GALDERMA

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF GALDERMA GROUP AG AND ITS SUBSIDIARIES

for the six-month period
ended June 30, 2025

10, ZÄHLERWEG, CH-6300 ZUG

Contents

Consolidated statement of profit or loss

In M USD	Notes	Six-months ended June 30, 2025	Six-months ended June 30, 2024
Net sales	**3**	**2,448**	**2,202**
Other revenue		18	14
Cost of goods sold		(761)	(667)
Gross profit		**1,705**	**1,549**
Research and development		(104)	(135)
Sales and marketing		(818)	(701)
General and administrative		(276)	(287)
Medical and regulatory		(55)	(45)
Distribution		(64)	(65)
Other income / (expenses)	**4**	(29)	(2)
Operating profit		**358**	**313**
Financial income	**5**	6	38
Financial expenses	**5**	(112)	(244)
Foreign exchange loss on financing activities		(1)	(30)
Income before tax		**252**	**77**
Income taxes	**11**	(58)	(30)
Net income		**194**	**47**

In USD	Notes	Six-months ended June 30, 2025	Six-months ended June 30, 2024
Basic income per share	**6**	0.82	0.20
Diluted income per share	**6**	0.82	0.20

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Consolidated statement of comprehensive income

In M USD	**Six-months ended June 30, 2025**	**Six-months ended June 30, 2024**
Net income	**194**	**47**
Foreign currency translation	92	(9)
Cash flow hedges – reclassified to profit or loss, net of taxes[1]	5	(6)
Fair value changes on cash flow hedges, net of taxes[2]	(18)	24
Items that are or may be reclassified subsequently to the statement of profit or loss	**79**	**8**
Remeasurement of employee benefits, net of taxes[3]	3	11
Items that will never be reclassified to the statement of profit or loss	**3**	**11**
Other comprehensive income, net of taxes	**82**	**19**
Total comprehensive income	**276**	**66**

[1] *Gross of tax 6 M USD ((6) M USD in 2024)*
[2] *Gross of tax (20) M USD (27 M USD in 2024)*
[3] *Gross of tax 3 M USD (13 M USD in 2024)*

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Consolidated balance sheet

In M USD	Notes	June 30, 2025	December 31, 2024
Non-current assets			
Goodwill	**7**	5,129	5,129
Intangible assets	**7**	4,751	4,829
Property, plant and equipment		672	577
Deferred tax assets		250	211
Employee benefits assets		0	0
Derivative assets	**9**	131	2
Other financial assets	**9**	3	1
Other assets		31	25
Total non-current assets		**10,967**	**10,774**
Current assets			
Inventories		502	403
Trade and other receivables		857	892
Prepayments and accrued income		74	56
Current income tax assets		8	13
Derivative assets	**9**	12	22
Cash and cash equivalents		458	457
Total current assets		**1,910**	**1,843**
Total assets		**12,877**	**12,617**
Non-current liabilities			
Financial debt	**9**	(2,792)	(2,723)
Other financial liabilities	**9**	(2)	(2)
Deferred tax liabilities		(441)	(420)
Derivative liabilities	**9**	(16)	(20)
Employee benefits		(125)	(117)
Provisions	**8**	(22)	(17)
Total non-current liabilities		**(3,398)**	**(3,299)**
Current liabilities			
Financial debt	**9**	(56)	(36)
Current income tax liabilities		(61)	(61)
Provisions	**8**	(47)	(38)
Accruals and deferred income		(680)	(586)
Trade and other payables		(762)	(676)
Employee benefits		(114)	(119)
Derivative liabilities	**9**	(30)	(10)
Total current liabilities		**(1,750)**	**(1,528)**
Total liabilities		**(5,147)**	**(4,827)**
Equity			
Share capital and share premium		(2,092)	(2,136)
Other reserves		(50)	(48)
Hedge and currency translation reserves		(24)	55
Treasury share reserve		338	15
Retained earnings		(5,901)	(5,676)
Total equity		**(7,730)**	**(7,790)**
Total liabilities and equity		**(12,877)**	**(12,617)**

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Consolidated statement of cash flows

