
GALDERMA
EST. 1981
Annual Report
2025

Advancing dermatology for every skin story

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Part 1

BUSINESS HIGHLIGHTS

Galderma is the pure-play dermatology category leader with 45 years dedicated to advancing skin health. We entered 2025 with strong momentum following our landmark initial public offering on the SIX Swiss Exchange in 2024.

Our path towards becoming the undisputed dermatology powerhouse

Over the year, we accelerated our trajectory by advancing the world's broadest dermatology portfolio—spanning Injectable Aesthetics, Dermatological Skincare and Therapeutic Dermatology—and further strengthening our foundation for long-term growth.

The path ahead is clear: through focused execution, portfolio and geographic expansion, and increasingly consumer-focused innovation, we will keep progressing towards our ambition to become the world's undisputed dermatology powerhouse.

Our portfolio of brands

At Galderma, our innovation is underpinned by unrivaled expertise and a singular focus on the science of skin. Spanning three distinct segments of dermatology, our brands work synergistically to address a wide range of patient and consumer needs.

Injectable Aesthetics

Alluzience® Botulinum toxin type A

Azzalure® Botulinum toxin type A

Dysport® (abobotulinumtoxinA)

relfydess® toxinum botulinicum typum A

Restylane

SCULPTRA®

Dermatological Skincare

ALASTIN™ by GALDERMA

Cetaphil®

Therapeutic Dermatology

AKLIEF®

BENZAC®

DIFFERIN®

EPIDUO® FORTE (adapalene and benzoyl peroxide) Gel 0.3% / 2.5%

LOCERYL®

DAYLIGHT metvix® Methyl aminolevulinate

nemluvio® (nemolizumab-ilto) for injection 30 mg

ORACEA®

ONCE-DAILY soolantra® (IVERMECTIN) 10 / CREAM

Tetralysal®

Advancing our growth story

Net sales

5.207 billion USD

+17.7% year-on-year on a constant currency basis

Core EBITDA

1.211 billion USD

23.3% Core EBITDA margin

Widespread growth across product categories

+11.5%
Injectable Aesthetics

+9.3%
Dermatological Skincare

+50.2%
Therapeutic Dermatology

Year-on-year net sales growth, on a constant currency basis

Science-based innovation

170+ clinical trials
conducted

300 major regulatory approvals
received since 2020

800+
innovation professionals

High-performing teams

7,600+ employees
worldwide

2,500+
salesforce professionals worldwide

>40%
Galderma affiliates certified as a Great Place To Work®

Strengthened investment in the U.S.

650+ million USD
committed investment in U.S. manufacturing via partners through 2030

New regional headquarters
for the U.S. and Latin America opened in Miami, Florida, in June 2025

Partnerships with healthcare professionals

290,000+ healthcare professionals reached
through education, training and medical awareness activities

10,000+ training events
hosted worldwide via the Galderma Aesthetic Injector Network (GAIN) in 2025

Letter from the Chair of the Board of Directors

Dear Shareholders,

I am pleased to report that 2025 was a year of outstanding progress for Galderma. Following our successful initial public offering in 2024, we strengthened our position as the self-care category leader in dermatology across three fast-growing segments: Injectable Aesthetics, Dermatological Skincare and Therapeutic Dermatology.

Our innovations delivered meaningful benefits to consumers, patients and healthcare professionals. We also achieved strong financial performance, with record net sales and solid profitability, and returned value to shareholders through our first dividend and significant share repurchases.

At the start of the year, we identified five strategic opportunities to guide our actions and support our growth ambition. I am pleased to report clear progress across all five, as reflected throughout this report:

1. Significant launches
2025 marked the first of two major launch years. We introduced important innovations across categories, including the ongoing rollout of our two biologics with blockbuster potential, Nemluvio (nemolizumab) and Relfydess (RelabotulinumtoxinA), strengthening our scientific leadership and expanding access to our leading portfolio.

2. Global opportunity for market share gains
We accelerated growth in underpenetrated, fast-growing international markets and increased growth in the U.S., supported by market share gains. This included stronger positions in Injectable Aesthetics, share gains for Cetaphil in international markets and strong uptake of Nemluvio in the U.S.

3. Strengthening our financial profile
We strengthened our financial profile through Core EBITDA growth, sustained cash flow generation and progress in our refinancing strategy. During the year, we diversified funding sources and reduced interest costs, including through new bond issuances, supporting ongoing deleveraging.

4. Shifting towards long-term growth
We advanced our pipeline with focused investments in research and development, including the initiation of two new clinical trials for nemolizumab in Systemic Sclerosis and Chronic Pruritus of Unknown Origin, two areas with high unmet patient need. We also supported initiatives reflecting evolving consumer and patient profiles, alongside continued innovation in science-based solutions for sensitive skin.

5. A dynamic approach to commercial investments
Our global scale and diversified portfolio allowed us to respond effectively to external events and market shifts, focusing resources where they created the greatest impact. To support growth in the U.S., we committed to investing in additional domestic manufacturing capacity through partners.

Beyond these priorities, our shareholder base continued to broaden. Our private equity shareholders completed five secondary share sales, in addition to an investment from L'Oréal Group, which announced its intention to increase its equity stake in Galderma to 20%.* This was accompanied by an ambition to explore additional scientific research projects of mutual interest.

As we share the full story of the year across this report, I would like to thank the Executive Committee, all employees and my fellow Board members for their commitment and oversight.

With a clear and proven strategy, strong fundamentals, an exciting pipeline and an experienced leadership team, we enter 2026 with confidence in the opportunities ahead.

Sincerely,

THOMAS EBELING
Chair of the Board of Directors

* The share purchase agreement closed on February 10, 2026.

Our growth journey towards a dermatology powerhouse

2025 was an outstanding year for Galderma and our first full financial year since our landmark listing on the SIX Swiss Exchange in March 2024. With the delivery of our 2025 results, the transformation that began with our carve out in 2019 and accelerated through our transition to a newly listed public company is now largely complete.

Over this period, Galderma has progressed from a standalone business under private equity ownership to a publicly listed, global dermatology leader with a strengthened capital structure and a diversified long-term shareholder base. Building on our 45-year heritage in skin health, we have created a resilient and scalable platform, positioning Galderma as an emerging dermatology powerhouse.

Our 2025 performance reflects broad-based growth across three product categories—Injectable Aesthetics, Dermatological Skincare and Therapeutic Dermatology—supported by continued portfolio expansion and deeper penetration in key growth markets. This was driven by disciplined execution, sustained innovation and a clear focus on turning science into real-world value for healthcare professionals, consumers and patients.

As we continue our growth journey, Galderma does so from a position of strength – supported by global scale, breakthrough innovation and a clear ambition for long-term leadership in dermatology.

AN INTEGRATED PLATFORM WITH UNMATCHED SCALE

In 2025, we accelerated progress across our three strategic pillars for growth.

1. **The broadest portfolio with leading science and innovation**

We strengthened our position as the only scaled company devoted solely to dermatology, with leadership across its most attractive segments.

In Injectable Aesthetics, our next-generation neuromodulator, Relfydess (RelabotulinumtoxinA) completed its first year on the market, launching across 17 international markets, with U.S. regulatory resubmission completed by year-end. Sculptra delivered a strong year, launching successfully in China—where it rapidly became the country's most searched biostimulator brand—and receiving European certification for expanded body indications. Our Fillers portfolio continued to advance with U.S. approval of Restylane Lyft for chin profile enhancement and the launch of Restylane SHAYPE in Brazil.

In Dermatological Skincare, we continued rolling out new product lines internationally, deepening our presence and accelerating expansion. Among our innovations, Cetaphil introduced a transformative skincare segment through its Skin Activator Hydrating & Firming line and expanded its sensitive skin offering with the Nourishing Oil to Foam Cleanser. Alastin further strengthened its portfolio with the launch of Restorative Skin Complex featuring Next Generation TriHex Technology (TriHex+), alongside the expansion of four core products in China.

In Therapeutic Dermatology, Nemluvio (nemolizumab) launched with strong momentum in the U.S., supported by enhanced access, achieving over 80% commercial coverage in both prurigo nodularis and atopic dermatitis as a first-line biologic. Momentum also built in Germany, with additional early launches in Austria, Switzerland, the U.K., Denmark and France, alongside continued progress with regulatory submissions globally, including approval in Canada by year-end.

Our scientific leadership was demonstrated through a first-of-its-kind Phase IV study evaluating the benefits of our Injectable Aesthetics portfolio in patients experiencing facial aesthetic changes following medication-driven weight loss, culminating in the development of the first consensus-based treatment guidelines. We also shared long-term nemolizumab data extending to two years in its approved indications and advanced our pipeline with the initiation of two new clinical trials in Systemic Sclerosis (SSc) and Chronic Pruritus of Unknown Origin (CPUO).

2. Global scale with omnichannel excellence

Our global reach continued to expand across channels in 2025, supported by a growing salesforce of more than 2,500 employees worldwide, helping to deepen our presence in underpenetrated, fast growing markets. At the same time, we strengthened our presence in the U.S. by opening our new regional headquarters for the U.S. and Latin America in Miami, Florida, and committing more than 650 million USD to expand domestic manufacturing through 2030. This includes the expansion of final assembly and packaging of Nemluvio in Florida through our contract manufacturing partner.

We also delivered a series of high-impact campaigns across our portfolio, including the launch of CetaSphere – an influencer and healthcare professional advocacy program for Cetaphil tailored to Gen Z and Gen Alpha audiences. Among our standout aesthetics campaigns was the SCULPT & LIFT direct-to-consumer initiative in the U.S., which generated over 450 million media impressions.

E-commerce remained a powerful growth engine, especially in China. Cetaphil illustrated this with record performance during the 11.11 shopping festival, recruiting more than three million consumers. In a single live-streaming event, 600,000 Cetaphil units were sold in just 20 seconds.

3. Market-leading education and services

Education and services remain core differentiators for Galderma. In 2025, we reached over 290,000 healthcare professionals through our global education and medical awareness programs, including the Galderma Aesthetic Injector Network (GAIN). Highlights included GAIN LATAM in São Paulo, Brazil, and the launch of GAIN ASCENT, a new initiative designed to support and develop the next generation of injectors. Alongside GAIN, we continued to advance awareness and understanding of sensitive skin through our Global Sensitive Skincare Faculty (GSSF) as well as further dermatological conditions through our Skin Knowledge Innovation Network (SKIN).

OUR UNIQUE INTEGRATED DERMATOLOGY STRATEGY

Our strong financial performance in 2025 underscores the effectiveness of Galderma's Integrated Dermatology Strategy as we enter a new growth inflection point. We delivered record net sales of 5.2 billion USD, representing year-on-year growth of 17.7% in constant currency, driven by new launches and focused commercial execution. Core EBITDA reached 1.2 billion USD, up 18.9% year-on-year in constant currency, with a Core EBITDA margin of 23.3%, delivered in a year of major launches and reinvestment in growth.

Growth was broad-based across all product categories and geographies. Injectable Aesthetics delivered double-digit growth, Dermatological Skincare achieved solid expansion, and Therapeutic Dermatology recorded outstanding growth of 50.2% in constant currency. Nemluvio was a key driver, generating net sales exceeding 450 million USD. Geographically, both U.S. and international markets delivered double-digit growth, with strong performance from Nemluvio in the U.S. and momentum in Injectable Aesthetics and Dermatological Skincare internationally.

During the year, we further strengthened our financial profile, successfully issuing an inaugural 500 million Eurobond and dual-tranche 435 million CHF bonds in March, followed by an additional 175 million CHF bond in December. Also in December, S&P Global Ratings assigned Galderma a 'BBB' long-term issuer credit rating with a positive outlook, reflecting our disciplined financial policy and supporting expectations of continued deleveraging. In addition, Galderma repurchased shares totaling 363 million USD in 2025, demonstrating confidence in our long-term value creation.

EXPANDING OPPORTUNITIES FOR SUSTAINED GROWTH

With this strong foundation, we are well-positioned to deliver continued growth alongside ongoing margin expansion and value creation. This trajectory will be driven by our proven Integrated Dermatology Strategy – aligned with the same five strategic priorities outlined in the Chair's Letter and executed with discipline, focus and consistency.

In Injectable Aesthetics, we will continue to lead through our broad portfolio, innovation and services – reinforcing leadership in Neuromodulators with Relfydess and Dysport, redefining Fillers through consumer-first innovation, and owning regenerative aesthetics with Sculptra. Beyond medication-driven weight loss, we are preparing for the next frontier by expanding Injectable Aesthetics into the large and underserved peri- and menopause population, expected to exceed 1.2 billion women by 2030.

In Dermatological Skincare, our ambition is to be the most trusted and relevant medical-grade skincare franchise globally. We will build on Cetaphil's blockbuster momentum through differentiated innovation and deeper engagement with Gen Z and Gen Alpha, while unlocking international expansion opportunities – particularly through the Skin Activator line. Alastin will continue to strengthen its leadership in peri-procedural skincare, with further growth in the U.S. and new international launches.

In Therapeutic Dermatology, we aim to scale a leading platform with Nemluvio established as the treatment of choice in prurigo nodularis and a leading therapy in atopic dermatitis. We are also actively preparing the next phase of nemolizumab's growth through expansion into new patient populations and indications, including SSc and CPUO.

CONFIDENCE IN OUR SUSTAINED GROWTH JOURNEY

With clear strategic priorities, an attractive outlook and expanding growth opportunities, Galderma enters the next phase of its journey with confidence. We do so with a more diversified, long-term shareholder base and as a member of the Swiss Leader Index, comprising 30 of the largest publicly listed companies in Switzerland. I would like to warmly welcome all new investors, including L'Oréal, which announced its intention to increase its ownership through a further 10% equity investment during 2025.*

I sincerely thank our more than 7,600 employees around the world for their exceptional contribution to our performance in 2025. Their expertise, commitment and relentless focus—grounded in a culture of ethics, integrity and responsibility—are the foundation of our success. Their shared belief in our purpose of advancing dermatology for every skin story is what truly sets Galderma apart.

To our healthcare professionals, customers, consumers and patients, thank you for your trust. We look forward to continuing to deliver meaningful innovation and impact in 2026 and beyond, and to supporting the broader dermatology community through our science, knowledge and partnership.

With the momentum of an outstanding year behind us, the future of Galderma has never been brighter. Thank you to everyone who contributed to this remarkable progress.

FLEMMING ØRNSKOV, M.D., MPH
Chief Executive Officer

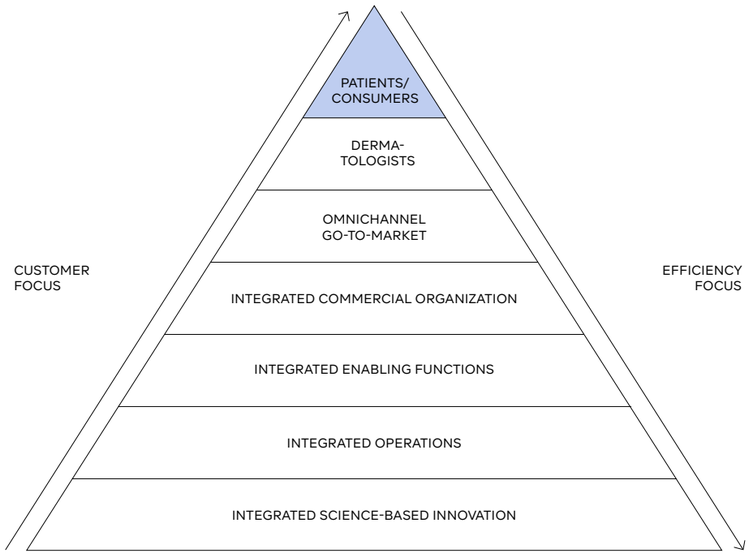
* The share purchase agreement closed on February 10, 2026.

Our Integrated Dermatology Strategy

A scalable platform to meet diverse needs
Our Integrated Dermatology Strategy continues to support growth as we advance towards becoming the world's undisputed dermatology powerhouse. Built on three pillars, it guides how we address consumer and patient needs across the full spectrum of dermatology.

This platform has underpinned Galderma's performance since we became a standalone company in 2019 and through our second phase of growth. Bringing together an integrated commercial organization with enabling functions, operations and research and development, it creates synergies across brands, channels and customer groups.

Our strategy spans three highly attractive segments—Injectable Aesthetics, Dermatological Skincare and Therapeutic Dermatology—allowing solutions, services and education to work together to deliver more personalized and effective outcomes.



THREE STRATEGIC PILLARS FOR GROWTH

Galderma is uniquely positioned through an integrated platform that positions us to leverage strengths, drive competitive differentiation and unlock new opportunities for growth.

1. The broadest portfolio with leading science and innovation

Galderma has the broadest portfolio in dermatology, with clinically proven flagship brands that hold leading global market share positions and meet the individual needs of consumers and patients. We continuously pursue opportunities to strengthen and expand our offerings, entering new segments and markets with differentiated, science-based innovation.

2. Global scale with omnichannel execution excellence

Our brands are distributed globally and are strategically positioned in consumer-driven segments with strong growth fundamentals. At the core of our strategy is a global sales force focused on driving engagement with healthcare professionals. We continue to deepen our global reach through omnichannel execution excellence and impactful campaigns, with significant headroom for expansion in fast-growing markets.

3. Market-leading education and services

Our market-leading education and services help drive penetration and increase loyalty across Galderma's portfolio. We invest in broad-reaching education, training and medical awareness activities, contributing to the world's largest dermatology congresses and events, and supporting initiatives that raise standards across our industry.

OUR DERMATOLOGY POWERHOUSE AMBITION: scale, leadership and growth

As we progress through our next phase, our growth will be driven by focused execution, continued portfolio and geographic expansion, and increasingly consumer-focused innovation. In 2025, we made strong progress across these priorities, helping unlock growth across our three product categories.

Injectable Aesthetics

Injectable Aesthetics advanced significantly in 2025, with new launches, broader availability of our premium brands and new research to support rising demand for aesthetic solutions.

Neuromodulators performed strongly, with market share gains in the U.S. and internationally, outpacing overall market growth. Key drivers included a strong performance from Dysport in top markets globally and the successful ramp-up of Relfydess (RelabotulinumtoxinA), our next-generation neuromodulator developed using PEARL Technology. By year-end, Relfydess was available in 17 international markets, with U.S. regulatory resubmission completed and ongoing preparations for a potential launch.

In Fillers & Biostimulators, Fillers' performance was supported by differentiated products and new launches, including Restylane SHAYPE in Brazil, against a softer market backdrop. Biostimulators delivered double-digit growth, driven by Sculptra's continued growth across existing markets and its launch in China – the world's second-largest Injectable Aesthetics market. Late in the year, Sculptra also achieved EU Medical Device Regulation certification with expanded body indications.

We supported healthcare professionals with the early identification of a new patient group—those seeking to address aesthetic facial changes after medication-driven weight loss—and developing pioneering guidelines for treating them. This was complemented by targeted activations such as the SCULPT & LIFT campaign in the U.S. to engage this new patient demographic.

We deepened engagement with healthcare professionals through major congresses and the Galderma Aesthetic Injector Network (GAIN), our leading educational platform, which marked its 10th anniversary with flagship regional and national gatherings.

Dermatological Skincare

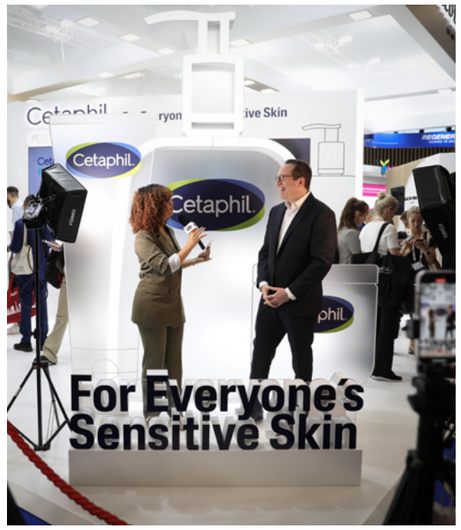
In Dermatological Skincare, we achieved breakthrough innovations, category-defining launches and expanded global reach – delivering science-driven solutions to meet evolving consumer needs.

Both Cetaphil and Alastin continued on their strong growth trajectories, outpacing their respective segments globally. Cetaphil continued its rollout in fast-growing international markets, introducing new product lines across Asia and Latin America. Alastin remained the fastest-growing top physician-dispensed skincare brand in the U.S. while also expanding into new territories, including China, supported by a refreshed, premium look and feel.

To capture opportunities and drive further growth, we introduced new Cetaphil innovations, including the Skin Activator Hydrating & Firming line for aging, fragile skin and the Nourishing Oil to Foam Cleanser for sensitive skin, both designed to address evolving consumer needs through science-led formulations. With Alastin, we strengthened our premium peri-procedural offering with the launch of our Restorative Skin Complex featuring Next Generation TriHex Technology (TriHex+).

Promotional activities spanned multiple channels, including e-commerce for Cetaphil and physician-first engagement for Alastin. This was complemented by partnerships with dermatologists, influencers and actors, as well as, for Cetaphil, CetaSphere, a global advocacy network.

Galderma's Global Sensitive Skincare Faculty (GSSF) advanced research with a first-of-its-kind real-world clinical study in China, assessing the biological impact of lifestyle and environmental factors on individuals with sensitive skin.



Therapeutic Dermatology

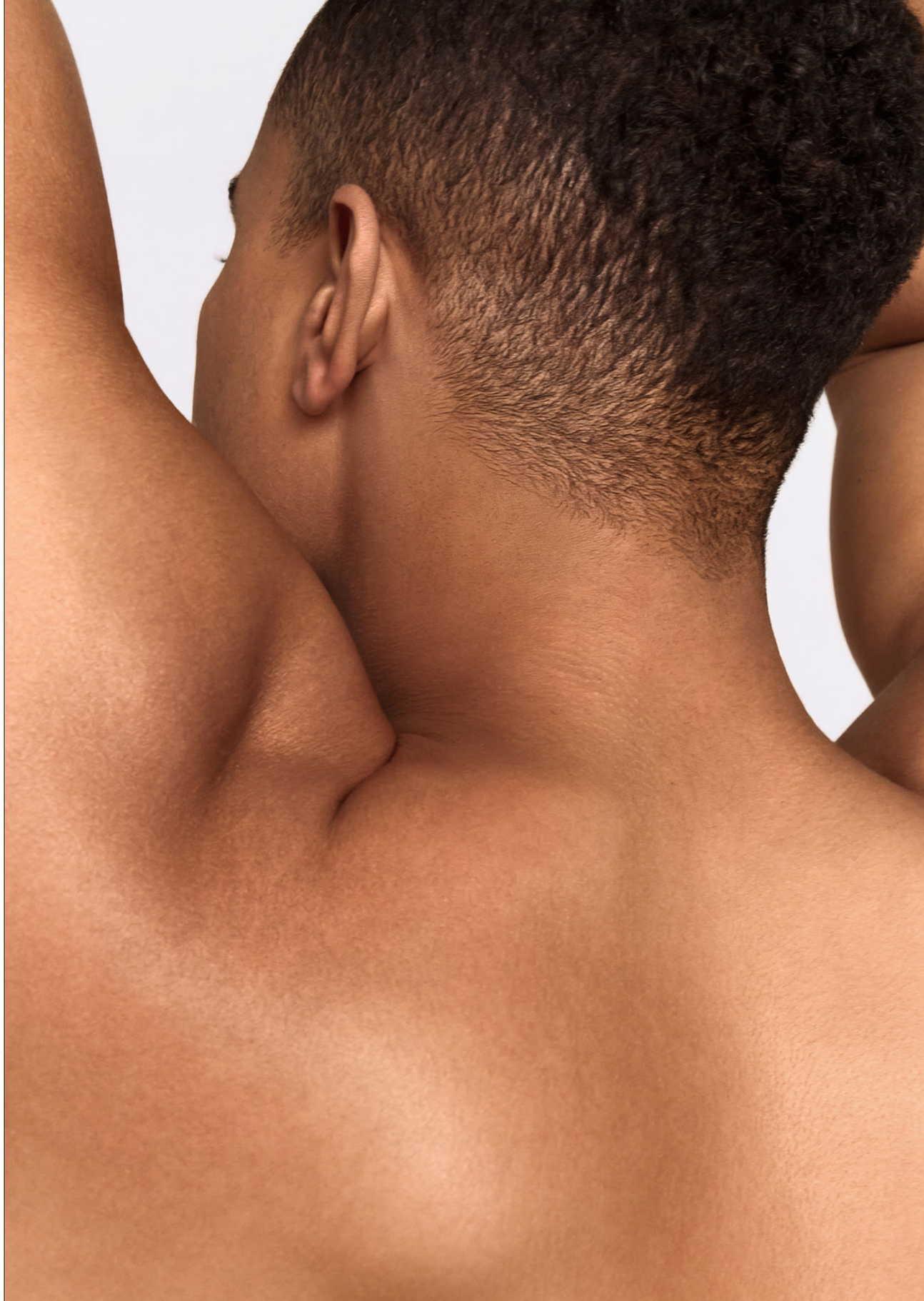
In 2025, Therapeutic Dermatology delivered strong growth, led by launch momentum with Nemluvio (nemolizumab) and reinforced by scientific leadership and deeper engagement with healthcare professionals.

It was a pivotal year for our Therapeutic Dermatology portfolio, which achieved very strong year-on-year net sales growth, driven by an outstanding launch trajectory from Nemluvio in prurigo nodularis and atopic dermatitis. Nemluvio's impressive launch in the U.S. was complemented by its ramp-up in Germany and early launches in Austria, Switzerland, the U.K., Denmark and France.

Commercial uptake was reinforced by sales force expansion, enhanced access and deeper engagement with healthcare professionals. One example is the global roll-out of our Skin Knowledge and Innovation Network (SKIN) spanning Therapeutic Dermatology and Dermatological Skincare.

We continued to have a strong presence at leading international congresses and presented positive long-term data on Nemluvio in atopic dermatitis and prurigo nodularis up to two years. This reflects the only clinical program to include a long-term extension study in prurigo nodularis. Overall, Nemluvio is positioned as a 'pipeline in a product' and, by leveraging science to meet the needs of even more patients, we initiated two new clinical trials in Systemic Sclerosis and Chronic Pruritus of Unknown Origin.

We also continued to support mature brands across the Therapeutic Dermatology portfolio, leveraging our leading position in acne internationally.



2025 MILESTONES: delivering on our purpose

We made important strides towards our purpose of advancing dermatology for every skin story in 2025, with achievements that strengthened our foundation and positioned us for continued growth.

JANUARY

Positive first results from a trial exploring Restylane Lyft or Contour (Volyme outside the U.S.) in combination with Sculptra in medication-driven weight loss patients with associated facial volume loss.

At the International Master Course on Aging Science (IMCAS) World Congress 2025, presented new phase IIIb RELAX clinical trial data reinforcing rapid onset and long-lasting aesthetic improvement with Relfydess. First consensus-based guidelines for managing the aesthetic needs of medication-driven weight loss patients.

FEBRUARY

Nemluvio approved for moderate-to-severe atopic dermatitis and prurigo nodularis in the EU. Marketing authorization received in the U.K. and Switzerland for both indications, followed by approval in Singapore in March.

MARCH

Successfully placed 500 million EUR and dual tranche 435 million CHF bonds.

New data on Nemluvio in atopic dermatitis and prurigo nodularis, as well as Sculptra, Restylane and Relfydess presented at the 2025 American Academy of Dermatology (AAD) Annual Meeting.

APRIL

New data from the phase IIIb EXPRESSION and RELAX studies on Relfydess presented at the Aesthetic & Anti-Aging Medicine World Congress (AMWC) Monaco, alongside new data on Sculptra.

MAY

Sculptra launched in China, one of the world's fastest growing aesthetics markets.

Launch of Alastin Restorative Skin Complex with Next Generation TriHex Technology (TriHex+).

Nemluvio approved in Australia for moderate-to-severe atopic dermatitis and prurigo nodularis.

Agreement to repurchase shares worth 233 million CHF.

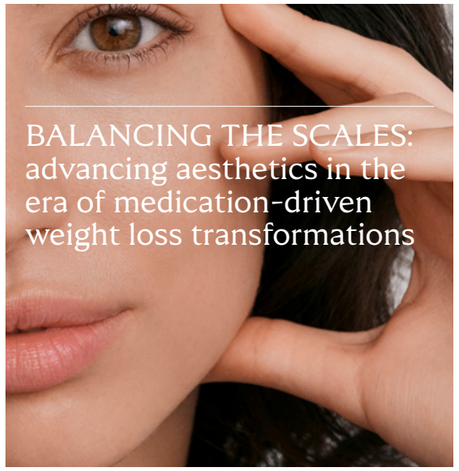
JUNE

At the Revolutionizing Atopic Dermatitis (RAD) Conference and the XIV International Congress of Dermatology (ICD), released new long-term data on Nemluvio's favorable safety profile and sustained and clinically meaningful improvements in symptoms of atopic dermatitis and prurigo nodularis up to two years.

Galderma opens its new U.S. and Latin America headquarters in Miami, Florida, positioning the company at the heart of a thriving market for Dermatological Skincare and Injectable Aesthetics.

Two new clinical trials initiated investigating nemolizumab in patients with Systemic Sclerosis and Chronic Pruritus of Unknown Origin.

JULY



Final nine-month data unveiled showing lasting efficacy and patient satisfaction with our Injectable Aesthetics portfolio when addressing facial aesthetic changes after medication-driven weight loss. Published a ground-breaking report on the aesthetic impact of medication-driven weight loss.

AUGUST

U.S. launch of Cetaphil Nourishing Oil to Foam Cleanser for sensitive skin, a first-of-its-kind formula to deeply cleanse while preserving hydration and supporting sensitive skin's moisture barrier.

More than 1,000 healthcare professionals attend **GAIN LATAM in São Paulo, Brazil**—the region's largest private injectables event—celebrating 10 years of GAIN and 30 years of Galderma in Latin America.

SEPTEMBER

Galderma included in the Swiss Leader Index as one of the 30 largest and most liquid securities in the Swiss equity market.

Four core Alastin products launched in China, marking the premium brand's 10th anniversary.

Launched Cetaphil's Skin Activator Hydrating & Firming Line, in partnership with actor and filmmaker Mariska Hargitay.

At the European Academy of Dermatology and Venereology (EADV) 2025, presented new findings showing the impact of modern living on sensitive skin, alongside late-breaking data on Nemluvio's mode of action in atopic dermatitis, as well as long-term safety and efficacy data in prurigo nodularis and moderate-to-severe atopic dermatitis up to two years.

OCTOBER

Presented post-marketing data from the ARTIST study on the Restylane portfolio at AMWC Dubai, along with additional portfolio updates addressing facial aesthetic changes after medication-driven weight loss.

At the inaugural GAIN Athens, welcomed 350+ aesthetic practitioners and hosted eight distinguished faculty members.

NOVEMBER

U.S. Food and Drug Administration (FDA) approval for Restylane Lyft for the enhancement of the chin profile based on results from a pivotal clinical trial.

At the American Society for Dermatologic Surgery (ASDS) 2025 Annual Meeting, presented new data on Restylane, Sculptra and Relfydess, highlighting Galderma's innovative Injectable Aesthetics portfolio and pipeline.

DECEMBER

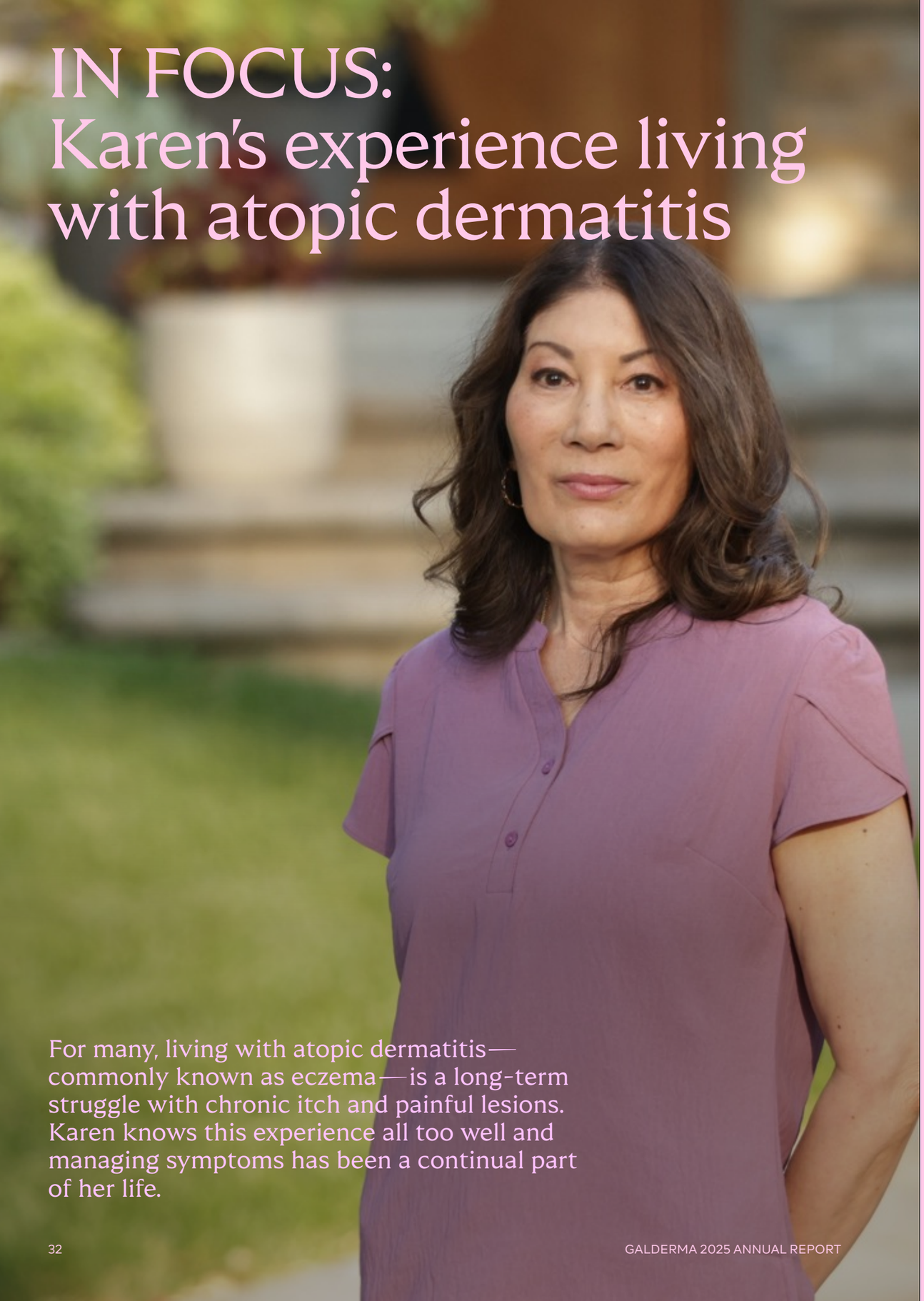
Successfully issued a 175 million CHF bond.

New Sculptra body indications in Europe, following EU Medical Device Regulation certification.

First patient enrollment in a study assessing nemolizumab in adults with Chronic Pruritus of Unknown Origin.

Nemluvio approved by Health Canada for moderate-to-severe atopic dermatitis and prurigo nodularis.

IN FOCUS:
Karen's experience living with atopic dermatitis



For many, living with atopic dermatitis—commonly known as eczema—is a long-term struggle with chronic itch and painful lesions. Karen knows this experience all too well and managing symptoms has been a continual part of her life.

Atopic dermatitis is a chronic, inflammatory skin disease that affects 230 million people worldwide. For many, the impact extends beyond the skin, including their ability to sleep and go about daily life. More than a third of adults with atopic dermatitis steer clear of social engagements due to the visible discomfort and appearance of their condition.

"Living with eczema affected my daily life in so many ways. As a young adult, I had sensitive skin and rashes. Within the last three and a half years, I noticed these rashes that were different, covering my back, arms and legs. Itching was a huge problem – it was very bad, [affecting me] 24/7. I had ice packs on my back to fall asleep."

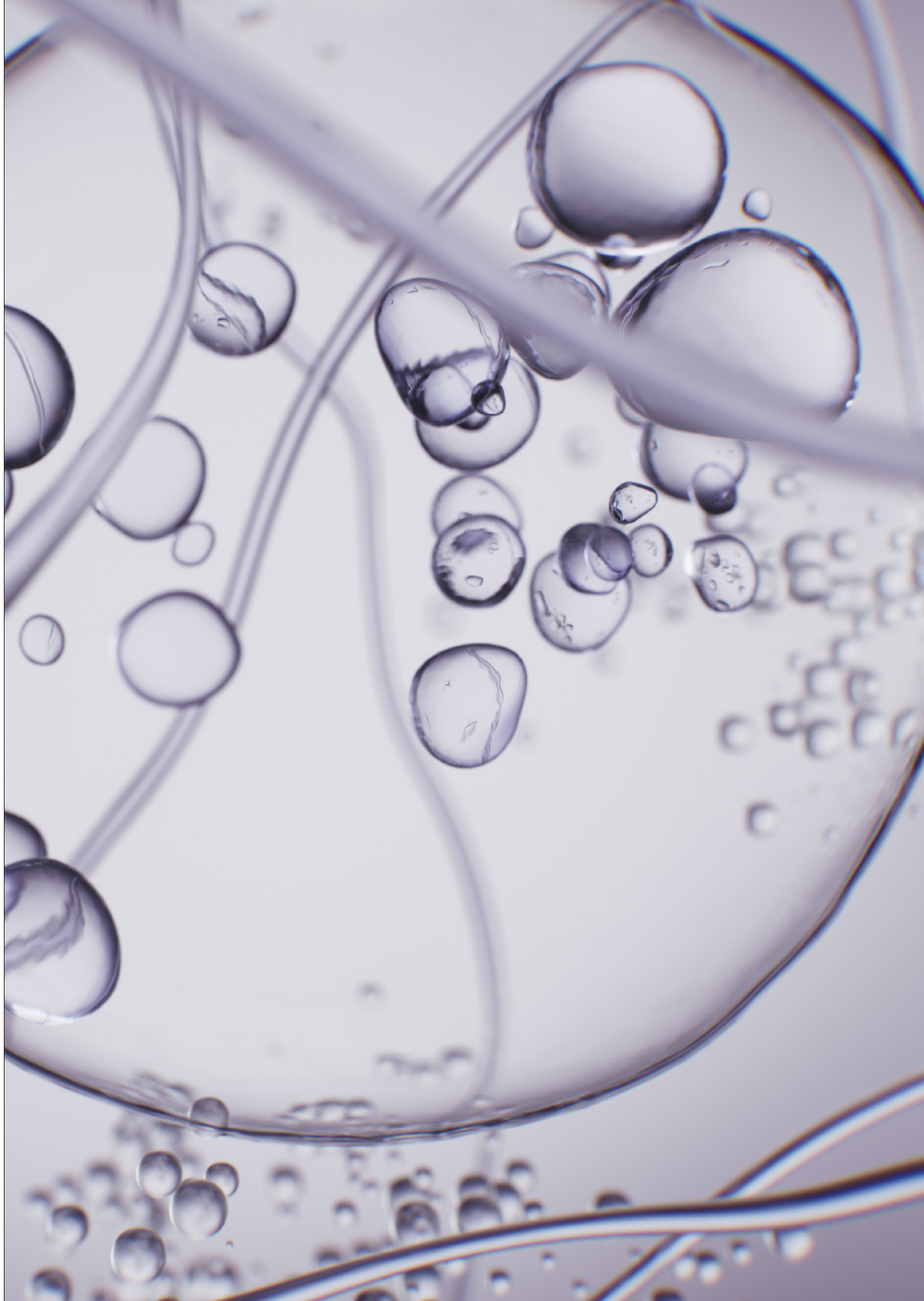
KAREN, U.S.
Atopic dermatitis patient

"Advancing the science behind atopic dermatitis is central to Galderma's commitment to addressing the needs of patients. Interleukin-31 is recognized as a neuroimmune cytokine that drives itch and is involved in inflammation and skin barrier dysfunction in atopic dermatitis. Understanding this pathway can help us address the most burdensome aspects of the disease."

BALDO SCASSELLATI SFORZOLINI, M.D., PHD, MBA
Global Head of Research & Development, Galderma

SCIENCE FUELING GROWTH: leveraging our in-house R&D capabilities

At Galderma, research and development (R&D) is central to how we advance the future of dermatology. These capabilities help us accelerate innovation, enabling us to anticipate and address evolving consumer and patient needs. By translating scientific progress into meaningful solutions, we strengthen our contribution to improving skin health.



Advancing the science of skin with first-class R&D

Galderma's commitment to R&D is foundational to our purpose of advancing dermatology for every skin story. Our pipeline targets unmet needs across strategic areas spanning the full spectrum of dermatology. Through science-based innovation and close partnership with healthcare professionals, we develop solutions that strengthen outcomes and advance the impact of our portfolio.

Committed to the science of skin since 1981, our leading R&D platform is built on a 45-year heritage of unrivaled expertise in dermatology. Innovation continued to fuel our progress throughout 2025 as we launched new programs, presented data across our portfolio and brought innovative products to market.

Building the future of Injectable Aesthetics
Galderma received a number of key regulatory approvals in Injectable Aesthetics in 2025, not least for Relfydess (RelabotulinumtoxinA), our next-generation neuromodulator developed using PEARL Technology. Relfydess continued its strong international regulatory momentum, backed by its differentiated profile combining rapid onset as of Day 1, durable results and a ready-to-use liquid formulation.

Additionally, in November, the U.S. Food and Drug Administration (FDA) approved Restylane Lyft for the enhancement of the chin profile, based on results from a pivotal clinical trial confirming clinical performance and safety.

Shortly after, Sculptra received EU Medical Device Regulation certification, expanding its approved clinical use beyond the face to include the gluteal area, posterior thighs, décolletage and upper arms.

A further focus was advancing understanding of the aesthetic impact of medication-driven weight loss, including completion of a phase IV first-of-its-kind trial exploring the benefits of Restylane Lyft or Contour (Volyme outside the U.S.) in combination with Sculptra in this patient group.

Science-based innovation for consumer needs
Galderma partners closely with dermatologists to incorporate leading science into our flagship Dermatological Skincare brands, Cetaphil and Alastin, ensuring we stay close to evolving consumer needs.

Key portfolio additions in 2025 included the creation of a new transformative skincare segment with Cetaphil's Skin Activator Hydrating & Firming line, an innovative range designed to deliver excellent hydration and firming effects for aging, fragile skin.

Up to 39%

of patients treated with Relfydess see effects from day one

Up to 75%

of patients maintain improvements through six months for frown lines and crow's feet when treated with Relfydess

We also introduced the Nourishing Oil to Foam Cleanser, a gentle daily facial cleanser for sensitive skin that deeply cleanses and removes dirt and excess oil without clogging pores.

Additionally, we launched Alastin Restorative Skin Complex featuring Next Generation TriHex Technology (TriHex+), a multi-functional, daily rejuvenating serum that supports the skin's natural collagen, elastin and healthy fat tissue production.

We remain fully dedicated to advancing the science of sensitive skin. In 2025, this included a first-of-its-kind real-world clinical study conducted in China by our Global Sensitive Skincare Faculty (GSSF). The study assessed the biological impact of different lifestyles and associated environmental factors on individuals with sensitive skin.

Targeting unmet patient needs
Together with its successful launch in the U.S., Nemluvio (nemolizumab) received multiple international regulatory approvals in 2025. These included key markets such as the EU, Australia, Singapore, Switzerland, the U.K. and Canada in both atopic dermatitis and prurigo nodularis.

During 2025, Galderma presented new long-term data on Nemluvio in both indications, reinforcing its consistent safety profile and durable clinical efficacy on skin lesions and itch and quality of life improvement with prolonged treatment up to two years.

We also made important steps to advance our Therapeutic Dermatology pipeline with the announcement of two new clinical trials investigating nemolizumab's potential in Systemic Sclerosis and Chronic Pruritus of Unknown Origin.

>230M

people live with atopic dermatitis worldwide

Accelerating innovation at our global R&D hubs

Across our global network of R&D sites, we advance science-based innovation in dermatology. By investing in differentiated capabilities and deep clinical expertise, we accelerate breakthrough solutions that improve outcomes for consumers and patients.

Boston, MA, U.S.
U.S. R&D hub with global expertise

Our Boston R&D team is at the forefront of advancing innovation for patients with unmet dermatological needs. With deep expertise in biologics and a patient-centric approach, they drive the development of breakthrough therapies and shape our pipeline. Their work is a key force behind Nemluvio's impact for patients in the U.S. as well as internationally.

Carlsbad, CA, U.S.
Alastin hub and R&D center

Our Carlsbad team powers the success of our premium peri-procedural skincare brand, Alastin, in the U.S. and globally. Specializing in restorative and regenerative science, they have contributed to 55 dermatology publications and secured 25 patents. As Alastin expands into new markets, this team continues to set new benchmarks in premium skincare.

Uppsala, Sweden
Center of Excellence for Injectable Aesthetics

Our Uppsala R&D team specializes in aesthetics products, including our iconic Restylane brand. This team led the development of our next-generation neuromodulator, Relfydess – a journey that spanned more than 15 years of meticulous work, expert-led research and a comprehensive clinical program. Today, Galderma is well positioned to be the leader in all aspects of Injectable Aesthetics, having the in-house capabilities to discover, research, develop, manufacture and market best-in-class products.

Zug and Lausanne, Switzerland
Barcelona, Spain
Global R&D hubs

Our R&D teams in Zug—home to our global headquarters—as well as Lausanne and Barcelona play a pivotal role in shaping our portfolio and pipeline. At the heart of our global R&D network, they drive innovation across all categories and markets, ensure alignment with strategic priorities and strengthen core capabilities to deliver solutions that make a lasting impact.

800+

innovation professionals worldwide

PIPELINE TO PRODUCT: our portfolio spanning the full spectrum of dermatology

With a strong consumer heritage and leading positions in fast-growing segments, our synergistic, science-based portfolio drives growth and innovation. Through clinical research, trusted partnerships and execution excellence, we continue to strengthen our leadership and expand options across the full spectrum of dermatology.

INJECTABLE AESTHETICS: market-leading neuromodulators

Galderma champions the Injectable Aesthetics segment with the industry's broadest portfolio and proven in-house R&D expertise. Our range of neuromodulators—including Relfydess, Alluzience and Dysport—reflect decades of innovation and leadership, setting benchmarks for safety, efficacy and aesthetic excellence worldwide.

Relfydess: our next-generation neuromodulator with blockbuster potential
Relfydess (RelabotulinumtoxinA) is the first and only ready-to-use liquid neuromodulator created with PEARL Technology, designed to preserve molecule integrity and deliver a highly active, complex-free formulation. Supported by the Phase III READY clinical trial program and Phase IIIb EXPRESSION and RELAX studies, Relfydess demonstrates impressive performance, with up to 39% of patients seeing effects from day one and up to 75% of patients maintaining improvements for six months. Optimized for simple volumetric dosing without reconstitution, it enhances ease of use and ensures consistent dosing every time. Entirely developed and manufactured by Galderma, Relfydess expands our neuromodulator portfolio and by year-end 2025, was launched in 17 international markets.

17

international markets launched Relfydess by end-2025

Dysport: a market leader for more than three decades
AbobotulinumtoxinA, marketed as Dysport in the U.S., is a leading neuromodulator approved for the temporary improvement of moderate-to-severe glabellar lines (frown lines between the eyebrows) in adults under 65. In the EU, it is marketed as Azzalure for the treatment of glabellar lines and lateral canthal lines (crow's feet). Backed by extensive clinical evidence of safety and efficacy, it is approved for both therapeutic and aesthetic uses, with the aesthetic rights licensed from Ipsen. To date, it has been administered in more than 100 million aesthetic treatments.

100+

million aesthetic treatments with Dysport to date

Alluzience: an innovative, world-first formulation
Alluzience (abobotulinumtoxinA solution) is the first ready-to-use BoNT-A liquid neuromodulator formulation available in Europe, indicated for temporary improvement in the appearance of moderate-to-severe glabellar lines at maximum frown in adults under age 65. Its innovative profile is supported by clinical research and data, including from the phase IV STAR study, which showed that patients treated with Alluzience achieved a natural and refreshed look while reporting high satisfaction.

Product indications, usage instructions and regulatory approvals vary by country.

INJECTABLE AESTHETICS: iconic hyaluronic acid (HA) injectables and the world's first proven regenerative biostimulator

Our advanced portfolio of HA injectables and biostimulators are a key growth driver for Galderma. We continue to identify new frontiers in aesthetics, driving innovation and advancing scientific understanding as we develop new applications for our flagship brands: Restylane and Sculptra.

Restylane: innovation in action
Restylane, the original HA filler, brings almost three decades of clinical experience and more than 77 million treatments worldwide. Its expanding range of premium products is tailored to individual needs. Our exceptionally pure HA, combined with an innovative manufacturing process, preserves biocompatibility while creating products designed for specific purposes. Restylane's unique technologies—NASHA HD, NASHA and OBT/XpresHAn—are designed to mimic the diverse structures and layers of the skin. Featuring a broad range of G′ levels and flexibilities, Restylane offers products that provide structural support, natural expression and a healthy glow. Key milestones in 2025 included launching Restylane SHAYPE with new NASHA HD technology and the highest G′ on the market in Brazil and U.S. Food & Drug Administration (FDA) approval for Restylane Lyft for the enhancement of the chin profile.

Product indications, usage instructions and regulatory approvals vary by country.

Sculptra: a cutting-edge regenerative biostimulator
Sculptra is the first proven regenerative biostimulator, with a unique poly-L-lactic acid (PLLA-SCA) formulation that delivers rapid, progressive and sustained regenerative effects across all three skin layers. By addressing underlying factors in facial aging, including degradation of the extracellular matrix, Sculptra helps restore volume, improve laxity and soften wrinkles. It encourages the remodeling of extracellular matrix components such as elastin and collagen, gradually restoring facial volume and improving wrinkles and folds over time. With optimal correction typically observed within a few months after the final treatment session, it is the only regenerative biostimulator backed by more than 25 years of clinical evidence and safety, providing natural-looking results for up to two years. In 2025, alongside new data on its regenerative properties, Sculptra launched in China, one of the world's fastest-growing aesthetics markets, and achieved EU Medical Device Regulation certification for an expanded body indication.

92%

of patients noticed a difference in their facial features after using a prescription weight-loss medication

The power of innovation

In 2025, Galderma consolidated its leadership in an emerging consumer group experiencing facial volume changes associated with prescription weight-loss medications. We surveyed more than 1,300 people across the U.S., Europe, the Middle East and Brazil to better understand this population.

The results showed that facial changes were widespread: 92% noticed changes, 48% reported significant alterations within three to six months and 77% saw negative effects including sagging skin, a tired appearance or increased wrinkles.

To support this group, Galderma advanced a science-based approach by leading a first-of-its-kind phase IV study, developing consensus-based international treatment guidelines with global experts and strengthening healthcare professional education through our Galderma Aesthetic Injector Network (GAIN).

Read the full report:

DERMATOLOGICAL SKINCARE: advancing premium, science-led skincare

Grounded in Galderma's dermatological heritage, our consumer-centric skincare portfolio continued to advance in 2025. Cetaphil and Alastin expanded into new markets and delivered new innovations, strengthening their relevance for consumers seeking proven, science-backed skincare solutions.

Cetaphil: leadership in sensitive skin
For over 75 years, Cetaphil has been committed to advancing skin science with products specifically formulated for all types of sensitive skin. Launched in 1947 with its first product, Cetaphil Cleansing Lotion (now known as Cetaphil Gentle Skin Cleanser), the brand quickly became recognized for effective yet gentle skincare. As Cetaphil advanced sensitive skin science, its range expanded to include a broad portfolio of products designed for daily care. Today, Cetaphil is available in more than 70 countries and offers a wide selection of cleansers, moisturizers, baby products and solutions for sensitive skin. In 2025, Cetaphil expanded its portfolio with the launch of several innovative product ranges including the new Skin Activator Hydrating & Firming line and the Nourishing Oil to Foam Cleanser.

Alastin: celebrating 10 years of innovation
Alastin is one of the fastest-growing physician-dispensed skincare brands, offering innovative, scientifically proven and clinically tested products that support the skin's natural regenerative abilities. Founded in 2015, its R&D efforts focus on innovations with the greatest impact for patients and providers. The range includes pre- and post-procedure products designed to enhance results and reduce after-effects, daily skincare solutions that help restore and renew the skin, and science-first formulations built around peptides – a core foundation of many Alastin products. In 2025, alongside continued international expansion, including entry into China, Alastin launched Restorative Skin Complex with Next Generation TriHex Technology (TriHex+), a newly enhanced formula that can be used as a multi-functional, daily rejuvenating serum to support the skin's natural collagen, elastin and healthy fat tissue production.

25

patents underscore Alastin's science-first approach, supporting its position as the number one peri-procedural skincare brand in the U.S.

The power of innovation

Alastin's newly enhanced Restorative Skin Complex with Next Generation TriHex Technology joins the brand's other world class and award-winning products that are science-led and physician-endorsed. The updated formula reflects a significant evolution, incorporating new scientific insights to address visible changes associated with aging and medication-driven weight loss.

Two groundbreaking additions further strengthen the formula. The first is an innovation to the patented TriHex Technology with Octapeptide-45, a proprietary peptide that amplifies the skin's ability to regenerate collagen and elastin, addressing the appearance of fine lines, radiance, skin plumping and long-lasting hydration. The second is Magnolol, a novel ingredient that helps stimulate depleted fat tissue. Together, these new ingredients help visibly restore facial radiance and plumping by supporting the skin's natural regenerative abilities.

Learn more:

THERAPEUTIC DERMATOLOGY: focused on serving unmet patient needs

Our therapeutic portfolio spans various treatments including for acne, atopic dermatitis and prurigo nodularis. We focus on addressing unmet needs in chronic skin disease, advancing science-led solutions and expanding access to proven therapies for patients worldwide.

Aklief: a high-performance option to treat acne
Aklief (trifarotene) is a prescription acne treatment which contains trifarotene, a topical retinoid molecule. Our innovative formula has been proven effective for the face, shoulders, chest and back. Clinical trials demonstrated that this innovative technology can reduce inflammatory lesions on the face as early as two weeks, and enables patients to follow a simple daily routine to treat their acne and manage scarring.

Nemluvio: advancing care in neuroimmune skin disease
Nemluvio (nemolizumab) is the first and only treatment to block interleukin-31 (IL-31) signaling, a key driver of itch, skin inflammation, skin barrier disruption and skin fibrosis in prurigo nodularis nodules and eczema-related rashes. Nemluvio is approved for both moderate-to-severe atopic dermatitis and prurigo nodularis by multiple regulatory authorities around the world, including the U.S. Food & Drug Administration (FDA). In 2025, Nemluvio was approved for both indications in the European Union (EU), Australia, Canada, Singapore, Switzerland and the U.K., with further key marketing authorization applications ongoing.

