiency and are investigating the installation of photovoltaic systems. In addition, we have defined specific targets to reduce greenhouse gas emissions and replace fossil fuels. We want to use only renewable energy sources at all our operation sites. Furthermore, we rely on supply chain partnerships in accordance with SDG 17 to promote circularity with regard to climate, water and waste. With these measures, we are contributing to the fight against climate change.



Waste and recycling

In addition to traditional municipal waste, we also produce medical and chemical waste. The avoidance, reduction, recycling and professional disposal of waste is of central importance to us. By disposing of medicines properly, we also contribute to preservation of biodiversity. Environmentally friendly waste management forms the basis for responsible consumption and production.



IT security and cybercrime

With the increasing digitalisation of the healthcare system, the risk of cyber attacks is growing. This is why IT security is highly important at Galenica. As a healthcare provider, we process sensitive information and data. We ensure that these are protected against unauthorised access and modifications or loss. Protecting IT systems is key to a peaceful and inclusive society as well as strong institutions.



Data protection

Protecting patients and customer data is a top priority for us. We respect and protect the personal data and privacy of patients when processing their data. Our Data Protection Policy contains general rules on the organisation and responsibilities of the Galenica Group with regard to data protection. Data protection is an important basis of a peaceful and inclusive society as well as strong institutions.



Reliable procurement and supply chain

We work closely with suppliers to ensure the highest possible availability of medicines. An IT-based scheduling system also helps us to optimise procurement and logistics processes. Reliable provision of medicines to the population is essential to promoting health and well-being.



Employee motivation and development

Our employees play a key role in our success. We consistently promote employee motivation and development by offering our employees attractive and fair employment conditions, modern and flexible working models and various programmes and opportunities for further development. We also committed to the next generation of qualified employees and train apprentices. With all these measures, we are supporting sustainable labour and economic growth in Switzerland.



Retention of qualified employees

Retaining skilled employees in the healthcare professions and IT sectors is a major challenge in Switzerland. Our recruitment strategy includes measures to promote the company's image as an employer, positioning and university marketing for pharmaceutical students in order to secure qualified employees. In doing so, we are supporting sustainable labour and economic growth in Switzerland.



Occupational health and safety

The physical and mental health of employees is a high priority at Galenica. We take all possible precautions to protect the health and safety of all employees in the workplace. We also operate a case management system to identify potential health risks at an early stage and enable a rapid return to work after an illness or accident. We are thus making a significant contribution to the health and well-being of our employees.



Diversity and equal opportunity

We are committed to diversity and equality and bring together people from over 85 countries and all age groups. Three-quarters of employees are women. Our Code of Conduct states that we do not tolerate any discrimination or harassment. We also ensure that salaries are equal between men and women. We guarantee equal opportunities and are committed to reducing inequalities. In doing so, we are also contributing to SDG 5 (Gender Equality).



Corporate Governance

Good and transparent corporate governance is crucial for us to manage the company effectively and efficiently. In addition, corporate governance forms the basis for a peaceful and inclusive society based on equal participation of all people, as well as strong institutions.



Compliance

We attach great importance to conducting our business activities in an ethical and legal manner. All our business activities are conducted in accordance with applicable laws and compliance with human rights is essential for us. This is how we contribute to a peaceful and inclusive society.

GRI report

Sustainable and ethical corporate governance

Sustainability

As a company active in the healthcare market and with a long tradition, the Galenica Group bears a social responsibility towards customers, patients, partners, employees, shareholders and the general public.



This social responsibility includes Galenica's compliance with applicable laws at all times, respect for fundamental values and commitment to ethically sustainable action. A commitment to abiding by the law and guidelines and acting with integrity is a fundamental part of Galenica's corporate culture and a consistent focus of its corporate governance. The obligation to comply with the law applies to all employees and is part of day-to-day business. This is how we contribute to a peaceful and inclusive society.

Sustainability is an integral part of Galenica's corporate management. This is based on the steadfast belief that proactive and responsible action contributes significantly to the long-term economic success of a company and has an impact both inside and outside the company.

Management of the material topic (GRI 2-23, 2-24, 2-25, 2-26, 3-3)

Galenica attaches great importance to conducting its business activities in an ethical and legal manner. All business activities are carried out in accordance with the applicable legislation. Compliance refers to compliance with legislation, standards (such as ISO 14001 or good distribution practice, GDP) as well as in-house and industry codes. Specifically, for Galenica this means, for example, compliance with its own Code of Conduct, the laws on therapeutic products, data protection, health insurance, employment, antitrust, tax and criminal law as well as respect for human rights in all business activities. As Switzerland's largest healthcare network, combating corruption and preventing anti-competitive behaviour are key topics for Galenica. Respect for human rights and other legislation is central to sustainable development, peace, security and prosperity. To this end, we train our employees in the area of compliance in a target group-specific manner several times a year.

Responsibilities

The Legal Department of the Galenica Group advises all companies and divisions on the correct interpretation and application of legal provisions. It also assists with the implementation of new legal requirements within the company. Current challenges for Galenica relate to the additional implementation of the new provisions of the revised Therapeutic Products Act (TPA) as well as the Swiss Data Protection Act (nFADP), which entered into force on 1 September 2023, the provisions of the revised Information Security Act (ISA) applicable to Galenica in the area of cybersecurity and the creation of frameworks for the safe use of AI applications.

Code of Conduct of the Galenica Group

In addition to the statutory provisions, the [Code of Conduct](#) of the Galenica Group sets out the ethical rules and standards that all employees must adhere to. It must be accepted by all employees upon taking up employment as part of the employee manual. Among other things, the Code includes provisions on conflicts of interest, insider dealing or corruption, as well as on environmental protection. The Code also contains clear commitments to human rights, such as fair working conditions, the exclusion of child or forced labour, discrimination, and the health and safety of employees. The Code of Conduct thus contributes to the removal of taboos from certain grey areas. The Code of Conduct was approved by the Audit and Risk Committee of the Board of Directors.

Managers are responsible for addressing and dealing with specific conflict situations in day-to-day business.

The Pharmacies unit also has its own specific Code of Conduct. As a binding internal operating procedure, it serves to ensure the pharmaceutical independence of pharmacists at all times and thus always prioritise the health and wishes of patients. The Code also defines how employees must behave towards third parties and which advertising measures are permitted.

Compliance with laws and regulations (GRI 2-27, 205-2, 206-1)

Galenica undertakes to comply with all relevant laws and guidelines and to conduct itself with integrity, as compliance forms the basis for trust, integrity and sustainable success for us. Galenica handles compliance matters in the areas of prevention, discovery and reaction. In particular, this includes awareness-raising measures as well as updated and new working principles. We strive to continuously improve our compliance framework to ensure transparency and accountability in our business practices.

In the year under review, Galenica employees received target group-specific training on key compliance matters such as the Ordinance on Integrity and Transparency in the Context of Therapeutic Products (OITTP), anti-corruption and anti-trust legislation.

All Galenica Group companies operated in compliance with the law in 2024. There were no fines or monetary sanctions for non-compliance with legislation and/or regulations.

Anti-corruption (GRI 205-3)

The [Anti-Corruption Policy](#) sets out the principles and guidelines for combating corruption and regulates their implementation by the employees and business partners of the Galenica Group. Any form of corrupt conduct towards or bribery of public officials and private individuals, whether directly or via third parties, is prohibited. Galenica has a zero-tolerance approach to corruption and bribery on the part of employees, partners, suppliers and representatives of third parties. The policy applies to all employees and works in conjunction with the Group's [Code of Conduct](#) and the [Supplier Code of Conduct](#).

The Galenica Group was not aware of any incidents of corruption in the reporting year. There were therefore no confirmed incidents of corruption.

Whistleblower Reporting Office (GRI 2-16)

Internal and external stakeholders may raise concerns about Galenica's business activities through the external [Whistleblower Reporting Office](#). This offers all employees and business partners the opportunity to anonymously report suspected breaches of the rules. All reports are investigated. One incident was reported in 2024. The report came from an external supplier. As the necessary internal clarifications were carried out immediately and measures taken, the incident was resolved.

Reports of corruption and bribery must also be reported to the committee appointed by the Board of Directors. Various channels and points of contact are available to employees through which they can report concerns or matters of key importance. These include the People & Culture department, the staff committees, the employee survey and the annual performance reviews. The Executive Committee deals with

key and critical points from the employee survey or the staff committee and derives effective measures.

Objective corporate governance

Goal	Status	Target year	Measurement parameter	2024	2023
We train our employees in compliance several times a year, tailored to the respective target group.	↗	Every year	Number of measures	7	4

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

In 2024, various awareness-raising measures and training sessions on the topic of compliance were carried out and the goal was thus achieved.

Evaluation of the management approach and measures

- Reporting: Suspected breaches of the rules by employees indicate potential for improvement and possible misconduct. All reports are investigated.
- Audit and Risk Committee: The Audit and Risk Committee of the Board of Directors reviews the company’s compliance and risk management process.
- ISO audits: The ISO-certified companies of the Group are regularly audited.
- Audit and Risk Committee: The Audit and Risk Committee supports the Board of Directors in fulfilling its duties with regard to accounting, financial reporting, risk management, compliance as well as internal and external auditing.
- Audits: Internal Audit carries out audits of operational and strategic risk management and the internal control system (ICS) in accordance with the audit plan determined by the Audit and Risk Committee. In addition, the external auditor audits the consolidated financial statements of Galenica Ltd. and the companies under its ownership on an annual basis.
- Ratings: The Galenica Group is regularly assessed by external rating agencies for its environmental, social and economic (ESG) performance. Galenica has received a credit rating of BBB (investment grade) from ZKB and CS.

Comprehensive quality management

All Galenica Group companies have an extensive quality management system (QMS) in place. Alloga, Medifilm, Mediservice, UFD and HCI Solutions are certified to ISO 9001 (quality management system). Verfora, Bichsel and HCI Solutions are certified to ISO 13485 (quality management systems of medical device manufacturers). The Bichsel Group's QMS is also structured in accordance with the ICH-Q10 standard (pharmaceutical quality assurance system) of the European Medicines Agency. The manufacture of sterile, biological medicinal products filled in an aseptic environment places the highest demands on the implementation and maintenance of a QMS. Due to the critical relevance of the manufactured products, Bichsel generally carries out a major review of compliance with ISO 13485 and the statutory Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) requirements every two years.

The process management systems of Galexis and the companies in the Pharmacies unit also meet the requirements of the ISO 9001 standard. However, they are not currently certified. Alloga, Galexis, G-Pharma, Mediservice and Verfora are periodically inspected by the regional therapeutic products inspectorates as part of GDP reviews.

The Amavita, Sun Store and Coop Vitality pharmacies maintain a QMS that covers all the key processes of a public pharmacy as well as environmental factors. In 2024, Galenica launched an important quality assurance measure in pharmacies by establishing a new quality management system. Compliance with internal and external standards is monitored by means of regular quality audits, inspections by cantonal pharmacists and test purchases.

Economic performance

As Switzerland's largest healthcare network, Galenica makes an important contribution to the Swiss economy, as an employer and taxpayer. Galenica firmly believes that the Group can achieve long-term economic success only if it bears social responsibility and uses natural resources efficiently and respectfully. Economic performance thus forms the basis for long-term and sustainable business development.

Direct economic value generated and distributed (GRI 201-1)

Galenica discloses information on direct economic value generated and distributed in its Financial Report. The economic value is generated in Switzerland and is mainly distributed in Switzerland. Exceptions are employees who are cross-border commuters and certain investors, partners and suppliers abroad.

Integrity in the supply chain

Sustainability

Galenica aims to significantly improve transparency along the entire supply chain. In doing so, we attach great importance to strict compliance with both international and national laws as well as human rights. The purpose of these measures is to ensure that all business practices are ethical and responsible in order to strengthen the trust of customers and partners and make a positive contribution to the community.



Management of the material topic (GRI 2-23, 2-24, 2-25, 2-26, 3-3)

Galenica ensures that not only the Group and its companies, but also its business partners comply with international and national laws and norms, as well as industry-specific standards, good practices and human rights. This ensures decent work, fair wages and equality in the supply chain, which has a positive effect on the industry and promotes sustainable economic growth in Switzerland.

Supplier Code of Conduct

Galenica updated its [Supplier Code of Conduct](#) in 2023. The aim is to increase transparency in the company's own supply chain and thus ensure that employees can take responsibility seriously. The Code of Conduct is based on internationally enshrined human rights standards and the applicable core conventions of the International Labour Organizations (ILO) and contains, in particular, guidelines on compliance with labour and human rights, ethical business practices and environmental, health and quality regulations. The Code of Conduct applies to suppliers, service providers and consultants of the Galenica Group. It was published on the website and forms part of all newly concluded contracts. The Legal Department is always involved and regularly reviews the contract templates of the Galenica Group to check for compliance risks. Purchasing department employees also receive training covering the content of the Code of Conduct.

Internal and external stakeholders may raise concerns about Galenica's business activities through the external [Whistleblower Reporting Office](#). This offers all employees and business partners the opportunity to anonymously report suspected breaches of the rules. All reports are investigated.

Objective supply chain

Goal	Status	Target year	Measurement parameter	2024	2023
We will check compliance with the Supplier Code of Conduct from 2025 by means of spot checks.	↗	2025	Number of spot checks	11	No review

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

Galenica conducted its first standardised supplier surveys using spot checks in 2024, all of which were positive. These surveys will also be conducted in 2025 and subsequent years. Measures for non-compliance with the Code are currently being developed.

Evaluation of the management approach and measures

- Reporting: Suspected cases are investigated, and in the event of violations, sanctions are imposed.
- Introduction of supplier audits using spot checks.
- Reporting in accordance with the Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict Areas and Child Labour (VSoTr).

Due Diligence and Transparency in relation to Minerals and Metals from Conflict Areas and Child Labour

Galenica has also fulfilled its audit obligations with regard to the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour in 2024, which has applied since the 2023 financial year. In particular, internal and external investigations were carried out to determine the extent to which Galenica is affected by conflict minerals and child labour. There are no points of contact with conflict minerals, which is why Galenica is exempt from its due diligence and reporting obligations in this regard. With regard to child labour, Galenica has written to the most important suppliers and obtained documentation. Investigations have shown that there are no reasonable grounds to suspect child labour and Galenica is therefore also exempt from its due diligence and reporting obligations in this regard.

Data protection

Sustainability

Data protection is a top priority for Galenica as a healthcare provider. Galenica ensures that the privacy and fundamental rights of customers, patients, employees and other persons are fully protected at all times when processing data. Appropriate data protection measures are taken for this purpose. These protect against unauthorised access of customer data and internal company information as well as against cyberattacks.



Management of the material topic (GRI 3-3)

As the Swiss healthcare system becomes increasingly digitalised, the importance of data protection grows and the legal requirements for data processing become more comprehensive. Data protection relates to the handling of data pertaining to natural persons. It aims to protect the privacy of these persons when processing their data; in the case of Galenica this includes customers, patients and employees in particular. Health data classified as particularly sensitive by law is subject to additional requirements, which Galenica specifically takes into account. Galenica ensures compliance with data protection principles, in particular with regard to transparency and security.

Data Protection Policy and employee training

Galenica has a professionally qualified, independent internal Data Protection Officer who acts as a free agent to oversee this important topic. The Data Protection Policy forms the overarching framework and is supplemented by rules and directives for specific matters. All employees and other auxiliary persons are obliged to comply with the Data Protection Policy and by extension the data protection principles. All employees are regularly trained and made aware of data protection issues. In the reporting year, the Data Governance division developed a transparently structured platform for conveying requirements for the processing of personal data. Employees will be able to obtain all the information they need easily themselves. Future e-learning courses will be built on this platform. This will facilitate constant awareness-raising of how to handle personal data responsibly and behave correctly in the event of identified data breaches in the long term.

Focus on revised data protection legislation

The new Data Protection Act entered into force on 1 September 2023. In order to implement this as effectively as possible, we observe the evolving practices in the healthcare industry and beyond, as well as the guidelines and expectations communicated by the authorities. All companies of the Galenica Group have published new privacy policies and thus comply with the higher information requirements. Among other things, it provides points of contact to which data subjects can turn with questions and concerns, such as to object to certain data processing, make a demand for information or request the deletion of data. Internal transparency regarding data processing is being increased by keeping a processing record and documenting the associated application landscape in LeanIX. Risks of new data processing are assessed in coordination with the internal Data Protection Officer and, if necessary, reduced by taking appropriate measures, such as defining policies or regulating access rights. The data governance and security divisions collaborate closely on these matters. Galenica is continuing to work on assessing data protection risks, addressing them in a standardised manner and integrating them directly into processes. The data governance managers, who were appointed in 2023, are the first point of contact in the corporate divisions and Group companies. They are regularly informed, trained and supported by the division in advance of developments.

Data & AI Governance Board

In 2024, Galenica established the Data & AI Governance Board, a new body that helps create a clear regulatory framework for the responsible use of data and AI applications. It ensures the coordination of corporate activities in this area and harmonisation of the data strategy and values of Galenica. The Data & AI Governance Board is chaired by the internal Data Protection Officer and, with other members from the areas of information security, enterprise architecture, data strategy, AI and a member of the Executive Committee, is interdisciplinary and in possession of great expertise.

Objective data protection

Goal	Status	Target year	Measurement parameter	2024	2023
Several times per year, we carry out measures to raise employee awareness in the area of data protection.	↗	Every year	Number of measures	9	6

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

In 2024, a total of nine awareness-raising measures were carried out on the subject of data protection. The focus of the training courses was tailored to the respective target group, such as a training course on criminal liability under the Data Protection Act for data governance managers.

Evaluation of the management approach and measures

- Reviews: Galenica keeps up to date with the ongoing developments in data protection law and practice and conducts regular audits, thus ensuring that legal regulations are observed and a high standard is maintained in relation to the handling of personal data.

Substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI 418-1)

In the reporting year, there were no substantiated complaints relating to a breach of data protection, and there were no official investigations of data theft or loss.

IT security and cybercrime

Sustainability

Galenica ensures that sensitive information and data are protected against unauthorised access and unauthorised changes or loss. IT security is highly relevant to maintaining the confidentiality, integrity and availability of data, avoiding economic losses and minimise risks.



Management of the material topic (GRI 3-3)

With the increasing digitalisation of the healthcare system, the risk of cyberattacks is growing. People are one of the greatest risk factors in connection with cyberattacks, as many cyberattacks target employees, for example by means of fraudulent e-mails (phishing). IT security is of great relevance at Galenica. As a healthcare provider, the company processes sensitive information and data. Galenica ensures that this data is protected against unauthorised access and unauthorised changes or losses in order to safeguard the confidentiality, integrity and availability of data, avoid financial damage and minimise risks. For logistics companies and pharmacies, the protection of IT systems is particularly important in order to ultimately guarantee the security of supply for the population. In addition, IT security contributes to social acceptance and the satisfaction of customers, partners and suppliers, thus strengthening the Swiss healthcare system.

Responsibilities

At Group level, the topic of IT security is coordinated by the Chief Information Security Officer. The responsibilities and organisation of IT security are regularly reviewed and adjusted in line with current requirements. The IT Security Board is responsible for balancing the interests of IT and the individual Business Units and coordinates IT security-relevant topics and measures. These are implemented by the members in their respective areas. The Board is responsible for the IT security strategy and ensures its implementation. The aim of the strategy is to achieve reliable and efficient IT security across the Group. The Board began its work in 2023 and meets quarterly.

Clear guidelines to govern operations

The IT Security Policy defines the objectives relating to information and IT security, the competencies and responsibilities as well as the IT security principles of the Galenica Group. The Policy applies to all companies of the Galenica Group and forms the basis for all written IT security instructions. In addition, the IT Usage Regulations set out the security-related rules of conduct for using IT work equipment, such as the use of private devices, working on the move and working from home. Finally, the IT Security Manual is aimed at employees in the IT departments and lays down the regulations for secure IT operations.

Raising employee awareness

The cooperation of all employees is required to ensure information and IT security. In addition to technical measures, Galenica also promotes awareness of security among employees by means of specific e-learning modules and intranet news. New employees are made aware of the key elements of the IT user regulations on their induction day. Galenica regularly runs e-learning courses on data security and dealing with phishing and cyberattacks. In addition, information on cybercrime is regularly published on the intranet for employees.

Objective IT security

Goal	Status	Target year	Measurement parameter	2024	2023
Several times per year, we make our employees aware of IT security and cybercrime.	↗	Every year	Number of measures	11	6

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

In the reporting year, various e-learning courses were offered related to IT security and cybercrime. These were supplemented by several phishing campaigns in order to test and sharpen employees' awareness in a targeted manner. Voluntary training courses are also offered on the training platform to further support the learning initiatives.

Evaluation of the management approach and measures

- Security audit: The IT Security Policy and its implementation are continually reviewed by internal departments or external specialists to ensure they are up to date and effective.
- Monitoring: The security monitoring system monitors all IT systems and triggers an alarm in the event of anomalies. This is performed by an external Security Operation Center (SOC).
- E-learning: E-learning modules on the topics of data and cybersecurity are planned and carried out on a regular basis.
- Phishing campaigns: We regularly conduct targeted phishing campaigns to raise awareness among employees in a targeted and specific manner.

Greenhouse gas emissions and resources

Sustainability

Galenica endeavours to use resources as efficiently as possible, on the basis of economically viable measures, and to reduce the resulting environmental impact of its activities within the market as much as possible. The strategic priority of Efficiency and its associated initiatives, which focus on the sustainable use of resources throughout the Group with the aim of reducing the CO₂ emissions of the entire Galenica Group, form the main basis for this.



Management of the material topics (GRI 3-3)

The high quality requirements, consistent compliance with good distribution practices (GDP) and good manufacturing practices (GMP) as well as the high availability of medications in the Swiss healthcare system require a considerable amount of infrastructure for the storage and distribution of merchandise. High-frequency distribution ("same-day") to consumers throughout Switzerland is energy- and emissions-intensive. Galenica therefore has an intrinsic interest in implementing measures to optimise the sustainability of its emissions profile as part of its core processes of procurement, storage and distribution of medications. External regulatory requirements are also a relevant driver for increasing the efficiency of the use of resources. In addition, we are seeing growing interest from customers in Galenica's ESG initiatives, meaning that efforts to reduce greenhouse gas emissions can ultimately serve as a competitive advantage in the market.

Electricity and fuels are the main energy sources used by Galenica today. Electricity accounts for 46% of total energy consumption. Transport is the main cause (approx. 60%) of direct and indirect greenhouse gas emissions at Galenica. Greenhouse gases in the atmosphere are primarily responsible for global warming and climate change, with serious consequences for humans, animals and the environment.

Binding targets agreed with the FOEN/SFOE

In order to reduce CO₂ intensity and increase energy efficiency, the major consumers (electricity consumption of at least 500 MWh p.a.) Alloga in Burgdorf, Galexis in Lausanne–Ecublens and Niederbipp as well as the Bichsel Group in Interlaken, have defined binding reduction paths for energy consumption with the Federal Office for the Environment (FOEN). In return for this commitment, the companies can apply for a refund of the CO₂ incentive tax on fossil fuels or a subsidy to implement sustainability measures, provided they comply with the agreements. The binding targets are individually tailored to the potential of the individual sites in collaboration with the Energy Agency of the Swiss Private Sector (Energieagentur der Wirtschaft, EnAW) and the FOEN. A binding energy reduction pathway has already been drawn up and implemented in collaboration with the FOEN as of 2016 for the Galexis sites in Niederbipp and Lausanne–Ecublens as well as Alloga in Burgdorf. As a result of these long-term measures, cumulative energy savings of 2,700 MWh at the Niederbipp site, 670 MWh in Lausanne–Ecublens and 1,050 MWh at Alloga could be realised by 2024.

A new binding reduction pathway for Galenica's major energy consumers is currently being prepared by the SFOE for the years ahead. This is also being developed in collaboration with the EnAW and will be adopted during 2025.

Focus on increasing energy efficiency during renovations

When renovating its infrastructure, Galenica always takes into account potential measures to improve energy efficiency and looks into the feasibility of installing photovoltaic systems.

Thanks to energy-efficient construction, new measurement and control technologies, insulation and the installation of a photovoltaic system during the renovation and new construction of the logistics and administration building at the Lausanne–Ecublens site, annual energy consumption was reduced by 617,695 kWh and 107.4 tCO₂. Furthermore, the site was connected to the local district heating network in addition to the reduction path, resulting in a long-term 80% CO₂ reduction.

At the Galexis site in Niederbipp, a solar installation with around 5,700 solar modules was connected to the grid at the end of 2023. With an output of over 2,100 MWh, this installation covered around one quarter of Galexis' electricity requirements in Niederbipp in 2024. This is enhanced by the heat pump, which was installed previously and has saved 227,360 kWh and 67.9 tCO₂ per year compared with heating with fossil fuels. Furthermore, the introduction of a new measurement and control technology for climate control in 2024 (as well as climatic influences) enabled Galexis to reduce energy consumption for heating requirements by around 47%.

In early 2022, Alloga put a groundwater heat pump into operation, saving 428,245 kWh/126.6 tCO₂ per year, compared to fossil fuels. A further increase in energy efficiency of approx. 10–15% was achieved by installing new thermal insulation in the 25,000m² flat roof in 2023 and replacing the air compressors.

The UFD headquarters in the canton of Ticino was also fully fitted with a solar installation with 1,210 photovoltaic elements in April 2024, which, with an annual output of 43 MWh for 2024, covered around 7% of the company's own electricity requirements.

Finally, Lifestage Solutions moved into a new company building in 2024 that is certified according to the Minergie Eco standard. The heating and hot water requirements are covered exclusively by the use of natural wood waste produced by the landlord. The cooling requirements are covered by surplus solar power generated by the photovoltaic system installed on the roof. In fact, 85% of the electricity is supplied by the company's own photovoltaic system in combination with a storage battery. The remaining 15% is generated from renewable hydropower.

The Galenica Group's own operational and administrative sites obtain electricity from hydropower and photovoltaics. Almost all of the sites in the Pharmacies unit are rented, which makes it more difficult to influence the electricity mix. However, Galenica has set itself the goal of obtaining electricity from renewable sources for the rented premises as far as possible. Since 2023, the electricity consumption of the pharmacies has been recorded centrally on the Swenex platform, which is used to plan further efficiency measures.

Promotion of renewable energies in distribution

Galenica has set itself the goal of promoting the use of renewable energies in distribution logistics and has embedded this as part of its distribution strategy. Galexis has been successfully using its first biogas-powered vehicle since 2021, followed by another vehicle in early 2022.

Galexis started supplying customers in the greater Zurich area with two electric GDP delivery vehicles in early 2023 for the first time. Another electric vehicle has been in use at the Lausanne-Ecublens site since late 2023. GDP-compliant electric delivery vehicles are still little used in Switzerland. The short range and long charging cycles only result in an efficiency of around 50%, compared to the service life. The higher procurement costs (factor 2) also hinder the company-wide roll-out of an electric GDP fleet from an economic point of view.

The potential of hydrogen technology is under consideration. Nationwide deployment of this technology in GDP distribution is not yet realistic due to the current supply situation in Switzerland.

In order to reduce fuel consumption, companies in the Pre-wholesale and Wholesale units regularly implement energy efficiency measures – both internally and with external logistics partners. This includes the use of commercial vehicles that meet the highest emissions standard (currently Euro VI) and the initiation of joint pilot projects for the use of delivery vehicles with alternative drive systems. Since 2020, Galexis, UFD and Pharmapool have been converting their own fleet of delivery vehicles to more efficient vehicles with a higher load capacity. External logistics service providers are contractually obliged to use only vehicles that meet or exceed the Euro VI standard.

As part of a continuous improvement process, the fixed delivery runs are optimised in order to increase customer service and efficiency in execution. In 2024 alone, Galexis was able to reduce travel by more than 100,000 km. In addition, all drivers from Galexis, UFD, Pharmapool, Bichsel and Alloga regularly attend mandatory driver training courses to learn an environmentally friendly, fuel-efficient driving style in addition to safety. Galenica continues to support sustainability initiatives for logistics companies as part of associations (e.g. GS1) and in collaboration with authorities and other public institutions (e.g. hospitals).

Environmental Code of Conduct and mobility concept

There is an Environmental Code of Conduct that applies to all employees of the Galenica Group. This provides guidance on saving energy and making efficient use of natural resources in the workplace and in transport.

Galenica encourages its employees to use public transport and electric vehicles and has implemented specific mobility concepts at some locations, such as the headquarters in Bern. Employees who commute to work by public transport receive a financial contribution towards their travel costs. In January 2022, a further mobility concept was introduced in Lausanne-Ecublens as part of the renovation work at the site. Only limited parking spaces are available for employees. Galexis encourages employees to organise carpools or use public transport to get to work and provides employees with financial support for the use of public transport. In 2022, Galenica amended its group-wide company vehicle policy in favour of e-mobility. As of late 2024, around 15% of personal company vehicles have electric or hybrid drive systems.

Scope 3 roadmap

In 2024, a Scope 3 screening of Group processes and flows of goods was carried out for the first time as part of Galenica's sustainability strategy. Actual consumption data and activity-based consumption from 2023 as well as estimates based on standards and statistical data were used for the screening, and coverage of more than 80% of emissions relevant to Scope 3 was recorded. Based on this data, a roadmap is to be developed and adopted in 2025. This roadmap aims to establish a net-zero reduction pathway in line with Switzerland's climate targets.

Responsible use of land and water (GRI 303-1, 304-1, 304-3)

Galenica strives to use the vital resources of land and water responsibly. The company pays attention to the careful use of water and does not use groundwater, but feeds it back into the groundwater flow. Alloga, Galexis and UFD use the groundwater for the heating and cooling cycle, either extracting heat or using it directly for cooling. Water also plays a key role at Bichsel as a raw material in the production of vital infusion solutions. The water is sourced from the local primary supplier and only the necessary quantity is pharmaceutically treated and processed by Bichsel. After being used, the water required for production purposes is fed into the wastewater treatment plant and returned to the water cycle.

Galenica has no sites in or near protected areas or areas of high biodiversity value outside protected areas. With the construction of a wild bee park at the Galexis site in Niederbipp, Galenica made a small contribution to protecting these endangered animals and conserving biodiversity in 2023.

Objectives greenhouse gas emissions

Goal	Status	Target year	Measurement parameter	2024	2023
From 2025, we will be sourcing 100% of our electricity from renewable sources at all our locations.	↗	2025	% electricity from renewable sources per location	100%	75%
We will reduce the intensity of our operational greenhouse gas emissions (scope 1+2) by 25% by 2025 and 50% by 2030.	↗	2030	tCO ₂ e/FTE	1.18 tCO ₂ e/FTE	1.49 tCO ₂ e/FTE
We will replace 40% of the fossil fuels in our vehicle fleet (in-house and external vehicles contracted by us) with renewable alternatives by 2032.	→	2032	% renewable propulsion in the vehicle fleet	15%	15%

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

Galenica is pursuing ambitious targets of keeping greenhouse gas emissions from the main sources as low as possible within its own operations. Galenica wants to work exclusively with electricity from renewable sources in its own operations. For this reason, 100% of the electricity purchased from 2025 onwards is to come from renewable sources.

Furthermore, energy from 40% of fossil fuels is to be replaced by renewable sources by 2032, compared to 2021. These and other measures are intended to reduce direct and indirect (Scope 1+2) greenhouse gas emissions by 25% by 2025 and by 50% by 2030 compared to 2021. In order to take better account of the Group’s organisational development when setting goals and planning measures, the measurement parameter used to track progress towards target achievement was changed to tCO₂e/FTE (intensity) in the reporting year.

Evaluation of the management approach and measures

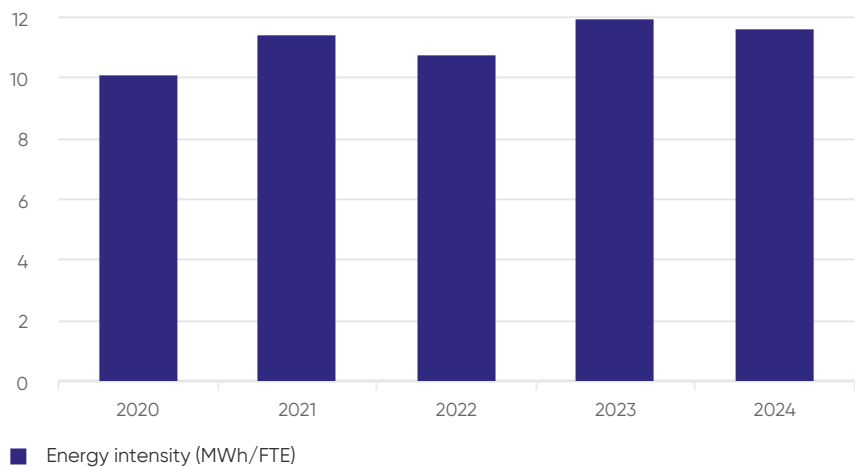
- Key figures: Key environmental figures relating to greenhouse gas emissions and energy consumption by the Group are collected at least once a year in order to check whether the environmental targets are being achieved.
- Galenica's sustainability objectives form part of its collaboration with partners (suppliers, logistics service providers, service providers) throughout the supply chain.
- Targets agreed with the FOEN/SFOE: EnAW provides Galenica with annual feedback and recommendations on how to improve energy efficiency and reduce CO₂ intensity.
- ESG topics are part of the contractual agreements in investment planning and the awarding of contracts.
- CDP: Galenica completes the CDP questionnaire once a year. CDP is an international, non-profit organisation that provides the largest and only worldwide environmental database for companies and cities. Its aim is to encourage as many companies as possible to disclose their impact on the environment and natural resources. This information is collected on behalf of more than 680 institutional investors, who together represent more than USD 130 trillion in assets. In 2024, as in the previous year, Galenica ranked C in its level of engagement score. This certifies that the Galenica Group understands how environmental issues affect the business model. The results are published at www.cdp.net.

Energy (GRI 302-1, 302-2, 302-3, 302-4)

Aspect	GRI Disclosure	Unit	2024	2023 ¹⁾	2022	2021	2020
Energy consumption (within and outside of the organisation)	302-1	MWh	70,914	70,639	57,148	63,437	57,836
Energy consumption within the organisation ▶	302-1	MWh	53,845	57,112	44,185	47,074	41,987
- non-renewable sources (heating oil, natural gas, diesel, petrol)	302-1	MWh	28,630	37,718	23,727	26,877	21,699
- renewable sources (hydropower, solar energy, district heat)	302-1	MWh	25,215	19,394	20,458	20,197	25,022
Electricity consumption within the organisation	302-1	MWh	23,938	23,543	24,584	24,587	24,605
Heat energy consumption within the organisation	302-1	MWh	14,949	18,732	6,882	6,227	7,014
Energy consumption outside of the organisation	302-2	MWh					
- downstream transport and distribution	302-2	MWh	17,068	13,528	12,964	16,363	15,848
Energy intensity	302-3	MWh/ FTE	11.59	11.96	10.77	11.43	10.12

▶ 2024 Data externally assured (limited assurance)
¹⁾ restated

Energy intensity 2020-2024
(MWh/FTE)



In the reporting year, Galenica adjusted its energy consumption analysis (including retrospective adjustments to the figures already published for 2023). In order to avoid double counting in connection with the purchase of guarantees of origin and certified hydropower, electricity purchased from the grid is sometimes now no longer counted as renewable. In addition, electricity consumption is now recorded, excluding the heat pump and electric vehicles. The

energy consumption of the heat pumps is counted as heat consumption. In the reporting year, Galenica recorded the electricity consumption of Padma, which was acquired in 2023, for the first time (536 MWh).

The declared energy consumption outside the organisation is limited to upstream transport. Galenica uses the number of full-time equivalents (FTEs) as the organisation-specific parameter to calculate the energy intensity ratio. The quotient takes into account energy consumption within and outside the organisation.

Reduction of heat requirements in the Group's own operations

In 2024, the Galenica Group's total energy consumption – both within and outside the organisation – amounted to 70,914 MWh (previous year: 70,639 MWh). Total energy consumption per full-time equivalent decreased slightly from 11.96 MWh/FTE to 11.59 MWh/FTE. Heat consumption within the organisation in particular has fallen sharply (approx. 3,800 MWh). This is mainly due to structural measures (use of pellet heating at the temporary site) at the headquarters in Bern (saving approx. 1,400 MWh) and the switch to district heating at the Galexis Lausanne-Ecublens site (saving approx. 500 MWh). The heat consumption of pharmacies was extrapolated and was lower in the reporting year than in the previous year (minus approx. 1,400 MWh).

In contrast, the fuel consumption of transport service providers has increased compared to the previous year (approx. 3,540 MWh), which is why the energy balance within and outside the organisation has only changed slightly overall.

Stable electricity and fuel consumption despite growth

Electricity is the main energy source used by Galenica. Electricity (excluding heat pump and electric vehicles) accounts for almost 46% of total energy consumption within the organisation. In 2024, Galenica's electricity consumption increased to 23,938 MWh (previous year: 23,543 MWh), which corresponds to an increase of 1.7%. Taking into account the first-time recording of Padma consumption (536 MWh) and the estimate of electricity consumption in pharmacies based on the previous year's figures, Galenica's electricity consumption has largely stagnated. Nevertheless, the Group has taken a major step forward in terms of its goals. Through the expanded purchase of guarantees of origin for electricity from hydropower, Galenica obtains 86% renewable electricity for all operational and administrative sites. Galenica will purchase the missing guarantees of origin for 2024 and, therefore, reports a 100% proportion of electricity from renewable sources. Furthermore, the commissioning of the photovoltaic system in Niederbipp at the end of 2023 enabled almost all remaining electricity requirements to be covered by solar energy in the reporting year (2,242 MWh). Only 0.3% of total electricity consumption in 2024 came from fossil sources such as heating oil and diesel, primarily for emergency power generation.

The fuel and electricity consumption of the Group's own delivery and pool vehicles remained stable in the reporting year (14,958 MWh) compared with the previous year (14,830 MWh). Even if they only still make up a small proportion of overall consumption, the energy requirements of electric vehicles increased significantly in 2024 year-on-year to 122 MWh (previous year: 1 MWh).

Emissions (GRI 305-1, 305-2, 305-3, 305-4, 305-5)

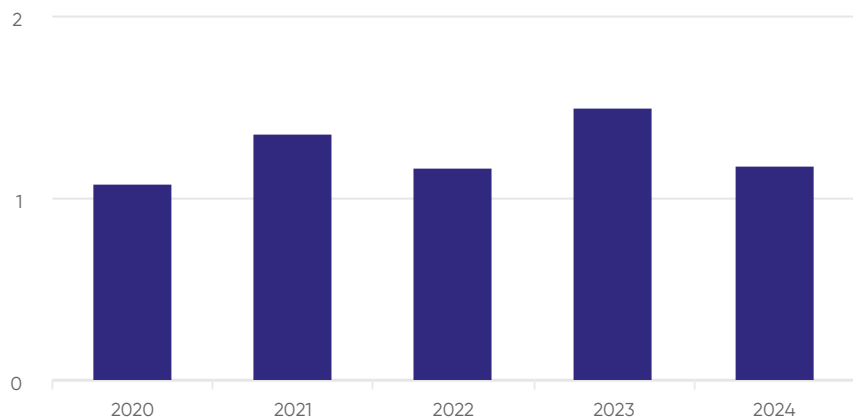
Direct and indirect GHG emissions (Scope 1+2)

Aspect	GRI Disclosure	Unit	2024	2023 ¹⁾	2022	2021	2020
Direct and indirect GHG emissions (Scope 1+2) ▶		tCO ₂ e	7,228	8,774	6,581	7,447	5,964
Direct (Scope 1) GHG emissions: fuels and combustibles	305-1	tCO ₂ e	6,546	7,099	4,876	5,708	4,262
Indirect (Scope 2) GHG emissions: purchased electricity and district heat (market-based approach)	305-2	tCO ₂ e	682	1,674	1,705	1,738	1,702
Intensity of GHG emissions (Scope 1+2)	305-4	tCO ₂ e/FTE	1.18	1.49	1.17	1.35	1.08

▶ 2024 Data externally assured (limited assurance)

¹⁾ restated

Intensity of greenhouse gas emissions (Scope 1+2) 2020-2024 (tCO₂e/FTE)



■ Intensity of greenhouse gas emissions (Scope 1+2) (tCO₂e/FTE)

In the reporting year, Galenica adjusted the evaluation of greenhouse gas emissions (including subsequent adjustment of the previously published values for 2023). The biogenic share of diesel fuel available in Switzerland is now included in the calculations. In addition, refrigerant losses are now included in Scope 1 emissions. Galenica uses the market-based calculation approach when calculating Scope 2 emissions. An emission factor from the International Energy Agency (IEA) is now used for electricity purchased from the grid. This is significantly lower than the previous emission factor (treeze, 2017). If the emissions are calculated using the location-based approach, which does not take into account the specific electricity production by hydropower for Galenica, this results in Scope 2 emissions of 2,638 tCO₂e.