In M USD	**Notes**	**Six-months ended June 30, 2025**	**Six-months ended June 30, 2024**
Net income		**194**	**47**
Add back non-operating (income) / expenses:			
Income taxes	**11**	58	30
Financial (income) / expenses	**5**	106	206
Foreign exchange loss on financing activities		1	30
Operating profit		**358**	**313**
Depreciation of property, plant and equipment		36	30
Amortization of intangible assets	**7**	122	112
Impairment of assets	**3**	9	-
Equity-settled share-based payment transactions		35	46
Other non-cash items		11	(5)
Variation of trade and other receivables		95	(202)
Variation of inventories		(66)	(12)
Variation of trade and other payables		17	13
Variation of prepayments and accrued income		(13)	-
Variation of accruals and deferred income		76	82
Variation in working capital		**109**	**(119)**
Variation of other operating assets and liabilities		-	(61)
Cash generated from operations		**681**	**316**
Interest paid		(74)	(182)
Interest received		6	-
Income taxes paid		(62)	(47)
Total cash flows from operating activities		**551**	**88**
Expenditure on property, plant and equipment		(43)	(64)
Expenditure on intangible assets	**7**	(30)	(66)
Acquisition of subsidiary undertakings, net of cash acquired		-	(50)
Total cash flows used in investing activities		**(73)**	**(180)**
Proceeds from financial debt, net of transaction costs	**9**	1,165	2,968
Repayments of financial debt	**9**	(1,287)	(4,975)
Payments for settlement of derivatives		(10)	-
Purchase of treasury shares	**2**	(323)	-
Dividends paid	**10**	(41)	-
Proceeds from share issuance, net of direct transaction costs		-	2,166
Other transaction costs and duties related to the share issuance		-	(36)
Total cash flows from / (used in) financing activities		**(495)**	**123**
Currency retranslations		18	(14)
Increase in cash and cash equivalents		**1**	**17**
Cash and cash equivalents at opening		457	368
Cash and cash equivalents at closing		**458**	**385**

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Consolidated statement of changes in equity

In M USD	Notes	Share capital	Share premium	Other reserves	Currency translation reserve	Hedge reserve	Treasury share reserve	Retained earnings/ accumul. losses	Total equity
As at January 1, 2024		**6**	**6,253**	**43**	**(16)**	**(16)**	**-**	**(901)**	**5,369**
Net income for the period		-	-	-	-	-	-	47	47
Cash-flow hedges		-	-	-	-	17	-	-	17
Remeasurements of employee benefits		-	-	11	-	-	-	-	11
Foreign currency translation		-	-	-	(9)	-	-	-	(9)
Total comprehensive income		**-**	**-**	**11**	**(9)**	**17**	**-**	**47**	**66**
Effect of Group reorganization		(4)	(6,253)	-	-	-	-	6,254	(3)
Share issuance		0	2,130	-	-	-	-	-	2,130
Equity-settled share-based payment		-	-	-	-	-	-	69	69
Total other equity movements		**(3)**	**(4,123)**	**-**	**-**	**-**	**-**	**6,323**	**2,197**
As at June 30, 2024		**3**	**2,130**	**54**	**(25)**	**1**	**-**	**5,469**	**7,632**
As at January 1, 2025		**3**	**2,133**	**48**	**(74)**	**19**	**(15)**	**5,676**	**7,790**
Net income for the period		-	-	-	-	-	-	194	194
Cash-flow hedges		-	-	-	-	(12)	-	-	(12)
Remeasurements of employee benefits		-	-	3	-	-	-	-	3
Foreign currency translation		-	-	-	92	-	-	-	92
Total comprehensive income		**-**	**-**	**3**	**92**	**(12)**	**-**	**194**	**276**
Dividends	**10**	-	(44)	-	-	-	-	-	(44)
Equity-settled share-based payment		-	-	-	-	-	-	32	32
Purchase of treasury shares	**2**	-	-	-	-	-	(323)	-	(323)
Total other equity movements		**-**	**(44)**	**-**	**-**	**-**	**(323)**	**32**	**(335)**
As at June 30, 2025		**3**	**2,089**	**50**	**18**	**7**	**(338)**	**5,901**	**7,730**

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

1. Basis of preparation and accounting policies

1.1. General information

Galderma Group AG (the Company) was incorporated in Switzerland on February 7, 2022. Its registered office and principal place of business is Zählerweg 10, 6300 Zug, Switzerland.

Following a legal reorganization, on March 21, 2024, Galderma Group AG became the ultimate holding company of the Group. The steps can be summarized as follows:

- From October 1, 2019, to March 21, 2024, Sunshine VII was the only shareholder of Sunshine SwissCo AG (Sunshine SwissCo, direct holder for the positions reported by EQT Fund Management SARL) through which it indirectly controlled Galderma Holding SA.
- On February 7, 2022, Galderma Group AG was incorporated and on March 21, 2024, became the parent entity of Galderma Holding SA and of all its controlled entities (subsidiaries).
- On March 22, 2024, Galderma Group AG made an initial public offering (IPO) in Switzerland and was listed on the SIX Swiss Exchange.

In financial year 2024, in accordance with IFRS Accounting Standards, the aforementioned reorganizations were not considered business combinations under IFRS 3 *Business Combinations* but rather the continuation of the existing business activities of the Group under a new parent entity. This means that the parent company was considered to have been the parent company throughout the entire reporting periods presented in the 2024 consolidated financial statements of Galderma Group AG. The Company applied so-called book value accounting in 2024, in which it recognized assets and liabilities assumed using the book values in the consolidated financial statements of the former parent company, Sunshine VII. Sunshine VII and Sunshine SwissCo (which controlled Galderma Holding SA prior to the aforementioned reorganizations) were deconsolidated. As of March 21, 2024, the Company adjusted share capital and share premium to reflect the equity of Galderma Group AG, with a corresponding adjustment of retained earnings / accumulated losses.