Product indications, usage instructions and regulatory approvals vary by country.

The power of innovation

Galderma initiated two new phase II clinical trials in 2025 to explore the potential of nemolizumab in areas where patients urgently need better options. The studies focus on Systemic Sclerosis (SSc) and Chronic Pruritus of Unknown Origin (CPUO). SSc is a rare, potentially fatal autoimmune disease that causes inflammation and fibrosis (hardening) of the skin and internal organs, while CPUO is marked by a chronic and persistent itch lasting for more than six weeks without an identified cause. By investigating whether nemolizumab's inhibition of IL-31 signaling might assist in these complex diseases, Galderma aims to bring new hope to patients living with conditions that currently have limited effective treatments.

2

new phase II clinical trials exploring IL-31 pathway inhibition in diseases with high unmet patient needs

IN FOCUS: Laura's aesthetic journey with medication-driven weight loss

Hearing directly from individuals about our impact on their lives is what motivates us to keep advancing dermatology for every skin story.

After gaining weight, Laura reached a point where she no longer felt like herself. Her confidence declined and her self-esteem suffered. Determined to make a change, she lost 60 pounds (27.2 kilograms) through diet and exercise, followed by an additional 35 pounds (15.9 kilograms) with the support of a prescription weight-loss medication.

As the weight came off, she noticed that her appearance no longer reflected how she felt. Changes in facial volume and skin quality became increasingly visible, prompting her to explore aesthetic options that could support her transformation and help her feel more balanced.

Laura underwent a SCULPT & LIFT treatment using Galderma's Restylane range and Sculptra. She was encouraged by the improvement she observed and by the natural-looking, progressive changes over time. She later received a second treatment and shared that the experience contributed positively to how she feels about her appearance.

"It's okay to be grateful for the weight loss from the neck down, yet still want something more from the neck up. I think the mental part of this journey is just as challenging as the physical part."

LAURA, U.S.
Facial aesthetic patient following medication-driven weight loss

SHAPING THE FUTURE OF DERMATOLOGY: market-leading education and services

Our education initiatives strengthen our long-standing partnerships with healthcare professionals and support excellence in practice. Reflecting our commitment to positive societal impact, we deliver science-led programs and services that equip our global network with the knowledge and tools to achieve high-quality outcomes across the full spectrum of dermatology.

Setting educational and training standards in aesthetics

The **Galderma Aesthetic Injector Network (GAIN)** is a pioneering platform founded on the idea that aesthetic excellence grows when expertise is shared. Since its debut, this initiative has underscored our commitment to driving innovation and fostering engagement with the aesthetics community.

Over the past 10 years, GAIN has evolved into a global force in aesthetics education, with a focus on building community, sharing knowledge and insights, and driving excellence.

GAIN's primary purpose is to improve the treatment experience for both patients and aesthetic practitioners by providing best-in-class training and fostering the exchange of expertise across the aesthetics community.

A premium worldwide network of injectors
Since its launch in 2015, the platform has grown to include more than 800 expert trainers, fostering a global community that is the foundation of its innovative work. In 2025, we trained more than 100,000 healthcare professionals across over 10,000 GAIN events.

During the year we also completed the first cycle of GAIN ASCENT, our new program created to nurture the next generation of injectors. ASCENT has become a cornerstone of our commitment to train future practitioners, offering a unique blend of clinical training, business skills and personal leadership that provides emerging injectors with the essential foundations of a modern aesthetics practice.

Alongside our in-person training events, we support healthcare professionals with GAIN Connect, an online platform offering e-learning, marketing resources and practical tools. We also foster engagement across our community through the invite-only @GAINbyGalderma Instagram account.

Leading innovation in Injectable Aesthetics
In addition to providing education and training, GAIN drives innovation through its science-backed approach. In 2025, we listened closely to aesthetic practitioners' concerns about how best to support patients undergoing medication-driven weight loss and the new clinical needs this group presents.

Together with insights from a first-of-its-kind phase IV study, international consensus-based guidelines and a groundbreaking report, this work provided a foundation for understanding the needs of this emerging patient population. It also informed new treatment-planning algorithms to guide timing, product choice and overall approach. Through GAIN, we rolled out this guidance across our network, ensuring practitioners had access to the knowledge and support needed to integrate it into practice.

This builds on GAIN's long-standing focus on individualized treatments, a principle central to our Assessment, Anatomy, Range, and Treatment (AART) and Holistic Individualized Treatments (HITs), methodologies introduced in 2022. Developed by injectors, for injectors, AART-HIT remains a cornerstone of GAIN's patient-centric, science-based approach.

Showing industry leadership at global events
GAIN continued to make an impact across key events in 2025, building on the momentum established by the GAIN JPAC meeting in Incheon, South Korea, in late 2024. In August, the second edition of GAIN LATAM took place in São Paulo, Brazil – Latin America's largest private injectables event. This brought together more than 1,000 healthcare professionals across two back-to-back events featuring live demonstrations, clinical discussions and hands-on training.

In the U.S., among other activities, GAIN hosted a pre-show symposium at the Aesthetic Next 7.0 Congress in Dallas, Texas, in September. This focused on the growing relevance of medication-driven weight loss in aesthetics and brought together around 350 attendees from multiple specialties.

In Europe, 2025 saw the launch of the first GAIN SPARK (Shaping Progress in Aesthetics Real-life Knowledge) event in Barcelona, Spain, attracting around 300 participants from 11 countries. The year also marked the first GAIN Athens event, welcoming more than 350 attendees from our distributor markets.

The future of GAIN
Building on 10 years of progress, 2026 will see GAIN evolve even further. Alongside our commitment to advancing aesthetics for today's patients, we plan to continue building its global platform, expanding its scope and inspiring excellence in the next generation of injectors.

"For 10 years, GAIN has helped set the standard in aesthetics through education that drives innovation and better outcomes. The next decade will see us push even further, advancing skills, knowledge and the future of aesthetic care."

DESISLAVA LAZAROVA, M.D.
Global Head, Customer Education and Training, Galderma

Advancing the science of sensitive skin

Galderma's **Global Sensitive Skincare Faculty (GSSF)** is dedicated to improving the lives of people with sensitive skin. Since its launch in 2022, the faculty has worked with healthcare professionals worldwide to set new standards of care for a condition that is increasingly common and impacts both physical and mental well-being, yet remains widely overlooked and understudied.

Over the past three years, the GSSF has advanced understanding of sensitive skin by leading morphological, metaproteomic, clinical and epidemiological research initiatives. Its global network of experts has focused on turning these insights into innovation and meaningful engagement – helping close the educational gap and promoting greater awareness and understanding of sensitive skin among healthcare professionals and individuals living with the condition.

Groundbreaking research on sensitive skin
2025 marked a year of significant progress for the GSSF, with the publication of eight scientific manuscripts and the presentation of 16 posters at major dermatology congresses, including the American Academy of Dermatology (AAD) and the European Academy of Dermatology and Venereology (EADV).

A key achievement was a first-of-its-kind real-world clinical study conducted in China, assessing the biological impact of different lifestyles and environmental factors on individuals with sensitive skin. The findings provide compelling evidence that modern, urban lifestyles—with factors such as higher pollution, increased stress and poorer sleep—can visibly and measurably aggravate sensitive skin.

The year also saw the establishment of a new Artificial Intelligence (AI) Steering Committee, exploring the application of advanced analytical methods to the GSSF's global epidemiological survey – the largest worldwide profiling study of sensitive skin, involving more than 16,000 subjects.

Together, these achievements deepen scientific understanding of sensitive skin and strengthen the foundation for future innovation.

Advocating for better outcomes
The GSSF aims to raise global awareness of sensitive skin to lay the foundation for better diagnosis, education and care. Through research-led insights and expert collaboration, the faculty is working to ensure sensitive skin is recognized for its clinical relevance and treated accordingly. Through 2026, the GSSF will continue its research into the biological realities of sensitive skin across diverse populations. This work will support more precise dermatological solutions and better outcomes for individuals living with sensitive skin.

"Through its research, Galderma's Global Sensitive Skincare Faculty is working to elevate sensitive skin from a subjective complaint to a scientifically understood condition, helping pave the way for better diagnosis, education and care."

DR. AARON FARBERG
GSSF faculty member, board-certified dermatologist and Mohs surgeon, Baylor Scott & White Health, U.S.

An underserved patient need: addressing the burden of itch

In 2024, we launched the **Skin Knowledge Innovation Network (SKIN)** with the aim of expanding our training and education to the Dermatological Skincare and Therapeutic Dermatology categories. The goal of this initiative is to empower a global community of healthcare professionals to drive innovation and better meet the needs of patients and consumers.

Throughout 2025, SKIN continued to drive the dermatological conversation forward, by sharing the latest news, developments and insights from dermatology in a range of innovative formats. A key topic for SKIN is the burden of itch and its relation to atopic dermatitis and prurigo nodularis. Since its debut, SKIN has also focused on other topics in Dermatological Skincare and Therapeutic Dermatology, including acne, rosacea, skin quality and sensitive skin.

Sharing expert insights on chronic skin conditions

In February, we hosted the Galderma SKIN Medical Summit in Berlin, Germany. Bringing together 65 healthcare professionals, the event provided a forum for Galderma experts and clinicians to deep-dive into the burden of itch and explore other pressing issues faced by people living with atopic dermatitis and prurigo nodularis. Building on that success, we hosted additional SKIN events around the world throughout 2025 to help healthcare professionals make informed decisions and improve people's lives.

An ambitious future in addressing patient and consumer needs

For 2026, SKIN has bold ambitions on addressing itch and other skin conditions. The platform is set to continue evolving in the coming years to further serve as a resource for healthcare professionals and patients. Spanning both the therapeutic and consumer aspects of dermatology, SKIN has an important role to play in supporting Galderma's purpose of advancing dermatology for every skin story.

"Our market-leading education and services are central to Galderma's commitment to healthcare professionals and an important pillar of our ESG commitments. By empowering understanding and advancing innovation, they help drive stronger outcomes for consumers and patients."

FLEMMING ØRNSKOV, M.D., MPH
Chief Executive Officer, Galderma

STRENGTHENING MANUFACTURING CAPABILITIES: from science to supply

To transform breakthrough science into trusted solutions, we rely on advanced, resilient manufacturing capabilities. In 2025, as Galderma accelerated growth and responded to rising global demand across all categories, we strengthened our operations – expanding capacity, enhancing agility and ensuring every innovation reached patients and consumers worldwide.

Excellence in operations

Galderma's products are manufactured at strategic sites worldwide using best-in-class technology and rigorous quality standards. By extending our commitment to excellence across every stage of operations, we ensure that innovations move seamlessly from scientific development to the hands of consumers and patients – efficiently, safely and at scale.

In 2025, our four state-of-the-art sites played a critical role in supporting key product launches and ensuring reliable ongoing supply across all categories. This operational strength reinforces our ability to meet growing global demand and deliver trusted dermatology solutions worldwide.

Increasing our investment in U.S. manufacturing

We are continuing to strengthen Galderma's presence in the U.S., our largest market worldwide, to support future growth. We have committed more than 650 million USD to U.S. manufacturing through 2030.

This includes ramping up final assembly and packaging for Nemluvio (nemolizumab), our biologic for prurigo nodularis and atopic dermatitis, through our contract manufacturing partner in Florida. Key steps for Nemluvio—including final assembly and packaging for global supply—are already performed in the U.S. and we are reinforcing this capability with the establishment of a full-time dedicated production line.

Alastin, our premium, physician-dispensed skincare brand, is researched in the U.S., with manufacturing supporting its commercial supply. We are committed to keeping our production of this brand in the U.S. and increasing manufacturing capacity to support growth and geographic expansion plans. We are also expanding U.S. production for select Cetaphil products, strengthening local supply and further increasing our U.S. market presence.

Uppsala: excellence in Injectable Aesthetics

As Galderma's Global Center of Excellence for Injectable Aesthetics, Uppsala, Sweden, plays a key role in both research and development, and the production and distribution of world-class brands. This includes the Restylane portfolio of hyaluronic acid (HA) injectables and Relfydess (RelabotulinumtoxinA) – the first and only ready-to-use liquid neuromodulator created with PEARL Technology.

To meet growing demand, Uppsala is adding new production lines, with initial operations expected to start in 2026 and full capacity planned for 2027.

Hortolândia: regional expansion with global impact

Our production site in Hortolândia supports Brazil—one of Galderma's key markets worldwide—by producing local product lines tailored to Brazilian needs, while also serving the broader and growing Latin American region. With more than 20 years of operations, the site also supplies nearly 40 countries globally.

In 2025, Galderma invested to expand production capacity, strengthen existing capabilities and advance plans for a Center of Excellence, scheduled to open in 2027 to train healthcare professionals from across Latin America.

Baie-D'Urfé: the home of Cetaphil

Galderma's largest manufacturing site, making over 180 million units a year, is located in Baie-D'Urfé, Canada. This facility is our main manufacturing plant in North America and serves markets worldwide. It is the home of global production operations for Cetaphil, as well as over-the-counter and prescription medicines for the U.S. market.

In 2025, the Baie-D'Urfé site celebrated its 25th anniversary. As demand increases, we plan to continue our investment and expansion of this site.

Alby-sur-Chéran: 30+ years of dermatology expertise

Our site in Alby-sur-Chéran in France manufactures a wide range of products including over-the-counter and prescription topicals such as Soolantra, Aklief, Epiduo and Metvix. Over 400 employees work in our production, laboratories and distribution departments, delivering over 50 million units annually to consumers and patients in more than 80 countries.

Underpinning our growth in 2025 was an unwavering commitment to operational excellence and supply reliability. By maintaining rigorous quality standards and leveraging our global network, we ensured that every innovation reached patients and consumers efficiently, safely and at scale. This foundation of resilience and agility positions us to continue meeting growing demand with the highest standards of performance and care.

Within

48 hours of approval

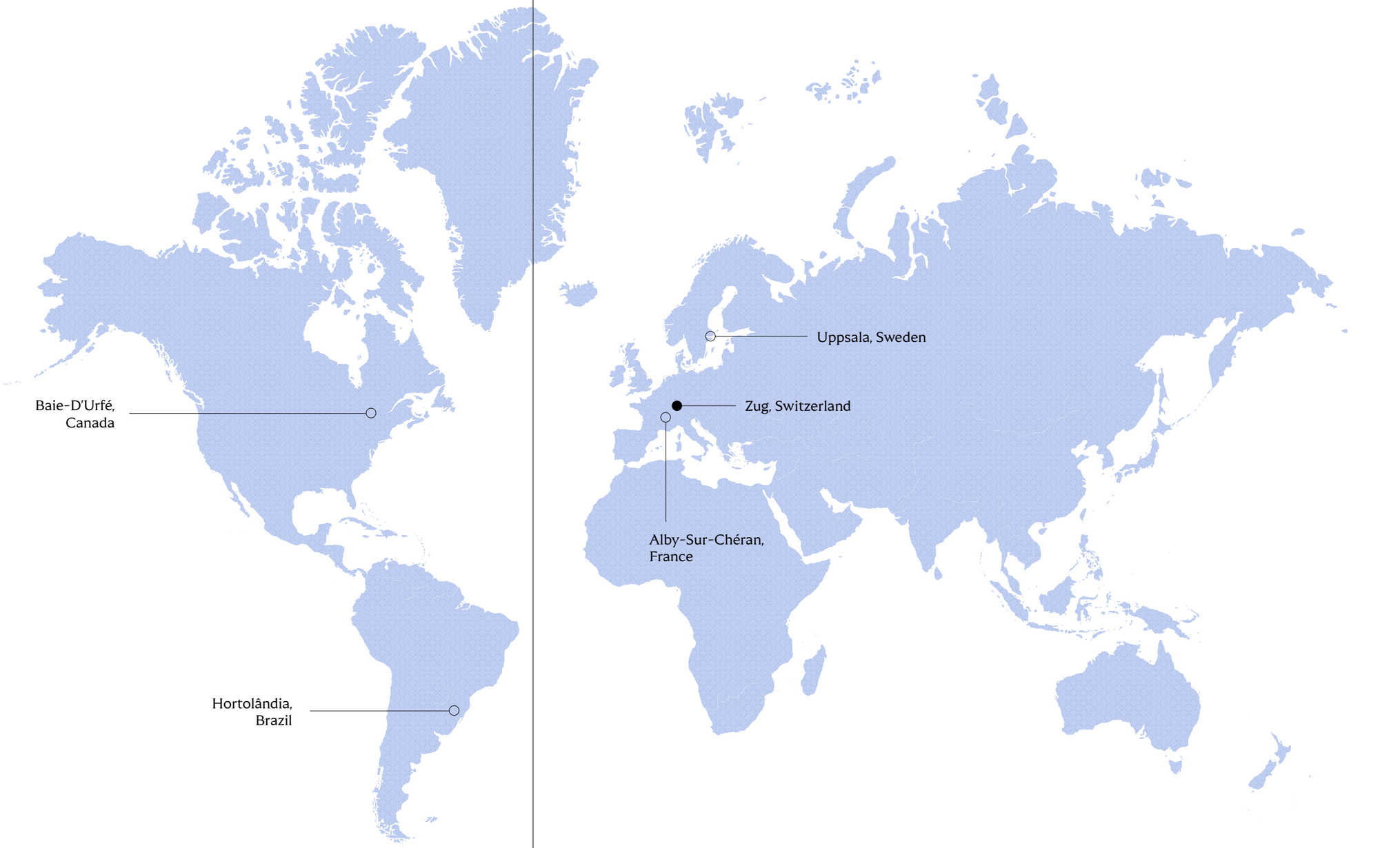
Nemluvio delivered to healthcare professionals in Germany

Our global manufacturing footprint

Galderma's four strategically placed manufacturing sites supported our accelerated growth throughout 2025.

Enhancing efficiency through our integrated dermatology platform
At Galderma, every part of our organization works in close alignment to maximize efficiency and drive growth. Embedded within our R&D teams and connected to our commercial functions, our Operations colleagues contribute from the earliest stages of product development. This integrated structure helps us use resources effectively, reduce delays and bring innovations to market faster, all while maintaining the highest standards.

Our approach also strengthens alignment across the organization. We continuously standardize manufacturing and packaging processes across segments to save time and resources. Operational teams refine every aspect of production – from sourcing materials and selecting suppliers to packaging products. Thanks to this model, we met growing global demand throughout 2025, delivering consistent quality and efficiency at scale.



IN FOCUS: strengthening our connection with the next generation

In 2025, Cetaphil accelerated its presence on TikTok and Instagram with CetaSphere – an influencer, healthcare professional and user-generated content program designed to keep the brand at the center of the "young beauty" conversation.

Across nine countries, the program delivered authentic, always-on content that resonated with culture, sparked meaningful conversations, and strengthened Gen Z and Gen Alpha's emotional connection with the brand.

NIDAL KABASHI
40K 720K

"A flawless base starts before foundation, skincare is key!"

TRISHA KHANNA, M.D., FAAD
17K 1.3K

"Cetaphil Moisturizing Cream is gentle, effective, and safe for even the most sensitive skin – no luxury price tag required."

ANDRIK ALVAREZ LINAZASORO
260K 325K

"I've always been terrible at skincare routines, but I can never go without my two favorite products from @Cetaphil."

VITORIA FIORE
105K 305K

"Let's talk about my trip while I moisturize with @Cetaphil...!"

2,100+
influencers and healthcare professionals activated worldwide

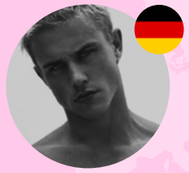
110M+
organic video views

2,300+
content pieces live

1.1M+
social media engagements

MOLLY MARSH
597K 1.2M

"I've been on one heck of a skin journey and finding gentle kind to skin products is super important to me... @Cetaphil."



HENDRIK GIESLER
540K 355K

"Taking care of my skin with @Cetaphil."

VRINDA SURI
463K

"This cleanser gently removes all my makeup. To follow, I am using the Cetaphil Moisturizing Lotion. It's super hydrating but still so lightweight."

IMEE HERNANDEZ
75K 64K

"I trust Cetaphil to keep my sensitive skin healthy through all the weather changes, especially here in the Philippines."

SASHA MORPETH
935K 5M

"Get unready with us using our favorite @Cetaphil Moisturising Cream."

TATUM HAVERS
Therapeutic Dermatology
Sydney, Australia

ONE GLOBAL TEAM: powered by performance

Galderma's momentum is driven by the strength of our people. Our high-performance culture inspires teams across our categories and functions to excel, innovate and support one another. With a shared commitment to excellence, we continue to raise the bar for our industry and for the customers, consumers and patients who depend on us.

Driving excellence with a shared purpose

Galderma's growth reflects the collective strength of our teams – experts across science, commercial, operations and support functions who bring their best every day. We are committed to nurturing this talent, developing capability at scale and fostering an environment where people can thrive.

Across our organization, we attract individuals who are passionate about dermatology and motivated by meaningful impact. From our research and development labs to our field teams, our people combine scientific rigor, customer focus and operational excellence to deliver science-based, differentiated products and services around the world.

Our high-performance culture is grounded in capability, collaboration and integrity. With the right support—and a commitment to acting ethically and compliantly—we empower our people to excel and win the right way.

Nurturing future success
We foster a culture where every colleague has the opportunity to grow and reach their full potential. Meaningful development through stretch assignments, cross-functional moves, formal learning, coaching and mentoring supports continuous progression.

With more than half of our global workforce made up of women, we remain committed to equal opportunities for all. Development Month, held annually in September, reinforced that commitment in 2025 with a strong focus on the power of coaching.

Recognizing excellence
Recognizing the people who drive our success is essential to sustaining a high-performance culture. Galderma offers a variety of awards programs for all employees, taking a performance-based approach that celebrates both exceptional achievements and the everyday contributions that move our business forward.

Galvanize highlights meaningful daily impact across the organization. Through this program, colleagues can recognize one another for their contributions, with points that can be redeemed for a wide range of experiences, products and services.

Our CEO Awards, held each year in the fourth quarter, recognize the individuals and teams whose achievements, collaboration and ambition exemplify Galderma at its best. This flagship program celebrates exceptional contributions that elevate our performance and strengthen our culture of excellence.

The President's Club is our annual celebration of top-performing sales colleagues. This prestigious distinction honors outstanding commercial excellence and the colleagues whose results strengthen Galderma's leadership in the market.

16

Galderma affiliates are certified Great Place To Work®

Spotlight on new offices

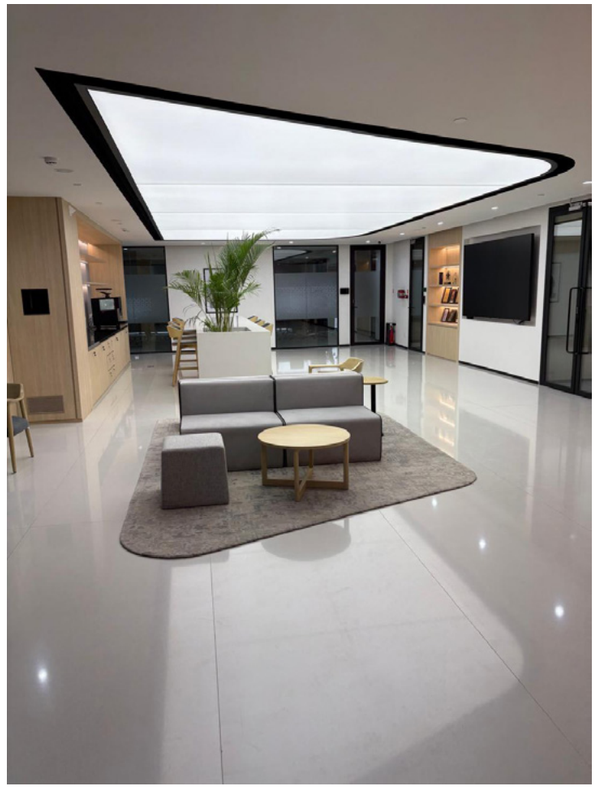
As Galderma grows, our evolving office footprint supports our purpose by strengthening innovation, elevating our commercial presence and creating spaces where collaboration and creativity can thrive.

Bogotá, Colombia
Galderma opened its new Bogotá office in May 2025, strengthening our regional hub for 13 distributor markets across Latin America. The LEED-certified site integrates sustainable design, advanced energy efficiency and a flexible co-space layout that enhances cross functional collaboration and continuous learning. A dedicated medical education center with high-end audiovisual technology enables advanced training for healthcare professionals. Certified as a Great Place To Work® and ISO 45001 compliant, the new office supports a workforce that has tripled in less than five years and reflects our commitment to operational excellence and regional growth.

Miami, Florida, U.S.
In June 2025, we established our new regional U.S. and Latin America headquarters in Miami, Florida, to accelerate innovation and growth in our largest market. We expect to have around 150 employees, including leadership roles, based there by 2028 as we continue to deepen our investment and expand our presence. Miami is an increasingly vibrant market for consumer goods and for consumer marketing and sales talent, as well as home to a fast-growing community of healthcare professionals. Its creativity and forward-thinking spirit align closely with Galderma's values, making it an ideal location to support our purpose and ambitions. Situated in the vibrant Brickell district, our Miami office enhances our ability to attract top talent and drive Galderma's next phase of growth.

Milan, Italy
In July 2025, we inaugurated our new Milan offices, located at Via Antonio Bordoni - 7, within the heart of Porta Nuova, Milan's most dynamic business and lifestyle district. The office reflects Galderma's unique look and feel through Japandi-inspired design, creating a modern, calm and timeless environment reflecting Galderma's global identity. Our new office is strategically located within a vast urban regeneration project, in one of the premier buildings to achieve LEED Platinum, WELL Gold, and WiredScore Platinum certifications. This places us at the center of innovation and growth as we continue to strengthen our presence in Italy.

Mumbai, India
Galderma opened its new Mumbai office in March 2025, continuing its long-standing presence in the city, where it has operated for nearly 25 years. Located at Oberoi Commerz III in Goregaon, the centrally accessible site supports local, regional and global teams and provides improved connectivity for employees, while supporting Galderma's rapidly growing business in India. The office was built using certified materials and aligns with Galderma's global sustainability and workplace guidelines, with a focus on employee health and well-being. Powered entirely by green energy, the facility reflects Galderma's commitment to sustainable operations.



Celebrating 25 years of impact at Camp Wonder

We were proud to take part in the 25th year of Camp Wonder in the summer, a sleepaway camp for children with skin conditions. Over the 13 years Galderma has supported this initiative, we have seen firsthand the powerful impact it has on the well-being of the young people who attend.

Held every summer by the U.S.-based Children's Skin Disease Foundation (CSDF), Camp Wonder is a life-changing initiative that offers empowering experiences to children living with chronic and burdensome skin conditions. The camp involves a wide range of activities and support groups, helping each of its participants find community, build confidence and maintain healthy skin. Importantly, Camp Wonder is offered free of charge to families. CSDF covers all costs associated with the camp, including travel, to ensure that no family faces financial barriers to participation. This commitment makes the support of sponsors essential.

Supporting a unique cause
Galderma supports Camp Wonder in a range of ways, including financial contributions, totaling around 2 million USD since 2012, product donations from Cetaphil, and by giving Galderma team members in the U.S. the opportunity to volunteer at camp. Each year, our volunteers leave profoundly moved by the camp's power to build community and create lifelong memories for some of the youngest sufferers of chronic skin conditions. In 2025, four volunteers from across our business joined as Camp Wonder volunteers to help make camp a safe and carefree space for kids living with chronic skin conditions. Each of them left with a deep appreciation for the experience – and for the strength of the children they met.

Building change through community
At Galderma, we know that skincare is about more than developing effective products – it's also about showing up for our community members. Contributing to the legacy of Camp Wonder is one important way we honor our purpose of advancing dermatology for every skin story.

Since 2012:

~2 million USD

donated to the CSDF

80

Galderma colleagues have volunteered at Camp Wonder

140

skin disease patients (campers and adult staff) attend Camp Wonder every year

"For over a decade, Galderma has supported Camp Wonder in many ways, from funding to volunteers to leadership to operational support. Its support has enabled us to grow, allowing us to improve the lives of children and families impacted by skin disease. We are truly grateful and proud of this unique partnership."

FRANCESCA TENCONI
Founder and Executive Director of Camp Wonder and CSDF

"One thing that really stood out to me was the resilience from the kids. It's incredible and I think we can all learn from it, be inspired by it and be better for it. That's something I want to take into my personal life as well as my work life."

SHUANG LI
Financial Planning & Analysis, Alastin and 2025 Camp Wonder Volunteer

IN FOCUS: Beauty × Medicine

Beauty x Medicine is Galderma's podcast and video series examining the intersection of science, aesthetics and clinical practice in dermatology. Hosted by Flemming Ørnskov, M.D., MPH, the series features conversations with leading researchers and clinicians on the trends shaping the field.

Dr. Michael Somenek:
Beauty in balance

"I always talk about facial balance and I have patients hold a mirror as I go over their whole face. It's important to adopt a global perspective."

As more patients seek aesthetic treatment following medication-driven weight loss, Dr. Michael Somenek's guiding principle of facial balance offers a path forward. In conversation with Dr. Ørnskov, Dr. Somenek speaks about the findings of Galderma's clinical trial, for which he was an investigator. The study explored Sculptra and Restylane Lyft or Contour in addressing facial volume loss associated with medication-driven weight loss.

Dr. Somenek is a double board-certified plastic surgeon who initially trained in head and neck surgery. This background has informed his approach to aesthetic medicine, emphasizing comprehensive facial assessment and individualized treatment planning. Alongside his clinical practice, he is actively involved in research and combines surgical and non-surgical techniques to address a broad range of patient needs.

Dr. Adam Friedman:
Bridging the provider-patient divide on sensitive skin

"70% of the global population aren't getting the care and the discussions that they really deserve."

Around the world, millions of people suffer from sensitive skin conditions that, despite their prevalence, remain understudied and misunderstood. As the co-chair of Galderma's Global Sensitive Skincare Faculty (GSSF), Dr. Adam Friedman actively works to advance our understanding of these diseases and turn research into meaningful solutions.

In this episode, Dr. Friedman, who is also Professor and Chair of Dermatology at George Washington University School of Medicine and Health Sciences, discusses recent findings that challenge assumptions about sensitive skin severity across different demographics and offer new perspectives on conditions such as prurigo nodularis.

Dr. Jean Carruthers,
The 'godmother of cosmetic dermatology'

"I became aware that patients were very much coming back for these treatments. And so, it really is not just that they look better, it's that they feel better."

In the 1980s, Dr. Jean Carruthers made a remarkable discovery that turned the ophthalmologist into a pioneer of aesthetic medicine. She learned that a neuromodulator treatment she had administered for blepharospasm—a condition in which patients' eyes spasm shut—had relaxed the patient's frown lines, smoothing the skin's appearance.

Dr. Carruthers, a Clinical Professor at the University of British Columbia's Department of Ophthalmology and Medical Director of Jean Carruthers Cosmetic Surgery, gave this unexpected side effect a ground-breaking new purpose.

It marked the beginning of cosmetic neuromodulation and a major turning point in aesthetic medicine: today, neuromodulators are among the most widely performed nonsurgical aesthetic treatments worldwide.

Season 1, comprising 14 episodes, concluded in 2025 and is available on Galderma's YouTube, Spotify and other social media channels. The second season continues through 2026.

PROGRESS WITH PURPOSE: advancing our ESG Strategy

At Galderma, Environmental, Social and Governance (ESG) considerations are a key part of our Integrated Dermatology Strategy. Our commitment begins with our purpose of advancing dermatology for every skin story and extends to how we meet the needs of our consumers and patients.

Three core elements of Galderma's ESG Strategy

Galderma integrates its ESG Strategy within its broader, holistic Integrated Dermatology Strategy, cascading down ESG principles, objectives and targets into every relevant function in the organization.

1. A comprehensive framework that guides our efforts and reporting

We ensure our ESG Framework always covers material ESG impacts, risks and opportunities by including the latest considerations, such as a double materiality assessment in 2025. The framework is centered around Healthcare Professionals & Customers, Patients & Consumers and Employees, representing Galderma's main stakeholder universe, and encompasses seven matters.

2. Robust governance that integrates ESG across strategy and financial planning

With our ESG Governance, we directly embed material matters across all relevant functions within the organization while maintaining Executive Committee and Board oversight through dedicated committees. The governance is built around three key principles: outcome-focused, supporting value creation for our key stakeholders; transparent, ensuring clear visibility on progress; and leader-led, with delivery against ESG targets directly impacting executive compensation.

3. A clear ambition targeting two priority matters, with consistent progress across material topics

Our ESG Ambition is aligned with Galderma's Integrated Dermatology Strategy and underpinned by quantitative targets and action plans. The ambition focuses efforts on two matters, medical education & training and sustainable products & production, where Galderma can make significant and measurable improvements, while strengthening our track record of continuous improvement across the five additional matters constituting our framework.

Our 2025 ESG highlights

Product & service innovation

- 70+ major health authority approvals
- Two new clinical trials: Systemic Sclerosis and Chronic Pruritus of Unknown Origin

Product quality & safety

- 0 Class I product recalls
- >95% of regulatory and notified body inspections without critical findings

Medical education & training

- 290,00+ healthcare professionals reached through education, training and medical awareness activities

Sustainable products & production

- >98% renewable electricity across all our sites
- >15% annual water withdrawal intensity reduction

Labor practices

- >40% women in Galderma management
- <0.9 work-related accidents per million working hours

Employee engagement

- >40% of affiliates with Great Place To Work® certificates
- >98% completion rate of end-of-year performance review

Continued progress on non-financial disclosure and growing external recognition, including:

9

non-financial indicators with limited assurance

In 2025, we received an AA rating (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment, up from BBB in 2024

Part 2

2

COMPENSATION REPORT

Contents

Galderma 2025 Compensation Report

Letter to the shareholders of Galderma from the Chair of the Compensation Committee, Karen Ling

Dear Shareholders,

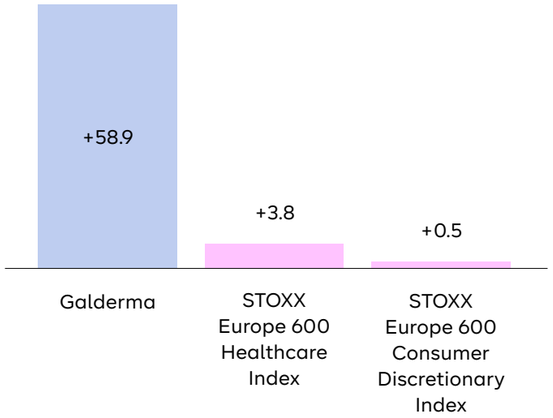
On behalf of the Board of Directors and the Compensation Committee, I am pleased to present the Galderma Compensation Report. This report details compensation applicable for the period from January 1, 2025, through December 31, 2025.

In preparation for the upcoming Annual General Meeting (AGM), Galderma has continued to expand engagement with shareholders as well as members of its investor community and proxy advisors. Further, we took special note of the voting results from the 2025 AGM, including the non-binding vote on the 2024 Compensation Report (77% in favor) and the 2026 Executive Committee maximum compensation vote (83% in favor). Feedback and actions taken by Galderma are summarized in Section 1 of the Compensation Report.

Galderma continues to deliver on its commitments, establishing a strong performance record underpinned by a clear strategy and delivered by an experienced management team. The extraordinary success of Galderma continues to be evidenced by outstanding financial results and the strong progress of our portfolio, with our product categories outpacing their respective markets and gaining market share globally in 2025. The outcomes are suitably reflected in the short-term incentive payouts as detailed in Section 3 of the Compensation Report.

FY 2025 Net sales growth Year-on-year at constant currency	+17.7%
FY 2025 Core EBITDA margin	23.3%

Galderma share price performance relative to key indices
January 1, 2025 – December 31, 2025 (last price), percent increase relative to January 1, 2025



Galderma's success continues to be exemplified by its impressive share performance both in terms of absolute growth as well as relative to market indices and its competitor landscape.

The management team's achievements are even more remarkable in light of the challenges faced during 2025. These include changes within the Executive Committee, such as the Chief Financial Officer (CFO) transition and the Chief Human Resources Officer (CHRO) stepping down from the Executive Committee in 2025. We are pleased that this process has been managed smoothly and with minimal disruption.

Furthermore, the increased shareholding by L'Oréal Group introduces a new dynamic, requiring leadership to carefully balance and address the interests of all shareholders. Amid these complexities and uncertainties, the Compensation Committee and Board of Directors have been further reviewing the current compensation framework to ensure that it supports the company's continued growth and the stability of Galderma's Executive Committee and senior leadership team.

The Compensation Committee recognizes that Galderma successfully transitioned from a stand-alone privately held company to a public company whose capital structure has reset with numerous sell downs by EQT, and has now entered a new phase of being a more established public company with a diversified long-term shareholder base. As such, Galderma continues to evolve its compensation strategy, one focused on stability and refinement. Key adjustments implemented in 2025 include:

- Clarifying the company's compensation philosophy and refining our approach to pay-for-performance.
- Reviewing the compensation of the Executive Committee and Board of Directors, ultimately deciding to maintain a position of overall stability. Only minor, market-alignment base salary adjustments were applied for selected Executive Committee members. No changes to Chief Executive Officer (CEO) pay have been introduced.
- Reviewing the Short-Term Incentive (STI) and Long-Term Incentive (LTI) frameworks and again deciding to maintain a position of overall stability (such as retaining target opportunity, payout curves and maximum potential (200%)), with minor changes including adapting the STI free cash flow metric and introducing measures to further strengthen the shareholder alignment within the LTI framework, such as the shift to exclusively offering performance share units with three-year cliff vesting for Executive Committee members from 2026.

We continue to expand engagement with investors, particularly enhancing engagement with our investors' stewardship teams, and consider their feedback in evolving our compensation system as appropriate. In response to shareholders' input, this Compensation Report includes enhanced transparency, including listing the specific companies our peer group used to benchmark Executive Committee compensation, as well as increased detail on the STI targets and achievements.

On behalf of the Compensation Committee, I would like to express my gratitude for your trust and investment in Galderma's future success. We look forward to our continuing collaboration.

Sincerely,

KAREN LING
Chair of the Compensation Committee

1. Galderma and the compensation system

To aid in understanding the compensation details covered in the 2025 Compensation Report, the following section outlines the company's continued growth journey. It contextualizes how the compensation framework and its continued evolution within the business and our stakeholder landscape.

Growth and relentless effort
Since its listing, Galderma has pursued its growth ambitions with unwavering determination. Galderma continues to deliver impressive growth, strong innovation and category leadership across its broad, science-based dermatology portfolio. With strengthened commercial execution, continued platform and portfolio expansion, and an increasingly consumer-focused approach to innovation, Galderma is rapidly scaling into a dermatology powerhouse.

Stability and refinement
The solid compensation framework established by the Compensation Committee post-IPO remains closely aligned with the continued success of the leadership team. At the start of 2025, the Compensation Committee conducted a thorough review of the Executive Committee's programs in line with our governance commitments. The review confirmed that the programs remain well-tailored and effective in securing and incentivizing leadership to deliver on Galderma's ambitious goals. As previously indicated, the decision to maintain program stability for 2025 has been validated with financial outcomes and future projections underscoring the suitability of Galderma's compensation system.

In 2025, a series of refinements were introduced, as detailed further in the Compensation Report and highlighted in the Compensation Committee Chair letter. The Compensation Committee remains committed to ongoing evaluation and adaptations as needed to ensure responsiveness to investor feedback and that the compensation programs continue to align with our governance model and fully support Galderma's strategic goals and ambitions.

Shareholder engagement
Engaging with our shareholders continues to be a cornerstone of Galderma's success and commitment to good governance. The Executive Committee and members of the Board of Directors continuously met with Galderma shareholders and leading proxy advisory firms.

Meetings on compensation-related matters, have been attended by the Chair of the Compensation Committee, Karen Ling, and members of management including Galderma's Head of Global Rewards and Head of Investor Relations. Galderma seeks to foster an open dialogue with shareholders. Our proactive engagement helps us reinforce this commitment and gain better understanding of shareholders' expectations while respecting equal treatment and avoiding any preferential disclosure of information during such meetings.

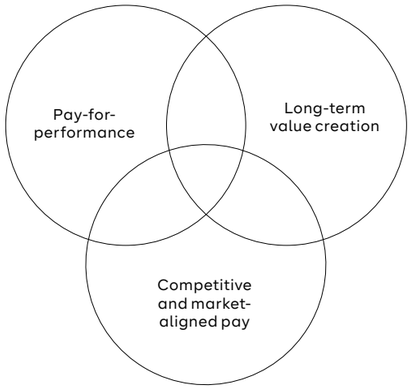
Key feedback received during the engagement dialogue with shareholders and representative bodies is summarized in the following table.

Key feedback	Galderma's response
Benchmarking: provide further details on the peer group used for benchmarking Executive Committee compensation	Disclosure of the full list of peer group companies used for benchmarking Executive Committee compensation is included in this Compensation Report
STI disclosure: enhance the disclosure, especially regarding metrics, targets and achievement	Further description of the STI plan mechanics, the targets and achievement at least by category of metric are provided (without disclosing information that is considered commercially sensitive)
LTI instrument: change to an LTI which is fully subject to performance conditions	Transition to 100% Performance Share Units (PSUs) for CEO and CFO and commitment to extend to all Executive Committee members in 2026
One-off awards: one-off compensation should be avoided unless detailed defensible explanation can be provided	No one-off compensation awarded to Executive Committee members in 2025. Commitment to enhanced disclosure around any future exceptional compensation

Galderma continues its active shareholder engagement and uses feedback received from these discussions to help guide any future changes to our Board of Directors and Executive Committee compensation programs and governance practices. Beyond compensation-related engagement, the Galderma investor relations team and members of senior management, including our CEO and CFO, regularly communicate with investors through quarterly earnings calls, investor and industry conferences, analyst meetings and individual discussions with shareholders.

2. Compensation at a glance

Compensation principles



Peer groups

Audience	Approach
Board of Directors	Swiss Market Index, excluding financial services
Executive Committee	Customized and fully disclosed peer group based on guiding principles (such as size, scope and geography)
All employees	Life-sciences and consumer industry focus

Executive Committee compensation principles summary

Compensation component	Payout vehicle	Performance metrics	Performance period	Payout min	Payout cap	CEO perspective 2025
Base salary and benefits	Cash, contributions and allowances	–	–	–	–	1.913 M CHF *base salary***
Short-term incentive	Cash	Yes **Corporate financial:** Net sales, Core EBITDA, net cash flow **Strategic imperatives:** Individual, Talent, ESG	Annual	Yes (0%)	Yes (200%)	100% *of base salary at target (i.e. 1.913 M CHF)***
Long-term incentive*	Equity	Yes Relative TSR+ Absolute Net Sales Growth	3 years	Yes (0%)	Yes (200%)	425% *of base salary at target (i.e. 8.130 M CHF value at grant)*

* Summary description applies to Performance Share Units component. Full details of long-term incentives included in Section 5 of the Compensation Report.

** CEO base salary and short-term incentive also unchanged since 2024 (year of IPO).

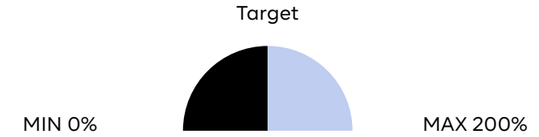
Pay-for-performance
The following illustrations outline the pay mix and summarize 2025 performance achievement under the STI plan for the CEO and other Executive Committee members. Further details of other incentives are disclosed fully in Section 5 of the Compensation Report. Strong orientation toward performance-related pay at risk is a feature of Galderma's compensation principles and details of future measures to further enhance it are included in the Compensation Report.

GALDERMA SHORT-TERM INCENTIVE (STI) PLAN

Global STI plan — financial metrics

Metrics	Weighting
Net sales	40%
Core EBITDA	40%
Net cash flow	20%

Unless threshold performance is achieved on financial metric, no payout, regardless of individual performance.

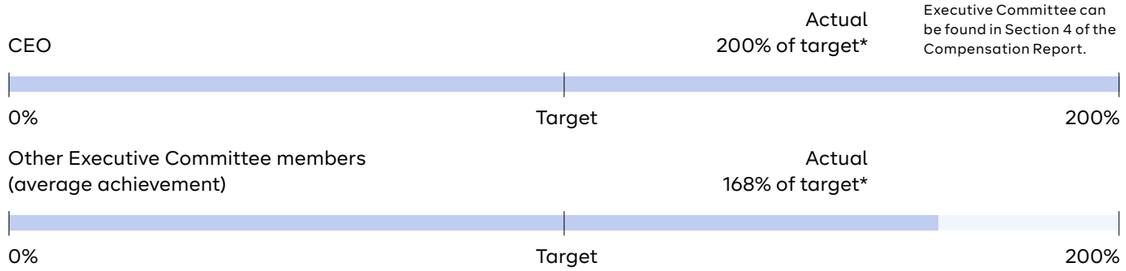


Achievement range metric assessment

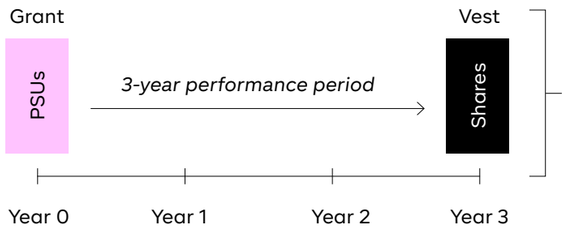
Final assessment by the Board of Directors including adjustment for achievement of company-wide strategic imperatives, including Talent and ESG, as well as objectives specific to each role.

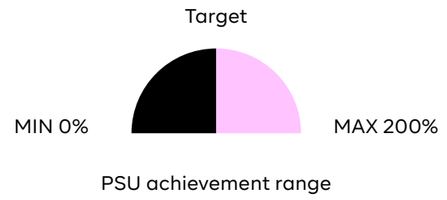
STI plan – Incentive outcome of the Executive Committee

* Full details of bonus payout amounts for the Executive Committee can be found in Section 4 of the Compensation Report.



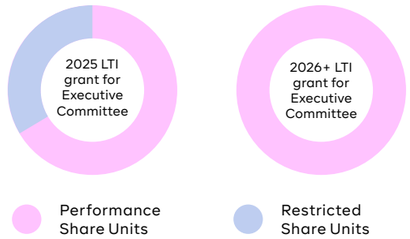
GALDERMA LONG-TERM INCENTIVE (LTI) PLAN





PSU achievement range

LTI plan vehicles and planned evolution following dialogue with shareholders



PSU plan – metrics

Metrics	Weighting
Net Sales Growth	50%
Relative TSR	50%

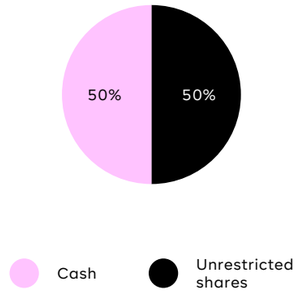
Board of Directors compensation

Board fees

In CHF (gross)	**Board of Directors** (base annual fee)	**Finance & Audit Committee** (membership fee)	**Other Committees** (membership fee)
Chair	950,000 CHF [1]	70,000 CHF	50,000 CHF
Vice-Chair	300,000 CHF	-	-
Member	250,000 CHF	35,000 CHF	25,000 CHF

1 The Chairperson of the Board of Directors does not receive additional fees for the committee memberships

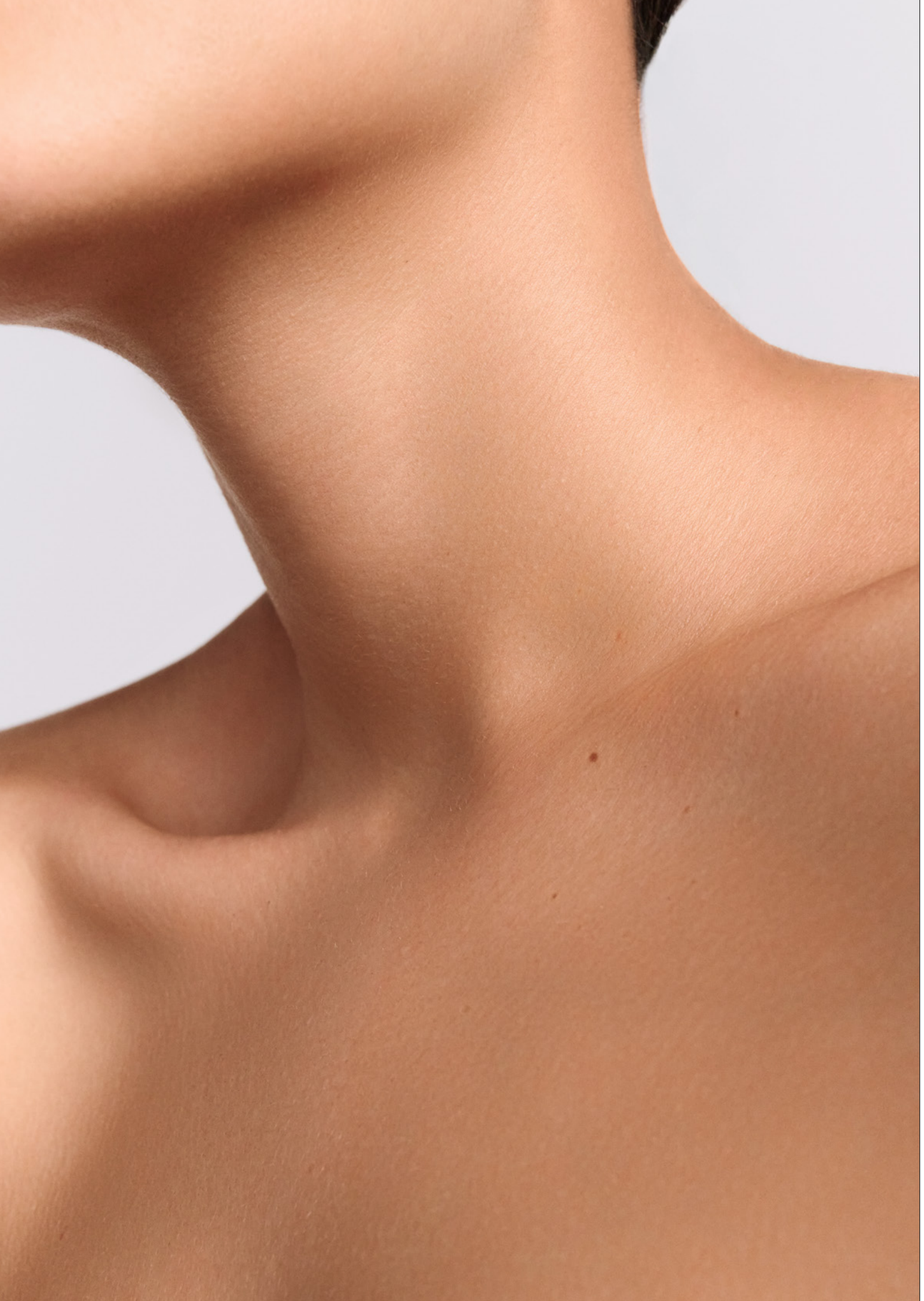
Form of payment



Governance and Standards

What we do	*What we don't do*
✓ PAY-FOR-PERFORMANCE A majority portion of the compensation packages of our CEO and Executive Committee is tied to performance metrics	× EXCESSIVE RISK-TAKING We discourage excessive risk taking that could jeopardize the long-term success of Galderma
✓ SUSTAINED SHAREHOLDER VALUE CREATION We align the interests of our Executive Committee and Board of Directors to those of our shareholders with robust shareholding requirements	× GOLDEN PARACHUTES Members of our Board of Directors and Executive Committee do not receive prohibited sign-on, severance or corporate transaction payments
✓ PAY AT A COMPETITIVE-MARKET ALIGNED LEVEL Our compensation programs are designed to compete for global talent. We benchmark Executive Committee compensation to global peers – majority European and minority U.S.	× SINGLE-TRIGGER EMPLOYMENT AGREEMENTS Payments in the event of change of control are subject to 'double-trigger' conditions
✓ ANNUAL COMPENSATION REVIEW Every year we review our compensation programs and apply adjustments where necessary, informed by prevalent market trends	× GUARANTEED PAY INCREASES We do not give guaranteed pay increases to our Executive Committee and Board of Directors members
✓ RIGOROUS PERFORMANCE MANAGEMENT Each year we set stretch performance targets and conduct rigorous performance management reviews, allowing agility and execution for future success	× GUARANTEED BONUSES The payout of our incentive awards can vary from 0% to 200% of target, depending on performance

What we do	*What we don't do*
✓ RETAIN AN INDEPENDENT COMPENSATION CONSULTANT We work closely with leading independent compensation consultants to ensure the robustness and appropriateness of the design of our reward programs	× SAME PERFORMANCE METRICS IN STI AND LTI We utilize different performance metrics for our STI and LTI programs, thus avoiding to reward executives for the same performance
✓ MAJORITY INDEPENDENT COMPENSATION COMMITTEE MEMBERS The majority of our Compensation Committee members, including the Chair, are non-executive, independent directors	× COMPENSATE NON-INDEPENDENT BOARD DIRECTORS No compensation or benefits are awarded to non-independent members of our Board of Directors
✓ CAP MAXIMUM PAYOUTS UNDER THE STI AND LTI AWARDS Caps at 200% are applied to STI and LTI	× OPTIONS AS PART OF COMPENSATION PROGRAMS Our long-term incentive plan offers share units instead of options
✓ CLAWBACK PROVISIONS IN OUR INCENTIVE PLANS To promote long-term accountability for plan participants, we retain the option to claw back some or all of the awards paid out under our incentive plans	
✓ ENGAGE WITH SHAREHOLDERS AND PROXY ADVISORS ON COMPENSATION AND GOVERNANCE MATTERS We listen to the feedback from our shareholders and proxies on all matters relating to reward and governance	
✓ LONG-TERM INCENTIVE PERFORMANCE ORIENTATION AND 3-YEAR VESTING All members of the Executive Committee have (or will soon have) LTI subject only to performance, and with a vesting period of at least 3 years	



3. Compensation and performance for the year

A foundational principle of Galderma's compensation system is pay-for-performance. 2025 was yet another exceptional year for Galderma, reflected in strong financial performance and strategic achievements that underscore our category leadership. The achievements are also reflected in Galderma's compensation incentives, including for the Executive Committee.

Executive Committee compensation
Galderma delivered outstanding performance in 2025, driven by disciplined execution, portfolio and geographic expansion, and ongoing consumer-focused innovation. This performance reinforced our position as the self-care category leader in dermatology and advanced our ambition to become the undisputed dermatology powerhouse.

The year saw record net sales, Core EBITDA growth and broad-based momentum across product categories and geographies. Injectable Aesthetics and Therapeutic Dermatology delivered double-digit growth, while Dermatological Skincare achieved solid year-on-year expansion in constant currency. Both the U.S. and International markets delivered double-digit growth, reflecting the strength and scale of Galderma's portfolio.