Successes in reducing greenhouse gas emissions

In the reporting year, the heat consumption of the Galenica Group decreased. In particular, the reduction in heating oil consumption at the headquarters in Bern is making a significant contribution to the reduction in emissions (372 tCO₂e). In addition, indirect greenhouse gas emissions were reduced by around 1,000 tCO₂e according to the market-based calculation method due to the additional purchase of guarantees of origin for hydropower.

Emissions Scope 3 (GRI 305-3)

Aspect	GRI Disclosure	Unit	2024	2023 ¹⁾	2022	2021	2020
Direct and indirect GHG emissions	305-1 305-2	tCO ₂ e	11,485	12,148	10,052	11,828	10,207
Direct and indirect GHG emissions (Scope 1+2) ▶	305-1	tCO ₂ e	7,228	8,774	6,581	7,447	5,964
Other indirect (Scope 3) GHG emissions: upstream transport and distribution	305-3	tCO ₂ e	4,257	3,375	3,471	4,381	4,244
Intensity of GHG emissions	305-4	tCO ₂ e/ FTE	1.88	2.06	1.98	2.13	1.76

▶ 2024 Data externally assured (limited assurance)
¹⁾ restated

The Scope 3 emissions analysis includes the CO₂e emissions caused by the contracted drivers of Galexis, Alloga and Pharmapool. Of these, 87% relate to transport services provided for Galexis.

Water and wastewater (GRI 303-3)

Aspect	GRI Disclosure	Unit	2024	2023
Water withdrawal	303-3	m ³	1,419,862	1,149,293
- municipal water supply	303-3	m ³	160,627	78,285
- groundwater	303-3	m ³	1,259,235	1,071,008

For the first time, data on water use by Padma, which was acquired in 2023, is included.

In 2024, water withdrawal by the Galenica Group amounted to 1,419,862 m³ (previous year: 1,149,293 m³), with 88% coming from groundwater and 12% from the municipal water supply. The increase from the municipal water supply can mainly be explained by the fact that data was collected from Padma for the first time (withdrawal of around 89,000 m³). The sharp increase in groundwater demand compared to the previous year is due to the fact that, depending on the weather, more or less water is used to cool or heat the buildings.

Waste and packaging

Sustainability

Galenica is committed to using natural resources respectfully and efficiently, and to reducing and disposing of waste safely, among other things. In addition to the professional disposal of waste, Galenica aims to prevent waste from occurring in the first place wherever possible.



Management of the material topic (GRI 3-3)

For Galenica, the proper handling of medical and chemical waste as well as packaging material is crucial. The company focuses on waste management, i.e. the declaration (toxic/non-toxic), collection, sorting, disposal and recycling of waste. In the downstream business, packaging materials are selected in compliance with the principles of the circular economy, unless covered by regulatory requirements.

Proper disposal of returned medicines

The pharmacies and logistics companies in the Galenica Group take back and properly dispose of expired or unused medicines. In pharmacies, this is done in accordance with internal quality management processes. The pharmacist performs an initial disposal triage of the returned drugs and sorts the products according to specific criteria. They focus particularly on critical ingredients (such as heavy metals, solvents, narcotics or highly active substances), but also on the special characteristics of the dosage form (such as gas pressure vessels). After this pre-selection process, the drugs are disposed of properly at a conventional incineration plant or in a specially designed high-temperature furnace. The disposal of controlled substances such as narcotics must be documented by the pharmacists and reported to Swissmedic. The GDP guidelines, which Alloga, UFD, Pharmapool and Galexis have signed up to, also provide instructions on how to handle returns. The actual disposal of expired and unused medicines is organised centrally by external service providers, depending on cantonal guidelines. An exception is Medifilm, which is the only Galenica company with approval for hazardous waste disposal.

For safety reasons, medicines returned by consumers are disposed of without exception – even if they have not yet expired and/or the packaging is still intact. Controlled disposal prevents people or animals from coming into contact with potentially hazardous pharmaceutical waste, for example through torn rubbish bags at the roadside or from contamination.

Pharmacies therefore make a valuable contribution to the environmentally friendly and controlled disposal of hazardous waste. In addition, our pharmacies provide only biodegradable plastic bags to their customers. The Wholesale & Logistics unit makes continuous efforts to find additional ways of reducing waste. One of the most important measures in this regard is the use of reusable packaging for the delivery of goods; 94% of deliveries are already made in reusable storage containers in a circular process. The remaining 6% is delivered in recyclable cardboard packaging.

Optimisation of packaging

At Galaxis, various initiatives contribute to the optimisation of packaging. This has made it possible to increase the filling level of the delivery containers by 12% by the end of 2024. As a result, fewer containers are being shipped and the transport mass is reduced. Within the scope of the Efficiency priority, a pilot test was carried out in which a printed delivery note was not included in the delivery and a digitally accessible version was made available to the customers instead. This pilot met with a high level of acceptance and will be pursued further in 2025. Due to the planned roll-out of the new SAP operating system at the Lausanne-Ecublens distribution centre, accompanying documents (known as "requisition orders") will no longer be issued from March 2025. This eliminates the need for the corresponding amounts of paper that had previously been included with each container. Furthermore, the process initiated in 2023 with a key supplier to use recyclable packaging instead of cardboard packaging was successfully rolled out at Galaxis in Lausanne-Ecublens in 2024.

When shipping goods from the online shops to customers, recyclable packaging material is used wherever possible. And within the Group, such as between Galaxis and pharmacies, process improvements are also continuously being worked on to reduce product returns. As a result, returns were reduced by more than 18% in the reporting year. This reduces the transport volume as well as the cost and amount of waste of highly refined products produced when processing the returned goods.

Environmental Code of Conduct

The Environmental Code of Conduct contains guidelines on waste separation for all employees who work in the office. In addition, new employees receive a leaflet on waste management and recycling when they join the Group.

Objective waste and packaging

The previous environmental target "We will reduce our municipal waste by 50% by 2025" was dropped in 2024. The decision was made as municipal waste is of little significance in Galenica's overall waste balance sheet. Due to the high level of fragmentation across the different sales locations with their local waste regimes at the municipal level, a central management approach seemed unlikely to be successful with regard to the original goal.

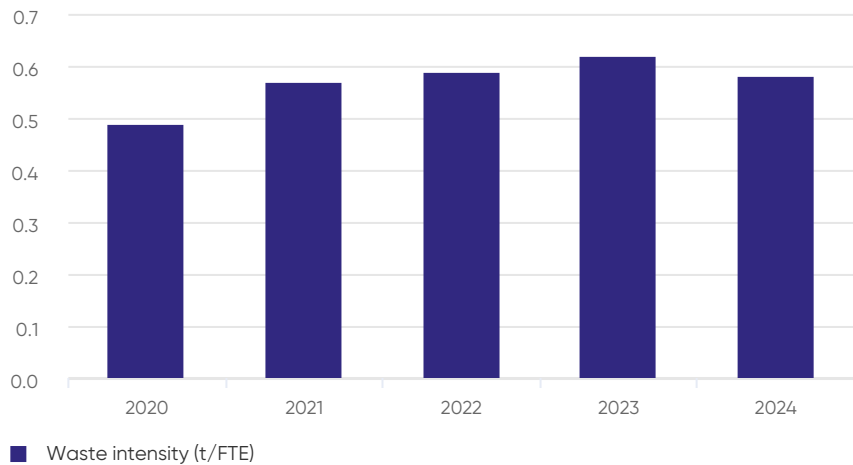
Evaluation of the management approach and measures

- Key figures: Key environmental figures relating to waste are collected at least once a year.
- Quality management: Compliance with quality management processes is monitored on an ongoing basis.

Waste generated and directed to disposal (GRI 306-3, 306-5)

Aspect	GRI Disclosure	Unit	2024	2023	2022	2021	2020
Total weight of waste generated	306-3	t	3,579	3,653	3,228	3,163	2,703
by type:	306-3						
- non-hazardous waste	306-3	t	3,131	3,153	2,842	2,642	2,368
- hazardous waste	306-3	t	448	500	386	521	335
by disposal method:	306-5						
- incineration	306-5	t	1,617	1,664	1,494	1,274	986
- hazardous waste incineration	306-5	t	448	500	386	521	335
- recycling	306-5	t	1,513	1,489	1,348	1,368	1,382
Waste intensity	306-3	t/FTE	0.58	0.62	0.59	0.57	0.49

Waste intensity 2020-2024



With the inclusion of Padma data, all companies of the Galenica Group are included as of 2024.

Almost half of waste is recycled

In 2024, the total weight of waste for the Galenica Group was 3,579 tonnes, a decrease of 2.0%. The weight of waste per full-time equivalent decreased from 0.62 t/FTE in the previous year to 0.58 t/FTE. 87% of total waste was harmless (mainly general waste, cardboard, paper and plastics), with the remaining 13% classified as hazardous waste (mainly medicines). 42% of waste was recycled, 45% was destroyed at waste incineration plants and 13% at a specialist facility for hazardous waste.

Attractive workplace

Sustainability

Employees are crucial to the success of the Galenica Group. Therefore, as an attractive employer, Galenica offers its employees modern employment conditions and benefits. Galenica also promotes an open and inclusive corporate culture as well as modern workplaces and forms of collaboration.



Management of the material topic (GRI 3-3)

A total of 7,971 employees work at Galenica providing professional services to meet a wide range of customer requirements. As a key employer in the Swiss healthcare market, Galenica makes an important contribution to the Swiss economy and supports sustainable labour and economic growth. For Galenica, an attractive workplace is about more than just modern workplaces and employment conditions. In particular, it also means open and respectful interaction with one another. This has a positive impact on the well-being, satisfaction and motivation of employees. Motivated and satisfied employees are more loyal and productive. Furthermore, the emphasis on the corporate values – our three key values – an appreciative management culture and flexible working models (life-domain balance) play an important role. Employee motivation is also closely linked to training and continuous education, which enables both professional and personal development. Galenica therefore summarises all issues relating to the employment of competent and motivated employees under the aspect of employee

motivation and development. Other relevant employee topics are listed under "[Occupational health](#)" and "[Equality and diversity](#)".

The three key values

The three key values provide support for employees in all their work and form the basis for the joint understanding of the way in which they cooperate and interact with one another:

- We delight our customers.
- We act as entrepreneurs.
- We build trust.

Responsibilities and strategy

People & Culture is responsible for HR management and is an important partner for transformation and cultural development within the organisation. Its focal points include advice and coaching for managers, the promotion of young talent, targeted and sustainable personnel development, occupational health and the promotion of an inclusive corporate culture. Positioning Galenica as an attractive and modern employer (employer of choice) is critical in the context of the shortage of skilled workers as well as in terms of attracting young talent. Other relevant topics include promoting and using new forms and methods of work as well as increasing efficiency by digitalising HR processes. The Chief People & Culture has been a member of the Executive Committee since 2023. By making this appointment, Galenica is underlining the strategic relevance of human resources. In the reporting year, People & Culture restructured itself internally and moved forward with the digitalisation of HR processes.

Personnel Policy, Personnel Regulations and Working Time Regulations

The Personnel Policy of the Galenica Group is based on the above-mentioned corporate values and sets out the binding guidelines for human resources management (HRM). These guidelines apply to the entire Group. The Personnel Policy discusses how Galenica, as an employer, wishes to treat its employees and what it expects from its employees. Galenica's Personnel Regulations and Working Time Regulations are aimed at all employees and contain information and rules regarding working hours, salaries and employee insurance.

Collective bargaining agreements (GRI 2-30)

At Galenica, no one is subject to a collective bargaining agreement. Galenica offers all employees fair and attractive employment conditions.

Balancing private life and work

Galenica offers flexible working time models to provide a better work-life balance for its employees. For example, employees are allowed to work from home, depending on their job and in consultation with their manager. Part-time work is particularly common in the area of Pharmacies Sales and it is possible to lead pharmacies as co-managers. Furthermore, female employees can extend their maternity leave with unpaid leave and male employees receive paternity leave of ten days, which is fully paid, in contrast to the statutory obligation.

Opinio employee survey

The “Opinio” employee survey is a permanent fixture at Galenica. Since 2020, it has been held annually rather than every three years, thus enabling Galenica to react more quickly and in a more targeted manner to changes in employee satisfaction and motivation. In 2024, 76% of all employees took part in the survey, meaning the response rate rose by 4% compared to the previous year. With a Group-wide score of 76¹⁾ out of 100 possible points, it is pleasing to see that employee motivation has been maintained and is therefore stable compared to the previous year. At 75 out of 100 points, the employee recommendation score is one point lower than in the previous year. Since 2023, the employee survey has only been conducted online.

¹⁾ ► 2024 data externally assured (limited assurance)

Promote interaction and commitment among employees

The staff committees are important points of contact for the concerns of all employees that are of general interest and are to be discussed with the Executive Committee. Conversely, the Executive Committee consults the staff committee or works committee on relevant personnel matters that concern all or most employees, such as conditions of employment. The works committee is made up of the chairs of all the local staff committees. The operations board and the Chief People & Culture meet twice a year. Depending on the agenda, other members of the Executive Committee may be invited. It addresses topics that go beyond the local concerns of the staff committees in the individual business areas. The staff committees generally meet several times per year and are also informed about the topics and resolutions of the works committee meetings.

Various communication platforms

Direct, personal interaction between employees from all language regions of Switzerland and over 85 countries lies at the heart of Galenica’s communication efforts, with the aim of actively promoting knowledge exchange and cooperation. The various physical and digital information events and management meetings within the business sectors and companies are a good way of ensuring that this happens. Information on current topics from all areas of the company is provided at events and via the intranet, G-Net. The employee magazine “Spot” is also published in digital form. It can also be accessed externally and allows partners and family members to keep abreast of developments in the Galenica world.

Promote knowledge and interaction among employees

When it comes to logistics and the sale of pharmaceuticals, employees and their specialist knowledge play a crucial role. As a successful company, Galenica wants to develop with the market and set trends. Galenica's adaptability is based on the commitment and team spirit of all employees. In order to maintain this, Galenica provides continuous support for the personal and professional development of its employees. New employees are invited to an induction day (Discover Galenica) where the history, culture and strategy of the Galenica Group and its companies are explained. Continuous personnel development and the management work of the future are at the heart of the group-wide personnel development programme "Move". It represents agility and flexibility and reflects the range of employee development options available. This comprises modules in the field of professional training as well as leadership and personal development on various levels. In 2024, Galenica conducted 31 modules with 505 employees.

In order to offer a talent management programme across the Group and at all levels, the "Executive Galenica" talent programme was conceived in 2024. This new format will start in 2025 and is aimed at members of the Senior Management. Participants benefit from personal and professional development facilitated by external coaches or training partners. The participants engage in project work to develop strategically relevant business cases. This programme is another important addition to our medium- to long-term internal succession planning.

The "Expert Galenica" talent management programme is for employees at management level and managing directors. The participants design their own personal course of development and are supported by individual workshops along their learning path. In 2024, 22 employees took part in the "Expert Galenica" talent management programme.

Furthermore, the "Explore Galenica" programme gives talented employees the opportunity to develop personally and professionally, get to know the Galenica Group better and thus expand their network. In 2024, 15 employees took part in this new talent management programme.

The creation of the "Pharmacies Academy" in the reporting year marked a major step towards providing centralised continuing education and training opportunities for pharmacy employees. This offer will be available from 2025 via the e-progress learning platform and is supported by revised and harmonised processes. In future, training priorities will be aligned with Galenica's strategic objectives in collaboration with stakeholders.

Galenica also supports employees with external training by giving them financial aid and/or allowing them the time, provided that the training is related to their current role and offers added value for the company. More information on this can be found in the section [Training and education](#).

Retaining qualified employees

In Switzerland, the retention of qualified employees represents a major challenge, particularly in the healthcare professions and IT. In addition to the shortage of employees, the requirements in terms of training and skills are constantly increasing. For Galenica, retaining specialist staff plays a key role, particularly in the Pharmacies unit, as pharmacies need to be managed by good, qualified staff. As the Swiss healthcare system becomes increasingly digitalised, Galenica is becoming more dependent on IT and e-commerce professionals. We are committed to attracting and retaining skilled workers. This includes promoting and retaining them within the company as well as recruiting skilled workers from outside the company. In doing this, Galenica supports sustainable labour and economic growth in Switzerland.

Galenica reviews its recruitment activities on an ongoing basis and adapts to the constantly changing conditions and noticeable advancement of the shortage of skilled workers in the labour market. Galenica's recruitment strategy includes measures relating to the company's image as an employer, its positioning and university marketing for students. Galenica aims to make contact with students while they are still at university and encourage them to pursue a career within the Galenica Group. Recruitment activities have been centralised across the Group since 2023. In addition to positioning itself as a versatile and modern employer, the increased presence on social media will also strengthen community management in particular.

Employee profit-sharing programme

Galenica shares the success of the company with all employees. The bonus is calculated based on the Group result compared with the previous year. Every year, employees of Galenica living in Switzerland have the opportunity to purchase between 20 and 80 Galenica shares at a preferential price, regardless of their employment level. In 2024, 15.0% of employees participated in the programme (previous year: 19.8%). These shares are blocked for three years after the date of purchase.

Members of the Senior Management (SMT) and Management (MT) receive a profit-sharing bonus pro rata to the annual bonus. This is dependent on attaining quantitative and qualitative targets. The share-based remuneration programme LTI (see [Remuneration report](#)) for members of the Executive Committee and certain members of the SMT is geared towards long-term performance, whereby remuneration is withheld for a period of three years. Since 2023, Galenica has had joint bonus-related goals for the Executive Committee, members of the Senior Management and Management. As well as financial targets, these also relate to customer and employee satisfaction and are intended to strengthen the concept of networking and the focus on social objectives.

Employee benefit plans

The Galenica Pension Fund, which is independent of Galenica, offers its beneficiaries comprehensive second pillar protection against the economic consequences of old age, disability and death. The benefits are governed by the pension fund regulations and exceed the minimum benefits pursuant to the Federal Act on Occupational Old Age, Survivors' and Disability Pension Plans (OPA). The pension fund is managed according to the defined contribution principle.

Objectives attractive workplace

Goal	Status	Target year	Measurement parameter	2024	2023
Employee survey "Opinio": We will increase the participation rate by 1 percentage point per year and keep the motivation and recommendation rate at its current level. (base year 2023)	=	Every year	Motivation rate	76/100 (motivation) ▶	76/100 (motivation)
			recommendation rate	75/100 (recommendation)	76/100 (recommendation)
			Participation rate	76% (participation)	72% (participation)
We are reducing the time-to-hire by 10% by 2027. (base year 2023 for Pharmacies Sales, 2024 for all other areas)	→	2027	Time-to-hire	IT: 126 days Pharmacies: 92 days	IT: 125 days Pharmacies: 90 days

▶ 2024 Data externally assured (limited assurance)

- Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

As the shortage of skilled workers continued to worsen, the target could not be achieved. The time-to-hire for IT was around 126 days in 2024 and around 92 days for Pharmacies. Galenica will further optimise the recruitment process. The aim is to reduce the time-to-hire and thus contribute to retaining qualified employees.

Evaluation of the management approach and measures

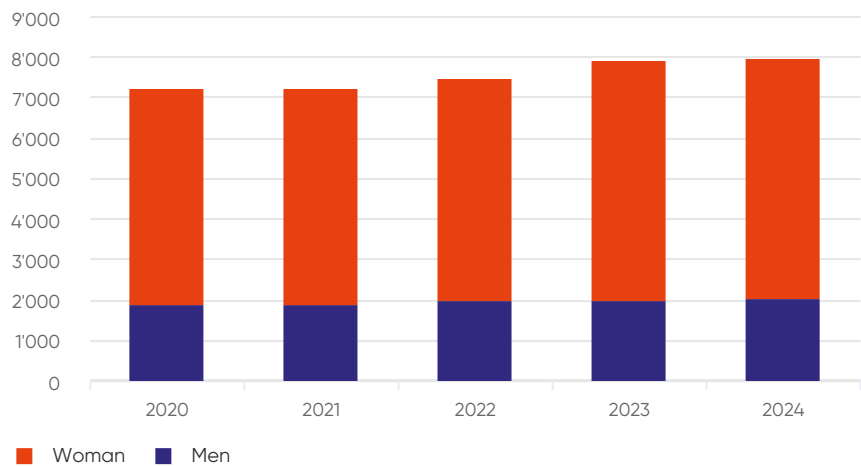
- Key figures: Key personnel figures, such as employee turnover, are collected from across the Group and analysed every six months.
- Key figures: Other key personnel figures, such as time-to-hire, in connection with recruitment are regularly collected in order to check the implementation of the recruitment strategy and the achievement of targets.
- Employee satisfaction and motivation: The satisfaction and motivation of employees is evaluated as part of the annual employee survey. The Executive Committee examines the results, particularly the critical points, and defines effective measures based on their findings.
- Performance reviews: The performance of employees is evaluated and discussed at annual performance reviews. Further training also plays a key role in this.

Employment (GRI 2-7, 2-8, 401-1)

Aspect	GRI Disclosure	Unit	2024	2023	2022	2021	2020
Employees¹⁾	2-7	number	7,971	7,902	7,608	7,239	7,205
by gender	2-7						
- women	2-7	number	5,958	5,916	5,510	5,351	5,308
- men	2-7	number	2,013	1,986	1,981	1,888	1,897
by degree of employment	2-7						
- full-time	2-7	number	4,511	4,459	4,250	4,181	4,166
- full-time (women)	2-7	%	65.0	64.5	74.0		
- part-time (<90%)	2-7	number	3,460	3,443	3,241	3,058	3,039
- non-guaranteed hours	2-7	number	303	293	266		
- non-guaranteed hours (women)	2-7	%	78.1	72.7	66.9		
Employee Turnover	401-1	%	10.8	12.0	14.6	14.5	10.6

¹⁾ at 31 December

Number of employees of the Galenica Group 2020–2024



Galenica continued to grow in 2024. At the end of 2024, the Galenica Group had 7,971 employees, an increase of 0.8% over the previous year. All employees work in Switzerland, which we regard as one region. The data is exported and consolidated from the various personnel management systems. The workforce of the Galenica Group does not undergo significant seasonal fluctuations.

The proportion of women is around 75% and has remained relatively constant over the past five years. 43% of employees work part time, i.e. with a workload below 90%. The proportion of part-time employees has remained stable. The proportion of managers among all employees increased slightly in 2024 to 10%. From 2020 to 2024, the proportion of female managers rose from 51% to just under 54%. Employee turnover at Galenica was 10.8% in 2024, 1.2% lower than in the previous year.

In addition to the company’s own employees, temporary employees are also recruited on an hourly basis if necessary, particularly in logistics and transport. These are sourced via partners and are under contract with them. More detailed information on temporary employees is not available as it is not recorded in all our personnel systems. There are seasonal fluctuations during the reporting year, with temporary employees being particularly in demand prior to the Christmas trading period. Most of the business activities are carried out by employees of the Galenica Group.

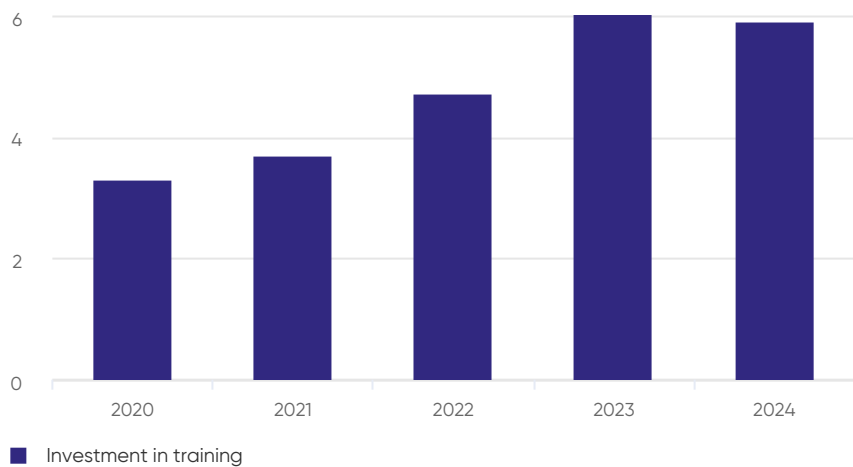
Galenica does not provide a breakdown of newly hired employees by region. Furthermore, due to the different personnel systems, there is no breakdown of employee turnover by age group, gender or region.

Training and education (GRI 404-2)

Aspect	Unit	2024	2023	2022	2021	2020
Investment in training	Mio. CHF	5.9	6.0 ¹⁾	4.7 ¹⁾	3.7	3.3
Apprentices in training	number	944	896	838	823	808
Completed apprenticeships in year under review	number	222	268	278	244	274

¹⁾ restated

Investments in training in million CHF 2020–2024



In total, Galenica invested around CHF 5.9 million in employee training in the year under review.

The Pharmacies unit offers the CAS course "Management for Pharmacists" in collaboration with the University of Basel. 17 employees successfully completed the CAS course in 2024.

Moreover, the Pharmacies unit also covers the costs of further training to become a "Specialist Pharmacist in Retail Pharmacy" (FPH certification in Retail Pharmacy). Based on the revision of the Medical Professions Act (MedPA), qualified pharmacists are required to obtain this federal qualification if they want to work as a responsible person in a pharmacy. Galenica is committed to ensuring that as many pharmacists as possible are able to complete this training. In 2024, 64 employees completed the course.

In light of the revision of MedPA, Galenica has also developed the FPH certificate of competence in patient history in primary care as further training together with an external provider. This further training strengthens the skills of pharmacists in the area of primary care. It enables them to diagnose minor illnesses and dispense the appropriate prescription medication. In 2024, 618 pharmacists already held this certificate.

Additional training opportunities in the pharmacies include the FPH certificate of proficiency in vaccination, specific training courses on rapid antigen tests and an e-learning module on the use of algorithms and software in the field of primary care. In 2024, 813 employees held the certificate of proficiency in vaccination.

Training apprentices

Galenica is strongly committed to the next generation of qualified employees: in 2024, the Group trained 944 apprentices – 839 young women and 105 young men – at its companies. Of these, 222 completed their apprenticeships, many with flying colours. After completing their education, 154 apprentices received an employment contract within the Group, which corresponds to 69.4% of all successful graduates.

Percentage of employees receiving regular performance and career development reviews (GRI 404-3)

All employees with a permanent contract receive a regular review of their performance and professional development as part of the annual performance reviews.

Health and safety at work

Sustainability

Galenica prevents injuries to the physical or mental integrity of its employees in the workplace and endeavours to identify potential health risks in good time and to ensure a swift return from illness or accident. A safe and healthy workplace increases employee satisfaction and efficiency. We are convinced that by avoiding accidents and work-related illnesses, we can save significant costs.



Management of the material topic (GRI 3-3)

It goes without saying that Galenica attaches great importance to the physical and mental health of its employees. The topic covers the effects of business activities on the physical and mental well-being of all employees. There is an increased risk of accidents, particularly in the Wholesale & Logistics and Pharmacies units, which is why occupational health and safety play such a key role in these areas. Galenica has a duty to prevent any violation of the physical or psychological integrity of its employees in the workplace. This keeps both personal suffering and costs to a minimum. Galenica also strives to identify potential health risks at an early stage and ensure a swift return to work after an illness or accident. Galenica thus makes a significant contribution to the health and well-being of its employees.

Health and safety precautions for employees (GRI 403-1, 403-5, 403-6, 403-7)

Galenica puts in place measures to protect employee health and maintain safety in the workplace in accordance with the directives of the Federal Coordination Commission for Occupational Safety (FCOS). In late 2024, Galenica drafted a concept for company-wide workplace health management (WHM). This is to be introduced in 2025 following approval by the Executive Committee. Galenica also uses a case management system in order to identify potential health risks for employees and take appropriate measures. This tool is deployed within the first 30 days of absence. The top priority is to ensure that the employee can return to work quickly following an illness or accident. Galenica is working with the organisations Movis and Carelink to improve health protection. Carelink offers emergency psychological support in crisis situations, for example following a robbery of a pharmacy. Movis provides support for employees concerning the protection of their personal integrity as well as stress management and burnout prevention. The Galenica Group also offers all employees an annual flu vaccination.

Due to the increased risk of accidents, the companies Alloga and Galexis also have a systematic absence management system. In the event of above-average or frequent absences, and even after long absences, a return-to-work meeting is held and documented with the employees. Together with Suva, Alloga and Galexis organise training courses on accident prevention and promotion of a safety culture. For example, various courses on ergonomics and trip hazards were also held in 2024.

An integrated safety system has also been introduced at the Galexis sites in Lausanne-Ecublens and Niederbipp that recognises safety-relevant work and situations and also systematically records accident reports for all employees in a timely manner and presents them transparently (e.g. in an accident barometer).

In 2024, both Galexis and Alloga signed up to the Safety Charter, which was launched by Suva in collaboration with employers' associations, engineers and architects and trade unions, sending a strong signal in favour of a comprehensive safety culture.

In the Galenica Group pharmacies, two employees have been designated as safety officers at each site and have received extensive training on the safety-relevant aspects of the respective location.

The Pharmacies, Healthcare and Wholesale & Logistics units have appointed occupational safety officers. Each Galenica Group site also has fire protection officers who are responsible for fire safety and evacuations, as well as a first aid team that organises first aid.

The [Code of Conduct for Suppliers](#) of the Galenica Group states that suppliers must ensure a safe and healthy working environment and guarantee the protection of their employees in accordance with all applicable health and safety regulations. Further information on the [Code of Conduct for Suppliers](#) can be found in the section [Integrity in the supply chain](#).

Objective occupational health

Goal	Status	Target year	Measurement parameter	2024	2023
We will reduce the incidence of occupational accidents and illnesses (physical and mental) by 10%. (base year 2023)	→	2027	Absence rate (comparison of target hours/lost hours)	occupational accidents: 0.10% illnesses: 4.05%	occupational accidents: 0.09% illnesses: 3.97%

- Realistic
- ➔ Partially delayed/critical
- Critical
- = Achieved
- × Not achieved

The absence rate due to occupational accidents was maintained (+0.01%) in 2024. This result can be attributed to various operational measures.

The total number of cases of long-term absences (>30 days) due to mental illness is known. In order to ensure anonymity, however, Galenica only receives the proportion of cases due to mental illness from the daily allowance insurance records in the event of a large number of cases. The exact illness-related reason for the absence is unknown. This means that no conclusions can be drawn and privacy protection is guaranteed. Compared to the previous year, the number of cases due to mental illness increased by 24%.

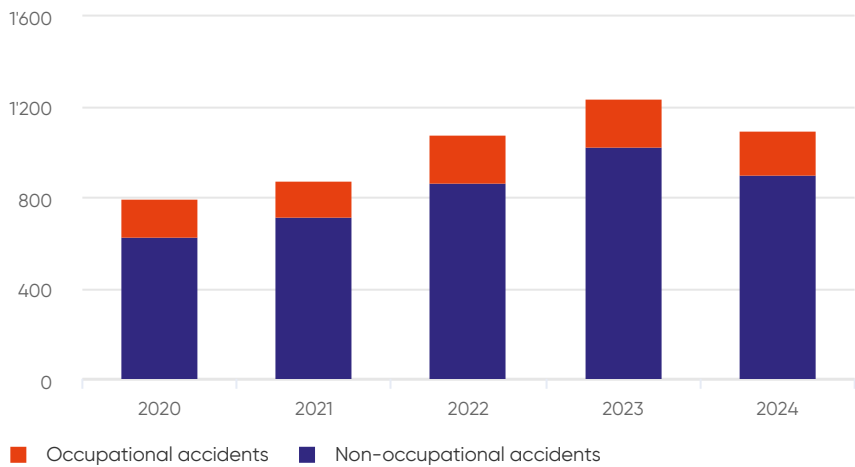
Evaluation of the management approach and measures

- Key figures: Employee absences are regularly analysed by the People & Culture department and appropriate measures are taken.
- Safety audit: External safety consultants regularly carry out safety audits at the Service Unit Wholesale & Logistics.
- At Galexis, internal safety audits (inspections) are also carried out on a monthly basis with the corresponding department heads, and measures to improve occupational safety are identified and documented.

Work-related injuries and illnesses (GRI 403-9, 403-10)

Aspect	GRI Disclosure	Unit	2024	2023	2022	2021	2020
Accidents	403-9	number	1,089	1,233	1,072	871	793
Occupational accidents	403-9	number	195	215	208	163	172
Absence rate of work-related injuries (accidents)	403-9	%	0.10	0.09	0.11	0.07	
Non-occupational accidents		number	894	1,018	864	708	621
Illnesses	403-10						
Cases of illness (long-term, entitled to daily sickness benefits)	403-10	number	499	419	409	434	471
Absence hours due to illness	403-10	number	571,887	546,097	599,540	539,990	519,883
Absenteeism rate	403-10	%	4.05	3.97	4.49	4.85	4.50
Case Management							
Return to work rate		%	76	67	82	75	52

Number of occupational and non-occupational accidents 2020–2024

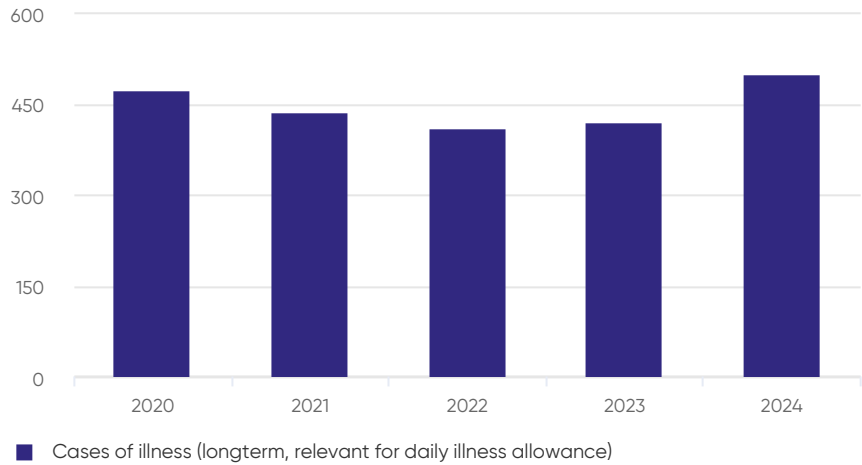


In 2024, Galenica recorded a total of 195 occupational and 894 non-occupational accidents. These figures also include minor accidents, which did not result in an absence of more than three working days. In 2024, minor accidents accounted for 68% of all occupational accidents. The number of occupational accidents decreased by 9% and the number of non-occupational accidents by 12% compared to the previous year. The relative number of occupational accidents per 100 FTEs fell from 3.6 to 3.3.

Most occupational accidents are minor but still have to be reported. Further awareness-raising measures are planned for 2025 to reduce the number of occupational accidents.

The absence rate for occupational accidents was 0.10% in the reporting year and remained relatively constant compared to the previous year.

Number of illnesses 2020–2024



At the end of 2024, Galenica recorded 499 cases of illness. Cases of illness are classed as all long-term absences due to an illness lasting more than 30 days and which are entitled to daily sickness benefits. The number for the reporting year should always be interpreted with caution, as certain cases are usually reported at a later date in the following year. Compared to 2020, cases of illness were 6% higher in 2024.

In 2020, Galenica recorded the absences of all employees for the first time. In 2024, the Galenica Group recorded a total of 571,887 hours of absence, an increase of 4.7% over the previous year. Compared to the target hours, this results in an absence rate of around 4% for the reporting year. The absence rate is therefore relatively constant compared to the previous year.

In 2024, Galenica Case Management provided assistance to 93 employees at risk of illness or already ill in order to prevent absences or shorten them where possible. Of 68 closed cases in 2024, 52 employees were able to return to work thanks to Case Management. This corresponds to a return rate of around 76%, which represents an improvement of around 9 percentage points compared to the previous year.

Equality and diversity

Sustainability

Galenica's diverse employees are the foundation for its success. Galenica brings together people from over 85 countries and of all ages – three-quarters of whom are women. The Galenica Group promotes diversity at all levels and insists on equal opportunities for all. The diversity of employees also boosts the company's ability to innovate, its success and its attractiveness as an employer.



Management of the material topic (GRI 3-3)

It is the employees with their different backgrounds, experiences, perspectives and talents that make Galenica successful. This is why we promote diverse teams at all levels and are advancing the company's inclusive culture. Galenica insists on equal opportunities for all employees – regardless of age, ethnic origin, nationality, gender, gender identity, physical and mental abilities, religion, worldview, sexual orientation or social origin. Galenica has zero tolerance for discrimination or harassment of any kind.

In an inclusive working environment, people in all their diversity are actively involved, respected and valued. Employees who feel safe, are authentic and can openly contribute their ideas and views are more satisfied, motivated and feel comfortable in their workplace. In turn, this has a positive impact on their health and performance. The promotion of diversity, inclusion and equal opportunities also enhances Galenica's

ability to change and innovate, which also improves Galenica's attractiveness as an employer. To underscore its dedication to this matter both internally and externally, Galenica sponsored in 2024 the 8th St. Gallen Diversity & Inclusion Week. This is the leading event for the promotion of Diversity, Equity and Inclusion (DE&I) in Switzerland and combines the latest research results with practical applications for companies.

A holistic concept for diversity, inclusion and health was drawn up in December of the reporting year. This will be reviewed and approved by the Executive Committee in the first quarter of 2025 and then rolled out across the Group.

Code of Conduct

All employees of the Galenica Group have the right to be treated fairly, politely and respectfully by line managers, employees, colleagues, customer representatives and business partners. No one may be harassed, discriminated against or disadvantaged on the grounds of race, skin colour, religion, ideology, political opinion, nationality, descent, disability, gender, age or any other relevant criterion. These principles are set out in the Code of Conduct of the Galenica Group. Further information on the [Code of Conduct](#) can be found in the section [Sustainable and ethical corporate governance](#).

Equal pay

In accordance with the requirements of the Federal Act on Gender Equality (GEA), Galenica carried out an equal pay analysis for companies with more than 100 employees in 2021. The salaries of the Galenica Group were analysed using the Logib method (the federal government's standard analysis tool) on the basis of April 2021. Equal pay is a key concern for Galenica. In 2023, Galenica voluntarily commissioned another comprehensive analysis. The analysis shows that the principle of "equal pay for equal work" is met in all ten companies surveyed. Nine out of ten companies surveyed have also received the "We pay fair" label. The fact that one company did not receive the label is due to imbalances in the distribution of roles. Imbalances in the distribution of roles can lead to employees being divided into the same hierarchical levels and competence levels that are only comparable to one another to a limited extent due to their different roles.

The aspect of equal treatment and diversity among employees is key for Galenica. That is why Galenica is committed to continuous improvement in this area as well. It is planned to carry out the voluntary equal pay analysis on a regular basis.

The statutory formal review of the equal pay analysis was carried out by the statutory auditor Ernst & Young Ltd. According to their reports, the analyses comply with legal requirements in all respects.