As of December 31, 2024, the ultimate controlling entities of the Company were Sunshine SwissCo AG, EQT VIII SCSp, EQT VIII Co-Investment (D) SCSp, Abu Dhabi Investment Authority and Auba Investment Pte. Ltd., acting as a shareholder group represented by EQT Fund Management SARL (the Shareholder Group). Due to a share sale in March 2025 (see note 2.2), the Shareholder Group lost control of the Company. As of June 30, 2025, the Company is not controlled by any party.

1.2. Material accounting principles applied in the preparation of the interim condensed consolidated financial statements

Basis of preparation

These financial statements are the unaudited interim condensed consolidated financial statements (hereafter the Interim Consolidated Financial Statements) of the Galderma Group for the six months ended June 30, 2025. They have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024, prepared in accordance with IFRS Accounting Standards (IFRS), as they provide an update of previously reported information. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group since the last annual financial statements.

The accounting policies are the same as those applied in the consolidated financial statements for the year ended December 31, 2024.

The Interim Consolidated Financial Statements for the six months ended June 30, 2025, comprise Galderma Group AG and all its subsidiaries. The terms “Galderma”, “Galderma Group” or “the Group” refer to Galderma Group AG together with its subsidiaries included in the scope of consolidation. Galderma is a global leader in dermatology. The Group offers a range of leading therapeutic dermatology, injectable aesthetics, and dermatological skincare brands.

The Interim Consolidated Financial Statements have been approved for issue by the Board of Directors of the Company on July 23, 2025.

Presentation and functional currency

The Interim Consolidated Financial Statements are presented in US dollars (USD), which is also the Company's functional currency, rounded to millions.

Due to rounding, numbers presented throughout these Interim Consolidated Financial Statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures. All ratios, subtotals and variances are calculated using the underlying amount rather than the presented rounded amount.

New and revised standards and interpretations

In 2025, the Group implemented various minor amendments to existing standards and interpretations which have no material impact on the Group's overall results and financial position.

Galderma Group has not early-adopted the following new and revised standards which have been issued but are not yet effective.

New and revised standards	Effective date
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 1, 2026
IFRS 18 Presentation and Disclosure in Financial Statements	January 1, 2027

The Group does not expect material impacts from the amendments to revised standards and is currently assessing the potential impacts of new standards that will be mandatory from annual reporting periods beginning after January 1, 2025, which the Group has not yet applied.

Use of judgment and estimates

The preparation of the Interim Consolidated Financial Statements requires management to exercise judgement and to make estimates and assumptions that affect the application of policies, reported amounts of revenues, expenses, assets and liabilities, and disclosures. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied in the consolidated financial statements for the year ended December 31, 2024.

Income tax expense is recognized based on management's best estimate of the annual income tax rate expected to be applicable for the full financial year adjusted for certain discrete items which occurred in the interim period in accordance with IAS 34. As such, the effective tax rate in the Interim Consolidated Financial Statements may differ from management's estimate of the effective tax rate for the annual financial statements.

2. Significant events

2.1. Bond offering and refinancing

In March 2025, the Group successfully placed the following bonds with a payment date of March 20, 2025:

- 190 M CHF bond with a four-year maturity and a 1.4025% fixed-rate annual coupon
- 245 M CHF bond with an eight-year maturity and a 1.8098% fixed-rate annual coupon
- 500 M EUR bond with a five-year maturity and a 3.5% fixed-rate annual coupon

The bonds are listed on the SIX Swiss Exchange. The Group received proceeds of 1,040 M USD from the bonds which have been used to repay an amount of 1,050 M USD of the Term Loan that was issued at the Group's IPO in the 2024 financial year. Refer to note 9 for more information on the bonds.

In June 2025, the Group made an early repayment of an additional tranche of the Term Loan amounting to 100 M USD.

2.2. Share repurchases and treasury shares

In the first half of the 2025 financial year, Galderma Group repurchased its own shares through two transactions conducted via accelerated bookbuilding offerings initiated by the Shareholder Group represented by EQT Fund Management SARL. The Shareholder Group was the ultimate controlling party prior to the first transaction in March 2025 and has been considered a related party of the Group since that initial repurchase. In total, the Group has repurchased 2,778,976 shares of Galderma Group AG at an average market price of 116.18 USD per share. The total consideration paid amounted to 323 M USD which was recognized as a deduction from equity.

In the reporting period, the Group transferred 196,680 Galderma Group AG shares to employees in order to fulfil equity-settled share-based payment arrangements. The treasury shares were derecognized at purchase cost of 2 K USD, with a corresponding entry to retained earnings.

As of June 30, 2025, the Group owns 3,073,782 Galderma Group AG shares which are recognized as a deduction from equity at cost of 338 M USD. Treasury shares are not entitled to voting rights or dividend.