Innovation and execution were central to this success. The launch of Nemluvio (nemolizumab) was a key contributor, particularly in the U.S., alongside momentum in Germany and early launches in Austria, Switzerland, the United Kingdom, Denmark and France, with further regulatory submissions ongoing. Relfydess (RelabotulinumtoxinA) completed its first year on the market with launches across 17 international markets. Cetaphil benefitted from ongoing innovation, enhanced omnichannel engagement and e-commerce momentum, while Alastin continued to expand internationally, including the launch of four core products in China.

Alongside this momentum, Galderma further strengthened its financial and strategic foundations. We completed an inaugural 500 million Eurobond issuance and dual-tranche 435 million CHF bonds in March, followed by an additional 175 million CHF bond issuance in December. Strategic investments were also made to support long-term growth, including the establishment of a new U.S. and Latin America regional headquarters in Miami, Florida, and commitments to expand U.S. manufacturing capabilities.

Confidence in Galderma's strategy and execution was reflected in the continued broadening of its shareholder base, including an intention from L'Oréal Group to further increase its equity investment.

Together, these outcomes underscore the effectiveness of Galderma's Integrated Dermatology Strategy and the strength of leadership execution in 2025.

Compensation and performance
Led by the CEO and the rest of the Executive Committee, Galderma's achievements in 2025 continued to deliver high performance levels under the Short-Term Incentive (STI) and Long-Term Incentive (LTI) programs.

The combined achievement of our STI predefined corporate financial metrics and strategic imperative objectives resulted in an achievement of 200% of target for the CEO and 168% on average for the other members of the Executive Committee. The extraordinary Executive Committee achievements as measured against the financial targets are summarized below. In addition, achievements against strategic imperatives – individual, talent and ESG – were overall high with the CEO assessed by the Board of Directors at an achievement level of 144% and an average for other Executive Committee members at 119%.

Metric and target	Achievement % against target
Net Sales	150%
Core EBITDA	150%
Net Cash Flow before debt movements, dividends & treasury shares	150%
Overall achievement	**150%**

Furthermore, Galderma tracks progress against the performance objectives relevant to our LTI, namely net sales growth and relative total shareholder return. As the LTI was only launched in 2024, there has not yet been any vesting or performance testing of PSU awards. The performance tracking is part of our compensation governance processes and acts as feedback to management in support of continued action toward Galderma's long-term targets.

Further details of the STI and LTI plans are provided in Section 5 of the Compensation Report.

4. Compensation outcomes for the year

Executive Committee compensation
The total compensation awarded to members of the Executive Committee for the period between January 1, 2025 and December 31, 2025 is shown in detail in the table below.

***Executive Committee compensation (audited)*[1]**
in thousand CHF unless otherwise specified

For the period January 1, 2025 – December 31, 2025

	Annual base salary	STI[3]	LTI value at grant[4]	Social security and pension[5]	Other compensation and benefits[6]	Total
Dr. Flemming Ørnskov, CEO[2]	1,913	3,826	11,433	231	61	**17,464**
Other members of the Executive Committee	1,961	2,972	6,555	497	197	**12,182**
Total	**3,875**	**6,798**	**17,987**	**728**	**258**	**29,646**

1 Compensation paid to members of the Executive Committee for the period January 1, 2025 – December 31, 2025 reported on a gross basis (before social security deductions) according to the accrual principle.

2 Highest paid member of the Executive Committee.

3 Annual STI accrued for the period January 1, 2025 – December 31, 2025, and anticipated for payment in Q1 2026.

4 Value of LTI at grant. For the CEO, the grant consists of 98,787 share units and for the other members of the Executive Committee 57,941 share units, determined with reference to a predetermined fixed share price based on 10-day volume weighted average price (VWAP) of 82.30 CHF per share. The valuation uses the following stripped dividend amounts: restricted share units (RSUs) vesting in 2026 – 99.30 CHF, RSUs vesting in 2027 – 98.94 CHF, RSUs vesting in 2028 – 98.55 CHF. In addition, the non-stripped dividend amount: performance share units (PSUs) – 99.30 CHF. Amounts reported are different (higher in 2025) from the LTI plan policy (425% (CEO) and 180% - 300% (Other Executive Committee) of annual base salary) detailed in Section 5 of the Compensation Report due to share price volatility around the time of grant and the application of VWAP for allocation determination versus mandatory share-based payment compensation reporting requirements.

5 Represents the employer contributions for both statutory social security resulting in future employee benefit entitlement and company pension fund for the period January 1, 2025 - December 31, 2025. Total social security costs and pension amounted to 2,641,052 CHF, of which 1,383,554 CHF was for the CEO. This amount includes 13,811 CHF for the CEO and 39,347 CHF for the rest of the Executive Committee related to contributions resulting in a future benefit entitlement. Additionally, the total social security cost amount includes the estimated social security contributions related to LTI grants.

6 Other benefits such as education allowance, car allowance and health insurance contributions. For other members of the Executive Committee, this includes a benefit in kind resulting from voluntary conversion of 2024 STI into the Galderma Employee Share Purchase Plan (ESPP) that was approved by the Board of Directors in February 2025. The ESPP was available for voluntary subscription by all employees located in Switzerland eligible for 2024 STI (20–50% of STI available for ESPP participation). One Executive Committee member participated. The benefit arises due to a 25% discount to the closing share price on March 7, 2025 (closing price: 99.44 CHF) from the allocation of 3,261 Galderma shares blocked for a period of over two years (March 7, 2025 to May 31, 2027).

The total compensation awarded to members of the Executive Committee for the period between March 22, 2024 and December 31, 2024 is shown in detail in the following table. For clarity, it should be noted if comparing 2024 with 2025 reported amounts, the 2024 amounts disclosed are for the partial year since IPO to financial year end (other than LTI value at grant, which reflects the full value granted in 2024 in accordance with reporting requirement rules).

***Executive Committee compensation (audited)*[1]**
in thousand CHF unless otherwise specified

For the period March 22, 2024 - December 31, 2024

	Annual base salary	STI[3]	LTI value at grant[4]	Social security and pension[5]	Other compensation and benefits[6]	Total
Dr. Flemming Ørnskov, CEO[2]	1,482	2,963	14,334	172	47	**18,998**
Other members of the Executive Committee	1,502	1,978	9,976	361	94	**13,911**
Total	**2,984**	**4,941**	**24,310**	**533**	**141**	**32,909**

1 Compensation paid to members of the Executive Committee for the period March 22, 2024 – December 31, 2024 reported on a gross basis (before social security deductions) according to the accrual principle. All disclosed compensation relates to the period after IPO. Any pre-IPO compensation was disclosed in the Galderma IPO Prospectus.

2 Highest paid member of the Executive Committee.

3 Annual STI accrued for the period March 22, 2024 – December 31, 2024, and paid in March 2025. This includes special bonuses for the same period amounting to 868,722 CHF, of which 602,780 CHF was paid to the CEO. In addition for other members of the Executive Committee, a portion of 2024 STI equal to 243,205 CHF was delivered in 3,261 Galderma shares blocked for a period of over two years (March 7, 2025 to May 31, 2027) under the Galderma Employee Share Purchase Plan (ESPP) that was approved by the Board of Directors in February 2025. The ESPP was available for voluntary subscription by all employees located in Switzerland eligible for 2024 STI (20- 50% of STI available for ESPP participation). One Executive Committee member participated. The number of shares allocated was determined using a 25% discount to the closing share price on March 7, 2025 (closing price: 99.44). The benefit that accrued in March 2025, is reported under Other compensation and benefits under the table Executive Committee compensation for the period January 1, 2025 – December 31, 2025.

4 Value of LTI at grant. For the CEO, the grant consists of 197,897 share units and for the other members of the Executive Committee 137,733 share units, determined with reference to a predetermined fixed share price of 58.00 CHF per share. Exceptionally, in 2024 the LTI grant was 200% of the target LTI value. The valuation uses the following stripped dividend amounts: RSUs vesting in 2025 - 72.79 CHF, RSUs vesting in 2026 - 72.58 CHF, RSUs vesting in 2027 –72.36 CHF and PSUs - 72.36 CHF.

5 Represents the employer contributions for both statutory social security resulting in future employee benefit entitlement and company pension fund for the period March 22, 2024 - December 31, 2024. Total social security costs amounted to 1,749,928 CHF, of which 1,011,852 CHF was for the CEO. This amount includes 8,322 CHF for the CEO and 28,633 CHF for the rest of the Executive Committee related to contributions resulting in a future benefit entitlement. Additionally, the total social security cost amount includes the estimated social security contributions related to LTI grants.

6 Other benefits such as education allowance, car allowance and health insurance contributions.

Year-on-year Executive Committee compensation evolution
Changes to Executive Committee compensation occurred in 2025 as disclosed in the 2024 Compensation Report involved adjustments to STI and LTI allocation policy (see Section 5 of the Compensation Report).
In addition, for selected members of the Executive Committee (excluding the CEO), the Board of Directors determined that marginal market alignment base salary increases were warranted and were applied. No changes to CEO base salary were introduced in 2024 or 2025 and nor will any be introduced in 2026.

Shareholder approval of Executive Committee Compensation
At the Annual General Meeting (AGM) on April 23, 2025, and in accordance with the Galderma Group AG Articles of Association, shareholders approved the maximum fixed and variable compensation of the Executive Committee for the 2026 financial year in the amount of 29.8 million CHF. Similarly, at the AGM on April 22, 2026, shareholders will be requested to approve the maximum fixed and variable compensation of the Executive Committee for the 2027 financial year, the details of which will be included in the 2026 AGM invitation.

Board of Directors fees
The total fees awarded to members of the Board of Directors for the period from January 1, 2025 through December 31, 2025 are detailed in the following table.

No other fees were paid to members of the Board of Directors in addition to those in the table below, with the exception of Dr. Flemming Ørnskov, whose compensation is detailed separately in the table ‘Executive Committee compensation’.

Board of Directors compensation (audited)[1]
in thousand CHF
For the period January 1, 2025 – December 31, 2025

Board of Directors member	Board of Directors function	Fixed cash fees[5]	Fixed share fees[5]	Social security[6]	Total
Thomas Ebeling	Chair of the Board of Directors Chair of the Strategy, ESG and Nomination Committee Member of the Compensation Committee	475	475	5	**955**
Sherilyn (Sheri) McCoy	Vice Chair of the Board of Directors Member of the Strategy, ESG & Nomination Committee	163	162	-	**325**
Michael Bauer[2]	Member of the Strategy, ESG & Nomination Committee Member of the Finance and Audit Committee	-	-	-	**-**
Marcus Brennecke[2]	Member of the Compensation Committee	-	-	-	**-**
Daniel (Dan) Browne	Member of the Finance and Audit Committee	143	142	-	**285**
Maria Teresa (Tessa) Hilado	Chair of the Finance and Audit Committee	160	160	-	**320**
Karen Ling	Chair of the Compensation Committee	150	150	-	**300**
Roberto Marques[3]	Member of the Compensation Committee	95	94	-	**189**
Dr. Flemming Ørnskov[4]	Member of the Strategy, ESG & Nomination Committee	-	-	-	**-**
Total		**1,186**	**1,183**	**5**	**2,374**

1 Compensation paid to members of the Board of Directors for the period January 1, 2025 – December 31, 2025, reported on a gross basis (before social security deductions) according to the accrual principle.

2 As non-independent members of the Board of Directors, Michael Bauer and Marcus Brennecke do not receive compensation or benefits.

3 Roberto Marquez was appointed to the Board of Directors on April 23, 2025.

4 Dr. Flemming Ørnskov does not receive any compensation for serving as a member of the Board of Directors.

5 Includes Board of Directors membership and any committee chair/membership fees. See Section 2, Board of Directors compensation for more details. The number of shares granted was determined by dividing the contractual share grant amount by the closing share price on the date of grant (with any residual balance following the predefined calculation to be delivered in cash).

6 Represents the employer contributions for statutory social security resulting in future employee benefit entitlement for the period January 1, 2025 – December 31, 2025. Total employer social security costs for the period amounted to 62,459 CHF.

The total fees awarded to members of the Board of Directors for the period from March 22, 2024 (IPO date) through December 31, 2024 are detailed in the following table.

Board of Directors compensation (audited)[1]
in thousand CHF
For the period March 22, 2024 - December 31, 2024

Board of Directors member	Board of Directors function	Fixed cash fees[4]	Fixed share fees[4]	Social security[5]	Total
Thomas Ebeling	Chair of the Board of Directors Chair of the Strategy, ESG & Nomination Committee Member of the Compensation Committee	356	356	4	**716**
Sherilyn (Sheri) McCoy	Vice-Chair of the Board of Directors Member of the Strategy, ESG & Nomination Committee	122	122	-	**244**
Michael Bauer[2]	Member of the Strategy, ESG & Nomination Committee Member of the Finance & Audit Committee	-	-	-	**-**
Marcus Brennecke[2]	Member of the Compensation Committee	-	-	-	**-**
Daniel (Dan) Browne	Member of the Finance & Audit Committee	107	107	-	**214**
Maria Teresa (Tessa) Hilado	Chair of the Finance & Audit Committee	120	120	-	**240**
Karen Ling	Chair of the Compensation Committee	112	113	-	**225**
Dr. Flemming Ørnskov[3]	Member of the Strategy, ESG & Nomination Committee	-	-	-	**-**
Total		**817**	**818**	**4**	**1,639**

1 Compensation paid to members of the Board of Directors for the period March 22, 2024 – December 31, 2024, reported on a gross basis (before social security deductions) according to the accrual principle.

2 As non-independent members of the Board of Directors, Michael Bauer and Marcus Brennecke do not receive compensation or benefits.

3 Dr. Flemming Ørnskov does not receive any compensation for being a member of the Board of Directors.

4 Includes Board of Directors membership and any committee chair/membership fees. See Section 2, Board of Directors compensation for more details. The number of shares granted was determined by dividing the contractual share grant amount by the closing share price on the date of grant.

5 Represents the employer contributions for statutory social security resulting in future employee benefit entitlement for the period March 22 – December 31, 2024. Total employer social security costs for the period amounted to 48,644 CHF.

Year-on-year Board of Director fee evolution
There was no change to Board of Director fee amounts in 2025.

Shareholder approval of Board of Director Compensation
At the AGM on April 23, 2025, and in accordance with the Galderma Group AG Articles of Association, shareholders approved the maximum fees of the Board of Directors for the period from the 2025 AGM to the 2026 AGM in the amount of 2.8 million CHF. Based on the fees paid as of December 31, 2025 and projected outstanding fees due before the 2026 AGM, the Board of Directors' fees will be within the approved amount. Similarly, at the AGM on April 22, 2026, shareholders will be requested to approve the maximum fees for the Board of Directors for the period from the 2026 AGM to the 2027 AGM, the details of which will be included in the 2026 AGM invitation.

The following figure visualizes the Board of Directors' fees paid since the 2025 AGM until December 31, 2025 and the remaining approved amount up until the 2026 AGM.

Board of Director fees reconcilliation

* Approval at 2025 AGM

Board of Director fees accrued as of December 31, 2025

Board of Director fees anticipated to be paid for the balance of the period until 2026 AGM

5. Compensation system

Compensation policy

Principles
Galderma's purpose of advancing dermatology for every skin story is central to all that the company does. As the pure-play dermatology category leader, Galderma aims to continue executing on its already proven strategy for the next phase of growth. This focus is mirrored in our compensation principles and our approach to rewarding all employees, including the Executive Committee.

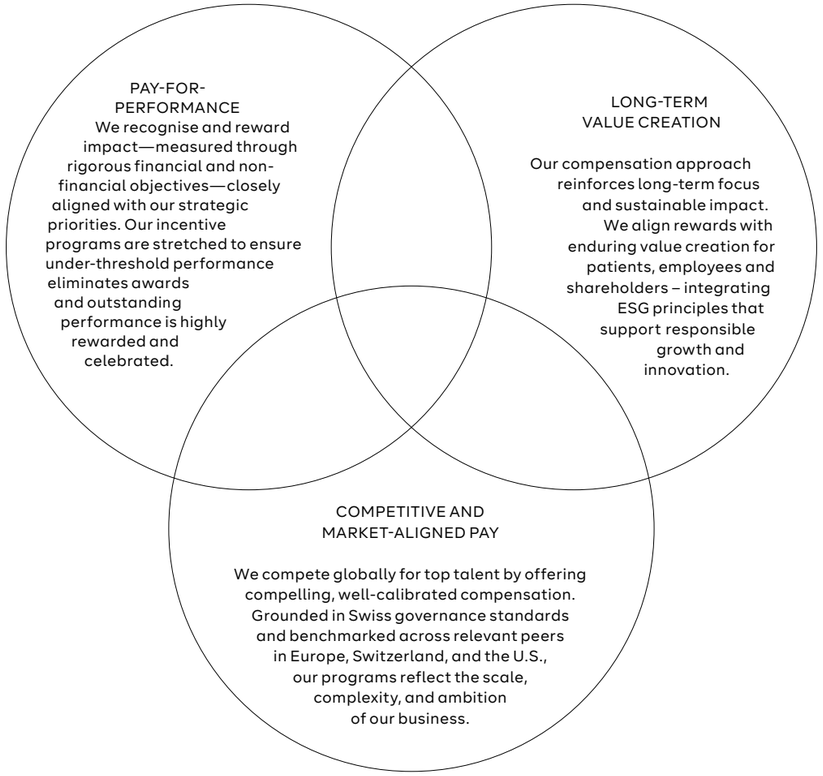
To attract, grow and retain talent with diverse backgrounds, we conduct rigorous compensation market analysis at all employee levels, leveraging data from dedicated external providers for each local market. Compensation levels are set to be competitive and exceed the relevant local minimum wage standards. Extensive detail on compensation benchmarking for Executive Committee is disclosed in Section 6 of the Compensation Report.

Galderma's total reward strategy is grounded in a robust pay-for-performance approach, designed to foster a high-performance culture that acknowledges and rewards outstanding accomplishments. This strategy aligns employee compensation with company success by setting challenging yet attainable targets that directly influence variable incentive compensation. By tying rewards to clear, measurable outcomes, we ensure that exceptional individual and team achievements are recognized, which in turn ensures accountability and inspires sustained performance. This approach not only incentivizes employees to excel in their roles but also aligns their efforts with the company's broader strategic objectives, enhancing both personal and organizational success.

To facilitate long-term value creation, almost one tenth of the Galderma workforce has a long-term equity component in their total compensation package. This provides employees with a sense of ownership, an incentive to focus and deliver beyond the short term, and to align their interests with other Galderma shareholders.

Galderma is an equal opportunity employer. We promote transparency, mutual respect, integrity and inclusion. We also recognize and adhere to collective bargaining agreements that may exist throughout Galderma, as far as the law permits.

Compensation principles



Compensation structure
The following table details the Executive Committee compensation structure. Further details on the Executive Committee incentive programs are shown in the following section.

Executive Committee compensation structure

Compensation component	Payout vehicle	Details
Base salary	Cash	Base salary is defined by a range of factors including prior experience, responsibilities, scope, unique skill set and market conditions[1] relevant to the individual.
Short-Term Incentive (STI)	Cash	The STI plan is designed to focus all eligible Galderma employees, including Executive Committee members, on corporate financial metrics and rewards individuals for year-on-year performance. The metrics and weightings differ depending on seniority and scope of responsibility. Corporate financial metrics form the baseline of the STI program and apply to all STI-eligible Galderma employees. These metrics are combined into an overall achievement from 0–150%. For the CEO and most of the Executive Committee[2] the applicable corporate financial metrics are: • Net sales – 40% weight • Core EBITDA – 40% weight • Net Cash Flow (NCF) before debt movements, dividends & treasury shares[3] – 20% weight The final STI outcome is adjusted by a strategic imperative multiplier ranging between 0–150%, provided the corporate financial metric minimum threshold is met (if not, payout will always be zero). The multiplier is based on achievement of pre-defined strategic imperatives, comprised of individual, talent, and ESG objectives. The resultant payout cannot exceed 200% of target. A detailed visualization of the calculation formula is included below Short-Term Incentive plan disclosure.
Long-Term Incentive (LTI) plan	Equity Awards converting to Galderma shares at the end of the vesting period	The LTI plan is subject to performance conditions and a three-year vesting cycle. The awards are granted once a year and no cash investment is required by the participants. PSU performance conditions are: • Net Sales Growth CAGR % – 50% weight, links company financial performance and growth to LTI • Relative Total Shareholder Return – 50% weight, serves as an indicator of Galderma's share price performance relative to a select reference group and links shareholder value creation to LTI The LTI grant for Executive Committee members is generally awarded in PSUs. PSUs are subject to a three-year cliff vesting.[4]

1 Assessment of market competitive compensation, including STI and LTI, is conducted in accordance with the Galderma compensation governance and benchmarking principles, the details of which can be found in section 5 of the Compensation Report.

2 For one member of the Executive Committee (Global Head of Operations), the applicable metrics are adapted to the role as follows: 20% Net sales, 20% Core EBITDA, 10% Free cash flow before debt movements, dividends & treasury shares, 25% Inventory Value and 25% Operations Total Budget.

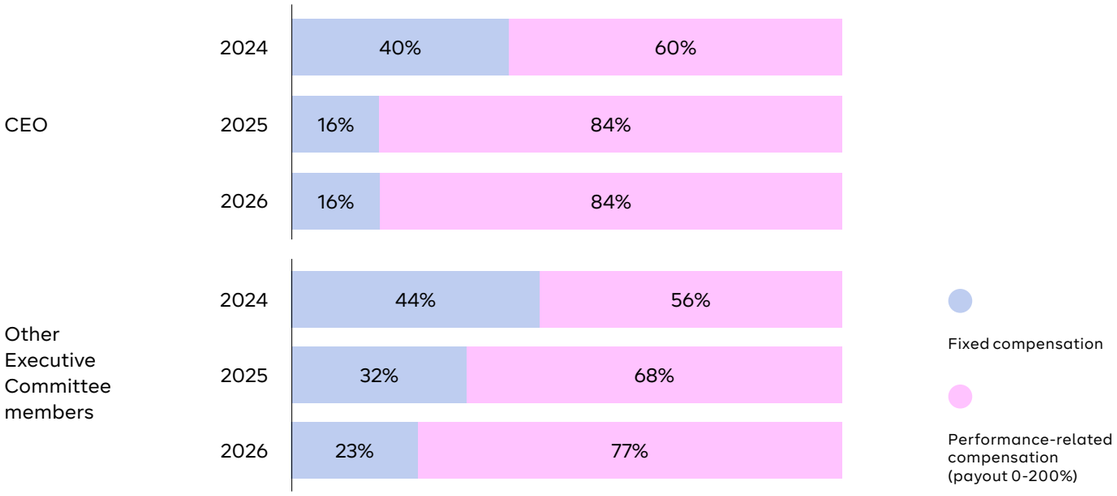
3 2024: Free cash flow before financing. For 2025 the Board of Directors approved a change to ensure the STI is capturing the full spectrum of management's cash decisions — not just internal investments (CapEx) - but also strategic choices (e.g. M&A, buy-backs, bond issuance).

4 During the 2025 final transition year, two Executive Committee members (Chief Human Resources Officer (CHRO) and Global Head of Operations) were awarded 2/3 PSUs and 1/3 RSUs. RSUs vest on a three-year staggered schedule, with 1/3 of the RSUs vesting each year following grant. As of 2026, all Executive Committee members will receive the entire LTI grant in PSUs.

In addition, Executive Committee members participate in the Galderma employee benefit programs. The monetary value of these benefits is disclosed in this report's compensation tables. These programs seek to provide adequate support and care for Galderma employees and their families in the event of certain life events including retirement, sickness, death and disability. Depending on country of employment, examples of benefits available to employees include discounts on Galderma products, lunch and public transport subsidies, company cars, mobile phones, healthcare, life insurance and retirement plans. Galderma places extra focus on ensuring that these benefit programs extend across all of our employee groups, as health, well-being and financial safety are not perceived as advantages that should only be reserved for Executive Committee members.

Compensation mix
In line with our pay-for-performance reward principles, the compensation mix of the CEO and Executive Committee is structured so that considerably more than 50% of the compensation paid out is performance-related at-risk compensation. The following figure demonstrates the commitment to these principles including versus our defined peers (see Section 6 of the Compensation Report, "Compensation benchmarking and advisors"). It shows base salary and the RSU component of the LTI as fixed compensation components, as well as performance-related compensation components. To further accentuate pay-for-performance, since 2025 adjustments to the STI and LTI target levels as well as the LTI award types in favor of only PSUs were implemented, and are described in the following parts of this Compensation Report. This has resulted in a significant change to the compensation mix in favor of performance related at-risk compensation. With these adjustments, and compared to our identified benchmark peers, the CEO pay mix will be in the 90th percentile based on the ratio of performance-related compensation to fixed compensation.

Compensation mix of the Executive Committee*



* Indicative calculation based on certain assumptions including that the Executive Committee comprises four members, including provision for CFO change in 2026.

Details of the Executive Committee incentive programs
The combination of STI and LTI balances the application of frequent target setting and performance measurement with those relevant to the longer term. The short-term components are critical to ensure agility and focus on the execution of annual objectives, and long-term indicators are directed toward sustainable growth and stakeholder value creation.

Compensation governance for the determination of STI and LTI, including setting objectives and target levels as well as performance achievement, is a rigorous process typically involving multiple review and assessment opportunities by the Compensation Committee before final endorsement and subsequent final approval by the Board of Directors. Particular attention is paid to ensure targets are stretched. Full details of the Compensation Committee activities and governance are disclosed in Section 6 of the Compensation Report.

Short-Term Incentive plan

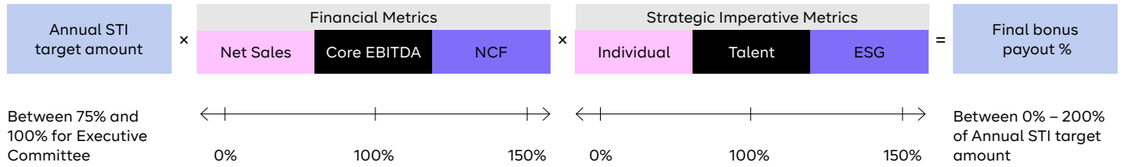
The target policy STI-at-grant amounts are 100% of annual base salary for the CEO (2024: 100% (no change)) and between 75% and 100% of annual base salary for other Executive Committee members (2024: 50% - 100%). Adjustments in 2025 were disclosed in the 2024 Compensation Report. To reiterate, they have been introduced to ensure Executive Committee packages are market-competitive and enhance the focus on pay-for-performance. These changes further orient overall packages toward higher proportions of performance-related compensation.

STI payout is capped at 200% of target. The floor is at 0% payout if corporate financial metric target thresholds are not achieved.

Details of the STI achievement and weighting of corporate financial metrics have already been provided in the Compensation Report, including Sections 2 and 3. Certain information, such as the minimum threshold, target and maximum caps for each metric, is considered commercially sensitive; the Board of Directors currently considers that these metrics could provide Galderma's competitors with an unfair advantage if disclosed.

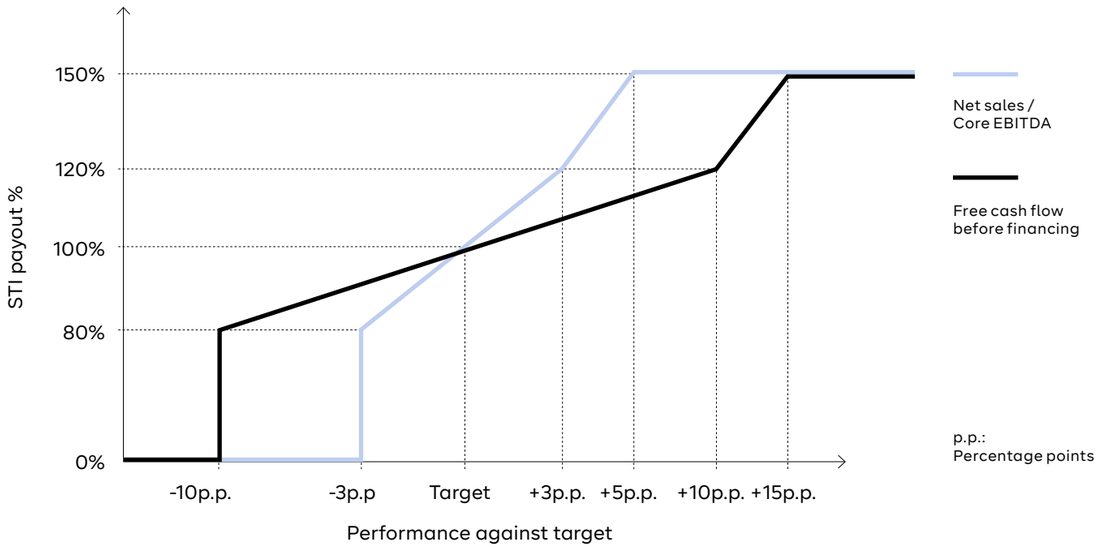
The following figure visualizes the STI plan mechanics:

STI plan mechanics, Executive Committee



STI plan example calculation

STI payout curve



Strategic Imperatives
The Strategic Imperative weightings and details are as follows.

Individual objectives
Individual objectives are set each year through extensive consultation and endorsement by the Compensation Committee and final approval of the Board of Directors. Individual Strategic Priorities are set based on three parameters: Performance, Platform and Growth. Performance objectives ensure each constituent part of the Galderma Integrated Dermatology Strategy are executed. Platform objectives are set to ensure the foundations are in place and continue to evolve in support of Performance and Growth. Finally, Growth objectives pinpoint strategic areas of focus that best ensure continued exceptional progress and market competitiveness.

Talent objectives
Talent objectives are currently focused on succession planning at the highest levels of the organization. Example objectives related to key succession and ensuring strong talent is in place for key performance and value driving roles in the immediate, mid and long term as well as ensuring 'step in' candidates are in place. In addition, the quality of candidates is assessed including ensuring appropriate levels diversity are in place.

ESG objectives
To further strengthen accountability and leadership oversight within our ESG Governance, we integrate an ESG component into executive compensation. Specifically, short-term incentives are directly tied to the achievement of five non-financial indicator targets, supporting our two priority ESG matters. These are medical education and training (i.e., number of healthcare professionals educated, trained and engaged through medical awareness activities) and sustainable products and production (i.e., intensity, per ton bulk produced, of Gross Scope 1 and 2 emissions in manufacturing plants, of water withdrawal in operations and of waste generated in operations, and share of renewable electricity in manufacturing plants). In addition, delivery against detailed action plans covering our five other material ESG matters, the external perception of Galderma's ESG profile—including but not limited to ESG ratings—and the enhancement of non-financial disclosures also impact short-term incentive calculation. Beyond executive compensation, in 2025 we strengthened this approach by cascading ESG targets throughout relevant functions, ensuring that efforts are focused and incentives are consistently aligned throughout the organization. This has been facilitated through Galderma's standard performance management process and STI mechanism.

The STI determination follows the Galderma governance process outlined in Section 6 of the Compensation Report, namely the authority to determine STI for the Executive Committee is held by the Board of Directors.

Long-Term Incentive plan

Overview
The purpose of the Galderma LTI plan is to attract, engage and retain high quality talent and to align the interests of key managers with the goals of Galderma and its shareholders.

The number of awards granted is determined by dividing the predefined individual values (based on annual base salary) by the market share price at the time of the grant. The market share price is determined based on a ten-day volume weighed average price (VWAP). Grants typically occur in the second quarter (Q2) of each financial year.

Amounts reported in the Compensation outcomes of the year section of this Compensation Report are different (higher in 2025) from the LTI plan policy (see below LTI amounts) due to application of VWAP for allocation determination versus mandatory share-based payment compensation reporting valuation. In the future compensation reports where reconciliation with the maximum fixed and variable compensation of the Executive Committee approved at the Annual General Meeting (AGM) on April 23, 2025 will be required, such discrepancies are transparently addressed with the provision of a "reserve" as part of the AGM voting that includes provision for the impact of valuation of share-based payments.

The CEO and CFO receive 100% of LTI awards in PSUs. From 2026, this PSU only policy will be applied to all Executive Committee members. In 2025, Executive Committee members (other than the CEO and CFO) and selected other senior leaders, received grants in proportions of 2/3 PSUs and 1/3 Restricted Share Units (RSUs). PSUs are subject to a three-year cliff vesting and RSUs vest on a three-year staggered schedule, with 1/3 of the RSUs vesting each year following grant. As previously indicated, Executive Committee members will only receive PSUs from 2026 onward.

The LTI determination follows the Galderma governance process outlined in Section 6 of the Compensation Report, namely that authority to determine LTI for the Executive Committee is held by the Board of Directors.

LTI amounts
The policy for target LTI amounts at grant includes 425% of annual base salary for the CEO (2024: 300%) and between 180% - 300% of annual base salary for other Executive Committee members (2024: 180% - 240%). Adjustments in 2025 were disclosed in the 2024 Compensation Report. To reiterate, they were applied in 2025 to ensure Executive Committee packages are market-competitive and enhance the focus on pay-for-performance. These changes further orient overall packages toward higher proportions of performance-related compensation.

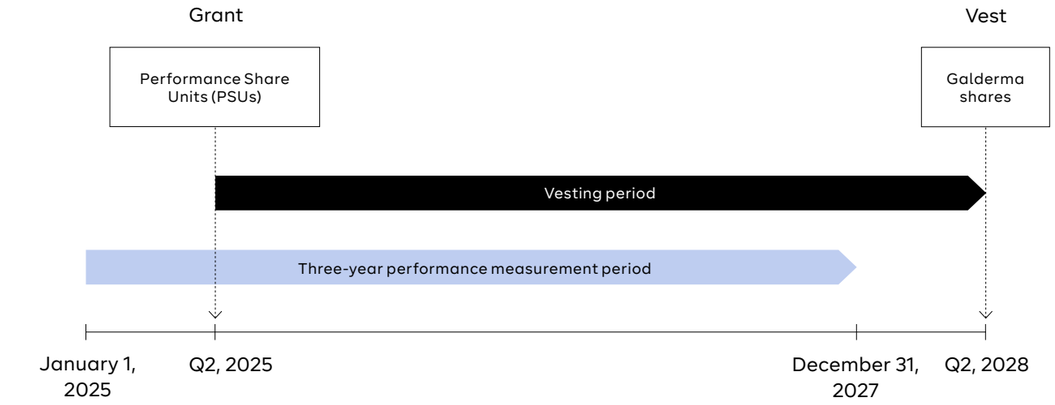
For PSUs, the final number of shares allocated is dependent on performance and can be between 0% - 200% of PSUs granted.

LTI vesting and performance periods
Details of the vesting periods are provided in the 'Executive Committee compensation structure' table in Section 5.

For PSUs, awards cliff-vest three years following grant. The PSU performance measurement period is generally three full calendar years, running from January 1 in the year of grant to December 31 in the third year following the grant as shown in the figure below.

Shares are allocated upon satisfaction of the vesting period and based on the level of PSU performance achieved. Once LTI awards vest, Executive Committee members are eligible to receive dividends on allocated shares. In addition, the LTI plan regulations provide the possibility for the Executive Committee members to accrue dividend equivalents on awards. For the 2025 LTI grant of RSUs, no such dividend equivalents were included. For the 2025 LTI grant and going forward, the Board of Directors has approved dividend equivalents to be payable in respect of PSUs, in the form of cash at the end of the vesting period.

LTI vesting and performance periods

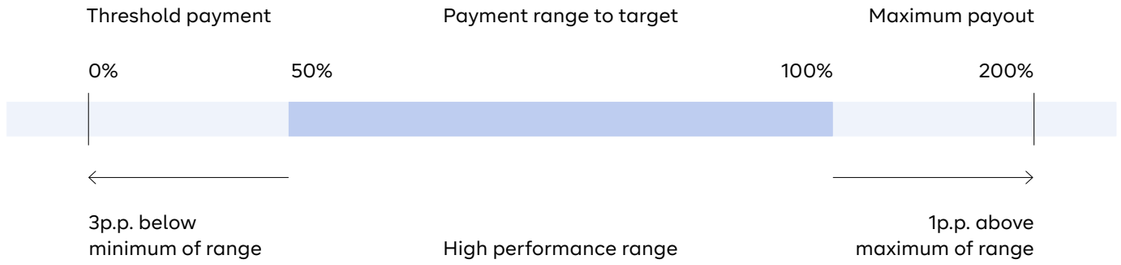


LTI performance conditions
Under the LTI plan, payout in Galderma shares for the PSU component is fully dependent on performance testing at the end of the three-year performance period. Two predefined PSU performance conditions are assessed, one absolute and the other relative, with 50% weighting for each. Equal weighting has been applied to appropriately capture the critical importance of these two performance indicators while ensuring Executive Committee and senior management have significant, sustained focus over the long-term.

PSU absolute performance condition – net sales growth
Net sales growth is a critical internal financial performance metric for the long-term success of Galderma, which measures the percentage increase of Galderma's net product sales. This metric has been selected to ensure the relentless Executive Committee and senior management's continuous commitment to advancing our differentiated innovation pipeline, which includes two disruptive biologics with blockbuster potential for long-term sustainable growth. The vesting scale is determined by the net sales growth on a constant currency CAGR during the performance period. Linear interpolation applies between each of the defined points on the vesting scale, as shown in the following figure, with an ambitious target-setting approach.

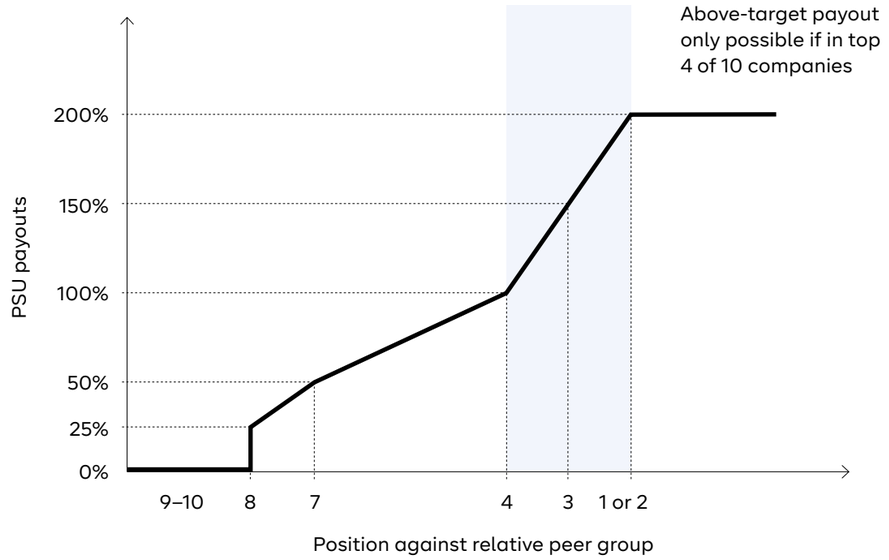
The payout design incentivizes achievement of ambitious net sales growth in line with the upper end of our guidance to investors and further compensates for any outstanding overachievement of target.

PSU net sales growth payout diagram



p.p. – percentage points

PSU relative total shareholder return payout curve



PSU relative performance condition - total shareholder return
Total shareholder return (TSR) represents the overall gain or loss generated by an investment over a specific period, incorporating both capital gains or losses from changes in share price and the reinvestment of dividends. It is widely considered a comprehensive measure of shareholder value creation and, accordingly, is a key long-term measure for management's performance and their commitment to Galderma and its investors. To ensure LTI participants are not rewarded for windfall market gains that may impact absolute TSR growth, Galderma's TSR is compared against a reference group of 10 companies. These companies were selected for their similarities to Galderma as leaders in other similar 'self-care' categories (namely Alcon in ophthalmology, Estée Lauder and L'Oréal Group in beauty, Straumann in odontology and Zoetis in animal health) and for their relevance as direct competitors or other reference companies for the purpose of LTI tracking (namely AbbVie, Beiersdorf, Haleon, Kenvue and Sanofi). Relative TSR is calculated by ranking Galderma's TSR against the TSR of the selected reference companies, thus providing insight into Galderma share price performance relative to the identified reference companies. An LTI policy for the management of the TSR measure is in place, including Board of Director preapproved replacement companies in the event a reference group company may no longer be suitable due to corporate activity.

The Board of Directors retains the discretion to replace any reference companies that are no longer suitable based on pre-defined criteria, ensuring the reference group remains relevant. No such determination was made in 2025.

Linear interpolation against each of the above points will apply if the vesting falls between any two points, as shown in the figure overleaf. The payout curve is designed so that target TSR performance is only achieved when reaching the top four of the 10 selected reference companies.

Clawback provisions
The LTI plan is subject to a clawback provision. In instances of fraud, gross negligence or willful misconduct, the Board of Directors retains the right to require any Executive Committee participant in the LTI plan to repay any gross proceeds gained from the sale of shares received through vested awards under the LTI plan, and to forfeit or reduce, in part or in full, any outstanding awards.

Forfeiture conditions
In the event of cessation of employment, outstanding unvested awards are forfeited. The LTI plan regulations provide for exceptions in certain limited cases, such as retirement, disability or death. In such cessation of employment situations, awards are eligible for vesting – and PSUs remain subject to performance testing. The Board of Directors retains the right to grant exceptions to these regulations in special circumstances and on a case-by-case basis. In the year under review, the Board of Directors granted no such exceptions for Executive Committee members.

Change of control
The LTI plan regulations detail award settlement and rollover arrangements in cases of change of control, such as in the event of 33 1/3% change of shareholding. Awards are eligible for an LTI rollover in case of change of control or an accelerated vesting and maximum payout, including if there is subsequent termination of a participant's employment, known as a 'double-trigger.'

Board of Directors fees
The Board of Directors fee structure and levels have been set to ensure competitiveness, market alignment and necessary independence.

Members of the Board of Directors receive fees for membership and additional fees for being either a Chair or a committee member. The CEO and members of the Board of Directors who are employed by EQT are not eligible for Board fees. The chairperson of the Board of Directors does not receive additional fees for committee memberships.

All Board of Directors members are paid 50% in cash and 50% in unrestricted Galderma shares, including any chairperson or committee members who are eligible for compensation. Fees are generally paid in arrears, the cash portion quarterly and the share portion bi-annually (applying the closing share price on the relevant grant date). Members of the Board of Directors are reimbursed for travel and other reasonable expenses according to Galderma's Travel & Expenses Policy. No variable compensation is paid out to Board of Directors members.

The compensation framework for Board of Directors members is set out below:

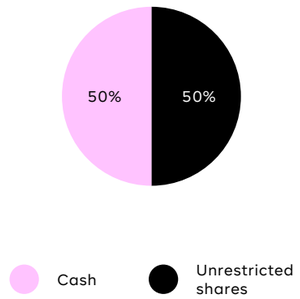
Board of Directors compensation

Board fees

In CHF (gross)	**Board of Directors** (base annual fee)	**Finance & Audit Committee** (membership fee)	**Other Committees** (membership fee)
Chair	950,000[1]	70,000	50,000
Vice-Chair	300,000	-	-
Member	250,000	35,000	25,000

1 The Chair of the Board of Directors does not receive additional fees for the committee memberships

Form of payment



In addition, alignment with shareholder interests is further reinforced through the minimum shareholding requirements which need to reach 100% of annual fees for members of the Board of Directors. Full details are provided in Section 7 of the Compensation Report.

6. Compensation governance

Role and responsibilities of the Compensation Committee
Every year, in accordance with the Galderma Group AG Articles of Association, the Board of Directors nominates the members of the Compensation Committee for individual elections at the AGM, with the possibility for re-election. The Compensation Committee reviews aspects of Executive Committee compensation, the fee structure of the Board of Directors and the total reward framework for all Galderma employees in accordance with our Compensation Committee activities and governance (see table overleaf).

The Compensation Committee currently consists of three non-executive Board of Directors members, a majority of whom are independent – Karen Ling (Chair), Thomas Ebeling and Roberto Marques (appointed at the 2025 AGM on April 23, 2025). The Compensation Committee may invite the CEO and other executives to attend meetings, as appropriate. However, executives, including members of the Board of Directors, are not present for meetings or selected parts of meetings in which their own compensation is discussed and evaluated, nor do they have any influence on related decisions.

The Compensation Committee met five times in 2025. All of the members were present at all meetings.

Following each meeting, the Compensation Committee informs the Board of Directors of the topics discussed and provides their recommendations for approval by the full Board of Directors. Decisions are then recorded in the Board of Directors meeting minutes. Presentations and minutes of the Compensation Committee meetings are available to all members of the Board of Directors.

Compensation Committee activities and governance
The following table summarizes the typical anticipated Compensation Committee calendar and activities. The Compensation Committee is provided with all necessary information well in advance of each meeting, including for critical topics such as those identified by the Compensation Committee Chair, as additional agenda items in a meeting prior to any review and/or endorsement. For the period between January 1, 2025 and December 31, 2025, the Compensation Committee held meetings in February, March, July, October and December.

Compensation Committee activities

	Compensation Committee meetings			
	Q1	Q2	Q3	Q4
Board of Directors and Executive Committee compensation	✔		✔	✔
Review and endorse future year compensation of Board of Directors and Executive Committee ^			✓	✓
Review proposed maximum aggregate amount of compensation of the Board of Directors and Executive Committee subject to shareholder vote				✓
Endorse maximum aggregate amount of compensation of Board of Directors and Executive Committee subject to shareholder vote*	✓			
Short-Term Incentive (STI)	✔	✔	✔	✔
Endorse Executive Committee STI objectives for the year^	✓			
Review STI program for Executive Committee		✓		
Review STI target as % of annual base salary for Executive Committee^			✓	
Review anticipated STI achievement for Executive Committee^				✓
Endorse prior-year STI achievement and payout^	✓			
Long-Term Incentive (LTI)	✔	✔	✔	✔
Endorse LTI award volume overall program and for Executive Committee^	✓			
Review LTI program for Executive Committee, including metrics, targets, payout curve and endorse any changes^		✓		✓
Review and endorse LTI target as % of annual base salary for Executive Committee^			✓	
Review and endorse LTI achievement and payout (when applicable)^	✓			
Governance	✔		✔	✔
Review Compensation Report drafting evolution			✓	✓
Endorse Compensation Report *^	✓			
Investor engagement	✓	✓	✓	✓
Global Compensation framework	✔		✔	✔

Items marked with a ^ are subject to approval by the Board of Directors.
Items marked with a * are subject to final approval by Galderma shareholders.

The Compensation Committee may identify the need for additional meetings during the year.

The following table summarizes the compensation governance model, including recommendations and approval levels.

Compensation topic	Recommendation	Approval
Board of Directors maximum aggregate amount until next AGM	■	■
Executive Committee maximum aggregate amount for the following financial year	■	■
Compensation Report and its content	■	■*
Board of Directors fees and compensation package	■	■
Executive Committee compensation packages	■	■
Annual STI and LTI grants (Executive Committee)	■	■
Final STI achievement and LTI vesting factor	■	■
Design of the compensation and benefits strategy of the company	■	■
Employment agreement terms & conditions (company) and termination terms for Executive Committee	■	■

■ Board of Directors ■ Compensation Committee ■ Shareholders at AGM

* In addition, the Compensation Report is submitted to the shareholders for a consultative vote

Compensation governance

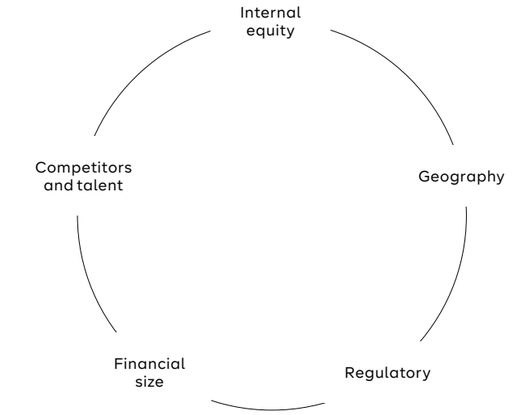
Compensation benchmarking and advisors

Compensation is reviewed and benchmarked against relevant market peers to ensure Galderma remains competitive and is well positioned in attracting and retaining outstanding talent. Compensation levels are set to pay at least the median for the selected peer group, based on total target compensation and having regard to each of the pay mix elements. The orientation toward STI and LTI is a key focus to ensuring competitiveness, in line with the pay-for-performance principles described in Section 5 of the Compensation Report.

For reference, when considering the selected peer group (see details below), CEO compensation is currently generally positioned at or around the top quartile for most pay elements and overall total target compensation. The size of the selected peer group enables meaningful segregation of data and, for instance, performance-oriented compensation (STI and LTI), is positioned in the lower quartile considering competitiveness against the U.S. market. The Compensation Committee has considered this and a range of factors indicated on the next page as well as our historical compensation levels fixed prior to IPO in determining a balanced approach to setting Executive Committee compensation.

Five guiding principles, as shown opposite, help us determine which companies should be included in the Executive Committee and Board of Directors benchmarking peer groups. The guiding principles applicable to Galderma have been approved by the Board of Directors and are a key factor for determining any compensation adjustments. This includes those that have been applied for the Executive Committee and are outlined throughout the Compensation Report in relevant sections.

Guiding principles for compensation benchmarking



- **Internal equity** is addressed through the selection of a single peer group applicable to all Executive Committee members.
- **Geography** is also a crucial factor, with the peer group representing an international footprint. Given Galderma's global reach and strategic emphasis on the U.S. market, alongside fast growing market capitalization—already reaching the Swiss Market Index Mid (SMIM)—the peer group is carefully selected to reflect a balanced geographical diversity. This approach ensures the inclusion of companies with strong U.S. market representation (and no more than one third of the total peer group list), while also including peers from Switzerland and the rest of Europe.
- From a **regulatory** perspective, we focus on listed companies with an international market orientation.
- In terms of **financial size**, we target companies comparable to Galderma in revenue and market capitalization, taking note of the company growth projections.
- Lastly, Galderma prioritizes **competitors and talent** by selecting peer companies from Galderma's industry and adjacent sectors such as healthcare, pharmaceuticals, biotechnology, and consumer discretionary, focusing on where we compete for talent. An additional cross-reference measure was applied to include companies used to measure TSR under the LTI described in Section 5 of the Compensation Report that meet these guiding principles.

The Executive Committee benchmarking peer group companies comprise of the following:

Region	Number	Companies
U.S.	9	Agilent Tech., Biogen, Coty, Estee Lauder, Kenvue, Mettler Toledo, Regeneron, Ulta Beauty, Zoetis
Switzerland	9	Alcon, Givaudan, Richemont, Logitech, Lonza Group, SGS, Sonova, Straumann, Tecan Group
Europe and other	12	Almirall, Bausch + Lomb, Beiersdorf, Haleon, Galapagos, Ipsen, Jazz Pharma. plc, Novonesis, Qiagen, Sanofi, Teva Pharm., UCB

The Board of Directors' benchmarking peer group used comprises companies listed on the Swiss Market Index (SMI), excluding financial services. This approach is consistent and reasonable when taking into account the profile of Galderma's profile alongside its growth and development. In all benchmarking activities, both the SMI and SMIM practices were monitored.

On an ad hoc basis, Galderma engages with and uses external consultants to assist with certain aspects of compensation and benefits. In 2025, Galderma obtained market insights and advisory services from PricewaterhouseCoopers (PwC) and Willis Towers Watson (WTW). Galderma did not award any additional mandates to WTW. PwC were awarded additional non-compensation and benefits-related mandates, including related to tax and actuarial services.

Governing source materials
The Compensation Report is prepared in accordance with Swiss laws and regulations, including the Swiss Code of Obligations. It also considers the Directive on Information Relating to Corporate Governance issued by SIX Swiss Exchange, as well as the Guidelines of the Swiss Code of Best Practice for Corporate Governance established by economiesuisse.

Galderma Group AG's Articles of Association set out the framework regarding the election of members of the Compensation Committee (Art. 23), the approval of the Board of Directors' maximum compensation (until the completion of the next regular shareholders' meeting) and the Executive Committee (for the following financial year) (Art. 27), the supplementary compensation available in case of changes to the Executive Committee (Art. 28), the composition of the Board of Directors and the Executive Committee members' compensation (Art. 29) and employment agreements with the Board of Directors and members of the Executive Committee (Art. 30).

The company may enter into non-compete agreements with members of the Executive Committee for the time after termination of employment. Any potential compensation paid for a non-compete will not exceed the average annual compensation of the member over the last three financial years. In the year under review, there was no Executive Committee compensation awarded under non-compete agreements. Further, no severance payments were made to Executive Committee members ceasing employment during 2025. Notice periods for the Executive Committee are limited to a maximum of 12 months.

The Galderma Group AG Articles of Association can be found on the Galderma website:
Galderma | Investor Relations | Governance

7. Additional information on shareholding and compensation

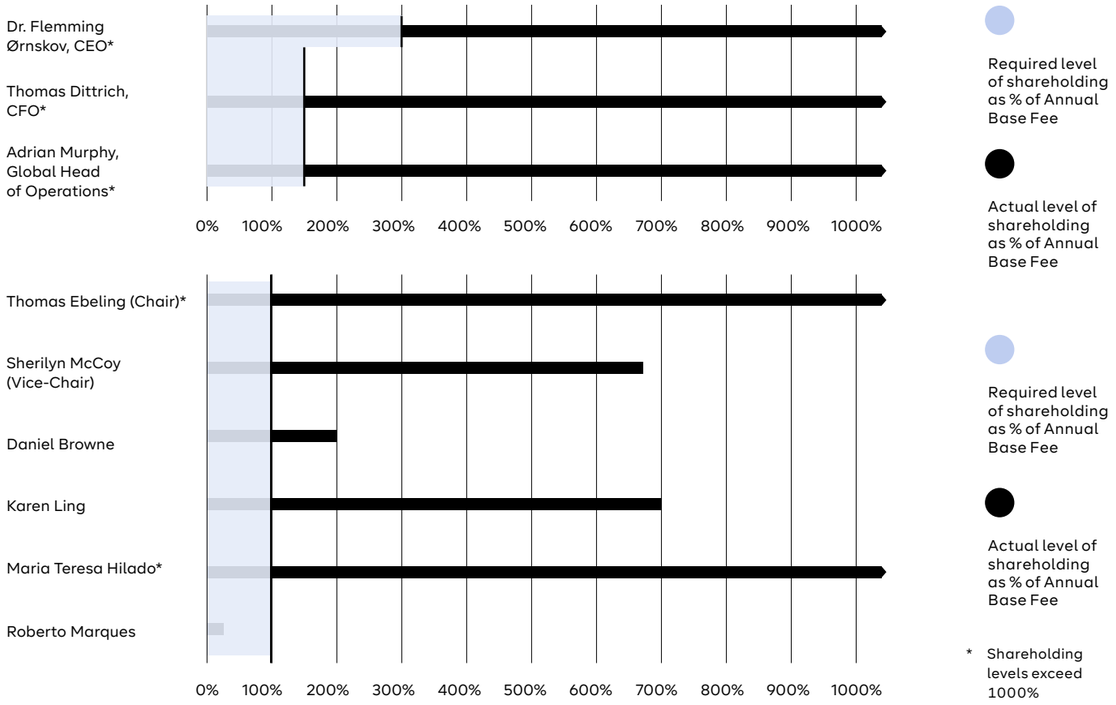
Shareholdings of the Executive Committee and Board of Directors

Minimum shareholding requirements
The shareholding guidelines of Galderma seek to foster alignment with the interests of Galderma shareholders and thereby require Executive Committee members, other designated senior executives and members of the Board of Directors to hold a minimum number of Galderma shares. The minimum shareholding requirements are shown in the accompanying table.