Protection of personal integrity in the workplace

Mobbing, discrimination and sexual harassment are three examples of problematic behaviour that can lead to violations of personal integrity. A violation of personal integrity in the workplace affects the well-being of the person concerned and puts their health and ability to work well with others within the company at risk. As an employer, Galenica is legally obliged to protect the privacy of its employees (Art. 328 CO, Art. 6 para. 1 EmpA). The Galenica Group does not tolerate any violations of personal integrity; it prohibits all forms of mobbing, sexual harassment, discrimination, violence and threats, and is committed to non-violent and harassment-free treatment at all levels of the hierarchy. Employees are also trained accordingly. In order to improve the protection of the personal integrity of employees, they also have the option of reaching out to their point of contact in People & Culture or the external counselling centre Movis if necessary. Due to the protection of personal integrity, no official statistics are kept on reported cases in the People & Culture area. Depending on the case, individual measures are agreed and implemented which, depending on the offence, may also lead to immediate dismissal.

Objective diversity

Goal	Status	Target year	Measurement parameter	2024	2023
We will improve diversity in all units and group companies and keep the proportion of female managers at 50%.	=	Every year	Proportion of female managers	53.6% ▶	51.7%

▶ 2024 Data externally assured (limited assurance)

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

Gender equality is a key concern in the area of diversity. The proportion of female managers in 2024 was over 50%, namely 53.6%¹⁾.

¹⁾ ▶ 2024 data externally assured (limited assurance)

Evaluation of the management approach and measures

- Review of equal pay: Galenica regularly checks the status of equal pay for men and women and takes measures if necessary.

Diversity of governance bodies and employees (GRI 405-1)

Aspect	GRI Disclosure	Unit	2024	2023
Board of directors	405-1	number	6	7
by gender	405-1			
- women	405-1	%	50.0	42.9
- men	405-1	%	50.0	57.1
by age	405-1			
- < 30 years	405-1	%	-	-
- 30 – 50 years	405-1	%	16.7	14.3
- > 50 years	405-1	%	83.3	85.7
Executive Committee	405-1	number	9	8
by gender	405-1			
- women	405-1	%	22.2	25.0
- men	405-1	%	77.8	75.0
by age	405-1			
- < 30 years	405-1	%	-	-
- 30 – 50 years	405-1	%	44.4	37.5
- > 50 years	405-1	%	55.6	62.5
Management	405-1	number	771	739
by gender ▶	405-1			
- women	405-1	%	53.6	51.7
- men	405-1	%	46.4	48.3
by age	405-1			
- < 30 years	405-1	%	3.5	1.9
- 30 – 50 years	405-1	%	63.0	64.7
- > 50 years	405-1	%	33.5	33.4
Employees¹⁾	405-1	number	6,888	6,862
by gender	405-1			
- women	405-1	%	78.1	78.6
- men	405-1	%	21.9	21.4
by age	405-1			
- < 30 years	405-1	%	37.1	37.4
- 30 – 50 years	405-1	%	42.0	42.4
- > 50 years	405-1	%	20.9	20.2

▶ 2024 Data externally assured (limited assurance)

¹⁾ Without temporary employees

Patient safety

Sustainability

Patient safety and health is a top priority for Galenica. With personal and competent advice and a unique range of products and healthcare services, we support our patients in all life situations at every stage of their lives, promote their well-being and enable people of all ages to lead a healthy life. We are committed to ensuring the quality of our products along the entire value chain. Quality management systems and digital solutions help employees increase patient safety.



Management of the material topic (GRI 3-3)

Medication errors or quality issues with medications can have serious consequences for the health of patients. At the same time, they also pose a reputational risk for the companies involved. Digitalisation offers new opportunities for innovative solutions to improve patient safety. Galenica is committed to ensuring the quality of medicines along its entire value chain and takes the appropriate measures along the supply chain in terms of infrastructure, processes, and employee training and education. This helps prevent medication errors, reduce side effects and lower healthcare costs. With personal and competent advice and a unique range of products and services, Galenica supports its patients in all life situations and helps to enable people of all ages to lead a healthy life. Galenica thus makes an important contribution to the well-being and health of the Swiss population.

GDP guidelines for a good distribution practice

Alloga, Galexis, UFD, Pharmapool, Verfora and the Bichsel Group adhere to the GDP (Good Distribution Practice) guidelines for human medicinal products in an exemplary manner. On the one hand, these legal requirements are intended to prevent counterfeit drugs from entering legal supply chains. On the other hand, control measures within the distribution chain ensure the quality and integrity of medicines. Drug temperature is recorded and analysed in real time throughout the entire life cycle, from production through to delivery. If there are deviations in temperature, the causes are investigated and suitable measures are taken in accordance with GDP guidelines. In addition to these guidelines, the aforementioned companies apply their own standards and processes in their day-to-day work to ensure patient safety at all times.

Galexis, UFD, Pharmapool and the Bichsel Group each operate their own fleet comprising 178 delivery vans (up to 3.5 tonnes) and 5 lorries (14 to 22 tonnes). All vehicles are GDP-compliant and are fitted with an air conditioning system in the loading space, which is mandatory for the transport of pharmaceutical products.

Uninterrupted cold chain for medicines

All Wholesale & Logistics companies, as well as Medifilm, Mediservice and Bichsel, provide an uninterrupted cold chain for the storage and transport of temperature-sensitive medicines. At Alloga, this also applies to so-called ultra-deep-freeze logistics, in other words, storage and dispatch at -80°C , the required temperature for a new generation of cancer drugs. Temperature control is ensured by using dry ice in special containers. Alloga and Galexis also use paraffin-filled cooling elements, which, in contrast to water-based cooling elements, ensure a more stable temperature for the medicines.

Quality systems

HCI Solutions provides master data for the Swiss healthcare market. The company is also active in the area of e-health with the aim of increasing patient and medication safety in the Swiss healthcare system. With innovative digital solutions such as Documedis[®], HCI Solutions makes a significant contribution to safe and efficient healthcare in Switzerland. To guarantee the quality of medication data, HCI Solutions carries out process-integrated checks. The company verifies the recording of pharmaceutical data according to the four-eyes principle, while the six-eyes principle applies to sensitive active substances (such as blood thinners). HCI Solutions conducts random quality checks on a daily basis and a more comprehensive inspection every two weeks. Any error discovered is documented and its cause investigated. HCI Solutions is certified to ISO 9001:2015 and ISO 13485:2016.

The quality management system (QMS) of the Pharmacies has standard operating procedures (SOPs) for all relevant pharmacy processes. These include the manufacturing and dispensing of drugs, data protection, confidentiality, hygiene and the disposal of medicines. Compliance with SOPs in the individual pharmacies is regularly checked. In addition to these announced audits, anonymous test purchases and phone calls and inspections by cantonal pharmacists take place in all pharmacies. Several times a year, Galenica conducts QMS and legal requirements courses for pharmacy employees. Employees complete certified courses and obtain certificates of competence for specific healthcare services including various checks and vaccinations.

As a company specialising in pharmaceutical manufacturing and home care with its own certified general pharmacist, the Bichsel Group places great importance on the quality of its products and services. The company carries out numerous chemical and microbiological analyses on a daily basis to check end products, raw materials and packaging materials and holds manufacturing licenses, EU GMP certificates for medicinal products and EC certificates for medical devices in accordance with Directive 93/42/EEC of the European Council.

Further information on certifications and quality systems can be found in the section [Sustainable and ethical corporate governance](#).

Continuous monitoring of all products

Product safety is checked and safeguarded at Verfora using a variety of approaches. Verfora checks the qualification of contract manufacturers through initial and regularly recurring audits, whereby compliance with the GMP guidelines is assessed and must be adhered to so that safe products can be manufactured for patients at all times. The audits also take into account environmental, health and safety factors within the partner companies. The products are then carefully examined before being placed on the market to ensure that they have been manufactured and tested in accordance with the GMP guidelines and that they meet all applicable specifications. As with all medications, Verfora products undergo preclinical and clinical trial to ensure their safety and efficacy. Once the products are on the market, pharmacovigilance is at the heart of Verfora's safety efforts, i.e. the continuous monitoring of all products. All new Verfora employees are trained in pharmacovigilance and receive a checklist of steps to be taken in the event of side effects. In addition, pharmacovigilance training is held for all employees every year. The company also systematically checks advertisements and advertising posters for products to ensure they are correct. In parallel with pharmacovigilance, the products are regularly analysed in the laboratory until the end of their shelf life so that any deviations in quality can be identified and remedied at an early stage.

Promoting the technical competence of employees

In 2024, 101 pharmacists successfully completed the quality management course. Quality management and patient safety are also key issues in the basic training of pharmacy assistants working towards their Federal Proficiency Certificate.

Where required, Verfora offers training sessions for pharmacies when new medications are launched in order to promote employees' skills and ensure patient safety and health. In 2024, Verfora conducted 126 training sessions for around 11,000 pharmacy assistants and pharmacists.

Increased patient safety using e-medication solution

Digitalisation is leading to new, innovative ways to improve patient safety. Documedis® is a process-integrated solution for increased medication and patient safety in the healthcare system. Documedis® offers specific e-health applications and services relating to the medication process based on INDEX data. Documedis® has already been implemented in pharmacy, medical and hospital software.

Documedis® includes clinical decision support checks (CDS.CE). These checks enable health specialists from medical practices, hospitals, pharmacies, home care organisations and care homes to check the patient's used or planned medication for known risks, duplication or allergies to active substances. There are currently 14 such CDS.CE checks. The CDS.CE Check thus supports service providers when prescribing new medications or when supplementing existing medication. HCI Solutions is constantly expanding the functionality of Documedis®. In 2023, the Documedis® Vaccination module also became available. In the Vaccination module, vaccinations can be documented and checked. The Documedis® module Primary Care Algorithms (PCA.CE) provides the option of offering precise identification of health disorders and illnesses using algorithms. There are 31 algorithms in total.

Objectives patient safety

Goal	Status	Target year	Measurement parameter	2024	2023
We will increase the use of Clinical Decision Support Checks (CDS.CE) to 500 million by 2025 and 1 billion by 2030.	↗	2030	Number of CDS.CE checks (Clinical Decision Support)	369 million ▶	278 million
Customer satisfaction is at the centre of all activities. The willingness to recommend rNPS is used to systematically measure the satisfaction of end customers and determine the gap compared to the average of the competition.	→	Every year	Target achievement rNPS	95.5% ▶	92.5%

▶ 2024 Data externally assured (limited assurance)

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

In 2024, Galenica was able to further increase patient safety. In the reporting year, 368,813,628 CDS checks¹⁾ were carried out by the service providers, which amounts to an increase of 33% (previous year: 277,609,287). It is realistic to achieve the target by 2025 to 2030.

The satisfaction of our customers is at the heart of all our activities. To measure this, the net promoter score (NPS) of the Amavita, Sun Store and Coop Vitality pharmacies is used and the gap compared to the average of the competition is calculated. The NPS measures the extent to which consumers would recommend a product, a service, a brand or company. Compared to the competition, the ambitious target was not fully achieved at 95.5%¹⁾. For competitive reasons, Galenica does not disclose the actual figure or distance to the best competitor.

¹⁾ ▶ 2024 Data externally assured (limited assurance)

Evaluation of the management approach and measures

- Quality management: The QMS of the Galenica Group companies are regularly and systematically reviewed.
- GDP guidelines: Regional agencies for therapeutic products periodically perform audits to determine GDP compliance.
- Pharmacovigilance: At Verfora, all employees have a duty to submit to the responsible internal department any reports of side effects received from specialists and patients promptly and in full. Information on the duration, progression and impact of the side effect and on the dosage and duration of product use plays a key role in this. Verfora documents and investigates each report, taking appropriate measures where necessary.

Pharmacovigilance: forwarding reports

Aspect	Unit	2024	2023	2022	2021	2020
Pharmacovigilance:						
forwarding of reports of side effects						
- compliance with deadline for forwarding a report of side effects						
	%	91	97	98	92	97

In 2024, Verfora employees met the deadline for the internal forwarding of reports of side effects in 91% of cases (target: >90%). At Bichsel, the responsible parties met the deadline for forwarding reports of side effects to the authorities in 100% of cases.

Reliable supply chain and procurement

Sustainability

Supply bottlenecks in the pharmaceutical supply chain are becoming more and more frequent worldwide, including in Switzerland. We make every effort to ensure the greatest possible availability of medicines in order to guarantee the reliability of supplies to the population. We work closely with suppliers to ensure the greatest possible availability of medicines. An IT-based scheduling system also helps us to optimise procurement and logistics processes.



Management of the material topic (GRI 3-3)

Causes of the increasing supply bottlenecks include centralised manufacturing at just a few locations in the world as well as outages and quality problems in the value chain. As a leading fully integrated healthcare provider, Galenica depends on the ability of manufacturers to deliver. As a result, the reliable procurement and supply of medicines to the population are becoming increasingly important for Galenica. The challenges posed by the COVID-19 pandemic have further reinforced the relevance of reliable procurement and a reliable supply chain. A reliable supply of medicines is crucial to the health and well-being of the Swiss population.

Scheduling system and cooperation

Galenica works closely with suppliers to ensure the greatest possible availability of medicines. As a result of coordinated processes, the suppliers provide information about possible supply bottlenecks at an early stage. An IT-based scheduling system helps Galenica optimise its procurement and logistics processes.

Responding to critical bottlenecks in good time

The logistics companies of the Galenica Group review the inventory range in the pharmaceutical sector on a daily basis, enabling them to respond in good time to bottlenecks and increased demand. If critical bottlenecks occur or there is an increased demand for specific products, as has been the case time and again due to COVID-19, logistics companies quickly change the way they work. If necessary, the delivery of non-essential products, such as cosmetics or perfumes, is temporarily discontinued in order to guarantee the supply of essential products. In addition, the amount that each customer can order is reduced to prevent stockpiling.

Evaluation of the management approach and measures

- Key figures: Key figures relating to the availability of medicines are collected on a daily basis to allow the Galenica companies to respond in good time to bottlenecks and increased demand.

Availability of medicinal products

Aspect	Unit	2024	2023	2022	2021
Reliable procurement and supply chain					
Availability of medicinal products on average	%	99.0	98.8	99.0	99.6

The availability of medicines is a major global challenge and naturally also affects the Swiss market. In recent years, COVID-19 has clearly demonstrated how disruptions in global supply chains have a negative impact on local availability. This makes it all the more important that medications that are available in principle or will be available again can be delivered to service providers as quickly as possible. Here, Galenica's logistics operations manage to make and keep over 99% of these medications available throughout Switzerland within 24 hours. The Safety Stock initiative launched at the end of 2022 was continued in the reporting year. This is a joint solution between Galexis and Sandoz to increase the safety stocks of Sandoz generic medicines for the treatment of chronic diseases in order to bridge short- and medium-term supply bottlenecks in Switzerland as effectively as possible. As part of the Safety Stock initiative, stocks at Galexis were increased by almost half a million packs.

Health promotion

Sustainability

Galenica's aim is to be the first point of contact for people in pharmacies, digitally or at home for healthcare advice, thus guaranteeing nationwide, low-threshold access to healthcare services. This ambition is clearly formulated in the company's vision: "Health and well-being are at the heart of what we do. They are the reason we give our best every day." It summarises what makes our work in the entire Galenica network so meaningful.



Management of the material topic (GRI 3-3, 203-2)

Particularly in view of the ageing population, preventive health care and prevention are important measures to promote the well-being and health of the Swiss population. Galenica has embedded this approach in its strategy.

Thanks to Galenica's healthcare services, customers receive the necessary advice in the pharmacy in the event of acute ailments and, if necessary, the appropriate medication based on the diagnosis. This may also include prescription medicines. Advice is straightforward and cost-effective and helps patients to recover quickly. To simplify the billing of these services, Galenica cooperates with various health insurers to promote the pharmacy as a location of primary care in alternative health insurance models.

Vaccination is another approach to health promotion. In addition to flu and tick vaccinations, other vaccinations, such as against COVID-19, tetanus, whooping cough and shingles, can also be administered in pharmacies in many cantons. Before a vaccination is given, the suitability is always clarified and advice is provided. Companies are also increasingly interested in the option of having flu vaccines administered in pharmacies. In 2024, we concluded cooperation agreements with almost 100 companies that offer their employees free flu vaccination as part of their health initiatives. Pharmacies can document vaccinations digitally and check vaccination status electronically using Documedis® Vaccination and the Vac Check by HCI Solutions. On this basis, customers can be provided with comprehensive advice and recurring vaccination appointments can be scheduled.

Galenica offers various other check-ups in its pharmacies to prevent diseases. HerzCheck® (CardioTest) is the prevention service offered by the Swiss Heart Foundation and can help to determine the risk of heart attacks and strokes and, if possible, to prevent them. Galenica also offers blood pressure and blood sugar measurements in its pharmacies as well as rapid allergy tests that check the blood for antibodies against allergens. Once the results of these checks are available, customers are advised by trained specialists.

Objective health promotion

Goal	Status	Target year	Measurement parameter	2024	2023
We will increase the number of healthcare services provided by 10% each year until 2027 (base year 2023)	↗	2027	Increase in % compared to previous year	39%	14%

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

The range of healthcare services is continuously being built upon, which comes hand in hand with the further training of specialist staff, measures to promote awareness of the offer and investments in discreet consultation zones.

Evaluation of the management approach and measures

- Targets from the corporate strategy for expanding paid consultations, vaccination and prevention.
- Increasing the number of services and advice used in pharmacies.
- Increasing sales through services and consultations offered in pharmacies.

Healthcare services

Aspect	Unit	2024	2023	2022
Healthcare services				
Number of healthcare services	number	193,000	138,000	121,000
Increase of the number of healthcare services compared to prior year	%	39	14	

Basic care provided by pharmacies is a key pillar of the Swiss healthcare system. Galenica successfully rolled out the "Consultation Plus" concept in 2024, following a successful pilot project at several pharmacies with a view to improving the customer experience in pharmacies and further establishing the pharmacy as the first point of contact for health issues. The concept was developed in collaboration with customers. "Consultation Plus" is not a new service, but a holistic approach to developing and positioning healthcare services in Galenica pharmacies. The figures show that there is strong demand among customers for both consultation and healthcare services. In the 2024 financial year, 193,000 paid advisory and service consultations were conducted in Galenica pharmacies, 39% more than in the previous year. The focus is on consultations for common health problems such as urinary tract infections, skin problems, conjunctivitis and erectile dysfunction.

Social commitment

Sustainability

As a corporate group, Galenica aims to live up to its social responsibility. Since January 2022, the focus of our social commitment as the Galenica Group has been on the partnership with the crowd-donating platform "there for you". This commitment suits Galenica well, as a wide range of projects are supported, digital fundraising is in line with Galenica's digitalisation strategy and the applicants play an active role. Individual Galenica companies have their own resources and other opportunities to get involved so that regional social initiatives and events can be taken into consideration.



Management of the material topic (GRI 3-3)

As a strong partner in the Swiss healthcare market, Galenica is committed to the well-being of patients at all levels. This is why the company is also involved in various social and humanitarian projects – whether as the Galenica Group or through its individual companies. This also includes donations and sponsoring social initiatives and events. These philanthropic activities contribute to the well-being and cohesion of the communities being assisted.

Main partner of the crowd-donating platform "there for you"

"there for you" is a neutral platform on which social and humanitarian projects as well as initiatives from the fields of climate protection, animal welfare and children's aid are presented. Galenica is focusing its commitment in this area on current social and humanitarian projects. The specific projects that Galenica supports are determined together with the employees of the Galenica Group.

The aim of "there for you" is to enable as many crowd-donating projects as possible to be implemented and thus actively help where help is needed. The platform is committed to the careful and conscientious selection of individual projects. With regular updates and videos at the start and end of the project, "there for you" ensures maximum transparency and shows supporters where and how their money is used. In 2024, several projects were presented on the intranet in both spring and autumn, and employees got the chance to vote on how to distribute the proportion of the total amount donated. The projects also included ones submitted by Galenica employees to "there for you" and which received support from Galenica as a result.

Other commitments

Galexis has been supporting the Sternschnuppe Foundation for many years with an annual contribution of CHF 10,000. The foundation uses this money to make the wishes of children with illnesses or disabilities come true. Alloga has been working with SAZ Burgdorf for several years and employs a small team in our packaging department as part of a social commitment.

The "Social Kilometre" programme designed by Pharmacieplus SA and its partners Galexis Ltd. and UFD counts every kilometre driven during the year by the vehicles of the Pharmacieplus pharmacies that work with us wholesalers. The common goal is to pay a selected association one centime for every kilometre driven.

UFD also supports the Ticino Association of Pharmacy Assistants (ATAF) in a variety of ways to promote professional development and the quality of training. In addition to financial support, this commitment also includes logistical support and the provision of practical training in collaboration with partners.

As the main sponsor, Verfora supported the creation and production of a book for children. Together with children's book author Alexander Volz, the University Children's Hospital Zurich (Kinderspital Zürich; KISPI) has created a "Courage Guide", which they want to distribute to all children admitted to hospital in Switzerland due to serious illness – because a seriously ill child is often cared for in several hospitals.

As a result of the clear-out prior to the relocation of the Galenica headquarters, various items of furniture and works of art were sold to employees. This sale generated proceeds of more than CHF 10,000, which were donated to four organisations in Bern.

Evaluation of the management approach and measures

- Employees decide on specific project participation at "there for you".
- Various companies of the Galenica Group primarily support regional organisations that are relevant to them.

Calculation basis

Sustainability

Through systematic data collection and analysis, we aim to provide transparent insights into our environmental, social and economic impacts.

Reporting principles (GRI 2-3)

Galenica's sustainability reporting is carried out annually and covers the period from 1 January to 31 December 2024. This report was approved by the Board of Directors on 5 March 2025 and published on 11 March 2025. It follows the GRI Standards, supplemented by the requirements of the revised Swiss Code of Obligations (Art. 964a et seq.) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The [GRI content index](#) can be found in the Annex. In addition, the [TCFD Index](#) and the [Non-Financial Disclosure Index](#) provide detailed insights into the respective disclosures.

The list of material topics based on the principle of dual materiality was drawn up in 2023 and is disclosed in the section [our approach](#) of the Annual Report.

Reporting scope (GRI 2-2)

The sustainability report of Galenica Ltd. covers all subsidiaries that are fully consolidated in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Associated companies and joint ventures are excluded. Further details on the Group companies can be found in [note 32 "Group Companies"](#) to the consolidated financial statements. Exceptions to the scope of this reporting are explicitly marked.

Acquisitions and divestments

Newly acquired or sold companies in the current financial year are not included in the key figures unless this is explicitly stated in the notes to the report.

Data collection process

Each key figure is based on defined internal guidelines, processes, controls and responsibilities. The data originates either from the internal systems of the Galenica Group or, if necessary, from the systems of third parties. Unavailable data are estimated in line with recognised processes and industry standards.

Assumptions and estimates

For each estimate made, the underlying methodology is disclosed in the report.

Data on environmental impact (GRI 302-1, 302-2, 305-1, 305-2, 305-3)

As Galenica is constantly optimising the system of environmental indicators and gradually expanding the system boundaries (due to primarily inorganic corporate growth), the data is only comparable to a limited extent from year to year.

For Amavita, Sun Store and other Galenica Group pharmacies, the electricity consumption in 2024 was estimated based on consumption in 2023. Almost all premises are leased, which is why only the annual costs are provided for each location, and not the actual consumption. The electricity consumption of the pharmacies was therefore calculated in 2023 on the basis of electricity costs and the average electricity prices per region according to the Federal Electricity Commission (ElCom). In 2024, the heat consumption of all pharmacies was extrapolated, also based on a representative sample of 21 affiliates. Among other things, differences in heat source (32% district heating, 38% natural gas and 30% heating oil) were also taken into account. The amount of municipal waste generated was extrapolated based on a representative sample of a total of 20 pharmacies. The medium-sized pharmacy generated around 4 tonnes of waste in 2024. The water consumption of all affiliates was also extrapolated based on the available data from 5 locations.

The CO₂e emissions caused by energy consumption are calculated using scientifically recognised emission factors (Switzerland's greenhouse gas inventory of the Federal Office for the Environment and the UK Department for Environment, Food & Rural Affairs, as well as International Energy Agency (IEA) and [Alig, M., Tschümperlin, L., & Frischknecht, R. (2017). Greenhouse gas emissions of the electricity and district heating mixes in Switzerland according to the GHG Protocol. Commissioned by Sustainserv GmbH, UBS Fund Management, Swiss Post and pom+ Consulting. treeze Ltd., Uster]). The calculated CO₂e emissions relate to direct and indirect emissions. According to the Greenhouse Gas Protocol, Galenica's direct sources of emissions are the generation of space heating and the operation of its own vehicle fleet (= Scope 1). The production of purchased district heating and electricity (= Scope 2) and the logistics services of contract drivers (= Scope 3) are recognised as important indirect sources of emissions.

When calculating Scope 1–3 emissions, it is taken into account that diesel with a biogenic content of up to 7% is available at filling stations in Switzerland. In addition, the compressed propellant gas (CNG) used contains 20% biogas. The biogenic proportion of greenhouse gases produced is not accounted for in Scopes 1–3. The global warming potentials of the IPCC are used to calculate the greenhouse gas effect of refrigerant losses.

Scope 2 emissions are calculated using both the market-based and location-based approaches. For the latter, the producer mix according to IEA is decisive. This is refined with energy trade corrections to better reflect the GHG footprint of the energy actually available from the grid. Direct contracts between companies of the Galenica Group and producers of renewable electricity can play a role in the market-based method. In this case, the emission factor available from the producer is used wherever possible. Otherwise, as is also the case for the purchase of electricity from hydropower which is certified by guarantees of origin, a corresponding emission factor from a study by treeze Ltd. is used.

Data on our employees & diversity among staff (GRI 405-1)

The key figures on the number of employees include all companies of the Galenica Group with a majority holding as of 31 December 2024 (including apprentices and interns).

More detailed key figures on employees, such as information on diversity (GRI 405-1), refer exclusively to companies that are fully integrated into the Galenica Group's HR system. Temporary and external employees are not included in this disclosure. Companies that have only recently become part of Galenica will be integrated into the Galenica Group's HR system at a later date. Due to systemic challenges and depending on the size of the company to be integrated, full HR integration may take some time. Companies domiciled abroad are not integrated. For 2024, the employees of Bahnhof Apotheke Langnau, Medinform, Padma and Dr A&L. Schmidgall are not included in the detailed disclosures. Detailed key figures on employees cover 96.2% of the total employee population.

Data on the Opinio employee survey

The Opinio employee survey is conducted annually by an external body in a standardised online format. In 2024, the survey took place between 15 October and 20 November, based on the number of employees as of September. All employees were surveyed, including apprentices and interns, but excluding temporary and external employees. Data from the Opinio employee survey also includes associated companies and joint ventures Coop Vitality, Coop Vitality Management, Curarex swiss, Mediservice and Emeda as well as employees of the Galenica Pension Fund. However, companies that are not fully integrated into the HR system of the Galenica Group, such as the employees of Aquantic and Dr A&L. Schmidgall are not included. A total of 8,856 employees were surveyed.

The key figure for employee motivation is calculated from the arithmetic average of 16 questions from the Opinio employee survey. This average is then converted into a scale from 0 to 100.

Customer satisfaction data

Twice a year, an external market research institute is commissioned to survey the net promoter score (NPS) by means of representative market surveys. Data is collected via online interviews as part of panels. Data is collected from over 2,000 pharmacy customers who are asked how likely they are to recommend a pharmacy format to others. People answer with a number between 0 (highly unlikely) and 10 (highly likely). Responses between 0–6 are classed as “detractors,” 7–8 are classed as “indifferent” and 9–10 are classed as “promoters”. To calculate the NPS, the percentage of “promoters” is subtracted from the percentage of “detractors”. The NPS can therefore be between -100 (very poor) and +100 (very good). The rational net promoter score (rNPS) positions the NPS of Galenica in relation to the NPS of competitors. For competitive reasons, Galenica does not disclose the actual figure or distance to the best competitor.

The NPS is collected for the Amavita, Sun Store and Coop Vitality pharmacy formats and is included in the key figure accordingly. The decisive measurement for target achievement is the second measurement in the year, which was taken in the third quarter of 2024. The degree of target achievement is based on the calculated rNPS of the second measurement compared to the rNPS target defined by the Board of Directors.

Correction or restatements of information (GRI 2-4)

Investment in training and education (GRI 404-2) was adjusted for 2023 and 2022. The reason for this is that, in the past, intra-group training and education costs (e.g. incurred by the company medinform Ltd., which was acquired in 2022) were not included. From 2024 onwards, these are taken into account and previous years have been adjusted accordingly.

The information on energy consumption (GRI 302-1, 302-2) and emissions (GRI 305-1, 305-2, 305-3, 305-4) was restated for 2023 on the basis of newly available information. Details can be found in the section on [greenhouse gas emissions and resources](#).

Independent audit (GRI 2-5)

Ernst & Young Ltd. was appointed by Galenica to perform a limited independent audit of selected key figures in the GRI report. Ernst & Young Ltd. is also the external statutory auditor of the [Remuneration report](#), the [consolidated financial statements in accordance with IFRS](#) and the statutory [financial statements of Galenica Ltd.](#)

Further details on the audit can be found in the [independent audit report](#).

All audited figures in the sustainability reporting are marked in the report with the symbol ► data externally assured (limited assurance).



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To the Board of Directors of
Galenica Ltd., Berne

Berne, 5 March 2025

Independent Assurance Report on selected KPIs in the GRI-Report 2024

We have been engaged to perform assurance procedures to provide limited assurance on selected indicators (including GHG emissions) included in Galenica Ltd.'s and its consolidated subsidiaries' (the Group's) GRI-Report 2024 for the year ended 31 December 2024 (the Report).

Our limited assurance engagement focused on selected indicators (including GHG emissions) marked with the check mark "▶" in the corresponding tables in the GRI-Report 2024, and the GRI content index (the Indicators).

We did not perform assurance procedures on other information included in the Report, other than as described in the preceding paragraph, and accordingly, we do not express a conclusion on that information.

Applicable criteria

The Group defined as applicable criteria (the Applicable Criteria):

- as defined by the Group and summarized in the Disclosure chapters and the chapter "Calculation method"
- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)

A summary of the standards is presented on the GRI homepage.

Inherent limitations

The accuracy and completeness of selected indicators (including GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the non-financial matters indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the emissions factors and the values needed to combine e.g. emissions of different gases. Our assurance report should therefore be read in connection with the Group's "Calculation method" chapter including its definitions and procedures on non-financial matters reporting therein.

Responsibility of the Board of Directors

The Board of Directors is responsible for the selection of the Applicable Criteria and for the preparation and presentation, in all material respects, of the selected indicators (including GHG emissions) in accordance with the Applicable Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Report that are free from material misstatement, whether due to fraud or error.



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Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies *International Standard on Quality Management 1*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a conclusion on the selected indicators (including GHG emissions) based on the evidence we have obtained.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the selected indicators (including GHG emissions) are free from material misstatement, whether due to fraud or error.

Summary of work performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:

- Assessment of the suitability of the Applicable Criteria and their consistent application
- Interviews with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management
- Interviews with the Group's key personnel to understand the sustainability or non-financial reporting system during the reporting period, including the process for collecting, collating and reporting the indicators and non-financial information
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Applicable Criteria



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- Analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations

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

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected indicators (including GHG emissions) in the Report of the Group have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction on use

This report is prepared for, and only for Galenica Ltd., and solely for the purpose of reporting to them on selected indicators (including GHG emissions) of Galenica Ltd. disclosed in the Report and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

Ernst & Young Ltd

Mathias Zeller
Executive in charge

Daniel Zaugg
Partner

Governance

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Corporate Governance

Governance

The Corporate Governance report outlines the structures, processes, and regulations on which well-functioning corporate governance at Galenica is based. Galenica meets the requirements of Swiss law and those stated in the SIX Swiss Exchange Directive on Information relating to Corporate Governance (Directive Corporate Governance) and follows the recommendations of the Swiss Code of Best Practice for Corporate Governance of *economiesuisse*. The structure of this Corporate Governance report is based on the SIX Swiss Exchange Directive Corporate Governance. The remuneration and profit-sharing for top management are disclosed in a separate Remuneration report, Chapter Remuneration awarded for 2024 and 2023.

General Meeting

Board of Directors

Board Committees

Audit & Risk Committee	Remuneration Committee	Governance, Nomination and Sustainability Committee
------------------------	------------------------	-----------------------------------------------------

Corporate Executive Committee

CEO Galenica Group	Finance	Pharmacies Category Management & Health Services	Pharmacies Marketing	Pharmacies Sales
Products & Home Care	Wholesale & Logistics	IT & Digital Business	People & Culture	

Extended Corporate Executive Committee

Corporate Communications	Legal & Board Services	Sustainability, Public Affairs & Transformation
--------------------------	------------------------	-------------------------------------------------

Group structure and shareholders (GRI 2-1, 2-15)

Structure of the Group

Galenica is headquartered at Untermattweg 8, 3027 Bern, Switzerland. It is a corporation under Swiss law and, as a holding company, owns all the companies in the Galenica Group directly or indirectly. Galenica has been listed on the SIX Swiss Exchange since 7 April 2017 (ticker symbol: GALE). Shares in Group companies are not publicly traded.

The Group’s structure and the consolidated subsidiaries and associates are shown in the Consolidated financial statements 2024 ([Note 32, Group companies](#)). The [Articles of Association](#) of Galenica, the [Organisational Regulations](#) and the [charters of the committees](#) of the Board of Directors can be accessed on the [Galenica website](#).

Shareholders

As at 31 December 2024, Galenica had 20,159 shareholders, four of which, according to documents submitted to Galenica and the SIX Swiss Exchange, were major shareholders holding 3% or more of the voting rights in Galenica Ltd.

Major shareholders as at 31 December 2024 (holding 3% or more of the voting rights)

Shareholders	Number of shares	Shares in %
UBS Fund Management (Switzerland) AG, Switzerland	5,487,581	11.0
Alecta Pensionsförsäkring, Sweden	2,000,000	4.0
BlackRock, Inc., USA	1,579,198	3.2
Swisscanto Fondsleitung AG, Switzerland	1,533,324	3.1

No other shareholder disclosed exceeding the 3% threshold of shares.

The transactions disclosed to the Stock Exchange Disclosure Office pursuant to Article 120 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA) can be viewed on the Disclosure Office website of the [SIX Exchange Regulation](#).

As of 31 December 2024, the pension fund of the Galenica Group was not registered.

Cross shareholdings

Galenica has no cross shareholdings in companies outside the Galenica Group.

Number of registered shareholders as at 31 December 2024

Number of shares	Shareholders	Shares in %
1 - 100	4,487	0.5%
101 - 1,000	13,194	10.1%
1,001 - 10,000	2,208	11.3%
10,001 - 100,000	231	14.2%
> 100,000	39	24.6%
Total registered shareholders/shares	20,159	60.7%
Unregistered shares		39.3%
Total		100.0%

Registered shareholders per type as at 31 December 2024

	Shareholders in %	Shares in %
Individual shareholders	95.1%	37.2%
Legal entities	4.9%	62.8%
Total	100.0%	100.0%

Registered shareholders per country as at 31 December 2024

	Shareholders in %	Shares in %
Switzerland	95.6%	85.6%
Germany	2.6%	1.1%
USA	0.1%	2.2%
GB	0.1%	8.3%
Other countries	1.6%	2.8%
Total	100.0%	100.0%

Structure of the share capital

Share capital

As at 31 December 2024, the fully paid share capital of Galenica amounted to CHF 5,000,000, divided into 50,000,000 registered shares, each with a nominal value of CHF 0.10. Galenica shares (securities no. 36 067 446, ISIN CH036 067 446 6) are listed on the SIX Swiss Exchange. As at 31 December 2024, 49,827,021 shares were outstanding (not including treasury shares). The market capitalisation amounted to CHF 3,704.6 million. With regard to dividend entitlement and voting rights see chapter [Shareholders' rights to participate](#) below.

Capital band and conditional capital in particular

According to Article 3b of the [Articles of Association](#), the share capital may be increased by a maximum of CHF 500,000 by the issuance of a maximum of 5,000,000 fully paid registered shares with a nominal value of CHF 0.10 each, through the voluntary or compulsory exercise of conversion rights and/or option rights granted in connection with the issuance of bonds or similar financial market instruments of the Company or one of its Group companies on national or international capital markets. As of 31 December 2024, Galenica had no conditional capital. Furthermore, Galenica has no capital band.

Changes in the capital

Information about changes in the share capital, reserves during the last three financial years and distributable profit during the last three financial years can be found in the [Financial statements 2024](#) of Galenica Ltd., Note Shareholders' equity.

Participation and dividend-right certificates

Galenica has no participation or dividend-right certificates.

Registration of shareholders

Buyers of shares are entered in the shareholders' register upon request as shareholders with voting rights if they declare explicitly that they have acquired the shares in their own name and for their own account (Article 6(1) of the [Articles of Association](#)).

Registration and limitations on transferability

The Board of Directors may refuse registration in the shareholders' register if purchasers do not declare explicitly, upon request, that they have acquired the shares in their own name and for their own account. The Board of Directors is also authorised to cancel any entries in the shareholders' register that came about on the basis of incorrect information or to change these into entries without voting rights, and vice versa (Article 6(5) of the [Articles of Association](#)).

Registration of nominees

A nominee may be registered with voting rights up to a limit of 2% of the share capital entered in the commercial register. Shares in excess of this limit can only be registered if the nominee in question discloses the name, address, and number of shares of the person for whose account the nominee holds 0.5% or more of the share capital entered in the commercial register (Article 6(2) of the [Articles of Association](#)). Galenica has signed an agreement of this nature with three nominees.

Convertible bonds and options

Galenica has no outstanding convertible bonds, nor has it issued any options.

Board of Directors (GRI 2-9, 2-10, 2-15)

Board of Directors

Board Committees

Audit & Risk Committee	Remuneration Committee	Governance, Nomination and Sustainability Committee
------------------------	------------------------	-----------------------------------------------------

The Board of Directors of Galenica is responsible for the overall management and ultimate supervision of the Group. It determines the strategic goals, the general ways and means to achieve them while harmonising strategy, risks, and financial resources, and issues instructions and oversees the managers responsible for conducting the company's businesses. The Board of Directors pursues the aim of increasing enterprise value on a sustainable basis and ensures a balanced relationship between management and control (corporate governance). It decides on the Group's medium-term planning, budget, and annual objectives. The values and essential framework of the company's activities are also determined by the Board of Directors. For the Board of Directors, sustainability is of central importance and bears ultimate responsibility for the economic, environmental and social impact of the Galenica Group. The Board of Directors approves the sustainability goals and monitors progress in achieving them. With regard to personnel, the Board of Directors is responsible for the selection and deselection of the members of the committees, the CEO, and the members of the Corporate Executive Committee, as well as the organisation of the remuneration system.

The specific duties of the Board of Directors of Galenica are based on the Swiss Code of Obligations (in particular Article 716a CO), the company's [Articles of Association](#) and its [Organisational Regulations](#). Pursuant to the Articles of Association, the Board of Directors consists of five to nine members (Article 17(1) of the [Articles of Association](#)).

The Board of Directors consisted of six members as of the end of 2024. Andreas Walde, a member of the Board of Directors since 2017, passed away on 11 December 2024.

Important changes that occurred between the balance sheet date and the release date of the Annual Report:

At the upcoming Annual General Meeting on 10 April 2025, a new member will be proposed to shareholders, for election to the Galenica Board of Directors: Nadine Balkanyi-Nordmann (born in 1972), a recognised leader and expert in various fields of law.

Board of Directors competence and evaluation

In selecting the members of the Board of Directors, care is taken to ensure that the relevant competences for Galenica’s activities are represented and that the necessary specialised expertise is available. The Board of Directors evaluates current and prospective members of the Board according to a competence matrix to ensure that an appropriate mix of relevant skills and experience is represented. Particular attention is paid to diversity and complementarity.

In 2022, an assessment was carried out with external support (Thomas Hammer, Board Consulting). The Board of Directors is a well-constituted team of optimum size, with a range of experience, complementary expertise and a good combination of different personalities. The Board of Directors and the committees of the Board of Directors carried out a self-assessment in 2024.

