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, 2026

10, ZÄHLERWEG, CH-6300 ZUG

Contents

Consolidated statement of profit or loss

In M USD	Notes	Six-months ended June 30, 2026	Six-months ended June 30, 2025
Net sales	**3**	**3,134**	**2,448**
Other revenue		14	18
Cost of goods sold		(938)	(761)
Gross profit		**2,209**	**1,705**
Research and development		(137)	(104)
Sales and marketing		(994)	(818)
General and administrative		(302)	(276)
Medical and regulatory		(63)	(55)
Distribution		(74)	(64)
Other income/(expenses)	**4**	(8)	(29)
Operating profit		**630**	**358**
Financial income	**5**	10	6
Financial expenses	**5**	(94)	(112)
Foreign exchange gain/(loss) on financing activities		8	(1)
Income before tax		**553**	**252**
Income taxes	**9**	(110)	(58)
Net income		**444**	**194**

In USD	Notes	Six-months ended June 30, 2026	Six-months ended June 30, 2025
Basic earnings per share	**6**	1.90	0.82
Diluted earnings per share	**6**	1.89	0.82

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, 2026	Six-months ended June 30, 2025
Net income	**444**	**194**
Foreign currency translation	(38)	92
Cash flow hedges – reclassified to profit or loss, net of taxes[1]	8	5
Fair value changes on cash flow hedges, net of taxes[2]	37	(18)
Items that are or may be reclassified subsequently to the statement of profit or loss	**7**	**79**
Remeasurement of employee benefits, net of taxes[3]	3	3
Items that will never be reclassified to the statement of profit or loss	**3**	**3**
Other comprehensive income, net of taxes	**10**	**82**
Total comprehensive income	**454**	**276**

[1] *Gross of tax 9 M USD (6 M USD in 2025)*
[2] *Gross of tax 42 M USD ((20) M USD in 2025)*
[3] *Gross of tax 3 M USD (3 M USD in 2025)*

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

Consolidated balance sheet

In M USD	**Notes**	**June 30, 2026**	**December 31, 2025**
Non-current assets			
Goodwill		5,129	5,129
Intangible assets		4,521	4,639
Property, plant and equipment		789	744
Deferred tax assets		283	285
Employee benefits assets		2	2
Derivative assets	**7**	106	118
Other financial assets	**7**	1	3
Other assets		47	37
Total non-current assets		**10,877**	**10,956**
Current assets			
Inventories		650	525
Trade and other receivables		1,077	1,044
Prepayments and accrued income		58	66
Current income tax assets		11	18
Derivative assets	**7**	13	3
Cash and cash equivalents		839	780
Total current assets		**2,649**	**2,437**
Total assets		**13,526**	**13,393**
Non-current liabilities			
Financial debt	**7**	(2,653)	(2,689)
Other financial liabilities	**7**	(1)	(1)
Deferred tax liabilities		(389)	(362)
Derivative liabilities	**7**	(13)	(12)
Employee benefits		(103)	(104)
Provisions		(21)	(21)
Total non-current liabilities		**(3,178)**	**(3,189)**
Current liabilities			
Financial debt	**7**	(63)	(65)
Current income tax liabilities		(71)	(89)
Provisions		(43)	(40)
Accruals and deferred income		(802)	(728)
Trade and other payables		(1,015)	(943)
Employee benefits		(131)	(184)
Derivative liabilities	**7**	(9)	(4)
Total current liabilities		**(2,133)**	**(2,055)**
Total liabilities		**(5,311)**	**(5,243)**
Equity			
Share capital and share premium	**8**	(1,988)	(2,092)
Other reserves		(66)	(64)
Hedge and currency translation reserves		(32)	(25)
Treasury share reserve	**8**	669	378
Retained earnings		(6,798)	(6,347)
Total equity		**(8,215)**	**(8,149)**
Total liabilities and equity		**(13,526)**	**(13,393)**