3. Segment information and net sales

3.1. Seasonality

The Group operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the financial year.

3.2. Segment Information

Galderma operates as a single global segment dedicated to dermatology.

This operating structure enables the Executive Committee as the chief operating decision-maker (CODM), to allocate resources and assess business performance on a global basis in order to achieve established long-term strategic goals. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Human Resources Officer (CHRO) and Head Operations are the members of the Executive Committee.

The Group uses certain non-IFRS measures when measuring performance, including when measuring current period results against prior periods, primarily Core EBITDA and Net Indebtedness (see note 9). The Group's CODM believes that these non-IFRS measures provide valuable information regarding its financial and operational performance. This is because they enable the reader to identify a consistent basis for comparing the business' performance between financial periods. Additionally, they provide more detail concerning the elements of performance that the managers are most directly able to influence or are relevant for an assessment of the Group’s performance. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by management.

3.3. Core EBITDA

Galderma defines earnings before interest, tax, depreciation, and amortization (EBITDA) as net income excluding income taxes; depreciation of property, plant and equipment (PPE); depreciation of right-of-use-assets; amortizations of intangible assets; financial income and expenses; as well as foreign exchange gains and losses on financing items.

The Group defines its Core EBITDA as EBITDA excluding the following items that are deemed non-core: acquisition and disposal; integration and carve-out related income and expenses; onerous contracts, business disposal gains and losses, restructuring and reorganization related items; litigation related items; impairment of PPE and intangible assets; IPO-related incentive plans as well as other income and expense items that management deems non-core and that are expected to accumulate within the year to be over a 2 M USD threshold (2024: 1 M USD threshold). These include transformation, carve-out and build-up-related project costs as well as post-acquisition-related accounting impacts.

The below table illustrates the reconciliation of net income to Core EBITDA:

In M USD	**Notes**	**Six-months ended June 30, 2025**	**Six-months ended June 30, 2024**
Net income		**194**	**47**
Income taxes	**11**	58	30
Income before tax		**252**	**77**
Financial (income) / expenses	**5**	106	206
Foreign exchange loss on financing activities		1	30
Operating profit		**358**	**313**
Amortization		122	112
Depreciation		36	30
EBITDA		**517**	**455**
Other (income) / expenses	**4**	29	2
Impairment[1]		9	-
Transformation costs		-	5
Value creation bonus[2]		-	4
Other IPO related incentive plans[3]		-	48
Core EBITDA		**555**	**514**

[1] Impairments have been recognized within cost of goods sold (5 M USD) and general and administrative (4 M USD). These impairments stem from the derecognition of intangible assets following the termination of an in-licensing agreement, as well as the write-down of property, plant and equipment – including right of use assets – due to strategic initiatives aimed at streamlining operations.
[2] Value creation bonus was a pre-IPO long-term incentive plan which vested upon the IPO in March 2024.
[3] Other IPO related incentive plans included a 44 M USD expense resulting from the IPO Incentive Plan which was an equity-settled share-based payment plan in the 2024 financial year.

3.4. Net sales by products and geographic area

The Group operates globally and derives revenue from a range of medical and consumer brands to meet a broad variety of skin health needs. The Group's net sales are mainly attributable to the sales of Cetaphil®, Restylane®, Dysport®/Azzalure®, Sculptra®, Nemluvio® and ALASTIN Skincare®. The different countries in which the Group operates are the basis to disaggregate revenue into categories that depict how the nature, amount, and timing of revenue and cash flows are influenced by economic factors.

The table below illustrates the disaggregation of net sales by product categories:

In M USD	**Six-months ended June 30, 2025**	**Six-months ended June 30, 2024**
Neuromodulators	*707*	*622*
Fillers & Biostimulators	*534*	*517*
Injectable Aesthetics	1,240	1,139
Dermatological Skincare	719	675
Therapeutic Dermatology	489	388
Total net sales	**2,448**	**2,202**

Galderma launched Nemluvio® (nemolizumab) in 2024. In August 2024, Nemluvio was approved by the U.S. Food and Drug Administration (FDA) for the treatment of adults with prurigo nodularis, followed by FDA approval for the treatment of patients 12 years and older with moderate-to-severe atopic dermatitis in December 2024. In February 2025, Nemluvio was approved in the EU, the UK and Switzerland. The Group generated net sales of 131 M USD for Nemluvio as of June 30, 2025, which are reported in the Therapeutic Dermatology category.

The table below illustrates the disaggregation of net sales by destination:

In M USD	**Six-months ended June 30, 2025**	**Six-months ended June 30, 2024**
U.S.	1,039	925
International[1]	1,409	1,277
Total net sales	**2,448**	**2,202**

[1] International includes sales in Switzerland, the Company's country of domicile, of 15 M USD (20 M USD as of June 30, 2024).

Net sales attributed to the U.S. are collectively the most material to the Group. The U.S. is the only territory where sales contribute 10% or more of total net sales.