Competences

	Markus R. Neuhaus	Pascale Bruderer	Bertrand Jungo	Judith Meier	Solange Peters	Andreas Walde ¹⁾	Jörg Zulauf
Industry Experience		x	x	x	x	x	
Digitalisation		(x)	(x)		(x)		x
Regulations/Politics	x	x		x	x	x	
Leadership/Big Corp.	x		x	x			x
Finance/M&A	x					x	x
Legal/Compliance	x					x	x
HR/Remuneration	x		x	x	x	x	
Sustainability	x	x				x	x

¹⁾ Died on 11 December 2024

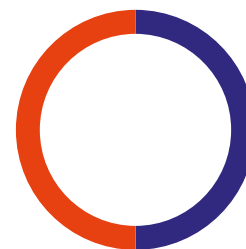
An (x) in brackets refers to substantive experience that was gained through intensive engagement in the corresponding area, but without formally holding a position of responsibility or having completed an educational programme in the respective field.

Age (as at 31 December 2024)



- 41 – 45: 0%
- 46 – 50: 17%
- 51 – 55: 17%
- 56 – 60: 17%
- 61 – 65: 17%
- 66 – 70: 33%

Gender (as at 31 December 2024)



- Female: 50%
- Male: 50%

The number of appointments that a member of the Board of Directors may hold in comparable positions at other commercial companies is limited to seven, of which four may be appointments at listed companies, and is limited to fifteen appointments at other legal entities such as foundations and associations with a for-profit purpose. These limits must not be exceeded, unless the appointment is temporary. These restrictions do not apply to appointments at companies controlled by Galenica or carried out on behalf of Galenica or companies controlled by it. An appointment at a Group of legal entities which are under uniform control is deemed a single appointment (Article 17(3) of the [Articles of Association](#)). Please refer to the [Remuneration report](#) for information regarding functions exercised by members of the Board of Directors and members of the Corporate Executive Committee at other for-profit companies.

None of the members of the Board of Directors hold an executive role within Galenica or in any of the companies within the Group in the year under review or has held such a role in any of the three financial years prior to the year under review.

Based on the criteria of the Swiss Code of Best Practice for Corporate Governance, all members are independent.

Disclosure of potential conflicts of interest

No member of the Galenica Board of Directors has any significant relations with Galenica or any of its subsidiaries.

Election and term of office

Each member of the Board of Directors and the Chairman are elected individually by the Annual General Meeting for a term of office of one year until the end of the next Annual General Meeting. Re-election is permissible. Upon reaching the age of 70, the members of the Group Board of Directors must resign from office with effect from the next Annual General Meeting. The Board of Directors may, however, propose to the Annual General Meeting that they be re-elected in individual cases (Article 3.4 of the Organisational Regulations in force until 19 February 2025).

Important changes that occurred between the balance sheet date and the release date of the Annual Report:

At its meeting on 13 February 2025, the Board of Directors adapted Article 3.4 of the Organisational Regulations as follows: The members of the Board of Directors usually step down after a total of 12 years in office. Under special circumstances, and if this serves the interests of the company, the Board of Directors may make exceptions to this rule – limited to a maximum of 16 years in office. The age limit of 70 is hence skipped. The revised [Organisational Regulations](#) came into force on 20 February 2025.

Internal organisation

The Chairman calls a meeting of the Board of Directors at least four times a year and prepares and leads the meetings. The individual agenda items are set by the Chairman. He decides on a case-by-case basis whether to involve additional persons in the consultations of the Board of Directors. Members of the Corporate Executive Committee participate in every meeting to report on ongoing business and to explain in more detail the documentation in light of the decisions to be taken. Any member of the Board may request that the Chairman calls a meeting of the Board of Directors and that items be included on the agenda. The members of the Board receive the documentation they need to prepare for the agenda items in a timely manner, normally seven days before the meeting in question. The Board of Directors constitutes a quorum when the majority of its members are present. Minutes are kept, recording all discussions and resolutions.

As part of its risk management, the Board of Directors receives from the Corporate Executive Committee an overview of the most important risks, along with preventive measures to be implemented Group-wide as part of the risk management process. This is provided when circumstances require it, but at least twice a year. The Board of Directors approves the overview.

A commitment to abiding by the law and guidelines (compliance) and acting with integrity is the cornerstone of the corporate culture of the Galenica Group and is a consistent focus of its corporate governance. The Board of Directors ascertained the current status of the various compliance measures at a meeting held during the year under review. The [Code of Conduct of the Galenica Group](#) is particularly important for the Board of Directors. It sets out all of the key principles relating to corruption, bribery, gifts and the provision of hospitality for all employees.

The Galenica Group operates mostly in Switzerland; nevertheless, the Group is within the scope of the OECD Pillar Two model rules. Since the Pillar Two model legislation is enacted in the jurisdictions relevant to Galenica as per January 2024, Galenica has performed an assessment of its potential exposure to Pillar Two income taxes based on 2024 financial information for the constituent entities in the Group. The Pillar Two effective tax rates in all the jurisdictions in which Galenica operates is above 15% according to transitional safe harbour rules and Galenica expects there to be no top-up taxes for the financial year 2024. Galenica continues to follow Pillar Two legislative developments to evaluate the potential future impact on its consolidated financial results.

Committees

The Board of Directors forms the following committees from its members:

- [Governance, Nomination and Sustainability Committee](#)
- [Remuneration Committee](#)
- [Audit and Risk Committee](#)

Each committee has its own duties and responsibilities, which are stipulated in a charter.

The committees prepare the business of the Board of Directors in the areas of activity assigned to them and submit recommendations to the entire Board of Directors. They meet as often as business requires and report to the Board of Directors on their activities and results. They draw up their own agendas and keep minutes.

Committees of the Board of Directors and their chairs and members 2024

	Name	Member since	Independent	Remuneration Committee (RC)	Audit and Risk Committee (ARC)	Governance, Nomination and Sustainability Committee (GNSC)
Board of Directors	Markus R. Neuhaus Chairman	2019	Yes			Chairman
	Pascale Bruderer Vice-Chairwoman	2020	Yes	Member		Member
	Bertrand Jungo	2018	Yes	Chairman	Member	Member
	Judith Meier	2022	Yes		Member	
	Solange Peters	2023	Yes	Member		
	Andreas Walde ¹⁾	2017	Yes	Member	Member	
	Jörg Zulauf	2023	Yes		Chairman	
Honorary Chairman	Etienne Jornod					
General Secretary	Barbara Wälchli					

¹⁾ Died on 11 December 2024

Governance, Nomination and Sustainability Committee

The Governance, Nomination and Sustainability Committee comprises three members. This committee supports the Board of Directors in the ultimate direction and supervision of the Company and the Group. It supports the Board of Directors in determining the appropriate size, function, and needs of the Board, as well as the identification of individuals qualified to become or be re-elected as Board members. It also evaluates the appointment of and changes to the members of the Corporate Executive Committee and is kept informed about the succession planning for the Senior Management levels.

The Committee assists the Board in advising on the sustainability strategy, targets, initiatives and legislation regarding ESG topics. It includes monitoring progress on sustainability goals.

Remuneration Committee

In the year under review, the Remuneration Committee was composed of four members of the Board of Directors who meet the independence criteria set forth in the [Organisational Regulations](#). Due to the passing of Andreas Walde on 11 December 2024, the Remuneration Committee comprised three members as at 31 December 2024. The Remuneration Committee carries out the following duties in particular:

- Proposes the remuneration policy and objectives for the Group and the members of the Corporate Executive Committee to the Board of Directors;
- Proposes the salaries and remuneration for the members of the Board of Directors, the Chairman and the CEO to the Board of Directors;
- Approves the remuneration for the members of the Corporate Executive Committee (excluding the CEO) according to the proposal of the CEO and in agreement with the Chairman of the Board of Directors.

The regulations in the [Articles of Association](#) governing remuneration as well as the activities and focuses of the Remuneration Committee in the year under review are detailed in the [Remuneration report](#).

Audit and Risk Committee

In the year under review, the Audit and Risk Committee comprised four members (due to the passing of Andreas Walde on 11 December 2024, the Audit and Risk Committee temporarily comprised three members) and supports the Board of Directors in fulfilling its duties with regard to accounting, financial and non-financial reporting, risk management, and compliance, as well as internal and external audits. The Audit and Risk Committee carries out the following duties in particular:

- Audits reports by the Corporate Executive Committee on the company's compliance and risk management process;
- Monitors measures taken by the Corporate Executive Committee for compliance with internal and external regulations;
- Evaluates the effectiveness of the external auditor and approves its fees;
- Evaluates the internal audit programme, takes note of reports from Internal Audit and checks whether the Corporate Executive Committee has used appropriate measures to implement Internal Audit's recommendations;
- Submits recommendations to the Board of Directors on the Group's capital structure, financing of investments and acquisitions, and setting of long-term objectives;
- Reviews the non-financial reporting.

Frequency of meetings of the Board of Directors and its committees in 2024

In 2024, the Board of Directors held seven meetings. Each meeting lasted between four to six hours, including a two-day strategy meeting. The Remuneration Committee met four times, the Audit and Risk Committee eight times. The Governance Nomination and Sustainability Committee met six times. Furthermore, various videoconferences regarding specific topics were held.

In principle, all the members participate in all the meetings of the Board of Directors. Attendance of meetings of the Board of Directors in 2024 was 98%, and that of committee meetings was between 94% and 100%.

The CEO and CFO attended a given part of the meetings of the Board of Directors and attended each meeting of the Audit and Risk Committee. The Board of Directors and its Committees invite members of the Corporate Executive Committee to attend the meetings related to specific topics.

Attendance in Board Meetings and Committees in 2024

	Board of Directors	Audit and Risk Committee (ARC)	Remuneration Committee (RC)	Governance, Nomination and Sustainability Committee (GNSC)
Number of meetings	7	8	4	6
Average duration (hours)	5	3	1	1
Meeting attendance	98%	97%	94%	100%

	Board of Directors	Audit and Risk Committee (ARC)	Remuneration Committee (RC)	Governance, Nomination and Sustainability Committee (GNSC)
Number of meetings	7	8	4	6
Markus R. Neuhaus	7			6
Pascale Bruderer	7		4	6
Bertrand Jungo	7	8	4	6
Judith Meier	7	8		
Solange Peters	7		4	
Andreas Walde	6	7	3	
Jörg Zulauf	7	8		

Information and monitoring tools of the Board of Directors with respect to management

Risk management

Galenica has a risk management process in place which enables the Board of Directors, the Corporate Executive Committee, and the relevant management of Group companies to identify and assess potential risks in a timely manner and take the preventive measures necessary. The goal of this process is to identify and assess significant risks at all management levels and to manage them while making conscious use of the opportunities the process provides.

As part of Group-wide Galenica Risk Management (GRM), the companies in the Group conduct a risk assessment at least twice a year. This standardised process is based on a risk grid in which the most important strategic and operational risks and their possible effects – particularly from a financial and reputational perspective – are identified in line with pre-defined criteria and then evaluated in accordance with the probability of their occurrence and their effect. These risks are entered into a risk matrix for each Service Unit and, depending on the importance, also incorporated into the Group risk matrix.

The Board of Directors of Galenica receives an overview of the most important risks from the Corporate Executive Committee when circumstances require it, but at least twice a year. The Board approves the overview, adding information as needed, and where required takes decisions on any preventive measures necessary, which will then be implemented Group-wide as part of the risk management process.

Galenica defines risk as the possibility that an event or an action will lead to financial loss or other negative consequences.

Additional information about the management of financial risks can be found in the [Notes to the consolidated financial statements 2024, Note 27 Financial risk management](#).

Internal control system

As part of its risk management system, Galenica operates an internal control system (ICS) to provide reliable internal and external financial reporting and to prevent false information and errors about business transactions. The ICS provides the necessary processes and controls to ensure that risks relating to the quality of the company's financial reporting can be detected and managed in a timely manner. A thorough review of the existence of the processes and controls of the Galenica ICS is carried out annually by the external auditors at the time of the interim audit. The results of these reviews are reported to the Audit and Risk Committee. Appropriate measures are taken by management to continually improve the company's processes with regard to the process areas of purchasing, procurement, investments, sales, HR, general financial management and reporting, as well as IT controls.

Internal Audit

Internal Audit carries out audits of operational and strategic risk management and the ICS in accordance with the audit plan determined by the Audit and Risk Committee. It carries out reviews, analyses and interviews across the Group and helps the Service Units to meet their targets by ensuring an independent assessment of the effectiveness of the internal control processes. Internal Audit regularly produces reports on its audits and reports directly to the Audit and Risk Committee in writing. The activities of Internal Audit are conducted through contracts issued to external service providers.

Management

Corporate Executive Committee

<p>Marc Werner CEO Galenica Group</p>	<p>Felix Burkhard Finance</p>	<p>Daniele Madonna Pharmacies Category Management & Health Services</p>	<p>Stephan Mignot Pharmacies Marketing</p>	<p>Virginie Pache Jeschka Pharmacies Sales</p>
<p>Dr Thomas Szuran Products & Home Care</p>	<p>Andreas Koch Wholesale & Logistics</p>	<p>Lukas Ackermann IT & Digital Business</p>	<p>Arianne Hasler People & Culture</p>	

Extended Corporate Executive Committee

<p>Iris Müller Corporate Communications</p>	<p>Barbara Wälchli Legal & Board Services</p>	<p>Jürg Pauli Sustainability, Public Affairs & Transformation</p>
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as at 31 December 2024

The Board of Directors has delegated the management of the company to the CEO in accordance with the [Articles of Association](#) and the [Organisational Regulations](#). The CEO assumes operational management of the Galenica Group and heads the Corporate Executive Committee. The CEO reports to the Chairman of the Board of Directors. The Board of Directors maintains regular contact with the CEO and the members of the Corporate Executive Committee.

As of the end of 2024, the Corporate Executive Committee had nine members. The Board of Directors appointed Stephan Mignot, Chief Pharmacies Marketing, to the Corporate Executive Committee with effect from 1 September 2024.

Important changes that occurred between the balance sheet date and the release date of the Annual Report:

Since 1 January 2025, Julian Fiessinger has been CFO and successor to Felix Burkhard (until 31 December 2024).

Corporate Executive Committee

The instructions and resolutions of the Board of Directors are implemented for each of the Group’s Service Units by the Corporate Executive Committee under the leadership of the CEO. The Board sets appropriate objectives for the CEO and those members of the Corporate Executive Committee allocated to the relevant Service Unit and approves the budget. The Board of Directors receives monthly reports, which include key figures and reporting on important events and developments, and on the planning cycle. In the first quarter, the previous year’s results are compared with an initial forecast for the current financial year, and the annual financial statements for the

previous year are prepared. In the second quarter, a second forecast for the current financial year is made. In the third quarter, the half-year financial statements are prepared, along with a third forecast for the current year. In the fourth quarter, another forecast is created for the current year together with the budget for the following year and medium-term planning for the next two years.

If a member of the Corporate Executive Committee wishes to accept appointments with comparable functions at other commercial companies, this requires the approval of the Board of Directors and is limited to five appointments, of which a maximum of one per member of the Corporate Executive Committee may be at a listed company; the maximum number of appointments per member of the Corporate Executive Committee at other legal entities such as non-profit foundations and associations is limited to ten. Only temporary exceedances are permitted. These restrictions do not apply to appointments at companies controlled by Galenica or carried out on behalf of Galenica or companies controlled by it. Appointments in different legal entities which are under uniform control are deemed a single appointment (Article 20 (4) of the [Articles of Association](#)). All members of the Corporate Executive Committee are compliant with this Article. Please refer to the [Remuneration report](#) for information regarding functions exercised by members of the Board of Directors and members of the Corporate Executive Committee at other for-profit companies.

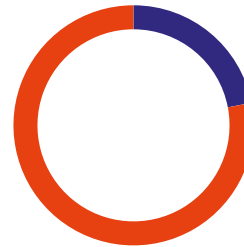
Further information on the other duties of the Board of Directors and the Corporate Executive Committee can be found in the [Organisational Regulations](#) published on the Galenica website.

Age (as at 31 December 2024)



- 41 - 45: 22%
- 46 - 50: 22%
- 51 - 55: 22%
- 56 - 60: 33%
- 61 - 65: 0%
- 66 - 70: 0%

Gender (as at 31 December 2024)



- Female: 22%
- Male: 78%

Information and monitoring tools

The Board of Directors monitors the Corporate Executive Committee and supervises its working practices. The Galenica Group has a comprehensive electronic information management system. The Board of Directors receives a written report on a quarterly basis and is informed on a monthly basis about the Group's financial and operating performance. In addition, operating performance, opportunities, and risks are discussed in depth at meetings attended by members of the Corporate Executive Committee.

Management contracts

No management contracts exist as specified under point 4.4 of the Annexe to the SIX Swiss Exchange Directive Corporate Governance.



Remuneration, Shareholdings and Loans

The regulations in the [Articles of Association](#) governing remuneration (incl. profit-sharing, loans, credits, and pension benefits) of members of the Board of Directors and the Corporate Executive Committee, as well as those governing votes by the Annual General Meeting on remuneration can be found in the [Remuneration report](#).

Shareholders' rights to participate

Voting rights restrictions and representation

According to Article 13(1) of the [Articles of Association](#), every registered share listed in the shareholders' register of the company with voting rights shall grant entitlement to one vote but, subject to para. 2 of Article 13 of the [Articles of Association](#), in the exercise of such voting rights, no shareholder may either directly or indirectly act for a total of more than 5% of the share capital entered in the Commercial Register, including both his own shares and the shares represented by him.

The Board of Directors is also entitled to grant the voting right up to a maximum of 20% of the share capital registered with the Commercial Register to strategic partners (Article 13(2) of the [Articles of Association](#)). The Board of Directors did not exercise this right in the year under review.

According to Article 13(3) of the [Articles of Association](#), a shareholder may be represented at the General Meeting by the independent proxy holder, their legal representative or, based on a written proxy form, by another authorised representative who does not need to be a shareholder. There are no rules that deviate from legal provisions relating to attendance of the General Meeting.

Each share recorded as a share with voting rights in the shareholders' register entitles the holder to one vote at the General Meeting. Shareholders are also entitled to dividends and have other rights pursuant to the Swiss Code of Obligations.

This provision of the Articles of Association may be annulled by the general meeting with a quorum in accordance with Article 13(5) of the [Articles of Association](#).

Quorums under the Articles of Association

Unless otherwise provided by the Swiss Code of Obligations or the [Articles of Association](#), the general meeting shall pass resolutions and conduct elections by a majority of the shares bearing voting rights represented.

Convening of the Annual General Meeting

The Annual General Meeting is held each year within six months of the close of the financial year (Article 10(1) of the [Articles of Association](#)).

Extraordinary General Meetings shall be convened as required by resolution of the Annual General Meeting or by the Board of Directors or, if necessary, by the auditor. Shareholders may request that a General Meeting be convened, provided they together hold at least 5% of the share capital or of the votes. Their request that the meeting be convened must be made in writing. The items on the agenda and motions must be included in the request. (Article 10(2) of the [Articles of Association](#)).

The [Articles of Association](#) do not differ from the relevant legal regulations as regards the convening of the General Meeting and the setting of the agenda.

The General Meeting is convened by the Board of Directors no later than 20 days before the date of the meeting (Article 11(1) of the [Articles of Association](#)). The shareholders are invited to attend by a notice placed in the Swiss Gazette of Commerce (SHAB). The Board of Directors may designate additional publication organs. The meeting may also be convened by sending a letter or e-mail to the addresses stated in the shareholders' register (Article 28 of the [Articles of Association](#)). The following information must be included in the notice convening the General Meeting: the date, the starting time, the form and the location of the General Meeting; the items on the agenda; the motions of the Board of Directors and a brief explanation of the motions; if applicable, the motions of the shareholders together with a brief explanation of the reasons; the name and address of the independent proxy holder (Article 11(2) of the [Articles of Association](#)).

Inclusion of items on the agenda

Shareholders may request that items be placed on the agenda provided that they together hold at least 0.5% of the company's share capital or votes. Subject to those prerequisites, shareholders may request that motions relating to agenda items be included in the convocation of the General Meeting. The shareholders may submit a brief statement of reasons for the inclusion of agenda items or motions. This must be included in the convocation of the General Meeting. Such a request must be received by the company in writing at least 40 days prior to the meeting, stating the agenda item, motion or motions (Article 10(3) of the [Articles of Association](#)).

Shareholders' register

There are no regulations in the [Articles of Association](#) regarding a deadline for entry in the shareholders' register. However, for practical reasons the shareholders' register remains closed to entries for several days prior to a General Meeting. With regard to the coming Annual General Meetings this will be the case from Thursday, 3 April 2025 for financial year 2024 and from Tuesday, 14 April 2026 for financial year 2025. Shareholders entered in the shareholders' register by Wednesday, 2 April 2025 and Monday, 13 April 2026 respectively may exercise their voting rights at the corresponding Annual General Meeting.

Instructions to the independent proxy holder may be given in writing and also electronically through a platform called Nimbus Shapp[®], which is used by Galenica. The invitation to the Annual General Meeting, which will be sent to all shareholders on or around 19 March 2025, includes the required login information to create a personal user profile (Article 13(3) of the [Articles of Association](#)). The instructions must be received by the independent proxy holder by the evening of the penultimate day before the Annual General Meeting, i.e. by Tuesday, 8 April 2025 for the 2025 Annual General Meeting and by Friday, 17 April 2026 for the 2026 Annual General Meeting.

Change of control and defence measures

The obligation to make a public offer pursuant to Article 125 et seq. FinMIA has not been changed in the [Articles of Association](#). The employment contracts of the members of the Corporate Executive Committee and the members of senior management contain no provisions to this effect either.

Auditors

Ernst & Young AG, Bern, Switzerland, have been the Galenica Group's auditors since 2017. Daniel Zaugg, certified accountant and partner at Ernst & Young, has been the leading auditor since the business year 2021. The total fees paid to the Group's auditors, Ernst & Young, in 2024 for their audit of Galenica and its subsidiaries amounted to CHF 870,000.

The fees paid to Ernst & Young and their close collaborators for other services rendered to Galenica and its subsidiaries in the period under review amounted to CHF 96,000 for additional advice in audit matters (such as tax advice and services in relation to the report on non-financial matters).

In 2024, the auditors attended two meetings of the Audit and Risk Committee and one meeting of the Board of Directors. The auditors presented their report to the Board of Directors at the meeting of 5 March 2025.

The auditors are regularly informed of new projects. Their activities are reviewed at least once a year by the Audit and Risk Committee. The criteria that are of particular importance in these reviews are: competence in reporting, understanding of the structure of the Group, quality of reporting, compliance with deadlines, independence, and costs. The auditors have direct access to the chair of the Audit and Risk Committee regarding the discussion of relevant issues.

Information policy

Corporate Governance

Galenica and its companies operate an active and transparent information policy towards all their stakeholder groups. Consistency and credibility are two fundamental principles that are reflected in factual, comprehensive, and objective communication.

Ad hoc announcements pursuant to Article 53 Listing Rules

Price-sensitive facts are communicated in a timely manner via electronic media and in accordance with the applicable SIX Swiss Exchange Directive on Ad hoc Publicity (see <https://www.galenica.com/en/medien/archiv-mm.php?type=adhoc>).

Periodic publications

Once a year, Galenica publishes an annual report and a half-year report. The full versions of these publications are available on the [Galenica website](#). Galenica sends a printed version of the Annual Report to shareholders by mail only [upon request](#).

The invitation to the Annual General Meeting is sent to shareholders electronically or by mail and is additionally published in the Swiss Official Gazette of Commerce.

Internet

All Galenica publications, all media releases, and other supplementary information about the Group can be found on the [Galenica website](#) (www.galenica.com).

Contact persons and important publication dates

For shareholders

For shareholders in relation to Corporate Governance:
Barbara Wälchli, Secretary of the Board of Directors
phone +41 58 852 85 78, aktienregister@galenica.com

For investors

Julian Fiessinger, CFO
phone +41 58 852 85 31, investors@galenica.com

For the media

Iris Müller, Chief Communications Officer
phone +41 58 852 85 17, media@galenica.com



Agenda 2025/2026

- Annual General Meeting 2025: 10 April 2025
- Sales Update: 22 May 2025
- Half-year report 2024: 7 August 2025
- Sales Update: 23 October 2025
- Investor day: 28 October 2025
- Annual Report 2025: 10 March 2026
- Annual General Meeting 2026: 21 April 2026

Further important dates can be found on the [Galenica website](#).

Fixed blackout periods

Members of the Board of Directors and the Corporate Executive Committee and all members of senior and middle management as well as employees involved in preparing of the financial reporting are required to observe the prohibition on trading during the fixed blackout periods.

The fixed blackout periods in connection with the preparation of the regular financial reporting generally last:

- for the annual results: from 1 January to the first trading day following publication;
- for the half-year results: from 1 July to the first trading day following publication;
- for the sales update: from 1 May respectively 1 October to the first trading day following publication.

Members of the Board of Directors (GRI 2-9, 2-11)



Dr Markus R. Neuhaus
Chairman of the Board of Directors

Board member since 2019, born in 1958, Swiss citizen

Corporate Governance:
Independent member

Career highlights: Dr Markus R. Neuhaus held various roles at PwC from 1985 on, including CEO of PwC Switzerland from 2003 to 2012, member of PwC’s Global Board from 2005 to 2007, member of the PwC Network Executive Team from 2010 to 2013, member of PwC’s Office of the Global Chairman from 2013 to 2016, and Chairman of PwC Switzerland from 2012 to 2019.

Qualification: Master of law and doctorate in law from the University of Zurich. Certified tax expert. Various management courses at international business schools (Harvard, Insead, IMD).

Other main activities: Dr Markus R. Neuhaus is Vice-Chairman of the Board of Directors of Barry Callebaut AG and a member of the Board of Directors of Baloise Holding AG and Jacobs Holding AG. He also serves as Vice-Chair of the Board of Trustees of Avenir Suisse.



Pascale Bruderer
Vice-Chairwoman of the Board of Directors

Board member since 2020, born in 1977, Swiss citizen

Corporate Governance:
Independent member

Career highlights: Pascale Bruderer was a member of the National Council from 2002 to 2011 (president of the National Council 2009/2010) and a Member of the Council of States from 2011 to 2019. She was formerly a member of the Social Security and Health Committee. She served as president of the umbrella organisation for disabled people, Inclusion Handicap, and was the managing director of Krebsliga Aargau.

Qualification: Master’s degree in political science from the University of Zurich and education at Harvard University (USA) and at the Executive School of the University of St. Gallen.

Other main activities: Pascale Bruderer is a member of the Board of Directors of TX Group AG and Orell Füssli AG. Since 2019, she has been a member of the Board of Crossiety AG and since 2022, Chairwoman of the Board of Directors of Swiss Stablecoin AG. Elected by the Federal Council, she has served as Vice-President of the ETH Board since 2024.



Bertrand Jungo

Board member since 2018, born in 1965, Swiss citizen

Corporate Governance:
Independent member

Career highlights: From 2006 to 2017, he held the position of CEO of the Swiss department store group Manor. From 2017 until 2020, he was CEO of Admeira AG, and from 2020 until 2021, he served as a member of the Board of Directors at Admeira AG. He was also a member of the Advisory Board of the International Retail Summit (IRS) of the Gottlieb Duttweiler Institute (GDI) (2010–2021).

Qualification: Degree as business administrator lic.rer.pol from the University of Fribourg.

Other main activities: Since 2021, he is the delegate of the Board of Directors of the AG Grand Hotels Engadinerkulm Holding St. Moritz. Furthermore, he is a member of the Board of Neoperl AG/Diaqua AG as well as at Zoologischer Garten Basel AG.



Judith Meier

Board member since 2022, born in 1962, Swiss citizen

Corporate Governance:
Independent member

Career highlights: From 2009 to 2016, Judith Meier headed Zurzach Care AG (formerly the Reha Clinic Group) as CEO, was a delegate from 2017 and Vice Chairwoman of the Board of Directors of Zurzach Care AG from 2019 to 2023. She is a co-founder of reha at home AG (founding year 2018). From 1989 to 2001, she was a member of the Great Council of the Canton of Aargau.

Qualifications: CAS in AI-Management, Executive Master of Health Service Administration (Eastern Switzerland University of Applied Sciences), qualified physiotherapist.

Other main activities: Since 2017, she has been a member of the Board of Directors of the Cantonal Hospital of Graubünden. She is a board member of reha andeer ag. She has been a member of "SCIANA The Health Leaders Network" since 2019 and a member of the Board of Trustees of the Emil-Burkhardt-foundation since 2021 and its Vice President as of 2024.



Prof Dr med. Solange Peters

Board member since 2023, born in 1972, Swiss citizen

Corporate Governance:
Independent member

Career highlights: Solange Peters is a professor at the University of Lausanne and head of the department of medical oncology at CHUV, the largest in Switzerland. She began working at CHUV in 2002, after a PhD in microbiology. Since 2006 she has worked in oncology. She is one of the world's leading experts in the field of lung cancer and immunotherapy.

Qualifications: Dr medicine and biology, Full Professor at the University of Lausanne.

Other main activities: Solange Peters has been a member of ESMO (European Society for Medical Oncology) for over 10 years, and ESMO President in 2020–2022. She is President of the ICF (International Cancer Foundation) since 2021 and President of the umbrella Swiss cancer organization Oncosuisse since 2024. She is a member of the board of the Swiss Cancer League since 2017 – and Vice-President since 2021, as well as chair of the Strategic Council of Paris Saclay Cancer Center (PSCC) since 2021.



Dr Andreas Walde

Board member from 2017–2024, born in 1962, Swiss citizen. He passed away on 11 December 2024.

Corporate Governance:
Independent member

Career highlights: After completing his studies and being admitted to the Swiss Bar, he held various legal and management positions in international chemical and pharmaceutical companies for more than 30 years with a focus on corporate governance, remuneration systems, sustainability, risk management, ethics and compliance, as well as on financial and corporate structures and M&A, e.g. at Roche (1988–1996), Clariant (1998–2010), Petroplus (2012–2013) and Vifor Pharma (2013–2022). His former positions include memberships on the board of several private and (non-Swiss) public listed companies.

Qualification: Attorney-at-law, master and doctorate in law from the University of Basel.

Other main activities: Dr Andreas Walde was a member of the board of scienceindustries and served on the boards of SwissHoldings and the Society of Swiss Enterprises in Germany.



Jörg Zulauf

Board member since 2023, born in 1958, Swiss citizen

Corporate Governance:
Independent member

Career highlights: Jörg Zulauf spent 11 years in management positions at the Roche pharmaceutical Company in Switzerland, Korea and Germany, most recently as Head of the Vitamin Services World division (Finance & IT), which has operations worldwide. In 2000, Jörg Zulauf joined Migros-Genossenschafts-Bund Zürich, where he headed the Finance Department as Vice-Chairman of the Corporate Executive Committee until 2022 and was a member of the Retail, Finance and Audit committees. Jörg Zulauf has also served as a member of the Board of Directors of Hotelplan, Migrosbank and Globus, as well as Chairman of the Migros Pension Fund.

Qualification: Master of Law and Attorney-at-Law, MBA (UCLA).

Other main activities: Jörg Zulauf is a member of the Board of Directors of Maerki Baumann & Co Ltd. and since 2023, he has been Chairman of the Board of Directors at SV Group AG. Furthermore, he is a member of the board of directors at Inflow AG, Rotkreuz.

Members of the Executive Committee



Marc Werner
CEO

Member of the Executive Committee of the Galenica Group since 2020, born in 1967, Swiss citizen

Career highlights: His journey started as Head of Sales at Sinomec AG (1990–1995) before he moved on to serve as Head of Product Management Photofinishing at the Federation of Migros (1995–1996). He became Head of Marketing and Sales and Member of the Executive Board at Minolta AG (1997–2000) and then Head of Marketing & Sales at Bluewin AG (2000–2004). In 2005, he joined Swisscom as Head of Marketing & Sales. He moved into the roles of Head of Private Customers (2013–2015) and Member of the Group Executive Board before serving as head of Sales & Services (2016–2019).

Qualification: Federal certified marketing director and graduate of various Executive Education programmes at the IMD in Lausanne, University of St. Gallen, London Business School, and Harvard Business School.

Other main activities: Mandates by order of Galenica: Member of the Board of MediService AG, Well Gesundheit AG, Coop Vitality AG and AD Swiss Net AG.



Dr Thomas Szuran
Chief Products & Home Care
Deputy CEO

Member of the Executive Committee of the Galenica Group since 2019 and Deputy CEO of the Galenica Group since January 2025, born in 1967, Swiss citizen

Career highlights: After having graduated from ETH Zurich, Thomas Szuran acted in various roles at Abbott Laboratories between 1997 and 2002, including being Sales & Marketing Manager for the Eastern European & Mediterranean region. He later became Sales Director at Pfizer Switzerland (Zurich) (2002–2005) and Country Manager at Pfizer in Israel (2005–2007). He joined Biomed AG in Dübendorf in 2008 as Marketing Director and was CEO of Biomed AG from 2011 to 2018. From 2013 to 2021, he has served as President of the Association of the Swiss Self-Medication Industry (ASSGP). In 2019, Thomas Szuran became Head Products & Brands Business sector at the Galenica Group.

Qualification: Dr sc.nat. Federal Institute of Technology (ETH) Zurich

Other main activities: Mandates by order of Galenica: Member of the Board of MediService AG, Emeda AG and Puravita AG. In addition, member of the Board of Trustees of the Galenica Pension Fund.



Lukas Ackermann
Chief IT & Digital Business

Member of the Executive Committee of the Galenica Group since 2022, born in 1972, Swiss citizen

Career highlights: Lukas Ackermann started off his career as Product Manager at Helsana Insurance Company AG and then became Deputy Head of Product Management (1999–2002). In 2002, he was appointed CEO of Medicall Ltd. Afterwards, he became Head of Health Care Market at Synesix Ltd (2008–2010). The two following years, Lukas Ackermann was Head of I-Lab at the University of St.Gallen, and from 2013 to 2020 he was General Manager / CEO of amétia Ltd. Before Lukas Ackermann became Head of IT & Digital Services at Galenica Ltd at the Galenica Group in 2021, he was Managing Director of HCI Solutions Ltd.

Qualification: Diploma in Natural Sciences from Federal Institute of Technology (ETH) Zurich and MAS MTEC from the Federal Institute of Technology (ETH) Zurich.

Other main activities: -



Felix Burkhard
CFO (until 31 December 2024)

Member of the Executive Committee of the Galenica Group since 2010, born in 1966, Swiss citizen

Career highlights: From 1991 to 1994, Felix Burkhard acted as Financial Auditor at Revisuisse PwC in Berne and 1995 as Head of Finance and Controlling at Amidro AG in Biel-Bienne. He joined the former Galenica Group in 1996 as Corporate Controller before becoming Deputy Head Retail Business sector in 2000. In 2008, he was named Head of the Amavita pharmacy chain and later Head Retail Business sector (2010–2015). Felix Burkhard then moved into the role of Head Strategic Projects (2015–2017). He has served as a member of the Executive Committee of the Galenica Group since 2010.

Qualification: Lic.oec. at the University of St. Gallen (HSG), and Swiss Certified Public Accountant.

Other main activities: He is a member of the Board of Directors of Orior AG. Mandates by order of Galenica: Member of the Board of MediService AG. In addition, member of the Board of Trustees of the Galenica Pension Fund.



Julian Fiessinger
CFO (since 1 January 2025)

Member of the Executive Committee of the Galenica Group since 1st January 2025, born in 1982, Swiss and German citizen

Career highlights: Julian Fiessinger started his career at EY Switzerland in 2006 and worked as a Senior Manager in Audit and Financial Accounting Advisory Services until 2018. From 2018 to 2020, he was Head of Financial Reporting & Tax at Vifor Pharma Ltd. In 2021, he joined the Galenica Group as Head of Investor Relations & Corporate Finance.

Qualification: German and French double degree of the European School of Business (Reutlingen/Reims), Swiss Certified Public Accountant, Advanced Management Program (IMD Lausanne).

Other main activities: Mandates by order of Galenica: Member of the Board of MediService AG and Emeda AG. In addition, member of the Board of Trustees of the Galenica Pension Fund.



Arianne Hasler
Chief People & Culture

Member of the Executive Committee of the Galenica Group since 2023, born in 1979, Swiss citizen

Career highlights: After completing her studies in 2006, Arianne Hasler began her professional career as an HR specialist at UBS Ltd. She worked as a senior sales and segment manager for Swiss private customers at UBS Ltd. and Zürcher Kantonalbank and was responsible for various strategic sales projects (2007–2014). From 2014 to 2023, she worked at Raiffeisen Switzerland and was responsible for organisational and personal development and transformation. In 2023, she joined the Galenica Group as Chief People & Culture.

Qualification: EMBA HSG in Business Engineering, University of St. Gallen, MAS Coaching and Organisational Consulting, ZHAW – School of Applied Psychology, Zurich, M.A. HSG exchange programme Master Affaires Internationales, Sciences Po, Paris, M.A. HSG in International Affairs and Governance, University of St. Gallen).

Other main activities: Mandates by order of Galenica: Member of the Board of Trustees of the Galenica Pension Fund.



Andreas Koch
Chief Wholesale & Logistics

Member of the Executive Committee of the Galenica Group since 2020, born in 1971, German and Swiss citizen

Career highlights: Between 2000 and 2009, Andreas Koch worked in different consulting and management functions in the field of supply chain management at various consulting firms. He then became Head of Supply Chain Management at Galexis AG – from 2011 also at Alloga AG – and was a member of both Executive Committees. In 2015, he rose to the position of Head of Alloga AG, after which he became Head of Galexis AG in 2019. In 2020, Andreas Koch took over the responsibility for the Business Sector Wholesale & Logistics at Galenica.

Qualification: Apprenticeship as a forwarding & logistics manager, degree in business administration at the University of Mannheim and Programme for Executive Development (PED) at IMD Lausanne.

Other main activities: Mandates by order of Galenica: Member of the Board of Directors of Health Supply AG, Pharmalog, Helvecura and GS1 Switzerland.



Daniele Madonna
Chief Pharmacies Category Management & Health Services

Member of the Executive Committee of the Galenica Group since 2017, born in 1977, Swiss citizen

Career highlights: After his studies, Daniele Madonna worked as a pharmacist at the Olympia Pharmacy and the Victoria Pharmacy in Zurich (2003–2004). He joined the former Galenica Group in 2004 as Manager of the Coop Vitality pharmacy in Tenero. He later acted as Regional Sales Manager at Coop Vitality (2010–2014). He was CEO of Coop Vitality AG (2014–2018) before becoming Head Retail Business sector in 2017. Afterwards, 2021 he became Chief Healthcare Officer at Galenica. Since the end of 2024 he has served as Chief Category Management & Health Services.

Qualification: Federal Diploma in Pharmacy from the Federal Institute of Technology, Zurich (ETH), FPH in Retail Pharmacy and CAS in General Management at the University of St. Gallen (HSG), Programme for Executive Development (PED) at IMD in Lausanne and leadership program “Leading and Building a Culture of Innovation” at Harvard Business School in Boston (USA).

Other main activities: Member of the Board of pharmaSuisse. Mandates by order of Galenica: Member of the Board of Coop Vitality AG, Farmadomo Home Care Provider SA, Emeda AG and Apotheke im KSW AG.



Stephan Mignot
Chief Pharmacies Marketing

Member of the Executive Committee of the Galenica Group since 1 September 2024, born in 1976, Swiss citizen

Career highlights: He started his career at Swisscom Mobile in market analysis and marketing strategy and was later responsible for the M-Budget Mobile partnership with Swiss retailer Migros. From 2008 he was responsible for segment marketing at Swisscom and from 2013 for Customer Base Management in the Residential Customers segment. From 2020 to 2023, Stephan Mignot headed up Swisscom Residential Customer & Channel Management. He joined the Galenica Group in 2023 as Head of B2C Customer Marketing.