Position	Minimum shareholding requirement
CEO	300% of annual base salary
Other Executive Committee members and designated senior executives	150% of annual base salary
Members of the Board of Directors	100% of annual base fee

Shareholding guidelines
The following figure shows the current shareholding of the Executive Committee and Board of Directors. All but one new Board of Director member (Roberto Marques) already exceed the minimum shareholding requirements as of December 31, 2025.

Shareholding guidelines



The maximum period to reach the minimum shareholding requirement is five years from either (a) the listing of the Galderma shares on the SIX Swiss exchange or (b) the election or appointment, whichever comes after, with the requirement being reviewed annually by the Board of Directors.

The number of shares and other Galderma securities held by members of the Executive Committee and Board of Directors as of December 31, 2025, is shown in the following tables. Shareholdings listed as Restricted Share Units and Performance Share Units were delivered through Galderma's LTI plan. Other shareholdings were initially acquired by executives through their personal investment as part of their management of and board participation in Galderma's growth plan between 2020 and the Galderma IPO.

Shareholding of Executive Committee and related parties (audited)[1]

Member	Number of shares (blocked and unblocked)	Restricted Share Units (RSUs)	Performance Share Units (PSUs)	Other options, warrants, other derivatives	Total held as of December 31, 2025	Total held as of December 31, 2024
Dr. Flemming Ørnskov, CEO	1,250,665	43,538	231,378	-	1,525,581	1,711,188
Thomas Dittrich *	315,190	-	-	-	315,190	619,706
Adrian Murphy	70,360	12,709	16,582	-	99,651	52,753

* Shareholding reflects full forfeiture of unvested RSUs and PSUs as at the date of resignation in accordance with the LTI plan regulations.

Shareholding of Board of Directors and related parties (audited)[1]

Member	Number of shares (blocked and unblocked)	Restricted Share Units (RSUs)	Performance Share Units (PSUs)	Other options, warrants, other derivatives	Total held as of December 31, 2025	Total held as of December 31, 2024
Thomas Ebeling (Chair)	383,947	-	-	-	383,947	527,169
Sherilyn (Sheri) McCoy (Vice-Chair)	26,293	-	-	-	26,293	25,447
Michael Bauer[2]	-	-	-	-	-	-
Marcus Brennecke[2]	-	-	-	-	-	-
Daniel (Dan) Browne	3,588	-	-	-	3,588	16,455
Maria Teresa Hilado	13,199	-	-	-	13,199	12,367
Karen Ling	13,067	-	-	-	13,067	12,288
Roberto Marques	151	-	-	-	151	-
Dr. Flemming Ørnskov, CEO	1,250,665	43,538	231,378	-	1,525,581	1,711,188

1 As of December 31, 2025, no non-executive member of the Board of Directors held any option-like instruments and Executive Committee members held only RSUs, PSUs and shares. Furthermore, as of December 31, 2025, no related parties of the Executive Committee and Board of Directors held any option-like instruments. The definition of 'related parties' is detailed in Section 11 of Galderma's Organizational Regulations.

2 Michael Bauer and Marcus Brennecke are representatives of Galderma's largest shareholder, EQT.

Loans and credits (audited)
No loans or credits were accrued for or outstanding by any member of the Executive Committee or Board of Directors as of December 31, 2025 (as was also the case as of December 31, 2024).

Related parties and former members (audited)
No compensation was paid to related parties or former members of the Executive Committee or Board of Directors. Additionally, no loans or credits were accrued for or outstanding by any related parties or former members of the Executive Committee or Board of Directors in 2024 or 2025.

External mandates of the Executive Committee and Board of Directors
The following table outlines the mandates of the members of the Executive Committee and Board of Directors at other companies with an economic purpose in line with the disclosure requirement under Art. 734e of the Swiss Code of Obligations. It also includes all activities of the respective members in line with requirements under Sections 3.2 and 4.2 of the annex to the Directive on Information relating to Corporate Governance of SIX.

Galderma Executive Committee – other mandates (audited)

Executive Committee member	Company	Position
Dr. Flemming Ørnskov, CEO	Waters Corporation	Chair of the Board of Directors
Thomas Dittrich	SIG Schweizerische Industrie Gesellschaft AG	Member of the Board of Directors
Adrian Murphy	n/a	n/a

Galderma Board of Directors – other mandates (audited)

Board of Directors member	Company	Position
Thomas Ebeling (Chair)	Recipharm SHL Medical Heilpflanzenwohl GmbH Karo Healthcare AB Moonfare	Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors Chairman of the Board Member of the Advisory Board
Sherilyn McCoy (Vice-Chair)	AstraZeneca Plc Stryker Corporation Kimberly-Clark Corporation Parexel Sail Biomedicines Dechra Pharmaceuticals	Member of the Board of Directors Lead Independent Director Lead Independent Director Chair of the Board of Directors Member of the Board of Directors Chair of the Board of Directors
Michael Bauer	SPT Labtech Viturin AG EQT Partners AG Dechra Pharmaceuticals	Member of the Board of Directors Chair of the Board of Directors Chair of the Board of Directors Member of the Advisory Committee
Marcus Brennecke	Limpio HoldCo GmbH & Co KG (parent of Schülke & Mayr GmbH)	Member of the Board of Directors
Daniel Browne	Rythera Therapeutics Avava Medical Inc. Fount Bio Inc. Tasman Therapeutics, Inc. Lieber Institute of Brain Development Yuva Biosciences Inc.	Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors CEO Member of the Board of Directors Member of the Board of Directors
Maria Teresa Hilado	Campbell Soup Company Zimmer Biomet Holdings, Inc. Curia Global, Inc. Simtra Biopharma Solutions	Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors
Karen Ling	iRhythm Technologies, Inc Bausch+Lomb Corporation The Jed Foundation	Member of the Board of Directors (Chair of the Compensation and Human Capital Management Committee) Member of the Board of Directors (Chair of the Compensation Committee) Member of the Board of Directors (Chair of the Governance and Nominating Committee)
Roberto Marques	Alcoa Corporation Sysco Corporation We Mean Business Coalition United States Tennis Association Foundation	Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors Member of the Board of Directors
Dr. Flemming Ørnskov	Waters Corporation	Chair of the Board of Directors

Gender representation (audited)
The composition of the Executive Committee and Board of Directors complies with the gender representation requirement per Art. 734f of the Swiss Code of Obligations as of December 31, 2025 (as was also the case as of December 31, 2024).

Report of the Statutory Auditor

To the General Meeting of Galderma Group AG, Zug

Report on the Audit of the Compensation Report

Opinion
We have audited the Compensation Report of Galderma Group AG (the Company) for the year ended 31 December 2025. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables and paragraphs marked “audited” including the respective footnotes, on pages 98 to 101, and 121 to 123 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the Compensation 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 Compensation 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. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

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 of the Company, the tables marked “audited” in the Compensation Report and our auditor’s reports thereon.

Our opinion on the Compensation 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 Compensation 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 Compensation 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 Compensation Report
The Board of Directors is responsible for the preparation of a Compensation 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 Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor’s Responsibilities for the Audit of the Compensation 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 Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement in the Compensation 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.

KPMG AG

Stéphane Nusbaumer
Licensed Audit Expert
Auditor in Charge

Yann Butticker
Licensed Audit Expert

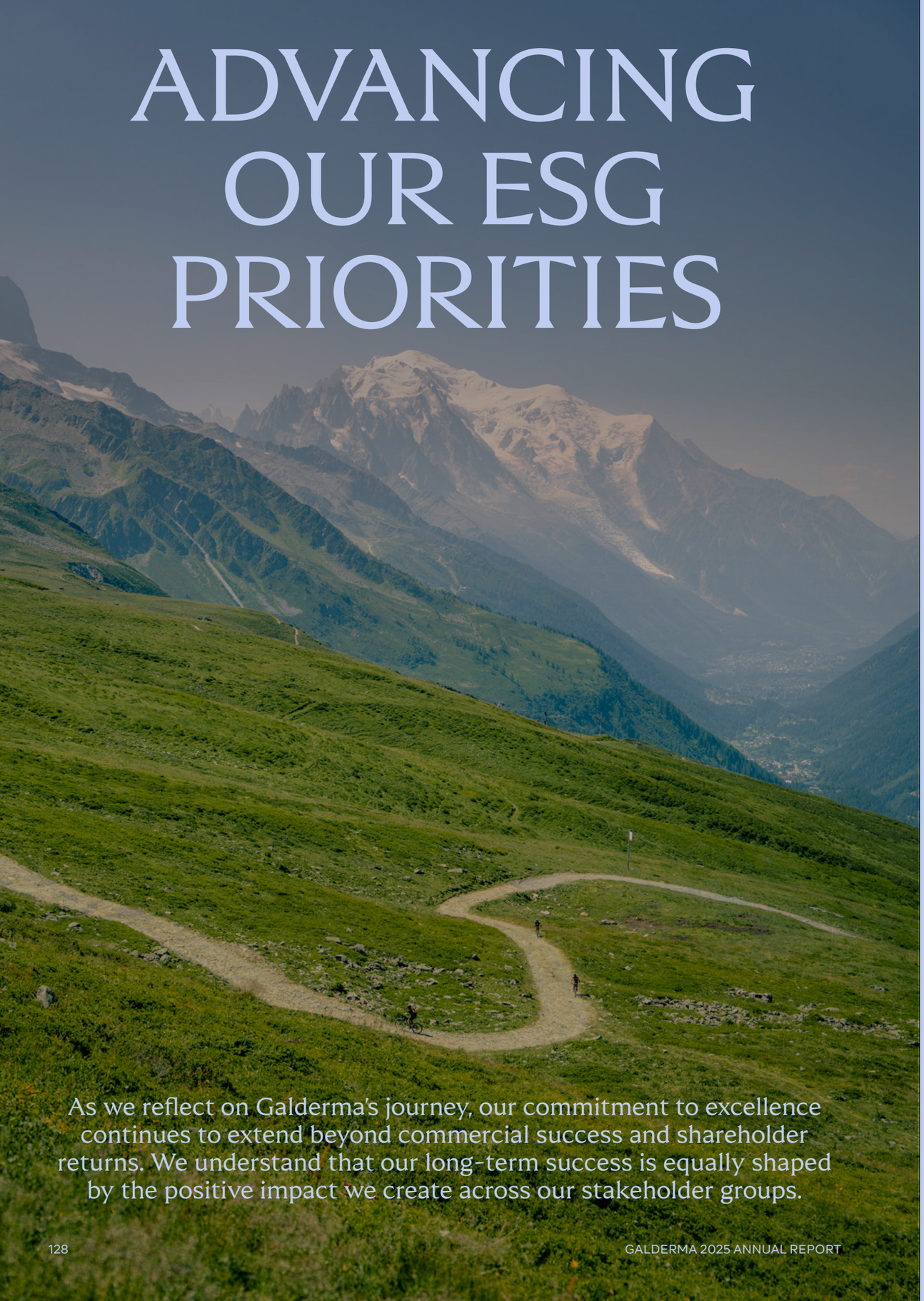
Zug, 4 March 2026

Part 3

3

REPORT ON NON-FINANCIAL MATTERS

ADVANCING OUR ESG PRIORITIES



As we reflect on Galderma's journey, our commitment to excellence continues to extend beyond commercial success and shareholder returns. We understand that our long-term success is equally shaped by the positive impact we create across our stakeholder groups.

The year 2025 was a volatile one on the ESG front. Regulatory shifts and adjustments in key directives were challenging to navigate. Beyond understanding how these changes are impacting corporate ESG agendas, maintaining appropriate managerial focus on material ESG matters has been the critical issue at stake.

At Galderma, we are convinced that our ESG Strategy helps build a stronger, more resilient organization. As such, we focused our efforts throughout the year on driving and selectively strengthening our ESG Strategy – this has been fully supported by our executives.

First, we streamlined our ESG Framework leveraging Galderma's inaugural double materiality assessment. The updated framework is centered around Galderma's three key stakeholders and covers seven matters encompassing all material impacts, risks and opportunities. As such, it ensures Galderma adequately focuses its ESG efforts and reporting.

Second, we continued to evolve our ESG Governance with the objective of further strengthening our non-financial reporting capabilities. The revised governance specifically designates individual non-financial data owners to control non-financial data collection and tracking. Further, the roll out of a comprehensive Galderma ESG reporting manual supports the robustness and auditability of our non-financial indicators. This is demonstrated in this year's reporting with nine non-financial indicators obtaining limited assurance.

Third, we delivered against our clear ESG Ambition, bringing Galderma closer to its mid-range objectives. The ambition, supported by more than 20 quantitative targets and associated action plans, focuses on two priority matters, medical education and training and sustainable products and production, while driving continuous improvement across our entire ESG Framework. In 2025, we achieved all our objectives: we trained or engaged with more than 290,000 healthcare professionals through medical training and education, and we improved our environmental performance across our operations, reducing both water withdrawal and waste generation intensity.

In 2025, we also significantly advanced two flagship ESG programs. We built a robust greenhouse gas repository to collect and calculate detailed greenhouse gas emissions, ultimately allowing us to refine our Scope 1 & 2 reduction ambition. We also conducted a comprehensive assessment of our entire Dermatological Skincare portfolio, considering the latest available packaging technologies, to prioritize and endorse specific pilots to be launched in the coming years.

Our ESG Strategy has gained external recognition through improvements in key ESG ratings. For 2026, Galderma's focus beyond delivering against our ESG Strategy and advancing our flagship projects is to further strengthen our non-financial reporting. As such, we welcome ongoing efforts to refine European Sustainability Reporting Standards and establish a standardized non-financial reporting framework with a shared nomenclature.

EMIL IVANOV
Head of Strategy, Investor Relations & ESG

AXEL GIRARDIN
Global Lead ESG and Strategic Projects

"We are convinced that our ESG Strategy helps build a stronger, more resilient organization."

Galderma integrates its ESG Strategy within its broader, holistic Integrated Dermatology Strategy. Galderma's commitment to ESG begins with our purpose of advancing dermatology for every skin story and extends all the way to addressing our patients' and consumers' needs.

DRIVING GALDERMA'S ORGANIZATION-WIDE ESG STRATEGY

In 2025, Galderma's fit-for-purpose ESG function focused on driving our organization-wide ESG Strategy. Beyond further cascading down ESG principles, objectives and targets into every relevant function in the organization, we have progressively strengthened the three constitutive elements of Galderma's ESG Strategy:

- **A comprehensive ESG Framework,** streamlined to encompass all material matters, that guides our efforts and reporting throughout the organization
- **A robust ESG Governance,** refined to support auditable non-financial reporting, that drives alignment between ESG considerations and Galderma's strategic and financial cycles
- **A clear ESG Ambition,** underpinned by internal processes and policies and augmented external disclosures, that focuses our efforts on two priority matters while delivering consistent improvement across other material matters

In this report on non-financial matters, we provide an update on each of these foundational elements. This includes both how they evolved in 2025 and how they help us ensure future compliance with the EU's Corporate Sustainability Reporting Directive (CSRD). We also detail, across relevant sections, progress on two flagship ESG programs: the development of a robust Climate Change Plan and the deployment of a sustainable packaging initiative. Finally, we present a refreshed version on our Task Force on Climate Related Financial Disclosures (TCFD) analysis.

Streamlining our comprehensive ESG Framework

Galderma's ESG Framework guides our efforts and reporting spanning the full stakeholder universe

Product & service innovation

Product quality & safety

Medical education & training

Sustainable products & production

Labor practices

Employee engagement

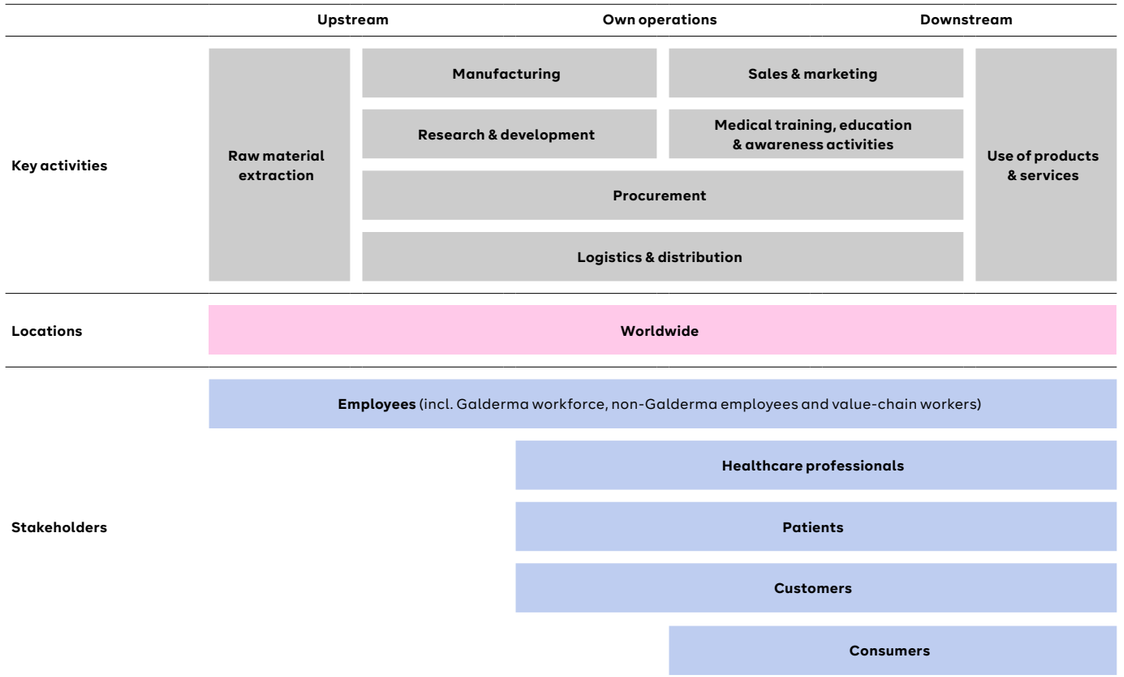
Galderma's ESG Framework guides our non-financial efforts and reporting across the entire organization. To ensure the ESG Framework always covers material ESG matters for Galderma, we reviewed our legacy impact materiality assessment and introduced the concept of financial materiality, following CSRD guidance. Our inaugural double materiality assessment (DMA) therefore considers:

- **Impact materiality** ('inside out'): positive or negative impacts Galderma has or could have on stakeholders through its own operations and/or value chain activities
- **Financial materiality** ('outside in'): risks or opportunities affecting or potentially affecting Galderma's financial position through its own operations and/or value chain activities

We conducted Galderma's first DMA using a four-step approach. We involved internal stakeholders from all relevant functions and seniority levels and leveraged external stakeholder feedback gathered during interviews from our first impact materiality effort. These included customers, non-governmental organizations (NGOs), healthcare professionals (HCPs) and investors. The four-step DMA approach has been formally documented and will serve as a basis for regular reviews and updates, including to accommodate potential future adjustments in CSRD reporting guidance.

Step 1 – 'Understand': The objective of this first step is to understand which sustainability matters are relevant to Galderma.

We mapped activities, locations and stakeholders to depict Galderma's structure and value chain. For simplicity, only Tier 1 and 2 suppliers were initially mapped at this stage.



We then mapped an extensive list of potential ESG matters to Galderma's value chain. This list was generated using generic sector-agnostic sustainability matters from topical European Sustainability Reporting Standards (ESRS) and Galderma-specific sustainability matters from internal documentation, sources, stakeholder engagement insights and peer benchmarks. The list was subsequently reviewed by relevant internal stakeholders and trimmed down to only include relevant ESG matters. This involved grouping similar matters and excluding irrelevant ones.

Step 2 – 'Identify': The objective of this second step is to identify the impacts, risks and opportunities (IROs) for each relevant ESG matter for Galderma. For this step, we first described associated IROs for each matter deemed relevant in Step 1.

We then mapped each identified IRO to our value chain, detailed whether these were positive or negative, actual or potential, and assessed the occurrence timeline (i.e., short-term: up to 1 year, mid-term: 1-5 years and long-term: more than 5 years).

Step 3 – 'Assess': The objective of this third step is to assign a materiality score to all IROs identified in Step 2.

We passed all identified IROs through a robust quantitative rating methodology, resulting in a materiality score. The methodology segregates between:

- **Impacts:** considering scale (i.e., "How serious is the impact?"), scope (i.e., "How widespread is the impact?"), irremediable character of the impact (i.e., "To what extent can the impact be remediated?") and likelihood (i.e., "How likely is this impact to materialize?")

- **Risks & opportunities:** considering financial magnitude of the risk/opportunity (i.e., "What is the size of the opportunity/risk?") and likelihood (i.e., "How likely is this risk/opportunity to materialize?")

Thresholds for the financial magnitude of risks and opportunities were aligned across the Group. Inputs from this step have also been used to pressure test and refresh our TCFD analysis (see under Alignment with the TCFD framework).

Step 4 – 'Determine': The objective of this fourth step is to determine which IROs and, ultimately, which ESG topics/sub-topics are material to Galderma.

To do this, we set numeric materiality thresholds for the IROs. If the score of an IRO exceeded the materiality threshold, it was deemed material. Using IRO materiality, we then identified material ESG topics/sub-topics. If an IRO is material, the associated ESG topics/sub-topics are material.

Galderma ESG matter	ESG topic/sub-topic	Upstream	Own operations	Downstream
Product safety & quality	Patient & consumer health & safety			■
Product & service innovation	Patient & consumer privacy			■
Sustainable products & production	Climate change adaptation	■	■	■
	Climate change mitigation		■	
	Energy	■	■	
	Pollution of air		■	
	Pollution of water		■	
	Substances of (very high) concern		■	
	Microplastics		■	■
	Water	■		
	Direct drivers of biodiversity loss	■		
	Resources inflows, including resource use	■	■	
	Waste			■
Medical education & training	Access to information			■
Labor practices	Equal treatment and opportunities for all		■	
	Employee health & safety	■	■	■
	Employee privacy	■	■	■
Employee engagement	Working conditions		■	
Business ethics & corporate governance	Freedom of expression			■
	Forced labor	■		■
	Child labor	■		■
	Responsible marketing practices			■
	Protection of whistleblowers	■	■	■
	Corruption and bribery	■	■	■

Using the list of material ESG topics/sub-topics resulting from this DMA exercise, we pressure tested Galderma's legacy ESG Framework. This resulted in the removal of non-material ESG matters and the grouping of material ESG topics/sub-topics into broader ESG matters. During the DMA process, we realized that 'society' represents the broad ecosystem in which Galderma is active. Our three main stakeholders therefore collectively represent society. Consequently, every material ESG matter both influences society and is, in turn, shaped by society. We believe that by addressing material ESG matters we deliver value for society as a whole.

Overall, Galderma welcomes and supports the ongoing EU efforts to develop a standardized non-financial reporting framework with a shared nomenclature. Through this inaugural DMA exercise, augmented disclosure and the obtaining of limited assurance on specific non-financial indicators, Galderma is laying the basis for future CSRD-compliant reporting. Comprehensive information on each component of our refined ESG Framework, along with related disclosures, is provided in the sections that follow.

Three stakeholder groups

Patients & consumers
Patients and consumers guide our efforts across the organization, driven by our purpose to improve lives by advancing dermatology for every skin story. Guaranteeing the safety and the highest quality of the products we develop and launch is therefore a non-negotiable standard. Beyond the products themselves, the way they are developed and produced also increasingly matters for patients and consumers. Ensuring we consider and uphold sustainability principles in product design and development reinforces Galderma's resilience to evolving value systems.

At Galderma, we actively seek out patients' and consumers' individual 'skin stories', recognizing that dermatology is a very personal and emotional category as skin journeys continue to evolve over a lifetime. Our Galderma Medical Affairs model is designed based on our commitment to listening to patients and consumers, embedding their voices into our programs. As part of this, we ensure interactions with patient groups always safeguard patient independence and reflect shared goals of improving patient well-being and education. Our Operations function is responsible for the manufacturing and distribution of safe and quality products. Standards are primarily enforced through an extensive set of policies and procedures based on internationally acknowledged best practices and guidance.

Healthcare professionals & customers
Dermatology-focused HCPs and customers are at the center of our Integrated Dermatology Strategy, rooted in our strong consumer heritage and deep scientific foundation. Deploying education, training and medical awareness activities at scale is critical for Galderma to stimulate proper care from diagnosis to treatment. Galderma regularly trains and engages with HCPs. This includes hosting over 10,000 events annually through the Galderma Aesthetic Injector Network (GAIN), a leading provider of medical education and training to aesthetic practitioners worldwide, as well being present at key dermatology congresses around the world. To ensure that both promotional and non-promotional activities and interactions with HCPs, conducted by or on behalf of Galderma, are fully compliant with all applicable laws and regulations and reflect Galderma's high ethical standards, we have established a Code on Interactions with HCPs (HCP Code). In addition to defining how Galderma employees or companies acting for or on behalf of Galderma are expected to conduct themselves when interacting with HCPs, the HCP Code sets out key principles and standards including the requirement for fair, balanced, truthful and non-misleading information in both educational and promotional materials related to Galderma's brands.

Employees
Employees are Galderma's most valuable asset. Maximizing the potential of Galderma's workforce is instrumental to strengthening Galderma's positioning as the emerging dermatology powerhouse. Beyond Galderma's workforce, non-Galderma employees and value chain workers are involved in both upstream and downstream activities. Upholding appropriate labor practices throughout the value chain, including but not limited to the maintenance of health and safety measures and the exclusion of any form of child or forced labor, is central to Galderma's ESG efforts.

Galderma has implemented a well-defined governance structure, which guides how Galderma, its employees and its value chain partners should operate. The foundations of this structure are Galderma's Code of Ethics and Supplier Code. These two documents set out the principles that should always be followed throughout Galderma's entire value chain. Related to Galderma's own operations, we have implemented specific procedures and polices covering, among other topics, anti-bribery, anti-corruption, anti-harassment, conflict of interest, ethical decision-making and labor standards (including respect for the rights of all employees). Related to upstream and downstream activities, Galderma enforces and monitors the adherence to health, safety and labor standards through a dedicated responsible sourcing program. Finally, we encourage all employees to speak up and report potential misconduct, categorized as any conduct that violates applicable laws, regulations, Galderma's Code of Ethics, internal procedures and policies, or any other actions constituting unprofessional or unethical behavior.

Seven material ESG matters

Product quality & safety
Unsafe or low-quality dermatological products can significantly impact patient and consumer health and well-being. Galderma ensures that all products meet the highest standards of quality and safety. This involves rigorous testing, quality control processes, learning dissemination from past recalls and compliance with all regulatory requirements. We embed, in our Quality Management System, globally recognized regulations such as those published by health and regulatory authorities (also known as GxP policies), the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) and International Organization for Standardization (ISO) standards. Protecting patients and consumers also means minimizing the probability that they encounter counterfeit versions of our brands. This includes implementing several measures and undertaking targeted actions to combat counterfeits.

Product & service innovation
Trusted premium brands, innovative solutions, and value-adding services not only meet the evolving needs of patients, consumers, HCPs and customers, but also fuel continued growth. Galderma focuses on advancing the science and practice of dermatology by delivering premium, cutting-edge brands, developed through scientific innovation. Galderma also develops value-adding services and solutions, leveraging technology as appropriate. Our pursuit of industry-leading innovation has led, for example, to the development of Relfydess (RelabotulinumtoxinA), the first and only ready-to-use liquid neuromodulator created with PEARL Technology, developed and manufactured by Galderma. They have also resulted in the Nemluvio (nemolizumab), development program for the treatment of prurigo nodularis and moderate-to-severe atopic dermatitis and its approval in several markets worldwide. Additionally, these encompass the development of tools such as Cetaphil AI Skin Analysis, an advanced artificial intelligence (AI) technology that enhances user experience by providing insights into sensitive skin.

Sustainable products & production
Climate change, pollution and resource scarcity affect, and are affected by, any undertaking active in the globalized economy. Galderma focuses its environmental sustainability agenda on well-defined areas where we can make a difference, now and in the future. This involves working to optimize our portfolio and our processes to reduce our environmental impact by minimizing our greenhouse gas emissions footprint, reducing water and waste intensity across our four manufacturing plants and developing more sustainable products through improved packaging and formulation.

Medical education & training
Medical education and training improve treatment quality and results and are critical for ensuring proper patient care from diagnosis to treatment, to ultimately achieve optimal care and maximize health outcomes globally. Galderma aims to be at the forefront of medical education and training. We strive to maintain the highest education standards, thereby ensuring the best treatment and advice for patients and consumers. To this end, every year we train more than 100,000 healthcare professionals through our GAIN program and engage with over 100,000 healthcare professionals through congresses, symposia or continuous medical education.

Labor practices
Unlawful or unethical labor practices across the value chain affect workers and in turn hamper businesses' reputation and ability to deliver products and services. Galderma operates, and requires all its suppliers and partners to operate, in full compliance with local labor laws and regulations, specifically related to health, safety and human rights (including privacy, forced labor and child labor). Galderma has also decided to selectively go beyond labor laws and regulations across its own operations. This includes actively promoting equal treatment and opportunities for all.

Employee engagement
High employee engagement is a critical enabler for any business. Galderma seeks to attract, retain and develop its employees to sustain and fuel its strong growth trajectory. This requires deploying strong policies and programs spanning robust and unified recruitment strategies across management levels, all the way to the development of key talent through specific programs such as Galderma's Leadership for Growth NextGen program, a flagship initiative designed to accelerate the promotion of young talent to general manager roles.

Business ethics & corporate governance
The reputation and credibility of a company can be significantly tarnished by its failure to uphold adequate ethical standards. Galderma strives for the highest ethical standards and integrity principles, with a comprehensive set of internal rules and policies that guide how our company, employees and partners should conduct business. These encompass responsible marketing practices, protection of whistleblowers and prevention of corruption and bribery. Galderma also deploys a comprehensive compliance program to prevent, detect and respond to non-compliant behaviors, including but not limited to risk assessment, training and communication.

Refining our robust ESG Governance

At Galderma, we seek to directly embed ESG principles throughout all relevant functions across the organization rather than relying solely on a heavy centralized ESG oversight. By empowering functions to develop and own their ESG targets, we believe we can foster greater resilience and ensure accountability is held by those directly responsible for target achievement.

We evolved our top-down ESG Governance model in 2024 to match Galderma's new publicly listed status and followed three key design principles:

- **Outcome-focused:** The ultimate objective of our ESG Governance is to deliver against our ESG Strategy while creating value for stakeholders, including but not limited to the achievement of our ESG targets and the management of material matters. This implies that the way our Committees operate and the adopted meeting cadence should serve this purpose.

- **Transparent:** The central ESG function monitors progress, tracking and regularly reporting on our ESG targets and broader ESG Strategy to the relevant decision-makers. This allows for the rapid deployment of specific action plans to address lagging targets if required.

- **Leader-led:** While the central ESG function structures and acts as a thought partner for all non-financial matters within Galderma, functional leaders are responsible for setting and delivering against appropriately ambitious ESG targets. This guarantees that our ESG Strategy is cascaded down suitably within the relevant functions.

To further strengthen accountability and leadership oversight within our ESG Governance, we integrate an ESG component into executive compensation. Specifically, short-term incentives are directly tied to the achievement of five non-financial indicator targets, supporting our two priority ESG matters. These are medical education and training (i.e., number of HCPs educated, trained and engaged through medical awareness activities) and sustainable products and production (i.e., intensity, per ton bulk produced, of Gross Scope 1 & 2 emissions in manufacturing plants, of water withdrawal in operations and of waste generated in operations, and share of renewable electricity in manufacturing plants). In addition, delivery against detailed action plans covering our five other material ESG matters, the external perception of Galderma's ESG profile—including but not limited to ESG ratings—and the enhancement of non-financial disclosures also impact short-term incentive calculation. Beyond executive compensation, in 2025 we strengthened this approach by cascading ESG targets throughout relevant functions, ensuring that efforts are focused and incentives are consistently aligned throughout the organization. This has been facilitated through Galderma's standard performance management process and short-term incentive mechanism.

Galderma's ESG Governance has historically been structured around three management levels, namely the Board of Directors, the Executive Committee and functional leadership. In 2025, we expanded our ESG Governance to include individual non-financial data owners. This allows us to better control non-financial data collection and thus strengthen our non-financial reporting capabilities.

- **Board of Directors committee:** The Strategy, ESG & Nomination Committee is the highest ESG governing body. It oversees our overall ESG Strategy, reviews our report on non-financial matters and makes recommendations to the Board of Directors regarding Galderma's ESG Strategy and external perception. This Board committee is also responsible for reviewing and overseeing Galderma's strategy and business plan. As such, it guarantees that our ESG Strategy is aligned with Galderma's overall strategy.

- **Executive sub-committee:** The ESG Council is the executive-level oversight mechanism. It is chaired by the CEO and includes the entire Executive Committee and senior leaders such as the Global Head of Research & Development, the Chief Communications Officer, the Chief Procurement Officer, the Chief Human Resources Officer and the Head of Strategy, IR and ESG. The ESG Council meets twice a year to review our ESG targets, track progress against non-financial indicators and monitor proper deployment of our ESG Strategy.

- **Functional ESG groups:** Functional ESG groups are led by our Global Lead ESG and Strategic Projects and include functional leaders and relevant employees. These groups meet at least twice a year to verify non-financial data and review performance against functional ESG targets ahead of ESG Councils. Functional ESG groups also develop yearly functional action plans to address and manage IROs.

- **Non-financial data owners:** Across all functions, specific employees are responsible for tracking and reporting non-financial data. They follow the non-financial data collection process as described in the Galderma ESG Reporting Manual (GERM).

Governance body	Main mandate	Membership	Meeting cadence	Link with existing strategic and financial governance cycles
Strategy, ESG & Nomination Committee	• **Review and oversee Galderma's ESG Strategy and reputation,** and advise the Board on measures to ensure the long-term sustainability of the Group	• Thomas Ebeling • Michael Bauer • Sherilyn McCoy • Dr. Flemming Ørnskov	• Twice a year	• **Review and oversee Galderma's overall strategy and financial plan**
ESG Council	• **Define Galderma's ESG Ambition,** e.g., set short-/mid-term targets across non-financial indicators and endorse functional action plans • **Regularly review progress** against Galderma's ESG strategy	• Galderma Executive Committee • Select Galderma leaders, including the Global Head of Research & Development, Chief Communications Officer, Chief Procurement Officer, Chief Human Resources Officer and Head of Strategy, IR and ESG • Global Lead ESG and Strategic Projects	• Twice a year	• **Ensure that Galderma's ESG Strategy is aligned with Galderma's overall strategy and financial plan**
ESG functional groups	• **Develop functional action plans** to deliver against Galderma's ESG Ambition and manage IROs • **Report progress against short-/mid-term ESG targets for the relevant functions,** and solve and/or escalate challenges and trade-offs	• Global Lead ESG and Strategic Projects • Relevant functional leaders, including Human Resources, Procurement, Operations, Ethics and Compliance, Supply Chain	• Twice a year • Ad hoc (if required)	• **Deliver Galderma's ESG Strategy**
Non-financial data owners	• **Track and report non-financial data**	• Case-by-case basis	• Quarterly • Ad hoc (if required)	• **Ensure auditable non-financial indicators**

The ESG Governance outlined here drives alignment with existing strategic and financial governance cycles while cascading down ESG accountability, including IRO management, within the relevant functions. We plan to regularly review and challenge our current ESG Governance to ensure it is adequately set up to report on relevant regulations, manage IROs and, ultimately, enable Galderma to drive its organization-wide ESG Strategy.

Delivering on our clear ESG Ambition

At Galderma, we are committed to delivering on our mid-range ESG Ambition, focusing on two priority ESG matters while strengthening our track record of continuous improvement across the entire ESG Framework. We identified the two priority matters, medical education and training and sustainable products and production, based on their alignment with Galderma's corporate strategy centered around 'Dermatologists+' (dermatology-focused HCPs, including aesthetic practitioners) and our organization's ability to drive significant and measurable progress. Our mid-range ambition was also reassessed and confirmed during our inaugural DMA.

1. *Medical education and training:* **Demonstrate Galderma's commitment to 'Dermatologists+' by scaling up education, training and medical awareness activities**

As the only truly scaled pure-play dermatology company focused on serving dermatologists across product categories, Galderma's education, training and medical awareness activities are critical to advancing dermatology for every skin story. This includes driving safe and compliant product use.

Galderma aims to educate, train and engage with more than 250,000 healthcare professionals annually by 2030.

2. *Sustainable products & production:* **Demonstrate environmental focus in our manufacturing plants by reducing our Scope 1 & 2 emissions and minimizing usage of natural resources**

In recent years, we have delivered notable improvements in our environmental footprint, including, but not limited to, water withdrawal and waste generation intensity. As such, we are well positioned to build on this strong track record and to continue improving the environmental footprint of our manufacturing plants.

By 2030, Galderma aims to:

- *Reduce our overall Scope 1 & 2 emissions by 50% from a 2025 baseline*
- *Reduce Scope 1 & 2 emissions in our four manufacturing plants by more than 95%, including potentially compensating residual emissions to achieve carbon neutrality*
- *Maintain 100% renewable electricity in our manufacturing plants*
- *Reduce water withdrawal and waste generation intensity by 20% versus a 2022 baseline*

3. **Go further in our comprehensive ESG efforts, addressing our stakeholder universe**

Since 2023, we have been following a tailored ESG roadmap with concrete actions and associated non-financial indicators. The roadmap involves the entire Galderma organization, as we are convinced that every Galderma colleague has a role to play in helping develop and advance our ESG Strategy. We regularly review our ESG roadmap and monitor our performance through around 20 non-financial indicators.

Galderma aims to build a track record of continuous improvement across our ESG Framework and deploy transformative initiatives.

Since becoming a publicly listed company, we have engaged significant efforts to collect, verify and disclose non-financial data. We are therefore proud to have obtained limited assurance on nine non-financial indicators in 2025.

Next in this report are detailed disclosures, inspired by the ESRS, regarding each material ESG matter. They are structured according to:

- **Context:** explain what the matter is, why it is material and summarize associated IROs
- **Approach:** detail how Galderma addresses the matter, including policies, actions and targets
- **Performance:** disclose non-financial indicators associated with the matter and comment on performance

In the coming years, we will continue to selectively increase disclosure on material ESG matters to meet stakeholders' expectations and comply with our CSRD reporting obligations.

Product quality & safety

CONTEXT
Product quality and safety are foundational priorities for any company committed to excellence. Providing safe and high-quality products not only safeguards the well-being of patients, consumers and customers, but also builds trust and satisfaction throughout value chains.

Galderma's primary focus is to protect patients and consumers and serve HCPs and customers by always delivering safe, high-quality products. Protecting our patients and consumers also increasingly means minimizing the probability that they encounter counterfeit versions of our brands.

APPROACH
Galderma operates according to a collection of procedures and policies based on internationally acknowledged best practices and guidance (also known as 'GxP' guidelines and regulations). These set the framework for a robust global quality management system and targeted vigilance activities (encompassing pharmacovigilance, cosmetovigilance and materiovigilance), focused on delivering safe and effective products to our patients and consumers as well as ensuring global consistency across quality processes and product safety. Quality processes embed 'good practices', guidelines and regulations as described in international regulatory requirements and standards such as ISO13485, ISO22716 and ICH. Our procedures and policies also structure and organize:

- Product and service quality and safety risk assessment, including integrated medical safety evaluations, quality risk assessments, execution of audits and the management and monitoring of deviations

- Regular testing of emergency response procedures and effective incident management, including the collection, management, evaluation and reporting of adverse events, undesirable effects and product recalls

Ultimately, these processes ensure continuous monitoring of the risk-benefit balance of Galderma's products and guarantee appropriate actions to protect patient and consumer health are taken.

Galderma has set up a multi-disciplinary management board, the Product Quality and Safety Sub-Committee, including—among others—the Global Head of R&D, the Global Head of Operations, the Chief Scientific Officer and the Global Heads of Quality and Safety. This sub-committee is responsible for ensuring overall product quality and patient and consumer safety, for monitoring product safety key performance indicators, for endorsing mitigation actions in case of quality and safety issues and for improving our Quality Management System and monitoring its effectiveness.

Galderma deploys a state-of-the-art auditing strategy based on a strategic, risk-based audit program (including mock recalls and mock inspections) and a yearly audit plan. In addition to internal quality and vigilance audits, we are regularly subject to inspections by health and regulatory authorities and other recognized certification organizations. These guarantee regulatory compliance and the highest product quality and safety at our manufacturing plants and investigational research centers, as well as the efficient distribution and supply of our products. In 2025, Galderma and our external partners underwent more than 40 inspections from various health authorities, including but not limited to China's National Medical Products Administration (NMPA), the U.S. Food & Drug Administration (FDA), Japan's Pharmaceuticals and Medical Devices Agency (PMDA), Switzerland's Agency for Therapeutic Products (Swissmedic) and Sweden's Medical Products Agency (MPA).

Galderma employees and other staff acting on behalf of Galderma (temporary staff and trainees included), regardless of their location and role within Galderma, receive adequate GxP training. This guarantees that all quality and vigilance requirements are known, applied and maintained, and that all quality and safety information is properly channeled to the established Galderma network.

Galderma also encourages patients, consumers and HCPs to report personal health concerns, adverse events or quality issues via this link.

Finally, Galderma undertakes targeted actions to combat counterfeits, centered around two main pillars:

- **Brand protection:** Galderma ensures its intellectual property (IP) is adequately protected in all relevant markets through trademark registrations and patent filings. To enforce brand protection, we perform customs recordals and train customs officials to rapidly and efficiently identify IP infringements. Galderma collaborates closely with authorities to take enforcement measures such as investigations and seizures when appropriate.

- **Anti-counterfeiting:** Galderma proactively assesses product and market risks to anticipate and mitigate counterfeit threats. Specifically, it allows us to prioritize anti-counterfeit efforts on products and geographies most at risk of experiencing issues. Measures include product serialization to ensure full value chain traceability, direct and indirect (i.e. through third parties) monitoring of offline/online channels to detect potential counterfeits and takedowns to remove counterfeit products from offline/online listings. As counterfeit products are a problem that no company can solve on its own, Galderma collaborates with local/global industry organizations to share intelligence and support joint anti-counterfeiting initiatives. This includes partnering with large e-commerce platform providers to strengthen the identification and swift removal of listed counterfeit products.

In the coming years, Galderma is fully committed to maintaining its quality and safety track record. This includes aiming for no Class I product recalls, minimizing the number of other product recalls (i.e., Class II and Class III), executing as per our internal audit plans, undergoing all necessary health authority inspections and maintaining a minimum of 95% of inspections without critical findings.

PERFORMANCE

	2024	2025	2030 ambition
Number of Class I product recalls	0	0	**0**
Number of other product recalls	4	3	
Percentage of regulatory and notified bodies inspections without critical findings	100%	95%	**≥95%**

In 2025, we maintained our track record of 0 Class I product recalls. We recorded three other product recalls, one less than in 2024. These three Class III product recalls affected two brands and were caused by minor deviations from standard specifications. Two inspections, out of the more than 40 carried out by health authorities in 2025, required further improvements. Necessary remediation actions were implemented during the year and all findings were cleared. Further, these two inspections did not affect Galderma's business operations.

Product & service innovation

CONTEXT
Developing innovative solutions, including products and services, allows companies to build competitive advantages, and more importantly, to address unmet needs. Because dermatology deals with the human body's largest organ, the skin, innovation in this field typically results in meaningful and significant improvement in patient and consumer lives.

As part of our ambition to become the world's undisputed dermatology powerhouse, Galderma is strongly committed to innovation. Our innovation team—including scientists, dermatologists, engineers, analysts and other employees involved in product and service innovation—generates ideas, develops new products and continuously improves, extends, redesigns and reformulates our science-based dermatology portfolio. Our R&D organization is the cornerstone of our commitment to advancing dermatology for every skin story.

APPROACH
Galderma operates a global team of over 800 innovation professionals who have achieved 300 major health authority approvals since January 2020. Our R&D organization develops products across strategic therapeutic areas throughout Injectable Aesthetics, Dermatological Skincare and Therapeutic Dermatology. Our team builds upon Galderma's longstanding history of cutting-edge innovation with novel, differentiated and science-backed products. In addition to our in-house R&D resources and capabilities, we are a dermatologic partner of choice for academic and industrial research collaboration around the world. These collaborations enable access to complementary perspectives, different areas of expertise, emerging technologies and disruptive concepts. Galderma is committed to continually delivering product and service innovation.

Galderma's Pipeline Committee, chaired by the Global Head of R&D, governs matters relating to the product pipeline and is responsible for decisions associated with our development programs. In accordance with the *'do the right thing the right way'* concept, all activities carried out or sponsored by Galderma, which are dedicated to the design and development of products and services, must follow a set of ethical guiding principles. These ensure that all R&D initiatives, from target identification to clinical trials, prioritize patient safety, scientific integrity and reinforce trust in Galderma. Key principles include:

- Full compliance with local laws, regulations or international standards such as the Declaration of Helsinki, or ICH guidelines
- Adherence to company culture, values and principles as expressed in the Galderma Code of Ethics, and to relevant company procedures, policies or guidance manuals
- Inclusion of carefully reviewed and validated expected outputs, ultimately triggering decisions to move initiatives forward considering pre-defined criteria – such decisions must involve all relevant stakeholders and consider, as appropriate, scientific, medical, safety, ethical and quality criteria
- Strict adherence to animal welfare laws, guidelines, and internal policies (including a detailed review by Galderma's internal Animal Welfare and Ethics Committee) when in-vivo/ex-vivo research activities are required by regulatory authorities – the use of animals must comply with the principles of the 3Rs framework (i.e., Replace, Reduce, Refine)
- Adaptation and validation of technologies' usage (e.g., IT systems, digital health) to the scientific and operational design of development activities, ensuring risk-based validation throughout their entire life cycle (including planning, implementation, maintenance and retirement)
- Protection of privacy and confidentiality of research subjects' sensitive personal data following principles outlined in the Declaration of Taipei, including during the use and storage of identifiable data and biological materials in health databases and biobanks

PERFORMANCE

	2024	2025
Number of major health authority approvals	64	71

Between 2024 and 2025, most of the major regulatory approvals concerned Relfydess, our next-generation neuromodulator developed using PEARL Technology, and Nemluvio, the first approved monoclonal antibody that specifically targets IL-31 receptor alpha.

Galderma also qualitatively assesses how we continue to advance dermatology for every skin story across our three product categories. For instance, in 2025 Galderma:

- Received EU Medical Device Regulation (MDR) certification for Sculptra, expanding its current clinical application for the face to include the gluteal area, posterior thighs, décolletage, and upper arms
- Launched a wide array of new products, notably in Dermatological Skincare with Cetaphil's Skin Activator Hydrating & Firming line and Alastin's Restorative Skin Complex featuring Next Generation TriHex Technology (TriHex+)
- Advanced Galderma's pipeline with the announcement of two new clinical trials investigating nemolizumab's potential in Systemic Sclerosis and Chronic Pruritus of Unknown Origin

Sustainable products & production

CONTEXT
Any company of a certain scale is, to some extent, impacted by or impacting the environment. Contribution to climate change through greenhouse gas (GHG) emissions, air, water or soil pollution caused from effluent releases or biodiversity loss from sourcing specific raw materials, are all externalities inherent to industrial activity. Minimizing these externalities is a baseline expectation for every company operating in today's environment.

Leveraging both Galderma's DMA and TCFD analysis, we have surfaced material IROs that we grouped under sustainable products and production. These are mainly IROs Galderma can swiftly and significantly improve, including Scope 1 & 2 emissions, water, waste and sustainable packaging. Recognizing the need to address complex sustainable products and production issues in the coming years, some of which are not fully within Galderma's control or are even more resource-intensive to improve, we are also including IROs such as Scope 3 and sustainable formulations. Through recently initiated initiatives such as our supplier engagement and clean beauty initiatives, we are laying the groundwork for future improvements.

APPROACH
Addressing sustainable products and production matters typically involves several functions and requires significant time and resources. To avoid disconnecting central ESG efforts from functional objectives, Galderma leverages existing governance mechanisms to develop, fund, deploy and follow up on sustainable products and production action plans. While the endorsement of sustainable products and production ambition sits at the Board level, leveraging established governance forums guarantees that the ambition is achievable and that associated investments are unlocked and accounted for.

Overall, Galderma strives to reduce its environmental footprint. As a starting point, all four manufacturing plants have obtained and maintain ISO14001 certifications. This guarantees that robust, internationally-recognized environmental management systems are in place. For each relevant sustainable products and production IRO, we have introduced specific initiatives that are summarized below.

Climate change
In 2025, we initiated the development of a bottom-up Climate Change Plan to further detail the previously communicated GHG reduction ambition. In the first phase, we built a robust GHG repository to collect and calculate detailed GHG emissions. This tool allows us to identify the actual drivers behind the evolution of Galderma's emissions for all relevant categories across the years, including changes in activity levels, updated emission factors and upgrades in assessment methodology. In the second phase, we identified the key reduction levers and assessed associated resource needs to reduce Galderma's emissions. While we were able to lock in the reduction target for our Scope 1 & 2 emissions, as a next phase Galderma will supplement its overall intensity reduction ambition with detailed reduction targets across relevant Scope 3 categories.

- ***Scope 1 & 2***
  - By 2030, reduce our overall emissions by 50% from a 2025 baseline and reduce emissions in our four manufacturing plants by more than 95%, including potentially compensating residual emissions to achieve carbon neutrality
- ***Scope 3***
  - By 2030, improve GHG intensity from a 2025 baseline

To achieve Galderma's GHG reduction ambition, we have activated or plan to activate various levers, supported by action plans owned by relevant stakeholders within the organization. Key initiatives initiatives, ordered by magnitude of reduction impact, include:

- ***Scope 1 & 2***
  - **Electrification** (or carbon-neutral equivalent): Replacing carbon-intensive equipment with low carbon alternatives (e.g., replace gas boilers with electric boilers)
  - **Low-carbon fleet:** Increasing the share of hybrid and electric cars in Galderma's owned or leased cars
  - **Renewable energy** (beyond electricity): Progressively transitioning our affiliates towards heating and cooling from renewable sources and our manufacturing plant towards low-carbon fuel (e.g., to replace diesel used in stationary engine)
  - **Renewable electricity:** Maintaining 100% renewable electricity across our four manufacturing plants and progressively transitioning our affiliates towards 100% renewable electricity, mostly using energy attribute certificates
- ***Scope 3***
  - **Low-carbon transportation:** Shifting air transport to sea transport, optimizing logistic routes and leveraging low-carbon road transport
  - **Supplier engagement:** Engaging with suppliers to collect detailed life cycle assessments and top suppliers to roll out targeted GHG reduction initiatives
  - **Sustainable formulation and packaging:** Minimizing usage of carbon-intensive raw materials – further details are provided later in this report

Supplier engagement at Galderma:
In 2024, we launched a dedicated top supplier engagement program. The program involved our top ~100 suppliers in terms of spend in our most carbon intensive procurement categories. The program aimed at better understanding and measuring our Scope 3 emissions and identifying reduction initiatives to support our GHG reduction pathway. In 2025, we used learnings from this effort to strengthen our program. We have refined our top supplier selection process to focus on and initiate discussions with the ~20 biggest GHG emitters. In 2026, we plan to continue discussions on concrete reduction initiatives with these top suppliers. We will also launch a broad-based life cycle assessment collection program, with the support of our procurement team, to continue enhancing the accuracy of our GHG inventory for the Purchased Goods & Services category.

Water
We deploy water efficiency plans across our four manufacturing plants. While initiatives are tailored to each plant's features, they revolve around reducing water usage (e.g., purge volume reduction), reusing water (e.g., closed-loop systems) and recycling water (e.g., water treatment processes). None of our manufacturing plants are located in areas with high water stress. Leveraging efforts initiated in 2024 to improve our water consumption, withdrawal and discharge tracking, we are now able to monitor delivery on our water efficiency target month-by-month. We are aiming for a 20% water withdrawal intensity reduction from a 2022 baseline by 2030.

Waste
We execute targeted waste reduction plans across our four manufacturing plants. Key initiatives revolve around aiming for zero tons of waste from manufacturing plants going to landfill (unless required by regulation), minimizing packaging rejects and working with suppliers to optimize raw material packaging. In 2025, we also significantly increased the granularity of waste treatment data collected across our manufacturing plants to deploy more targeted initiatives in the coming years. Our overall ambition is to decrease waste generation intensity by 20% from a 2022 baseline by 2030.

Sustainable packaging
Through the sustainable packaging initiative launched in 2024, we are pursuing our first structured, group-wide effort to remove, reduce or replace virgin materials in our packaging. The overall ambition of this initiative is to roll out packaging solutions that meet local and regional regulatory requirements while safeguarding brand equity. In 2025, the multidisciplinary project team—including Operations, Procurement, R&D, Marketing and ESG—conducted a comprehensive assessment of the Dermatological Skincare portfolio, reviewing the latest packaging technologies to prioritize and endorse pilots planned to take place over the coming years. These pilots mostly revolve around achieving full recyclability and adding post-consumer recycled (PCR) plastic in specific packaging components accounting for our highest volumes in relevant regions. We are also planning to roll out learnings from the sustainable packaging initiative to Injectable Aesthetics and Therapeutic Dermatology where feasible.

Sustainable formulation
We leverage Galderma's Clean Beauty Charter to account for environmental impact assessments when developing new Dermatological Skincare formulations. The Charter is a company developed standard, continuously reviewed and updated, listing ingredients that are prohibited, discouraged and allowed to be used as part of every new Dermatological Skincare product development cycle. The list reflects the latest regulatory updates, the newest safety and medical concerns, the environmental profile (e.g., biodegradability) and the estimated carbon intensity. In the coming years, we plan on strengthening the Charter with GHG data to further minimize the environmental impact of our formulations while guaranteeing the safety and efficacy of our brands.