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, 2026	Six-months ended June 30, 2025
Net income		**444**	**194**
Add back non-operating (income)/expenses:			
Income taxes	**9**	110	58
Financial (income)/expenses	**5**	85	106
Foreign exchange (gain)/loss on financing activities		(8)	1
Operating profit		**630**	**358**
Depreciation of property, plant and equipment		42	36
Amortization of intangible assets		122	122
Impairment	**3**	-	9
Equity-settled share-based payment transactions		33	35
Other non-cash items		(8)	11
Variation of trade and other receivables		(34)	95
Variation of inventories		(134)	(66)
Variation of trade and other payables		27	17
Variation of prepayments and accrued income		7	(13)
Variation of accruals and deferred income		78	76
Variation of working capital		**(56)**	**109**
Variation of other operating assets and liabilities		(18)	-
Cash generated from operations		**746**	**681**
Interest paid		(82)	(74)
Interest received		10	6
Income taxes paid		(101)	(62)
Total cash flows from operating activities		**572**	**551**
Expenditure on property, plant and equipment		(56)	(43)
Expenditure on intangible assets		(8)	(30)
Total cash flows used in investing activities		**(64)**	**(73)**
Proceeds from financial debt, net of transaction costs		607	1,165
Repayments of financial debt		(651)	(1,287)
Payments for settlement of derivatives		(5)	(10)
Purchase of treasury shares	**8**	(302)	(323)
Dividends paid	**8**	(104)	(41)
Total cash flows used in financing activities		**(454)**	**(495)**
Currency retranslations		4	18
Increase in cash and cash equivalents		**59**	**1**
Cash and cash equivalents at opening		780	457
Cash and cash equivalents at closing		**839**	**458**

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	Total equity
As of 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	8	-	(44)	-	-	-	-	-	(44)
Equity-settled share-based payment		-	-	-	-	-	-	32	32
Purchase of treasury shares	8	-	-	-	-	-	(323)	-	(323)
Total other equity movements		**-**	**(44)**	**-**	**-**	**-**	**(323)**	**32**	**(335)**
As of June 30, 2025		**3**	**2,089**	**50**	**18**	**7**	**(338)**	**5,901**	**7,730**
As of January 1, 2026		**3**	**2,089**	**64**	**30**	**(5)**	**(378)**	**6,347**	**8,149**
Net income for the period		-	-	-	-	-	-	444	444
Cash-flow hedges		-	-	-	-	45	-	-	45
Remeasurements of employee benefits		-	-	3	-	-	-	-	3
Foreign currency translation		-	-	-	(38)	-	-	-	(38)
Total comprehensive income		**-**	**-**	**3**	**(38)**	**45**	**-**	**444**	**454**
Dividends	8	-	(104)	-	-	-	-	-	(104)
Equity-settled share-based payment	8	-	-	-	-	-	10	7	18
Purchase of treasury shares	8	-	-	-	-	-	(302)	-	(302)
Total other equity movements		**-**	**(104)**	**-**	**-**	**-**	**(291)**	**7**	**(388)**
As of June 30, 2026		**3**	**1,985**	**66**	**(8)**	**40**	**(669)**	**6,798**	**8,215**

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.

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, 2026. 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, 2025, prepared in accordance with IFRS Accounting Standards (IFRS), as they provide an update of previously reported information. Therefore, only selected explanatory notes are included to clarify 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, 2025.

The Interim Consolidated Financial Statements for the six months ended June 30, 2026, 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 22, 2026.

Presentation and functional currency

The Interim Consolidated Financial Statements are presented in U.S. dollars (USD), which is also the Company’s functional currency, rounded to millions if not stated otherwise.

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 2026, 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
IFRS 18 *Presentation and Disclosure in Financial Statements*	January 1, 2027
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*	January 1, 2027
IFRS 20 *Regulatory Assets and Regulatory Liabilities*	January 1, 2029

IFRS 18, which replaces IAS 1 *Presentation of Financial Statements* for reporting periods beginning on or after January 1, 2027, introduces new presentation and disclosure requirements. The Group is currently assessing the potential impact of this new accounting standard and expects the following key changes upon initial application of IFRS 18.

- *Statement of profit or loss*
  IFRS 18 requires entities to classify all income and expenses into five categories – namely operating, investing, financing, income tax and discontinued operations. The IFRS 18 implementation has no impact on net income.