Qualification: Studied business administration at the University of Bern, Master of Science (MSc) from the University of Bern, Certificate of Advanced Studies (CAS) in Agile Leadership from HWZ Zurich University of Applied Sciences in Business Administration.

Other main activities: -



Virginie Pache Jeschka
Chief Pharmacies Sales

Member of the Executive Committee of the Galenica Group since 2021, born in 1979, Swiss citizen

Career highlights: After completing her studies, Virginie Pache started working as a Junior Marketing Manager at Danone Schweiz AG (mineral water) in Fribourg (2003–2006). Afterwards, she became Category Manager and Head of Sales at L'Oréal – Apothekenkosmetik Schweiz AG (2006–2010). She then was appointed Head of Caudalie Suisse (and Poland ad interim) and afterwards Caudalie D-A-CH GmbH in Switzerland, then in Düsseldorf, Germany (2010–2018), before she became Head of Coop Vitality in 2018. Since 2021, she has served as Chief Pharmacies Officer at Galenica.

Qualification: Masters in Political Sciences – University of Lausanne and three semesters in Mainz (Germany).

Other main activities: Mandates by order of Galenica: Member of the Board of Coop Vitality AG.

Further information about the CVs of the Executive Committee and the Extended Executive Committee can be found on the [Galenica website](#).

Members of the Corporate Executive Committee as at 31 December 2024

Name	Member since	Role
Marc Werner	2020	CEO
Lukas Ackermann	2022	Chief IT & Digital Business
Felix Burkhard	2017	CFO
Arianne Hasler	2023	Chief People & Culture
Andreas Koch	2020	Chief Wholesale & Logistics
Daniele Madonna	2017	Chief Pharmacies Category Management & Health Services
Stephan Mignot	2024	Chief Pharmacies Marketing
Virginie Pache Jeschka	2021	Chief Pharmacies Sales
Thomas Szuran	2019	Chief Products & Home Care

Remuneration report

Remuneration report

Governance

In this report, Galenica provides an overview of its remuneration model and remuneration principles. The following pages describe the remuneration system applicable to the Board of Directors and the Corporate Executive Committee and outline the process and responsibilities under which the remuneration of those two bodies is determined. The remuneration system as well as its reporting is in accordance with the Swiss Code of Obligations, the Directive of the SIX Swiss Exchange on Information Relating to Corporate Governance (Directive Corporate Governance) and the recommendations of the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse*.

Letter from the Chair of the Remuneration Committee (GRI 2-18)

Dear Shareholders,

On behalf of the Board of Directors and the Remuneration Committee of Galenica, I am pleased to present the Remuneration report for 2024.

The remuneration policy of Galenica aims to attract, motivate and retain best-in-class employees who are entrepreneurially minded, success-oriented and have high personal standards. The remuneration system is designed to support the achievement of the strategic goals defined by the Board of Directors and to provide appropriate remuneration in a competitive employment market and in a complex sector. It is aligned with the long-term Group strategy and its pay-for-performance philosophy. The remuneration system of Galenica aims to strengthen the overall market position of the company while delivering the expected returns to its shareholders.

The Galenica Group performed well in 2024. As a result, Galenica realised a payout factor of 127.3% for the short-term bonus while the vesting multiple of the LTI plan 2022–2024 due in 2025 was 123.0%. Further details on the performance achieved and the payouts under the incentive plans are provided in this report.

Upon changes to the remuneration structure of the Corporate Executive Committee in 2023, including the replacement of the individual objectives in the STI by a collective ESG component and the introduction of clawback and malus provisions in the STI, the remuneration system was not subject to any adjustments in the reporting year. Also for the upcoming reporting year, the Remuneration Committee concluded that the remuneration schemes are fit-for-purpose and in line with market practice, not requiring any changes. However, in order to foster transparency, we further enhanced our disclosure with additional insights on both the STI and LTI.

With respect to the remuneration programme for the Board of Directors, the Remuneration Committee concluded that the remuneration structure and levels remained adequate. Consequently, no adaptations were made in the reporting year or are currently planned going forward. The Remuneration Committee will continue to regularly review the remuneration system of the Corporate Executive Committee and the Board of Directors to ensure that it is still appropriate in the evolving context in which the company operates.

The Remuneration report provides detailed information on our remuneration systems and the remuneration awarded in 2024 to the Corporate Executive Committee and the Board of Directors and will be submitted to the shareholders at the Annual General Meeting on 10 April 2025 for a non-binding consultative vote.

We would like to thank our employees for their commitment and hard work, and you, dear shareholders, for your trust.



Bertrand Jungo
Chairman of the Remuneration
Committee

Governance: principles and responsibilities in setting compensation (GRI 2-19)

The guiding principles for the remuneration of the Board of Directors and the Corporate Executive Committee as well as the responsibilities for the remuneration system of Galenica are defined in the Articles of Association of Galenica. They include the provisions on the Remuneration Committee (Article 21 of the [Articles of Association](#)) and remuneration (Article 22 of the [Articles of Association](#)).

Each year, the Board of Directors submits the maximum remuneration of the Board of Directors and the Corporate Executive Committee to the Annual General Meeting for binding approval. Such approval is prospective for the next financial year following the Annual General Meeting. In addition, the Annual General Meeting holds a consultative vote on the Remuneration report for the year under review (Article 22 (1) of the [Articles of Association](#)).

On the basis of the Articles of Association and the decisions of the Annual General Meeting, the remuneration strategy and the related remuneration system for the members of the Board of Directors and the Corporate Executive Committee are determined by the Board of Directors based on a proposal from the Remuneration Committee. The Board of Directors also decides on an annual basis on the individual remuneration of the Chair of the Board of Directors and the CEO. The remuneration of members of the Board of Directors is determined by the Board of Directors based on a proposal from the Remuneration Committee within the limits set by the Annual General Meeting.

Remuneration Committee

The members of the Remuneration Committee are independent from Galenica and are elected annually by the Annual General Meeting. At the 2024 Annual General Meeting, Bertrand Jungo (Committee Chair), Pascale Bruderer, Solange Peters and Andreas Walde were re-elected as members of the Remuneration Committee. Andreas Walde passed away on 11 December 2024. As of 31 December 2024, the Remuneration Committee comprised three members of the Board of Directors.

The Remuneration Committee deals with the remuneration strategy, performance criteria and targets across Galenica, predominantly at the highest level of the organisation (see the [Articles of Association](#), the [Organisational Regulations](#) and the [Charter of the Remuneration Committee](#)). The Remuneration Committee recommends to the Board of Directors the remuneration policy and the fees paid to the Members of the Board of Directors, including the remuneration of the Chairman and the CEO. It shall further approve the individual remuneration of the members of the Executive Committee (excluding the CEO) and submit the remuneration of the CEO to the Board of Directors for approval.

Responsibility for the remuneration process

Level of authority	CEO	Remuneration Committee	Board of Directors	Annual General Meeting
Remuneration policy		proposes	approves	consultative vote on the Remuneration report
Performance objectives for short-term bonus and long-term incentive		proposes	approves	
Remuneration of members of the Board of Directors		proposes	approves	approves maximum possible remuneration for the Board of Directors for the following year
Remuneration of the CEO		proposes (in consultation with CBD)	approves	approves maximum possible remuneration for the Corporate Executive Committee including the CEO for the following year
Remuneration of members of the Corporate Executive Committee	proposes (in consultation with the CBD)	approves	is informed	

CBD = Chair of the Board of Directors

Activities of the Remuneration Committee during the year

Subject	1 st quarter	2 nd / 3 rd quarter	4 th quarter
Remuneration policy		Review of shareholders' feedback Benchmarking and review (every 2-4 years)	Benchmarking and review (every 2-4 years)
Remuneration of Board of Directors		Review of remuneration regulations	Determination of remuneration (following year)
Remuneration of Corporate Executive Committee	Performance evaluation (previous year) STI payout (previous year) LTI vesting (previous period)	Benchmarking of remuneration levels (every 3-5 years)	Target remuneration (basic salary, following year) Target STI (following year) LTI allocation (following year)
Remuneration governance	Remuneration report AGM preparation		Preparation of Remuneration report Annual meeting schedule and topics (following year) Remuneration Committee self-assessment Galenica Group salary review (following year)

In the reporting year, the Remuneration Committee held four ordinary meetings according to the annual schedule, and no ad hoc meeting. The attendance rate was 94%.

At each meeting of the Board of Directors, the Chair of the Remuneration Committee reports on the Remuneration Committee's current topics of discussion and decisions. The minutes of the meetings are made available to the members of the Board of Directors.

The Chair of the Board of Directors is invited to all meetings of the Remuneration Committee (right of attendance, no voting rights), except those dealing with his own remuneration. The CEO is invited to attend discussions on a case-by-case basis, but not to discussions that concern his performance or remuneration.

In the reporting year, the Remuneration Committee performed its regular duties, in particular setting performance targets and evaluating their achievement, determining the remuneration of the members of the Board of Directors and the Corporate Executive Committee and preparing the Remuneration report and the Annual General Meeting. In addition, the Remuneration Committee conducted a self-assessment of its functioning. It rated its discussions and decision-making as efficient and appropriate, and the support of the Board of Directors in matters of remuneration as effective.

Further details on the Remuneration Committee can be found in the [Corporate Governance section](#) (Chapter Remuneration Committee).

Benchmarking and external advisors

In order to ensure its continued attractiveness as an employer, Galenica regularly compares its remuneration system and levels with those of relevant peers. In terms of remuneration levels, Galenica considers a positioning at market median as being competitive.

The Remuneration Committee carried out a benchmarking analysis of the remuneration levels of the Corporate Executive Committee back in 2021. For this purpose, Klingler Consultants provided benchmarking data based on two different peer groups: a peer group of 21 Swiss listed companies of comparable size and a peer group of 25 private companies in the healthcare, retail and logistic sectors. The companies included in the peer groups are disclosed below. Overall, the benchmark study showed that the remuneration of the Corporate Executive Committee is below market levels when comparing with the Swiss listed peers and above market levels when comparing with the sector-based peers. This result can be explained by the fact that the sector-based peers do not offer a long-term incentive component, while Swiss listed peers typically do. Further, most Swiss listed peers have an international organisation. This is not the case at Galenica and could be a factor driving lower remuneration levels compared to other Swiss listed companies.

Peer groups to benchmark the remuneration levels of the Corporate Executive Committee

Swiss listed peers			Sector-based peers				
Also	Aryzta	Bachem	Retail and logistics:		Medical insurances:		
Belimo	Bell	BKW	Brack	Coop	Assura	Concordia	CSS
Bucher	Dätwyler	dormakaba	Digitec	Galliker	Group Mutuel	Helsana	KPT
Emmi	Forbo	Georg Fischer	Kühne+Nagel	Manor	Sanitas	Swica	Sympany
Idorsia	Interroll	Oerlikon	Migros	Planzer	Visana		
SFS	Siegfried	Sulzer	State-owned companies:		Healthcare:		
Tecan	Valora	Zur Rose	SBB	Post	CHUV	Hirslanden	Inselspital
					Swiss Medical Network		USZ

Those companies were selected by the Remuneration Committee as the most relevant for Galenica.

The remuneration structure and levels of the Board of Directors were reviewed in 2022. The market comparison was carried out by PricewaterhouseCoopers (PwC). The same 21 Swiss listed companies mentioned above were used as peer group. While the overall structure and levels of remuneration were considered in line with market practice, the Remuneration Committee proposed to express the remuneration of the Board of Directors in gross terms, rather than in net terms, as of the Remuneration report 2022. This was not a change of the remuneration system or levels but an improvement in terms of disclosure and transparency.

The Remuneration Committee may decide to consult external advisors on specific remuneration matters. In 2024, PwC provided services related to executive compensation. PwC provides other services to Galenica and there are clear rules in place to ensure the independence of PwC consultants. No other external advisors were consulted on remuneration matters in the reporting year.

Remuneration system of the Board of Directors (GRI 2-20)

The remuneration of the Board of Directors comprises fixed remuneration only (i.e., no performance-based remuneration). The remuneration depends on the function assumed on the Board of Directors and its committees, either as a member or chair. It is paid 50% in cash and 50% in restricted shares or, if the respective member of the Board of Directors decides on a voluntary basis, 100% in restricted shares. The shares are blocked for a period of five years.

For the reporting year, remuneration settled in the form of shares was paid at the average price for the month of December 2024, i.e., CHF 74.81 per share, net of a 25% discount to reflect the blocking period of five years. The payment was made in January 2025.

Per Galenica's share ownership guidelines, members of the Board of Directors are required to hold shares of Galenica equal in value to one time the annual remuneration within two years of their appointment to the Board of Directors.

Based on Galenica's regulations, the members of the Board of Directors have the option of joining the Galenica Pension Fund. All contributions (employer and employee contributions for savings and risk) are borne by the respective member of the Board of Directors.

The remuneration system of the Board of Directors remained unchanged in 2024 compared to the previous year.

Remuneration amounts of the Board of Directors (in thousand CHF, per year)

	Net amount ¹⁾	Gross amount equivalent (rounded up)
Chair of the Board of Directors	350	373
Vice-Chair of the Board of Directors	130	139
Member of the Board of Directors	110	118
Committee chair	30	33
Committee member	10	11

¹⁾ Net of social security contributions (approximately 7%)

The remuneration (cash and shares) is paid in January for the previous business year. The remuneration amounts outlined in the above table do not reflect the 25% discount on the share price granted on the restricted shares. Considering the value of the 25% discount, and assuming that 50% of the remuneration is paid in cash and 50% in restricted shares, the remuneration amounts (rounded up) correspond to gross CHF 431 thousand for the Chair of the Board of Directors, CHF 161 thousand for the Vice-Chair of the Board of Directors, CHF 136 thousand for the members of the Board of Directors, CHF 37 thousand for the committee chairs and CHF 13 thousand for the committee members.

Remuneration system of the Corporate Executive Committee (GRI 2-20)

Remuneration report

In order to attract talented employees, reward performance, promote the loyalty of key talents and ensure their long-term commitment to Galenica, Galenica offers competitive remuneration. The remuneration model applicable to the Corporate Executive Committee is based on three components: a fixed remuneration (including a base salary and benefits), a short-term bonus and a long-term incentive.

Remuneration components

The remuneration of the Corporate Executive Committee consists of a fixed remuneration, benefits and a variable remuneration. The variable remuneration allows members of the Corporate Executive Committee to participate in the success of Galenica. The variable remuneration for the Corporate Executive Committee includes a short-term bonus (STI) and a long-term incentive (LTI).

The STI compensates for annual performance. Up to 2022, it was based on the annual financial company results and individual performance. In 2023, the individual performance was replaced by an ESG component. No changes were made to the STI in the reporting year or are currently planned going forward.

The LTI on the other hand rewards for the long-term performance and harmonises the interests of shareholders with those of the executives. No changes to the LTI were implemented in the reporting year or are currently planned going forward.

Consequently, the remuneration system rewards short-term success as well as long-term performance and sustainable value creation for customers and shareholders in a balanced manner. In order to align the interests of members of the Corporate Executive Committee with the interests of shareholders, a portion of the STI (32%) and the entire LTI (100%) are awarded in shares of Galenica.

In accordance with Galenica's share ownership guidelines, members of the Corporate Executive Committee are required to hold shares of Galenica equal in value to at least 75% of their fixed annual base salary and target STI within a period of five years of their appointment to the Corporate Executive Committee.

For the CEO as well as the other Corporate Executive Committee members, the maximum STI and the maximum LTI are each limited to 200% of the respective target value, as defined in the [Articles of Association of Galenica](#) (Article 22 (7a) and Article 22 7(b), respectively).

In addition to the remuneration components mentioned above, the members of the Corporate Executive Committee are eligible to participate in the share acquisition plan where employees are invited every year to acquire a certain number of blocked shares of Galenica at a discounted price (more information in the [Notes to the consolidated financial statements 2024](#) (note 29, Share-based payments) and in the [GRI report](#)).

Overview of the remuneration components for the Corporate Executive Committee

Remuneration component	Vehicle	Purpose	Performance measures
Annual base salary	Monthly cash salary	Attract and retain employees	
Pension & benefits	Pension and insurances	Protect against risks	
	Fringe benefits	Attract and retain employees	
Short-term bonus (STI)	Annual bonus in cash & shares blocked for 5 years	Compensate for annual performance	Combination of financial objectives for the Group and a collective ESG component:
			GEP (50%)
Long-term incentive (LTI)	PSU with a 3-year performance vesting	Align with shareholders' interests	Annual net sales growth (25%)
			ESG component (25%) ¹⁾
Long-term incentive (LTI)	PSU with a 3-year performance vesting	Compensate for long-term performance	GEP and appreciation of share value:
			Average GEP (50%)
Long-term incentive (LTI)	PSU with a 3-year performance vesting	Align with shareholders' interests	Relative total shareholder return (TSR) (50%)

¹⁾ The following two collective, equally weighted KPIs were applied to the STI in 2024: Net Promoter Score (NPS) and employee motivation rate

Clawback and malus provisions

For the STI and LTI, clawback and malus provisions apply in case of a financial restatement due to material non-compliance with any accounting reporting standards, or in case a participant acts in violation of the law or internal regulations of Galenica.

Share ownership guidelines

Minimum shareholding requirements of 75% of the fixed annual base salary and target STI.

Annual base salary (fixed)

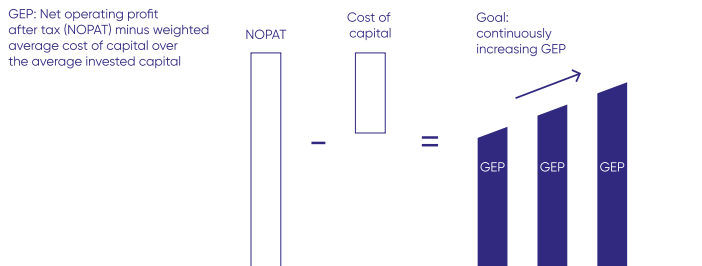
The annual base salary is the fixed remuneration reflecting the scope and key areas of responsibility of the function, the skills required to fulfil the function and the individual experience and competencies of the respective Corporate Executive Committee member. The base salary is determined according to typical market practice (external benchmark) and the Group internal salary structure. A base salary at median of the benchmark is considered competitive and, therefore, suitable to reward the expected level of skills and competencies. The base salary is typically reviewed annually based on market salary trends, the company's ability to pay salaries at a particular level based on its financial performance and the evolving experience of the individual in the function. The annual base salary is paid out in cash in 13 monthly instalments.

Incentives

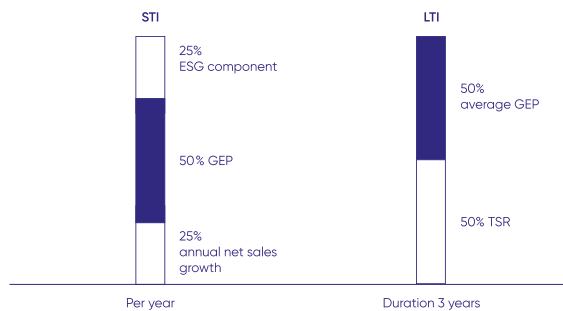
Galenica economic profit as a performance indicator

The STI and the LTI significantly depend on the achievement of the GEP (Galenica Economic Profit), which is designed to reflect the principles of value-based management derived from an economic value added (EVA) approach. It is based on the understanding that in the interests of shareholders and other important stakeholder groups, Galenica will strive to achieve a long-term investment return which exceeds the weighted average cost of capital. GEP is the key indicator in Galenica’s value-based management concept. It comprises different values, such as net operating profit after tax (NOPAT), cost of capital (WACC) and invested capital. The Board of Directors considers the economic value added (EVA) approach to be a sound, recognised and meaningful concept that is in line with sustainable value creation. The GEP is calculated as NOPAT less the weighted average cost of capital over the average invested capital. The extent to which the GEP increase is achieved has a 50% impact on the STI and a 50% impact on the number of shares allocated under the LTI. Therefore, poor performance inevitably has a negative impact on the total remuneration (lower bonus, fewer shares, with each of them potentially having a lower value). Further information on the GEP can be found in the Value based management section, under [Alternative performance measures](#) in the Annual Report 2024.

Relevant parameter: Galenica economic profit (GEP)



Weight of GEP as performance indicator in the incentive plans



Short-term incentive (STI)

The STI aims to reward the achievement of financial and ESG objectives of Galenica over the relevant financial year. The target STI, i.e., the amount paid out if all performance objectives are reached at 100%, is defined individually and annually, before the beginning of the

performance year. The target STI is expressed as a percentage of the annual base salary and varies depending on the function in the organisation and on the impact of the function on the overall business result. The target STI for the CEO amounts to 50% of annual base salary and ranges from 40% to 45% of annual base salary for the other members of the Corporate Executive Committee.

In 2024, the financial objectives were weighted at 75% and included the GEP (two-thirds) and annual net sales growth (one-third). The ESG component made up the remaining 25%, consisting of two equally weighted specific objectives, namely the Net Promoter Score (NPS) and employee motivation rate.

STI performance objectives

For each financial objective, a threshold, a target, a cap and a payout curve are defined annually by the Board of Directors upon recommendation of the Remuneration Committee, against which the results are assessed. An achievement at the threshold performance leads to a 50% payout factor, a target achievement leads to a 100% payout factor and achieving the cap corresponds to a 220% payout factor. For the ESG objectives, achieving the cap corresponds to a 150% payout factor. The STI payout overall is capped at 200% of target. The financial and ESG performance targets and achievements for the reporting year are disclosed in the course of the ex-post performance assessment in the section “Remuneration awarded for 2024 and 2023”.

The achievement of the GEP, the Group annual net sales growth and the ESG objectives is assessed by the Remuneration Committee and submitted to the Board of Directors for approval.

The payment of the STI is made in the subsequent year after the publication of the Annual Report. The CEO and other members of the Corporate Executive Committee are required to draw 32% of their STI in Galenica shares, while the rest is paid in cash. A discount of 25% on the average stock market price for the month of December in the relevant financial year applies to the shares. The shares remain blocked for five years.

If employment ends due to termination, the calculation and payment for a completed assessment period (= financial year) are based on the effective performance and results. In the event of departure during an assessment period that is still ongoing, 80% of the target STI is paid on a pro-rata basis.

Clawback and malus provisions were introduced in the STI plan in 2023. They allow the Board of Directors to reduce or cancel the payment of an STI and/or to claim back STI payments already made in case of a financial restatement due to material non-compliance with any accounting reporting standards, or in case a participant acts in violation of the law or internal regulations of Galenica.

Long-term incentive (LTI)

The objective of the LTI is to promote the strategy of Galenica, long-term thinking, alignment to shareholders' interests and the creation of sustainable value for customers and shareholders over the long term. In addition, the LTI aims to strengthen loyalty to Galenica and identification with the company.

The CEO, members of the Corporate Executive Committee and selected members of Senior Management participate in the LTI.

The LTI is based on performance share units (PSU), which are granted to participants after the release of the results for the preceding year and which convert into shares of Galenica subject to service conditions and the attainment of performance objectives over a three-year period defined by the Remuneration Committee. PSU are virtual, i.e., no real shares are issued.

The number of PSU allocated at the beginning of the plan period depends on a defined percentage of the annual base salary of the participant as well as the average share price during the final month prior to allocation, i.e., February. In 2024, the LTI grant for the CEO amounted to 50% of annual base salary and ranged from 10% to 35% of annual base salary for the other members of the Corporate Executive Committee.

The vesting of the PSU is conditional upon continuous employment and the fulfilment of performance conditions during the three-year plan period. The performance objectives are defined by the Remuneration Committee and for the LTI 2024–2026, they include the GEP and relative total shareholders return (relative TSR). Those two performance conditions are equally weighted.

The GEP target is measured by averaging the annual GEP results over the three-year performance period. Relative TSR is measured as a percentile ranking against a peer group of relevant companies. The objective is to outperform half of the peer companies (100% payout). The peer group is approved by the Board of Directors on a yearly basis and includes SMIM companies excluding financial services, real estate and companies that are active in a very cyclical businesses, as well as selected healthcare and pharma companies from the SMI. The peer group for the LTI 2024–2026 is outlined below.

Relative TSR performance peer group for LTI 2024–2026

Ams–Osram	EMS–Chemie Holding	Novartis	SIG Group
Barry Callebaut	Georg Fischer	Roche Holding	Straumann Holding
Belimo Holding	Givaudan	Sandoz Group	Tecan Group
BKW	Lindt & Sprüngli	Schindler Holding	Temenos
Clariant	Lonza Group	SGS	VAT Group

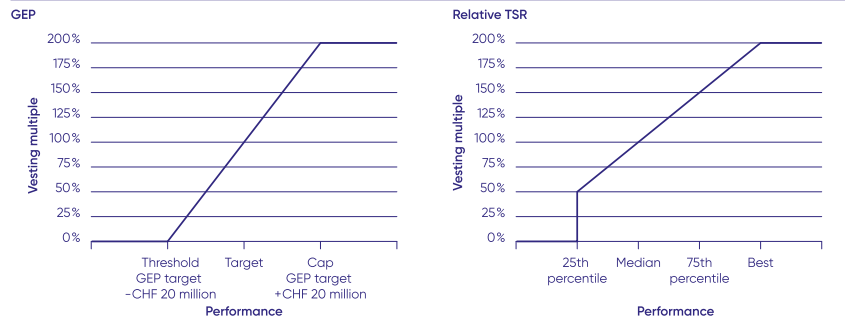
The following changes were made to the peer group compared to the LTI 2023–2025: Bachem Holding and DocMorris were removed (exclusion from SMIM in 2023), while BKW and Sandoz Group (inclusion in SMIM in 2023) were added.

For each performance condition, a threshold level of performance is determined, below which there is no vesting, as well as a target level of performance, corresponding to a 100% vesting and a cap providing for a 200% vesting. A linear interpolation is applied between the threshold and the target, and between the target and the cap. The weighted average of the vesting multiple for each performance objective provides for the overall vesting multiple. The number of PSU initially allocated is multiplied by the vesting multiple at the end of the three-year plan period. More details on the LTI performance objectives are provided in the following table.

Overview of LTI structure for 2024–2026

Performance measure	GEP	Relative TSR
Description	GEP is measured for each financial year and then averaged across the 3 years of the performance period. It is measured against a pre-determined target average for the performance period to determine the vesting multiple	TSR combines share price appreciation and dividends paid to reflect the annual total return to shareholders The TSR of Galenica is ranked against the TSR of the peer group companies for each financial year of the performance period, the annual percentile rankings are averaged over the 3-year performance period to determine the vesting multiple
Rationale	Absolute internal measure Demonstrates Galenica’s average operating performance over a 3-year period	Relative external measure Demonstrates Galenica’s shareholders returns compared to relevant peer companies
Weighting	50% of the PSU grant	50% of the PSU grant
Target level	Pre-determined by the Remuneration Committee 100% vesting	TSR ranking at the median of the peer group 100% vesting
Maximum vesting multiple	200% of target	200% of target
Vesting period	3 years	3 years
Vesting rules and curve	Vesting multiple is interpolated linearly between the threshold, target and maximum	Threshold: 25th percentile ranking = 50% vesting Target: median ranking = 100% vesting Stretch: 75th percentile ranking = 150% vesting Maximum: best in the peer group = 200% vesting Vesting multiple is interpolated linearly between the threshold, target and maximum

Vesting schedule



The performance targets and achievements for the latest LTI vesting are disclosed in the course of the ex-post performance assessment in the section "Remuneration awarded for 2024 and 2023".

As a rule, the three-year plan period must be completed for employees to be eligible for the conversion of PSU in shares. If the employment is terminated within a plan period, the PSU forfeit without any compensation except in the following cases:

- Retirement, disability or termination by the company not for cause, performance or behaviour: unvested PSU are subject to a pro-rata vesting at the regular vesting date
- Death: unvested PSU immediately vest pro-rata, based on a performance estimate by the Board of Directors or at target level (100% vesting)
- Termination following change of control: unvested PSU immediately vest in full, based on a performance estimate by the Board of Directors or at target level (100% vesting)

LTI plan period

LTI plan period
LTI three-year programme

GEP/TSR			Vesting		
2022	GEP/TSR		GEP/TSR		2027
	2023	2024	2025	2026	

Clawback and malus provisions apply in the LTI plan. They allow the Board of Directors to reduce or cancel the vesting of outstanding PSU and/or to claim back shares already vested in case of a financial restatement due to material non-compliance with any accounting reporting standards, or in case a participant acts in violation of the law or internal regulations of Galenica.

Pensions and other employee benefits

Employee benefit plans consist mainly of retirement plans and insurance plans that are designed to protect employees against the risks of disability and death. The CEO and the members of the Corporate Executive Committee are covered by the pension scheme applicable to all employees. The pension solution of Galenica fulfils the legal requirements of the Swiss Federal Law on Occupational Pension Schemes (BVG) and is in line with what is being offered on the market.

Except for the expense allowance and the entitlement to a company car in line with the car policy of Galenica, the CEO and the members of the Corporate Executive Committee do not receive any particular additional benefits. The private use of the company car is disclosed at fair value in the remuneration table under other remuneration.

Share ownership guideline

Members of the Corporate Executive Committee are required to hold shares of Galenica equal in value to at least 75% of their fixed annual base salary and target STI within a period of five years of their appointment to the Corporate Executive Committee.

Employment contracts

The CEO and the members of the Corporate Executive Committee are employed under employment contracts of unlimited duration and are subject to a notice period of a maximum of 12 months. They are not entitled to any severance packages, termination payments or change-of-control payments. The employee contracts do not include non-competition clauses. With regard to clawback, the statutory claims for repayment apply (see among others Article 678 of the Swiss Code of Obligations).

Remuneration awarded for 2024 and 2023

Remuneration awarded to the Board of Directors for 2024 and 2023

Comments to the remuneration tables of the members of the Board of Directors

Until December 2024, the Board of Directors consisted of seven members. Andreas Walde passed away on 11 December 2024. The total remuneration awarded to the Board of Directors (including the Board Chair) amounts to CHF 1.6 million and is within the amount of CHF 1.9 million approved at the Annual General Meeting in 2023. It corresponds to an increase of 0.3% compared to the previous year. The remuneration system remained unchanged compared to the previous year.

Remuneration awarded to the CEO and the members of the Corporate Executive Committee for 2024 and 2023

Comments to the remuneration tables of the members of the Corporate Executive Committee

In 2024, Marc Werner, CEO, was the member of the Corporate Executive Committee with the highest remuneration.

The remuneration awarded to the CEO in the year 2024 and the Corporate Executive Committee amounts to CHF 6.2 million and is within the amount of CHF 8.5 million approved at the Annual General Meeting in 2023. It is an increase compared to the previous year, for the following reasons:

- The aggregated amount of base salaries was higher compared with the previous year. This is due to the new composition of the Corporate Executive Committee (increase from eight members in 2023 to nine members as of September 2024). The individual base salaries of the members of the Corporate Executive Committee were not increased in the reporting year.
- Galenica Group achieved a good result in 2024. As a result, the short-term bonus payout was 127.3%. Additional details are provided in the section “Performance in 2024” below.
- The LTI grant value increased compared to the previous year. This is due to the different composition of the Corporate Executive Committee with nine members compared to eight members in 2023. The grant size of the individual Corporate Executive Committee members remained unchanged compared to previous year.
- The variable remuneration in the year 2024 amounted to 115% of the annual base salary for the CEO (previous year: 70%) and ranged between 44% and 95% of the annual base salary for the other members of the Corporate Executive Committee (previous year: between 34% and 54%).

Performance in 2024

In the 2024 financial year, the Galenica Group generated consolidated net sales of CHF 3,921.1 million. This corresponds to strong growth of 4.7% compared to the previous year.

Adjusted¹ operating profit (EBIT), i.e., excluding the effects of the accounting standards IFRS 16 (leasing) and IAS 19 (employee benefits), increased by 10.3% to CHF 211.0 million. Adjusted¹ return on sales (ROS) increased year-on-year from 5.1% to 5.4%.

Adjusted¹ net profit increased by 13.4% to CHF 183.2 million (previous year: CHF 161.6 million). Reported net profit was above the previous year's level at CHF 183.7 million (previous year: CHF 165.7 million, +10.9%).

¹ See section [Alternative performance measures](#) in the Annual Report 2024.

Payout factor 2023 and 2024

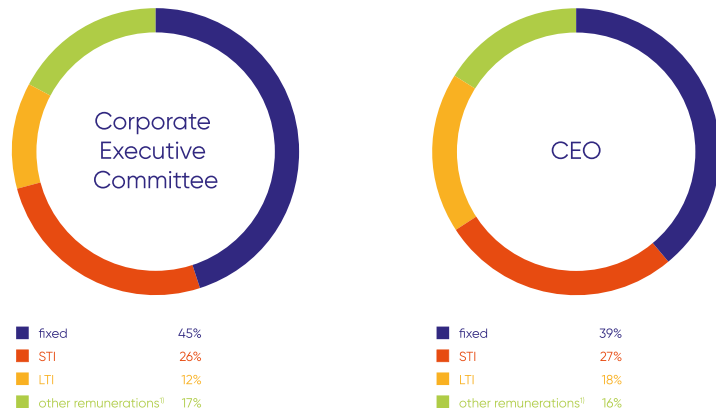
Payout factor for STI (one-year basis)



Vesting multiple for LTI (three-year basis)



Ratio between fixed and variable remuneration 2024 (remuneration awarded)



¹ Including costs for employee benefit plans and social security charges

Remuneration and shareholdings of the members of the Board of Directors in 2024

Payments in thousand CHF	Remuneration			Total	Number of shares	
	Fees in cash	Equivalent in shares ¹⁾	Other remuneration ²⁾		Held as at 31.12.2024 ³⁾	Allocated for 2024
Markus R. Neuhaus, Chairman	175	233	38	446	13,181	3,119
Pascale Bruderer ⁴⁾	75	100	20	195	5,343	1,337
Bertrand Jungo ⁴⁾	80	107	21	208	9,866	1,426
Judith Meier ⁴⁾	–	160	16	176	3,666	2,139
Solange Peters	60	80	16	156	739	1,070
Andreas Walde (died on 11 December 2024)	–	173	18	191	18,750	2,317
Jörg Zulauf	–	187	14	201	2,125	2,496
Remuneration of the members of the Board of Directors⁵⁾	390	1,040	143	1,573	53,670	13,904
Maximum amount according to AGM resolution				1,900		

¹⁾ The amounts include the calculated discount of 25%, granted due to the five-year blocking period

²⁾ Other remuneration corresponds to the social security charges (both employer and employee contributions)

³⁾ Shares held by related parties of members of the Board of Directors are included in the declaration of the totals disclosed above

⁴⁾ Those board members participate in the pension fund and finance the entire cost themselves

⁵⁾ See chapter Board of Directors of the Corporate Governance section for roles and membership of committees

Remuneration and shareholdings of the members of the Board of Directors in 2023

Payments in thousand CHF	Remuneration			Total	Number of shares	
	Fees in cash	Equivalent in shares ¹⁾	Other remuneration ²⁾		Held as at 31.12.2023 ³⁾	Allocated for 2023
Chair of the Board of Directors						
Markus R. Neuhaus, Chairman (since 11 May 2023)	96	127	20	243	10,532	1,766
Daniela Bosshardt, Chairwoman (until 11 May 2023)	58	78	15	151		1,078
Members of the Board of Directors						
Pascale Bruderer ⁴⁾	70	93	19	182	4,049	1,294
Michel Burnier (until 11 May 2023)	20	27	4	51		370
Bertrand Jungo ⁴⁾	78	104	21	204	9,605	1,448
Judith Meier ⁴⁾	–	160	16	176	1,448	2,218
Markus R. Neuhaus (until 11 May 2023)	48	64	10	122		883
Solange Peters (since 11 May 2023)	40	53	11	105	–	739
Andreas Walde	–	182	18	201	16,224	2,526
Jörg Zulauf (since 11 May 2023)	–	124	9	134	300	1,725
Remuneration of the members of the Board of Directors⁵⁾	410	1,013	145	1,568	42,158	14,047
Maximum amount according to AGM resolution				1,900		

¹⁾ The amounts include the calculated discount of 25%, granted due to the five-year blocking period

²⁾ Other remuneration corresponds to the social security charges (both employer and employee contributions)

³⁾ Shares held by related parties of members of the Board of Directors are included in the declaration of the totals disclosed above

⁴⁾ Those board members participate in the pension fund and finance the entire cost themselves

⁵⁾ See chapter Board of Directors of the Corporate Governance section for roles and membership of committees

Remuneration of the members of the Corporate Executive Committee in 2024

Gross payments in thousand CHF	Total	of which Marc Werner, CEO
Base salary	2,777	500
Short-term bonus in cash (STI) ¹⁾	985	216
Short-term bonus in shares (STI) ²⁾	618	136
Long-term incentive (LTI) ³⁾	746	225
Contributions to pension funds	552	118
Other remuneration ⁴⁾	74	12
Remuneration awarded	5,752	1,207
Social security costs	407	79
Remuneration of the members of the Corporate Executive Committee ⁵⁾	6,159	1,286
Maximum amount according to AGM resolution	8,500	

Nine members in 2024

- ¹⁾ The short-term bonus for the reporting year, which is paid out in the following year
- ²⁾ The amounts include the calculated discount of 25% granted due to the five-year blocking period
- ³⁾ Performance share units falling due after three years are included with the fair value at allocation
- ⁴⁾ Including private use of company car
- ⁵⁾ Including remuneration of Stephan Mignot since 1 September 2024 as Chief Pharmacies Marketing

Remuneration of the members of the Corporate Executive Committee in 2023

Gross payments in thousand CHF	Total	of which Marc Werner, CEO
Base salary	2,533	500
Short-term bonus in cash (STI) ¹⁾	343	80
Short-term bonus in shares (STI) ²⁾	215	50
Long-term incentive (LTI) ³⁾	702	221
Contributions to pension funds	497	118
Other remuneration ⁴⁾	57	12
Remuneration awarded	4,348	981
Social security costs	328	69
Remuneration of the members of the Corporate Executive Committee ⁵⁾	4,676	1,050
Maximum amount according to AGM resolution	8,500	

Eight members in 2023

- ¹⁾ The short-term bonus for the reporting year, which is paid out in the following year
- ²⁾ The amounts include the calculated discount of 25% granted due to the five-year blocking period
- ³⁾ Performance share units falling due after three years are included with the fair value at allocation
- ⁴⁾ Including private use of company car
- ⁵⁾ Including remuneration of Arianne Hasler since 1 September 2023 as Chief People & Culture

Short-term incentive (STI)

In 2024, a GEP of CHF 64.7 million was achieved. This corresponds to an increase of 32.1% compared to the previous year, see Value based management section, under [Alternative performance measures in the Annual Report 2024](#). This represents a payout factor of 158.3% for the financial year 2024 for the portion of the STI payout based on GEP performance.

The Group annual net sales growth achieved was 4.7%, corresponding to a payout factor of 95.0% for that portion of the STI.

ESG performance is measured using two objectives: Net Promoter Score (NPS) and employee motivation rate. The payout factor for the NPS component for the members of the Corporate Executive Committee was 95.5%. The employee motivation rate achieved 76.0 points, corresponding to a payout factor of 100.0% for the members of the Corporate Executive Committee.

Consequently, the overall STI payout amounts to 127.3% of target for the CEO and the other members of the Corporate Executive Committee. This compares to a payout of 47.2% for the CEO and the other Corporate Executive Committee members in 2023.