PERFORMANCE

Climate change

Energy indicators, MWh	**2025**
Fuel consumption from fossil sources	58,868.7
Energy consumption from purchased or acquired electricity, heating, steam or cooling from fossil or nuclear sources	1,151.9
Total energy consumption from fossil or nuclear sources	**60,020.6**
Fuel consumption from renewable sources	-
Energy consumption from purchased or acquired electricity, heating, cooling and steam from renewable sources	50,231.6
Energy consumption from self-generated electricity, heating, cooling, and steam from renewable sources (non-fuel)	1,394.5
Total energy consumption from renewable sources	**51,626.1**
Total energy consumption	**111,646.7**
Total energy consumption intensity	**21.4**
Share of renewable energy in total energy consumption	**46.2%**

GHG emissions, tons of CO2e	**2024**	**2025**	**2030 ambition**
Gross Scope 1 emissions	8,496.9	11,170.6	
Gross Scope 2 emissions (location-based)	5,322.1	5,616.6	
Gross Scope 2 emissions (market-based)	322.5	396.7	
Gross Scope 1 & 2 emissions (location-based)	**13,820.0**	**16,787.2**	
Gross Scope 1 & 2 emissions (market-based)	**8,820.4**	**11,567.3**	**-50% vs. 2025 baseline**
Category 1 – Purchased goods and services	185,203.1	286,594.3	
Category 2 – Capital goods	21,597.3	15,367.4	
Category 3 – Fuel- and energy-related activities	2,612.5	3,246.9	
Category 4 – Upstream transport and distribution	50,152.3	144,742.1	
Category 5 – Waste generated in operations	286.3	473.2	
Category 6 – Business travel	23,301.9	14,859.4	
Category 7 – Employee Commuting	1,677.0	1,814.6	
Gross Scope 3 emissions	**284,830.4**	**467,098.0**	
Total GHG emissions (location-based)	**298,649.3**	**483,885.2**	
Total GHG emission intensity (location-based, tons of CO2e by Net Sales M USD)	**67.7**	**92.9**	
Total GHG emissions (market-based)	**293,649.7**	**478,665.3**	
Total GHG emission intensity (market-based, tons of CO2e by Net Sales M USD)	**66.6**	**91.9**	**reduction vs. 2025**

2025 non-financial indicator with limited assurance

In 2025, using our comprehensive GHG repository, we significantly improved the granularity and accuracy of emissions data collected compared to 2024. This has led to large swings in our Gross Scope 1 & 2 emissions and to significant differences across our Scope 3 categories, ultimately driving the increase in our total GHG emissions (both location- and market-based, both absolute and intensity).

For Scope 1, the inclusion of emissions from all gasoline, diesel or hybrid vehicles owned or leased by Galderma across markets has resulted in 1.8 additional thousand tons of CO2e, explaining ~70% of our 2025 Gross Scope 1 emissions increase. The rest of the Scope 1 increase was driven by more natural gas being used to support growing production in our Canadian manufacturing plant and the inclusion of natural gas emissions for our U.S. sites. The 2025 Gross Scope 2 emissions (market-based) increase was driven by the inclusion of emissions from all electric vehicles owned or leased by Galderma while the Gross Scope 2 emissions (location-based) increase is due to the inclusion of renewable purchased heating emissions from our sites. We have decided not to retro-correct our 2024 Gross Scope 1 & 2 emissions with these adjustments but rather to use 2025 as our baseline year for our absolute emission reduction target of 50% by 2030. Consequently, 2024 and 2025 Gross Scope 1 & 2 emissions are not comparable.

For Scope 3, we upgraded data collection and selectively adjusted our calculation methodology compared to 2024 for the following categories:

- Category 1 – Purchased goods and services: We expanded the coverage to include all our contract manufacturing spend and revised the top 50 raw materials and packaging components with activity-based calculation to include the biggest GHG emitters
- Category 4 – Upstream transportation and distribution: We transitioned to detailed activity-based methodology for inter-company transportation, including granular tonne-kilometer data by transportation leg
- Category 5 – Waste generated in operations: We leveraged our improved data collection and tracking, including waste types and treatment methods

For the other categories, differences between 2024 and 2025 Gross Scope 3 emissions are primarily driven by changes in activity levels. As for our Gross Scope 1&2 emissions, we have decided not to retro-correct our 2024 Gross Scope 3 emissions. As such, 2024 and 2025 Gross Scope 3 emissions are not comparable. In the coming years, we plan to further improve our Gross Scope 3 emissions tracking, including expanding data collection and further deploying activity-based calculation methodologies.

Electricity consumption indicators, MWh	**2024**	**2025**	**2030 ambition**
Energy consumption from purchased electricity from renewable sources	47,175.1	48,858.6	
Total energy consumption from purchased or acquired electricity	48,200.0	49,419.4	
Share of renewable electricity in total electricity consumption	**97.9%**	**98.9%**	**≥99%**

2025 non-financial indicator with limited assurance

Over the 2024 to 2025 period, Galderma increased the share of renewable electricity in total electricity consumption, further approaching the mid-range ambition of ≥99% share of renewable electricity in total electricity consumption. This was mainly achieved through maintaining 100% renewable electricity across our four manufacturing plants, establishing renewable electricity contracts with local suppliers and purchasing energy attribute certificates, either locally or centrally. Overall, our total energy consumption from purchased or acquired electricity remained stable despite Galderma's strong growth trajectory thanks to energy efficiency programs deployed across locations.

Water

Water indicators, m³	**2024**	**2025**	**2030 ambition**
Volume of water withdrawn in operations	249,262	245,518	
Volume of water discharged in operations	*n.a. – first time reporting in 2025*	153,153	
Total volume of water consumed in operations	*n.a. – first time reporting in 2025*	**92,365**	
Water consumption intensity in operations (m³ by Net Sales M USD)	*n.a. – first time reporting in 2025*	**17.7**	
Water consumption intensity in operations (m³ by Gross Production Tons)	*n.a. – first time reporting in 2025*	**1.5**	
Water withdrawal intensity in operations (m³ by Net Sales M USD)	**56.5**	**47.2**	
Water withdrawal intensity in operations (m3 by Gross Production Tons)	**4.9**	**4.1**	**20% reduction from 2022 baseline of 5.6**

In 2025, we leveraged the improved water tracking capabilities deployed across our four manufacturing plants to significantly increase disclosure around water topics, including water discharge and water consumption data. Beyond improved disclosure, we also used our improved tracking capabilities to deploy targeted water efficiency programs, ultimately resulting in a 16.8% decrease in water withdrawal intensity over the 2024 to 2025 period and a 27.2% decrease from the 2022 baseline. While Galderma has now reached its mid-range ambition regarding water withdrawal intensity, efforts will be put into maintaining this performance until 2030 despite adapting our operations to new EU regulations requiring higher water usage for the manufacturing of certain products and the ramp-up of in-house manufacturing for Relfydess in our Uppsala plant.

2025 non-financial indicator with limited assurance

Waste

Waste indicators, tons	**2024**	**2025**	**2030 ambition**
Amount of hazardous waste generated in operations	*n.a. – first time reporting in 2025*	790.6	
Amount of radioactive waste generated in operations	*n.a. – first time reporting in 2025*	0	
Amount of non-hazardous waste generated in operations	*n.a. – first time reporting in 2025*	4,914.7	
Total amount of waste generated in operations	**4,847.9**	**5,705.3**	
Waste generation intensity in operations (tons by Net Sales M USD)	**1.1**	**1.1**	
Waste generation intensity in operations (kg by Gross Production Tons)	**95.8**	**95.3**	**20% reduction from 2022 baseline of 110.2**

In 2025, waste generation in our operations increased slower than our gross production, resulting in a slight decrease of 0.5% in waste generation intensity compared to 2024. With the more granular waste generation and treatment data collected in 2025, Galderma identified further opportunities to decrease waste generation intensity to close the gap with Galderma's mid-term ambition of a 20% reduction in intensity from 2022 baseline.

Note that the slight difference with the waste generation intensity data reported last year is due to replacing 2024 estimated waste generation data by actuals.

Medical education & training

CONTEXT
Medical education and training serve as the foundation for safe, effective and innovative healthcare. In dermatology, education and training are critical all the way from diagnosis to treatment to achieve optimal patient care and ultimately maximize health outcomes worldwide.

Thanks to our global footprint and reach as the pure-play dermatology category leader, we are uniquely positioned to deploy medical education and training initiatives at scale. This ability allows us to actively drive safe and effective administration and use of our brands. We emphasize our cutting-edge science through comprehensive education experiences and platforms.

APPROACH
Galderma operates, primarily through our global Medical Affairs team, industry-leading educational and scientific engagement platforms such as:

- **Field-based Medical Science Liaisons (MSLs):** Our MSLs establish peer-to-peer relationships with HCPs and deliver in-depth scientific and medical information. They also channel feedback and insights from external stakeholders that Galderma can feed into future clinical and scientific projects.

- **Galderma Aesthetic Injector Network (GAIN):** GAIN is Galderma's long-established training platform designed to educate, inspire and empower through the creation of a unique community of highly trained, clinically proficient HCPs. Created by aesthetic practitioners for aesthetic practitioners, GAIN's primary purpose is to encourage and facilitate the sharing of knowledge to improve and guarantee safe, high-quality treatment experiences for both patients and aesthetic practitioners. Because Injectable Aesthetics treatments such as neuromodulators, fillers and biostimulators are increasingly integrated in beauty and wellness routines, proper injection techniques are critical to ensure safe and effective use. Galderma typically holds more than 10,000 events, educating and training more than 100,000 HCPs every year. Beyond physical GAIN events, we also run an online GAIN Connect platform where we share educational materials to help HCPs enhance their knowledge of Injectable Aesthetics.

- **Global Sensitive Skincare Faculty (GSSF):** GSSF is a global community of approximately 20 renowned skincare experts established in 2023. Together with Galderma, this community co-creates scientific insights to improve the management of sensitive skin and the quality of life for patients with sensitive skin. Insights generated and disseminated among dermatologists and HCPs ultimately maximize our impact on patient and consumer lives.

- **Medical Service Hub:** Our Medical Service Hub, accessible by all relevant stakeholders, features high quality scientific and medical content that was developed thanks to Galderma's world-class scientific rigor and extensive experience in medical content creation.

- **Global SKIN Medical Summit:** The SKIN Medical Summit is an annual meeting organized by Galderma that aims at translating scientific advances into clinical practice through peer-to-peer exchanges. At the first edition in 2025, HCPs reviewed real-world cases of atopic dermatitis and prurigo nodularis to advance understanding of itch and the IL-31/IL-31RA pathway in dermatological conditions.

- **Presence at leading medical congresses and events:** Galderma regularly participates and presents scientific insights and advancements at leading dermatology-focused congresses and events, such as the European Academy of Dermatology and Venereology (EADV) Congress, the International Master Course on Aging Science (IMCAS) World Congress, the American Academy of Dermatology (AAD) Annual Meeting and the Aesthetic & Anti-Aging Medicine World Congress (AMWC).

To ensure all interactions with HCPs comply with applicable laws and codes, as well as with ethical guidelines, a Global Code on Interactions with Healthcare Professionals has been established. The Code sets out key principles that all employees and Galderma's external partners and/or authorized representatives are expected to follow. These principles include, among others, independent medical judgment, truthful promotion of products, separation of promotional and non-promotional activities and transparency.

Galderma aspires to continue driving medical education and training in dermatology. By 2030, we aim to educate, train and conduct medical awareness activities with over 250,000 healthcare professionals annually across our educational and scientific engagement platforms.

PERFORMANCE

	2024	2025	2030 ambition
Total number of HCPs educated, trained and engaged through medical awareness activities	226,601	295,704	**>250,000**

From 2024 to 2025, the number of HCPs educated, trained and engaged through medical awareness activities increased by over 30%. Main drivers are the increase in GAIN events globally, the strong HCP engagement during leading congresses and the large reach of our medical education activities, especially in the U.S. during the first half of the year to support the launch of Nemluvio.

Labor practices

CONTEXT
Strong labor practices are foundational to protect the safety and well-being of workers across companies. These practices encompass sustaining adequate working conditions, fostering constructive social dialogues and safeguarding workers' health, safety and privacy.

At Galderma, we acknowledge the impact we have or can have on employees and value chain workers respectively. Only by upholding strong labor practices across our own operations and by requiring all our value chain partners to do the same can we positively impact workers' lives.

APPROACH
Galderma requires all its supply chain partners to operate in accordance with all relevant labor laws and regulations. Specifically, through the Supplier Code, Galderma:

- Explicitly prohibits any form of forced or child labor
- Demands that every worker must be provided with wages and benefits that comply with applicable laws or binding collective agreements
- Requests that the number of hours and days worked complies with all applicable laws and mandatory industry standards
- Requires the implementation of a policy that conforms to the applicable law prohibiting discrimination in hiring and employment practices on the grounds of race, color, religion, sex, age, physical ability, national origin or any other legally-prohibited grounds
- Asks that all workers are provided with safe and healthy working conditions, including potable drinking water and adequate sanitation
- Solicits that appropriate measures be implemented to properly use and protect confidential data related to employees

We monitor adherence to these principles through Galderma's responsible sourcing program, outlined under Business ethics & corporate governance.

At Galderma, we operate in full compliance with labor laws and regulations and intentionally exceed them across our own operations. This includes offering a flexible working policy with two days of home office where applicable, flexible leave arrangements (e.g., for dependent care) and other location-specific conditions such as parental leave and public transportation support.

We are committed to maintaining a diverse and inclusive workplace. We regularly monitor and report on the proportion of women within Galderma's workforce and at management level. We also deploy a set of global initiatives aimed at guaranteeing gender diversity within Galderma. These include but are not limited to removing gender-coded language in job postings, tracking gender diversity throughout our hiring process to ensure a balanced representation of candidates, actively tracking diversity in succession planning, including for senior roles, and launching both global and local diversity and inclusion initiatives.

As part of our aim to guarantee equal treatment and opportunities for all, we develop and implement internal procedures and policies that prevent discrimination and harassment on any basis. This includes origin, nationality, religion, race, gender, age or sexual orientation. Further, safe and anonymous reporting channels are available for every employee that experiences or witnesses any violation of these strong internal rules.

Galderma recognizes and respects the right of all employees to freedom of association and collective bargaining, in accordance with the applicable laws and regulations of each country in which we operate. We are committed to maintaining an open and constructive dialogue with employee representatives and unions, where they are present. Employees are free to join or not join a union or other lawful organization of their choice, without fear of retaliation, intimidation or harassment.

Across Galderma, we run a comprehensive Occupational Health & Safety (OHS) program, supported by an OHS management system recognized by ISO45001 certificates in our four manufacturing plants. Our dedicated Environment, Health and Safety (EHS) teams throughout our organization, under the leadership of our Global Head of EHS, continuously analyze and learn from incidents across both our sites and other companies' plants to improve our health and safety approach and mindset. This includes:

- OHS risk assessments and rigorous mitigation strategies to prevent accidents
- Corrective measures and action plans to address any potential OHS issues in a timely manner
- Behavioral-based safety tools to enhance our safety protocols and continuously share and foster good practices across all sites
- A Stop&Go program to encourage employees to pause and assess safety conditions before proceeding with any activity
- Regular safety talks and OHS walks in our manufacturing plants to infuse safety into our culture

At Galderma, we strive to create a work environment free of occupational injuries and illnesses. Going forward, we will continue to operate and refine our OHS program while maintaining an open line of communication among all Galderma sites to share learnings around OHS cases and disseminate best practices.

PERFORMANCE

Health and safety indicators	**2024**	**2025**	**2030 ambition**
Number of fatalities as a result of work-related accidents or work-related ill health	0	0	**0**
Number of recordable work-related accidents	10	13	
Rate of recordable work-related accidents (per M working hours)	0.8	0.8	**≤1.1**
Number of days lost to cases of recordable work-related accidents	*n.a. – first time reporting in 2025*	209	

2025 non-financial indicator with limited assurance

Galderma has maintained its track record of no fatalities as a result of work-related injuries or work-related ill health over the 2024 to 2025 period. While the number of recordable work-related accidents increased from 10 to 13, the rate of recordable work-related accidents remained stable at 0.8 per million working hours. This remains below our mid-range ambition of less than 1.1 work-related accidents per million working hours. In this report, we also augment our health and safety disclosure by reporting the number of days lost to cases of recordable work-related accidents.

Employee indicators, headcount	**2024**	**2025**	**2030 ambition**
Total number of employees	7,082	7,676	
Share of women in Galderma workforce	57.5%	56.6%	
Share of women in Galderma management	42.9%	40.4%	**≥40%**

2025 non-financial indicator with limited assurance

The share of women in both the Galderma workforce and Galderma management has slightly decreased from 2024 to 2025. The change in Galderma workforce was driven by a larger number of men joining Galderma in 2025 compared to women. The variation in Galderma management has mainly been caused by organizational changes and the associated reduction in the number of employees at CEO-2 level. Despite the decrease, Galderma remains above its mid-term ambition of at least 40% women in Galderma management.

Note that, in 2025, we adjusted the methodology to compute the share of women in the Galderma workforce and in Galderma management. Respectively, we included Galderma employees with fixed-term contracts (e.g., temporary assignments, interns, apprentices) in Galderma workforce and excluded specific management support roles (e.g., executive assistant, chief of staff) from Galderma management. This explains the difference with the numbers reported in the 2024 report on non-financial matters.

Employee engagement

CONTEXT
Beyond strong labor practices, employee engagement is a critical enabler of strong organizational performance. Engaged employees are not only more productive but also more likely to experience greater overall well-being. This in turn results in lower absenteeism and fewer health and safety incidents in the workplace. Additionally, companies with an engaged workforce often become more attractive to top talent, leveraging their positive reputation and a stronger ability to recruit and retain skilled employees.

At Galderma, we recognize that our employees are our most valuable asset and best ambassadors. Their engagement is paramount to fuel our growth trajectory and global dermatology powerhouse ambition. As such Galderma strives to offer the right working conditions to attract, develop, motivate and retain talent.

APPROACH
Galderma is a high-performance organization that supports, rewards and incentivizes excellence through a straightforward performance management approach. It encompasses yearly outcome-based objective-setting, bi-annual structured performance reviews and regular ad hoc feedback sessions for every employee. Our global compensation framework, tailored to local conditions, ensures we offer competitive rewards in each market in which we operate. Our bonus structure incentivizes high performance as well as end-to-end thinking, thus ensuring all employees benefit from Galderma's growth trajectory. In addition, we provide each employee with tailored local rewards as well as an internal platform to recognize colleagues that have demonstrated significant contributions and gone above and beyond in their work.

When recruiting, Galderma seeks high-performing individuals who deliver impactful results, embrace dynamic environments and bring a positive, 'can-do' mindset, always passionate about making a difference for consumers, patients and HCPs. We don't hire for just one role, we hire talent with the potential to grow across positions, markets and business segments. Our formal talent pipeline strategy ensures structured talent reviews multiple times per year to assess performance, potential and readiness for the next role, supported by globally consistent tools that promote fairness and transparency. Development at Galderma spans the full employee life cycle from early career internships to job-specific programs like our Global Sales Academy and our flagship leadership development program called Leadership for Growth. We partner with leading learning organizations to deliver programs grounded in best practices.

To provide external validation for our approach to employee engagement, we regularly pursue the obtention of Great Place To Work® certificates. Selected affiliates are asked to undergo the validation process, including responding to specific questionnaires and running location-wide employee surveys. We will continue to evaluate whether we offer the right environment to attract, develop, motivate and retain talent. This includes selectively engaging employees to gather feedback across locations or functions and maintaining the percentage of affiliates covered by Great Place To Work® or equivalent certifications.

PERFORMANCE

Employee engagement indicators	2024	2025	2030 ambition
Completion of end-of-year performance review	98%	98%	**≥95%**
Share of affiliates with Great Place To Work® certificates	47.2%	44.4%	**≥40%**

The completion of end-of-year performance reviews remained stable across 2024 and 2025, above the 95% mid-term ambition. This underscores the importance and relevance of Galderma's performance management framework.

Over the 2024 to 2025 period, the share of affiliates with Great Place To Work® certificates decreased slightly. This was due to two affiliates losing their certificate, a loss only partially offset by one new affiliate receiving certification.

Business ethics & corporate governance

CONTEXT
Companies must establish and maintain trust-based relationships with all relevant stakeholders throughout their value chains. This is typically enforced through a strong set of procedures, policies and rules that all employees and partners must adhere to. Beyond this set of hard rules, companies must build the right governance structures to guarantee capital is deployed efficiently to balance shareholders' returns and stakeholders' interests and growth prospects.

Galderma strives to achieve the highest standards of business ethics and integrity. Our procedures and policies, supported by robust governance mechanisms, define and guide how our company, employees and partners are expected to conduct business.

APPROACH
Galderma's corporate structure gradually evolved until its listing on the SIX Swiss Exchange in March 2024. It now operates a public-grade governance structure with details available in the Corporate Governance section. To uphold a high level of business ethics across our value chain and ensure stakeholders' expectations are met, Galderma operates, and keeps evolving, a state-of-the-art ethics and compliance program. This program guides our efforts across seven strategic pillars: governance, training and communication, third party management, monitoring, risk assessment, our Speak Up system and investigations, and procedures and policies. The most critical procedures and policies are outlined below.

First, Galderma's Code of Ethics provides the ethical cornerstone and expectation for conducting business at Galderma. The Code is a resource for, and applies to, all employees of Galderma and it is available in 13 languages. Beyond Galderma employees it also concerns and is relevant to all Galderma stakeholders, including patients, consumers, customers and business partners.

Second, Galderma's HCP Code defines how employees and partners doing business for or on behalf of Galderma are expected to conduct themselves when interacting with HCPs. The underlying principle of the HCP Code is to ensure that nothing of value is ever offered to an HCP in a way that unduly influences patient treatment, also ensuring patient safety. The HCP Code lays out specific standards including the requirement for fair, balanced, truthful and non-misleading information in both educational and promotional materials related to Galderma's brands.

In furtherance of the HCP Code, a comprehensive compliance policy framework outlines the more specific rules that apply in different areas. These include HCP and healthcare organization (HCO) engagements, promotional and non-promotional materials, hospitality, sample management, gift restrictions and educational items, product training and education meetings, marketing programs, external funding and disclosure and reporting of HCP and HCO interactions. Please note that some Galderma affiliates publish reports directly on relevant local websites.

Third, Galderma's Anti-Bribery and Anti-Corruption Policy clearly sets out anti-bribery and anti-corruption requirements and expectations for all Galderma employees. Specifically, it strictly prohibits all forms of bribery and corruption, whether involving a government official, a private person or an entity, and whether direct or through a third party.

Fourth, Galderma's Conflict of Interest Policy outlines how every Galderma representative is responsible for always acting in the best interests of Galderma. This includes avoiding situations that present or create a potential, perceived or actual conflict between any personal interest(s) and those of Galderma.

Fifth, Galderma's Supplier Code of Conduct establishes the standards that we require suppliers and their employees, agents and subcontractors to adhere to when conducting business with and for Galderma. The Supplier Code covers numerous topics that are important to Galderma, from business integrity to labor standards and environmental commitments. We require each company we work with to adhere to the principles laid out in our Supplier Code, notably strictly prohibiting child labor and forced labor. Note that Galderma also runs a responsible sourcing program to enforce adherence to the Supplier Code and monitor social and environmental performance across the value chain. Surveillance is codified in a robust responsible sourcing procedure and accounts for suppliers' risk profile, location and spend level. To ensure independence in suppliers' monitoring, audits are carried out through third parties, either on-site (e.g., via inspection by certification companies) or online (e.g., via EcoVadis' assessment platform). If a supplier does not pass an audit, a corrective action plan is put in place with appropriate follow-ups. Ultimately, Galderma reserves the right to terminate an agreement with any supplier which does not comply. Since 2022, more than 80% of the spend that can be influenced by procurement has been covered through such audits. We will continue

deploying our responsible sourcing program and will cover at least 80% of the spend that can be influenced by procurement with a compliant audit.

Sixth, Galderma's position paper on responsible marketing sets requirements for any information shared in our marketing and advertising communications with third parties, including patients, HCPs, customers, consumers and regulators. It reinforces that any information about our products and brands should always be accurate, fair, balanced, comprehensive, substantiated, not misleading and based on relevant scientific evidence.

Seventh, Galderma's Human Rights Statement lays out the core principles that Galderma enforces throughout the value chain. Overall, we seek to align practices with internationally recognized human rights standards, including the Universal Declaration of Human Rights, the International Labor Organization (ILO) Core Conventions, the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises.

Finally, Galderma's Speak Up & Investigations Policy regulates the management of internal and external allegations made or concerns raised that are, or could potentially be, violations of law, internal codes or policies, or which otherwise constitute an illegal, unprofessional or unethical behavior. The policy also outlines how such reports can be made confidentially, safely and anonymously and underpins the company's 'no retaliation' commitment. In this report, and for the first time, we disclose the number of incidents related to 'employee relationship' issues raised through Galderma's Speak up platform.

For the first time, we disclose the total number of incidents reported through Galderma's Speak up platform or an equivalent channel. We also steadily improved the share of employees that have completed Galderma's ethics and compliance training, staying above the mid-range ambition of ≥95% completion.

PERFORMANCE

Responsible sourcing indicator	**2024**	**2025**	**2030 ambition**
Share of spend covered through a compliant audit	80.4%	81.6%	**≥80%**

The share of spend covered through a compliant audit improved over the 2024 to 2025 period, mainly driven by the compliant audit of key contract manufacturing organizations. Performance remains above the mid-term ambition of at least 80% compliant audit coverage.

Ethics and compliance indicators	**2024**	**2025**	**2030 ambition**
Total number of incidents reported through our Speak up platform or an equivalent channel	*n.a. – first time reporting in 2025*	13	
Share of employees that have completed Galderma's ethics and compliance training	98%	99%	**≥95%**

2025 non-financial indicator with limited assurance

Alignment with the TCFD framework

As outlined in this report on non-financial matters, our ESG Strategy rests on three key pillars: a comprehensive ESG Framework, robust ESG Governance and a clear ESG Ambition. To pressure test the robustness of our ESG Strategy against climate-related risks and opportunities as well as ensure comprehensive disclosure, we have followed the recommendations of the TCFD since 2023.

While we believe our analysis from the previous year still holds, we have used our comprehensive DMA exercise, especially the financial materiality and the associated risks and opportunities quantitative assessment, to refine our TCFD disclosure. Further, as mentioned in our 2024 report on non-financial matters, we are still planning on strengthening our climate-related risks and opportunities assessment process in the coming years, potentially including multi-scenario analysis.

In line with TCFD guidance, we are reiterating here the process of identifying and assessing climate-related risks and opportunities. In 2023, we set up a cross-functional working group to identify and characterize climate-related risks and opportunities faced by Galderma across all TCFD categories. We started by listing, for each TCFD category, the relevant risks and opportunities and their associated channel of impact on Galderma. To develop a comprehensive list of the relevant risks and opportunities, we leveraged the extensive risk identification exercise performed as part of our initial public offering alongside external benchmarks. In 2025, we reviewed this list and refreshed the risks and opportunities assessment to ensure consistency with IROs identified during our DMA effort. As a result, we added one new opportunity: 'increased sales driven by rising demand for climate-related skin health solutions.'

For each identified risk and opportunity, we leveraged our inaugural DMA to assign:

- A time horizon (short-term for yearly target setting, less than 1 year; mid-term for our medium range planning, 1-5 years; and long-term, over 5 years)
- A probability of the risk or opportunity materializing (from very low to actual)
- A financial magnitude of the risk or opportunity on Galderma (from very low to very high)

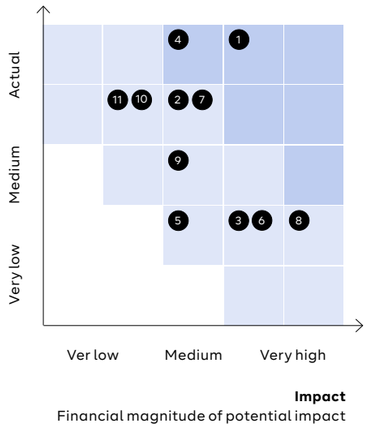
The probability of the risk or opportunity materializing was determined using the normal distribution. Risks or opportunities rated very low or actual have a probability of materializing of less than 2% and more than 98% respectively (i.e., two standard deviations). The same principle is applied to determine the low and high thresholds (i.e., one standard deviation). The financial magnitude of the risk or opportunity is assessed against Galderma's ability to achieve its bottom-line guidance with numerical thresholds aligned with financial materiality ones.

All our material climate-related risks and opportunities are summarized below:

Material risks:

Significance
Critical Medium Low

Probability
Likelihood of risk materializing

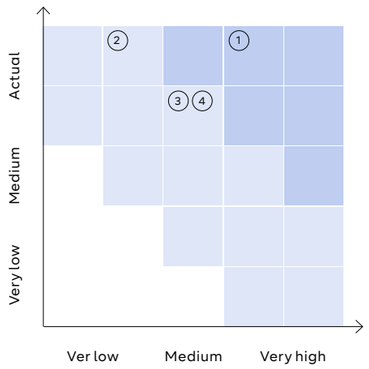


TCFD category		Risk and channel of impact	Time horizon
Policy & legal risk	1	Heightened operating costs and liability risks due to reinforced climate laws and regulations	Short, Mid & Long
	2	Increased capital expenditures to meet country-specific decarbonization targets	Mid & Long
Technology risk		*Not relevant to Galderma: To enable innovation at scale and support the rapid growth of our business, Galderma's operations embrace the most advanced manufacturing technologies. This includes improvements or innovations that support the transition to a lower-carbon, energy efficient economic system (e.g., process optimization, replacement of carbon intensive equipment)*	
Market risk	3	Sustained reduced supply of raw materials due to structural changes in suppliers' production means/strategies	Mid & Long
	4	Increased cost of key raw materials/inputs driven by supply chain disruptions and/or rapid shifts in consumer demand	Short & Mid
Reputation risk	5	Reduced access to capital/financing opportunities due to misalignment with stakeholders' expectations in terms of climate performance	Mid & Long
	6	Lowered sales caused by misalignment with customers' expectations in terms of sustainability performance (incl. climate)	Short, Mid & Long
	7	Highest operational costs caused by difficulty to attract and retain key talents	Mid & Long
Acute risk	8	Increased impairments linked to damages to sites and business interruptions due to severe weather events (e.g., cyclones, floods, wildfires)	Short, Mid & Long
	9	Highest operating costs and/or lost sales due to severe weather events (e.g., drought, cyclones)	Short, Mid & Long
Chronic risk	10	Increased operating costs driven by higher energy needs (incl. cooling) to ensure business continuity during chronic weather events (e.g., heat waves)	Short, Mid & Long
	11	Increased capital expenditure to improve efficiency of manufacturing process to ensure business continuity during chronic weather events (e.g., chronic water stress)	Short, Mid & Long

Material opportunities:

Significance
Critical Medium Low

Probability
Likelihood of opportunity materializing



TCFD category		Risk and channel of impact	Time horizon
Resource efficiency	1	Reduced operating costs given higher efficiency and lower resource consumption in manufacturing process	Mid & Long
Energy source	2	Reduced operating costs given lower reliance on expensive carbon-intensive energy generating methods (i.e., assuming carbon taxes rolled out)	Short, Mid & Long
Products & services	3	Increased sales driven by rising demand for climate-related skin health solutions	Long
Markets		*Not relevant to Galderma – We already are a global company and do not foresee any transition opportunities to penetrate new markets/offer new brands*	
Resilience	4	Improved resilience to adverse climate events (both acute and chronic), safeguarding business continuity	Short, Mid & Long

Note: Basis for physical climate scenario: IPCC SSP1-2.6, basis for transition scenario: IEA NZE

There are two main differences with our previous TCFD disclosure:

- The addition of one risk of critical significance for Galderma ('increased cost of key raw materials/inputs driven by supply chain disruptions and/or rapid shifts in consumer demand')
- The more granular assessment of the financial magnitude of the risks and opportunities

Nevertheless, we still believe our ESG Strategy is fit-for-purpose and enables Galderma to appropriately respond to climate-related risks and opportunities. Our ESG Framework adequately covers and focuses our efforts on material ESG matters. Our ESG Governance regularly surfaces risks and opportunities related to regulations and stakeholders' expectations, enabling fast decision-making on adequate mitigation strategies in alignment with Galderma's strategic and financial cycles. Our ESG Ambition addresses material ESG matters, reinforcing Galderma's overall resilience. Further details on the critical risks and opportunity are available below.

Critical risk / opportunity	**Heightened operating costs and liability risks** due to reinforced climate laws and regulations	**Reduced operating costs given higher efficiency** and lower resource consumption in manufacturing process	**Increased cost of key raw materials/inputs** driven by supply chain disruptions and/or rapid shifts in consumer demand
Channel of impact	**Operating costs related to compliance with ESG-linked regulations and disclosure requirements** (e.g., non-financial reporting and associated audit fees, process upgrades, reformulation/redesign of specific products)	**Operating costs related to the manufacturing of our products and our energy footprint** (e.g., water, electricity or energy consumed, raw materials used)	**Cost of raw materials determined by the balance of supply and demand** (e.g., adverse weather events impacting supply, new regulations increasing demand for specific products/raw material types)
Time horizon	**Short, mid and long term** – Regulations have already (e.g., Swiss law) or are being implemented with varying timelines (e.g., EU Green Deal, PPWR)	**Mid and long term –** Efficiency improvements in our manufacturing processes take time to materialize	**Short and mid term –** Raw material costs are typically dynamic and cannot be contractually fixed over a long duration
Probability	**Actual –** ESG-linked regulations have/will enter into force	**Actual –** Regulations encouraging efficiency have/will enter into force	**Actual –** Supply chains are already experiencing disruptions
Mangement response	• **ESG Governance in place,** with bi-annual ESG Council to create transparency on existing/emerging regulations and ensure link with budgeting process/impacted functions to develop plans and secure adequate funding • **ESG Ambition endorsed for material matters,** including action plans and associated investments (e.g., to reach carbon neutrality in manufacturing plants by 2030)	• **Specific strategies to de-risk raw material supply in place** (e.g., double sourcing accounting for climate patterns evolution) – not part of standard ESG Strategy as considered directly within Procurement organization objectives • **ESG Ambition endorsed for responsible sourcing program,** including to identify and mitigate risks associated with raw material sourcing	

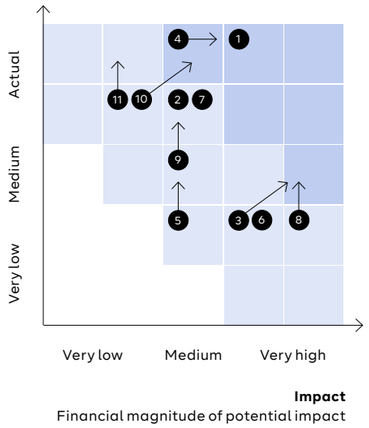
To reassess the resilience of our ESG strategy, we again performed a qualitative scenario analysis, using a 2°C or higher scenario. We applied the same methodology as in previous TCFD disclosure. To pressure test our physical climate scenario, we used the SSP5-8.5 scenario and for our transition scenario, we used the IEA STEPS. Note that it was assumed, in our scenario analysis, that the physical-related impact on risks and opportunities would be stronger than the impact of potential easing of governments' climate commitments under transition scenario IEA STEPS. Based on available comprehensive descriptions of impacts under these scenarios (e.g., summary for policymakers from the Intergovernmental Panel on Climate Change), we developed specific 'what if' questions and qualitatively assessed the potential effect on our identified risks and opportunities. On the next page you will find a summary of how our risks and opportunities and their respective channels of impact are affected.

Focal questions			Assume magnitude of change			
What if...	**Relevant driver for Galderma**	**Risk/ Opportunity**	**Probability**		**Impact**	
extreme weather events were to become more frequent and severe (incl. more widespread)	Heavy precipitation/pluvial flood	4	–	No change as already certain	↑	Longer supply chain recovery
	Severe storm	10	↑	Given higher frequency	↑	Given higher intensity
	Fire weather	8	↑	Given higher frequency	–	No change as already high
chronic weather events were to become more intense	Hydrological drought	9	↑	Given higher frequency	–	No change as still limited in time
	Extreme heat	11	↑	Given higher frequency	–	No change as CAPEX planned
	Coastal flood	(4)	↑	Given higher frequency/intensity	–	Not possible to correctly assess
private sector (incl. investors, Sovereign Wealth Funds) **were to step up expectations** to make up for lack of guidance from policymakers	Availability of raw materials	3	↑	Few suppliers with scale for specific materials	↑	Faster transition away from specific materials
	Availability of capital	5	↑	Few investors with significant power (e.g., SWF)	–	No change as already high
public sector (incl. customers/ consumers) **were to expect more from companies**	Demand for specific products	6	–	No change as less relevant target compared to bigger healthcare/ consumer peers	–	No change as impact dependent on frequency
	Reputation					

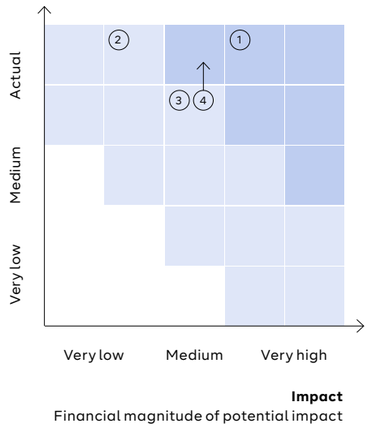
In line with previous TCFD disclosure, the scenario analysis resulted in additional risks and opportunities being rated 'of critical significance'. Specifically, three risks ('increased operating costs driven by higher energy needs to ensure business continuity during chronic weather events', 'increased impairments linked to damages to sites and business interruptions due to severe weather events' and 'sustained reduced supply of raw materials due to structural changes in suppliers' production means/strategies') and one opportunity ('improved resilience to adverse climate events safeguarding business continuity').

Scenario analysis under a 2°C or more scenario

Evolution of risks



Evolution of opportunities



This updated scenario analysis demonstrated the robustness of our ESG Strategy. First, our ESG Governance creates transparency around any additional risks and opportunities at executive level, ensuring that specific mitigation mechanisms are deployed directly within functions. For example, following the last TCFD analysis, our Operations teams reviewed all business continuity plans and are now focusing on uniformization across our locations, including specific climate-related risks. Second, our ESG Ambition includes a clear aim to reduce Scope 1 & 2 emissions while a specific Scope 3 reduction pathway is being developed. Third, beyond the links between our ESG Governance and the existing strategic and financial cycle, we have included ESG and climate-related considerations as part of our broader enterprise risk management framework. This ensures that no risks and opportunities are overlooked and that clear mitigation mechanisms are properly implemented across Galderma.

Alignment with Article 964 CO

Disclosure in accordance with the Swiss Code of Obligations

Requirement	Section	Page
Description of the business model	Business Highlights	20–21
Description of the policies and measures taken (incl. of effectiveness of these measures) **regarding**:	Delivering on our clear ESG Ambition	140–156
Environmental matters (incl. CO_2 goals)	Sustainable products and production	146–149
Social issues	Labor practices, Business ethics and corporate governance	152–153 & 155–156
Employee-related issues	Labor practices, Employee engagement	152–154
Respect for human rights	Labor practices, Business ethics and corporate governance	152–153 & 155–156
Combating corruption	Business ethics and corporate governance	155–156
Description of main risks	Alignment with the TCFD framework	157–161
Summary of main performance indicators	Our 2025 ESG highlights	83

The information contained in the sections referenced in the index constitutes the non-financial reporting pursuant to Art. 964b of the Swiss Code of Obligations (CO). The shareholder vote on the non-financial matter report required by Art. 964c CO is limited to the content of these sections.

Further, we have determined that Galderma is exempt from obligations related to Art. 964j CO regarding minerals and metals from conflict-affected areas and child labor. Galderma does not place in free circulation or process in Switzerland minerals containing tin, tantalum, tungsten, gold or metals from conflict-affected and high-risk areas. Regarding child labor, there are no reasonable grounds to suspect child labor in either our manufacturing plants or our supply chain. Three of our manufacturing plants are based in Canada, France and Sweden, countries with a low risk of child labor, and regular checks as part of certification efforts and health authority audits are performed in our fourth manufacturing plant located in Brazil. Furthermore, our responsible sourcing program and the associated third-party audits allow us to mitigate any risks of child labor throughout the supply chain.

Finally, note that no digital taxonomy standard has been applied in 2025 for our Reporting on Climate Matters. As there is currently no internationally, widely used electronic format, it was not possible for Galderma to publish the report. We are monitoring developments regarding available formats and will implement corresponding publications in due time.

Basis for non-financial preparation

General non-financial reporting principles

Scope
The Galderma ESG Reporting Manual (GERM) applies to Galderma Group AG (Galderma) and all the entities the Group has operational control on, including parent, subsidiaries, investees and joint arrangements with operational control. Galderma typically reports aggregated data at the group level. When appropriate to ensure a proper understanding of Galderma's material impacts, risks and opportunities, Galderma reports disaggregated non-financial indicators (e.g., broken down by manufacturing sites, countries, regions).

Reporting period
Non-financial reporting rhythm is synchronized with Galderma's financial reporting cycle (i.e., reporting period starts on January 1 and ends on December 31). While non-financial data is regularly tracked and collected, central non-financial reporting typically takes place quarterly, semi-annually or annually depending on data availability and internal non-financial data governance.

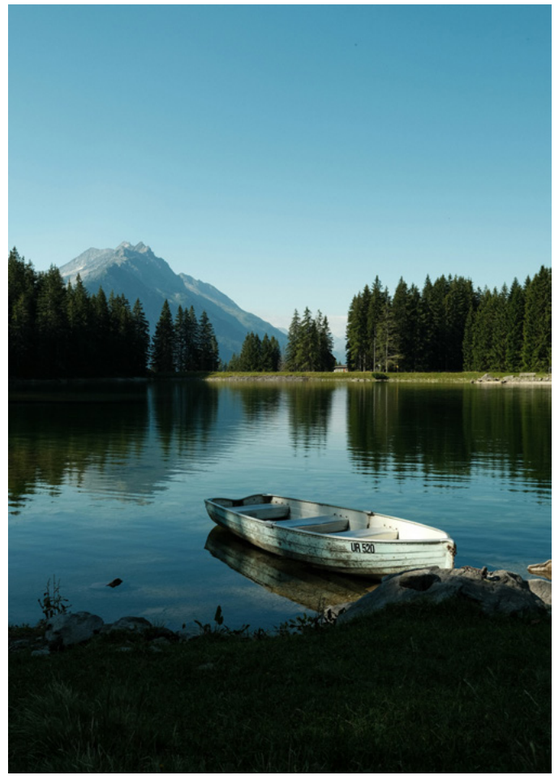
Non-financial data governance and systems
Galderma's non-financial data is collected locally, using various local and/or global systems, under the supervision of relevant functional leads (e.g., Global Head of Environment, Health & Safety, HR ESG Functional Lead, Ethics & Compliance ESG Functional Lead). The central ESG team, in addition to providing functional leaders and local teams with internal non-financial data definitions, associated calculation methodologies and key assumptions, organizes the regular global non-financial data reporting. The methodology and overall process to report material non-financial indicators, spanning non-financial data collection, reporting and non-financial indicator calculation, are described under Detailed non-financial reporting principles. Galderma has not yet implemented a holistic central non-financial reporting platform and therefore primarily relies on a CSRD reporting Excel, designed for auditability, to aggregate non-financial indicators. Galderma applies learnings from global financial reporting and consolidation methods to continuously strengthen and enhance its non-financial reporting processes, ultimately improving data quality and reliability.

Non-financial data collection and non-financial indicators calculation
Roles and responsibilities for non-financial data collection, reporting and non-financial indicators calculation are typically described in stand-alone standard operating procedures (SOPs) and/or policies. This guarantees data accuracy and comparability across the organization's various locations and reporting periods. Relevant employees are regularly trained on these procedures and any deviations are monitored under the supervision of the central ESG team. Note that for specific non-financial indicators (e.g., Board composition), no specific SOP has been developed. In these cases, the central ESG team is responsible for ensuring robust non-financial data collection and non-financial indicators calculation aligned with the principles and details outlined in our GERM.

Non-financial indicators reporting
We apply a 'four-eyes' principle to validate every non-financial indicator ahead of yearly external reporting. Functional leads oversee and control the collection and reporting of the relevant non-financial data in central non-financial reporting systems throughout the year as per SOPs and policies while functional owners validate non-financial indicators ahead of the yearly external reporting. When significant deviations in non-financial indicators (i.e., +/- ~20%) between reporting periods are recorded, further investigations on drivers of such deviations need to be undertaken in coordination with the central ESG team. To obtain formal validation from functional owners, the central ESG team organizes meetings with all functional leads and owners once the non-financial indicators have been calculated. In these meetings, major fluctuations in non-financial indicators and the rationale behind those are also discussed.

Estimates for yearly reporting
As issuing, collecting or analyzing underlying data for non-financial indicators may take a significant amount of time (e.g., quarterly water bills issued two months after consumption period), functional leads can decide to report estimates to accommodate for fixed yearly publication timeline (i.e., synched with financial reporting). Functional leads must therefore use the previous year's data for the same reporting period, clearly marking that these data are estimates. Any deviation from this approach must be discussed with the ESG reporting lead and properly documented.

Misstatements and restatements
While we strive for fair presentation, consistency and accuracy, some non-financial data collection, consolidation or reporting errors may occur as we strengthen our ESG data governance, our various SOPs and our policies. In the case that non-financial indicators have been incorrectly reported in an annual report, errors will be retroactively corrected, unless stated otherwise, and highlighted in the following year's public report. Changes in methodologies are also clearly indicated in public reports.



Detailed non-financial reporting principles

Non-financial indicator	Definition	Key assumption(s)	Inclusions/exclusions
Number of Class I product recalls	Number of product recalls classified as Class I	Considering as Class I a situation in which there is reasonable probability that the use of or exposure to the defective product may cause serious adverse health consequences (incl. death)	-
Number of other product recalls	Number of product recalls classified as Class II + Number of product recalls classified as Class III	Considering as Class II a situation in which use of or exposure to a violative product may cause temporary or medically reversible adverse health consequences or where the probability of serious adverse health consequences is remote Considering as Class III a situation in which use of or exposure to a violative product is not likely to cause adverse health consequences	-
Percentage of regulatory and notified bodies inspections without critical findings	Number of inspections from regulatory and notified bodies without critical findings / Total number of inspections from regulatory and notified bodies	-	-
Number of major health authority approvals	Number of Injectable Aesthetics major health authority approvals + Number of Therapeutic Dermatology major health authority approvals + Number of Biologics major health authority approvals	Considering one major health authority's approval as either a new license (e.g., new medical device or drug) or a major clinical variation for one country (e.g., EU centralized procedure counting for 30 major regulatory approvals)	Excluding all cosmetics approvals
Total energy consumption	All fuel and energy (i.e., electricity, heat, steam or cooling) consumption from fossil, nuclear and renewable sources (in MWh)	Using full year actual data, when available, and/or estimates based on prior months/year data Using low heating value to derive conversion factors (i.e., measurement units to MWh)	Excluding all feedstocks and fuels that are not combusted for energy purposes Including all Galderma locations (i.e., headquarters, affiliates and manufacturing plants)
Fuel consumption from fossil sources	All fuel consumption from coal, crude oil, petroleum products, natural gas and other fossil sources (in MWh)	Using an average 21,500 Km per car per year when accurate information on fuel use by vehicles owned or leased by Galderma is not available	Excluding allowances for vehicles not owned or leased directly by Galderma
Energy consumption from purchased or acquired electricity, heating, steam or cooling from fossil or nuclear sources	All acquired electricity, heating, steam or cooling from fossil sources (in MWh)	Using actual consumption data (i.e., supplier invoices), when available, or central estimates based on office surface and location Using an average 21,500 Km per car per year when accurate information on fuel use by vehicles owned or leased by Galderma is not available	Including acquired electricity to power electric vehicles owned or leased by Galderma Including all potential energy consumption from purchased or acquired electricity, heating, steam or cooling from nuclear sources
Fuel consumption from renewable sources	All fuel consumption from renewable sources (in MWh)	-	-
Energy consumption from purchased or acquired electricity, heating, cooling, and steam from renewable sources	All acquired electricity, heating, steam or cooling from renewable sources (in MWh)	Taking into account the origin of the purchased electricity, heating, cooling or steam when clearly outlined in the contractual arrangements with the supplier or when covered by a specific market instrument purchased either centrally or locally	Including all purchased or acquired steam, heating or cooling received as 'waste energy' from third parties

Non-financial indicator	Definition	Key assumption(s)	Inclusions/exclusions
Energy consumption from self-generated electricity, heating, cooling, and steam from renewable sources (non-fuel)	All self-generated electricity, heating, steam or cooling from renewable sources (in MWh)	-	Excluding self-generated electricity, heating, cooling and steam from non-renewable sources and/or non-renewable fuels
Total energy consumption intensity	Total energy consumption (in MWh) / Total Galderma Net Sales (in M USD)	Using Galderma Net Sales from our consolidated financial statements	-
Share of renewable energy in total energy consumption	Total energy consumption from renewable sources (in MWh) / Total energy consumption (in MWh)	Calculating total energy consumption from renewable sources as the sum of fuel consumption from renewable sources, energy consumption from purchased or acquired electricity, heating, cooling, and steam from renewable sources and energy consumption from self-generated electricity, heating, cooling, and steam from renewable sources (non-fuel)	-
Total energy consumption from purchased or acquired electricity	Total energy consumption from purchased or acquired electricity from fossil sources (in MWh) + Total energy consumption from purchased or acquired electricity from renewable sources (in MWh)	-	Excluding all self-generated electricity
Share of renewable electricity in total electricity consumption	Total energy consumption from purchased or acquired electricity from renewable sources (in MWh) / Total energy consumption from purchased or acquired electricity (in MWh)	-	-
Total GHG emission	Gross Scope 1 emissions (in tons of CO_2 equivalent) + Gross Scope 2 emissions (in tons of CO_2 equivalent) + Gross Scope 3 emissions (in tons of CO_2 equivalent)	Using both location- and market-based calculation methods	Excluding potential carbon offsets Note that 2024 emissions are not comparable with 2025 emissions due to the inclusion of emissions from all vehicles owned or leased by Galderma, the improvement of our data collection and the selective adjustment of calculation methodologies
Gross Scope 1 emissions	All direct GHG emissions that result from sources owned or controlled by Galderma and directly attributable to Galderma's operations and activities (in tons of CO_2 equivalent)	Using actual/estimated energy data multiplied by respective emission factors from various sources (e.g., IEA, DEFRA), with calculation methodologies aligned with the GHG Protocol Using an average 21,500 Km per car per year when accurate information on fuel use by vehicles owned or leased by Galderma is not available and using DEFRA 2025 emission factors for an average car for each car type (i.e. diesel, gasoline and hybrid)	Including: • Stationary combustion (i.e., emissions released from industrial processes) • Mobile combustion (i.e., emissions released from diesel, gasoline or hybrid vehicles owned or leased by Galderma) • Fugitive emissions (i.e., emissions released from leaks and other irregular releases of gases or vapors from pressurized containment separated by HFC-134A, HFC-407C, HFC-410A and Other Refrigerants)

Non-financial indicator	Definition	Key assumption(s)	Inclusions/exclusions
Gross Scope 2 emissions (location-based)	All indirect greenhouse gas (GHG) emissions that result from energy purchased by Galderma, using the average energy generation emission factors for defined locations, including local, subnational, or national boundaries	Using actual/estimated energy data multiplied by respective emission factors from various sources (e.g., IEA, DEFRA, NGER & NGA, U.S. EPA eGRID, RE-DISS), with calculation methodologies aligned with the GHG Protocol Using a market-based emission factor of 0 when energy attribute certificates covering the entirety of the consumption are either locally or centrally purchased Using the location-based emission factor when a market-based emission factor is not available	Including: • Purchased electricity (i.e., emissions released by the generation of electricity purchased from a utility or supplier used by Galderma in its operations or to power vehicles owned or leased by Galderma), • Purchased heating or cooling (i.e., emissions released by the generation of heating or cooling used in buildings from a utility or supplier), • Purchased steam (i.e., emissions released by the generation of steam used in production process from a utility or supplier).
Gross Scope 2 emissions (market-based)	All indirect GHG emissions that result from energy purchased by Galderma, using the actual emissions emitted by the generators from which Galderma contractually purchases electricity bundled with instruments or unbundled instruments		
Gross Scope 3 emissions	All relevant indirect GHG emissions that occur throughout Galderma's value chain (including both upstream and downstream) (in tons of CO2 equivalent)	Using different calculation methodologies, aligned with the GHG Protocol, depending on data availability, including spend-based, activity-based or average-based	Including Scope 3 categories deemed relevant for Galderma: • Category 1 – Purchased goods and services • Category 2 – Capital goods • Category 3 – Fuel- and energy-related activities • Category 4 – Upstream transportation and distribution • Category 5 – Waste generated in operations • Category 6 – Business travel • Category 7 – Employee commuting
Category 1 – Purchased goods and services	All upstream, cradle-to-gate, GHG emissions from the production of products purchased or acquired by Galderma (in tons of CO2 equivalent)	Using the average-data method for our top 50 raw materials and packaging components and assigning emission factors from the Ecoinvent database Using the spend-based method for rest of purchased raw materials, packaging components and finished products (from Contract Manufacturing Organizations), grouping spend by NAICS Code and assigning emission factors from the USEEIO database	Only including emissions from purchased goods (i.e., raw materials, packaging components and finished products) Note that differences between 2025 and 2024 emission data are driven by more accurate and complete data collection
Category 2 – Capital goods	All upstream, cradle-to-gate, GHG emissions related from the production of capital goods purchased or acquired (in tons of CO2 equivalent)	Using the average spend-based method, grouping spend by NAICS Code and assigning emission factors from the USEEIO database	-
Category 3 – Fuel- and energy-related activities	All GHG emissions related to the production of fuels and energy purchased and consumed (in tons of CO2 equivalent)	Using the average-data method, leveraging detailed activity data from Scope 1&2 calculation and assigning emissions factors from the DEFRA database	-
Category 4 – Upstream transportation and distribution	All GHG emissions related to the third-party transportation and distribution of Galderma products i.e., intercompany and primary distribution (in tons of CO2 equivalent)	For intercompany transportation, using the distance-based method, leveraging aggregated tonne-kilometer data for each transportation leg and assigning emission factors by transportation mean (i.e., road, sea, air short haul, air medium haul, air long haul) from the DEFRA database For primary distribution, using a mix between the distance-based method and the spend-based method, leveraging either aggregated ton. km data for each transportation leg when available or spend data by transportation leg and assigning standard road transport emission factor from the DEFRA database	Only including emission from transportation that Galderma directly pays for Note that differences between 2025 and 2024 emission data are driven by more accurate and complete data collection as well as adjustments in calculation methodologies (i.e., transitioning to detailed activity-based by transportation leg for inter-company transportation)