3.5. Non-current assets by country

In M USD	June 30, 2025	December 31, 2024
Switzerland	9,373	9,449
Rest of the world	1,210	1,110
Total non-current assets[1]	**10,583**	**10,559**

[1] *Deferred tax assets, derivative assets and other financial assets are excluded from Total non-current assets.*

4. Other income / (expenses)

The table below provides a detailed breakdown of the Group's other income and expenses, categorized as non-Core items (see note 3.3).

In M USD	Six-months ended June 30, 2025	Six-months ended June 30, 2024
Foreign exchange gain on operating activities	-	6
Other income	**-**	**6**
Litigations and onerous contracts	(9)	(4)
Restructuring costs	(4)	(3)
Acquisition and disposal related costs	(2)	(2)
Other miscellaneous expenses	(1)	-
Foreign exchange loss on operating activities	(13)	-
Other expenses	**(29)**	**(8)**
Total other income / (expenses)	**(29)**	**(2)**

Litigation expenses of 4 M USD (4 M USD as of June 30, 2024) primarily relate to legal fees incurred in connection with arbitration proceedings. Onerous items amount to 6 M USD (nil as of June 30, 2024) and represent costs from contracts outside the Group's core business activities which mainly reflect the financial effects of operational changes in relation to establishing Miami as Galderma's U.S. headquarters. This also resulted in restructuring measures amounting to 4 M USD (3 M USD as of June 30, 2024).

5. Financial income / (expenses)

The table below provides an overview of the Group's financial income and expenses.

In M USD	Six-months ended June 30, 2025	Six-months ended June 30, 2024
Value creation bonus plan revaluation	-	28
Interest income	6	4
Cash flow hedges – reclassified from OCI upon derecognition	-	6
Total financial income	**6**	**38**
Interest expense related to financial debt		
Interest expense – Financial liabilities measured at amortized cost	(70)	(164)
Interest expense – Other financial instruments	(16)	(5)
Interest expense – Early repayment of financial debt	(10)	(65)
Other financial expenses		
Interest expense on defined benefit plans	(0)	(2)
Cash flow hedges – reclassified from OCI upon derecognition	(6)	-
Other financial expenses	(10)	(8)
Total financial expenses	**(112)**	**(244)**
Total financial income / (expenses)	**(106)**	**(206)**

Interest expenses on financial liabilities measured at amortized cost and other financial instruments totaling 86 M USD decreased compared to the comparative period (169 M USD as of June 30, 2024) due to the Group's refinancing in both periods presented as well as a result from the reduction of the Groups' indebtedness in the course of the IPO in March 2024. Refer to note 2.1 for the bond offering and refinancing in the reporting period.

The Group utilized the net proceeds from the bonds issued in March 2025 to repay 1,050 M USD of the Term Loan, with an additional tranche of 100 M USD repaid in June 2025 (see note 2.1). These early repayments resulted in the accelerated recognition of transaction costs amounting to 10 M USD. In the comparative period, the accelerated recognition of transaction cost totaling 65 M USD was attributable to the full early repayment of pre-IPO debt.

The value creation bonus plan was a pre-IPO long-term incentive plan. The financial income of 28 M USD resulted from the remeasurement of the corresponding liability which was fully settled in the course of the IPO in the 2024 financial year.

6. Earnings per share

The following tables show basic and diluted earnings per share (EPS).

6.1. Basic earnings per share

	Six-months ended June 30, 2025	Six-months ended June 30, 2024[1]
Net income (in M USD)	**194**	**47**
Weighted average number of issued shares	237,897,635	237,897,635
Weighted average number of treasury shares held	(1,060,118)	(331,207)
Weighted average number of outstanding shares used to calculate basic EPS	**236,837,517**	**237,566,428**
Basic earnings per share (in USD)	**0.82**	**0.20**

The weighted average number of treasury shares held increased compared to the comparative period due to the share repurchases carried out by the Group (see note 2.2). The major share repurchase at the beginning of June 2025 contributed significantly to the increase.

6.2. Diluted earnings per share

The following table highlights the dilution impact from the Group's Long-term Incentive Plan and other equity-settled share-based payment arrangements on EPS.

	Six-months ended June 30, 2025	Six-months ended June 30, 2024[1]
Net income (in M USD)	**194**	**47**
Weighted average number of outstanding shares used to calculate basic EPS	236,837,517	237,566,428
Adjustment for assumed exercise of equity-settled share-based payment plans, where dilutive	867,645	49,808
Weighted average number of outstanding shares used to calculate diluted EPS	**237,705,162**	**237,616,236**
Diluted earnings per share (in USD)	**0.82**	**0.20**

[1] As a result of the group reorganization on March 21, 2024 (refer to note 1.1), Galderma Group AG became the parent entity of Galderma Holding SA and all of its subsidiaries. To obtain a meaningful weighted average number of outstanding shares used to calculate basic EPS in the comparative period, the number of outstanding shares as at March 22, 2024, was used in the calculation for the period from January 1, 2024, to March 21, 2024.