Performance / payout factor under STI in 2024

KPIs	2024 objectives	Payout	Target	2024 results
Group financial performance:				
Galenica economic profit (GEP) (50% weighting)	Maximum	220%	CHF 70.9 million	GEP achieved: CHF 64.7 million Payout factor: 158.3%
	Target	100%	CHF 58.9 million	
	Threshold	50%	CHF 48.9 million	
Group annual net sales growth (25% weighting)	Maximum	220%	+9.9%	Net sales growth achieved: 4.7% Payout factor: 95.0%
	Target	100%	+5.1%	
	Threshold	50%	+1.1%	
Net Promoter Score (NPS) (12.5% weighting)	Maximum	150%		Payout factor: 95.5%
	Target	100%	not disclosed for competition reasons	
	Threshold	50%		
Employee motivation rate (12.5% weighting)	Maximum	150%	79 points	Employee motivation rate achieved: 76.0 points Payout factor: 100.0%
	Target	100%	76 points	
	Threshold	50%	73 points	
Payout				2024
CEO				127.3%
Corporate Executive Committee (without CEO)				127.3%

Long-term incentive

For the LTI plan 2022-2024, payable in early 2025, the average GEP achievement was CHF 60.4 million. This represents a vesting multiple of 91.0%. For relative TSR Galenica achieved an average percentile ranking of 77.3%, which corresponds to a vesting multiple of 155.0%. Consequently, the overall vesting level was 123.0%.

KPIs	2024 objectives	Payout	Target	2024 results
Group financial performance:				
Galenica economic profit (GEP) (50% weighting)	Maximum	200%	CHF 82.2 million	Average GEP achieved: CHF 60.4 million Vesting multiple: 91.0%
	Target	100%	CHF 62.2 million	
	Threshold	50%	CHF 42.2 million	
Relative TSR (50% weighting)	Maximum	200%	best in the peer group	Relative TSR achieved: average percentile ranking of 77.3% Vesting multiple: 155.0%
	Target	100%	Median ranking	
	Threshold	50%	25th percentile ranking	
Total LTI 2022-2024				Vesting multiple: 123.0%

Other remuneration

Options

Neither the members of the Board of Directors nor the members of the Corporate Executive Committee hold tradable options.

Loans and credits

Galenica did not grant any loans or credits to members of the Board of Directors, members of the Corporate Executive Committee or related persons in 2024. No loans or credits were outstanding at the end of the year under review.

Former members of the Board of Directors and Corporate Executive Committee

Galenica did not pay any remuneration to former members of the Board of Directors or Corporate Executive Committee in 2024.

Shareholdings of the Corporate Executive Committee

Equity overhang and dilution as of 31 December 2024

The equity overhang, defined as the total number of PSU outstanding (50,276 unvested PSU) divided by the total number of outstanding shares (49,827,021 shares) is 0.10% (previous year: 0.11%). The burn rate, defined as the total number of equities (shares and PSU) granted in 2024 (89,263 shares and 17,168 PSU) divided by the total number of outstanding shares, is 0.21% (previous year: 0.31%).

Shareholdings and rights to PSU of members of the Corporate Executive Committee 2024

	Number of shares held as at 31.12.2024 ¹⁾	Number of PSU held as at 31.12.2024 (at target) ²⁾
Marc Werner	18,450	10,485
Lukas Ackermann	3,288	3,250
Felix Burkhard	21,235	3,921
Arianne Hasler	56	566
Andreas Koch	9,580	3,250
Daniele Madonna	15,004	3,250
Stephan Mignot	209	387
Virginie Pache Jeschka	6,242	3,250
Thomas Szuran	11,259	3,374

¹⁾ Shares held by related parties of members of the Corporate Executive Committee are also included in the totals disclosed above

²⁾ Each PSU transforms into a number (between 0 and 2) of shares at vesting and based on GEP and relative TSR target achievement

Shareholdings and rights to PSU of members of the Corporate Executive Committee 2023

	Number of shares held as at 31.12.2023 ¹⁾	Number of PSU held as at 31.12.2023 (at target) ²⁾
Marc Werner	12,100	11,402
Lukas Ackermann	2,283	2,671
Felix Burkhard	20,623	6,226
Arianne Hasler	–	251
Andreas Koch	8,254	3,535
Daniele Madonna	12,851	3,535
Virginie Pache Jeschka	4,089	3,535
Thomas Szuran	11,171	3,719

¹⁾ Shares held by related parties of members of the Corporate Executive Committee are also included in the totals disclosed above

²⁾ Each PSU transforms into a number (between 0 and 2) of shares at vesting and based on GEP and relative TSR target achievement

Functions held by members of the Board of Directors and members of the Corporate Executive Committee in other companies as at 31 December 2024

In accordance with Art. 734e of the Swiss Code of Obligations, the table below lists functions exercised by members of the Board of Directors and members of the Corporate Executive Committee at other for-profit companies, to the extent these functions are comparable to the function they hold with Galenica.

Members of the Board of Directors

Markus R. Neuhaus	Baloise Holding AG ¹⁾ : Board member Barry Callebaut AG ¹⁾ : Board member Jacobs Holding AG: Board member
Pascale Bruderer	Crossiety AG: Board member Orell Füssli AG ¹⁾ : Board member Swiss Stablecoin AG: Chairwoman of the Board of Directors TX Group AG ¹⁾ : Board member
Bertrand Jungo	AG Grand Hotels Engadinerkulm Holding: Board member & Delegate of the board Diaqua AG: Board member Neoperl AG: Board member
Judith Meier	Cantonal Hospital of Graubünden: Board member Emil-Burkhardt-foundation: Member of the board of trustees reha andeer ag: Board member
Solange Peters	-
Andreas Walde	-
Jörg Zulauf	Innflow AG: Board member Maerki Baumann & Co. AG: Board member SV Group AG: Chairman of the Board of Directors

Members of Corporate Executive Committee

Marc Werner	AD Swiss Net AG: Board member ²⁾ Coop Vitality AG: Board member ²⁾ MediService AG: Board member ²⁾ Well Gesundheit AG: Board member ²⁾
Lukas Ackermann	-
Felix Burkhard	MediService AG: Board member ²⁾ Orior AG ¹⁾ : Board member
Arianne Hasler	-
Andreas Koch	Health Supply AG: Board member ²⁾
Daniele Madonna	Apotheke im KSW AG: Board member ²⁾ Coop Vitality AG: Board member ²⁾ Emeda AG: Board member ²⁾ Farmadomo Home Care Provider SA: Board member ²⁾
Stephan Mignot	-
Virginie Pache Jeschka	Coop Vitality AG: Board member ²⁾
Thomas Szuran	Emeda AG: Board member ²⁾ MediService AG: Board member ²⁾ Puravita AG: Board member ²⁾

¹⁾ Listed company

²⁾ Mandates by order of Galenica



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To the General Meeting of
Galenica Ltd., Berne

Berne, 5 March 2025

Report of the statutory auditor on the audit of the remuneration report



Opinion

We have audited the remuneration report of Galenica Ltd. (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) contained in the chapters Remuneration awarded for 2024 and 2023, Other remuneration and Shareholdings of the Corporate Executive Committee and the Board of Directors of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the remuneration report complies 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 remuneration report" 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, and we have 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.



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 chapters Remuneration awarded for 2024 and 2023, Other remuneration and Shareholdings of the Corporate Executive Committee and the Board of Directors in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

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

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report 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 remuneration report**

The Board of Directors is responsible for the preparation of a remuneration report 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 a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

**Auditor's responsibilities for the audit of the remuneration report**

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is 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 this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Daniel Zaugg
Licensed audit expert
(Auditor in charge)

Simone Wittwer
Licensed audit expert

Financial Reporting



Alternative performance measures 2024 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.

The alternative performance measures are unaudited.

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.

Galenica's results are influenced by external parameters that cannot be managed by the Group and the management is of the opinion that such an impact should be excluded when it comes to assess the performance of the Galenica Group. For this reason, Galenica also evaluates its performance by adjusting personnel costs as if those plans were defined contribution plans (adjustments for the effects of IAS 19). For these adjustments, the costs of defined benefit plans and long-service awards determined in accordance with IAS 19 are replaced by an expense based on the employer's contribution and long-service awards for the period of service.

IFRS 16 – Leases

Lessees have to account for most leases on balance sheet by recognising lease liabilities and corresponding right-of-use assets. The right-of-use assets are depreciated over the lease term and the lease liabilities generate interest expense in the statement of income. Variable lease payments, not dependent on an index or rate, such as sales-based rental expenses are accounted for as operating expenses when they are incurred. With its large network of retail pharmacies, IFRS 16 has a significant impact on Galenica's balance sheet and the presentation of lease related expenses in the consolidated statement of income.

Galenica has lease agreements with fixed and variable lease payments and these payments affect various line items in the statement of income making comparisons across individual pharmacies and points-of-sale difficult. For this reason management also monitors results by adjusting the statement of income and balance sheet as if lease agreements were still accounted for as operating leases, e.g. all lease expense is presented in other operating costs on a straight-line basis and the depreciation of the right-of-use assets and the interest expense on the lease liabilities are removed. Income taxes are also adjusted accordingly.

IFRS 16 adjusted measures are important for Galenica's value-based management and therefore for management's incentive and remuneration schemes. As the type and duration of rental agreements under IFRS 16 have a significant influence on the invested capital and accordingly on the return on invested capital (ROIC) and on the Galenica economic profit (GEP), the invested capital is stated after removing lease liabilities. This minimises the risk that management makes decisions that are not in the interest of Galenica due to potential incentives when concluding leases.

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 Retail (B2C), organic growth of net sales is calculated only including points of sales with a full year period comparison. In the business area Professionals (B2B), 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.

Organic growth of net sales 2024

in thousand CHF	Retail (B2C)	Professionals (B2B)	Products & Care ¹⁾	Wholesale	Logistics & IT Services	Logistics & IT ¹⁾
Net sales	1,442,004	268,210	1,700,226	3,105,223	157,166	3,241,444
Change to previous period	4.1%	4.7%	3.9%	5.2%	9.2%	5.3%
Effect of net expansion	21,701 ²⁾	1,160 ³⁾	22,861	–	–	–
In % of net sales of previous period	1.6%	0.5%	1.4%	0.0%	0.0%	0.0%
Net sales excluding effect of net expansion	1,420,303	267,050	1,677,365	3,105,223	157,166	3,241,444
Organic growth of net sales	2.5%	4.2%	2.5%	5.2%	9.2%	5.3%
Mandatory price reductions ⁴⁾	28,396			59,924		
In % of net sales of previous period	2.0%			2.0%		
Net sales excluding effect of net expansion and mandatory price reductions	1,448,699			3,165,147		
Organic growth of net sales excluding price reductions	4.5%			7.2%		

¹⁾ Including eliminations of intercompany net sales

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

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

⁴⁾ 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

Organic growth of net sales 2024 Products & Care

in thousand CHF	Local Pharmacies	Pharmacies at Home	Retail (B2C) ¹⁾	Products & Brands	Services for Professionals	Professionals (B2B) ¹⁾
Net sales	1,365,070	77,251	1,442,004	183,381	84,838	268,210
Change to previous period	4.4%	-2.1%	4.1%	3.5%	7.5%	4.7%
Effect of net expansion	21,701 ²⁾	–	21,701 ²⁾	1,160 ³⁾	–	1,160 ³⁾
In % of net sales of previous period	1.7%	0.0%	1.6%	0.7%	0.0%	0.5%
Net sales excluding effect of net expansion	1,343,369	77,251	1,420,303	182,221	84,838	267,050
Organic growth of net sales	2.7%	-2.1%	2.5%	2.8%	7.5%	4.2%
Mandatory price reductions ⁴⁾	28,396		28,396			
In % of net sales of previous period	2.2%		2.0%			
Net sales excluding effect of net expansion and mandatory price reductions	1,371,765		1,448,699			
Organic growth of net sales excluding price reductions	4.9%		4.5%			

¹⁾ Including eliminations of intercompany net sales

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

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

⁴⁾ 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

Organic growth of net sales 2023

in thousand CHF	Retail (B2C)	Professionals (B2B)	Products & Care ¹⁾	Wholesale	Logistics & IT Services	Logistics & IT ¹⁾
Net sales	1,385,564	256,064	1,635,633	2,952,732	143,965	3,076,988
Change to previous period	1.8%	11.9%	3.3%	4.7%	10.1%	4.9%
Effect of net expansion	3,979 ²⁾	12,686 ³⁾	16,666	–	928 ³⁾	928
In % of net sales of previous period	0.3%	5.5%	1.1%	0.0%	0.7%	0.0%
Net sales excluding effect of net expansion	1,381,584	243,378	1,618,967	2,952,732	143,037	3,076,059
Organic growth of net sales	1.5%	6.4%	2.2%	4.7%	9.4%	4.9%
Mandatory price reductions ⁴⁾	18,069			51,300		
In % of net sales of previous period	1.3%			1.8%		
Net sales excluding effect of net expansion and mandatory price reductions	1,399,653			3,004,032		
Organic growth of net sales excluding price reductions	2.8%			6.5%		

¹⁾ Including eliminations of intercompany net sales

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

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

⁴⁾ 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

Organic growth of net sales 2023 Products & Care

in thousand CHF	Local Pharmacies	Pharmacies at Home	Retail (B2C) ¹⁾	Products & Brands	Services for Professionals	Professionals (B2B) ¹⁾
Net sales	1,306,931	78,918	1,385,564	177,132	78,934	256,064
Change to previous period	1.6%	6.6%	1.8%	12.3%	11.0%	11.9%
Effect of net expansion	2,069 ²⁾	1,911 ²⁾	3,979²⁾	11,449 ³⁾	1,237 ³⁾	12,686³⁾
In % of net sales of previous period	0.2%	2.6%	0.3%	7.3%	1.7%	5.5%
Net sales excluding effect of net expansion	1,304,862	77,008	1,381,584	165,683	77,697	243,378
Organic growth of net sales	1.4%	4.0%	1.5%	5.0%	9.3%	6.4%
Mandatory price reductions ⁴⁾	18,069		18,069			
In % of net sales of previous period	1.4%		1.3%			
Net sales excluding effect of net expansion and mandatory price reductions	1,322,931		1,399,653			
Organic growth of net sales excluding price reductions	2.8%		2.8%			

¹⁾ Including eliminations of intercompany net sales

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

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

⁴⁾ 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 adjusted by IAS 19 effects related to employee benefits (defined benefit plans and long-service awards) and IFRS 16 lease effects allowing financial results to be assessed on a comparable basis.

Adjusted consolidated statement of income 2024

in thousand CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
Net sales	3,921,081	–	–	3,921,081
Products & Care ¹⁾	1,700,226	–	–	1,700,226
Logistics & IT ¹⁾	3,241,444	–	–	3,241,444
Other income	16,223	–	–	16,223
Operating income	3,937,304	–	–	3,937,304
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
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	324,144	–510	–55,701	267,933
Products & Care ¹⁾	230,996	–	–53,275	177,720
Logistics & IT ¹⁾	93,651	–	–2,404	91,247
Depreciation, amortisation and impairment	–109,778	–	52,883	–56,895
Earnings before interest and taxes (EBIT)	214,367	–510	–2,819	211,038
Return on sales (ROS) ²⁾	5.5%	0.0%	–0.1%	5.4%
Products & Care ¹⁾	160,013	–	–2,757	157,257
Return on sales (ROS) ²⁾	9.4%	0.0%	–0.2%	9.2%
Logistics & IT ¹⁾	56,813	–	–60	56,753
Return on sales (ROS) ²⁾	1.8%	0.0%	0.0%	1.8%
Net financial result	230	–398	3,116	2,948
Earnings before taxes (EBT)	214,597	–907	297	213,987
Income taxes	–30,898	159	–85	–30,823
Profit from continuing operations	183,699	–748	213	183,164
Profit from discontinued operations	–80	–	–	–80
Net Profit	183,619	–748	213	183,084
Attributable to:				
– Shareholders of Galenica Ltd.	182,951	–748	209	182,412
– Non-controlling interests	668	–	4	672

¹⁾ Reported for each operating segment not taking into account Group Services and Eliminations

²⁾ Calculated as EBIT divided by net sales

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

Adjusted consolidated statement of income 2023

in thousand CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
Net sales	3,746,011	–	–	3,746,011
Products & Care ¹⁾	1,635,633	–	–	1,635,633
Logistics & IT ¹⁾	3,076,988	–	–	3,076,988
Other income	17,040	–	–	17,040
Operating income	3,763,051	–	–	3,763,051
Cost of goods	–2,714,443	–	–	–2,714,443
Personnel costs	–550,984	–5,441	–	–556,425
Other operating costs	–202,328	–	–54,155	–256,483
Share of profit from associates and joint ventures	6,838	–339	9	6,508
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	302,135	–5,780	–54,145	242,210
Products & Care ¹⁾	222,200	–	–50,489	171,711
Logistics & IT ¹⁾	74,313	–	–2,433	71,880
Depreciation, amortisation and impairment	–103,000	–	52,108	–50,892
Earnings before interest and taxes (EBIT)	199,135	–5,780	–2,037	191,318
Return on sales (ROS) ²⁾	5.3%	–0.2%	–0.1%	5.1%
Products & Care ¹⁾	153,772	–	–1,424	152,348
Return on sales (ROS) ²⁾	9.4%	0.0%	–0.1%	9.3%
Logistics & IT ¹⁾	42,563	–	–287	42,276
Return on sales (ROS) ²⁾	1.4%	0.0%	0.0%	1.4%
Net financial result	–4,186	–129	2,951	–1,364
Earnings before taxes (EBT)	194,949	–5,909	914	189,954
Income taxes	–29,245	1,009	–136	–28,373
Profit from continuing operations	165,704	–4,900	778	161,581
Profit from discontinued operations	120,448	–64	–2	120,382
Net Profit	286,152	–4,964	775	281,963
Attributable to:				
– Shareholders of Galenica Ltd.	285,367	–4,964	776	281,179
– Non-controlling interests	785	–	–1	784

¹⁾ Reported for each operating segment not taking into account Group Services and Eliminations

²⁾ Calculated as EBIT divided by net sales

in CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
Earnings per share from continuing operations	3.31	–0.10	0.02	3.23
Diluted earnings per share from continuing operations	3.31	–0.10	0.02	3.22

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	2024	2023
Cash flow from operating activities before working capital changes	277,317	253,283
Payment of lease liabilities	-52,576	-51,934
Cash flow from operating activities before working capital changes adjusted	224,741	201,350
Working capital changes	-12,613	-28,759
Cash flow from discontinued operations (operating activities) incl. payment of lease liabilities	-	918
Cash flow from operating activities adjusted	212,128	173,509
Cash flow from investing activities without M&A ¹⁾	-128,021	-93,606
Cash flow from discontinued operations (investing activities)	-	-150
Free cash flow before M&A	84,106	79,752
Cash flow from M&A ²⁾	-23,061	-30,411
Free cash flow	61,045	49,341

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

²⁾ Net cash flow from business combinations and net cash flow from sale of subsidiaries

CAPEX

in thousand CHF	2024	2023
Investments in property, plant and equipment	36,023	46,119
Investments in intangible assets	36,742	32,699
CAPEX	72,765	78,818

Cash conversion

	2024	2023
Cash conversion ¹⁾	72.8%	67.5%

¹⁾ 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 provide 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 and IFRS 16 adjustments and net debt is adjusted for lease liabilities.

Total assets

in thousand CHF	2024	2023
Total assets	3,070,898	2,990,952
Cumulative effects of IAS 19 adjustments	-1,731	-21,944
Cumulative effects of IFRS 16 adjustments	-228,794	-229,056
Total assets adjusted	2,840,373	2,739,952

Net debt

in thousand CHF	2024	2023
Current financial liabilities ¹⁾	38,868	69,990
Current lease liabilities	52,693	50,484
Non-current financial liabilities ¹⁾	519,811	419,871
Non-current lease liabilities	183,195	185,557
Cash and cash equivalents	-129,682	-116,159
Interest-bearing receivables	-4,899	-11,607
Net debt	659,986	598,137
Lease liabilities (current and non-current)	-235,887	-236,041
Net debt adjusted	424,099	362,096

¹⁾ Excluding non-interest-bearing financial liabilities

Shareholders' equity

in thousand CHF	2024	2023
Shareholders' equity	1,551,844	1,475,196
Cumulative effects of IAS 19 adjustments	15,799	955
Cumulative effects of IFRS 16 adjustments	5,799	5,583
Shareholders' equity adjusted	1,573,442	1,481,734

Equity ratio

	2024	2023
Equity ratio ¹⁾	50.5%	49.3%
Equity ratio adjusted ²⁾	55.4%	54.1%

¹⁾ Calculated as shareholders' equity divided by total assets

²⁾ Calculated as shareholders' equity adjusted divided by total assets adjusted

Gearing

	2024	2023
Gearing ¹⁾	42.5%	40.5%
Gearing adjusted ²⁾	27.0%	24.4%

¹⁾ Calculated as net debt divided by shareholders' equity

²⁾ Calculated as net debt adjusted divided by shareholders' equity adjusted

Debt coverage

	2024	2023
Debt coverage ¹⁾	2.0 x	2.0 x
Debt coverage adjusted ²⁾	1.6 x	1.5 x

¹⁾ Calculated as net debt divided by EBITDA

²⁾ 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	2024	2023
Shareholders' equity adjusted	1,573,442	1,481,734
Net debt adjusted	424,099	362,096
Equity instruments at fair value through other comprehensive income ¹⁾	-265,638	-200,030
Deferred tax assets ²⁾	-1,309	-1,486
Deferred tax liabilities ²⁾	47,766	66,822
Invested capital	1,778,361	1,709,137
Average invested capital	1,743,749	1,658,516

¹⁾ Including loans related to strategic investments

²⁾ Without deferred taxes due to IAS 19 and IFRS 16 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	2024	2023
EBIT adjusted	211,038	191,318
Net financial income from financial assets	775	-5,178
Net operating profit before taxes	211,814	186,140
Calculatory tax rate (18%)	-38,127	-33,505
Net operating profit after taxes (NOPAT)	173,687	152,634
Return on invested capital (ROIC)¹⁾	10.0%	9.2%

¹⁾ Calculated as NOPAT in % of 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	2024	2023
Net operating profit after taxes (NOPAT)	173,687	152,634
Cost of capital ¹⁾	-108,984	-103,657
Galenica economic profit (GEP)	64,703	48,977

¹⁾ Calculated as 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	2024	2023
Net sales	5	3,921,081	3,746,011
Other income	6	16,223	17,040
Operating income		3,937,304	3,763,051
Cost of goods		-2,843,240	-2,714,443
Personnel costs	7, 24	-582,726	-550,984
Other operating costs	8	-193,402	-202,328
Share of profit from associates and joint ventures	18	6,209	6,838
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		324,144	302,135
Depreciation, amortisation and impairment	15,16,17	-109,778	-103,000
Earnings before interest and taxes (EBIT)		214,367	199,135
Financial income	9	13,379	12,012
Financial expenses	9	-13,148	-16,198
Earnings before taxes (EBT)		214,597	194,949
Income taxes	11	-30,898	-29,245
Profit from continuing operations		183,699	165,704
Profit from discontinued operations	12	-80	120,448
Net profit		183,619	286,152
Attributable to:			
– Shareholders of Galenica Ltd.		182,951	285,367
– Non-controlling interests		668	785

in CHF	Note	2024	2023
Earnings per share			
Earnings per share	10	3.67	5.72
Diluted earnings per share	10	3.67	5.72
Earnings per share from continuing operations			
Earnings per share from continuing operations	10	3.67	3.31
Diluted earnings per share from continuing operations	10	3.67	3.31
Earnings per share from discontinued operations			
Earnings per share from discontinued operations	10	–	2.42
Diluted earnings per share from discontinued operations	10	–	2.41

Consolidated statement of comprehensive income

in thousand CHF	Note	2024	2023
Net profit		183,619	286,152
Translation differences		87	-274
Items that may be reclassified subsequently to profit or loss		87	-274
Remeasurement of net defined benefit plans	24	-19,624	12,512
Income taxes from remeasurement of net defined benefit plans		3,532	-2,259
Share of other comprehensive income from associates and joint ventures	18	499	-1,628
Gain on equity instruments at fair value through other comprehensive income		2,408	55,530
Income taxes from fair value measurement on equity instruments at fair value through other comprehensive income		17,541	-11,138
Items that will not be reclassified to profit or loss		4,356	53,016
Other comprehensive income/(loss)		4,443	52,742
Comprehensive income		188,062	338,893
Attributable to:			
– Shareholders of Galenica Ltd.		187,394	338,108
– Non-controlling interests		668	785

Consolidated statement of financial position

in thousand CHF	Note	2024	2023		
Cash and cash equivalents		129,682	116,159		
Trade and other receivables	13	499,999	518,293		
Inventories	14	363,055	357,096		
Prepaid expenses and accrued income		39,043	42,042		
Current assets		33.6%	1,031,779	34.6%	1,033,590
Property, plant and equipment	15	257,676	259,702		
Right-of-use assets	16	229,118	229,583		
Intangible assets	17	1,115,844	1,078,503		
Investments in associates and joint ventures	18	145,087	143,985		
Financial assets	19	286,929	220,214		
Deferred tax assets	11	4,464	4,946		
Employee benefit assets	24	–	20,429		
Non-current assets		66.4%	2,039,118	65.4%	1,957,361
Assets		100.0%	3,070,898	100.0%	2,990,952
Financial liabilities	20	58,385	70,231		
Lease liabilities	16	52,693	50,484		
Trade and other payables	21	455,348	417,442		
Income tax payables		28,845	33,585		
Accrued expenses and deferred income		131,451	195,648		
Provisions	22	4,983	4,880		
Current liabilities		23.8%	731,705	25.8%	772,269
Financial liabilities	20	539,708	468,569		
Lease liabilities	16	183,195	185,557		
Deferred tax liabilities	11	46,643	69,461		
Employee benefit liabilities	24	17,530	19,221		
Provisions	22	273	678		
Non-current liabilities		25.6%	787,349	24.9%	743,486
Liabilities		49.5%	1,519,053	50.7%	1,515,755
Share capital	25	5,000	5,000		
Reserves		1,543,694	1,466,419		
Equity attributable to shareholders of Galenica Ltd.		1,548,694	1,471,419		
Non-controlling interests		3,150	3,777		
Shareholders' equity	25	50.5%	1,551,844	49.3%	1,475,196
Liabilities and shareholders' equity		100.0%	3,070,898	100.0%	2,990,952

Consolidated statement of cash flows

in thousand CHF	Note	2024	2023
Profit from continuing operations		183,699	165,704
Income taxes	11	30,898	29,245
Depreciation, amortisation and impairment	15,16,17	109,778	103,000
Net gain on disposal of non-current assets	6,8	-3,302	-670
Increase/(decrease) in provisions and employee benefit assets and liabilities		-966	-5,205
Net financial result	9	-230	4,186
Share of profit from associates and joint ventures	18	-6,209	-6,838
Share-based payments	29	5,963	4,318
Interest received		1,445	970
Interest paid		-10,936	-9,369
Other net financial receipts/(payments)		411	-230
Dividends received	18	7,677	4,410
Income taxes paid		-40,911	-36,236
Cash flow from operating activities before working capital changes		277,317	253,283
Change in trade and other receivables		20,588	-37,817
Change in inventories		-4,192	-53,278
Change in trade and other payables		34,585	80,845
Change in other net current assets		-63,595	-18,508
Working capital changes		-12,613	-28,759
Cash flow from discontinued operations		-	1,186
Cash flow from operating activities		264,703	225,710
Investments in property, plant and equipment		-37,010	-44,541
Investments in intangible assets		-35,353	-31,833
Investments in associates and joint ventures	18	-2,071	-4,491
Investments in financial assets		-65,975	-129,092
Proceeds from sale of property, plant and equipment and intangible assets		4,432	1,042
Proceeds from sale of financial assets		7,955	115,309
Net cash flow from business combinations	4	-23,061	-28,268
Net cash flow from sale of subsidiaries	12	-	-2,142
Cash flow from discontinued operations		-	-150
Cash flow from investing activities		-151,083	-124,167
Dividends paid		-110,173	-110,266
Purchase of treasury shares		-9,703	-11,010
Proceeds from sale of treasury shares		4,107	4,947
Proceeds from financial liabilities	20	309,645	377,051
Repayment of financial liabilities	20	-241,039	-287,565
Payment of lease liabilities		-52,576	-51,934
Purchase of non-controlling interests		-486	-8
Cash flow from discontinued operations		-	-267
Cash flow from financing activities		-100,224	-79,053
Effects of exchange rate changes on cash and cash equivalents		127	-258
Increase in cash and cash equivalents		13,523	22,232
Cash and cash equivalents as at 1 January ¹⁾		116,159	93,927
Cash and cash equivalents as at 31 December¹⁾		129,682	116,159

¹⁾ 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
Balance as at 31 December 2022	5,000	-7,817	1,248,397	1,245,580	3,881	1,249,461
Net profit			285,367	285,367	785	286,152
Other comprehensive income			52,742	52,742	-	52,742
Comprehensive income			338,108	338,108	785	338,893
Dividends			-109,761	-109,761	-542	-110,304
Transactions on treasury shares		-3,999	-2,991	-6,990	-	-6,990
Share-based payments			4,464	4,464	-	4,464
Change in non-controlling interests			19	19	-347	-327
Balance as at 31 December 2023	5,000	-11,816	1,478,235	1,471,419	3,777	1,475,196
Net profit			182,951	182,951	668	183,619
Other comprehensive income			4,443	4,443	-	4,443
Comprehensive income			187,394	187,394	668	188,062
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
Balance as at 31 December 2024	5,000	-12,495	1,556,189	1,548,694	3,150	1,551,844

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.

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 2024 for publication on 5 March 2025. The 2024 consolidated financial statements will be submitted for approval to the Annual General Meeting on 10 April 2025.

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 16)

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 17)

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 24)

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 26)

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 2024 Galenica adopted the following amended IFRS Accounting Standards:

- Amendments to IAS 1 – Classification of liabilities as current or non-current
- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements
- Amendments to IFRS 16 – Lease liability in a sale and leaseback

These changes have 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 2025 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 IAS 21 – Lack of exchangeability (1 January 2025)
- IFRS 18 – Presentation and Disclosure in financial statements (1 January 2027)
- Amendments to IAS 7 – Statement of cash flows (1 January 2027)

Galenica is currently assessing the impact of the Amendments to IAS 21. Based on a preliminary analysis, Galenica does not expect a material impact on the consolidated financial statements.

Galenica is currently working to identify all the impacts the introduction of IFRS 18 and the amendments to IAS 7 will have on the financial statements and related notes.

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 exception of defined benefit plans and long-service awards, which are recognised at Group level.

In the operating segment Products & Care with its large network of pharmacies the accounting for leases is of particular importance. The Group continues to prepare information as if its leases were accounted for as operating leases (e.g. in line with Galenica's accounting policies prior to the adoption of IFRS 16). Those figures are relevant for management incentive and remuneration plans. However, Galenica has determined that the figures including the effects of IFRS 16 are used by the CODM for monitoring and resource allocation decisions and therefore presents its segment reporting as below.

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.

Products & Care

The Products & Care segment comprises the «Retail» business area with offerings for patients and end customers (B2C) and the «Professionals» business area with offerings for business customers and partners in the healthcare sector (B2B).

The «Retail» business area comprises the two sectors «Local Pharmacies» (point-of-sale) and «Pharmacies at Home» (mail-order and home care). Retail operates at 556 locations Galenica's pharmacy network, the largest in Switzerland. With 376 pharmacies of its own and 180 partner pharmacies, Retail has outlets throughout the country. Galenica's own pharmacies comprise the Amavita brand with 198 branches and the Sun Store brand with 85 branches. Galenica also operates a chain of 86 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, 6 majority interests in pharmacies and 180 Winconcept partner pharmacies.

The «Professionals» business area comprises the «Products & Brands» and «Services for Professionals» sectors. Both business areas focus on the development, marketing and sale of healthcare services and products through the various Galenica distribution channels.

Logistics & IT

The Logistics & IT segment comprises the two sectors «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. Furthermore, Logistics & IT Services provides Group internal IT services.

Group Services

The activities included within Group Services mainly comprise Galenica's central operations, which include Group Management and centralised Corporate functions such as 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.

Eliminations

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

Sale of goods and services between the operating segments and resulting unrealised gains are eliminated in the Eliminations column. In addition, 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 Eliminations column.

Operating segment information 2024

Operating segment information 2024

in thousand CHF	Products & Care	Logistics & IT	Group Services	Eliminations	Galenica Group
Net sales	1,700,226	3,241,444	53,656	-1,074,244	3,921,081
- of which intersegmental net sales	-107,763	-915,055	-51,425	1,074,244	-
- of which net sales to third parties	1,592,462	2,326,389	2,231	-	3,921,081
Cost of goods	-909,819	-2,891,227	-	957,806	-2,843,240
Personnel costs	-378,146	-161,255	-46,660	3,335	-582,726
Share of profit from associates and joint ventures	6,237	-17	-	-11	6,209
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	230,996	93,651	29	-532¹⁾	324,144
Depreciation, amortisation and impairment	-70,983	-36,838	-2,145	188	-109,778
Earnings before interest and taxes (EBIT)	160,013	56,813	-2,116	-344¹⁾	214,367
Interest income					2,017
Interest expense					-12,654
Other net financial result					10,868
Earnings before taxes (EBT)					214,597
Income taxes					-30,898
Profit from continuing operations					183,699
Assets	1,844,485	1,069,816	620,682	-464,086²⁾	3,070,898
Investments in associates and joint ventures	147,309	122	-	-2,344	145,087
Liabilities	569,114	550,563	830,692	-431,315³⁾	1,519,053
Investments in property, plant and equipment	23,319	9,704	3,000	-	36,023 ⁴⁾
Investments in intangible assets	1,388	35,505	-	-151	36,742 ⁵⁾
Employees as at 31 December (FTE)	4,355	1,506	258	-	6,119

¹⁾ Including the effects of IAS 19 from defined benefit plans and long-service awards of CHF 0.5 million

²⁾ Of which elimination of intercompany positions of CHF -445.1 million and other unallocated amounts of CHF -19.0 million

³⁾ Of which elimination of intercompany positions of CHF -445.1 million and other unallocated amounts of CHF 13.8 million

⁴⁾ Of which non-cash investments of CHF 1.5 million

⁵⁾ 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 ¹⁾	1,747,311	414	1,747,725

¹⁾ Without financial assets and deferred tax assets

Operating segment information 2023

Operating segment information 2023

in thousand CHF	Products & Care	Logistics & IT	Group Services	Eliminations	Galenica Group
Net sales	1,635,633	3,076,988	50,051	-1,016,661	3,746,011
- of which Intersegmental net sales	-106,467	-863,775	-46,418	1,016,661	-
- of which Net sales to third parties	1,529,166	2,213,213	3,633	-	3,746,011
Cost of goods	-882,061	-2,746,003	-	913,622	-2,714,443
Personnel costs	-366,956	-151,351	-40,804	8,126	-550,984
Share of profit from associates and joint ventures	6,554	17	-	268	6,838
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	222,200	74,313	3,236	2,386¹⁾	302,135
Depreciation, amortisation and impairment	-68,429	-31,750	-3,058	237	-103,000
Earnings before interest and taxes (EBIT)	153,772	42,563	178	2,623¹⁾	199,135
Interest income					1,878
Interest expense					-9,466
Other net financial result					3,402
Earnings before taxes (EBT)					194,949
Income taxes					-29,245
Profit from continuing operations					165,704
Assets	1,832,129	1,029,042	600,327	-470,546²⁾	2,990,952
Investments in associates and joint ventures	146,718	99	-	-2,832	143,985
Liabilities	591,285	630,139	747,648	-453,317³⁾	1,515,755
Investments in property, plant and equipment	27,800	15,070	3,249	-	46,119 ⁴⁾
Investments in intangible assets	1,483	31,337	-	-121	32,699 ⁵⁾
Employees as at 31 December (FTE)	4,167	1,498	242	-	5,907

¹⁾ Including the effects of IAS 19 from defined benefit plans and long-service awards of CHF 5.8 million

²⁾ Of which elimination of intercompany positions of CHF -472.3 million and other unallocated amounts of CHF 1.7 million

³⁾ Of which elimination of intercompany positions of CHF -472.3 million and other unallocated amounts of CHF 19.0 million

⁴⁾ Of which non-cash investments of CHF 2.5 million

⁵⁾ Of which non-cash investments of CHF 2.6 million

Geographic information 2023

in thousand CHF	Switzerland	Other countries	Galenica Group
Net sales to third parties	3,705,756	40,255	3,746,011
Non-current assets ¹⁾	1,711,285	488	1,711,773

¹⁾ Without employee benefit assets, financial assets and deferred tax assets

4. Business combinations

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.

Business combinations

in thousand CHF	2024	2023
Cash and cash equivalents	3,580	3,961
Trade receivables	3,367	1,407
Inventories	1,751	4,161
Property, plant and equipment	382	387
Right-of-use assets	4,376	5,756
Intangible assets	–	9,333
Other current and non-current assets	742	367
Trade payables	–1,593	–437
Lease liabilities	–4,376	–5,756
Net deferred tax liabilities	95	–1,859
Employee benefit liabilities	–	–378
Other current and non-current liabilities	–1,915	–1,914
Fair value of net assets	6,409	15,029
Goodwill	20,168	19,650
Purchase consideration	26,577	34,679
Cash acquired	–3,580	–3,961
Deferred consideration	–	–64
Contingent consideration	–	–2,385
Net cash flow from current business combinations	22,997	28,268
Payment of consideration due to previous business combinations	64	–
Net cash flow from business combinations	23,061	28,268

Pro forma figures for acquisitions made in 2024 for the full 2024 financial year

Since their inclusion in Galenica's scope of consolidation, the businesses acquired contributed net sales of CHF 24.6 million and a negative operating result (EBIT) of CHF 0.4 million to the Group's results. If these acquisitions had occurred on 1 January 2024, they would have contributed additional net sales of CHF 7.0 million and increased EBIT by CHF 0.1 million.

Business combinations 2023

Acquisition of Padma AG. On 30 January 2023, Galenica acquired 100% of the shares in the Swiss company Padma AG. Padma AG is the parent company of the Padma Group with its two operating companies Padma Europe GmbH (Austria based) and Padma Deutschland GmbH (Germany based). Padma specialises in the manufacture and distribution of herbal formulations derived from Tibetan medicine.

The total purchase considerations amounted to CHF 23.3 million, of which CHF 20.9 million was settled in cash. A contingent consideration in the amount of CHF 2.4 million was recognised, which is due in 2026 if certain financial and operational targets are achieved. The fair value of the net identifiable asset amounted to CHF 14.2 million at the acquisition date. The goodwill of CHF 9.1 million was allocated to the operating segment Products & Care and corresponds to added value based on the acquirer-specific synergies expected to arise

from the acquisition in expanding its complementary medicine portfolio and expanding its range of reimbursable medicines and the know-how of the employees gained. Transaction costs were not material.

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 11.4 million, of which CHF 11.3 million was settled in cash and CHF 0.1 million was recognised as deferred consideration, which was paid in 2024. The fair value of the net identifiable assets amounts to CHF 0.8 million at the acquisition date. The goodwill of CHF 10.6 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.