Non-financial indicator	Definition	Key assumption(s)	Inclusions/exclusions
Category 5 – Waste generated in operations	All GHG emissions related to third-party disposal and treatment of waste generated in Galderma's four manufacturing plants (in tons of CO2 equivalent)	Using the waste-type-specific method, leveraging detailed waste and treatment type data and assigning emission factors from the DEFRA database	Only including waste generated in Galderma's four manufacturing plants Note that differences between 2025 and 2024 emission data are driven by more accurate and complete data collection
Category 6 – Business travel	All GHG emissions from the transportation of employees for business-related activities (in tons of CO2 equivalent)	Using the fuel-based method, leveraging detailed emissions data (incl. RFI and WTT) from Galderma's travel management provider and estimating the total percentage of all business travel carried through the provider	Excluding all car allowances
Category 7 – Employee commuting	All GHG emissions from the transportation of employees between their homes and the workplace (in tons of CO2 equivalent)	Using the average-data method, leveraging the average yearly number of employees and commuting days per country and assigning emission factors from the DEFRA database (incl. 25% WTW adjustment)	-
Total GHG emission intensity	Total GHG emissions (in tons of CO2 equivalent) / Total Galderma Net Sales (in M USD)	Using Galderma Net Sales from our consolidated financial statements	Note that 2024 emissions are not comparable with 2025 emissions due to the inclusion of emissions from all vehicles owned or leased by Galderma, the improvement of our data collection and the selective adjustment of calculation methodologies
Total volume of water consumed in operations	Total volume of water withdrawn in operations (in m3) – Total volume of water discharged in operations (in m3)	Using full-year actual data, when available, and/or estimates based on prior months/year data	Only including water consumed, withdrawn and discharged in processes owned or controlled by Galderma (all water consumed in Galderma's production facilities in Alby-sur-Chéran (France), Baie-d'Urfé (Canada), Hortolândia (Brazil) and Uppsala (Sweden)) – note that affiliate water consumption is not included in this indicator
Volume of water withdrawn in operations	Volume of water taken from natural sources by Galderma for its operations (in m3)	-	Including surface water, groundwater, seawater, produced water, third-party water
Volume of water discharged in operations	Volume of water released by Galderma into the environment after its use in operations (in m3)	-	-
Water consumption intensity in operations	Total volume of water consumed in operations (in m3) / Total Galderma Net Sales (in M USD) OR Total volume of water consumed in operations (in m3) / Total Gross Production (in bulk tons)	Using both Net Sales and Gross Production intensity calculation methods Using Galderma Net Sales from our consolidated financial statements	-
Water withdrawal intensity in operations	Total volume of water withdrawn in operations (in m3) / Total Galderma Net Sales (in M USD) OR Total volume of water withdrawn in operations (in m3) / Total Gross Production (in bulk tons)	Using both Net Sales and Gross Production intensity calculation methods Using Galderma Net Sales from our consolidated financial statements	-

Non-financial indicator	Definition	Key assumption(s)	Inclusions/exclusions
Total amount of waste generated in operations	Amount of hazardous waste generated in operations (in tons) + Amount of radioactive waste generated in operations (in tons) + Amount of non-hazardous waste generated in operations (in tons)	Using full-year actual data, when available, and/or estimates based on prior months/year data	Only including waste generated in manufacturing operations owned or controlled by Galderma (all waste generated in Galderma's production facilities in Alby-sur-Chéran (France), Baie-d'Urfé (Canada), Hortolândia (Brazil) and Uppsala (Sweden)) – note that affiliate waste is not included in this indicator
Amount of hazardous waste generated in operations	All hazardous (non-radioactive) waste generated in Galderma's operations (in tons)	-	Including all waste that qualify under Annex 3 of Directive 2008/98/EC (excluding radioactive waste)
Amount of radioactive waste generated in operations	All radioactive waste generated in Galderma's operations (in tons)	-	Including all waste that qualify under Article 3, Letter 7 of Directive 2011/70/Euratom incl. radioactive material in gaseous, liquid or solid form
Amount of non-hazardous waste generated in operations	All non-hazardous waste generated in Galderma's operations (in tons)	-	Including all waste that do not qualify as hazardous under Annex 3 of Directive 2008/98/EC or as radioactive under Article 3, Letter 7 of Directive 2011/70/Euratom
Waste generation intensity in operations	Total amount of waste generated in operations (in tons) / Total Galderma Net Sales (in M USD) OR Total amount of waste generated in operations (in kg) / Total Gross Production (in bulk tons)	Using both Net Sales and Gross Production intensity calculation methods Using Galderma Net Sales from our consolidated financial statements	-
Total number of HCPs educated, trained and engaged through medical awareness activities	Number of HCPs educated and trained through GAIN + Number of HCPs engaged through medical awareness activities	Considering single training contact points – one HCP can be trained, educated or engaged in medical awareness activities more than once	Including all HCPs trained during GAIN events, HCPs engaged during congresses, via medical education, through MSLs and Medical Information Inquiries
Number of fatalities as a result of work-related accidents or work-related ill health	Number of fatalities as a result of work-related accidents + Number of fatalities as a result of work-related ill health	-	-
Number of recordable work-related accidents	Number of recordable work-related accidents in manufacturing plants + Number of recordable work-related accidents in affiliates	-	Including all work-related accidents that result in days lost, excluding accidents that result in loss of life
Rate of recordable work-related accidents	(Number of recordable work-related accidents + Number of fatalities as a result of work-related accidents) / Total number of hours worked by employees x 1,000,000	Estimating the total number of hours worked by employees using the overall standard hours of work and considering entitlements to periods of paid leave of absence from work	-
Number of days lost to cases of recordable work-related accidents	Total number of working days that employees are unable to work due to work-related accidents	Considering all calendar days (including weekends or public holidays) that employees are off work, starting from the day after the incident occurs, and covering the entire period until the employee can return to their regular duties or leaves Galderma	-
Total number of employees	Number of full-time Galderma employees + Number of part-time Galderma employees	Only considering employees with a Galderma work contract Reporting situation as of 31.12 of each year, assessed in headcount	Including garden leave, sick leave, maternity, or paternity leave and temporary Galderma employees (e.g., fixed-term, intern, apprentice)

Non-financial indicator	Definition	Key assumption(s)	Inclusions/exclusions
Share of women in Galderma workforce	Total number of female Galderma employees / Total number of Galderma employees	Only considering employees with a Galderma work contract Reporting situation as of 31.12 of each year, assessed in headcount	Including garden leave, sick leave, maternity, or paternity leave and temporary Galderma employees (e.g., fixed-term, intern, apprentice)
Share of women in Galderma management	(Female CEO direct reports (i.e., executive leadership)) + Female executive leadership direct report) / (CEO + CEO direct reports (i.e., executive leadership) + Executive leadership direct reports)	Only considering employees with a Galderma work contract Reporting situation as of 31.12 of each year, assessed in headcount Not double-counting employees holding ad-interim position (incl. potential inherited direct reports)	Excluding specific management support roles (e.g., executive assistant, chief of staff)
Completion of end-of-year performance review	Total number of employees who completed their end-of-year performance review / Total number of employees	Using Galderma's HR reporting system to compute the percentage	Excluding out-of-scope employees (e.g., employees on leave)
Share of affiliates with Great Place To Work® certificates	Total number of countries where at least one Galderma location has obtained a Great Place to Work certificate® / Total number of countries where Galderma has direct presence	Considering a country where Galderma has direct presence as a country with a physical Galderma location, either a manufacturing plant, a sales affiliate or an office (e.g., headquarters, global capability center)	Including certifications equivalent to Great Place To Work®
Share of spend covered through a compliant audit	Total external spend covered through a compliant audit / Total external spend	-	Excluding all spend that cannot be influenced by procurement (e.g., fixed rates, credit card expenses)
Total number of incidents reported through our Speak Up platform or an equivalent channel	Number of incidents on the ground of harassment + Number of incidents of retaliation + Number of incidents of other inappropriate behaviors	Considering all complaints that have been reported through our Speak up platform or an equivalent channel and that have been substantiated as cases following internal investigations (i.e., that have led to sanctions) during the reporting year	Only including incidents related to 'employee relationship' issues (i.e., harassment, retaliation and other inappropriate behaviors)
Share of employees that have completed Galderma's ethics and compliance training	Number of employees that have completed Galderma's training on ethics and compliance / Total number of employees	Using Galderma's internal learning and development reporting system to compute the share	Excluding out-of-scope employees (e.g., employees on leave)

Independent limited assurance report on selected sustainability information of Galderma Group AG

To the Board of Directors of Galderma Group AG, Zug

We have conducted a limited assurance engagement on the Sustainability Information of Galderma Group AG (the company) of selected key performance indicators of the 2025 Annual Report on pages 148, 149, 153, and 156, which are marked with the symbol ✪ .

Understanding how Galderma Group AG has Prepared the Sustainability Information

Galderma Group AG prepared the Sustainability Information using the following criteria (hereinafter referred to as the "Sustainability Reporting Criteria"):

- Internally developed criteria as outlined in the section “Basis for non-financial preparation” included within the 2025 Annual Report on pages 164 to 171

Consequently, the Sustainability Information needs to be read and understood together with these standards and criteria.

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the *‘Summary of the work we performed as the basis for our assurance conclusion’* and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the Sustainability Reporting Criteria.

We do not express an assurance conclusion on information in respect of earlier periods or future looking information included in the 2025 Annual Report, information included in the 2025 Financial Report, information linked from the 2025 Annual Report, information linked from the 2025 Financial Report or any images, audio files or embedded videos.

Inherent Limitations in Preparing the Sustainability Information

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Galderma Group AG’s Responsibilities

The Board of Directors of Galderma Group AG is responsible for:

- selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable law and regulations related to reporting the Sustainability Information;
- the preparation of the Sustainability Information in accordance with the criteria; and
- designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our independent conclusion to the Board of Directors of Galderma Group AG.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by the Board of Directors, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000)* and in respect of greenhouse gas emissions, with the International Standard on Assurance Engagements 3410 *Assurance Engagements on Greenhouse Gas Statements (ISAE 3410)*, issued by the International Auditing and Assurance Standards Board (IAASB).

Our 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)* issued by 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 work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Information included, among others:

- assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring sustainability performance data, including the consolidation of data;
- inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- inspection of selected internal and external documents to determine whether quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- assessment of the data collection, validation and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- analytical assessment of the data and trends of the quantitative disclosures included in the scope of the limited assurance engagement; and
- assessment of the consistency of the disclosures applicable to Galderma Group AG with the other disclosures and key figures and of the overall presentation of the disclosures through critical reading of the 2025 Annual Report.

The 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 we performed a reasonable assurance engagement.

KPMG AG

Stéphane Nusbaumer
Licensed Audit Expert

Axel Pfeiffer
Licensed Audit Expert

Zug, 4 March 2026

Part 4

4

CORPORATE GOVERNANCE

Galderma is committed to the principles of best corporate governance and practice, which we believe benefit our strategy and objectives while at the same time strengthening our relationships with investors, employees, customers, suppliers and other business partners.

Our Corporate Governance Report presents the structure, rules and processes that form the basis of Galderma's corporate governance. This report follows the structure of the SIX Swiss Exchange Directive on Information relating to Corporate Governance (DCG) and reflects the recommendations of the Swiss Code of Best Practice for Corporate Governance (the Swiss Code), issued by the Swiss Business Federation (*economiesuisse*), both as in force on December 31, 2025.

To avoid duplication of information, cross-references to other parts of the Annual Report are made in some sections, namely to the Consolidated Financial Statements and the Compensation Report. The principles and rules of Galderma's corporate governance are additionally outlined in the Articles of Association and in the Organizational Regulations of Galderma Group AG.

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1 Group structure

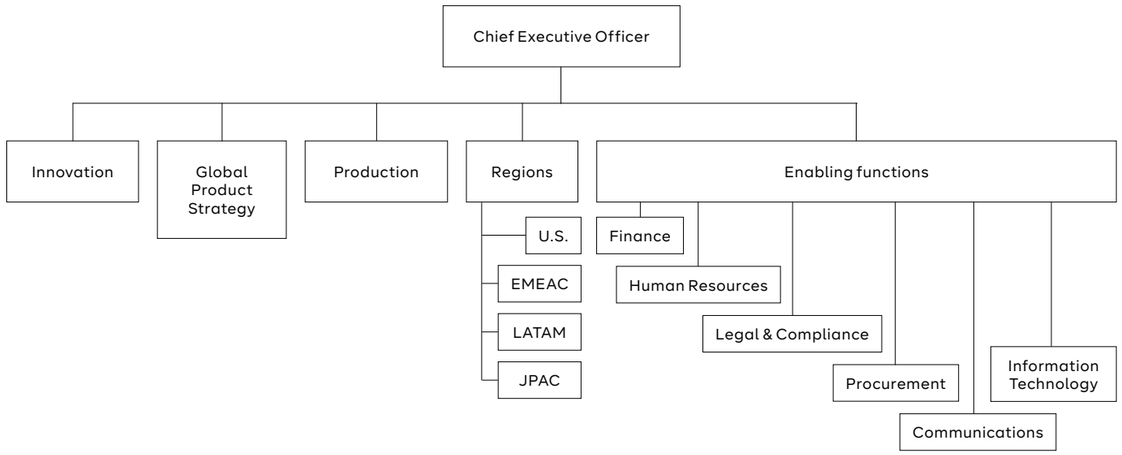
1.1.1 Galderma's operational group structure

The company's operational structure as of December 31, 2025 is shown on the graph below. Galderma's Executive Committee is comprised of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Global Head of Operations and Chief Human Resources Officer (CHRO). Note that the CHRO role transitioned in October 2025, after which it was led on an *ad interim* basis through year-end.

Research & Development (R&D) includes Clinical Development, Global Medical Affairs, Global Regulatory Affairs, Project Management and Early Development, Product Development, Global Pharmacovigilance, and Program Leadership for Injectable Aesthetics and nemolizumab.

Global Product Strategy consists of Strategy and Marketing, Access and Pricing, Commercial Operations and Customer Education.

Operations includes Manufacturing, Quality and Supply Chain.



Galderma operates in the following regions: U.S., EMEAC, LATAM and JPAC. Galderma reports financial results by two geographies: U.S. and International markets, the latter including EMEAC, LATAM and JPAC.

Enabling functions consist of Finance, Human Resources, Communications, Legal & Compliance, IT and Procurement.

Galderma's business focuses on the three main market segments, namely Injectable Aesthetics, Dermatological Skincare and Therapeutic Dermatology.

Injectable Aesthetics		Dermatological Skincare	Therapeutic Dermatology
Neuromodulators	**Fillers & Biostimulators**		
Dysport (abobotulinumtoxinA)	Restylane	Cetaphil	nemluvio (nemolizumab-ilto) for injection
Alluzience Botulinum toxin type A	SCULPTRA	ALASTIN by GALDERMA	EPIDUO FORTE, AKLIEF
Azzalure Botulinum toxin type A			ORACEA, soolantra (ivermectin) 10 mg/g CREAM
relfydess toxinum botulinicum typum A			metvix, Tetralysal
			BENZAC, DIFFERIN
			LOCERYL

1.1.2 All listed companies belonging to the Galderma Group

Galderma is organized as a group of companies (the Galderma Group) of which Galderma Group AG (Galderma or the Company) is the ultimate parent company. The Company's registered offices are at Zählerweg 10, CH-6300 Zug, Switzerland.

Its shares have been listed on the SIX Swiss Exchange in Switzerland (ISIN: CH1335392721, ticker symbol: GALD, valor number: 133.539.272) since March 22, 2024.

On December 31, 2025, the market capitalization of Galderma was CHF 38.48 billion CHF.

Except for the Company, there are no other listed companies belonging to the Galderma Group.

1.1.3 Non-listed companies belonging to Galderma Group

The non-listed companies belonging to Galderma Group AG as of December 31, 2025 can be found in the Finance Report on pages 279–280.

1.2 Significant shareholders

To the best of the Company's knowledge, the following shareholders had holdings reaching or exceeding 3% of the voting rights in the Company, as notified in accordance with Art. 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA):

As of February 14, 2026, the shareholder group including EQT Fund Management S.à r.l., Luxembourg (as a fund management company of certain collective investment schemes), Abu Dhabi Investment Authority, Abu Dhabi; AE Government of Singapore, Singapore; and L'Oréal S.A., Paris, held directly or indirectly through Sunshine SwissCo GmbH, Zug (for EQT Fund Management S.à r.l.) 82,374,839 registered shares, relating to 34.626% of the voting rights in the Company. The representative of the shareholder group is EQT Fund Management S.à r.l., Luxembourg.

For further details of the group of sellers relating to the type and details of the understanding, and the participation structure of the beneficial owners, please refer to the detailed notification on the SIX Swiss Exchange significant shareholders disclosure platform.

As of February 14, 2026, EQT VIII Co-Investment (D) SCSp held 25,512,022 registered shares, relating to 10.724% of the voting rights in the Company (including voting rights in relation to securities lending or comparable transactions and voting rights delegated by a third party for exercise at one's own discretion according to Art. 120 para. 2 FinMIA). For further details relating to the type and details of participation, please refer to the detailed notification on the SIX Swiss Exchange significant shareholders disclosure platform.

As of December 24, 2025, UBS Fund Management (Switzerland) AG, Basel, Switzerland, held 7,848,144 registered shares, relating to 5.338% of the voting rights in the Company. For further details, please refer to the detailed notification on the SIX Swiss Exchange significant shareholders disclosure platform.

As of February 28, 2026, BlackRock, Inc., New York, US, held 10,706,619 registered shares, relating to 5.113% of the voting rights in the Company (including voting rights in relation to securities lending or comparable transactions and voting rights delegated by a third party for exercise at one's own discretion according to Art. 120 para. 2 FinMIA). For further details relating to the type and details of participation as well as purchase positions held as derivative holdings, please refer to the detailed notification on the SIX Swiss Exchange significant shareholders disclosure platform.

The most recent notifications and any further disclosure notifications submitted and published throughout 2025 can be found at the SIX Swiss Exchange significant shareholder disclosure platform. The exact number of shares held by the relevant shareholder or shareholder groups may have changed since the date of their latest shareholder's notification.

1.3 Cross-shareholdings

Galderma has not entered into any cross-shareholdings exceeding 5% of the holdings of capital or voting rights on both sides.

2. CAPITAL STRUCTURE

2.1 Ordinary capital

The ordinary share capital of the Company amounts to 2,378,976.35 CHF and is divided into 237,897,635 fully paid-in registered shares with a par value of 0.01 CHF each.

2.2 Capital band and conditional capital

Following are summaries of the Company's capital band (Art. 4a of the Articles of Association) and two categories of conditional share capital (Arts. 4b and 4c of the Articles of Association).

2.2.1 Capital band (capital range)

The Company has a capital band (capital range) of 2,260,027.53 CHF (lower limit) to 2,616,873.98 CHF (upper limit). Within this range, the Board of Directors is authorized to increase or reduce the share capital one or several times and by any amounts until March 12, 2029, by the latest.

The capital increase or reduction can be effected by issuing fully paid-in registered shares with a par value of 0.01 CHF each and canceling registered shares with a par value of 0.01 CHF each, as applicable; by increasing or reducing the par value of the existing shares within the limits of the capital range; or by simultaneous reduction and re-increase of the share capital.

For further details regarding the capital range, please refer to Art. 4a of the Articles of Association.

2.2.2 Conditional capital for employee participation

Galderma's share capital may be increased through the issuance of a maximum of 23,789,763 fully paid-in registered shares with a par value of 0.01 CHF each to a maximum amount of 237,897.63 CHF for the purpose of employee participation plans, taking into account the compensation principles pursuant to Art. 29 of the Articles of Association. The capital increase can be conducted through the exercise or mandatory exercise of rights to acquire shares, which were granted to or imposed on, among others, members of the Board of Directors, members of the Executive Committee, employees, contractors or consultants of the Company.

For further details regarding the conditional capital for employee participation, please refer to Art. 4b of the Articles of Association.

2.2.3 Conditional capital for financing or acquisitions and other purposes

Galderma's share capital may be increased through the issuance of a maximum of 23,789,763 fully paid-in registered shares with a par value of 0.01 CHF each to a maximum amount of 237,897.63 CHF. The capital increase can be conducted through the exercise or mandatory exercise of conversion, exchange, option, subscription or other rights to acquire shares or through obligations to acquire shares, which were granted to or imposed on shareholders or third parties alone or in connection with bonds, notes, options, warrants or other securities or contractual obligations (the Financial Instruments). The main conditions of such Financial Instruments are determined by the Board of Directors.

For further details regarding the conditional capital for financing and acquisitions, please refer to Art. 4c of the Articles of Association.

2.3 Changes in capital

The Company was incorporated on February 7, 2022, at which time the issued share capital amounted to 100,000 CHF, divided into 10,000,000 fully paid-in registered shares with a nominal value of 0.01 CHF each. On March 5, 2024, the Company increased its share capital to 2,000,000 CHF, divided into 200,000,000 fully paid-in registered shares with a nominal value of 0.01 CHF each; created a capital range of 1,900,000 CHF (lower limit) to 2,200,000 CHF (upper limit) for various purposes (Art. 4a of the Articles of Association); created conditional share capital for employee participation in the amount of 200,000 CHF (Art. 4b of the Articles of Association); and created conditional share capital for financing, acquisitions and other purposes in the amount of 200,000 CHF (Art. 4c of the Articles of Association). In preparation of the initial public offering, on March 21, 2024, the Company increased the share capital by way of an ordinary capital increase from 378,976.35 CHF to 2,378,976.35 CHF divided into 237,897,635 fully paid-in registered shares with a nominal value of 0.01 CHF to source the shares in the initial public offering; increased the upper limit of the capital range for various purposes (Art. 4a of the Articles of Association) to 2,616,873.98 CHF; increased the conditional share capital for employee participation (Art. 4b of the Articles of Association) to 237,897.63 CHF; and increased the conditional share capital for financing, acquisitions and other purposes (Art. 4c of the Articles of Association) to 237,897.63 CHF.

Since its initial listing of the shares on SIX Swiss Exchange on March 22, 2024, until the date of this Report, the Company has not changed its share capital.

2.4 Shares and participation certificates

As of December 31, 2025, Galderma's capital is composed of 237,897,635 registered shares with a nominal value of 0.01 CHF each, fully paid up.

The Company may issue its registered shares as uncertificated securities pursuant to Art. 973c or 973d of the Swiss Code of Obligations (CO), as intermediated securities in the sense of the Federal Intermediated Securities Act (FISA), or in the form of single or global certificates. A shareholder has no right to request a conversion of the registered shares issued in one form into another form.

Shareholders have the right to receive dividends. Each share recorded in the share register as a share with voting rights has one vote. See also Section 2.6.1 below on this point.

Galderma has not issued participation certificates (*Partizipationsscheine*).

2.5 Dividend right certificates

Galderma has not issued any dividend right certificates (*Genussscheine*).

2.6 Limitations on transferability and nominee registrations

2.6.1 Limitations on transferability along with an indication of group clauses in the Articles of Association and rules for granting exceptions

For as long as the shares are intermediated securities, within the meaning of the FISA, any transfer and collateralization of shares must be made in accordance with the FISA. Specifically, any transfer of shares is effected by a corresponding entry in the securities deposit account of a bank or a depository institution and no shares can be transferred by way of assignment. The Company maintains a share register and records the full name, address and citizenship (in the case of legal entities, the company name and registered office) of the shareholders and usufructuaries therein.

Purchasers of registered shares who declare that they have acquired those shares in their own name and for their own account will be entered without limitation in the share register as registered shareholders with voting rights. Persons who do not declare having acquired the respective shares in their own name and for their own account are considered 'Nominees.' The Board of Directors may register Nominees as shareholders with voting rights if the Nominee has entered into an agreement with the Company regarding its position and is subject to a recognized bank or financial market supervision. In the year under review, no agreement with Nominees was entered into by the Company. The Board may, after having heard the concerned registered shareholder or Nominee, cancel entries in the share register that were based on false or misleading information with retroactive effect as of the date of entry. The Articles of Association do not contain any group clauses.

In special cases, the Board of Directors may grant exceptions from the rules concerning Nominees.

For further details regarding voting rights restrictions and representation at the shareholders' meeting, please refer to Art. 6 of the Articles of Association and Section 6.1 of this report.

2.6.2 Reasons for granting exceptions in the year under review

In the year under review, no exemptions to Nominees or shareholders were granted.

2.6.3 Admissibility of nominee registrations, indication of percent clauses and registration conditions

Please refer to Sections 2.6.1 and 2.6.2 of this report.

2.6.4 Procedure and conditions for canceling statutory privileges and limitations on transferability

Please refer to Section 6.1.3 of this report.

2.7 Convertible bonds and options

As of December 31, 2025, there were no outstanding convertible bonds or options issued by the Galderma Group.

Details of the Galderma Long-Term Incentive Plan, which provides Galderma employees with certain rights to Galderma shares, are included in the Compensation Report 2025.

3. BOARD OF DIRECTORS

The Board of Directors is responsible for Galderma's overall direction and oversight of management, and holds the ultimate decision-making authority, with the exception of matters reserved for shareholders.

The Company believes that the composition of the Board of Directors should reflect the Company's objectives, strategic requirements, geographical reach and culture. The Board of Directors should further be diverse in terms of gender, nationality, geography/region and business experience. In furtherance of this, the Board of Directors has determined a wide range of skills to ensure that all members are fully qualified, committed and will devote the necessary time and effort to effectively perform their responsibilities.

All Board members are elected annually in accordance with Swiss corporate law and Galderma's Articles of Association.

Name	Year of birth	Education/qualifications	Nationality	First election	Mandate expires at
Thomas Ebeling, *Chair*	1959	• Degree in Psychology	Swiss / German	2022	AGM 2026
Sherilyn (Sheri) McCoy, *Vice-Chair*	1958	• Bachelor's degree in Textile Chemistry • Master's degree in Chemical Engineering • MBA Rutgers University	U.S.	2022	AGM 2026
Michael Bauer, *Member*	1976	• Master's degree in Business Administration • MBA University of Chicago Booth Business School	Swiss	2022	AGM 2026
Marcus Brennecke, Member	1961	• MBA University of St. Gallen, majoring in Corporate Finance and Accounting	German	2024	AGM 2026
Daniel (Dan) Browne, *Member*	1961	• MBA Pepperdine Graziadio Business School	U.S.	2022	AGM 2026
Maria Teresa (Tessa) Hilado, *Member*	1964	• Bachelor's degree in Management Engineering • MBA, University of Virginia, Darden Graduate School	U.S. / Philippines	2022	AGM 2026
Karen Ling, *Member*	1963	• Bachelor's degree in Economics • Juris doctorate	U.S.	2022	AGM 2026
Roberto Marques, *Member*	1965	• Executive Program, The Wharton School of the University of Pennsylvania • Executive Program, Kellogg School of Management • Undergraduate degree in Business Administration, Fundação Getulio Vargas	U.S. / Brazilian	2025	AGM 2026
Dr. Flemming Ørnskov, *Member*	1958	• Doctor of Medicine • Master of Public Health, Harvard University School of Public Health • MBA INSEAD	Danish / Swiss	2022	AGM 2026

The following core skills matrix highlights the primary areas of core competencies for each Board member based on their educational background, professional experience and personal achievements.

	Chair	Vice-Chair							CEO
									
	Thomas Ebeling	**Sherilyn McCoy**	**Michael Bauer**	**Roberto Marques**	**Daniel Browne**	**Maria Teresa Hilado**	**Karen Ling**	**Marcus Brennecke**	**Dr. Flemming Ørnskov**
Independence									
Independence	☑	☑		☑	☑	☑	☑		
Core compentencies									
Injectable Aesthetics	☑				☑	☑	☑		☑
Dermatological Skincare	☑	☑		☑					☑
Therapeutic Dermatology	☑	☑	☑		☑				☑
Executive experience	☑	☑	☑	☑	☑	☑	☑	☑	☑
International markets	☑	☑		☑	☑	☑	☑	☑	☑
Finance, audit and risk management			☑	☑		☑		☑	
Sustainability		☑		☑					
Digital, technology	☑								
Human resources, compensation	☑			☑			☑	☑	
Legal, ethics and compliance		☑					☑		

3.1 Members of the Board of Directors

The Board of Directors consists of nine board members. For more information, see Section 3.3.

3.2 Information on executive/non-executive members of the Board of Directors

With the exception of Dr. Flemming Ørnskov, all members of the Board of Directors are non-executive members.

All non-executive members of the Board of Directors were not previously members of the Galderma management team.

All other members of the Board of Directors are independent as defined in the Swiss Code with the exception of Dr. Flemming Ørnskov, who is CEO of Galderma, and Michael Bauer and Marcus Brennecke, who are employees of EQT Partners – one of the significant shareholders of the Company (for further information on the significant shareholders, see Section 1.2).

3.3 Professional background and other activities and functions

THOMAS EBELING

- German and Swiss citizen
- Born in 1959
- Chair of the Board of Directors
- Chair of the Strategy, ESG & Nomination Committee
- Member of the Compensation Committee

Thomas Ebeling was the Chair of the Advisory Committee of the Group from 2019 through the Company's initial public offering, and has been the Chair of the Board of Directors of the Company since its initial public offering. His experience includes marketing and management, including his role as Marketing Director and then General Manager of Pepsi-Cola Germany (1993–1996). In 1997, Thomas Ebeling joined Novartis, where he gained extensive knowledge of the pharmaceutical industry as a member of the Executive Committee of Novartis (1998); as the CEO of Novartis Nutrition (1998–2000); as the CEO of Novartis Pharmaceuticals (2000–2007); and as the CEO of Novartis Consumer Health (2007–2008). From 2009 to 2018, he also served as CEO of ProSiebenSat.1 Media SE. He previously served as a non-executive director on the boards of Bayer, Lonza, Ocean Outdoor, GfK SE and Qiagen, NV. In addition to his position as a member of the Board of Directors of the Company, he currently serves on the boards of directors of SHL Medical, Recipharm, Karo Healthcare AB and Heilpflanzenwohl, and is on the Advisory Board of Moonfare. He holds a degree in psychology from the University of Hamburg.

SHERILYN (SHERI) MCCOY

- U.S. citizen
- Born in 1958
- Vice-Chair of the Board of Directors
- Member of the Strategy, ESG & Nomination Committee

Sherilyn (Sheri) McCoy was a member of the advisory committee of the Group from 2019 through the Company's initial public offering, and has been the Vice-Chair of the Board of Directors of the Company since its initial public offering. Her extensive experience in healthcare includes roles of increasing responsibility within pharmaceutical and consumer groups, as well as the position of Chair of the surgical care group at Johnson & Johnson (1982–2012), where she ultimately served as Vice-Chair of the Executive Committee and member of the office of the Chairman. She was the Chief Executive Officer and a member of the Board of Directors for Avon Products Inc. (2012–2018), which provided her with further experience in mergers & acquisitions (M&A), emerging markets and leading complex global organizations. In addition to her position as a member of the Board of Directors of the Company, she currently serves on several boards of directors in the healthcare industry, including AstraZeneca Plc., Stryker Corporation (Lead Independent Director), Kimberly-Clark Corporation (Lead Independent Director), Parexel (Chair), Sail Biomedicines (Member of the Board) and Dechra Pharmaceuticals (Chair).

MICHAEL BAUER

- Swiss citizen
- Born in 1976
- Non-executive member of the Board of Directors
- Member of the Finance and Audit Committee
- Member of the Strategy, ESG & Nomination Committee

Michael Bauer was a member of the Advisory Committee of the Group from 2019 through the Company's initial public offering, and has been a member of the Board of Directors of the Company since its initial public offering. He joined EQT Partners in 2009 and is currently a partner and Global Co-Head of EQT's Healthcare Sector team. Michael is a member of the Equity Partners Fund Investment committee and serves as the chairman of the investment committee of EQT's Healthcare Growth strategy. In addition to his position as a member of the Board of Directors of the Company, he currently serves on the boards of SPT Labtech (via holding company Seaport Topco Limited), of Viturin AG (as Chair) and EQT Partners AG, and is a member of the Advisory Committee to the Board of Dechra Pharmaceuticals. He holds an MBA from the University of St. Gallen and an MBA from the University of Chicago Booth School of Business.

MARCUS BRENNECKE

- German citizen
- Born in 1961
- Non-executive member of the Board of Directors
- Member of the Compensation Committee until April 23, 2025

Marcus Brennecke was a member of the Advisory Committee of the Group from 2023 through the Company's initial public offering, has been a member of the Board of Directors of the Company since its initial public offering, and a member of the Compensation Committee until the 2025 Annual General Meeting of the Company. He joined EQT Partners in 2005 and is currently a member of both the Equity Partners Fund Investment committees, Member of the Portfolio Review Committees within EQT Equity, -Future and -Growth and a Member of the Global Investment Forum. Prior to joining EQT Partners, he held various positions at Axel Springer SE (1987–1994) and in private equity (2001-2004), as Managing Partner at Schoeller Metternich Brennecke, Founder and Member of the Supervisory Board at Initium AG (2000), Managing Partner at Juventas AG (1996–2000), and Investment Manager at CHA Holding AG (1994–1996). He has extensive knowledge in various industries, having formerly served on several boards – including BSN medical GmbH, Carl Zeiss Vision International GmbH, CBR Fashion Holding GmbH, Duni AB, Springer SBM One GmbH, Tognum AG, Kabel BW (formerly known as Kabel Baden-Württemberg) GmbH & Co. KG, WS Audiology Pte. Ltd., Cerba HealthCare S.A.S., Ottobock SE & Co. KGaA and Recipharm AB. Moreover, Marcus is Founder and Owner of his Family office BBA CapitalPartners GmbH and sits on the board of Limpio HoldCo GmbH & Co KG (parent of Schülke & Mayr GmbH). He holds an MBA, majoring in Corporate Finance and Accounting, from the University of St. Gallen.

DANIEL (DAN) BROWNE

- U.S. citizen
- Born in 1961
- Non-executive member of the Board of Directors
- Member of the Finance and Audit Committee

Daniel (Dan) Browne was a member of the Advisory Committee of the Group from 2020 through the Company's initial public offering, and has been a member of the Board of Directors of the Company since its initial public offering. He has extensive experience in the biotech industry, including the development of multiple innovative products that are leaders in their category, as well as critical business development and partnership activities. In particular, Daniel Browne is the Co-founder, former President and CEO of Revance Therapeutics, Inc., which he grew from an early-stage incubator in 2002 to a highly successful initial public offering in 2014. He also has previous experience as Executive Chairman for Rythera Therapeutics, Inc. (2020–present). In addition to his position as a member of the Board of Directors of the Company, he currently serves as CEO of Tasman Therapeutics, Inc. and on the boards of directors of Lieber Institute for Brain Development (an affliate of Johns Hopkins Unversity School of Medicine), AVAVA, Inc., Fount Bio, Inc. and Yuva Biosciences, Inc. He holds an MBA from Pepperdine Graziadio Business School.

MARIA TERESA (TESSA) HILADO

- Non-executive member
- U.S. and Philippines citizen
- Born in 1964
- Non-executive member of the Board of Directors
- Chair of the Finance and Audit Committee

Maria Teresa (Tessa) Hilado was a member of the Advisory Committee of the Group from 2022 through the Company's initial public offering, and has been a member of the Board of Directors of the Company since its initial public offering. She has extensive knowledge of the pharmaceutical industry, having formerly served as Executive Vice President and CFO of Allergan, Inc. (now AbbVie) (2014–2018), and contributes strong financial acumen and expertise in managing global corporations. Her long experience as an executive in finance and treasury includes prior positions at PepsiCo, Inc. (2009–2014), Schering Plough (now Merck) (2008–2009) and General Motors Corporation (1990–2008). In addition to her position as a member of the Board of Directors of the Company, she currently serves on the boards of directors of The Campbell's Company, Zimmer Biomet Holdings, Inc., Simtra Biopharma Solutions and Curia Global, Inc. (private company). She holds a Bachelor's degree in Management Engineering from Ateneo de Manila University and an MBA from the Darden Graduate School of the University of Virginia.

KAREN LING

- U.S. citizen
- Born in 1963
- Non-executive member of the Board of Directors
- Chair of the Compensation Committee

Karen Ling was a member of the Advisory Committee of the Group from 2022 through the Company's initial public offering, and has been a member of the Board of Directors of the Company since its initial public offering. She started her career as a lawyer at Goldstein & Manello, P.C. (1988–1994). She gained extensive knowledge of the pharmaceutical industry in various roles, including as Vice President, Employee Benefits and Compensation within the Human Resources department at Wyeth, LLC (now Pfizer) (1994–2008). Her experience also includes positions as Senior Vice President at Merck & Co., Inc. (2008–2014), and Executive Vice President and CHRO at Allergan, Inc. (now AbbVie) (2014–2019) and American International Group, Inc. (2019–2021). In addition to her position as a member of the Board of Directors of the Company, she currently serves on the Board of Directors of iRhythm Technologies, Inc. and Bausch + Lomb Corporation. She holds a Bachelor's degree in Economics from Yale University and a Juris Doctor from Boston University School of Law. She was admitted to practice law in New York in 1990 (currently inactive) and Massachusetts in 1998.

ROBERTO MARQUES

- U.S. and Brazilian citizen
- Born in 1965
- Non-executive member of the Board of Directors
- Member of the Compensation Committee from April 23, 2025

Roberto Marques was appointed member of the Board of Directors and the Compensation Committee of the Company at the 2025 Annual General Meeting. He is a seasoned executive with over 35 years of experience in consumer goods and healthcare. He most recently served as Co-Chairman and Group Chief Executive Officer of Natura &Co Holding S.A (2017–2022). Previously, he was the Executive Vice President and President of North America at Mondelez International, Inc. (2015–2017), and held several leadership roles during his 27-year tenure at Johnson & Johnson, including Company Group Chairman of J&J Consumer North America (2011–2015) and Worldwide President of J&J Vision Care (2007–2009). In addition to his position as a member of the Board of Directors of the Company, he currently serves on the boards of Alcoa Corporation, Sysco Corporation, We Mean Business Coalition and The United States Tennis Association Foundation, with prior associations and board memberships as well. He holds an undergraduate degree in Business Administration from Fundação Getulio Vargas in Brazil and completed executive post graduate programs at the Kellogg School of Management and The Wharton School of the University of Pennsylvania.

DR. FLEMMING ØRNSKOV

- Danish and Swiss citizen
- Born in 1958
- Executive member of the Board of Directors
- Member of the Strategy, ESG & Nomination Committee
- Chief Executive Officer

Flemming Ørnskov, M.D., MPH joined Galderma as CEO in October 2019. Prior to joining Galderma, he served as CEO of Shire plc from 2013 to 2019. Earlier in his career, he held a number of leadership positions at Bayer, Novartis and Merck. He is currently a non-executive Chairman of Waters Corporation. Flemming Ørnskov qualified as a Doctor of Medicine at the University of Copenhagen Medical School and earned a Master of Public Health from Harvard University School of Public Health, as well as an MBA from INSEAD.

3.4 External mandates, functions and vested interests

Overview of external mandates, functions and vested interests for each of the Board members outlined above as of December 31, 2025:

Board of Directors member	Company	Position
Thomas Ebeling (Chair)	Recipharm	Member of the Board of Directors
	SHL Medical	Member of the Board of Directors
	Heilpflanzenwohl GmbH	Member of the Board of Directors
	Karo Healthcare AB	Chairman of the Board
	Moonfare	Member of the Advisory Board
Sherilyn McCoy (Vice-Chair)	AstraZeneca Plc	Member of the Board of Directors
	Stryker Corporation	Lead Independent Director
	Kimberly-Clark Corporation	Lead Independent Director
	Parexel	Chair of the Board of Directors
	Sail Biomedicines	Member of the Board of Directors
	Dechra Pharmaceuticals	Chair of the Board of Directors
Michael Bauer	SPT Labtech	Member of the Board of Directors
	Viturin AG	Chair of the Board of Directors
	EQT Partners AG	Chair of the Board of Directors
	Dechra Pharmaceuticals	Member of the Advisory Committee
Marcus Brennecke	Limpio HoldCo GmbH & Co KG (parent of Schülke & Mayr GmbH)	Member of the Board of Directors
Daniel Browne	Rythera Therapeutics	Member of the Board of Directors
	Avava Medical Inc.	Member of the Board of Directors
	Fount Bio Inc.	Member of the Board of Directors
	Tasman Therapeutics, Inc.	CEO
	Lieber Institute of Brain Development	Member of the Board of Directors
	Yuva Biosciences Inc.	Member of the Board of Directors
Maria Teresa Hilado	Campbell Soup Company	Member of the Board of Directors
	Zimmer Biomet Holdings, Inc.	Member of the Board of Directors
	Curia Global, Inc.	Member of the Board of Directors
	Simtra Biopharma Solutions	Member of the Board of Directors
Karen Ling	iRhythm Technologies, Inc	Member of the Board of Directors (Chair of the Compensation and Human Capital Management Committee)
	Bausch+Lomb Corporation	Member of the Board of Directors (Chair of the Compensation Committee)
	The Jed Foundation	Member of the Board of Directors (Chair of the Governance & Nominating Committee)
Roberto Marques	Alcoa Corporation	Member of the Board of Directors
	Sysco Corporation	Member of the Board of Directors
	We Mean Business Coalition	Member of the Board of Directors
	United States Tennis Association Foundation	Member of the Board of Directors
Dr. Flemming Ørnskov	Waters Corporation	Chair of the Board of Directors

3.5 Number of permitted activities

Pursuant to Art. 31 of the Articles of Association, no member of the Board of Directors may hold more than 10 additional mandates, of which no more than four may be in listed companies.

The following mandates shall not be subject to these limitations:

a) Mandates in companies that are controlled by Galderma or that control Galderma.

b) Mandates that a member of the Board of Directors holds at the request of Galderma or companies controlled by it. No member of the Board of Directors shall hold more than 10 such mandates.

c) Mandates in associations, professional or trade associations, foundations, trusts, employee welfare foundations, educational institutions, and similar organizations. No member of the Board of Directors shall hold more than 10 such mandates.

"Mandates" shall mean mandates in comparable functions at other enterprises with an economic purpose. Mandates in different legal entities that are under joint control, or the same beneficial ownership, are deemed one mandate.

All members of the Board of Directors comply with the provisions set out in Art. 31 of the Articles of Association.

3.6 Elections and terms of office

The shareholders' meeting shall elect the members of the Board of Directors and the Chair of the Board of Directors individually and for a term of office until the completion of the next ordinary shareholders' meeting. Re-election is possible.

Except for the election of the Chair of the Board of Directors and the members of the Compensation Committee by the shareholders at the shareholders' meeting, the Board of Directors shall constitute itself. The Board of Directors may, among other functions, elect one or several Vice-Chairs and appoint a secretary who need not be a member of the Board of Directors.

The rules in the Articles of Association reflect the statutory legal provisions with regard to the appointment of the Chair, the members of the Compensation Committee and the independent proxy.

3.7 Internal organizational structure

3.7.1 Allocation of tasks within the Board of Directors

The Board of Directors consists of the Chair, the Vice-Chair and the other Board members. The Board of Directors strives to select committee members based on their professional background and experience. In accordance with Galderma's Articles of Association, there must be no less than three and no more than 10 members. The members of the Board of Directors sat on the following committees in 2025:

3.7.2 Tasks and areas of responsibility for the Board of Directors and its Committees

	Compensation Committee	Strategy, ESG & Nomination Committee	Finance and Audit Committee
Thomas Ebeling	☑	☑ (Chair)	
Sherilyn McCoy		☑	
Michael Bauer		☑	☑
Marcus Brennecke*	☑		
Daniel Browne			☑
Maria Teresa Hilado			☑ (Chair)
Karen Ling	☑ (Chair)		
Dr. Flemming Ørnskov		☑	
Roberto Marques**	☑		

* until AGM 2025
** since AGM 2025

The Board of Directors has three standing committees: the Compensation Committee; the Strategy, ESG & Nomination Committee; and the Finance and Audit Committee. The Board may form additional ad hoc and standing committees for particular areas within the scope of its duties to deal with specific issues. In the year under review, no additional committees were introduced.

Each committee has the power to procure any information and assistance from within the Company and the Galderma Group that it needs in order to discharge its responsibilities, and is authorized to obtain subject-specific professional consultancy services from third parties at the expense of the Company.

Subject to the provisions of the Articles of Association and the Organizational Regulations, each of the committees shall generally comprise no less than three directors.

For an overview of the current members of each committee as of December 31, 2025, please refer to Section 3.7.1 of this report.

FINANCE AND AUDIT COMMITTEE
The Finance and Audit Committee assists the Board of Directors with respect to matters involving the financial and risk management aspects of governance, as well as in overseeing the accounting and financial reporting processes, and the risk management and compliance processes of the Company and the Galderma Group. The Finance and Audit Committee focuses on assessing the adequacy and effectiveness of the Galderma Group's internal and prudential systems and controls in relation to both financial and non-financial risks. This includes compliance with legal

and regulatory obligations, insurance and related matters. The Finance and Audit Committee will also obtain reasonable assurance with respect to the activity of the internal audit; evaluate the external auditors regarding the fulfillment of the necessary qualifications and independence according to the applicable legal provisions; and make proposals to the Board of Directors concerning the choice of the external auditors. The specific responsibilities, functioning and reporting of the Finance and Audit Committee are set forth in Section 4 of the Organizational Regulations.

In line with Galderma's Organizational Regulations, the majority of the members of the Finance and Audit Committee are independent as defined in the Swiss Code, and a majority of the members of the Finance and Audit Committee, including its Chair, are experienced in financial and accounting matters.

The Finance and Audit Committee holds meetings as often as required but, in any event, at least three times a year.

For an overview of the meetings held in the year under review, please refer to Section 3.7.4.

COMPENSATION COMMITTEE
The Compensation Committee is entrusted with responsibilities that include the review and recommendation of compensation policies and plans (e.g., incentive compensation and equity plans) and the compensation of the members of the Executive Committee. In this context, it makes proposals to the Board regarding the remuneration package, including the bonus and the terms of employment, of the CEO and, upon recommendation of the CEO, the ratification of the remuneration packages of the other members of the Executive Committee. The Compensation Committee is also responsible for submitting proposals and recommendations to the Board of Directors regarding general compensation matters and employee benefits. The Compensation Committee further supports the Board of Directors in preparing the compensation proposals for the general meeting. The specific responsibilities, functioning and reporting of the Compensation Committee are set forth in Section 5 of the Organizational Regulations.

According to the Organizational Regulations, at least the majority of the members of the Compensation Committee shall be independent as defined in the Swiss Code. The members of the Compensation Committee are individually elected by the general meeting for a one-year term.

The Chair of the Compensation Committee shall be independent and is appointed by the Board of Directors.

The Compensation Committee holds meetings as often as required but, in any event, at least twice a year.

For an overview of the meetings held in the year under review, please refer to Section 3.7.4.

STRATEGY, ESG & NOMINATION COMMITTEE
The Strategy, ESG & Nomination Committee is entrusted with responsibilities that include the review and assessment of the strategy and business plan of the Galderma Group and monitors their implementation by the CEO. In this context, it also reviews strategic market trends, market opportunities, risks and potential competitors, and makes proposals to the Board regarding material transactions. The Strategy, ESG & Nomination Committee is also responsible for submitting proposals and recommendations to the Board of Directors regarding the dividend policy and share buyback programs of the Company. It further supports the Board of Directors in nomination and succession planning matters, including ensuring long-term planning of appropriate appointments to the Board and the position of CEO and the other members of the Executive Committee. It assesses, in accordance with applicable laws and the Swiss Code, the independence and any potential conflicts of interest of the members of the Board. With respect to ESG matters, it oversees the Galderma Group's global strategy and reputation, including overall good corporate governance of the Galderma Group. The Strategy, ESG & Nomination Committee further reviews the sustainability report intended for publication and makes a proposal to the Board with respect to the approval of such a report. In this context, it also oversees the Galderma Group's communication and engagement on ESG matters with employees, investors, customers, the media and the general public. It annually conducts a self-assessment of the Board and the Board Committees and assesses the CEO and the other members of the Executive Committee. The specific responsibilities, functioning and reporting of the Strategy, ESG & Nomination Committee are set forth in Section 6 of the Organizational Regulations.

According to the Organizational Regulations, at least half (or the majority in the event of an odd number) of the members of the Strategy, ESG & Nomination Committee shall be independent as defined in the Swiss Code.

The Strategy, ESG & Nomination Committee holds meetings as often as required but, in any event, at least four times a year, with two meetings being dedicated to ESG matters.

For an overview of the meetings held in the year under review, please refer to Section 3.7.4 of this report.

3.7.3 Working methods of the Board of Directors and its committees

The Board has the overall responsibility for overseeing, directing and supervising the management of the Company and the Galderma Group. It shall also approve any matter which has to be submitted to the Board according to the Company's Organizational Regulations. The Board's non-transferable and inalienable duties are set out in Art. 716a of the Swiss Code of Obligations as well as Art. 21 of the Articles of Association.

The Board meets at the invitation of the Chair or of the secretary on the Chair's behalf. Meetings are called as often as the business of the Company requires, but at least four times a year, or whenever a member indicating the reasons so requests a meeting, but at least four times a year.

Board resolutions are passed by a majority of the votes cast. In the case of a tie, the Chair (or acting Chair at the meeting) has the casting vote. Subject to certain exceptions, the Board is quorate when a majority of its members are present.

Resolutions may be adopted by way of written consent or electronically, unless a member requests they be discussed.

The committees act in an advisory capacity (unless provided with such authority by a special resolution of the Board of Directors). The Board remains ultimately responsible for the tasks delegated to the committees by Swiss law, the Articles of Association or the Organizational Regulations.

The committees keep the Chair of the Board of Directors informed on a current basis about all important strategic issues and transactions as well as any business situations and/or developments within their scope of responsibilities and duties. The Chair monitors such informational duties of the committees. The Chair of each committee provides the full Board of Directors at their meeting with an overview of key topics discussed at the most recent committee meeting.

Each committee meets at such frequency as it deems necessary to fulfill its duties, normally ahead of ordinary Board meetings, which are expected to take place at least four times per year. Additional meetings may be held and may be convened at the request of either the Board of Directors or any committee member.

3.7.4 Number of meetings, duration and attendance

Meetings held in 2025	Frequency / number of meetings	Average duration (hours)
Board of Directors	6 times	4 hours
Strategy, ESG & Nomination Committee	5 times	2 hours
Compensation Committee	5 times	2 hours
Finance and Audit Committee	3 times	3 hours

	Board of Directors	Strategy, ESG & Nomination Committee	Compensation Committee	Finance and Audit Committee
Number of meetings	6	5	5	3
T. Ebeling	6	5	5	-
S. McCoy	6	5	-	-
M. Bauer	5	4	-	2
M. Brennecke*	6	-	2	-
D. Browne	6	-	-	3
T. Hilado	6	-	-	3
K. Ling	6	-	5	-
R. Marques*	4	-	3	-
F. Ørnskov	6	5	5	-

* Marcus Brennecke stepped down from the Compensation Committee at the AGM 2025, and Roberto Marques was elected to the Committee at the same meeting. Marcus Brennecke attended all Compensation Committee meetings up to the AGM 2025. Since his election, Roberto Marques has attended all Board and Compensation Committee meetings.

In principle, members of the Executive Committee (other than the CEO) or other members of senior management occasionally participate in the meetings of the Board or the committees (as guests without the right to vote) when the Board or a Committee discusses matters in relation to their respective responsibilities. All Board and Finance and Audit Committee meetings were attended by the CFO. Additionally, the CFO made ad hoc presentations to the Compensation, Strategy, ESG and Nomination Committee in the year under review. The CHRO (held during the reporting period until October 8, 2025 by Allison Pinkham and then, *ad interim*, by Nakisa Serry) attended all Compensation Committee meetings and made ad hoc presentations to the Strategy, ESG and Nomination Committee and the Finance and Audit Committee.

In the year under review, the external auditor participated to all the Finance and Audit Committee meetings. Representatives of Willis Towers Watson attended all Compensation Committee meetings in relation to the revision of the employee compensation scheme.

3.8 Definition of areas of responsibility between the Board of Directors and the Executive Committee

The Board has delegated to the CEO responsibility for the overall management of the Company and the Galderma Group, with the exception of the specific duties that are explicitly stipulated as a Board responsibility by law, the Articles of Association or the Organizational Regulations. In this context, the Board of Directors retains certain duties (in addition to the nontransferable and irrevocable duties described above), such as annually approving the budgets and business plans for the Galderma Group, monitoring risks and ensuring that fundamental policies and controls are in place for compliance with applicable law and regulations. In addition, the Organizational Regulations set out specific parameters, including financial thresholds, for certain strategic, operational and financial matters that remain within the competence of the Board of Directors (Annex 1 of the Organizational Regulations).

The CEO is appointed by the Board. The other members of the Executive Committee are appointed or removed by the Board upon recommendation of the CEO. The CEO is responsible for: implementing the strategy of the Company and the Galderma Group and the decisions taken by the Board and the committees; managing and supervising the day-to-day business of the Galderma Group; organizing the Executive Committee and preparing, calling and chairing Executive Committee meetings; and ensuring a timely and orderly flow of information between the Executive Committee and the Board.

3.9 Information and control instruments vis-à-vis the Executive Committee

The Board of Directors receives all necessary information from the Executive Committee to perform its supervisory duty and to make the decisions that are reserved for the Board of Directors.

3.9.1 Regular reports of the Executive Committee to the Board of Directors

A report from the CEO is a standing agenda item at each ordinary board meeting where the CEO provides insight into the development of the Group's business and key strategic initiatives. In addition to these meetings, on a monthly basis, the Board of Directors receives sales and financial reports with an executive summary; an assessment of the Group's monthly and year-to-date revenue; the profit and loss statement, the balance sheet and the cash flow statement; as well as selected Group key performance indicators (KPIs), updates on various initiatives and the Group's outlook.

In addition, the Chair and the CEO are in contact at regular intervals with respect to all major business matters. Extraordinary matters, including significant unanticipated developments, must immediately be reported to the Chair, who forwards the information to the other members of the Board of Directors.

Each Director is entitled to request information concerning all of Galderma's affairs reasonably necessary to fulfill his or her fiduciary duties. For Directors requiring information or wishing to review documents outside of ordinary Board meetings, the Director may request from the CEO information concerning the course of business of the Company and the Group after having informed the Chair. To the extent necessary for the fulfilment of his/her duties, each Director may also request that the Chair be granted access to the relevant Company records.

3.9.2 Internal Audit

Internal Audit is an independent and objective assurance and advisory activity that is guided by a philosophy of adding value by helping to shape the future of Galderma (Galderma Group AG and its affiliates). The purpose of Internal Audit is to strengthen Galderma's ability to create, protect and sustain value by providing the Board of Directors and Group's management with independent, risk-based and objective assurance, advice, insight and foresight.

Internal Audit assists Galderma in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, decision-making and control processes. All processes, operations, activities and systems can be subject to Internal Audit's evaluation. The quality of decision-making processes gives management the confidence to take risks and pursue opportunities.