7. Goodwill and intangible assets

The following table presents a summary of the Group's movements in goodwill and intangible assets.

In M USD	**Goodwill**	*Brands and intellectual property rights*	*Operating rights and others*	*Management Information system*	**Total intangible assets**
Net book value as at January 1, 2024	**5,129**	**3,356**	**1,458**	**109**	**4,923**
Capital expenditure	-	-	58	8	66
Amortization	-	(19)	(71)	(23)	(112)
Currency retranslations	-	-	(3)	(6)	(10)
Net book value as at June 30, 2024	**5,129**	**3,337**	**1,442**	**88**	**4,867**
As at June 30, 2024					
Gross value	5,129	3,515	2,144	197	5,855
Accumulated amortization and impairments	-	(178)	(701)	(110)	(988)
Net book value	**5,129**	**3,337**	**1,442**	**88**	**4,867**
of which indefinite useful life		*3,032*	-	-	*3,032*
Net book value as at January 1, 2025	**5,129**	**3,318**	**1,431**	**80**	**4,829**
Capital expenditure	-	1	23	6	30
Amortization	-	(18)	(86)	(18)	(122)
Impairment	-	-	(5)	-	(5)
Currency retranslations	-	-	10	10	19
Net book value as at June 30, 2025	**5,129**	**3,301**	**1,372**	**78**	**4,751**
As at June 30, 2025					
Gross value	5,129	3,515	2,240	246	6,002
Accumulated amortization and impairments	-	(214)	(868)	(169)	(1,251)
Net book value	**5,129**	**3,301**	**1,372**	**78**	**4,751**
of which indefinite useful life		*3,032*	-	-	*3,032*

8. Provisions

In M USD	**Restructuring**	**Legal and non-income tax**	**Return provision & others**	**Total**
As at December 31, 2024	**7**	**8**	**41**	**55**
of which expected to be settled within 12 months	*6*	*1*	*31*	*38*
of which expected to be settled after 12 months	*1*	*6*	*9*	*17*
As at January 1, 2025	**7**	**8**	**41**	**55**
Provisions made during the year	4	1	31	39
Amounts used	(4)	(1)	(8)	(13)
Reversal of unused amounts	-	(1)	(11)	(15)
Currency retranslations	1	1	2	3
As at June 30, 2025	**7**	**8**	**55**	**70**
of which expected to be settled within 12 months	*6*	*1*	*40*	*47*
of which expected to be settled after 12 months	*1*	*7*	*15*	*22*

Restructuring

Restructuring provisions arise from several projects across the Group. These include plans to optimize production, sales, and administration structures. Restructuring provisions are expected to result in future cash outflows when implementing the plans, usually over the following one to three years. As at June 30, 2025, the major part of the restructuring provisions is expected to be settled within 12 months. For the six-months ended June 30, 2025, Galderma recorded net pre-tax restructuring costs of 4 M USD (3 M USD as of June 30, 2024).

Legal and non-income tax

Legal provisions have been set up to cover legal and administrative proceedings that arise in the ordinary course of the business. Tax provisions include disputes and uncertainties on non-income taxes and are mainly comprised of value-added tax (VAT) and sales taxes. The Group does not believe that any of these cases will have a material adverse impact on its financial position. The timing of outflows is uncertain as it depends upon the outcome of the cases.

Return provisions and others

Other provisions are mainly constituted by sales returns of 43 M USD as of June 30, 2025 (34 M USD as of December 31, 2024), and onerous contracts of 9 M USD as of June 30, 2025 (4 M USD as of December 31, 2024). Refer to note 4 for more information on the onerous items recognized in the reporting period. The majority of these provisions are expected to be settled within approximately one to seven years from the balance sheet date.

9. Financial instruments

9.1. Financial assets and liabilities by class and by category

In M USD	At amortized cost[1]		At fair value through profit or loss		**Total**	
	June 30, 2025	**December 31, 2024**	**June 30, 2025**	**December 31, 2024**	**June 30, 2025**	**December 31, 2024**
Cash and cash equivalents	458	457	-	-	**458**	**457**
Trade receivables	760	754	-	-	**760**	**754**
Other receivables[2]	12	-	-	-	**12**	**-**
Accrued income	7	-	-	-	**7**	**-**
Other financial assets[3]	3	1	-	-	**3**	**1**
Derivative assets designated as hedging instruments	-	-	131	2	**131**	**2**
Derivative assets not designated as hedging instruments	-	-	12	22	**12**	**22**
Total financial assets	**1,240**	**1,212**	**142**	**24**	**1,383**	**1,236**
Trade payables	631	571	-	-	**631**	**571**
Other payables[2]	79	61	-	-	**79**	**61**
Accruals	578	494	-	-	**578**	**494**
Other financial liabilities	2	2	-	-	**2**	**2**
Financial debt	2,848	2,759	-	-	**2,848**	**2,759**
Derivative liabilities designated as hedging instruments	-	-	16	25	**16**	**25**
Derivative liabilities not designated as hedging instruments	-	-	29	5	**29**	**5**
Total financial liabilities	**4,138**	**3,887**	**45**	**30**	**4,183**	**3,917**
Net financial position	**(2,897)**	**(2,675)**	**97**	**(7)**	**(2,800)**	**(2,681)**
of which at fair value	*-*	*-*	*97*	*(7)*	*97*	*(7)*