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 2024

Net sales 2024

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
Local Pharmacies	1,278,232	86,838	1,365,070	-409	1,364,661	1,277,907	86,754
Pharmacies at Home	72,679	4,572	77,251	-	77,251	72,679	4,572
Retail (B2C)¹⁾	1,350,594	91,410	1,442,004	-91	1,441,913	1,350,586	91,326
Products & Brands	181,648	1,732	183,381	-89,728	93,653	92,130	1,523
Services for Professionals	69,313	15,525	84,838	-27,942	56,896	54,561	2,335
Professionals (B2B)¹⁾	250,988	17,223	268,210	-117,661	150,549	146,690	3,859
Products & Care¹⁾	1,595,357	104,869	1,700,226	-107,763	1,592,462	1,497,277	95,185
Wholesale	3,095,583	9,640	3,105,223	-853,435	2,251,789	2,244,698	7,090
Logistics & IT Services	128	157,037	157,166	-82,566	74,600	168	74,432
Logistics & IT¹⁾	3,095,711	145,733	3,241,444	-915,055	2,326,389	2,244,866	81,523
Group Services	-	53,656	53,656	-51,425	2,231	-	2,231
Eliminations ²⁾	-948,925	-125,319	-1,074,244	1,074,244	-	-	-
Galenica Group	3,742,143	178,938	3,921,081	-	3,921,081	3,742,143	178,938

¹⁾ Including eliminations of intercompany net sales

²⁾ Eliminations of intersegmental net sales

Net sales 2023

Net sales 2023

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
Local Pharmacies	1,223,601	83,330	1,306,931	672	1,307,603	1,224,273	83,330
Pharmacies at Home	74,410	4,509	78,918	-283	78,635	74,126	4,509
Retail (B2C)¹⁾	1,297,725	87,838	1,385,564	674	1,386,237	1,298,399	87,838
Products & Brands	175,674	1,458	177,132	-87,205	89,927	88,522	1,405
Services for Professionals	63,116	15,819	78,934	-25,950	52,984	49,781	3,203
Professionals (B2B)¹⁾	238,815	17,248	256,064	-113,153	142,911	138,303	4,607
Products & Care¹⁾	1,534,129	101,504	1,635,633	-106,467	1,529,166	1,436,719	92,446
Wholesale	2,942,635	10,097	2,952,732	-812,965	2,139,767	2,132,506	7,260
Logistics & IT Services	390	143,575	143,965	-70,519	73,446	390	73,056
Logistics & IT¹⁾	2,943,019	133,968	3,076,988	-863,775	2,213,213	2,132,896	80,316
Group Services	-	50,051	50,051	-46,418	3,633	-	3,633
Eliminations ²⁾	-907,536	-109,124	-1,016,661	1,016,661	-	-	-
Galenica Group	3,569,612	176,399	3,746,011	-	3,746,011	3,569,612	176,399

¹⁾ Including eliminations of intercompany net sales

²⁾ 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, the processing and sale of information and IT services as well as other contractually agreed services.

In the business area "Retail (B2C)" sale of services mainly includes healthcare services and consultations sales. Most of sale of service in the business area "Professionals (B2B)" are in connection with marketing, purchase and other services for independent pharmacies or associates and joint ventures as well as providing education services for staff in pharmacies and drugstores. Depending on the service the performance obligations are either satisfied over time or at a point in time (i.e. when consultation took place).

In the business area "Logistics & IT Services" sale of services mainly includes pre-wholesale services and group external as well as group internal 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	2024	2023
Income from own work capitalised	9,491	10,011
Rental income from operating leases	551	1,690
Gain on disposal of property, plant and equipment	3,308	703
Other operating income	2,872	4,636
Other income	16,223	17,040

7. Personnel costs

Personnel costs

in thousand CHF	2024	2023
Salaries and wages	476,846	449,756
Social security costs and pension expenses	68,459	60,040
Other personnel costs	37,422	41,188
Personnel costs	582,726	550,984
Average number of employees (FTE)	6,090	5,770

Social security costs and pension expenses contain expenses for defined benefit plans of CHF 33.9 million (previous year: expenses of CHF 26.6 million) (refer to [note 24](#)). Salaries and wages includes expenses for share-based payments of CHF 6.0 million (previous year: CHF 4.3 million) (refer to [note 29](#)).

8. Other operating costs

Other operating costs

in thousand CHF	2024	2023
Maintenance and repairs	32,857	29,380
Transport and shipping costs	44,116	42,158
Other operating and production costs	21,420	19,119
Rental and other lease expenses ¹⁾	10,510	10,997
Administration costs	50,375	57,514
Marketing and sales costs	32,538	42,038
Non-income taxes	1,579	1,088
Loss on disposal of property, plant and equipment	6	34
Other operating costs	193,402	202,328

¹⁾ Of which other lease expenses (incidental expenses) of CHF 3.9 million (previous year: CHF 5.6 million)

Research and development

During the reporting period, expenses for research and development totalling CHF 14.0 million were recognised directly in other operating costs (previous year: CHF 12.7 million).

9. Financial result

Financial result

in thousand CHF	2024	2023
Interest income	1,619	1,749
Net interest income from employee benefit plans	398	129
Net remeasurement of change in fair value of contingent consideration liabilities	10,600	10,057
Other financial income	337	76
Net gain on foreign exchange	425	–
Financial income	13,379	12,012
Interest expense	9,538	6,515
Interest expense on lease liabilities	3,116	2,951
Other financial costs	494	6,343
Net loss on foreign exchange	–	388
Financial expenses	13,148	16,198
Net financial result	–230	4,186

10. Earnings per share

Number of outstanding shares

	2024	2023
Total number of shares	50,000,000	50,000,000
Average number of treasury shares	–157,074	–151,779
Average number of outstanding shares	49,842,926	49,848,221
Effect from share-based payments	43,301	46,724
Theoretical average number of outstanding shares (diluted)	49,886,227	49,894,945

Earnings per share

	2024	2023
Earnings per share		
Net profit – attributable to shareholders of Galenica Ltd. (in thousand CHF)	182,951	285,367
Earnings per share (in CHF)	3.67	5.72
Diluted earnings per share (in CHF)	3.67	5.72
Earnings per share from continuing operations		
Profit from continuing operations – attributable to shareholders of Galenica Ltd. (in thousand CHF)	183,031	164,919
Earnings per share from continuing operations (in CHF)	3.67	3.31
Diluted earnings per share from continuing operations (in CHF)	3.67	3.31
Earnings per share from discontinued operations		
Profit from discontinued operations – attributable to shareholders of Galenica Ltd. (in thousand CHF)	–80	120,448
Earnings per share from discontinued operations (in CHF)	–	2.42
Diluted earnings per share from discontinued operations (in CHF)	–	2.41

11. Income taxes

Income taxes

in thousand CHF	2024	2023
Current income taxes	33,732	29,634
Income taxes of prior periods	-1,419	114
Deferred income taxes	-1,415	-503
Income taxes from continuing operations	30,898	29,245
Income taxes related to discontinued operations	-21	5,766
Total income taxes	30,877	35,012

Tax reconciliation

in thousand CHF	2024	2023
Earnings before taxes from continuing operations	214,597	194,949
Earnings before taxes from discontinued operations	-101	126,214
Earnings before income taxes	214,496	321,163
Weighted income tax rate in % of accounting profit	18.3%	17.7%
Expected income taxes	39,290	56,971
Effects due to the sale of participation of discontinued operations (not taxable)	-	-14,116
Effects of changes in tax rates	373	-290
Effects of unrecognised losses in the current year	72	50
Realisation of unrecognised tax losses of prior periods	-43	-668
Recognition of tax losses of prior periods	-390	-1,570
Remeasurement contingent consideration liabilities from business combinations (not taxable)	-2,173	-2,112
Effects of changes in investments (write-down/reversal of write down)	-7,122	-828
Income taxes of prior periods	-1,419	114
Other items	2,289	-2,539
Effective income taxes	30,877	35,012
Effective income tax rate in % of accounting profit	14.4%	10.9%
- of which income taxes attributable to continuing operations (reported in the statement of income)	30,898	29,245
- effective income tax rate attributable to continuing operations in % of EBT	14.4%	15.0%
- of which income taxes attributable to discontinued operations	-21	5,766

Deferred taxes

in thousand CHF	2024			2023		
	Deferred tax assets	Deferred tax liabilities	Net carrying amount	Deferred tax assets	Deferred tax liabilities	Net carrying amount
Current assets	3,871	-26,686	-22,815	3,914	-27,000	-23,086
Property, plant and equipment	24	-2,122	-2,098	29	-2,518	-2,489
Right-of-use assets	-	-38,835	-38,835	-	-38,944	-38,944
Intangible assets	2,909	-25,561	-22,652	6,331	-24,917	-18,587
Investments	-	-690	-690	-	-685	-685
Financial assets	-	-2,025	-2,025	-	-20,211	-20,211
Lease liabilities	39,988	-	39,988	40,044	-	40,044
Provisions	-	-737	-737	-	-953	-953
Employee benefit plans	3,155	-	3,155	3,460	-3,677	-217
Other temporary differences	641	-1,823	-1,182	295	-1,856	-1,561
Shareholders' equity	614	-	614	734	-	734
Deferred taxes due to temporary differences	51,203	-98,480	-47,277	54,806	-120,761	-65,956
Tax loss carryforwards	5,098	-	5,098	1,440	-	1,440
Gross deferred taxes	56,301	-98,480	-42,179	56,246	-120,761	-64,515
Netting of assets and liabilities	-51,837	51,837	-	-51,300	51,300	-
Net deferred taxes	4,464	-46,643	-42,179	4,946	-69,461	-64,515

Analysis of net deferred taxes

in thousand CHF	2024	2023
1 January	-64,515	-45,126
Recognised as income taxes in profit or loss		
- Change in temporary differences	-1,826	-1,112
- Fiscal realisation of recognised tax loss carryforwards	-563	-342
- Tax loss carryforwards taken into account for the first time	4,178	1,666
- Effects of changes in tax rates	-373	290
Recognised in other comprehensive income	20,728	-13,940
Recognised in shareholders' equity (related to share-based payments)	71	146
Addition to scope of consolidation	95	-1,859
Disposal from scope of consolidation	-	1,593
Discontinued operations	-	-5,766
Translation differences	27	-66
31 December	-42,179	-64,515

Temporary differences on which no deferred taxes have been recognised

in thousand CHF	2024	2023
Investments in subsidiaries	337,862	399,402

Tax loss carryforwards and tax credits

in thousand CHF	2024		2023	
	Tax loss carryforwards / tax credits	Tax effect	Tax loss carryforwards / tax credits	Tax effect
Tax loss carryforwards and tax credits	28,805	5,116	6,728	1,491
- of which capitalised as deferred tax assets	-5,007	-1,122	-6,336	-1,427
- of which netted with deferred tax liabilities	-23,666	-3,976	-95	-13
Unrecognised tax loss carryforwards and tax credits	132	18	297	51
Of which expire:				
- within 1 year	-	-	-	-
- in 2 to 5 years	-	-	289	49
- in more than 5 years	132	18	9	1

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 of its potential exposure to Pillar Two income taxes based on 2024 financial information for the constituent entities in the Group. The Pillar Two effective tax rates in all the jurisdictions in which the Group operates is above 15% according to transitional safe harbour rules and expects there to be no top-up taxes for the financial year 2024. Galenica continues to follow Pillar Two legislative developments to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows.

12. Discontinued operations

On 30 March 2023 Galenica announced the combination of the business activities of the specialty pharmacy Mediservice Ltd. (including Curarex swiss AG) and the online pharmacy redcare-apotheke.ch in a strategic partnership with Redcare Pharmacy N.V. The closing of the transaction occurred on 16 May 2023.

Through the transaction, Galenica sold 51% of the shares of Mediservice Ltd. to Redcare Pharmacy N.V. The total purchase consideration amounted to CHF 215.5 million, consisting of a 6.1% investment in the listed company Redcare Pharmacy N.V., Netherlands with a fair value of CHF 109.5 million and the retained 49% participation in Mediservice Ltd. (including the online pharmacy shop-apotheke.ch) with a fair value of CHF 106.0 million. The remaining 49% participation in Mediservice Ltd. is accounted for as an investment in an associate.

At the date of disposal, the purchase consideration was reduced by an estimated amount of CHF 10.6 million which is contingent on net working capital developments as well as certain market developments and will become due between 2024 and 2027. In 2024 the remeasurement of the contingent consideration liability resulted in a change in fair value of minus CHF 0.1 million (previous year: CHF 7.7 million) which was allocated to the net profit from discontinued operations.

Gain on sale of discontinued operations

in thousand CHF	2024	2023
Fair value of received equity instruments	–	109,456
Fair value of retained at equity investment in former subsidiary	–	106,011
Contingent considerations	–	–10,594
Total considerations received / interest retained	–	204,873
Carrying amount of net assets disposed	–	–86,776
Transaction costs	–	–813
Income taxes related to the sale of the discontinued operations	–	–5,515
Gain on sale of discontinued operations as per date of disposal	–	111,769
Net remeasurement of change in fair value of contingent consideration liabilities related to sale of discontinued operations	–80	7,663
Gain on sale of discontinued operations	–80	119,432

The table below shows the financial performance of the discontinued operations in the previous year.

Statement of income of discontinued operations

in thousand CHF	1.1.– 16.5.2023
Net sales	164,487
Other income	18
Expenses	–163,238
Earnings before tax (EBT) from discontinued operations	1,266
Income taxes	–251
Net profit from discontinued operations	1,015

Accounting principles discontinued operations

A disposal group is classified as a discontinued operation if it represents a separate major line of business or geographical business unit. Discontinued operations are not included in the result from continuing operations and are reported separately in the consolidated statement of income as profit from discontinued operations. The prior period amounts in the income statement and in the consolidated statement of cash flows are adjusted for comparison purposes. The elimination of intercompany transactions between continuing and discontinued operations is adjusted in order to reflect the impact of these transactions in continuing operations going forward. Therefore, intercompany transactions with the discontinued operations are treated as third parties transaction in the continuing operation.

13. Trade and other receivables

Trade and other receivables

in thousand CHF	2024	2023
Trade receivables	468,568	502,036
Bad debt allowances	-8,286	-16,044
Other receivables	39,717	32,301
Trade and other receivables	499,999	518,293

Change in bad debt allowances for trade receivables

in thousand CHF	2024	2023
1 January	-16,044	-9,752
Addition	-1,743	-8,053
Use	7,460	526
Reversal	2,042	775
Disposal from scope of consolidation	-	454
Translation differences	-1	6
31 December	-8,286	-16,044

Maturity profile of trade receivables

in thousand CHF	2024			2023		
	Gross trade receivables	Bad debt allowances	Net trade receivables	Gross trade receivables	Bad debt allowances	Net trade receivables
Not past due	403,591	-3,596	399,995	407,341	-4,752	402,589
Past due:						
- 1 to 30 days	46,149	-1,016	45,133	69,219	-994	68,226
- 31 to 60 days	7,192	-831	6,361	7,920	-176	7,744
- 61 to 90 days	2,466	-791	1,675	1,936	-230	1,706
- more than 90 days	9,170	-2,052	7,118	15,620	-9,892	5,728
Total	468,568	-8,286	460,282	502,036	-16,044	485,992

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.

14. Inventories

Inventories

in thousand CHF	2024			2023		
	Raw material and merchandise ¹⁾	Semi-finished and finished goods ²⁾	Total inventories	Raw material and merchandise ¹⁾	Semi-finished and finished goods ²⁾	Total inventories
Gross carrying amount as at 1 January	366,064	9,550	375,614	331,281	4,162	335,443
Change in inventories	4,056	1,407	5,463	50,603	3,725	54,328
Addition to scope of consolidation	1,751	–	1,751	2,431	1,730	4,161
Disposal from scope of consolidation	–	–	–	–18,174	–	–18,174
Translation differences	10	12	22	–77	–67	–145
Gross carrying amount as at 31 December	371,881	10,969	382,850	366,064	9,550	375,614
Allowance as at 1 January	–17,006	–1,512	–18,518	–19,744	–540	–20,283
Addition	–3,821	–672	–4,493	–2,309	–1,085	–3,395
Reversal / use	2,971	252	3,223	5,026	109	5,135
Disposal from scope of consolidation	–	–	–	6	–	6
Translation differences	–3	–3	–6	15	4	19
Allowance as at 31 December	–17,860	–1,935	–19,795	–17,006	–1,512	–18,518
Net carrying amount as at 31 December	354,021	9,034	363,055	349,058	8,038	357,096

¹⁾ Including prepayments to suppliers

²⁾ 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.

15. 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
Net carrying amount as at 31.12.2022	159,544	1,958	41,465	21,877	24,650	249,495
Addition	23,016	1,993	4,949	8,202	7,959	46,119
Disposal	-283	-	-	-	-112	-394
Reclassification	167	-822	206	73	376	-
Depreciation	-14,108	-	-6,354	-5,190	-9,572	-35,224
Addition to scope of consolidation	-	-	64	223	100	387
Disposal from scope of consolidation	-318	-	-333	-31	-	-681
Net carrying amount as at 31.12.2023	168,019	3,129	39,996	25,156	23,402	259,702
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
Net carrying amount as at 31.12.2024	167,743	4,408	39,807	26,620	19,098	257,676
Overview as at 31.12.2023						
Cost	344,854	3,129	116,950	119,677	71,152	655,763
Accumulated depreciation and impairment	-176,835	-	-76,954	-94,522	-47,750	-396,060
Net carrying amount as at 31.12.2023	168,019	3,129	39,996	25,156	23,402	259,702
Overview as at 31.12.2024						
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
Net carrying amount as at 31.12.2024	167,743	4,408	39,807	26,620	19,098	257,676

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.

16. Leases

Right-of-use assets

in thousand CHF	Real estate	Other right of-use assets	Total right-of-use assets
Net carrying amount as at 31.12.2022	226,489	196	226,685
Addition	22,104	139	22,243
Reassessment of existing lease contracts	31,297	5	31,302
Depreciation	-52,726	-118	-52,844
Impairment	-37	-	-37
Reversal of impairment	508	-	508
Addition to scope of consolidation	5,756	-	5,756
Disposal from scope of consolidation	-4,025	-	-4,025
Translation differences	-	-6	-6
Net carrying amount as at 31.12.2023	229,366	217	229,583
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
Net carrying amount as at 31.12.2024	228,936	182	229,118

Lease liabilities

in thousand CHF	2024	2023
Net carrying amount as at 1 January	236,041	233,178
Addition	19,143	22,243
Reassessment of existing lease contracts	28,902	31,299
Interest expense on lease liabilities	3,116	2,972
Repayment of lease liabilities (including interest)	-55,691	-55,173
Addition to scope of consolidation	4,376	5,756
Disposal from scope of consolidation	-	-4,228
Translation differences	1	-6
Net carrying amount as at 31 December	235,887	236,041
- of which current lease liabilities	52,693	50,484
- of which non-current lease liabilities	183,195	185,557

Leases recognised in profit or loss

in thousand CHF	2024	2023
Rental income from operating leases (included in other income)	551	1,690
Short-term lease expense (included in other operating costs)	-1,494	-1,282
Low-value lease expense (included in other operating costs)	-731	-51
Variable lease expense (included in other operating costs)	-4,339	-4,045
Depreciation of right-of-use assets	-52,834	-52,580
Impairment of right-of-use assets	-98	-37
Reversal of impairment of right-of-use assets	49	508
Interest expense on lease liabilities	-3,116	-2,951

The total cash outflow for leases including short-term leases, leases of low-value-assets and variable lease expenses was CHF 62.3 million (previous year: CHF 60.3 million).

Maturity profile of undiscounted lease liabilities

in thousand CHF	2024	2023
Up to 3 months	13,922	13,477
In 3 to 12 months	41,317	39,648
In 2 years	49,867	47,719
In 3 years	40,933	39,588
In 4 to 5 years	56,091	57,021
In 6 to 10 years	38,745	43,829
In more than 10 years	4,520	5,003
Total future cash flows from undiscounted lease liabilities	245,395	246,284

Possible future cash outflows related to extension options in an amount of CHF 213.8 million (previous year: CHF 192.6 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 2025 is expected to be similar to the amount recognised in 2024.

Galenica has entered into various lease contracts that have not yet commenced as at 31 December 2024. The future lease payments for these non-cancellable lease contracts amount to CHF 40.1 million (previous year: CHF 40.3 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).

17. Intangible assets

Intangible assets

in thousand CHF	Intangible assets with finite useful lives ¹⁾	Trademarks with indefinite useful lives	Software	Goodwill	Total intangible assets
Net carrying amount as at 31.12.2022	10,422	82,720	92,267	914,703	1,100,112
Addition	508	–	32,191	–	32,699
Amortisation	–2,974	–	–12,783	–	–15,757
Addition to scope of consolidation	392	8,940	–	19,650	28,983
Disposal from scope of consolidation	–	–	–4,471	–63,046	–67,517
Translation differences	–16	–	–1	–	–17
Net carrying amount as at 31.12.2023	8,332	91,660	107,204	871,307	1,078,503
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
Net carrying amount as at 31.12.2024	6,054	91,660	126,656	891,475	1,115,844
Overview as at 31.12.2023					
Cost	22,863	91,660	168,294	871,307	1,154,124
Accumulated amortisation and impairment	–14,530	–	–61,090	–	–75,620
Net carrying amount as at 31.12.2023	8,332	91,660	107,204	871,307	1,078,503
Overview as at 31.12.2024					
Cost	23,260	91,660	202,484	891,475	1,208,879
Accumulated amortisation and impairment	–17,206	–	–75,829	–	–93,035
Net carrying amount as at 31.12.2024	6,054	91,660	126,656	891,475	1,115,844

¹⁾ 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	2024	2023
Carrying amount	91,660	91,660
Growth rate	1.2%	1.0%
Pre-tax discount rate	7.2%	7.0%

According to the results of impairment testing for 2024 and 2023 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 2024 and 2023 did not reveal that a reasonable possible change in assumption would lead to an impairment.

Goodwill

Goodwill

in thousand CHF	2024			2023		
	Carrying amount	Growth rate	Pre-tax discount rate	Carrying amount	Growth rate	Pre-tax discount rate
Products & Care	805,928	1.2%	7.2%	785,760	1.0%	7.1%
Logistics & IT	85,547	1.2%	7.2%	85,547	1.0%	7.1%
Total	891,475			871,307		

According to the results of impairment testing for 2024 and 2023 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 2024 and 2023 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.

18. Investments in associates and joint ventures

Investments in associates

Investments in associates

in thousand CHF	2024	2023
Net carrying amount as at 1 January	112,969	3,108
Share of profit from associates	257	1,576
Remeasurement of net defined benefit plans from associates	405	-1,226
Investments	2,071	109,511 ¹⁾
Dividends received	-2,973	-
Net carrying amount as at 31 December	112,729	112,969

¹⁾ Including contribution of fair value of retained at equity investment in former subsidiary of CHF 106.0 million (refer to note 12, Discontinued operations)

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	2024	2023
Current assets	80,601	91,182
Non-current assets	200,737	202,811
Current liabilities	59,752	66,702
Non-current liabilities	7,269	9,432
Equity before appropriation of earnings	214,317	217,859
Operating income	471,376	295,665 ¹⁾
EBIT	1,655	4,526 ¹⁾
Net profit	1,632	4,011 ¹⁾
Remeasurement of net defined benefit plans recognised in other comprehensive income	826	-2,502 ¹⁾

¹⁾ Figures as from 16 May to 31 December 2023

The net carrying amount of the investment in Mediservice is CHF 105.0 million as at 31 December 2024 (previous year: CHF 106.8 million). Unrealised profits on inventory are not considered in these amounts.

Investments in joint ventures

Investments in joint ventures

in thousand CHF	2024	2023
Net carrying amount as at 1 January	31,016	29,574
Share of profit from joint ventures	5,951	5,263
Remeasurement of net defined benefit plans from joint ventures	95	-403
Investments	-	991
Dividends received	-4,704	-4,410
Net carrying amount as at 31 December	32,358	31,016

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	2024	2023
Current assets	46,860	50,922
Non-current assets	104,643	101,604
– of which right-of-use assets	38,314	39,581
Current liabilities	51,101	53,720
– of which current lease liabilities	9,727	10,159
Non-current liabilities	35,487	37,128
– of which non-current lease liabilities	29,351	30,786
Equity before appropriation of earnings	64,915	61,678
Operating income	293,095	277,816
EBIT	16,324	14,625
Net profit	12,644	11,165
Remeasurement of net defined benefit plans recognised in other comprehensive income	194	-822

The net carrying amount of the investment in Coop Vitality is CHF 31.8 million as at 31 December 2024 (previous year: CHF 30.2 million). Unrealised profits on inventory are not considered in these amounts.

19. Financial assets

Financial assets

in thousand CHF	2024	2023
Loans	13,845	11,767
Rental deposits	5,248	4,954
Other financial assets	780	926
Loans and other financial assets	19,873	17,647
Equity instruments at fair value through profit or loss	2,515	2,536
Equity instruments at fair value through other comprehensive income	264,541	200,030
Financial assets	286,929	220,214

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.

20. Financial liabilities

Financial liabilities

in thousand CHF	2024	2023
Bank loans	–	30,000
Loans	24,503	28,053
Mortgages	–	1,229
Liabilities to pension funds	14,365	10,708
Bonds	519,811	419,871
Contingent consideration liabilities from business combinations	30,907	41,507
Other financial liabilities	8,506	7,431
Financial liabilities	598,093	538,799
– of which current financial liabilities	58,385	70,231
– of which non-current financial liabilities	539,708	468,569

Bonds

in thousand CHF	ISIN	Nominal	Coupon	2024	2023
Straight Bond (15 June 2017 – 15 December 2026)	CH0367206700	180,000	1.00%	180,080	180,120
Straight Bond (8 May 2023 – 8 November 2029)	CH1255924453	240,000	2.35%	239,791	239,751
Straight Bond (30 April 2024 – 30 April 2031)	CH1331113634	100,000	1.65%	99,940	–
Bonds		520,000		519,811	419,871

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
Financial liabilities	538,799	309,645	-241,039	-	-9,312	598,093
Lease liabilities	236,041	-	-52,576	4,376	48,046	235,887
Financial liabilities and lease liabilities	774,841	309,645	-293,615	4,376	38,733	833,980

Cash flow from financial liabilities and lease liabilities 2023

in thousand CHF	01.01.2023	Proceeds from financial liabilities	Repayment of financial liabilities	Addition to scope of consolidation	Disposal from scope of consolidation	Other changes	31.12.2023
Bank loans	-	60,000	-30,000	-	-	-	30,000
Loans	6,320	22,320	-653	-	-	66	28,053
Mortgages	1,241	-	-12	-	-	-	1,229
Liabilities to pension funds	12,099	5	-1,900	-	-	504	10,708
Private placement (notes)	-	55,000	-55,000	-	-	-	-
Bonds	380,194	239,726	-200,000	-	-	-48	419,871
Contingent consideration liabilities from business combinations	49,180	-	-	-	-	-7,672	41,507
Other financial liabilities	4,279	-	-	-	-	3,152	7,431
Financial liabilities	453,312	377,051	-287,565	-	-	-3,998	538,799
Lease liabilities	233,178	-	-52,201	5,756	-4,228	53,536	236,041
Financial liabilities and lease liabilities	686,490	377,051	-339,766	5,756	-4,228	49,538	774,841

21. Trade and other payables

Trade and other payables

in thousand CHF	2024	2023
Trade payables	418,274	384,774
Contract liabilities	10,381	9,500
Other payables	26,693	23,168
Trade and other payables	455,348	417,442

Contract liabilities are generally recognised in revenue within 12 months.

22. Provisions

Provisions

in thousand CHF	2024	2023
1 January	5,558	4,684
Addition	654	4,136
Use	-760	-2,304
Reversal	-372	-1,702
Addition to scope of consolidation	176	745
31 December	5,256	5,558
- of which current provisions	4,983	4,880
- of which non-current provisions	273	678

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

23. 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 has signed purchase agreements to acquire pharmacies in the next few months. The purchase prices will be fixed at the time of transfer of ownership, based on net asset value and discounted cash flows or a multiple analysis. The total purchase consideration is estimated at CHF 16.0 million and is due upon the closing of the transactions. These purchase rights or obligations fall due in 2025.

Galenica signed purchase agreements to acquire property, plant and equipment and intangible assets totalling CHF 15.9 million (previous year: CHF 17.3 million). The payments under these purchase commitments become due in 2025.

Furthermore, there are guarantees of CHF 12.4 million (previous year: CHF 6.8 million) and subordinated loans of CHF 1.1 million (previous year: CHF 0.9 million) to third parties.

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

24. 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 2024. 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 2024 for Galenica Pension Fund is 117.6% (unaudited) and as at 31 December 2023 108.3% (final).

Defined benefit plans and long-service awards

in thousand CHF	2024			2023		
	Defined benefit plans	Long-service awards ¹⁾	Total	Defined benefit plans	Long-service awards ¹⁾	Total
Plan assets measured at fair value	1,228,826	–	1,228,826	1,101,802	–	1,101,802
Present value of defined benefit obligation	-1,188,654	-13,680	-1,202,334	-1,079,958	-14,290	-1,094,248
Surplus / (deficit)	40,172	-13,680	26,492	21,844	-14,290	7,554
Effect of asset ceiling	-44,022	–	-44,022	-6,346	–	-6,346
Net carrying amount recognised in employee benefit assets / liabilities	-3,850	-13,680	-17,530	15,498	-14,290	1,208
of which recognised in assets	–	–	–	20,429	–	20,429
of which recognised in liabilities	-3,850	-13,680	-17,530	-4,931	-14,290	-19,221

¹⁾ Long-service awards relate to provisions for jubilee payments

Change in present value of defined benefit obligation

in thousand CHF	2024			2023		
	Defined benefit plans	Long-service awards	Total	Defined benefit plans	Long-service awards	Total
1 January	-1,079,958	-14,290	-1,094,248	-975,824	-14,988	-990,812
Current service cost	-32,761	-1,756	-34,517	-25,896	-1,633	-27,529
Past service cost	-95	–	-95	-112	–	-112
Interest on defined benefit obligation	-14,752	-184	-14,937	-19,768	-297	-20,066
Actuarial gain/(loss)	-55,377	1,023	-54,354	-68,933	889	-68,044
Employee contributions	-22,027	–	-22,027	-20,962	–	-20,962
Benefits/awards paid	16,315	1,527	17,842	8,740	1,500	10,240
Change in scope of consolidation	–	–	–	22,797	240	23,037
31 December	-1,188,654	-13,680	-1,202,334	-1,079,958	-14,290	-1,094,248

Change in fair value of plan assets

in thousand CHF	2024	2023
1 January	1,101,802	1,044,124
Interest on plan assets	15,423	21,712
Remeasurement gain/(loss)	73,340	17,104
Employee contributions	22,027	20,962
Employer contributions	33,586	31,634
Net benefits paid	-16,315	-8,740
Administration cost	-1,036	-1,051
Change in scope of consolidation	-	-23,943
31 December	1,228,826	1,101,802

Net defined benefit cost

in thousand CHF	2024	2023
Current service cost	32,761	25,896
Past service cost	95	112
Net interest on net defined benefit liability	-582	-430
Administration cost	1,036	1,051
Net defined benefit cost	33,310	26,628¹⁾

¹⁾ Of which continuing operations of CHF 26.3 million

Remeasurement of net defined benefit assets / liabilities

in thousand CHF	2024	2023
Actuarial gain/(loss) due to:		
- Changes in demographic assumptions	24,399	-
- Changes in financial assumptions	-54,261	-91,366
- Experience adjustments	-25,515	22,433
Remeasurement of plan assets	73,340	17,104
Effect in the change of asset ceiling	-37,587	64,341
Remeasurement of net defined benefit assets / liabilities recognised in other comprehensive income¹⁾	-19,624	12,512¹⁾

¹⁾ Of which continuing operations of CHF 12.6 million)

Change in assumption and in estimate

During 2024, Galenica conducted a review of actuarial valuation parameters, including employee turnover rates. Considering actual historical patterns with turnover rates at approximate 120% of BVG 2020 tables in the retail business (previous year: 100% of BVG 2020) and 110% of BVG 2020 tables in the non-retail business (previous year: 60% of BVG 2020). This resulted in an decrease of the defined benefit obligation of CHF 24.4 million, which was recognised in other comprehensive income.

The experience adjustments of minus CHF 25.5 million (previous year: CHF 22.4 million) were the result of various elements not expected in the prior year mainly the additional interest rate in 2024 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 decrease of the discount rate from 1.40% to 0.95% (previous year: decrease from 2.10% to 1.40%) resulted in a increase of the defined benefit obligation of CHF 54.3 million (previous year: increase of CHF 91.4 million).

Asset ceiling

in thousand CHF	2024	2023
1 January	-6,346	-69,941
Interest income	-89	-1,514
Change in the asset ceiling (recognised in other comprehensive income)	-37,587	64,341
Change in scope of consolidation	-	768
31 December	-44,022	-6,346

Investment structure of plan assets

in thousand CHF	2024		2023	
Cash and cash equivalents	9,514	0.8%	4,726	0.4%
Debt instruments	269,158	21.9%	246,256	22.4%
Equity instruments	524,226	42.7%	453,405	41.2%
Real estate	276,572	22.5%	258,636	23.5%
Other investments	149,356	12.2%	138,779	12.6%
Fair value of plan assets	1,228,826	100.0%	1,101,802	100.0%
Current return on plan assets		8.1%		3.8%

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 12.9 million (previous year: CHF 9.7 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 5,900 active members (previous year: 5,829) and 1,036 pensioners (previous year: 993).

Galenica does not use any pension fund assets.

Basis for measurement

	2024	2023
Discount rate	0.95%	1.40%
Salary development	2.10%	2.25%
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 (60% –100%)

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	2024		2023	
	Variations in assumptions	Impact on DBO	Variations in assumptions	Impact on DBO
Discount rate	+0.25%	–36,871	+0.25%	–35,639
	–0.25%	39,257	–0.25%	37,808
Salary development	+0.25%	3,581	+0.25%	3,221
	–0.25%	–2,400	–0.25%	–3,221
Mortality	+1 year	30,837	+1 year	27,849
	–1 year	–30,837	–1 year	–27,868

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 14.7 years (previous year: 15.7 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 34.0 million for 2025.

25. Shareholders' equity

25.1 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 2024 in the chapter Corporate Governance (unaudited).

Number of shares

	Total shares Galenica Ltd.	Treasury shares	Outstanding shares
Balance as at 31.12.2022	50,000,000	-183,740	49,816,260
Transactions with treasury shares	-	15,920	15,920
Balance as at 31.12.2023	50,000,000	-167,820	49,832,180
Transactions with treasury shares	-	-5,159	-5,159
Balance as at 31.12.2024	50,000,000	-172,979	49,827,021

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

25.2 Changes in consolidated shareholder's equity

On 10 April 2024, the Annual General Meeting approved a dividend payment of CHF 109.7 million for the financial year 2023 (previous year: CHF 109.8 million), corresponding to CHF 2.20 per registered share (previous year: CHF 2.20). For this purpose, CHF 1.10 was taken from the reserves from capital contributions (previous year: CHF 1.10) and CHF 1.10 from retained earnings (previous year: CHF 1.10) of Galenica Ltd. The dividend was paid out to the shareholders on 16 April 2024.

In the reporting period, 131,964 treasury shares (previous year: 156,148 treasury shares) were bought at an average price of CHF 73.53 (previous year: CHF 70.51) and 126,805 treasury shares (previous year: 172,068 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 acquisition of non-controlling interests reduced consolidated shareholders' equity by CHF 0.5 million (previous year: less than CHF 0.1 million). Remaining Shareholders of an acquisition made in 2022 have a put option to sell their shares to Galenica which gives rise to a financial liability. The changes in the carrying amount of this financial liability reduced consolidated shareholder's equity by CHF 1.2 million (previous year: CHF 0.3 million).

The Board of Directors will submit a proposal to the Annual General Meeting on 10 April 2025 to pay a dividend of CHF 2.30 per share entitled to receive dividend for the financial year 2024. For this purpose, CHF 1.15 is to be taken from the reserves from capital contributions and CHF 1.15 from the retained earnings. However, no dividend will be paid on treasury shares. Based on the number of treasury shares as at 31 December 2024, the total dividend would amount to CHF 114.6 million.

26. Financial instruments

26.1 Categories of financial instruments

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 ¹⁾	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 ²⁾	539,708
Non-current lease liabilities	–	–	–	183,195	183,195
Total	652,069	264,541	30,907	1,248,039	

¹⁾ 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

²⁾ 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

Carrying amounts of financial instruments 2023

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	116,159	–	–	–	116,159
Trade and other receivables	518,293	–	–	–	518,293
Financial assets	20,183 ¹⁾	200,030	–	–	220,214
Current financial liabilities	–	–	–	70,231	70,231
Current lease liabilities	–	–	–	50,484	50,484
Trade and other payables	–	–	–	407,943	407,943
Non-current financial liabilities	–	–	41,507	427,061 ²⁾	468,569
Non-current lease liabilities	–	–	–	185,557	185,557
Total	654,635	200,030	41,507	1,141,276	

¹⁾ 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

²⁾ Of which CHF 4.3 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 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
Net gain/(loss) recognised in profit or loss	2,198	–	10,600	–12,628	170
Net gain/(loss) recognised in other comprehensive income ¹⁾	–	2,408	–	–	2,408

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

Net gain/(loss) on financial instruments 2023

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	–2,900 ¹⁾	–	10,057	–	7,157
Net gain/(loss) on foreign exchange	137	–	–	–526	–388
Other financial result	76	–	–	–94	–18
Interest income	1,418	–	–	–	1,418
Interest expense	–	–	–	–6,515	–6,515
Interest expense on lease liabilities	–	–	–	–2,951	–2,951
Interest income on impaired trade receivables	331	–	–	–	331
Expected credit losses	–7,124	–	–	–	–7,124
Impairment on financial assets	–3,349	–	–	–	–3,349
Net gain/(loss) recognised in profit or loss	–11,410	–	10,057	–10,086	–11,439
Net gain/(loss) recognised in other comprehensive income ²⁾	–	55,530	–	–	55,530

¹⁾ Related to equity instruments which are designated as financial asset at fair value through profit or loss

²⁾ 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.

26.2 Fair value measurement

Fair value

in thousand CHF	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Bond (level 1 of the fair value hierarchy)	519,811	541,600	419,871	427,050

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 2024 Galenica holds equity instruments designated at fair value through other comprehensive income including a 10.3% (previous year: 7.9%) investment in the listed (level 1 of the fair value hierarchy) company Redcare Pharmacy N.V., Netherlands, with a fair value of CHF 261.4 million (previous year: CHF 196.1 million) and other investment in non-listed (level 3 of the fair value hierarchy) companies with a fair value of CHF 3.2 million (previous Year: CHF 3.9 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 gain of CHF 2.4 million (previous year: gain of CHF 55.5 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	2024	2023
1 January	41,507	49,180
Arising from business combinations	–	2,385
Change in fair value (recognised in profit or loss)	–10,600	–10,057
31 December	30,907	41,507

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	2024	2023
1 January	3,928	4,561
Addition	935	1,950
Change in fair value (recognised in other comprehensive income)	–1,682	–2,583
31 December	3,181	3,928

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 were identified as key assumptions. Galenica has recorded the amount of CHF 3.0 million (previous year: CHF 2.9 million) as other liability based on the expected future gross margin for the years 2024–2026. The future cash outflows range between zero and CHF 3.1 million.

Further information of the discontinued operation can be found in [note 12, Discontinued operations](#).

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

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

in thousand CHF	Lifestage Solutions	Bahnhof Apotheke Langnau	Aquantic	Padma
Fair value of contingent considerations as at 31.12.2024	9,500	13,914	3,571	3,922
Minimal payout		–	–	–
Maximal payout		29,000	5,450	4,000
Key assumption		forecasted net sales ¹⁾	forecasted EBITDA ¹⁾	forecasted sell out prices ¹⁾
Year of relevance		2026+2027	2025+2026	2025
Sensitivity analysis				
Impact on fair value by 5% increase of key assumption	–	–	403	–
Impact on fair value by 5% decrease of key assumption	–	–4,914	–403	–993

¹⁾ of the acquired business

The contingent consideration liability from the business combination of Lifestage Solutions Ltd. was settled on 31 January 2025 for an amount of CHF 9.5 million.

27. 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.

27.1 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 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
Total	1,278,946	1,332,254	514,956	52,728	619,655	144,915

Maturity profile of financial liabilities 2023

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	407,943	407,943	407,943	–	–	–
Current financial liabilities	70,231	70,231	68,090	2,141	–	–
Current lease liabilities	50,484	53,125	13,477	39,648	–	–
Non-current financial liabilities	48,697	50,336	–	–	50,336	–
Bonds	419,871	459,240	–	7,440	206,160	245,640
Non-current lease liabilities	185,557	193,159	–	–	144,328	48,831
Total	1,182,783	1,234,034	489,510	49,229	400,824	294,471

27.2 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	2024	2023
Cash and cash equivalents (without cash on hand)	128,055	114,566
Trade and other receivables	499,999	518,293
Loans and other financial assets	19,873	17,647
Financial assets subject to credit risk	647,927	650,506

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.