  The Group will continue to present operating profit as a subtotal. However, the implementation of IFRS 18 affects the classification of items within the operating category. The Group expects that certain items currently presented within financial income and financial expenses will be reclassified to the operating category. In addition, the Group expects that certain income currently presented within the operating category will be reclassified to the newly introduced investing category. These reclassifications will have an impact on operating profit.

  It is expected that the investing category will include items currently presented within financial income and financial expenses, as well as certain income currently presented in other revenue. In accordance with IFRS 18, the Group will be required to present a new subtotal, profit or loss before financing and income taxes.

  In addition, the Group is currently assessing its principles for aggregating information and labelling items in the statement of profit or loss.

- *Statement of cash flows*
  The Group will be required to use the newly defined operating profit as the starting point for the statement of cash flows, replacing net income and the associated reconciling items to derive operating profit. In line with the specific guidance introduced on the classification of interest cash flows, the Group will classify interest paid as financing activities and interest received as investing activities. These cash flows are currently presented within operating activities.

- *Management-defined performance measures (MPMs)*
  MPMs are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financials performance of the Group. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

The Group has not finalized the assessment nor made final accounting policy choices in relation to IFRS 18. Consequently, the implementation of changes to processes and controls is in progress. As a result, the aforementioned impacts of adopting IFRS 18 may change.

The Group does not expect material impacts from the amendments to IAS 21 that will be mandatory from annual reporting periods beginning on or after January 1, 2027, which the Group has not yet applied. The Group is currently assessing the potential impact of IFRS 20, which becomes effective for annual reporting periods beginning on or after January 1, 2029.

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, 2025.

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 2026, the Group successfully placed a 500 M EUR bond with a five-year maturity and a 3.375% fixed-rate annual coupon. The bond is listed on the SIX Swiss Exchange. The Group received proceeds of 582 M USD, which were used to fully repay the remaining 600 M USD tranche of the Term Loan that had been issued at the Group's IPO in the 2024 financial year. For further details on the bond, refer to note 7.2.

As an additional step in its refinancing strategy, the Group replaced in February 2026 the revolving credit facility (RCF) originally established at the time of the IPO. The new RCF was secured on more favorable terms and increased the available commitment from 700 M USD to 1,000 M USD.

2.2. Change in related parties

Up until March 2025, Galderma Group was controlled by a consortium represented by EQT Fund Management SARL, which included Sunshine SwissCo AG, EQT VIII SCSp, EQT VIII Co-Investment (D) SCSp, Abu Dhabi Investment Authority and Auba Investment Pte. Ltd. (the Shareholder Group). The Shareholder Group conducted several rounds of Galderma Group AG share sales during the comparative period, and following a transaction in March 2025, lost control of the Group while retaining significant influence.

In February 2026, the Shareholder Group and L'Oréal Group closed a share purchase agreement for an additional 10% stake, raising L'Oréal Group's total shareholding to 20% and resulting in L'Oréal Group obtaining significant influence over the Company. In addition, the Shareholder Group announced the dissolution of their consortium and the termination of the sell down coordination agreement. Consequently, the Shareholder Group lost its significant influence over the Company.

For periods presented in these Interim Consolidated Financial Statements up to February 9, 2026, related parties included other entities within the EQT portfolio. Following the loss of significant influence by the Shareholder Group over the Company, these entities no longer qualify as related parties. At the same time, as a result of the execution of the above-mentioned share purchase agreement, related parties include entities controlled by L'Oréal SA.

2.3. Share repurchases

In March 2026, Galderma Group repurchased a further tranche of its own shares through a transaction conducted via accelerated bookbuilding offerings initiated by the Shareholder Group. In total, the Group has repurchased 1,617,391 shares of Galderma Group AG for a total consideration of 302 M USD which was recognized as a deduction from equity. For further details on treasury shares, refer to note 8.2.

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. Until October 8, 2025, the Executive Committee consisted of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Human Resources Officer (CHRO) and Global Head of Operations. During the period from October 9, 2025, to December 31, 2025, the Executive Committee operated without a CHRO. Since January 1, 2026, the Executive Committee consists of the CEO, CFO, Chief Legal and Compliance Officer and Global Head of Operations.