[1] If not otherwise stated in this note, the carrying amount of these instruments is a reasonable approximation of their fair value.
[2] Other receivables and payables that are not financial assets or liabilities are not included.
[3] Other financial assets include 2 M USD of cash held as collateral as of June 30, 2025 (1 M USD as of December 31, 2024).

Factoring

The Group has a trade receivable factoring program. Based on an analysis of the risks and rewards, the Group has derecognized 240 M USD of factored receivables as at June 30, 2025 (107 M USD as at December 31, 2024) and recognized 234 M USD of cash as at June 30, 2025 (102 M USD as at December 31, 2024).

Fair value hierarchy of financial instruments

The fair value levels are defined as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

In M USD	**June 30, 2025**	**December 31, 2024**
Derivative assets	142	24
Derivative liabilities	(45)	(30)
Valuation techniques based on observable market data (level 2)	**97**	**(7)**
Total financial instruments at fair value	**97**	**(7)**

There have been no transfers between the different hierarchy levels in the reporting periods ended on June 30, 2025, and December 31, 2024.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate options, swaps, FX forwards and cross-currency swaps contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

9.2. Financial debt

In March 2025, the Group successfully placed three bonds with a nominal amount of 435 M CHF and 500 M EUR that are listed on the SIX Swiss Exchange. At the payment date, March 20, 2025, the Group received proceeds of 1,040 M USD. The net proceeds from the bonds were used to make a partial repayment of the Term Loan. As of March 21, 2025, the Group early repaid 1,050 M USD of the Term Loan. In June 2025, the Group made an early repayment of an additional tranche of the Term Loan amounting to 100 M USD.

The following table shows an overview of the Group’s financial debt.

In M USD	**Interest rate**	**Floor**	**Maturity**	**June 30, 2025**	**December 31, 2024**
Current financial debt					
Lease liabilities		-	≤ 1 year	37	30
Other financial debt		-	≤ 1 year	3	3
Accrued interest not paid		-	≤ 1 year	17	3
Total current financial debt				**56**	**36**
Non-current financial debt					
Lease liabilities		-	Up to 2036	92	87
Term Loan Facility[1]	USD TERM SOFR +2.25%[1]	0.00%	2029	950	2,100
1.6% CHF bond (ISIN: CH1373904403)	1.6%	-	2028	313	277
1.4025% CHF bond (ISIN: CH1399999973)	1.4025%	-	2029	238	-
3.5% EUR bond (ISIN: XS3025205850)	3.5%	-	2030	587	-
1.9% CHF bonds (ISIN: CH1373904411)	1.9%	-	2032	313	277
1.8098% CHF bond (ISIN: CH1399999981)	1.8098%	-	2033	307	-
Transaction cost related to the debt				(10)	(17)
Total non-current financial debt				**2,792**	**2,723**
Total financial debt				**2,848**	**2,759**

[1] *Weighted average of actual margin in the period. The interest rate for the Term Loan Facility applicable for the period starting on January 1, 2025, and ending on June 25, 2025, was the USD TERM SOFR plus a margin of 2.25% p.a. On June 26, 2025, the applicable margin was reduced to 2.15% p.a. The applicable margin varies between 1.75% p.a. and 2.75% p.a. depending on the consolidated leverage ratio (adjustment bi-annually after filing of interim or annual financial statements with the lenders) and certain other criteria.*

The Group monitors its Net Indebtedness, which refers to its financial indebtedness.

In M USD	**June 30, 2025**	**December 31, 2024**
Total financial debt	**2,848**	**2,759**
Transaction cost related to the debt	10	17
Accrued interest not paid	(17)	(3)
Hedged foreign currency risk on debt	(126)	40
Total Indebtedness	**2,715**	**2,813**
Cash and cash equivalent	(458)	(457)
Total Net Indebtedness	**2,257**	**2,356**

The table below outlines the fair value of the debt facilities and bonds:

In M USD	June 30, 2025		December 31, 2024	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Term Loan Facility	945	950	2,083	2,100
1.6% CHF bond (ISIN: CH1373904403)	313	321	277	284
1.4025% CHF bond (ISIN: CH1399999973)	238	243	-	-
3.5% EUR bond (ISIN: XS3025205850)	584	592	-	-
1.9% CHF bond (ISIN: CH1373904411)	313	326	277	290
1.8098% CHF bond (ISIN: CH1399999981)	306	318	-	-
Total	**2,699**	**2,749**	**2,636**	**2,674**

Capital management

The Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Group monitors the Term Loan (950 M USD) and RCF. To monitor its capital, the Group uses a Net Indebtedness to Core EBITDA ratio (Leverage Ratio), each as defined in the financing arrangement. This ratio is the metric used by the lenders to ensure the Group adheres to its financial covenant when tested at each relevant financial half year and financial year of the Group. A breach of the financial covenant is subject to a cure regime. However, if not cured or remedied within the applicable grace period, such breach of the financial covenant shall result in an event of default which would permit the requisite majority of lenders to accelerate the debt and seek additional remedies, including cancelling available commitments and/or declaring all utilizations thereunder immediately due and payable.