Internal Audit's mandate is established by and received from the Finance and Audit Committee and is set out in the Internal Audit Charter. Internal Audit is independent and reports functionally directly to Galderma's Finance and Audit Committee, and administratively (i.e., for day-to-day operations) to the CFO.

The Finance and Audit Committee monitors that Internal Audit remains free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental attitude. Internal Audit will govern itself by adhering to The Institute of Internal Auditors' (IIA) Global Internal Audit Standards. These Standards constitute principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of Internal Audit's performance.

3.9.3 Internal control system

Galderma has established an internal control framework over financial reporting in accordance with Swiss legal requirements. This framework is underpinned by policies, procedures and control activities that support effective risk management and compliance across the Group. It provides the Board of Directors and senior management with reasonable assurance that business operations are conducted efficiently, assets are safeguarded, regulatory obligations are met and financial reporting is reliable.

3.9.4 Enterprise risk management

At Galderma, risk management is a continuous process based on a concept that is embedded in the governance of high-quality decision-making processes. Accordingly, risks are managed at all levels of the organization and throughout all stages of doing business: planning, prioritization, execution and evaluation.

In Galderma's objective-centric approach to risk management, risks are considered in decision-making processes, both from a value creation and a value protection perspective:

- *Value creation:* as Galderma takes risks to achieve its objectives, management identifies and manages risks to the operational execution with a view to increase the likelihood of success
- *Value protection:* when exposed to threats outside its direct control, management identifies and responds to those threats in order to be prepared to mitigate their potential impact

Responsibilities for governance and decision-making, as well as risk monitoring and oversight, have been aligned with the Group's value chain. On an operational level, the Executive Committee has ultimate responsibility for decision-making and stewardship of the organization and delegates responsibilities to three committees:

- The Pipeline Committee governs matters relating to the product pipeline
- The Inline Committee governs commercial matters relating to inline products
- The Corporate Committee governs non-product cross-functional related matters

The IIA's Three Lines Model for integrated risk management fits seamlessly with Galderma's governance and decision-making framework. Galderma establishes risk ownership and accountability through effective monitoring and oversight mechanisms of the three committees, in which:

- The first line represents line management that takes and manages risks through defined decision-making processes and authorities
- The second line represents functions that act as enablers in decision making to support management in exercising control
- The third line represents Internal Audit, which provides assurance on risk management effectiveness by assessing risk and control awareness in decision-making processes and the effectiveness of controls and monitoring of the execution of decisions

Risk and uncertainty factors

Generally, one of the risks for Galderma is product quality and patient and consumer safety. To mitigate this, the Group-wide Product Safety Council oversees patient safety and the product quality control framework, and ensures the Pharmacovigilance and Quality functions, processes and dashboards, as well as quality management system, are in line with Good Industry Practices (GxP). Activities and coverage include quality audits and inspections, medical officers or safety officers in the businesses, mandatory employee training and anti-counterfeit measures.

Another significant risk is supply chain disruptions, which could result in production delays, revenue losses and product shortages. The Company mitigates this by having a diversified supplier base and crisis management plans, sufficient inventory buffers for critical raw materials and regional supplier diversification.

Furthermore, non-compliance with evolving laws and regulations may pose a risk. The Company issues policies and procedures including, among others, Galderma's Code of Ethics, our Anti Bribery & Corruption Policy (ABAC Policy) and our Global Code on Interactions with Healthcare Professionals (HCP Code). All employees are bound by and obligated to comply with the Code of Ethics and Galderma's ABAC Policy and receive training on these. The HCP Code regulates interactions with healthcare professionals and applies to all employees in relevant customer-facing roles. In addition to having set up an upgraded Integrity Reporting Hotline, Galderma monitors and audits company activities while also carrying out compliance risk assessments on an as-needed basis.

4. EXECUTIVE COMMITTEE

The Executive Committee is headed by the CEO and currently comprises the CEO, the CFO and the Head of Global Operations.

4.1 Members of the Executive Committee

Name	Year of birth	Nationality	Function	Education/Qualifications
Dr. Flemming Ørnskov	1958	Danish/Swiss	CEO	• Doctor of Medicine • Master of Public Health — Harvard University School of Public Health • MBA INSEAD
Thomas Dittrich	1964	Swiss/German	CFO	• Master of Science in Mechanical Engineering and Robotics — Munich Technical University • Master's in Finance, Controlling and Accounting — University of St. Gallen
Allison Pinkham[1]	1975	U.S.	CHRO	• Bachelor's in Communication Studies, Virginia Tech University
Adrian Murphy	1970	Irish	Head of Global Operations	• Degree in Materials Science — University of Limerick • Diplomas in Strategic Management, Process Engineering and People Management — Institute of Commercial Management

1 Allison Pinkham was CHRO and a member of the Executive Committee until October 8, 2025. Nakisa Serry was appointed CHRO ad interim effective October 8, 2025. Detailed information on Allison Pinkham's profile, experience and expertise can be found under section 4.2 of the Corporate Governance Report in the Annual Report for the 2024 business year.

Important amendment since the balance sheet date and the publication date of this Annual Report in the sense of Art. 8 DCG relating to the members of the Executive Committee: As of January 1, 2026, Nakisa Serry has been appointed as member of the Executive Committee in her role as General Counsel, Chief Compliance Officer and CHRO *ad interim*. Detailed information on Nakisa Serry's profile, experience and expertise can be found on our website.

4.2 Professional background and other activities and functions

DR. FLEMMING ØRNSKOV

- Danish and Swiss citizen
- Born in 1958
- Chief Executive Officer

Please refer to Section 3.3.

THOMAS DITTRICH

- Swiss and German citizen
- Born in 1964
- Chief Financial Officer

Thomas Dittrich became Chief Financial Officer of Galderma Group in October 2019, overseeing global finance, tax, treasury, insurance, global strategic sourcing, global IT, corporate strategy, investor relations and ESG. Previously, Mr. Dittrich was Chief Financial Officer and Executive Member of the Board of Directors at Shire plc. He joined Shire plc in 2018 from Sulzer Ltd. where he served as Chief Financial Officer and a Member of the Executive Committee, and Chief Executive Officer ad interim between August and December 2015. Prior to joining Sulzer Ltd., Mr. Dittrich gained extensive knowledge of the pharmaceutical industry working for eight years at Amgen Inc. as Vice President, Finance Corporate Planning and Chief Accounting Officer, and previously as Chief Financial Officer of Amgen International. Prior to that, he held various finance and general manager positions for eight years at Dell, Inc. after working in various M&A and management consulting roles. Mr. Dittrich holds a Master of Science degree in Mechanical Engineering and Robotics from the Munich Technical University and a Master in Finance, Controlling and Accounting from the University of St. Gallen. Since April 2024, he is also a non-executive Member of the Board of Directors of the SIX-listed industrial company SIG Schweizerische Industrie Gesellschaft AG, in Neuhausen/Rheinfall.

ADRIAN MURPHY

- Irish citizen
- Born in 1970
- Head of Global Operations

Adrian Murphy became Head of Global Operations at Galderma in May 2022, overseeing Product Development, Quality, Supply Chain and overall manufacturing. Prior to joining Galderma, Mr Murphy served as Senior Vice President in Takeda, previously Shire, previously Baxalta from 2015; responsible for internal and external global manufacturing operations supporting Biologics, Cell & Gene Therapy and Plasma Derived Therapy business. Mr. Murphy held senior leadership roles in Merck, Sharpe & Dohmne (MSD) from 2006 in biologics manufacturing and supply chain management. Prior to working in the Pharmaceutical industry, Mr Murphy gained extensive experience in Fast Moving Consumer Goods (FMCG) working in Operations and Product Development roles with Campbell Soup and Procter & Gamble. Mr Murphy holds a degree in Materials Science from the University of Limerick and further higher diplomas in Strategic Management, Process Engineering and People Management from the Institute of Commercial Management.

4.3 External mandates, functions and vested interests

Overview of external mandates, functions and vested interests for each member of the Executive Committee as of December 31, 2025.

Executive Committee member	Company	Position
Dr. Flemming Ørnskov	Waters Corporation	Chair of the Board of Directors
Thomas Dittrich	SIG Schweizerische Industrie Gesellschaft AG	Member of the Board of Directors
Adrian Murphy	n/a	n/a

4.4 Number of permitted activities

Pursuant to Art. 31 of the Articles of Association, no member of the Executive Committee may hold more than five additional mandates, of which no more than one may be in a listed company. Each of these mandates is subject to approval by the Board of Directors.

The following mandates are not subject to these limitations:

- Mandates in companies that are controlled by Galderma or that control Galderma.
- Mandates that a member of the Executive Committee holds at the request of Galderma or companies controlled by it. No member of the Executive Committee shall hold more than 10 such mandates.
- Mandates in associations, professional or trade associations, foundations, trusts, employee welfare foundations, educational institutions or similar organizations. No member of the Executive Committee shall hold more than 10 such mandates.

Mandates shall mean mandates in comparable functions at other enterprises with an economic purpose. Mandates in different legal entities that are under joint control, or the same beneficial ownership, are deemed one mandate.

All members of the Executive Committee comply with the provisions set out in Art. 31 of the Articles of Association.

4.5 Management contracts

There are no management contracts with third parties.

5. COMPENSATION, SHAREHOLDINGS AND LOANS

Information on compensation and shareholdings of the members of the Board of Directors and the Executive Committee can be found in the Compensation Report 2025.

6. SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 Voting rights restrictions and representation

6.1.1 Voting rights restrictions and rules on granting exceptions

Each share registered with the right to vote entitles the holder to one vote at shareholder meetings ("one share, one vote"). Voting rights may be exercised only after a shareholder, usufructuary or nominee has been registered in the share register of the Company up to a specific date (the "Record Date") designated each time by the Board of Directors. The voting rights are further subject to the conditions of Arts. 6 and 7 of the Articles of Association (Art. 14 para. 1 of the Articles of Association).

Acquirers of shares will be recorded in the share register upon their request if they expressly declare that they have acquired these registered shares in their own name and for their own account, that there is no agreement on the redemption of the relevant shares and that they bear the economic risk associated with the shares (Art. 6 para. 2 of the Articles of Association).

The Board of Directors may register individual persons who do not expressly make the declarations pursuant to Art. 6 para. 2 of the Articles of Association as nominees, if the Nominee has entered into an agreement with the Company regarding its position and is subject to a recognized bank or financial market supervision.

Galderma's Articles of Association do not contain any percentage limit on voting rights or a group clause.

6.1.2 Reasons for granting exceptions in the year under review

No exceptions to voting right restrictions were granted in the year under review.

6.1.3 Procedure and conditions for abolishing voting rights restrictions in the Articles of Association

Art. 15 of the Articles of Association outlines important shareholder resolutions that require a qualified majority (two thirds of the votes represented and the majority of the par value of shares represented), including the easement or abolition of the restriction of the transferability of the registered shares. All other resolutions can be passed by a simple majority of shareholders, to the extent that Swiss law does not provide otherwise.

For information regarding the convocation of general meetings and the inclusion of items on the agenda, see Sections 6.3 and 6.4.

6.1.4 Rules on participation in the General Meeting of shareholders

In general meetings of shareholders, each shareholder has equal rights, including equal voting rights per share. At shareholders' meetings, each shareholder may be represented by the Independent Proxy or by means of a written proxy by any other person, who need not be a shareholder. The Company accepts only one representative per share (Art. 14 para. 2 of the Articles of Association). The Board of Directors determines the requirements regarding proxies and voting instructions (Art. 6 of the Articles of Association).

The Board of Directors can determine that the shareholders' meeting be held simultaneously at different locations, provided that the contributions of the participants are transmitted directly by video and audio to all venues, and that shareholders who are not present at the venue(s) of the shareholders' meeting may exercise their rights by electronic means. Alternatively, the Board of Directors may also provide that the shareholders' meeting be held by electronic means without a venue (Art. 12 of the Articles of Association).

6.1.5 Rules on instructions to the Independent Proxy and on the electronic participation in the General Meeting of shareholders

The Independent Proxy has a duty to exercise the voting rights assigned to him, her or it by shareholders in accordance with their instructions. Further duties of the Independent Proxy are governed by the relevant statutory provisions. Art. 8 of the Articles of Association provides that the general meeting elects an Independent Proxy. Natural persons as well as legal entities and partnerships are eligible for election. The term of office of the Independent Proxy ends at the next general meeting. Re-election is possible. Swiss law allows for proxy instructions both in written as well as electronic form.

For the period between the 2025 general meeting and the next general meeting, Altenburger Ltd legal + tax, Seestrasse 39, 8700 Küsnacht-Zurich, has been elected as the Independent Proxy.

6.2 Quorums required by the Articles of Association

Galderma's statutory rules do not differ from applicable legal provisions. In this context, please refer to Section 6.1.3 and Art. 15 of the Articles of Association.

6.3 Convocation of the General Meeting of Shareholders

Galderma's statutory rules (Art. 9 of the Articles of Association) do not differ from applicable legal provisions.

The ordinary shareholders' meetings shall be held each year within six months of the close of the financial year of the Company (Art. 9 para. 1 of the Articles of Association). Extraordinary shareholders' meetings shall be held if (a) the Board of Directors or the auditors deem it necessary; (b) so resolved by a shareholders' meeting; or (c) shareholders who hold, alone or together, shares representing at least 5% of the share capital or votes so request in writing, indicating the matters to be discussed and the corresponding proposals and, in case of elections, the names of the nominated candidates (Art. 9 para. 2 of the Articles of Association). There is no provision in the Articles of Association requiring the presence of a quorum for general meetings of shareholders of the Company.

6.4 Inclusion of items on the agenda

Shareholders who, alone or together, hold at least 0.5% of the share capital or the votes may request that an item be included on the agenda or that a proposal relating to an agenda item be included in the notice convening the shareholders' meeting. Such a request must be received by the Company in writing at least 45 calendar days prior to the shareholders' meeting, specifying the agenda item and the proposal(s) (Art. 11 para. 1 of the Articles of Association). No resolutions may be passed at a shareholders' meeting on proposals concerning agenda items for which proper notice was not given; this provision shall not apply, however, to proposals made during a shareholders' meeting to convene an extraordinary shareholders' meeting or to initiate a special investigation (Art. 11 para. 2 of the Articles of Association). No prior notice is required to bring proposals related to items already on the agenda or for the discussion of matters on which no resolution is to be taken (Art. 11 para. 3 of the Articles of Association).

6.5 Entries in the share register

The relevant date to determine the shareholders' right to participate in the general meeting on the basis of the registrations appearing in the share register is set by the Board of Directors and disclosed in the invitation to the general meeting of shareholders.

7. CHANGE OF CONTROL AND DEFENSE MEASURES

7.1 Duty to make an offer / opting-out

According to the Financial Market Infrastructure Act (FinMIA), an investor who acquires more than 33¹/₃% of the voting rights (directly, indirectly or in concert with third parties), whether they are exercisable or not, is required to submit a takeover offer for all shares outstanding.

According to Art. 36 of the Articles of Association, the following entities are, when acting alone or in concert pursuant to Art. 135 FinMIA, exempt from the duty of submitting takeover offers (opting-out): (a) Sunshine SwissCo AG and Auba Investment Pte Ltd, including in each case their direct or indirect partners or shareholders as well as any other entity or person that controls or otherwise holds any relevant interest in, or is affiliated with, them; and (b) Luxinva S.A., the Abu Dhabi Investment Authority and its subsidiary undertakings. However, in each case, any portfolio investment companies of these shareholders are excluded. This opting-out provision will expire on December 31, 2029.

Other than that, the Articles of Association do not contain a general opting-out or opting-up provision.

7.2 Clauses on change of control

Details of change of control provisions in the Galderma Long-Term Incentive plan are provided in the Compensation Report 2025.

None of the Board of Directors and Executive Committee members has a change of control clause in his/her agreement with the Company.

8. AUDITORS

8.1 Duration of the mandate and term of office of the lead auditor

KPMG SA, Zug branch, Landis + Gyr-Strasse 1, 6300 Zug, Switzerland, is the independent auditor of the Company. The auditor in charge is Stéphane Nusbaumer, who has been carrying out this function since the incorporation of the Company on February 7, 2022. The auditor in charge is rotated at least every seven years.

The shareholders confirm the appointment of the auditors on an annual basis at the general meeting of shareholders.

8.2 Auditing fees

The auditing fees paid to KPMG in their capacity as Galderma Group auditors for 2025 amount to 4'333'000 CHF.

8.3 Additional fees

In addition, KPMG provided non-audit services amounting to 517'000 CHF. The non-audit services provided by KPMG mainly comprised services in connection with ESG reporting and with assurance services for the interim consolidated financial statements 2025. In addition, KPMG provided tax services.

8.4 Information instruments pertaining to the external audit

The Finance and Audit Committee is responsible for evaluating the performance and independence of the external auditors on behalf of the Board of Directors. It consists of a continuous evaluation with the auditor's update being part of the Finance and Audit Committee agenda meetings (three times a year); such evaluations are complemented with private sessions held between members of the Committee and the external auditors. The criteria applied for the assessment include professional competence, sufficiency of resources, audit quality and the ability to provide effective and practical recommendations and coordination of the external auditors with the Finance and Audit Committee and senior management.

In the year under review, KPMG AG attended three meetings of the Finance and Audit Committee. In those meetings, the external auditors presented the 2025 audit strategy and their interim 2025 results.

9. INFORMATION POLICY

Galderma pursues a proactive and professional communication policy to all market participants. Galderma publishes price-sensitive information in accordance with the obligation to disclose price-sensitive facts as required by the SIX Swiss Exchange. Ad hoc announcements are made available on Galderma's website, media and financial information providers as well as submitted to SIX Exchange Regulation. Additionally, Galderma's website provides a news and subscription service that allows interested parties to receive, via e-mail distribution, free and timely notification of price-sensitive information. The service can be accessed at the links indicated at the end of this section.

The Company releases its financial results in the form of an ad hoc release and webcast prior to the publication of the annual report. Its annual report is published in electronic form within four months of the December 31 balance sheet date. In addition, results for the first half of each fiscal year are released in electronic form within three months of the June 30 balance sheet date. The Company's annual report and half-year results are announced via ad hoc announcement and at media and investor conferences in person or online.

The invitation to the Annual General Meeting is published on our website and in the Swiss Official Gazette of Commerce. Notices to shareholders and other announcements are made by publication in the Swiss Official Gazette of Commerce. The Board of Directors may designate further means for official publications.

Contact details

Copies of all information and documents pertaining to press releases, media conferences, investor updates and presentations at analyst and investor presentation conferences can be downloaded from www.galderma.com

Registered office
Galderma Group AG
Zählerweg 10, 6300 Zug, Switzerland
+41 58 455 85 92

Weblinks
The Company's website:
https://www.galderma.com/

Subscription to ad hoc messages (push system):
https://investors.galderma.com/

Ad hoc messages (pull system):
https://investors.galderma.com/key-releases

Financial reports:
https://investors.galderma.com/financial-reports

Corporate calendar:
https://investors.galderma.com/events-presentations

10. BLACK-OUT PERIODS

The Insider Trading Policy of the Company foresees general black-out periods, during which financial results are being prepared, but not yet publicly disclosed, and the blocked persons (as described below) are prohibited from trading in securities of the Company. Effective from March 2025, the general black-out periods started in 2025 on the first day of each quarter and ended one full trading day following the public release of the applicable financial results, i.e., as follows:

The period starting on December 25, 2024 and ending one full trading day following the public release of the full year results;

The period starting on April 1 and ending one full trading day following the public release of the results or trading update for the first quarter;

The period starting on July 1 and ending one full trading day following the public release of the half year results;

The period starting on October 1 and ending one full trading day following the public release of the results or trading update for the third quarter.

The following general black-out periods were in effect in 2025:

2025
December 25, 2024 – March 6, 2025
April 1-24, 2025
July 1-24, 2025
October 1-23, 2025

Black-out persons are the members of the Board, the members of the Executive Committee and the secretary of the Board, any staff reporting directly to the CEO, selected staff reporting directly to the CFO as determined by the General Counsel in consultation with the CEO and/or CFO (e.g., global heads of accounting, controlling, treasury, tax, strategy and investor relations, and regional heads of finance), members of selected Galderma committees as determined by the General Counsel in consultation with the CEO and/or CFO, any staff from Finance in charge of the preparation of financial reporting or otherwise having access to inside information, any staff from Legal and Compliance, Investor Relations and Communications having access to inside information, chiefs of staff and executive assistants to any of the foregoing persons, any external advisor having access to inside information, as well as any other person determined by the General Counsel in consultation with the CEO and/or the CFO.

Furthermore, there are special black-out periods, during which material confidential projects are being conducted, but have not yet been publicly disclosed and, during such periods, special blocked persons are prohibited from trading in securities of the Company.

Exceptions to the restrictions during black-out periods are possible in cases of personal hardship, where the CEO and the CFO, acting jointly and following consultation with the General Counsel, may allow exceptions to a black-out period upon reasoned request by the blocked person, provided that such person is not in possession of inside information.

Part 5

5

FINANCE REPORT

200–287

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CONSOLIDATED FINANCIAL STATEMENTS OF GALDERMA GROUP AG AND ITS SUBSIDIARIES

for the year ended
December 31, 2025

10, ZÄHLERWEG, CH-6300 ZUG

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Consolidated statement of profit or loss

In M USD	Notes	**Year ended December 31, 2025**	Year ended December 31, 2024
Net sales	3	**5,207**	**4,410**
Other revenue		34	30
Cost of goods sold		(1,632)	(1,355)
Gross profit		**3,609**	**3,085**
Research and development		(245)	(260)
Sales and marketing		(1,665)	(1,377)
General and administrative		(575)	(543)
Medical and regulatory		(116)	(95)
Distribution		(132)	(132)
Other income / (expenses)	4	(48)	(33)
Operating profit		**829**	**645**
Financial income	5	13	46
Financial expenses	5	(203)	(374)
Foreign exchange loss on financing activities		(0)	(7)
Income before tax		**638**	**310**
Income taxes	18	(26)	(79)
Net income		**613**	**231**

In USD	Notes	**Year ended December 31, 2025**	Year ended December 31, 2024
Basic earnings per share	6	2.60	0.97
Diluted earnings per share	6	2.58	0.97

The accompanying notes form an integral part of the Consolidated Financial Statements.

Consolidated statement of comprehensive income

In M USD	**Year ended December 31, 2025**	Year ended December 31, 2024
Net income	**613**	**231**
Foreign currency translation	104	(58)
Cash flow hedges – reclassified to profit or loss, net of taxes[1]	11	(6)
Fair value changes on cash flow hedges, net of taxes[2]	(34)	41
Items that are or may be reclassified subsequently to the statement of profit or loss	**80**	**(23)**
Remeasurement of employee benefits, net of taxes[3]	16	5
Items that will never be reclassified to statement of profit or loss	**16**	**5**
Other comprehensive income / (loss), net of taxes	**96**	**(18)**
Other comprehensive income	**709**	**214**

1 Gross of tax 12 M USD ((6) M USD in 2024)

2 Gross of tax (40) M USD (44 M USD in 2024)

3 Gross of tax 19 M USD (6 M USD in 2024)

The accompanying notes form an integral part of the Consolidated Financial Statements.

Consolidated balance sheet

In M USD	Notes	**December 31, 2025**	December 31, 2024
Non-current assets			
Goodwill	7	5,129	5,129
Intangible assets	7	4,639	4,829
Property, plant and equipment	8	744	577
Deferred tax assets	18	285	211
Employee benefits assets	15	2	0
Derivative assets	13	118	2
Other financial assets	13	3	1
Other assets		37	25
Total non-current assets		**10,956**	**10,774**
Current assets			
Inventories	9	525	403
Trade and other receivables	10	1,044	892
Prepayments and accrued income		66	56
Current income tax assets		18	13
Derivative assets	13	3	22
Cash and cash equivalents	14	780	457
Total current assets		**2,437**	**1,843**
Total assets		**13,393**	**12,617**
Non-current liabilities			
Financial debt	13, 14	(2,689)	(2,723)
Other financial liabilities	13	(1)	(2)
Deferred tax liabilities	18	(362)	(420)
Derivative liabilities	13	(12)	(20)
Employee benefits	15	(104)	(117)
Provisions	12	(21)	(17)
Total non-current liabilities		**(3,189)**	**(3,299)**
Current liabilities			
Financial debt	13, 14	(65)	(36)
Current income tax liabilities		(89)	(61)
Provisions	12	(40)	(38)
Accruals and deferred income	11	(728)	(586)
Trade and other payables	10	(943)	(676)
Employee benefits	15	(184)	(119)
Derivative liabilities	13	(4)	(10)
Total current liabilities		**(2,055)**	**(1,528)**
Total liabilities		**(5,243)**	**(4,827)**
Equity			
Share capital and share premium	17	(2,092)	(2,136)
Other reserves	17	(64)	(48)
Hedge and currency translation reserves	17	(25)	55
Treasury share reserve	17	378	15
Retained earnings	17	(6,347)	(5,676)
Total equity		**(8,149)**	**(7,790)**
Total liabilities and equity		**(13,393)**	**(12,617)**

The accompanying notes form an integral part of the Consolidated Financial Statements.

Consolidated statement of cash flows

In M USD	Notes	**Year ended December 31, 2025**	Year ended December 31, 2024
Net income		**613**	**231**
Add back non-operating (income) / expenses:			
Income taxes	18	26	79
Financial (income) / expenses	5	190	328
Foreign exchange loss on financing activities		0	7
Operating profit		**829**	**645**
Depreciation of property, plant and equipment	8	77	64
Amortization of intangible assets	7	246	229
Impairment	3, 7, 8	18	-
Impairment reversal	3, 8	(2)	-
Equity-settled share-based payment transactions		64	68
Other non-cash items		16	(5)
Variation of trade and other receivables		(89)	(208)
Variation of inventories		(88)	(12)
Variation of trade and other payables		266	64
Variation of prepayments and accrued income		(6)	(3)
Variation of accruals and deferred income		124	72
Variation of working capital		**207**	**(87)**
Variation of other operating assets and liabilities		(13)	(61)
Cash generated from operations		**1,441**	**853**
Interest paid		(146)	(286)
Interest received		13	11
Income taxes paid		(124)	(90)
Total cash flows from operating activities		**1,185**	**488**
Expenditure on property, plant and equipment	8	(113)	(128)
Expenditure on intangible assets	7	(41)	(147)
Acquisition of subsidiary undertakings, net of cash acquired		-	(50)
Total cash flows in investing activities		**(154)**	**(326)**
Proceeds from financial debt, net of transaction costs	14	1,408	3,601
Repayments of financial debt	14	(1,701)	(5,777)
Payments for settlement of derivatives		(30)	-
Purchase of treasury shares	17	(363)	(15)
Dividends paid	17	(41)	-
Proceeds from share issuance, net of direct transaction costs	17	-	2,166
Other transaction costs and duties related to the share issuance	17	-	(32)
Total cash flows in financing activities		**(728)**	**(58)**
Currency retranslations		20	(14)
Increase in cash and cash equivalents		**323**	**90**
Cash and cash equivalents at opening	14	457	368
Cash and cash equivalents at closing	14	**780**	**457**

The accompanying notes form an integral part of the 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 of January 1, 2024		**6**	**6,253**	**43**	**(16)**	**(16)**	**-**	**(901)**	**5,369**
Net income for the period		-	-	-	-	-	-	231	231
Cash-flow hedges		-	-	-	-	35	-	-	35
Remeasurements of employee benefits		-	-	5	-	-	-	-	5
Foreign currency translation		-	-	-	(58)	-	-	-	(58)
Total comprehensive income		**-**	**-**	**5**	**(58)**	**35**	**-**	**231**	**214**
Effect of Group reorganization	17	(4)	(6,253)	-	-	-	-	6,254	(3)
Share issuance	17	0	2,133	-	-	-	-	-	2,133
Equity-settled share-based payment	16	-	-	-	-	-	-	91	91
Purchase of treasury shares	17	-	-	-	-	-	(15)	-	(15)
Total other equity movements		**(4)**	**(4,120)**	**-**	**-**	**-**	**(15)**	**6,345**	**2,206**
As of December 31, 2024		**3**	**2,133**	**48**	**(74)**	**19**	**(15)**	**5,676**	**7,790**
As of January 1, 2025		**3**	**2,133**	**48**	**(74)**	**19**	**(15)**	**5,676**	**7,790**
Net income for the period		-	-	-	-	-	-	613	613
Cash-flow hedges		-	-	-	-	(24)	-	-	(24)
Remeasurements of employee benefits		-	-	16	-	-	-	-	16
Foreign currency translation		-	-	-	104	-	-	-	104
Total comprehensive income		**-**	**-**	**16**	**104**	**(24)**	**-**	**613**	**709**
Dividends	17	-	(44)	-	-	-	-	-	(44)
Equity-settled share-based payment	16	-	-	-	-	-	-	58	58
Purchase of treasury shares	17	-	-	-	-	-	(363)	-	(363)
Total other equity movements		**-**	**(44)**	**-**	**-**	**-**	**(363)**	**58**	**(349)**
As of December 31, 2025		**3**	**2,089**	**64**	**30**	**(5)**	**(378)**	**6,347**	**8,149**

The accompanying notes form an integral part of the Consolidated Financial Statements.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND KEY ACCOUNTING ASSUMPTIONS

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 Galderma Group. The steps can be summarized as follows:

- From October 1, 2019, to March 21, 2024, Sunshine Luxembourg VII SARL (Sunshine VII) held by a consortium led by EQT, GIC, AIDA and PSP investments (the EQT consortium) 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 Galderma Group under a new parent entity. This means that the parent company was considered to have been the parent company throughout the 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 December 31, 2025, the Company is not controlled by any party.

1.2 Basis of preparation

These consolidated financial statements for the year ended December 31, 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 consolidated financial statements were prepared in accordance with the IFRS Accounting Standards. They are prepared using the going-concern principle and based on historical cost conventions unless stated otherwise.

The consolidated financial statements have been approved for issue by the Board of Directors of the Company on March 4, 2026.

Presentation and functional currency
The 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 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
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*	January 1, 2027

The Group does not expect material impacts from the amendments to standards presented above that will be mandatory from annual reporting periods beginning on or after January 1, 2026, which the Group has not yet applied.

IFRS 18 *Presentation* and *Disclosure in Financial Statements*, 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 impacts of this new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for management-defined performance measures (MPMs).

1.3 Key accounting judgements, estimates and assumptions
The preparation of the 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, 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Area with key accounting judgements, estimates and assumptions	Reference
Revenue recognition and related accruals	Notes 3 and 11
Goodwill and intangible assets	Note 7
Leases	Note 8
Provisions and contingencies	Notes 12 and 19
Impairment of financial assets	Note 13
Pensions and other post-employment benefits	Note 15
Share-based payments	Note 16
Income taxes and other taxes	Note 18

2. SIGNIFICANT EVENTS

2.1 Bond offering and refinancing
In March and December 2025, the Group successfully placed the following bonds:

- 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
- 175 M CHF bond with a five-year maturity and 0.9425% fixed-rate annual coupon

The bonds are listed on the SIX Swiss Exchange. The Group received gross proceeds of 1,260 M USD from the bonds which together with 240 M USD cash generated from operations were used to repay an amount of 1,500 M USD of the Term Loan that was issued at the Group's IPO in the 2024 financial year. Refer to note 13.2 for more information on the bonds.

2.2 Share repurchases
Galderma Group repurchased 3,038,976 of its own shares through three transactions conducted via accelerated bookbuilding offerings initiated by the Shareholder Group represented by EQT Fund Management SARL for a total consideration of 363 M USD. The Shareholder Group was the ultimate controlling party prior to the first transaction in March 2025 and has still been considered a related party of the Group since that initial repurchase. Refer to note 21.2 for more information on the share repurchases.

3. SEGMENT INFORMATION AND NET SALES

3.1 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. As of December 31, 2025, the Executive Committee consists of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Global Head of Operations. During the 2024 reporting period and through October 8, 2025, the Chief Human Resources Officer (CHRO) was also a member of the Executive Committee.

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 13.2). 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.

3.2 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 change in the threshold did not result in a restatement of non-Core items reported for the 2024 financial year.

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

In M USD	Notes	**Year ended December 31, 2025**	Year ended December 31, 2024
Net income		**613**	**231**
Income taxes	18	26	79
Income before tax		**638**	**310**
Financial (income)/expenses	5	190	328
Foreign exchange loss on financing activities		0	7
Operating profit		**829**	**645**
Amortization	7	246	229
Depreciation	8	77	64
EBITDA		**1,152**	**938**
Other (income) / expenses (excluding impairment)[1]	4	43	33
Impairment[1]	4, 7, 8	18	-
Impairment reversal	8	(2)	-
Transformation costs		-	8
Value creation bonus[2]		-	4
Other IPO related incentive plans[3]		-	48
Core EBITDA		**1,211**	**1,031**

1 The other income / (expenses) line in the statement of profit or loss includes an impairment charge of 5 M USD which, due to its nature, could not be allocated to a specific function. Refer to note 4 for more information. To provide more transparent disclosure of impairment items, this amount has been presented within the impairment line in the reconciliation above.

2 Value creation bonus was a pre-IPO long-term incentive plan which vested upon the IPO in March 2024. Refer to note 16.4.

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. Refer to Note 16.3.

3.3 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 by Galderma. The product categories and 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	**Year ended December 31, 2025**	Year ended December 31, 2024
Neuromodulators	*1,471*	*1,285*
Fillers & Biostimulators	*1,101*	*1,014*
Injectable Aesthetics	2,572	2,299
Dermatological Skincare	1,449	1,331
Therapeutic Dermatology	1,185	780
Total net sales	**5,207**	**4,410**

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 452 M USD for Nemluvio as of December 31, 2025 (23 M USD as of December 31, 2024), which are reported in the Therapeutic Dermatology category.

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

In M USD	**Year ended December 31, 2025**	Year ended December 31, 2024
U.S.	2,231	1,810
International[1]	2,976	2,600
Total net sales	**5,207**	**4,410**

1 International includes sales in Switzerland, the Company's country of domicile, of 30 M USD (35 M USD as of December 31, 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.

In 2025, one wholesale distributor, located in the U.S., accounted for 22% of total net sales for the year (25% in 2024). This distributor provides distribution services to its customers – including customer billing and collections, distribution and logistic services (known as 4PL services) – and is one of the leading providers of such services in the U.S., working with the top healthcare companies.

3.4 Other net sales disclosures

As the Group's contracts have an original expected duration of one year or less, no information is provided on remaining performance obligations as of December 31, 2025, and December 31, 2024, as allowed by IFRS 15.

Key accounting judgements, estimates and assumption

Galderma recognizes revenue when control of promised goods or services is transferred to its customers, in an amount that reflects the consideration Galderma expects to be entitled to in exchange for those goods or services. Certain contracts include a right of return, rebates, discounts, and refunds that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount based on which method better predicts the amount of consideration to which it will be entitled. Estimates and assumptions are based on historical data, market conditions and customer behavior and are reviewed on each balance sheet date to ensure accuracy.

3.5 Non-current assets by country

The table below presents the geographical distribution of material non-current assets recognized by the Group.

In M USD	**December 31, 2025**	December 31, 2024
Switzerland	9,279	9,449
Rest of the world	1,269	1,110
Total non-current assets[1]	**10,548**	**10,559**

1 Deferred tax assets, employee benefits 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 3.2).

In M USD	**Year ended December 31, 2025**	Year ended December 31, 2024
Past service credit from defined benefit plans	12	-
Other income	**12**	**-**
Litigations and onerous contracts	(20)	(11)
Restructuring costs	(13)	(9)
Impairment	(5)	-
Acquisition and disposal related costs	(2)	(6)
Other miscellaneous expenses	(2)	(2)
Foreign exchange loss on operating activities	(19)	(4)
Other expenses	**(60)**	**(33)**
Total other income / (expenses)	**(48)**	**(33)**

The past service credit from defined benefit plans comprises 8 M USD resulting from an amendment to the plan rules of a post-employment medical benefit plan in the U.S., and 5 M USD arising from a curtailment of a post-employment retirement benefit plan related to restructuring activities in Switzerland. Refer to note 15.1 for more information.

Litigation expenses of 12 M USD (11 M USD as of December 31, 2024) primarily relate to legal fees incurred in connection with arbitration proceedings. Onerous items amount to 7 M USD (0 M USD as of December 31, 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 led to restructuring measures which, together with corporate restructuring at headquarters, several restructuring activities in our EMEAC region, and other restructuring projects, resulted in total restructuring cost of 13 M USD (9 M USD as of December 31, 2024).

The impairment loss of 5 M USD reported under other expenses relates to a construction project previously reported under property, plant, and equipment, which was canceled during the reporting period and whose carrying amount was therefore written off in full. Refer to note 8.1 for more information.

5. FINANCIAL INCOME / (EXPENSES)

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

In M USD	**Year ended December 31, 2025**	Year ended December 31, 2024
Interest income	13	12
Value creation bonus plan revaluation	-	28
Cash flow hedges, reclassified from OCI upon derecognition	-	6
Total financial income	**13**	**46**
Interest expense related to financial debt		
Interest expense – Financial liabilities measured at amortized cost	(123)	(271)
Interest expense – Other financial instruments	(38)	(10)
Interest expense – Early repayment of financial debt	(12)	(71)
Other financial expenses		
Interest expense – Defined benefit plans	(2)	(4)
Cash flow hedges, reclassified from OCI upon derecognition	(12)	-
Other financial expenses	(16)	(18)
Total financial expenses	**(203)**	**(374)**
Total financial income / (expenses)	**(190)**	**(328)**

Interest expenses on financial liabilities measured at amortized cost and other financial instruments totaling 161 M USD decreased compared to the comparative period (281 M USD as of December 31, 2024) due to the Group's refinancing in both periods presented as well as a result from the reduction of the Group's 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.

During the reporting period, the Group repaid 1,500 M USD of the Term Loan (see note 13.2). The early Term Loan repayments resulted in the accelerated recognition of transaction costs amounting to 12 M USD.

In the comparative period, transaction costs totaling 65 M USD were recognized on an accelerated basis due to the full early repayment of pre-IPO debt. An additional 6 M USD was attributable to the partial repayment of the Term Loan using net proceeds from the bonds issued in September 2024.

The value creation bonus plan was a pre-IPO long-term incentive plan. The financial income of 28 M USD in the comparative period resulted from the remeasurement of the corresponding liability which was fully settled in the course of the IPO in the 2024 financial year. Refer to note 16.4 for more information.

6. EARNINGS PER SHARE

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

6.1 Basic earnings per share

	Year ended December 31, 2025	Year ended December 31, 2024[1]
Net income (in M USD)	**613**	**231**
Weighted average number of issued shares	237,897,635	237,897,635
Weighted average number of treasury shares held	(2,182,327)	(382,151)
Weighted average number of outstanding shares used to calculate basic EPS	**235,715,308**	**237,515,484**
Basic earnings per share (in USD)	**2.60**	**0.97**

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 notes 17.4 and 21.2) throughout the period.

6.2 Diluted earnings per share

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

	Year ended December 31, 2025	Year ended December 31, 2024[1]
Net income (in M USD)	**613**	**231**
Weighted average number of outstanding shares used to calculate basic EPS	235,715,308	237,515,484
Adjustment for assumed exercise of equity-settled share-based payment plans, where dilutive	1,280,758	277,790
Weighted average number of outstanding shares used to calculate diluted EPS	**236,996,066**	**237,793,274**
Diluted earnings per share (in USD)	**2.58**	**0.97**

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 of March 22, 2024, was used in the calculation for the period from January 1, 2024, to March 21, 2024.

7. GOODWILL AND INTANGIBLE ASSETS

7.1 Movement in 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 of January 1, 2024	**5,129**	**3,356**	**1,458**	**109**	**4,923**
Capital expenditure	-	-	126	21	147
Amortization	-	(38)	(148)	(44)	(229)
Currency retranslations	-	-	(6)	(6)	(12)
Net book value as of December 31, 2024	**5,129**	**3,318**	**1,431**	**80**	**4,829**
As of December 31, 2024					
Gross value	5,129	3,515	2,207	205	5,928
Accumulated amortization and impairment	-	(197)	(776)	(126)	(1,099)
Net book value	**5,129**	**3,318**	**1,431**	**80**	**4,829**
of which indefinite useful life		*3,032*	-	-	*3,032*
Net book value as of January 1, 2025	**5,129**	**3,318**	**1,431**	**80**	**4,829**
Capital expenditure	-	-	24	17	41
Amortization	-	(36)	(172)	(37)	(246)
Impairment	-	-	(5)	(0)	(5)
Currency retranslations	-	-	10	11	20
Net book value as of December 31, 2025	**5,129**	**3,282**	**1,287**	**70**	**4,639**
As of December 31, 2025					
Gross value	5,129	3,516	2,240	259	6,015
Accumulated amortization and impairment	-	(233)	(954)	(189)	(1,376)
Net book value	**5,129**	**3,282**	**1,287**	**70**	**4,639**
of which indefinite useful life		*3,032*	-	-	*3,032*

During the reporting period, total amortization of intangible assets amounted to 246 M USD, of which 209 M USD (186 M USD as of December 31, 2024) was recognized in cost of goods sold, 36 M USD (43 M USD as of December 31, 2024) in general and administrative expenses, and 1 M USD (1 M USD as of December 31, 2024) in sales and marketing expenses, as presented in the consolidated statement of profit or loss.

Assets with an indefinite useful life

The table below presents the carrying amounts of brands with an indefinite useful life, all of which are included in the brands and intellectual property rights category in the table above.

In M USD	**December 31, 2025**	December 31, 2024
Cetaphil - Brands	1,242	1,242
Restylane - Brands	1,143	1,143
Galderma - Brands	647	647
Total assets with an indefinite useful life	**3,032**	**3,032**

Significant assets with a finite useful life
The table below provides an overview of the Group's significant intangible assets with a finite useful life, all of which are classified under the operating rights and others category.

In years and M USD	**Remaining amortization period**	**December 31, 2025**	December 31, 2024
Nemolizumab (license agreement)	16	507	516
Dysport (license agreement)	11	229	251
Customer relationships – Injectable Aesthetics	4	210	266
Alastin Skincare (trademark)	26	119	124
Sculptra (trademark)	4	68	87
Customer relationships – Therapeutic Dermatology	4	62	78

7.2 Annual impairment tests and impairment

To estimate the recoverable amount of a cash-generating unit (CGU) or group of CGUs, the Group calculates its value in use applying the discounted cash flow method. The projected cash flows (including sales and EBITDA margins) used in the calculation correspond to estimates made by management in financial plans and business strategies covering a period of five years. These projected cash flows were based on expectations of future outcomes taking into account past experience. They are then projected in perpetuity using a multiple that corresponds to the average of the real gross domestic product (GDP) and the inflation rates for the countries in which the CGU operates, or the GDP only in case the inflation exceeds it.

The discount rate applied to the expected cash flows is the weighted average cost of capital related to each CGU or group of CGUs. It has been derived from a capital asset pricing model using data from capital markets, including 15-year sovereign yields of the relevant currencies.

Below are the key components and assumptions used for the annual impairment test of goodwill and intangible assets with indefinite useful life.

In M USD	**Carrying amount**		**Terminal growth rate**	**Pre-tax discount rate**
	Goodwill	**Intangible assets with indefinite useful life**		
CGU or Group of CGUs as of December 31, 2025				
Injectable Aesthetics	2,977	1,143	2.2%	10.3%
Dermatological Skincare	2,152	1,242	2.2%	8.9%
Galderma brand[1]	-	647	2.2%	9.5%
Total carrying amount	**5,129**	**3,032**		
CGU[2] or Group of CGUs as of December 31, 2024				
Injectable Aesthetics	2,977	1,143	2.2%	11.4%
Dermatological Skincare	2,152	1,242	2.2%	8.8%
Galderma brand[1]	-	647	2.2%	10.0%
Total carrying amount	**5,129**	**3,032**		

1 The Galderma brand was measured based on the recoverable amount of the group of the CGUs Injectable Aesthetics, Dermatological Skincare and Therapeutic Dermatology.

2 An additional impairment test, applying a terminal growth rate of 2.2% and a pre-tax discount rate of 8.5%, was performed for the CGU Therapeutic Dermatology in the comparative period because it still included an asset not yet available for use at the test date, which became available prior to December 31, 2024.

Sensitivity
Management considers that no reasonably possible change in any of the key assumptions used in testing goodwill and intangible assets with indefinite useful life would cause their recoverable amounts as of December 31, 2025, and December 31, 2024, to significantly fall below their carrying values.

Impairment
During the reporting period, the Group recognized a total impairment of 5 M USD related to the derecognition of an intangible asset following the termination of an in-licensing agreement. The full amount was recognized in cost of goods sold in the consolidated statement of profit or loss.

Key accounting judgements, estimates and assumption
Goodwill and 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 CGU or group of CGUs to which the goodwill and intangible assets with indefinite useful life are allocated. The determination of the value in use requires a forecast of expected future cash flows as well as the use of estimates such as the long-term growth rate and the determination of an appropriate discount rate to calculate the present value of the future cash flows.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is comprised of owned and leased assets.

In M USD	Notes	December 31, 2025	December 31, 2024
Owned assets	8.1	614	478
Right-of-use assets (leases)	8.2	130	99
Total property, plant and equipment		**744**	**577**

8.1 Owned assets

The following table presents a summary of the Group's movements in owned assets.

In M USD	Land and buildings	Machinery and equipment	IT equipment	Tools, furniture, and other equipment	Vehicles	Assets under construction	Total
Net book value as of January 1, 2024	**136**	**81**	**11**	**11**	**-**	**188**	**426**
Capital expenditure	18	12	3	2	-	93	128
Disposals	-	-	(1)	-	-	-	(1)
Depreciation	(15)	(12)	(5)	(3)	-	-	(35)
Reclassification	11	37	-	3	-	(51)	-
Currency retranslations	(13)	(9)	(1)	(1)	-	(18)	(41)
Net book value as of December 31, 2024	**136**	**110**	**8**	**12**	**-**	**213**	**478**
As of December 31, 2024							
Gross value	253	199	28	38	1	213	731
Accumulated depreciation and impairment	(117)	(88)	(20)	(27)	(1)	-	(253)
Net book value	**136**	**110**	**8**	**12**	**-**	**213**	**478**
Net book value as of January 1, 2025	**136**	**110**	**8**	**12**	**-**	**213**	**478**
Capital expenditure	10	18	3	7	-	75	113
Disposals	(0)	(2)	(0)	(0)	-	-	(3)
Depreciation	(16)	(17)	(4)	(3)	-	-	(41)
Impairment	(8)	(0)	(0)	(2)	-	-	(9)
Reclassification	2	4	0	0	-	(7)	-
Currency retranslations	18	13	1	1	-	43	76
Net book value as of December 31, 2025	**142**	**127**	**6**	**15**	**-**	**324**	**614**
As of December 31, 2025							
Gross value	293	242	30	46	1	324	936
Accumulated depreciation and impairment	(151)	(114)	(24)	(32)	(1)	-	(322)
Net book value	**142**	**127**	**6**	**15**	**-**	**324**	**614**

The majority of the capitalized assets under construction relate to the new production facility in Uppsala, Sweden, which is being built for the production of injectable aesthetics and other biologics.

Impairment
During the reporting period, the Group recognized total impairments of 8 M USD on land and buildings. Of this amount, 5 M USD relates to a construction project that was cancelled during the period and is recorded in other expenses (see Note 4). The remaining 3 M USD reflects a write-down of leasehold improvements resulting from initiatives to streamline operations and is recognized in general and administrative expenses in the consolidated statement of profit or loss. These initiatives also led to an additional write-down of tools, furniture and other equipment amounting to 2 M USD, which is likewise recognized in general and administrative expenses.

8.2 RIGHT-OF-USE ASSETS (LEASED ASSETS)

Real estate leases
The Group leases land and buildings for its office and warehouse space. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are typically made for a fixed period of 5 to 15 years and may include extension options which provide operational flexibility.

Other leases
The Group leases vehicles, machinery and equipment and tools, furniture, and other equipment, which, in aggregate, are insignificant to the total leased asset portfolio.

The following table presents a summary of the movements in the Group's right-of-use assets from real estate and other leases.

In M USD	Real estate leases	Other leases	Total
As of January 1, 2024	**86**	**17**	**103**
Additions	12	25	37
Depreciation	(16)	(13)	(29)
Disposals	(1)	(2)	(3)
Other	(3)	-	(3)
Currency retranslations	(4)	(2)	(6)
As of December 31, 2024	**74**	**25**	**99**
As of January 1, 2025	**74**	**25**	**99**
Additions	52	18	71
Depreciation	(20)	(16)	(37)
Impairment	(4)	-	(4)
Impairment reversal	2	-	2
Other	(7)	(2)	(9)
Currency retranslations	5	2	7
As of December 31, 2025	**102**	**28**	**130**

Other lease disclosures
A maturity analysis of lease liabilities is disclosed in note 13.3. The Group incurred interest expense on lease liabilities of 9 M USD as of December 31, 2025 (7 M USD as of December 31, 2024).

Expenses related to short-term leases, leases of low value assets, and variable lease payments that are not included in the measurement of lease liabilities were below 1 M USD in both reporting periods. The total cash outflow for leases amounted to 53 M USD (36 M USD as of December 31, 2024).

Impairment
During the reporting period, the Group recognized an impairment loss of 4 M USD related to the write-down of right-of-use assets. In addition, a previously recorded impairment loss of 2 M USD was reversed following a reassessment indicating that an asset's recoverable amount exceeded its carrying amount. Both effects stemmed from initiatives to streamline operations and were recognized within general and administrative expenses in the consolidated statement of profit or loss.

Key accounting judgements, estimates and assumption
The Group applies significant judgement to determine the lease term for some lease contracts that include renewal or termination options and whether the Group is reasonably certain to exercise these options. The assessment of whether the Group is reasonably certain to exercise extension or termination options impacts the lease term, which significantly affects the amount of the resulting right-of-use asset and lease liability.

9. INVENTORIES

The Group's inventories consist of the following components.

In M USD	**December 31, 2025**	December 31, 2024
Raw materials	162	124
Finished goods	405	318
Provision for inventories	(42)	(39)
Total inventories	**525**	**403**

In the reporting period, inventories of 1,169 M USD (998 M USD as of December 31, 2024) were recognized as an expense in cost of goods sold in the consolidated statement of profit or loss. During 2025 and 2024, no material inventory write-down was recognized.

10. TRADE AND OTHER RECEIVABLES AND PAYABLES

10.1 Trade and other receivables

The composition of trade and other receivables is detailed in the table below.

In M USD	**December 31, 2025**	December 31, 2024
Trade receivables gross carrying amount	899	758
Expected credit loss allowance	(6)	(4)
Trade receivables	**893**	**754**
Doubtful receivables gross amount	8	11
Provision for doubtful receivables	(8)	(11)
Doubtful receivables	**-**	**-**
Total trade receivables	**893**	**754**
Other receivables	151	138
Total trade and other receivables	**1,044**	**892**

Other receivables include primarily advance payments to suppliers and other debit balances with suppliers of 91 M USD (84 M USD as of December 31, 2024) and VAT and other tax receivables of 47 M USD (38 M USD as of December 31, 2024).

10.2 Trade and other payables

The Group's trade and other payables consist of the following components.

In M USD	**December 31, 2025**	December 31, 2024
Trade payables	800	571
Other payables	144	105
Total trade and other payables	**943**	**676**

Other payables include primarily royalties payables of 77 M USD (48 M USD as of December 31, 2024) and VAT payables of 51 M USD (43 M USD as of December 31, 2024).

10.3 Supplier finance arrangements

The Group participates in a supplier finance arrangement under which its suppliers may elect to receive early payment of their invoices from a bank. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group, and the Group repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date.

The Group has not derecognized the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the agreement and presents the amounts subject to the arrangement within trade payables. The carrying amount of trade payables subject to the supplier finance arrangement amounts to 30 M USD as of December 31, 2025 (34 M USD as of December 31, 2024). Suppliers have received payments from the bank amounting to 23 M USD (34 M USD as of December 31, 2024).

The payment due dates (i.e., days after the invoice date) of trade payables subject to the Group's supplier finance arrangement have not changed for all suppliers that are part of the supplier financing agreement when they became part of the agreement. As such, it is the same as for comparable trade payables.

The payments to the bank are included within operating cash flows.

11. ACCRUALS AND DEFERRED INCOME

Included within the Group's accruals and deferred income are amounts related to revenue-generating contracts, such as discounts, allowances, and rebates. Furthermore, accruals also encompass accruals for operating expenses incurred but not yet invoiced. An overview is presented in the table below.

In M USD	**December 31, 2025**	December 31, 2024
Accruals for discounts, allowances and rebates	469	356
Accruals for marketing, R&D and other operating expenses	220	191
Deferred income	39	40
Total accruals and deferred income	**728**	**586**

12. PROVISIONS

The table below presents an overview of the Group's provisions, which arise from legal, contractual, or constructive obligations.

In M USD	**Restructuring**	**Legal and non-income tax**	**Return provision & others**	**Total**
As of 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 of January 1, 2025	**7**	**8**	**41**	**55**
Provisions made during the year	12	4	56	71
Amounts used	(11)	(5)	(18)	(34)
Reversal of unused amounts	(0)	(2)	(32)	(34)
Currency retranslations	1	1	1	2
As of December 31, 2025	**9**	**6**	**47**	**61**
of which expected to be settled within 12 months	*8*	*2*	*30*	***40***
of which expected to be settled after 12 months	*0*	*3*	*17*	***21***

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 of December 31, 2025, the major part of the restructuring provisions is expected to be settled within 12 months. For the year ended December 31, 2025, Galderma recorded net pre-tax restructuring costs of 13 M USD (9 M USD as of December 31, 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

Sales return provisions amount to 32 M USD (34 M USD as of December 31, 2024). The majority of these provisions is expected to be settled within twelve months after the balance sheet date.

Other provisions predominantly comprise onerous contract provisions amounting to 10 M USD (1 M USD as of December 31, 2024). These provisions are expected to be settled over a period ranging from one to seven years following balance sheet date. Further details on the onerous items recognized during the reporting period are presented in note 4.

Key accounting judgements, estimates and assumption
Events can occur where there is uncertainty over future obligations arising from past events. Judgement is required to determine if an outflow of economic resources is probable, or possible but not probable. Where it is probable, a liability is recognized, and further judgement is used to determine the amount of the provision. Where it is possible but not probable, further judgement is necessary to determine if the likelihood is remote, in which case no disclosures are provided; if the likelihood is not remote then judgement is used to determine the contingent liability disclosed.