The Group uses certain non-IFRS measures when assessing performance, including current period results against prior periods, primarily Core EBITDA and Net Indebtedness (see note 7.2). The Group's CODM believes that these non-IFRS measures provide valuable information regarding its financial and operational performance. These measures 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 operations that the managers are most directly able to influence or are relevant for an assessment of the Group's results. 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; litigation related items as well as impairment of PPE and intangible assets. In addition, non-Core items include other income and expense items that management considers non-Core, as well as restructuring and reorganization items expected to accumulate within approximately a year to be over a 2 M USD threshold. Items that management considers non-Core may include, but are not limited to carve-out and build-up-related project costs as well as post-acquisition-related accounting impacts.

The 2 M USD threshold for restructuring and reorganization items was introduced for the financial year beginning on January 1, 2026. Prior year non-Core restructuring items were not restated to align with this newly implemented threshold, as the impact resulting from a restatement was not considered material.

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

In M USD	**Notes**	**Six-months ended June 30, 2026**	**Six-months ended June 30, 2025**
Net income		**444**	**194**
Income taxes	**9**	110	58
Income before tax		**553**	**252**
Financial (income)/expenses	**5**	85	106
Foreign exchange (gain)/loss on financing activities		(8)	1
Operating profit		**630**	**358**
Amortization		122	122
Depreciation		42	36
EBITDA		**794**	**517**
Other (income)/expenses	**4**	8	29
Impairment[1]		-	9
Core EBITDA		**802**	**555**

[1] In the comparative period, impairments were recognized within cost of goods sold (5 M USD) and general and administrative (4 M USD). These impairments stemmed 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.

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 disaggregates revenue by product category and geographical market, as these categories best reflect how economic factors influence the nature, amount, timing, and uncertainty of revenue and cash flows.

The Group’s net sales by product category are primarily driven by the following key brands:

- *Injectable Aesthetics:* Dysport®/Azzalure®, Restylane®, Sculptra®, and Relfydess™
- *Dermatological Skincare:* Cetaphil® and ALASTIN® by Galderma
- *Therapeutic Dermatology:* Nemluvio®, Soolantra®, Differin®, and Epiduo®

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

In M USD	**Six-months ended June 30, 2026**	**Six-months ended June 30, 2025**
Neuromodulators	*826*	*707*
Fillers & Biostimulators	*611*	*534*
Injectable Aesthetics	1,437	1,240
Dermatological Skincare	848	719
Therapeutic Dermatology	848	489
of which Nemluvio	*433*	*131*
Total net sales	**3,134**	**2,448**

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

In M USD	**Six-months ended June 30, 2026**	**Six-months ended June 30, 2025**
U.S.	1,374	1,039
International[1]	1,759	1,409
Total net sales	**3,134**	**2,448**

[1] International includes sales in Switzerland, the Company’s country of domicile, of 26 M USD (15 M USD as of June 30, 2025).

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, 2026	December 31, 2025
Switzerland	9,172	9,279
Rest of the world	1,313	1,269
Total non-current assets[1]	**10,486**	**10,548**

[1] *Deferred tax assets, employee benefit 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, 2026	Six-months ended June 30, 2025
Foreign exchange gain on operating activities	9	-
Other income	**9**	**-**
Litigations and onerous contracts	(11)	(9)
Restructuring costs	(5)	(4)
Acquisition and disposal related costs	(0)	(2)
Other miscellaneous expenses	(2)	(1)
Foreign exchange loss on operating activities	-	(13)
Other expenses	**(17)**	**(29)**
Total other income/(expenses)	**(8)**	**(29)**

Litigation expenses of 11 M USD (4 M USD as of June 30, 2025) primarily relate to legal fees incurred in connection with arbitration proceedings. In the first half of 2026, the Group incurred no material onerous items.

The Group incurred restructuring expenses of 5 M USD during the reporting period, primarily related to headquarters restructuring initiatives.

In the comparative period, onerous items amounted to 6 M USD and related to 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 as of June 30, 2025.