There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in any of the periods presented. For the period ended June 30, 2025, the Leverage Ratio totaled 2.1 (2.3 for December 31, 2024).

	June 30, 2025	**December 31, 2024**
Core EBITDA January to June 2024	-	514
Core EBITDA July to December 2024	517	517
Core EBITDA January to June 2025	555	-
Core EBITDA for the last 12 months	**1,072**	**1,031**
Net Indebtedness	**2,257**	**2,356**
Leverage Ratio (adjusted Net Indebtedness to Core EBITDA)	**2.1**	**2.3**

The Group's objective when managing capital is to safeguard the ability to continue as a going concern and provide returns for shareholders and benefits for other stakeholders.

The Group manages its liquidity risk and settles its obligations as they fall due, by managing its working capital (including relying on its RCF) and utilizing the undrawn portion of its RCF facility (685 M USD as of June 30, 2025, and December 31, 2024).

10. Repayment of reserves from capital contribution

On April 23, 2025, the Annual General Meeting of the Company approved a repayment of reserves from capital contribution of 0.15 CHF per dividend-bearing share. Dividend-bearing shares were all shares issued except for treasury shares held by Galderma Group AG or its direct or indirect fully owned subsidiaries as of April 24, 2025.

The total approved repayment debited to share premium amounted to 36 M CHF (44 M USD). The repayment resulted in a cash outflow of 41 M USD. The variance between the initial recognition of the liability from the repayment of reserves from capital contribution and the actual cash outflow is attributable to foreign exchange fluctuations.

11. Income taxes

Galderma recognized an income tax expense of 58 M USD for the six-month period ended June 30, 2025 (30 M USD for the six-month period ended June 30, 2024), representing an effective tax rate of 23.1% (38.9% for the six-month period ended June 30, 2024). The effective tax rate is based on management's best estimate of the annual income tax rate expected to be applicable for the full financial year. In the comparative period, the effective tax rate was impacted by one-time events relating to the interim period, which include non-tax-deductible IPO expenses, the reversal of a tax provision for an uncertain tax position, and losses incurred by the Group for which no tax benefit has been recognized.

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted or substantively enacted in most of the jurisdictions where Galderma operates, including in Switzerland where it has come into effect as of January 1, 2024.

The Group has assessed its exposure to the Pillar Two legislation, and expects to be subject to a top-up tax liability in relation to its operations in Ireland, Switzerland and the United Arab Emirates. However, the Group does not anticipate that these will have a material impact on the Group's overall tax position.

The Group continues to apply the temporary mandatory exception from deferred tax accounting for the top-up tax, per International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), and accounts for it as a current tax when it is incurred.

The Swiss Federal Council issued a decision to introduce the Pillar Two Income Inclusion Rule with effect from January 1, 2025. The Group expects that the impact of these changes to tax legislation will also not be material to the Group's consolidated financial position.

12. Commitments and contingencies

As at June 30, 2025, and December 31, 2024, the Group had no material contingent assets.

The Group is exposed to certain commercial, tax and employee matters. As of June 30, 2025, contingent liabilities associated with tax authority assessments on non-income taxes amounted to 109 M USD (73 M USD as of December 31, 2024). The Group has assessed the merits of the tax assessments and determined that it has complied with applicable tax laws and regulations and is challenging the assessments.

There were no other material developments in legal, commercial and employee matters as at June 30, 2025.

13. Hyperinflation

The six-month periods for June 30, 2025, and June 30, 2024, include Argentina, considered as a hyperinflation economy. There was no material impact from hyperinflation in the presented periods.

14. Events after the balance sheet date

There were no significant events after the balance sheet date.

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Independent auditors' report on the review of interim condensed consolidated financial statements to the Board of Directors of Galderma Group AG, Zug

Introduction
We have been engaged to review the accompanying interim condensed consolidated financial statements of Galderma Group AG and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at June 30, 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the six-month period then ended, and selected explanatory notes to the interim condensed consolidated financial statements (the "interim condensed consolidated financial statements") on pages 3 to 18. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as at June 30, 2025 are not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

KPMG AG

Stéphane Nusbaumer Licensed Audit Expert	Yann Butticker Licensed Audit Expert

Zug, July 23, 2025

GALDERMA

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