28. 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	2024	2023
Current financial liabilities ¹⁾	38,868	69,990
Current lease liabilities	52,693	50,484
Non-current financial liabilities ¹⁾	519,811	419,871
Non-current lease liabilities	183,195	185,557
Cash and cash equivalents	-129,682	-116,159
Interest-bearing receivables	-4,899	-11,607
Net debt	659,986	598,137
Equity attributable to shareholders of Galenica Ltd.	1,548,694	1,471,419
Non-controlling interests	3,150	3,777
Shareholders' equity	1,551,844	1,475,196
Gearing	42.5%	40.5%

¹⁾ 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.

29. 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.

16,780 performance share units (previous year: 17,607 performance share units) were granted to beneficiaries at a fair value of CHF 69.05 (previous year: CHF 65.95) at the beginning of the reporting period for the 2024 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 65,248 shares of Galenica Ltd. (previous year: 80,252 shares) at a price of CHF 52.70 (previous year: CHF 49.65). This includes a discount of CHF 23.00 (previous year: CHF 21.29) per share.

Share-based payment expense

in thousand CHF	2024	2023
Remuneration for members of the Board of Directors	1,387	1,013
Share plan for members of senior management	2,040	904
Long-term incentive plan (LTI)	1,036	692
Employee share plan	1,501	1,709
Total	5,963	4,318

30. 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	2024		2023	
	Joint ventures	Associates	Joint ventures	Associates
Sale of goods	181,119	25,581	169,947	11,787
Income from services	7,589	1,560	8,087	1,712
Other income	18	–	17	–
Purchase of goods	283	9	216	13
Other operating costs	25	9,519	–	26
Financial income	249	1	247	34
Financial expenses	71	187	26	108
Receivables and loans	22,069	14,977	22,835	20,607
Trade payables and loans	5,863	20,357	7,320	21,280

The financial liabilities to pension funds amounted to CHF 14.3 million (previous year: CHF 10.7 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	2024	2023
Remuneration	4,226	3,343
Social security costs and pension expenses	1,102	970
Share-based payments	2,184	1,686
Total	7,512	5,999

31. Subsequent events

The following transactions occurred between 31 December 2024 and 5 March 2025, the date on which the consolidated financial statements 2024 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 9.6 million, and the fair value of the provisional net assets resulting from these additions was estimated at CHF 2.2 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 2024 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 2025. The total purchase considerations are estimated to CHF 0.4 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.

There were no further significant events after the reporting date.

32. Group companies

Group companies Products & Care

Group companies	Registered office	Method of consolidation	Currency	Share capital in thousand	2024 Equity interest	2023 Equity interest
Products & Care						
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 ²⁾	CH-Bern	-	-	-	-	100%
Bichsel AG ^{1) 3)}	CH-Interlaken	full	CHF	100	100%	100%
Coop Vitality AG	CH-Bern	at equity	CHF	5,000	49%	49%
Coop Vitality Health Care GmbH ¹⁾	CH-Niederbipp	at equity	CHF	20	49%	49%
Coop Vitality Management AG	CH-Bern	at equity	CHF	100	49%	49%
curarex swiss AG ¹⁾	CH-Zuchwil	at equity	CHF	100	49%	49%
Dr. A.&L. Schmidgall GmbH & Co KG ¹⁾	AT-Vienna	full	EUR	145	100%	100%
Emeda Ltd.	CH-Wangen-Brüttisellen	at equity	CHF	200	50%	50%
FARMACIA CHIASSESE FARMADOMO SA ¹⁾	CH-Chiasso	at equity	CHF	100	33%	-
Farmadomo Home Care Provider SA	CH-Bellinzona	at equity	CHF	100	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 ¹⁾	CH-Interlaken	full	CHF	200	100%	100%
Hedoga AG	CH-Villars-sur-Glâne	full	CHF	100	100%	100%
Laboratorium Dr. G. Bichsel AG ¹⁾	CH-Unterseen	full	CHF	200	100%	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%
PADMA Inc.	CH-Wetzikon	full	CHF	152	100%	100%
Padma Aktiengesellschaft für tibetische Heilmittel ¹⁾	CH-Freienbach	full	CHF	100	100%	100%
PADMA EUROPE GmbH ¹⁾	AT-Vienna	full	EUR	35	100%	100%
PADMA Deutschland GmbH ¹⁾	DE-Gräfelfing	full	EUR	25	100%	100%
puravita AG	CH-Speicher	at equity	CHF	130	34.34%	34.34%
Schmidgall GmbH ¹⁾	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%

¹⁾ Not directly held by Galenica Ltd.

²⁾ The company was merged into Galenicare Ltd.

³⁾ The company was renamed (previous year: Bichsel Interlaken Holding AG)

Group companies Logistics & IT and Group Services

Group companies	Registered office	Method of consolidation	Currency	Share capital in thousand	2024	2023
					Equity interest	Equity interest
Logistics & IT						
1L Logistics Ltd.	CH-Burgdorf	full	CHF	100	100%	100%
Alloga Ltd.	CH-Burgdorf	full	CHF	8,332	100%	100%
Aquantic AG	CH-Zeiningen	full	CHF	100	100%	100%
Dauf SA ¹⁾	CH-Lugano	full	CHF	100	94.54%	92.92%
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%	-
Pharma-Info AG ¹⁾	CH-Biel	at equity	CHF	100	49%	49%
PharmaBlist Ltd. ¹⁾	CH-Widnau	full	CHF	100	100%	100%
Pharmapool Ltd. ¹⁾	CH-Widnau	full	CHF	962	100%	100%
Unione Farmaceutica Distribuzione SA	CH-Lugano	full	CHF	2,000	94.54%	92.92%
Group Services						
Galenica Finanz Ltd.	CH-Bern	full	CHF	100	100%	100%

¹⁾ Not directly held by Galenica Ltd.



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To the General Meeting of
Galenica Ltd., Berne

Berne, 5 March 2025

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 2024, 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 2024 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), and we have 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

Risk	<p>As disclosed in note 17, goodwill amounts to CHF 891.5 million as at 31 December 2024 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>
Our audit response	<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 17 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 2024 of Galenica Ltd.

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Statement of income of Galenica Ltd.

in thousand CHF	2024	2023
Income from investments	105,160	136,268
Financial income	22,218	90,296
Other income	159,426	144,795
Operating income	286,804	371,359
Personnel costs	-83,234	-73,852
Financial expenses	-12,434	-11,112
Depreciation and amortisation	-21,114	-17,317
Other expenses	-44,466	-41,558
Operating expenses	-161,248	-143,839
Earnings before taxes	125,556	227,520
Direct taxes	-1,011	-3,258
Net profit for the year	124,545	224,262

Statement of financial position of Galenica Ltd.

in thousand CHF		2024		2023
Cash and cash equivalents		183		12
Other receivables				
– Third parties		7,051		1,190
– Group companies		1		29,777
Prepaid expenses and accrued income				
– Third parties		5,686		5,664
– Group companies		1,345		–
Current assets	0.9%	14,266	2.6%	36,643
Financial assets		262,067		198,551
Investments		1,101,488		1,082,364
Property, plant and equipment		9,792		12,269
Intangible assets		119,247		53,726
Non-current assets	99.1%	1,492,594	97.4%	1,346,910
Assets	100.0%	1,506,860	100.0%	1,383,553
Current interest-bearing liabilities		20,816		32,500
Other current liabilities				
– Third parties		11,759		20,790
– Group companies		56,743		11
Accrued expenses and deferred income				
– Third parties		13,252		9,257
– Group companies		740		801
Current liabilities	6.9%	103,310	4.6%	63,359
Non-current interest-bearing liabilities		520,000		420,000
Other non-current liabilities		14,422		44,438
Non-current liabilities	35.5%	534,422	33.6%	464,438
Liabilities	42.3%	637,732	38.1%	527,797
Share capital		5,000		5,000
Legal capital reserves				
– Reserves from capital contributions		145,038		199,908
Legal retained earnings				
– General legal retained earnings		1,000		1,000
– Reserves for treasury shares		–		1,100
Voluntary retained earnings				
– Free reserve		605,337		434,900
Treasury shares		–12,495		–10,725
Balance brought forward from previous year		703		311
Net profit for the year		124,545		224,262
Shareholders' equity	57.7%	869,128	61.9%	855,756
Liabilities and shareholders' equity	100.0%	1,506,860	100.0%	1,383,553

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). In 2023, financial income includes a gain on partial sale of subsidiaries of CHF 71.6 million.

Other income

Other income includes group-internal management fees of CHF 51.6 million (previous year: CHF 48.3 million) and IT services of CHF 86.7 million (previous year: CHF 75.3 million). Revenue is recognised when the service is provided.

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	2024	2023
Furniture, fittings	1,772	876
IT equipment	3,020	6,488
Vehicles	5,000	4,905
Total net carrying amount	9,792	12,269

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 176.3 million (previous year: CHF 115.9 million). Those financial assets are measured at cost less accumulated impairment. 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 10.0 million (previous year: CHF 7.1 million) and to other companies of CHF 1.1 million (previous year: 0.9 million).

Subordinated loans

As at 31 December 2024, subordinated loans to Group companies amounted to CHF 1.9 million (previous year: CHF 1.9 million) and to third parties amounted to CHF 1.1 million (previous year: CHF 0.9 million).

Investments

An overview of the investments that are directly or indirectly controlled by Galenica Ltd. is provided in [note 32](#) to the Consolidated financial statements 2024 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	2024	2023
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	–
Interest-bearing liabilities			520,000	420,000
– of which current interest-bearing liabilities			–	–
– of which non-current interest-bearing liabilities			520,000	420,000

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	2024	2023
Within 1 year	8	20
In 2 to 5 years	6,306	3,663
In more than 5 years	25,522	23,772
Total	31,836	27,455

Share capital

As at 31 December 2024, 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 2024, Galenica Ltd. has no authorised capital.

Reserves from capital contributions

The reserves from capital contributions have been reduced to CHF 145.0 million (previous year: CHF 199.9 million) due to the dividend paid out to the shareholders on 16 April 2024 taken from the reserves from capital contributions in the amount of CHF 54.9 million (previous year: CHF 54.9 million).

Release of hidden reserves

In 2024, hidden reserves of CHF 15.0 million were released (previous year: CHF 15.0 million).

Contingent liabilities

As at 31 December 2024, total contingent liabilities amounted to CHF 448.2 million (previous year: CHF 564.6 million), including issued guarantees to Group companies of CHF 245.4 million (previous year: CHF 364.5 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.

Full-time equivalents

The average number of full-time equivalents for the reporting period amounted to 487 (previous year: 447).

Treasury shares

Treasury shares

	2024		2023	
	Number	in CHF	Number	in CHF
1 January	167,820		183,740	
Purchases on the market	131,964	9,702,937	156,148	11,010,150
Allocated for share-based payments	-126,805	-9,389,211	-172,068	-12,362,520
31 December	172,979¹⁾		167,820¹⁾	

¹⁾ of which none owned by subsidiaries (previous year: 15,495)

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

Further disclosures

In 2024, 13,904 shares (previous year: 14,047 shares) with fair value of CHF 1,040,158 (previous year: CHF 1,013,491) have been allocated to the members of the Board of Directors.

In 2024, 10,880 performance share units (previous year: 10,701 performance share units) with fair value at grant date of CHF 746,014 (previous year: CHF 702,199) have been allocated to the members of the Corporate Executive Committee. In 2024, 2,998 performance share units (previous year: 3,797 performance share units) with fair value at grant date of CHF 205,564 (previous year: CHF 249,173) 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 ¹⁾	Treasury shares	Free reserve	Available earnings	Shareholders' equity
Balance as at 31 December 2021	5,000	307,010	1,000	3,000	-	143,000	229,314	688,324
Allocation to free reserve						176,000	-176,000	-
Adjustment to the reserves for treasury shares				5,000		-5,000		-
Dividends		-52,222					-52,222	-104,443
Profit for the year							168,099	168,099
Balance as at 31 December 2022	5,000	254,789	1,000	8,000	-	314,000	169,192	751,980
Allocation to free reserve						114,000	-114,000	-
Adjustment to the reserves for treasury shares				-6,900		6,900		-
Addition of treasury shares					-10,725			-10,725
Dividends		-54,881					-54,881	-109,761
Profit for the year							224,262	224,262
Balance as at 31 December 2023	5,000	199,908	1,000	1,100	-10,725	434,900	224,573	855,756
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
Balance as at 31 December 2024	5,000	145,038	1,000	-	-12,495	605,337	125,248	869,128

¹⁾ 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 10 April 2025, the Board of Directors will propose the following allocation of available earnings and reserves from capital contributions:

in CHF	2024	2023
Appropriation of available earnings		
Balance brought forward	702,860	311,094
Profit for the year	124,544,796	224,261,845
Available earnings at the disposal of the Annual General Meeting	125,247,656	224,572,939
Dividend per share CHF 1.15 (2023: CHF 1.10)	-57,500,000 ¹⁾	-54,870,079
Allocation to free reserve	-67,000,000	-169,000,000
Balance to be carried forward	747,656	702,860
Appropriation of reserves from capital contributions		
Reserves from capital contributions	145,037,743	199,907,823
Dividend per share CHF 1.15 (2023: CHF 1.10) paid out of reserves from capital contributions	-57,500,000 ¹⁾	-54,870,079
Balance to be carried forward	87,537,743	145,037,743

¹⁾ 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 2024, the total dividend would amount to CHF 114.6 million

The Board of Directors proposes to issue a dividend for fiscal year 2024 of CHF 2.30 per registered share. For this purpose, CHF 1.15 is to be taken from the reserves from capital contributions and CHF 1.15 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 16 April 2025. The last trading day with entitlement to receive the dividend is 11 April 2025. The shares will be traded ex-dividend on 14 April 2025.



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To the General Meeting of
Galenica Ltd., Berne

Berne, 5 March 2025

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 2024 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, and we have 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. We have determined that there are no key audit matters to communicate in our report.



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.



2



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.



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

Spotlights

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Expansion of "Consultation plus"

Spotlights

Since autumn 2023, customers have been able to seek in-depth advice on acute health problems that require a certain degree of discretion in many Amavita pharmacies under the name "Consultation plus". This service meets a particular customer need. From spring 2025, a further 25 or so locations will be implementing the "Consultation plus" concept.



What started as a pilot project at the Amavita pharmacy in Zollikofen in October 2023 has since made promising progress. The service involves in-depth, fee-based pharmaceutical advice in inpatient pharmacies. The offer is called "Consultation plus" and is characterised by a high degree of discretion, from booking the appointment online to a discreet room for the conversation. "Consultation plus" further strengthens the pharmacy's position as a highly qualified point of contact in the healthcare sector.

Over 40 Amavita pharmacies throughout Switzerland already offer advice and solutions on topics such as erectile dysfunction, gastrointestinal conditions and skin or bladder problems. "Consultation plus" was continuously refined in dialogue with the pharmacy teams and taking customer feedback into account. For example, additional indications were added and the customer journey for online registration was optimised.

"Consultation plus" offers a high degree of discretion - from consultation to payment.



The ongoing development of the service goes hand in hand with the further training of specialist staff, measures to promote awareness of the offer and investments in discreet consultation zones. And these measures are having an impact. Demand is developing positively. More and more customers are seeking paid advice on acute health issues and greatly appreciate being able to buy the right medication afterwards – including prescription drugs if necessary.

From spring 2025, around 25 additional pharmacies, including Sun Store pharmacies for the first time, will offer in-pharmacy consultations under the name "Consultation plus".

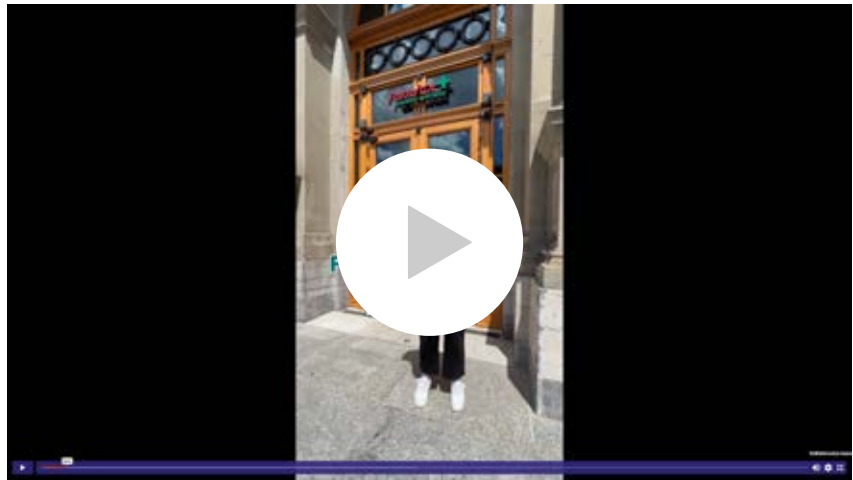
These in-pharmacy consultations add value for everyone – both for customers and pharmacy teams.



Being where the next generation is

Spotlights

Galenica reaches the important target group of young adults by posting authentic videos on TikTok and Instagram produced by its own employees. The successful pilot project will be continued in 2025 as an integrated part of the marketing mix.



Reach young adults with authentic videos on TikTok and Instagram.

The importance of social media for the target group of young adults should not be underestimated. Traditional media such as TV and print have lost much of their reach in this age group. Instead, among young people, platforms such as TikTok and Instagram dominate daily media consumption and the way they seek out information. With the "Amavita social media" pilot project, Galenica tested in the financial year whether and how people under the age of 35 can be reached on the relevant social media channels.



From the outset, the company relied on its own employees as ambassadors and on an internal team as producers. From the initial idea to publication, all steps are implemented internally. The Group’s pharmacy assistants appear on the TikTok and Instagram channels with authentic and informative video content, depending on the time of year and in line with the marketing plan, covering different topics. For example, they explain how to prevent Lyme disease and remove ticks correctly in good time for tick season. The main topic “Women” is, for example, about the morning-after pill.

Around 50 videos on 17 different topics were created. To maximise impact, a combination of organic and paid content was posted. The analytics demonstrated that the strategy works. The pollen allergy campaign, for example, reached 1.2 million people. Galenica will continue to maintain a similar social media presence in 2025. At the same time, the various channels – including the customer magazine, newsletter, website and social media posts – will be linked even more closely to ensure consistent and effective communication.

Being a network, thinking as a network

Spotlights

Galenica offers a unique range of services for retirement and nursing homes as well as home care organisations throughout Switzerland. It includes, among other things, the blister packaging of medications by Medifilm, the fully automated ordering and billing of consumables and care products by Lifestage Solutions and clinical nutrition by Bichsel.



Individually, these services already provide valuable relief for nursing staff. Combined, they mean even greater added value. Thanks to access to all of these services on a shared digital platform, the offer has attracted a great deal of interest from managers of retirement and nursing homes as well as home care organisations.

The following examples show that digital solutions – especially in this customer segment – are best initiated with personal contact that establishes trust:

While working with the manager of a care home, a Bichsel employee became aware of the facility's need for external management of the items on the MiGel list. She was able to establish contact with Lifestage Solutions immediately, so that we could not only present the services offered by Lifestage Solutions and Medifilm in the dialogue that followed, but also organise a visit to another institution that is already a customer.

Relationships with nursing homes in the cantons of Valais and Aargau were established in a similar way. Initially, there was interest in the Medifilm offer, and in a second step the Galenica team was also able to demonstrate the benefits of Lifestage Solutions. In the canton of Aargau, the care home even became a new customer for Bichsel.

Galenica sees itself as a network-oriented company. And this stance is evident both externally and internally, in the way that employees from different companies think and act as a network.



Galenica is a network-oriented company.

Interprofessional, network-oriented, patient-centred

Spotlights

The Galenica Healthcare Professionals Initiative brings professionals and patients together. Innovative solutions for patient-centred primary care are developed collectively. The Galenica network deliberately takes a leading role in interprofessionalism.



The workshop day in Nottwil brought professionals and patients together.



An interprofessional team engaged in dialogue.

How can holistic cardiovascular treatment for women be improved? How can a telemedicine provider work with pharmacies to create a better ecosystem for chronically ill patients? How can individual management be promoted in migraine patients? These three and eight other questions were the focus of the Healthcare Professionals Initiative workshop day in November 2024, which brought together around 130 healthcare professionals and several patients. The interprofessional teams came prepared with draft solutions that they had worked out jointly in advance. At the meeting in November, they presented these approaches to a jury of experts.

The Healthcare Professionals Initiative was launched by Galenica in November 2023. Its aim is to promote interdisciplinary collaboration, involve patients and work together to find the best solutions for the primary care of tomorrow. Specifically, this means that mixed teams engage with practical questions raised by partner companies and Galenica in a structured and supervised process. Practical and innovative solutions will then be developed on the day of the workshop.



Team Groupe Mutuel working on practice-oriented and innovative solutions.

Galenica CEO Marc Werner was also present and was impressed by the performance of the teams. For him – and certainly for all participants – interprofessionalism is the key word for patient-centred healthcare systems. As a network-oriented company, Galenica consciously takes on a leading role in bringing stakeholders together.

Shaping the digitally connected healthcare of the future

Spotlights

Digitalisation makes a significant contribution to the further development of the healthcare system and Galenica is helping to shape this change. Collaborating with digital healthcare platforms is an important element of Galenica's digitalisation strategy.

The healthcare platforms Well (www.well.ch), Compassana (www.compassana.ch) and Benecura Public (www.benecura.swiss) connect patients, pharmacies, doctors, telemedicine providers and health insurers, thus contributing to patient-centred, integrated care in Switzerland. These platforms are in the process of creating a seamless infrastructure that connects various stakeholders, in which Galenica acts as a service provider between inpatient and digital healthcare offerings.



What value do the platforms add and how do they differ

The Well app offers digital access to a wide range of healthcare services along patient pathways. Examples of this include searching for the nearest pharmacy or doctor, booking an appointment for advice on health issues, telemedical information and prescriptions or an allergy guide. The symptom checker in the Well app also provides a medically verified initial assessment of acute symptoms and gives specific recommendations for further action, such as using home remedies or visiting a pharmacy, doctor or emergency ward.

All Galenica Group pharmacies are also integrated into the Compassana app, and users can book appointments and healthcare services directly. Documents and appointments can also be easily

organised in the app. In addition, an e-Mediplan issued by a doctor can be scanned using a QR code.

The Benecura Public app supports chronically ill people along their treatment path. The app is supported by Galenica and other established Swiss healthcare organisations – including the Swiss Medical Association (FMH) and the health insurance company SWICA.



Digital healthcare platforms – investment in the future

For Galenica, being present on digital healthcare platforms is neither an end in itself nor a trend, but an investment in the future: It is about setting new standards for patient-centred care, patient self-determination as well as targeted and timely access to high-quality healthcare services. At the same time, the pharmacy is being positioned as the point of contact for health concerns in an age of increasingly digital customer journeys.

A digital solution for efficiency and connectivity in medical practices

Spotlights

With the launch of the DispoCura software, pharmaceutical wholesalers Galaxis and Pharmapool are setting an important milestone in the digital transformation of processes that connect medical practices and pharmaceutical partners.



Over 90% of Pharmapool customers already use DispoCura as an ordering platform. The web application enables doctors to place orders directly from their practice IT system and to adapt them flexibly if necessary. This seamless integration eliminates the need for manual order entry and at the same time relieves the burden on Pharmapool's customer service.



DispoCura makes day-to-day work in practices noticeably easier.

DispoCura addresses key challenges of day-to-day work in practices, such as the availability of medications, the often time-consuming search for replacement items and high administrative burdens. With features such as a clear availability display, indication-based search options, automatic alternative suggestions and backlog management, DispoCura makes day-to-day work in practices noticeably easier. Improved inventory planning, significantly reduced administration and support in optimising the product range enable practices to work more efficiently, conserve valuable resources and improve patient care.

In addition, DispoCura already successfully connected 20 order picking machines for medical customers to their respective practice IT systems in 2024. All transactions – from removal of goods to replenishment – are reported back. This significantly reduces the administrative burden, while achieving a new level of precision and efficiency in warehousing.

A temporary site that symbolises new forms of work

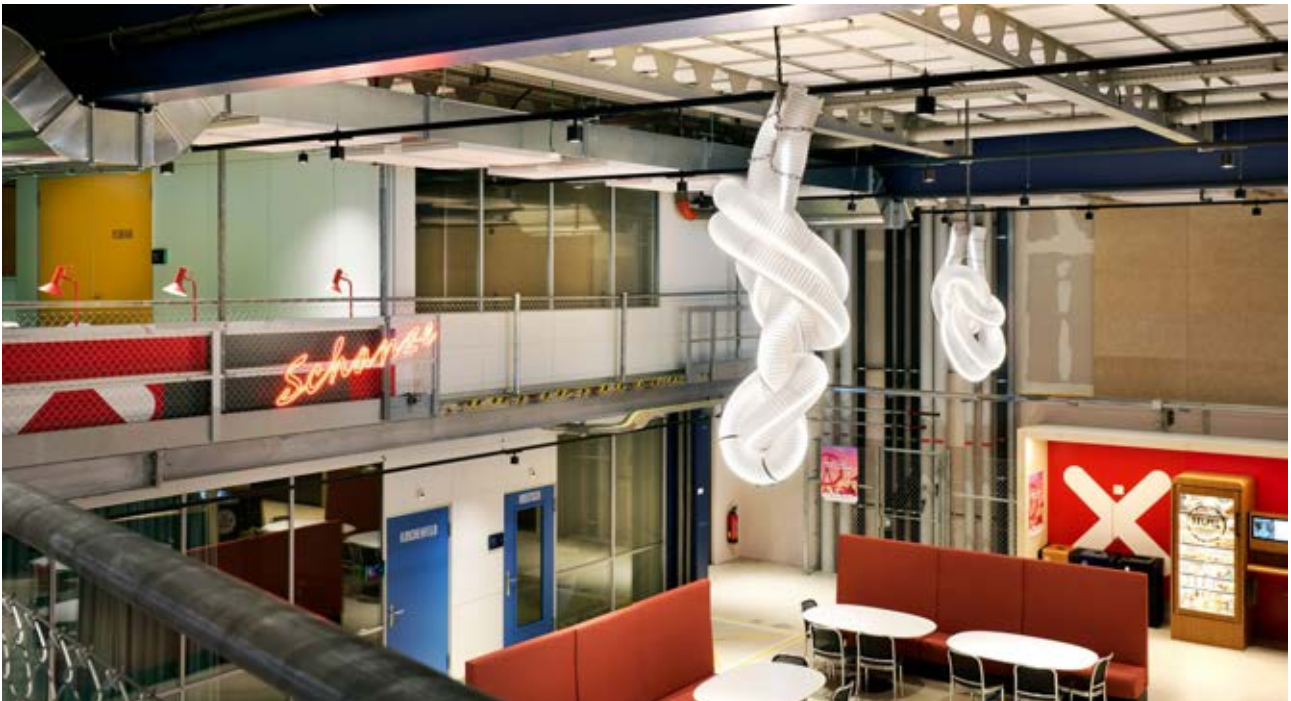
Spotlights

Galenica's temporary site, which we call the "Swing Space", combines flexible working and sustainability with forward-thinking collaboration models.



The seven-storey Galenica headquarters in Bern-Bümpliz will be completely renovated by 2027. During the refurbishments, Galenica employees have been working from a temporary facility. The "Swing Space" comprises meeting areas, an open cafeteria, group spaces, workshop areas as well as areas for focused work and flexible office workstations. Networking, creative exchange and diversity are a top priority, as is sustainability: a great deal of existing material was reused for the temporary site. And the materials that had to be purchased will be used again in three years' time at the renovated headquarters.

The "Swing Space" is not simply a workplace, but a symbol of the new culture of collaboration at Galenica. In the interest of collaborative and consistent creation of added value, decisions are made by those who know the most about the matter.



We are also testing new forms of organisation. For example, the approach known as the “role model” involves organising work rather than people. This results in flat hierarchies that require a great deal of initiative and management responsibility on the part of all employees. Collaboration via “value streams” is particularly valuable for complex projects at the interface between business and IT: the entire path of a product or service – from the initial customer requirement to closing – is mapped from the outset and all value-adding activities are organised in a continuous flow.

The employees who work at the temporary site at headquarters agree that the modern working environment in the Swing Space encourages more open collaboration.



Visual tour through the “Swing Space”.

Social commitment – partnership with “there for you” further established

Spotlights



Galenica employees play an important role in the selection of projects.

Galenica continued its social commitment in the 2024 financial year. As part of the partnership with the “there for you” digital fundraising platform, social initiatives run by employees were also supported in a targeted manner.

The crowdfunding platform “there for you” collects donations for social, humanitarian and sustainability-related projects. Operators guarantee a careful selection of initiatives and the greatest possible transparency, from project implementation through to completion. Galenica has been the main partner of “[there for you](#)” since early 2022.

Over the past two years, the collaboration has become a central pillar of Galenica’s social commitment. Group employees play an important role in selecting the projects. Not only does Galenica take employees’ views into account when selecting projects, it also supports initiatives spearheaded by the workforce itself.

there for you.

One example of this is “Pharmaciens sans frontières”, a commitment by Sabina Sommaruga Phillot, who has been working as a pharmacist at the Amavita pharmacy Genève Plainpalais for many years. With “Pharmaciens sans frontières”, she is aiming to improve the supply of medicines and access to medical support for people who are “sans-papiers”, i.e. without legal residence status. Thanks to the collaboration between Galenica and “there for you”, the project was published on the website and supported by Galenica.

Another example is a project by “autismus schweiz”, the largest association working with autism in Switzerland. Association president Rita Apfelbaum, pharmacy assistant at the Amavita pharmacy at Wädenswil railway station, wants to distribute flyers to raise awareness among pharmacy staff of how to interact with people with autism spectrum disorder. The project received around 30% of the votes in the employee poll and, as a result, a donation from Galenica as a result.

"We offer great career opportunities"

Spotlights

As Head of Recruiting & Employer Branding, Patricia Grämiger and her team are responsible for the information events at Swiss universities. In this interview, she explains why engaging with pharmacy students is so important to Galenica.



Patricia Grämiger, Head of Recruiting & Employer Branding

As part of the Employer Branding team, you regularly organise events for students. Why is that?

At Galenica, we want to raise awareness of our employer brand and healthcare network among students with our employer branding events. At these events, we demonstrate the great career opportunities we can offer both during and after their studies.

What role do these events play within the overall strategy of your employer branding efforts?

These events are a key component of our overall employer branding strategy. They help us to create more visibility and interest among this target group. It is important to us to give the students authentic insights and that they can get to know us better. That's why we meet them where they are: at universities and on social media.



Ticino evening at the ETH: meeting with pharmacy students from Ticino.

Which universities are you currently in contact with?

Mainly with universities that offer a degree in pharmacy, hence the universities of Geneva, Bern and Basel and ETH Zurich. We maintain good relationships with the professional associations and therefore know what the students are interested in and how we can approach them. In the future, we would like to increasingly address other disciplines besides pharmacy.

Is the investment worthwhile?

Yes, definitely. Introducing our network directly to our target group in a relaxed atmosphere while enjoying refreshments is very valuable. We receive good feedback and, in some cases, direct applications for assistantships. Many of our new pharmacists already had contact with us before they were hired thanks to the events.



The Employer Branding team in action.



pharmaDavos 2024: Pharmacy students from the University of Basel in conversation.

Appendix



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GRI content index



CONTENT INDEX
ESSENTIALS SERVICE

2025

Galenica Ltd. has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standards: None

GRI Disclosure	Description	Reference / Information
GRI 2 General Disclosures 2021		
The organization and its reporting practices		
Disclosure 2-1	Organizational details	Group structure and shareholders
Disclosure 2-2	Entities included in the organization’s sustainability reporting	Scope of the report
Disclosure 2-3	Reporting period, frequency and contact point	Group companies
		Reporting principles
Disclosure 2-4	Restatements of information	Impressum
		Calculation bases
Disclosure 2-5	External assurance	Independent assurance
Activities and workers		
Disclosure 2-6	Activities, value chain and other business relationships	Business model
		Website
		Value chain
Disclosure 2-7	Employees	Employment
Disclosure 2-8	Workers who are not employees	Employment
Governance		
Disclosure 2-9	Governance structure and composition	Board of Directors
		Members of the Board of Directors
		Organizational Regulations
Disclosure 2-10	Nomination and selection of the highest governance body	Board of Directors
Disclosure 2-11	Chair of the highest governance body	Members of the Board of Directors
Disclosure 2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability organisation
		Articles of Association
Disclosure 2-13	Delegation of responsibility for managing impacts	Sustainability organisation
Disclosure 2-14	Role of the highest governance body in sustainability reporting	Materiality matrix
Disclosure 2-15	Conflict of interest	Group structure and shareholders
		Board of Directors
		Other remuneration

		Code of Conduct
Disclosure 2-16	Communication of critical concerns	Whistleblower Reporting Office
Disclosure 2-17	Collective knowledge of the highest governance body	Sustainability organisation
Disclosure 2-18	Evaluation of the performance of the highest governance body	Letter from the Chair of the Remuneration Committee
Disclosure 2-19	Remuneration policies	Principles and responsibility in setting compensation Articles of Association
Disclosure 2-20	Process to determine remuneration	Remuneration system of the Board of Directors Remuneration system of the Corporate Executive Committee Articles of Association
Disclosure 2-21	Annual total compensation ratio	Confidentiality constraints: Due to the heterogeneity of the occupational fields within the Group, Galenica does not communicate details of median salaries.

Strategy, policies and practices

Disclosure 2-22	Statement on sustainable development strategy	Foreword
Disclosure 2-23	Policy commitments	Sustainability and ethical corporate governance Integrity in the supply chain
Disclosure 2-24	Embedding policy commitments	Code of Conduct Sustainability and ethical corporate governance Integrity in the supply chain
Disclosure 2-25	Processes to remediate negative impacts	Code of Conduct Sustainability and ethical corporate governance Integrity in the supply chain
Disclosure 2-26	Mechanisms for seeking advice and raising concerns	Sustainability and ethical corporate governance Integrity in the supply chain Code of Conduct
Disclosure 2-27	Compliance with laws and regulations	Compliance with laws and regulations
Disclosure 2-28	Membership associations	Memberships of associations and interest groups

Stakeholder engagement

Disclosure 2-29	Approach to stakeholder engagement	Dialogue with stakeholders
Disclosure 2-30	List of material topics	Collective bargaining agreements

GRI 3: Material Topics 2021

Disclosure 3-1	Process to determine material topics	Materiality matrix
Disclosure 3-2	List of material topics	Materiality matrix

Sustainable and ethical corporate governance

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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GRI 201: Economic Performance 2016

Disclosure 201-1	Direct economic value generated and distributed	Economic performance
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GRI 205: Anti-corruption 2016

Disclosure 205-2	Communication and training about anti-corruption policies and procedures	Compliance with laws and regulations
Disclosure 205-3	Confirmed incidents of corruption and actions taken	Anti-corruption

GRI 206: Anti-competitive Behavior 2016

Disclosure 206-1	Legal actions for anti-competitive behavior; anti-trust, and monopoly practices	Compliance with laws and regulations
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Integrity in the supply chain

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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Data protection

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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GRI 418: Customer Privacy 2016

Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer privacy
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IT security and cybercrime

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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Greenhouse gas emissions and resources

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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GRI 302: Energy 2016

Disclosure 302-1	Energy consumption within organization	Energy Calculation bases
Disclosure 302-2	Energy consumption outside of the organization	Energy Calculation bases
Disclosure 302-3	Energy intensity	Energy
Disclosure 302-4	Reduction of energy consumption	Energy

GRI 304: Biodiversity 2016

Disclosure 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Responsible use of land and water
Disclosure 304-3	Habitats protected or restored	Responsible use of land and water

GRI 305: Emissions 2016

Disclosure 305-1	Direct (Scope 1) GHG emissions	Emissions Calculation bases
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	Emissions Calculation bases
Disclosure 305-3	Other indirect (Scope 3) GHG emissions	Emissions Calculation bases
Disclosure 305-4	GHG emissions intensity	Emissions
Disclosure 305-5	Reduction of GHG emissions	Emissions

GRI 303: Water and Effluents 2018

Disclosure 303-1	Interactions with water as a shared resource	Responsible use of land and water
Disclosure 303-3	Water withdrawal	Water and Effluents

Waste and packaging

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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GRI 306: Waste 2020

Disclosure 306-3	Waste generated	Waste generated and directed to disposal
Disclosure 306-5	Wast directed to disposal	Waste generated and directed to disposal

Attractive workplace

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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GRI 401: Employment 2016

Disclosure 401-1	New employee hires and employee turnover	Employment
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GRI 404: Training and Education 2016

Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	Training and education
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Training and education

Health and safety at work

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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GRI 403: Occupational Health and Safety 2018

Disclosure 403-1	Occupational health and safety management system	Health and safety precautions for employees
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Disclosure 403-5	Worker training on occupational health and safety	Health and safety precautions for employees
Disclosure 403-6	Promotion of worker health	Health and safety precautions for employees
Disclosure 403-7	Prevention and mitigation of occupational health and safety impact directly linked by business relationships	Health and safety precautions for employees
Disclosure 403-9	Work-related injuries	Work-related injuries and illnesses
Disclosure 403-10	Work-related ill health	Work-related injuries and illnesses

Equality and diversity

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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GRI 405: Diversity and Equal Opportunity 2016

Disclosure 405-1	Diversity of governance bodies and employees	Diversity of governance bodies and employees Calculation bases
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Patient safety

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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Security of supply and procurement

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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Health promotion

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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GRI 203: Indirect Economic Impacts 2016

Disclosure 203-2	Significant indirect economic impacts	Management approach
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Social commitment

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	Management approach
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Transparency on non-financial matters (CO 964a-Index)

Appendix

The table below refers to individual non-financial report contents in the Annual Report 2024. The separate non-financial report in accordance with Art. 964a et seq. of the Swiss Code of Obligation is binding and can be [downloaded here](#).

Non-financial matters	Description
	Business model
	Materiality matrix
Business operations	Most important risk clusters and measures
	Greenhouse gas emissions and resources
Environmental matters	Waste and packaging
	Dialogue with stakeholders
	Patient safety
	Security of supply and procurement
	Health promotion
Social issues	Social commitment
	Attractive workplace
	Occupational health and safety
Employee-related issues	Equality and diversity
	Sustainability and ethical corporate governance
Respect for human rights	Integrity in the supply chain
Combating corruption	Anti-corruption
Due Diligence and Transparency in relation to Mineral and Metals from Conflict-Affected Areas and Child Labour	Due diligence and transparency
Appendix	Calculation bases

TCFD-Index

TCFD Disclosure	Recommended disclosures
Governance	A Describe the board's oversight of climate-related risks and opportunities Responsibilities and processes Sustainability organisation
	B Describe management's role in assessing and managing climate-related risks and opportunities Responsibilities and processes
Strategy	A Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term Climate-related risks and opportunities
	B Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning Climate-related risks and opportunities
	C Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario Factoring in different scenarios
Risk management	A Describe the organisation's processes for identifying and assessing climate-related risks Climate-related risks and measures Responsibilities and processes
	B Describe the organisation's processes for managing climate-related risks Most important risk clusters and measures Transition plan: Galenica's path to net zero emissions
	C Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management Climate-related risks and measures
	A Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process Energy Emissions
Metrics and targets	B Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks Emissions Climate-related risks and opportunities
	C Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets Greenhouse gas emissions and resources Transition plan: Galenica's path to net zero emissions

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Forward-looking statements (GRI 2-3)

The combined Annual and Sustainability Report 2024 is published on 11 March 2025. It is published once a year and covers the reporting period from 1 January to 31 December. This Annual Report contains forward-looking statements. In this Annual Report, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Galenica's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors detailed in Galenica's past and future filings and reports, in past and future filings, press releases, reports and other information posted on Galenica Group Companies' websites. Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication. Galenica disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.