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, 2026	Six-months ended June 30, 2025
Interest income	10	6
Total financial income	**10**	**6**
Interest expense related to financial debt		
Interest expense – Financial liabilities measured at amortized cost	(40)	(70)
Interest expense – Other financial instruments	(30)	(16)
Interest expense – Early repayment of financial debt	(7)	(10)
Other financial expenses		
Interest expense – Defined benefit plans	(2)	(0)
Cash flow hedges, reclassified from OCI upon derecognition	(9)	(6)
Other financial expenses	(6)	(10)
Total financial expenses	**(94)**	**(112)**
Total financial income/(expenses)	**(85)**	**(106)**

Interest expenses on financial liabilities measured at amortized cost and other financial instruments totaling 70 M USD decreased compared to the comparative period (86 M USD as of June 30, 2025) due to the Group's refinancing activities in both periods presented.

The Group utilized the net proceeds from the 500 M EUR bond issued in March 2026 to fully repay the remaining 600 M USD outstanding of the Term Loan. This early repayment as well as the termination of the previous RCF resulted in an accelerated recognition of transaction costs amounting to 7 M USD. In the comparative period, the accelerated recognition of transaction cost totaling 10 M USD was attributable to early repayments of the Term Loan.

Refer to note 7.2 for more information on the bond offering and refinancing in the reporting period.

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, 2026	**Six-months ended June 30, 2025**
Net income (in M USD)	**444**	**194**
Weighted average number of issued shares	237,897,635	237,897,635
Weighted average number of treasury shares held	(4,242,315)	(1,060,118)
Weighted average number of outstanding shares used to calculate basic EPS	**233,655,320**	**236,837,517**
Basic earnings per share (in USD)	**1.90**	**0.82**

The weighted average number of treasury shares held increased compared to the comparative period due to the share repurchases carried out by the Group in the current period (see note 8.2) as well as in the 2025 financial year.

6.2. Diluted earnings per share

The following table highlights the dilution impact from the Group's Long-term Incentive Plan on EPS.

	Six-months ended June 30, 2026	**Six-months ended June 30, 2025**
Net income (in M USD)	**444**	**194**
Weighted average number of outstanding shares used to calculate basic EPS	233,655,320	236,837,517
Adjustment for assumed exercise of equity-settled share-based payment plans, where dilutive	1,124,286	867,645
Weighted average number of outstanding shares used to calculate diluted EPS	**234,779,606**	**237,705,162**
Diluted earnings per share (in USD)	**1.89**	**0.82**

7. Financial instruments

7.1. Financial assets and liabilities by class and by category

The following table presents an overview of the Group's financial assets and liabilities, including their respective classifications.

In M USD	At amortized cost[1]		At fair value through profit or loss		At fair value through OCI		**Total**	
	June 30, 2026	**December 31, 2025**	**June 30, 2026**	**December 31, 2025**	**June 30, 2026**	**December 31, 2025**	**June 30, 2026**	**December 31, 2025**
Cash and cash equivalents	839	780		-	-	-	**839**	**780**
Trade receivables	922	837		-	27	57	**949**	**893**
Other receivables[2]	8	9		-	-	-	**8**	**9**
Accrued income	5	8		-	-	-	**5**	**8**
Other financial assets	1	3		-	-	-	**1**	**3**
Derivative assets designated as hedging instruments	-	-	106	118	-	-	**106**	**118**
Derivative assets not designated as hedging instruments	-	-	13	3	-	-	**13**	**3**
Total financial assets	**1,775**	**1,637**	**119**	**122**	**27**	**57**	**1,921**	**1,815**
Trade payables	820	800		-	-	-	**820**	**800**
Other payables[2]	119	93		-	-	-	**119**	**93**
Accruals[2]	688	629		-	-	-	**688**	**629**
Other financial liabilities	1	1		-	-	-	**1**	**1**
Financial debt	2,715	2,754		-	-	-	**2,715**	**2,754**
Derivative liabilities designated as hedging instruments	-	-	13	12	-	-	**13**	**12**
Derivative liabilities not designated as hedging instruments	-	-	9	4	-	-	**9**	**4**
Total financial liabilities	**4,342**	**4,276**	**21**	**16**	**-**	**-**	**4,363**	**4,292**
Net financial position	**(2,567)**	**(2,639)**	**98**	**106**	**27**	**57**	**(2,442)**	**(2,476)**
of which at fair value	-	-	*98*	*106*	*27*	*57*	***126***	***162***

[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 as well as accruals that are not financial assets or liabilities are not included.*

Factoring

The Group has a trade receivable factoring program. Based on an analysis of the risks and rewards, the Group has derecognized 116 M USD of factored receivables (107 M USD as of December 31, 2025) and recognized 110 M USD of cash (102 M USD as of December 31, 2025).

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

The table below presents an overview of the Group's financial assets and liabilities measured at fair value, classified according to their fair value hierarchy levels.

In M USD	**June 30, 2026**	**December 31, 2025**
Trade receivables	27	57
Derivative assets	119	122
Derivative liabilities	(21)	(16)
Valuation techniques based on observable market data (level 2)	**126**	**162**
Total financial instruments at fair value	**126**	**162**

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.

7.2. Financial debt

The Group successfully placed a 500 M EUR bond in March 2026, which is listed on the SIX Swiss Exchange and generated net proceeds of 582 M USD. The net proceeds from the bond issuance, together with internally generated cash, were used to fully repay the 600 M USD Term Loan.

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

In M USD	**Interest rate**	**Maturity**	**June 30, 2026**	**December 31, 2025**
Current financial debt				
Lease liabilities		≤ 1 year	39	38
Other financial debt		≤ 1 year	1	1
Accrued interest not paid		≤ 1 year	23	26
Total current financial debt			**63**	**65**
Non-current financial debt				
Lease liabilities		Up to 2038	150	110
1.6% CHF bond (ISIN: CH1373904403)	1.6%	2028	309	315
1.4025% CHF bond (ISIN: CH1399999973)	1.4025%	2029	235	240
3.5% EUR bond (ISIN: XS3025205850)	3.5%	2030	570	587
0.9425% CHF bond (ISIN: CH1485827393)	0.9425%	2030	216	221
3.375% EUR bond (ISIN: XS3310319689)	3.375%	2031	570	-
1.9% CHF bond (ISIN: CH1373904411)	1.9%	2032	309	315
1.8098% CHF bond (ISIN: CH1399999981)	1.8098%	2033	303	309
Term Loan	USD TERM SOFR +1.85%[1]; floor 0.00%		-	600
Transaction cost related to the debt			(8)	(8)
Total non-current financial debt			**2,653**	**2,689**
Total financial debt			**2,715**	**2,754**

[1] Weighted average of actual margin in the period. The applicable margin varied 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. As of January 1, 2026, the applicable margin was 1.9% p.a. This rate remained unchanged until March 5, 2026, when it was reduced to 1.65% p.a. The Term Loan was fully repaid on March 18, 2026.

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

In M USD	**June 30, 2026**	**December 31, 2025**
Total financial debt	**2,715**	**2,754**
Transaction cost related to the debt	8	8
Accrued interest not paid	(23)	(26)
Hedged foreign currency risk on debt	(75)	(134)
Total Indebtedness	**2,625**	**2,602**
Cash and cash equivalent	(839)	(780)
Total Net Indebtedness	**1,786**	**1,822**

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

In M USD	June 30, 2026		December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
1.6% CHF bond (ISIN: CH1373904403)	313	314	317	322
1.4025% CHF bond (ISIN: CH1399999973)	235	239	242	243
3.5% EUR bond (ISIN: XS3025205850)	573	573	600	595
0.9425% CHF bond (ISIN: CH1485827393)	217	217	220	220
3.375% EUR bond (ISIN: XS3310319689)	572	569	-	-
1.9% CHF bond (ISIN: CH1373904411)	313	324	317	328
1.8098% CHF bond (ISIN: CH1399999981)	303	315	313	320
Term Loan	-	-	597	600
Total	**2,526**	**2,552**	**2,605**	**2,629**
Lease liabilities	189		147	
Other financial debt	1		1	
Total financial debt	**2,715**		**2,754**	

Fair value of the bonds was determined based on their quoted market prices at balance sheet date.

Debt and Capital management

During the reporting period, the Group strengthened and simplified its financing structure. In particular, the Group fully repaid its Term Loan facility and refinanced its RCF, increasing the amount committed from 700 M USD to 1,000 M USD. As a result of this refinancing, the Group's current financing arrangements no longer include financial covenant requirements.

The Group monitors its capital structure using a Net Indebtedness to Core EBITDA ratio (leverage ratio). For the period ended June 30, 2026, the leverage ratio amounted to 1.2 (December 31, 2025: 1.5). While this metric is no longer contractually binding following the refinancing, it continues to be monitored as part of the Group's internal risk management framework.

Prior to the refinancing in the reporting period, the leverage ratio, as defined in the financing agreements, was the key metric used by lenders to assess compliance with financial covenants at each half-year and year-end reporting date. There have been no breaches of financial covenants related to any interest-bearing loans and borrowings in any of the periods presented.

	June 30, 2026	December 31, 2025
Core EBITDA January to June 2025	-	555
Core EBITDA July to December 2025	656	656
Core EBITDA January to June 2026	802	-
Core EBITDA for the last 12 months	**1,458**	**1,211**
Net Indebtedness	**1,786**	**1,822**
Leverage Ratio (Net Indebtedness to Core EBITDA)	**1.2**	**1.5**

The Group actively monitors its liquidity position on an ongoing basis, including forecasted cash flows, available headroom under its RCF and access to funding sources, in order to maintain an appropriate level of financial flexibility.

The undrawn portion of the RCF amounted to 1,000 M USD as of June 30, 2026 (685 M USD as of December 31, 2025).

8. Equity

8.1. Repayment of reserves from capital contribution

On April 22, 2026, the Annual General Meeting of the Company approved a repayment of reserves from capital contribution of 0.35 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 23, 2026. The total approved repayment, debited to share premium and paid in 2026, amounted to 82 M CHF (104 M USD).

In the comparative period, the amount 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 was attributable to foreign exchange fluctuations.

8.2. Treasury share reserve

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group. On June 30, 2026, the Group held 4,708,698 of the Company's shares (December 31, 2025: 3,328,910). Treasury shares are not entitled to voting rights or dividends.

The Group repurchased 1,617,391 shares of Galderma Group AG from the Shareholder Group through an accelerated bookbuilding offering initiated by the Shareholder Group after it lost significant influence over the Group. The shares were acquired at a market price of 186.48 USD per share, resulting in a total consideration of 302 M USD, which was recognized as a deduction from equity. In the comparative period, the Group repurchased 2,778,976 shares at an average purchase price of 116.18 USD per share from the Shareholder Group, for a total consideration of 323 M USD.

In the reporting period, the Group transferred 237,603 Galderma Group AG shares to employees in order to fulfil equity-settled share-based payment arrangements (196,680 as of June 30, 2025). The treasury shares were derecognized at purchase cost of 10 M USD (2 K USD as of June 30, 2025) with a corresponding entry to retained earnings.

9. Income taxes

Galderma recognized an income tax expense of 110 M USD for the six-month period ended June 30, 2026 (58 M USD for the six-month period ended June 30, 2025), representing an effective tax rate of 19.8% (23.1% for the six-month period ended June 30, 2025). 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.

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 with the Swiss Domestic Minimum Tax (QDMTT). Then effective as of January 1, 2025, Switzerland has introduced the Income Inclusion Rule (IIR) as part of its commitment to fully implement the OECD Pillar Two model rules.

The Group has assessed its exposure to the Pillar Two legislation, and is 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 full year consolidated financial statements, consistent with prior periods.

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.

10. 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 reviewed the consolidated balance sheet of Galderma Group AG and its subsidiaries (the “Group”) as at June 30, 2026, and the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes (the interim condensed consolidated financial statements) on pages 3 to 17. 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 interim condensed consolidated financial statements as at June 30, 2026 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 22, 2026

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