13. FINANCIAL INSTRUMENTS

13.1 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**	
	December 31, 2025	December 31, 2024	**December 31, 2025**	December 31, 2024	**December 31, 2025**	December 31, 2024	**December 31, 2025**	December 31, 2024
Cash and cash equivalents	780	457	-	-	-	-	**780**	**457**
Trade receivables	837	754	-	-	57	-	**893**	**754**
Other receivables[2]	9	-	-	-	-	-	**9**	**-**
Accrued income	8	-	-	-	-	-	**8**	**-**
Other financial assets	3	1	-	-	-	-	**3**	**1**
Derivative assets designated as hedging instruments	-	-	118	2	-	-	**118**	**2**
Derivative assets not designated as hedging instruments	-	-	3	22	-	-	**3**	**22**
Total financial assets	**1,637**	**1,212**	**122**	**24**	**57**	**-**	**1,815**	**1,236**
Trade payables	800	571	-	-	-	-	**800**	**571**
Other payables[2]	93	61	-	-	-	-	**93**	**61**
Accruals[2]	629	494	-	-	-	-	**629**	**494**
Other financial liabilities	1	2	-	-	-	-	**1**	**2**
Financial debt	2,754	2,759	-	-	-	-	**2,754**	**2,759**
Derivative liabilities designated as hedging instruments	-	-	12	25	-	-	**12**	**25**
Derivative liabilities not designated as hedging instruments	-	-	4	5	-	-	**4**	**5**
Total financial liabilities	**4,276**	**3,887**	**16**	**30**	**-**	**-**	**4,292**	**3,917**
						-		
Net financial position	**(2,639)**	**(2,675)**	**106**	**(7)**	**57**	**-**	**(2,476)**	**(2,681)**
of which at fair value	*-*	*-*	*106*	*(7)*	*57*	*-*	*162*	*(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 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 107 M USD of factored receivables (107 M USD as of December 31, 2024) and recognized 102 M USD of cash (102 M USD as of December 31, 2024).

Master netting agreements
Agreements with derivative counterparties are based on an International Swaps and Derivatives Association (ISDA) Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), will the net position owing, or receivable to, a single counterparty in the same currency be taken as owing, and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet but have been presented separately in the table above.

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 the fair value hierarchy levels.

In M USD	**December 31, 2025**	December 31, 2024
Trade receivables	57	-
Derivative assets	122	24
Derivative liabilities	(16)	(30)
Valuation techniques based on observable market data (level 2)	**162**	**(7)**
Total financial instruments at fair value	**162**	**(7)**

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.

13.2 Financial debt

As part of its post-IPO refinancing activities, the Group successfully issued bonds on the SIX Swiss Exchange in March and December 2025 and made several repayments of the Term Loan during the reporting period. Note 2.1 provides an overview of the EUR and CHF bonds issued in 2025. In total, 1,500 M USD of the Term Loan was repaid, funded by the 1,260 M USD gross proceeds from the bonds issued during the period together with cash generated internally.

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

In M USD	**Interest rate**	**Maturity**	**December 31, 2025**	December 31, 2024
Current financial debt				
Lease liabilities		≤ 1 year	38	30
Other financial debt		≤ 1 year	1	3
Accrued interest not paid		≤ 1 year	26	3
Total current financial debt			**65**	**36**
Non-current financial debt				
Lease liabilities		Up to 2037	110	87
Term Loan	USD TERM SOFR +2.09%[1]; floor 0.00%	2029	600	2,100
1.6% CHF bond (ISIN: CH1373904403)	1.6%	2028	315	277
1.4025% CHF bond (ISIN: CH1399999973)	1.4025%	2029	240	-
3.5% EUR bond (ISIN: XS3025205850)	3.5%	2030	587	-
0.9425% CHF bond (ISIN: CH1485827393)	0.9425%	2030	221	-
1.9% CHF bond (ISIN: CH1373904411)	1.9%	2032	315	277
1.8098% CHF bond (ISIN: CH1399999981)	1.8098%	2033	309	-
Transaction cost related to the debt			(8)	(17)
Total non-current financial debt			**2,689**	**2,723**
Total financial debt			**2,754**	**2,759**

1 Weighted average of actual margin in the period. 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. As of January 1, 2025, the applicable margin was 2.25% p.a. This rate remained unchanged until June 26, 2025, when it was reduced to 2.15% p.a., followed by a further reduction to 1.9% p.a. on July 24, 2025.

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

In M USD	**December 31, 2025**	December 31, 2024
Total financial debt	**2,754**	**2,759**
Transaction cost related to the debt	8	17
Accrued interest not paid	(26)	(3)
Hedged foreign currency risk on debt	(134)	40
Total Indebtedness	**2,602**	**2,813**
Cash and cash equivalent	(780)	(457)
Total Net Indebtedness	**1,822**	**2,356**

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

In M USD	**December 31, 2025**		December 31, 2024	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Term Loan	597	600	2,083	2,100
1.6% CHF bond (ISIN: CH1373904403)	317	322	277	284
1.4025% CHF bond (ISIN: CH1399999973)	242	243	-	-
3.5% EUR bond (ISIN: XS3025205850)	600	595	-	-
0.9425% CHF bond (ISIN: CH1485827393)	220	220	-	-
1.9% CHF bond (ISIN: CH1373904411)	317	328	277	290
1.8098% CHF bond (ISIN: CH1399999981)	313	320	-	-
Total	**2,605**	**2,629**	**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 (597 M USD) and the revolving credit facility (RCF). To monitor its capital, the Group uses a Net debt 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 December 31, 2025, the Leverage Ratio totaled 1.5 (2.3 as of December 31, 2024).

	December 31, 2025	December 31, 2024
Core EBITDA for the last 12 months	**1,211**	**1,031**
Net Indebtedness	**1,822**	**2,356**
Leverage Ratio (adjusted Net Debt to Core EBITDA)	**1.5**	**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 and utilizing the undrawn portion of its RCF (685 M USD).

13.3 Financial risks

The Group's principal financial liabilities comprise financial debt, trade and other payables, accruals and other financial liabilities. The main purpose of the Term Loan was to refinance the indebtedness of the Group in the course of the IPO in in March 2024. In 2024 and 2025, the Group issued bonds and used the net proceeds from these bonds to partially refinance the Term Loan at more attractive conditions. The RCF and the other financial liabilities aim at financing the general corporate and working capital needs of the Group. The Group's principal financial assets include

cash and cash equivalents, trade receivables, other receivables, accrued income and other financial assets. The Group also enters into derivative transactions for hedging purposes.

In the course of its business, the Group is exposed to a number of financial risks associated with the financial instruments described above: credit risk, liquidity risk, and market risk (including foreign currency risk and interest rate risk). This note presents the Group's objectives, policies, and processes for managing its financial risk.

Financial risk management is an integral part of the way the Group is managed. The Board of Directors determines the financial control principles as well as the principles of financial planning. Treasury policies approved by the Board of Directors and the Audit Committee define and classify risks as well as define by category of risks the management of those specific approval, execution, and monitoring procedures are defined in sub policies.

Credit risk

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group considers a financial asset to be in default when the counterparty is unlikely to pay its obligations to the Group in full. In assessing whether a counterparty is in default, the Group considers both qualitative and quantitative indicators (e.g., overdue status) that are based on data developed internally and, for certain financial assets, are also obtained from external sources. Part of the Group's receivables which are past due for more than 90 days relate to public customers. Risk of default of public customers is considered low. The Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate for this particular customer segment.

Concentration risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Identified concentrations of credit risks are controlled and managed accordingly. The Group's largest customer balance represents 13% as of December 31, 2025 (23% as of December 31, 2024), of trade receivables. No other individual customer individually exceeds 10%. The Group assesses its credit risk to be minimal.

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. For more detail on the Group methodology for determining the expected credit losses for trade receivables, refer to note 23.13. The Group believes that the below expected credit loss allowance sufficiently covers the risk of default. The table below provides a view of the Group's customer credit risk exposure based on trade receivables days overdue.

In M USD	Current	Overdue 1 to 30 days	Overdue 31 to 90 days	Overdue by 90+ days	Doubtful receivables	Total
As of December 31, 2025						
Gross carrying amount	833	42	12	13	8	**907**
Group's expected credit loss rate	0%	1%	5%	19%	100%	**2%**
Expected credit loss allowance	(2)	(1)	(1)	(2)	(8)	**(14)**
As of December 31, 2024						
Gross carrying amount	702	36	12	8	11	**769**
Group's expected credit loss rate	0%	2%	3%	16%	100%	**2%**
Expected credit loss allowance	(2)	(1)	(0)	(1)	(11)	**(15)**

As of December 31, 2025, 92% of the trade receivables balances (91% as of December 31, 2024) are not overdue, supporting the Group's assessment of a limited customer credit risk. Outstanding customer receivables are monitored.

Financial instruments and cash deposits

Credit risk from balances or derivatives with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policies. The Group maintains relationships with banks that are assessed on credit ratings and for which internal limits have been fixed. The counterparty risks are assessed continuously to consider macroeconomic conditions that could affect the ability of a banking partner to meet their obligation.

Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval by the Group's CFO. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Other financial assets

Other financial assets include cash held as collateral for loans. These cash balances are managed by the Group's treasury department along with the other cash deposits mentioned above.

Key accounting judgements, estimates and assumption

The allowance for doubtful accounts is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the calculation of the allowance for doubtful accounts, based on the company's past experience, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Liquidity risk

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Such risk may result from inadequate market depth or disruption or refinancing problems. The Group has sufficient access to various sources of funding so that it meets its financial obligations when they become due such as a RCF on which the group can draw. The amount of available RCF amounts to 685 M USD.

Contractual maturities of financial liabilities and derivatives are summarized in the table below.

In M USD	1st year	2nd year	3rd – 5th year	5th year+	Contractual amount	Carrying amount
As of December 31, 2025						
Trade payables	800	-	-	-	**800**	**800**
Other payables	93	-	-	-	**93**	**93**
Accruals	629	-	-	-	**629**	**629**
Other financial liabilities	-	0	1	-	**1**	**1**
1.6% CHF bond (ISIN: CH1373904403)	5	5	320	-	**330**	**317**
1.4025% CHF bond (ISIN: CH1399999973)	3	3	246	-	**253**	**242**
3.5% EUR bond (ISIN: XS3025205850)	21	21	648	-	**690**	**600**
0.942% CHF bond (ISIN: CH1485827393)	2	2	227	-	**231**	**220**
1.9% CHF bond (ISIN: CH1373904411)	6	6	18	327	**357**	**317**
1.8098% CHF bond (ISIN: CH1399999981)	6	6	17	326	**354**	**313**
Other interest-bearing loans and borrowings	33	33	642	-	**709**	**597**
Lease liabilities	42	36	64	34	**176**	**147**
Other financial debt	1	-	-	-	**1**	**1**
Derivative liabilities						**16**
• Outflow	542	18	253	-	**813**	**n/a**
• Inflow	(529)	(6)	(267)	-	**(801)**	**n/a**
Total	**1,654**	**124**	**2,169**	**688**	**4,635**	**4,292**
As of December 31, 2024						
Trade payables	571	-	-	-	**571**	**571**
Other payables	61	-	-	-	**61**	**61**
Accruals	493	-	-	-	**493**	**493**
Other financial liabilities	-	2	-	-	**2**	**2**
1.6% CHF bond (ISIN: CH1373904403)	4	4	286	-	**294**	**277**
1.9% CHF bond (ISIN: CH1373904411)	5	5	16	293	**319**	**277**
Other interest-bearing loans and borrowings	138	138	2,411	-	**2,687**	**2,086**
Lease liabilities	30	26	40	25	**120**	**117**
Other financial debt	3	-	-	-	**3**	**3**
Derivative liabilities						**30**
• Outflow	640	57	425	343	**1,465**	**n/a**
• Inflow	(612)	(36)	(403)	(396)	**(1,446)**	**n/a**
Total	**1,333**	**196**	**2,775**	**264**	**4,568**	**3,917**

Market risk

Currency risk

The Group operates in multiple countries and is exposed to currency risk arising from transactions and balances denominated in foreign currencies. The Group manages its foreign currency risk by hedging main balance sheet exposures and transactions that are expected to occur within a maximum 18-month period via derivative instruments such as cross-currency swaps, forward contracts or currency swaps. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure.

The Group's principal foreign currency exposures are in CHF, EUR, SEK and CNY. The significant exchange rates that are applicable to these consolidated financial statements are listed in the table below:

	December 31, 2025		December 31, 2024	
	Average rate	Year-end spot rate	Average rate	Year-end spot rate
CHF	1.2058	1.2614	1.1364	1.1069
EUR	1.1297	1.1737	1.0822	1.0403
SEK	0.1021	0.1085	0.0947	0.0907
CNY	0.1391	0.1431	0.1390	0.1370

The cross-currency swaps have been designated as hedging instruments in cash flow hedges of variability in foreign exchange rates. To comply with the risk management policy, the hedge ratio is based on a hedging instrument with the same notional amount in CHF or EUR terms as the underlying exposure. This results in a hedge ratio of 1:1 or 100%. Potential sources of ineffectiveness of the cross-currency swaps are the credit risk arising from the credit rating of Galderma and the counterparties and the foreign currency basis spread. The credit risk has been assessed as not significant. The foreign currency basis spreads were separated from the hedging instruments and changes are recognized in the statement of comprehensive income and separately reported in the cost of hedging reserve.

The Group analyzed the sensitivity to a reasonable possible change (assessed at 5%) in CHF, EUR, SEK and CNY (as of December 31, 2024: CHF and SEK) exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. Based on its analysis, the Group has concluded that the impact of a reasonable possible change in CHF, EUR, SEK and CNY exchange rates (with all other variables held constant) on the Group's profit before tax and the Group's pre-tax equity is not material.

Interest rate risk

The Group's principal interest-bearing liabilities comprise the financial debt in the form of bank borrowings, bonds and lease liabilities. The bonds issued have fixed interest rates and, therefore, are not subject to interest rate risk. As most of the bank borrowings, including the Term Loan, bear variable interest rates that are based on inter-bank indices, the Group is exposed to cash flow interest rate risk.

The Group analyzed the sensitivity to a reasonably possible change in the Secured Overnight Financing Rate (TERM SOFR) with all other variables held constant. Based on its analysis, the Group has concluded that the impact of a reasonable possible change in the TERM SOFR (with all other variables held constant) on the Group's profit before tax and the Group's pre-tax equity is not material.

Because the Term Loan bears variable interest rates, the Group is exposed to interest rate risk. To mitigate this risk, the Group uses interest rate swaps that hedge 95% of the Term Loan for 2025 and 75% for 2026 (representing 71% of long-term borrowings since the IPO in 2024).

The swaps have been designated as hedging instruments in cash flow hedges of variability in interests paid on the facilities that the Group has contracted and that are TERM SOFR based. The Group hedged the cash flows related to the interest paid, and according to the policy could hedge up to 5 years. Refer to note 23.11 and the information below for more information on the accounting policies on hedge accounting.

As the same interest rate basis is used and the timing for interest resets and payments match, there is a clear economic relationship between the hedging instrument and the hedged item. It is assumed that the economic relationship is present throughout the entire designated hedge period.

To comply with the risk management policy, the hedge ratio is based on a percentage of 75% of the 600 M USD equivalent term loan. This debt is offset with interest rate swaps with the same critical terms. The notional amount of the hedging instrument 450 M USD is designated as hedge for the same nominal of the term loan. The hedge ratio is therefore 1:1 or 100%. Potential sources of ineffectiveness of the swaps are the credit risk arising from the credit rating of Galderma and the counterparty to the interest rate swap. The credit risk has been assessed as not significant.

Commodity price risk
The Group has limited exposure to price risk related to anticipated purchases of certain commodities used as raw materials by the Group's businesses. A change in those prices may alter the gross margin of a specific business, but generally below the Group's risk management tolerance levels. Accordingly, the Group does not enter into significant commodity futures, forward or option contracts to manage fluctuations in prices of anticipated purchases.

Derivative assets and liabilities and hedge accounting
The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group's risk management strategy and how it is applied to manage risk are explained above.

Derivatives not designated as hedging instruments
The Group uses foreign exchange forward and swap contracts to manage some of its transaction exposures. All foreign exchange forward contracts entered into during the year ended December 31, 2025, to hedge forecast sales in foreign currencies and forecast purchases in foreign currencies are not designated as cash flow hedges. The forward contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1-12 months.

The Group's balance sheet hedging program is designed to mitigate foreign exchange risk arising from monetary items denominated in currencies other than the functional currency of the respective entity. While the Group actively hedges intercompany loans to reduce foreign exchange volatility at the consolidated level, these hedges are not designated as part of an accounting balance sheet hedging program under hedge accounting rules.

Derivatives designated as hedging instruments
Galderma's foreign currency exposure arises from debt issued in foreign currencies with settlement of interest and notional in foreign currencies. Galderma's policy is to hedge its material foreign exchange risk associated with highly probable forecast transactions denominated in foreign currencies. These are designated under cash flow hedge accounting. The hedged risk arises when the interest rate has been fixed for EUR and CHF and the settlement amount is known in foreign currencies, so the hedged risk is the foreign currency forward risk due to changes in exchange rates.

Items designated as hedging instruments are reported as derivative assets and derivative liabilities. Their notional and carrying amounts were as follows:

In M USD	Notional amount <1 year	Notional amount > 1 year	Notional amount Total	Fair value derivative asset	Fair value derivative liabilities
Cash flow hedges as of December 31, 2025					
Foreign currency risk					
Cross-currency swap CHF to USD fixed to fixed	-	1,400	1,400	86	(1)
Cross-currency swap EUR to USD fixed to fixed	-	587	587	33	-
Interest rate risk					
USD swap floating to fixed	-	450	450	-	(11)
Cash flow hedges as of December 31, 2024					
Foreign currency risk					
Cross-currency swap CHF to USD fixed to fixed	-	594	594	-	(17)
Interest rate risk					
USD cap	-	250	250	1	-
USD swap floating to fixed	1,100	1,200	2,300	-	(8)

The amounts at the reporting date relating to hedging instruments were as follows:

	December 31, 2025			December 31, 2024		
In M USD	Change in fair value of the hedging instruments recognized in OCI	Cost of hedging recognized in OCI	Amount reclassified from hedging reserve to profit or loss[1]	Change in fair value of the hedging instruments recognized in OCI	Cost of hedging recognized in OCI	Amount reclassified from hedging reserve to profit or loss[1]
Foreign currency risk						
Cross-currency swaps	(25)	1	-	35	(4)	-
Interest rate risk						
USD swap floating to fixed	(16)	-	12	13	-	(6)

1 Amounts reclassified from hedging reserve to profit or loss are recognized in financial income or financial expenses. Refer to note 5.

The amounts at the reporting date relating to items designated as hedged items were as follows:

	December 31, 2025			December 31, 2024		
In M USD	Change in fair value used for measuring ineffectiveness	Cash flow hedging reserve	Cost of hedging reserve	Change in fair value used for measuring ineffectiveness	Cash flow hedging reserve	Cost of hedging reserve
Foreign currency risk						
Bonds (financial debt)	25	8	(3)	(35)	31	(4)
Interest rate risk						
Variable-rate instruments (financial debt)	16	(10)	-	(13)	(8)	-

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items resulting from cash flow hedge accounting:

In M USD	**Hedging reserve**	**Cost of hedging**	**Total hedge reserve**
As of January 1, 2024	**(16)**	**-**	**(16)**
Changes in fair value			
Foreign currency risk	35	(4)	31
Interest rate risk	13	-	13
Amount reclassified to profit or loss			
Interest rate risk[1]	(6)	-	(6)
Tax on movements on reserves during the year	(3)	1	(3)
As of December 31, 2024	**23**	**(4)**	**19**
As of January 1, 2025	**23**	**(4)**	**19**
Changes in fair value			
Foreign currency risk	(25)	1	(24)
Interest rate risk	(16)	-	(16)
Amount reclassified to profit or loss			
Interest rate risk[1]	12	-	12
Tax on movements on reserves during the year	4	(0)	4
As of December 31, 2025	**(2)**	**(3)**	**(5)**

1 Amounts reclassified from hedging reserve to profit or loss are recognized in financial income or financial expenses. Refer to note 5.

14. CASH FLOW STATEMENT RECONCILIATIONS

14.1 Reconciliation of net financial debt

The table below provides supplementary details on the movements in financial debt, complementing the information presented in the cash flow statement.

In M USD	**Financial debt current**	**Financial debt non-current**	**Total net financial debt**	*of which: lease obligation*
As of January 1, 2024	**63**	**4,846**	**4,909**	***123***
Proceeds from financial debt, net of transaction costs	90	3,510	3,601	-
Repayments of financial debt	(148)	(5,629)	(5,777)	*(23)*
Interest expense[1]	260	80	339	*7*
Interest payments[1]	(266)	-	(266)	*(9)*
Non-cash movements[1]	38	(5)	33	*25*
Foreign exchange adjustments	(1)	(79)	(80)	*(6)*
As of December 31, 2024	**36**	**2,723**	**2,759**	***117***
As of January 1, 2025	**36**	**2,723**	**2,759**	***117***
Proceeds from financial debt, net of transaction costs	155	1,253	1,408	-
Repayments of financial debt	(196)	(1,504)	(1,701)	*(44)*
Interest expense	119	16	135	*9*
Interest payments	(99)	-	(99)	*(9)*
Non-cash movements	45	22	68	*68*
Foreign exchange adjustments	4	179	183	*7*
As of December 31, 2025	**65**	**2,689**	**2,754**	***147***

1 In 2025, interest expense and interest payments were presented on a gross basis for the first time, and comparative figures were aligned accordingly. As part of this adjustment, amortization of debt transaction costs under the effective interest method was reclassified from non-cash movements to interest expense.

The interest paid of 146 M USD (286 M USD as of December 31, 2024) disclosed in the consolidated statement of cash flows includes 30 M USD of interest payments related to derivatives (2 M USD as of December 31, 2024) as well as other payments.

14.2 Cash and cash equivalents

Cash and cash equivalents consist of the following components.

In M USD	**December 31, 2025**	December 31, 2024
Cash and bank balances	325	282
Time deposits	455	175
Cash and cash equivalents	**780**	**457**

The Group has no material restricted cash balances at December 31, 2025, and at December 31, 2024.

15. EMPLOYEE BENEFITS

The Group's salaries of 857 M USD (737 M USD as of December 31, 2024) and welfare expenses of 206 M USD (175 M USD as of December 31, 2024) represent a total of 1,063 M USD (913 M USD as of December 31, 2024). Contributions to defined contribution plans amount to 23 M USD (20 M USD as of December 31, 2024). Employee remuneration is allocated to the appropriate headings of expenses by function.

The table below shows employee benefit items recognized in the Group's balance sheet.

In M USD	December 31, 2025			December 31, 2024		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Short-term benefits	184	-	184	119	-	119
Post-employment retirement defined benefit plans, net	-	78	78	-	88	88
Post-employment medical defined benefits plans	-	21	21	-	27	27
Other employee benefit liabilities	-	4	4	-	2	2
Employee benefit liabilities, net	**184**	**102**	**286**	**119**	**117**	**236**
Presented in the balance sheet as follows:						
Employee benefit assets	-	2	2	0	0	0
Employee benefit liabilities	184	104	288	119	117	236

15.1 Post-employment benefits

Apart from legally required social security arrangements, most of the Group employees are eligible for benefits through pension plans in case of retirement, death in service, disability and in case of resignation. Those plans are either defined contribution plans or defined benefit plans based on pensionable remuneration and length of service. All pension plans comply with local tax and legal restrictions in their respective countries, including funding obligations.

Post-employment retirement benefit plans
The major plans, classified as post-employment defined benefit plans, are in Switzerland, Germany, the U.S. and the U.K. In accordance with applicable legal frameworks, these plans have boards of trustees or general assemblies that are generally independent from the Group and are responsible for the management and governance of the plans.

In 2025, the Group implemented corporate restructuring measures at its headquarters, resulting in a significant reduction in employees covered by a post-employment retirement benefit plan in Switzerland. The curtailment of the plan reduced the defined benefit obligation by 5 M USD, which was recognized as a past service credit and presented as a non-Core item within other income in the 2025 statement of profit or loss. Refer to Note 4.

In addition to the gain from the curtailment in Switzerland, past service credits of 8 M USD recognized in the reporting period primarily reflect the impact of a plan amendment to a U.S. post-employment medical benefit plan, together with other immaterial effects.

Post-employment medical benefit plans
The Group, principally in the U.S., maintains medical benefit plans, which are classified as post-employment medical defined benefit plans and cover eligible retired employees.

In 2025, the plan rules of a post-employment medical benefit plan in the United States were amended. As a result of the plan amendment, the Group's defined benefit obligation decreased by 8 M USD. The corresponding past service credit was recognized within other income as a non-Core item in the statement of profit or loss for 2025. Refer to note 4.

Risks related to defined benefit plans
The main risks to which the Group is exposed in relation to defined benefit plans are:

- *Mortality risk:* the assumptions adopted by the Group make allowance for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the plans and consequently increases in the plans' liabilities. In order to minimize this risk, mortality assumptions are reviewed on a regular basis.
- *Market and liquidity risks:* these are the risks that the investments do not meet the expected returns. This also encompasses the mismatch between assets and liabilities. In order to minimize the risks, the structure of the portfolios is reviewed and asset-liability matching analyses are performed on a regular basis.

These risks are mitigated as certain of the Group's pension arrangements permit benefits to be adjusted in the case that downside risks emerge.

Asset-liability management and funding arrangement
Plan trustees or general assemblies are responsible for determining the mix of asset classes and target allocations of the Group's plans with the support of investment advisors. Periodic reviews of the asset mix are made by mandating external consultants to perform asset liability matching analyses. Such analyses aim at comparing dynamically the fair value of assets and the liabilities in order to determine the most adequate strategic asset allocation.

The overall investment policy and strategy for the Group's funded defined benefit plans is guided by the objective of achieving an investment return which, together with the contributions paid, is sufficient to maintain reasonable control over the various funding risks of the plans. As those risks evolve with the development of capital markets and asset management activities, the Group addresses the assessment and control process of the major investment pension risks. In order to protect the Group's defined benefit plans funding ratio and to mitigate the financial risks, protective measures on the investment strategies are in force. To the extent possible, the risks are shared equally amongst the different stakeholders.

Funding situation of defined benefit plans by country

In M USD	Switzerland	U.S.	Germany	U.K.	Other[1]	Total
As of December 31, 2025						
Defined benefit obligations	262	-	-	15	9	286
Fair value of plan assets	(241)	-	-	(15)	(5)	(262)
Net funded defined benefit obligations / (assets)	**21**	**-**	**-**	**(0)**	**4**	**24**
Post-employment retirement defined benefit obligations	10	4	24	-	14	53
Post-employment medical defined benefit obligations	-	21	-	-	-	21
Unfunded defined benefit obligations	**10**	**25**	**24**	**-**	**14**	**74**
As of December 31, 2024						
Defined benefit obligations	229	-	-	15	8	252
Fair value of plan assets	(195)	-	-	(15)	(5)	(215)
Net funded defined benefit obligations / (assets)	**34**	**-**	**-**	**(0)**	**3**	**36**
Post-employment retirement defined benefit obligations	11	5	24	-	12	51
Post-employment medical defined benefit obligations	-	27	-	-	-	27
Unfunded defined benefit obligations	**11**	**32**	**24**	**-**	**12**	**78**

1 Consists of countries that have plans of which its net funded and unfunded obligations are individually below 5 M USD.

Movement in net defined benefit obligations / (assets)

In M USD	Defined benefit obligations		Fair value of plan assets		Net defined benefit obligation	
	2025	2024	**2025**	2024	**2025**	2024
As of January 1	**330**	**331**	**(215)**	**(210)**	**115**	**121**
of which funded defined benefit plans	*252*	*249*	*(215)*	*(210)*	*36*	*39*
of which unfunded defined benefit plans	*78*	*82*	-	-	*78*	*82*
Included in profit or loss						
Current service cost	23	21	-	-	23	21
Past service cost	(13)	-	-	-	(13)	-
Interest expense / (income)	6	7	(4)	(3)	2	4
Included in other comprehensive income (OCI)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	0	0	-	-	0	0
- financial assumptions	(17)	7	-	-	(17)	7
- experience adjustments	12	3	-	-	12	3
Return on plan assets excluding interest income	-	-	(14)	(16)	(14)	(16)
Currency retranslations	39	(19)	(29)	15	10	(4)
Other						
Contributions paid by employee	8	8	(8)	(8)	-	-
Contributions paid by employer	-	-	(14)	(15)	(14)	(15)
Benefits paid on funded defined benefit plans	(22)	(22)	22	22	-	-
Benefits paid on unfunded defined benefit plans	(6)	(6)	-	-	(6)	(6)
As of December 31	**361**	**330**	**(262)**	**(215)**	**98**	**115**
of which funded defined benefit plans	*286*	*252*	*(262)*	*(215)*	*24*	*37*
of which unfunded defined benefit plans	*74*	*78*	-	-	*74*	*78*

Plan asset allocation

The major categories of plan assets as a percentage of total plan assets of the Group's post-employment defined benefit plans are summarized in the table below.

	December 31, 2025	December 31, 2024
Equity securities	31%	29%
Debt securities	20%	15%
Real estate	26%	24%
Cash and cash equivalents	5%	8%
Alternative investments	11%	18%
Buy-in policy	6%	6%

Principal financial actuarial assumptions and sensitivity analyses
The following table shows the principal weighted average actuarial assumptions used for calculating the balances and impacts from the Group's post-employment defined benefit plans.

	December 31, 2025	December 31, 2024
Discount rates	2.2%	2.0%
Expected rates of salary increases	1.6%	1.5%
Expected rates of pension adjustments	0.3%	0.3%
Medical cost trend rates	n/a	4.5%

The weighted-average duration of the defined benefit obligations is 14.5 years as of December 31, 2025 (15.1 years as of December 31, 2024).

The mortality tables used and the life expectancies for the major defined benefit pension plans are summarized in the table below.

Country	**Mortality Table**	**Life expectancy expressed in years**	
		At age 65 for a male currently aged 65	**At age 65 for a female currently aged 65**
As of December 31, 2025			
Switzerland	BVG 2020 (CMI LTR=1.25%)	21.9	23.7
Germany	Heubeck Richttafeln 2018 G	21.0	24.4
U.K.	101% S3PMA "Middle" tables (CMI2024) / 104% S3PFA "All lives" tables (CMI2024)	21.5	24.2
U.S.	PRI-2012	20.0	23.0
As of December 31, 2024			
Switzerland	BVG 2020 (CMI2019 LTR=1.25%)	21.9	23.6
Germany	Heubeck Richttafeln 2018 G	20.9	24.3
U.K.	101% S3PMA "Middle" tables (CMI2023) / 104% S3PFA "All lives" tables (CMI2023)	21.2	24.1
U.S.	PRI-2012	20.7	22.7

Life expectancy is reflected in the defined benefit obligations by using the best estimate of the mortality of plan members. When appropriate, base mortality tables are adjusted to take into consideration expected changes in mortality (e.g., by allowing for future longevity improvements).

The following table shows the changes in the defined benefit obligations when major assumptions are changed. The sensitivity analyses are based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur as changes in some of the assumptions may be correlated.

In M USD		**December 31, 2025**		December 31, 2024
Defined benefit obligations		**361**	**330**	
Change in assumption	**Increase by 50 bps or 1 year**	**Decrease by 50 bps or 1 year**	**Increase by 50 bps or 1 year**	**Decrease by 50 bps or 1 year**
Discount rates	338	387	311	355
Expected rates of salary increases	363	358	333	328
Expected rates of pension adjustments	374	358	345	330
Mortality assumption	355	367	327	337
Medical cost trend rates	n/a	n/a	330	329

15.2 Other information
The Group expects to pay 18 M USD in contributions to its post-employment defined benefit plans in the next reporting period.

Key accounting judgements, estimates and assumption
Defined benefit obligations are calculated using actuarial calculations based on assumptions. The measurement is particularly sensitive to changes in assumptions such as discount rates, inflation rates, expected mortality and future salary/pension growth rates. The actuarial assumptions may differ from actual results due to changes in market and economic conditions as well as longer or shorter lifespans of participants, and other changes in the factors being assessed. These differences could impact the (net) defined benefit assets or obligations recognized.

16. SHARE-BASED PAYMENT PLANS

16.1 Long-Term Incentive Plan
In May 2024 Galderma established a new Long-Term Incentive Plan (LTI) designed to align compensation with the strategic goals of the Group. The equity-settled share-based payment arrangement consists of awards of restricted share units (RSUs) and performance share units (PSUs), providing participants with a conditional right to a number of shares of the Company.

RSUs
The plan foresees the award of RSUs to senior management and selected employees of the Group. RSUs will convert into unrestricted shares in the Company on a 1:1 ratio in three tranches after a required service period of between one and three years.

PSUs
Galderma has awarded a selection of the most senior leaders, including the Executive Committee, PSUs which convert into unrestricted shares, after completion of a three-year service period and subject to the achievement of specific performance conditions. A PSUs award is divided into two tranches with the following conditions.

- 50% of the PSUs are subject to the achievement of a non-market performance condition, being net sales growth with a potential payout in shares ranging from nil to a maximum of 200%.

- 50% of the PSUs are subject to the achievement of a market performance condition linked to the total shareholder return (TSR) ranking of the Group as compared to an identified reference group, with a potential payout in shares also ranging from nil to a maximum of 200%.

Both the RSUs and PSUs are converted into shares of the Company without any additional consideration from the employee (exercise price equal to zero).

The table below summarizes the number of RSUs and PSUs granted, exercised, and forfeited during the reporting periods, and provides additional details on LTI transactions for the periods.

In units or as indicated	**December 31, 2025**		December 31, 2024	
	RSUs	**PSUs**	**RSUs**	**PSUs**
Outstanding as of January 1	**729,830**	**307,766**	**-**	**-**
Granted during the period	494,301	197,620	782,162	323,752
Exercised during the period	(235,918)	-	-	-
Forfeited during the period	(163,368)	(128,779)	(52,332)	(15,986)
Outstanding as of December 31	**824,845**	**376,607**	**729,830**	**307,766**
Exercisable at the end of the period	*0*	*0*	*0*	*0*
Weighted average remaining contractual life of outstanding instruments in years	1.1	1.7	1.4	2.4
Weighted average grant date fair value of instruments granted in the reporting period in USD	125	131	81	95
Weighted average reference share price on grant date of instruments granted in the reporting period in USD	126	121	82	81
Weighted average share price at the date of exercise of instruments exercised during the reporting period in USD	122	n/a	n/a	n/a

The Group applied the Black-Scholes formula to determine the grant date fair value of RSUs and PSUs subject to the achievement of non-market performance conditions. For PSUs subject to market performance conditions, the grant date fair value was determined using a Monte Carlo simulation model which resulted in a weighted average estimate of potential payout in shares of 117% for the PSUs granted in 2025 (134% for the PSUs granted in 2024). Both option pricing models were performed with reference to the share price of the Company on grant date. Further inputs for the fair value measurement were the expected volatility of 31% (30% as of December 31, 2024), the expected dividend yield and the risk-free interest rate. Volatility has been derived as the weighted average of a bespoke comparator group over the period commensurate with the remainder of the performance period immediately prior to the grant date. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

During the reporting period, the Group recognized an expense of 59 M USD (29 M USD as of December 31, 2024) in relation to the LTI with a corresponding increase in retained earnings.

The LTI includes a net settlement feature whereby the Group withholds a number of the Company's shares equivalent to the monetary value of the employees' tax obligation associated with the LTI. During the reporting period, the LTI vested for the first time, and the Group recognized 8 M USD as a reduction in retained earnings.

16.2 Board of Directors share compensation

Members of the Board of Directors are paid 50% in cash and 50% in unrestricted shares of the Company. The part of the compensation paid in unrestricted shares is an equity-settled share-based payment arrangement.

In 2025, 8,230 shares (December 31, 2024: 9,721 shares) were granted to members of the Board of Directors. The grant date fair value of 114 USD (December 31, 2024: 77 USD) was determined by reference to the share price of the Company on grant date.

During the reporting period, the Group recognized an expense of 1 M USD (1 M USD as of December 31, 2024) in relation to the Board of Directors share compensation.

16.3 IPO Incentive Plan

The IPO Incentive Plan consisted of the award of restricted shares delivered directly from institutional investors of Galderma Group AG to selected employees of the Group, to align the interests of the members of the Board of Directors and the Executive Committee, management and selected employees of the Group with the interests of the new shareholders at the time of the offering.

The extent of the awards was linked to the final offer price at IPO and fully vested at the IPO date. The awards were subject to a market performance condition being the achievement of the volume weighted average price of shares over a period of three consecutive months of 58 CHF or higher. On June 24, 2024, the plan administrator confirmed that the market performance condition had been met. The number of blocked shares allocated to participants in 2024 amounted to 965,737. The grant date fair value of 43 USD per share (or 38 CHF per share) has been determined using a Monte Carlo simulation model. The IPO Incentive Plan was settled in existing shares funded and delivered by the selling shareholders and qualified as an equity-settled plan. As of December 31, 2024, the only remaining feature was the lock-up period of 18 months, which expired in 2025.

The IPO Incentive Plan was fully settled in 2024, when the Group recognized an expense of 38 M USD in relation to the IPO Incentive Plan and a corresponding expense for social security contributions of 6 M USD in the operating result.

16.4 Value creation bonus plan

The value creation bonus plan (VCB) was a long-term plan open to selected management employees of the Group and aimed to incentivize participants to maximize shareholder value in case of an exit (being defined as the sale or partial sale of the Group). On March 7, 2024 (Modification Date), in connection with the planned IPO, the Group amended terms of the Original VCB by partly modifying the terms of the settlement of the plan. Instead of receiving settlement of the vested benefits entirely in cash, participants were offered the choice of receiving any vested benefit either 50% in cash and 50% in the form of restricted shares awards (RSAs) of the Company or 100% of their entitlement in the form of RSAs.

The value of the RSA was determined as the offer price of the shares in the IPO. The respective shares were subject to a 360-day lock-up period. The amendment of the VCB was treated as a plan modification that changed the classification of the share-based payment plan from fully cash-settled to partly equity-settled. The remeasurement of the liability at the Modification Date resulted in a financial income of 28 M USD (see note 5). The modification resulting in the settlement of 50% entitlement in RSAs was accounted for as equity-settled at the Modification Date, by reclassifying the remeasured liability portion of 23 M USD to equity. The remaining VCB liability was settled in 2024, resulting in a cash outflow of 52 M USD.

Key accounting judgements, estimates and assumption

In preparing the consolidated financial statements, management applies judgments in the definitions of assumptions regarding LTI. Judgmental areas include the determination of the grant date, the fair value of the RSUs and PSUs granted, and the estimate of instruments expected to vest. The fair values of RSUs and PSUs granted are determined based on option pricing models that include estimates such as the expected dividend yield, risk-free interest rate, volatility and achievement factor of market performance conditions. The estimate of the instruments expected to vest is based on assumptions of expected attrition rates as well as achievement of non-market performance conditions. Management performs the estimates based on historical data, future expectations and its business plans. The assumptions are reviewed and updated on each balance sheet date.

17. EQUITY

17.1 Share capital

As of December 31, 2025 and December 31, 2024, the share capital of the Company amounted to 3 M USD and consisted of 237,897,635 fully paid shares with a nominal value of 0.01 CHF per share.

In the comparative period, share capital was adjusted in the course of the legal reorganization of the Group on March 21, 2024 in order to align it with the share capital of Galderma Group AG amounting to 2.3 M USD representing 200,000,000 shares with a nominal value of 0.01 CHF per share. The resulting reduction of 4 M USD was reclassified to retained earnings / accumulated losses. In addition, share premium of Sunshine VII amounting to 6,253 M USD as of December 31, 2023 was reclassed to retained earnings / accumulated losses in the 2024 reporting period.

In the course of the IPO on March 22, 2024 the Company issued 37,897,635 shares with a nominal value of 0.01 CHF per share. The Company raised capital of 2,216 M USD which it recognized in equity, net of directly attributable transaction costs of 83 M USD. Following the IPO, the Group received net proceeds of 2,166 M USD (less directly deducted transaction costs). Additionally, the remaining transaction costs and duties led to an extra cash outflow of 32 M USD in the reporting period. The issuance of shares during the IPO on March 22, 2024, resulted in a total increase in equity of 2,133 M USD of which 0.4 M USD was recognized as an increase in share capital and the remaining amount in share premium.

17.2 Share capital range and conditional share capital

Capital range

The Company has a share capital ranging from 2,260,028 CHF (lower limit) to 2,616,874 CHF (upper limit). The Board of Directors is authorized within the capital range to increase or reduce the share capital once or several times and in any amount or to acquire or dispose of shares directly or indirectly, until March 12, 2029, or until an earlier expiry of the capital range. The capital increase or reduction may be affected by issuing fully paid-in registered shares with a par value of 0.01 CHF each and by cancelling registered shares with a par value of 0.01 CHF each, as applicable; by increasing or reducing the par value of the existing shares within the limits of the capital range; or by simultaneous reduction and re-increase of the share capital. In the event of a capital increase within the capital range, the Board of Directors shall, to the extent necessary, determine the issue price, the type of contribution, the date of issue, the conditions for the exercise of subscription rights and the beginning date for dividend entitlement. In the event of a share issue the Board of Directors is authorized to withdraw or restrict subscription rights of existing shareholders and allocate such rights to third parties, the Company or any of its subsidiaries for the purposes as defined in the Company's articles of association.

Conditional share capital

The Company has a conditional share capital for employee participation and a conditional capital for financing, acquisitions and other purposes. The Company can therefore raise additional share capital up to the upper limit of the capital range for the purposes stated below.

- *Conditional share capital for employee participation:* the share capital may be increased in an amount not to exceed 237,898 CHF through the issuance of up to 23,789,763 fully paid-in registered shares with a par value of 0.01 CHF per share. Such shares may be issued at a price lower than the respective market price quoted on the stock exchange and such rights or acquisition obligations may be granted below their intrinsic value. The subscription rights and advance subscription rights of the shareholders of the Company shall be excluded in connection with the issuance of such shares, rights or purchase obligations.
- *Conditional share capital for financing, acquisitions and other purposes:* the share capital may be increased in an amount not to exceed 237,898 CHF through the issuance of up to 23,789,763 fully paid-in registered shares with a par value of 0.01 CHF each. The increase can be facilitated through the exercise or mandatory exercise of conversion, exchange, option, subscription or other rights to acquire shares or through obligations to acquire shares granted to or imposed on shareholders or third parties, either alone or in connection with bonds, notes, options, warrants or other securities or contractual obligations of the Company or any of its subsidiaries. The subscription rights of shareholders shall be excluded upon the exercise of any instruments in connection with the issuance of shares. The main conditions of such instruments shall be determined by the Board of Directors.

17.3 Share premium

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.

17.4 Treasury share reserve

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group. On December 31, 2025, the Group held 3,328,910 of the Company's shares (December 31, 2024: 491,486). Treasury shares are not entitled to voting rights or dividends.

In 2025, Galderma repurchased 3,038,976 of its own shares from the Shareholder Group through three transactions for a total consideration of 363 M USD. Refer to note 21.2 for more information on these related party transactions.

In the comparative reporting period, 331,207 treasury shares were created in the course of the capital increase on March 22, 2024, without any proceeds flowing to the Group. The resulting increase in the nominal value of these shares amounting to 4 K USD was credited to share capital and debited to retained earnings/accumulated losses. In addition, the Group purchased 170,000 of the Company's shares for a total consideration of 15 M USD.

In the reporting period, the Group transferred 201,552 Galderma Group AG shares to employees in order to fulfil equity-settled share-based payment arrangements (December 31, 2024: 9,721). The treasury shares were derecognized at a purchase cost of 2 K USD (December 31, 2024: 1 K USD) with a corresponding entry to retained earnings.

18. INCOME TAXES

18.1 Current and deferred income tax expense

In M USD	**Year ended December 31, 2025**	Year ended December 31, 2024
Current income taxes, current year	(149)	(95)
Current income taxes, prior year	5	16
Deferred tax expense	118	(1)
Total income taxes	**(26)**	**(79)**

18.2 Reconciliation of effective tax rate

In M USD, respectively in percentage	**Year ended December 31, 2025**		Year ended December 31, 2024	
Income before tax	**638**		**310**	
Expected income tax at statutory tax rate[1]	(85)	13.3%	(40)	13.0%
Non-tax-deductible expenses	(10)	1.5%	(9)	2.9%
Non-taxable income	5	(0.8%)	2	(0.5%)
Prior years' taxes	0	(0.1%)	16	(5.0%)
Transfer from unrecognized deferred tax assets	107	(16.7%)	37	(11.8%)
Transfer to unrecognized deferred tax assets	-	-	(40)	12.8%
Changes in tax rates	1	(0.1%)	1	(0.2%)
Difference in tax rates	(35)	5.5%	(36)	11.5%
Withholding & other income taxes	(9)	1.3%	(9)	2.7%
Total income taxes	**(26)**	**4.0%**	**(79)**	**25.5%**

1 The Group operates in several different tax jurisdictions and as a result, management has decided to use the statutory tax rate of 13.3% in 2025 (13.0% in 2024) applicable to the main Swiss-based operating companies to determine the expected tax expense of the group.

The 2025 effective tax rate benefitted from the recognition of deferred tax assets on previously unrecognized tax loss carryforwards, which was partially offset by the negative impact from the difference in tax rates. The 2024 effective tax rate was mainly negatively impacted by the difference in tax rates and the non-recognition of tax losses, which was partially offset by the favorable impact from the recognition of deferred tax assets on previously unrecognized tax loss carryforwards and the release of tax provisions after finalizing tax assessments.

18.3 Movement in deferred tax balances

In M USD	**Property, plant and equipment**	**Intangible assets**	**Inventories**	**Other[1]**	**Unused tax losses and unused tax credits**	**Total**
Net deferred tax balances as of January 1, 2024	**(34)**	**(527)**	**101**	**76**	**188**	**(196)**
Deferred tax (expense) / income	5	18	12	3	(38)	(1)
Recognized in other comprehensive income (OCI)	-	-	0	(4)	1	(3)
Currency retranslations	2	1	(6)	(2)	(6)	(10)
Net deferred tax balances as of December 31, 2024	**(27)**	**(507)**	**107**	**73**	**145**	**(209)**
Deferred tax assets	-	*0*	*107*	*107*	*145*	*359*
Deferred tax assets after offset						***211***
Deferred tax liabilities	*(27)*	*(507)*	-	*(34)*	-	*(568)*
Deferred tax liabilities after offset						***(420)***
Net deferred tax balances as of January 1, 2025	**(27)**	**(507)**	**107**	**73**	**145**	**(209)**
Deferred tax (expense) / income	(10)	17	22	42	48	118
Recognized in other comprehensive income (OCI)	-	-	0	1	1	2
Currency retranslations	(2)	(3)	7	2	8	11
Net deferred tax balances as of December 31, 2025	**(39)**	**(494)**	**136**	**118**	**201**	**(78)**
Deferred tax assets	-	*0*	*136*	*161*	*201*	*497*
Deferred tax assets after offset						***285***
Deferred tax liabilities	*(39)*	*(494)*	-	*(43)*	-	*(575)*
Deferred tax liabilities after offset						***(362)***

1 Other includes employee benefits assets and liabilities, receivables, payables, derivatives, provisions, and other assets and liabilities.

The utilization of deferred tax assets on unused tax losses and unused tax credits is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences. Some of the entities that have recognized deferred tax assets in this category of 133 M USD as of December 31, 2025 (140 M USD as of December 31, 2024), have suffered losses in the current and/or preceding periods in the tax jurisdictions to which the deferred tax assets relate. Management has analyzed estimated future taxable profits and considers it probable that future taxable profit will be available in the next five years against which these tax losses and tax credits can be recognized.

18.4 Unrecognized tax losses

The unused tax losses for which no deferred tax assets are recognized expire as follows:

In M USD	**December 31, 2025**	December 31, 2024
Within one year	115	141
Between two and five years	2	623
Total unrecognized tax losses	**116**	**764**

In 2025, the reduction in unrecognized tax losses was primarily attributed to the recognition of deferred tax assets on previously unrecognized tax loss carryforwards.

18.5 Unremitted earnings

Deferred tax liabilities have not been recognized for withholding tax and other taxes that would be payable on the remittance of earnings of subsidiaries, where such amounts are currently regarded as permanently reinvested. The total unremitted earnings of the Group amounted to 2,732 M USD as of December 31, 2025 (2,166 M USD as of December 31, 2024).

18.6 Uncertain tax positions

Current income tax liabilities include provisions for uncertain tax positions in several tax jurisdictions which are individually not material.

18.7 Global minimum top-up tax

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 expects to be subject to a top-up tax liability 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.

Key accounting judgements, estimates and assumption
The determination of current and deferred tax assets and liabilities includes estimates that are partly based on interpretations of existing or future tax laws or regulations. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Group's historical experience. Factors that may have an impact on the current and deferred taxes include changes in tax laws, regulations, or rates, changing interpretations of existing tax law or regulations, future levels of research and development spending and changes in pre-tax earnings. The tax impact of a transaction or an item can be uncertain until a conclusion is reached with the relevant tax authority or through a legal process. The Group uses in-house tax experts when assessing uncertain tax positions and seeks the advice of external professional advisors where appropriate.

In addition, management makes key judgments and estimates regarding the recognition of deferred tax assets. The primary judgment involves assessing whether it is probable that future taxable profits will be available against which temporary differences and unused tax losses can be utilized. Significant estimates include projecting future taxable income and determining the timing of the reversal of temporary differences.

These estimates and assumptions are reassessed on each balance sheet date.

19. COMMITMENTS AND CONTINGENCIES

19.1 Commitments

The Group's committed payments (undiscounted and not risk-adjusted) and their estimated timing are summarized in the following table.

In M USD	Less than one year	One to two years	Two to three years	Over three years	Total
Capital commitments for property, plant and equipment	26	1	-	-	27
As of December 31, 2025	**26**	**1**	**-**	**-**	**27**
Acquisition of intangible assets - conditional commitments	23	-	-	-	23
Other unconditional commitments	2	2	2	-	5
Capital commitments for property, plant and equipment[1]	43	22	2	-	67
Lease commitments for leases not yet recognized at balance sheet date	2	2	2	11	17
As of December 31, 2024	**69**	**26**	**6**	**11**	**112**

1 The disclosure was refined to present only committed capital expenditure, whereas in the comparative period the full amount of expected capital spend for property, plant and equipment had been reported.

The capital commitments for property, plant and equipment mainly relate to the expansion of the Group's Injectable Aesthetics factory in Uppsala, Sweden announced in the final quarter of 2022.

The conditional commitment for the acquisition of intangible assets disclosed in the comparative period related to the final development milestone under the in-licensing agreement for nemolizumab, which was paid and capitalized in the current reporting period. The lease commitments disclosed for the comparative period were attributable to a lease agreement that was signed before December 31, 2024, but for which the lease commencement date occurred only after that date. The lease was recognized on the balance sheet upon commencement in 2025.

Bank guarantees not recognized on the balance sheet amounted to 21 M USD (16 M USD as of December 31, 2024).

19.2 Contingencies

As of December 31, 2025 and 2024, the Group had no material contingent assets.

The Group is exposed to certain commercial, tax and employee matters. As of December 31, 2025, contingent liabilities associated with tax authority assessments on non-income taxes amounted to 124 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 of December 31, 2025 and December 31, 2024.

20. HYPERINFLATION

The year ending December 31, 2025 and December 31, 2024 include Argentina, considered as a hyperinflation economy. There was no material impact from hyperinflation in the presented periods.

21. COMPANIES OF THE GROUP AND RELATED PARTIES

21.1 Companies of the Group

The table below shows the companies of Galderma Group as of December 31, 2025. These entities are either directly or indirectly controlled by the Company. The percentage of ownership interests is directly proportional to the voting rights possessed by the Group. Furthermore, the country of incorporation or registration for these subsidiaries also serves as their main place of business.

Country / territory	Entity Name	Operating purpose	Voting Rights 2025	Voting Rights 2024
Company				
Switzerland	Galderma Group AG	Parent company[1]	-	-
Subsidiaries				
Argentina	Galderma Argentina SA	Operating company	100%	100%
Australia	Galderma Australia Pty Ltd	Operating company	100%	100%
Austria	Galderma Austria GmbH	Operating company	100%	100%
Brazil	Galderma Brasil Ltda	Operating company	100%	100%
	Galderma Distribuidora do Brasil Ltda	Operating company	100%	100%
Canada	G. Production Inc.	Operating company	100%	100%
	Galderma Canada Inc.	Operating company	100%	100%
Chile	Galderma Chile Laboratorios Ltda	Operating company	100%	100%
China	Galderma Hong Kong Ltd	Operating company	100%	100%
	Q-Med International Trading (Shanghai) Ltd	Operating company	100%	100%
Colombia	Galderma de Colombia SA	Operating company	100%	100%
France	Galderma International SAS	Operating company	100%	100%
	Galderma Research and Development SNC	Operating company	100%	100%
	Laboratoires Galderma SAS	Operating company	100%	100%
Germany	Galderma Laboratorium GmbH	Operating company	100%	100%
India	Galderma India Private Ltd	Operating company	100%	100%
Indonesia	PT Galderma Indonesia Healthcare	Operating company	100%	100%
Italy	Galderma Italia Spa	Operating company	100%	100%
Japan	Galderma K.K.	Operating company	100%	100%
Kingdom of Saudi Arabia	Galderma Arabia Limited	Operating company	100%	-
Malaysia	Galderma Malaysia Sdn. Bhd.	Operating company	100%	100%
Mexico	Galderma Mexico SA de CV	Operating company	100%	100%
Netherlands	Galderma Benelux B.V.	Operating company	100%	100%
	Galderma Finance Europe B.V.	Financing company	100%	100%
Philippines	Galderma Philipines, Inc.	Operating company	100%	100%
Poland	Galderma Polska Sp. ZOO	Operating company	100%	100%
	Galderma Services Poland sp. z o.o	Operating company	100%	-
Russia	OOO Galderma	Operating company	100%	100%
Singapore	Galderma Singapore Private Ltd	Operating company	100%	100%
	Galderma Production Singapore Pte. Ltd	Operating company	100%	100%
South Africa	Galderma Laboratories South Africa (PTY) Ltd	Operating company	100%	100%
South Korea	Galderma Korea Ltd	Operating company	100%	100%
Spain	Laboratorios Galderma SA	Operating company	100%	100%
	Galderma Services Spain SL	Operating company	100%	100%
Sweden	Galderma Nordic AB	Operating company	100%	100%
	Q-MED AB	Operating company	100%	100%
Switzerland	Galderma Holding SA	Holding company	100%	100%
	Galderma Pharma SA	Holding company	100%	100%
	Galderma SA	Operating company	100%	100%
Thailand	Galderma (Thailand) Limited	Operating company	100%	100%
United Arab Emirates	Galderma Middle East FZ LLC	Operating company	100%	100%
United Kingdom	Galderma (U.K.) Ltd	Operating company	100%	100%
United States	Galderma Laboratories LP	Operating company	100%	100%
	Galderma Research & Development LLC	Operating company	100%	100%
	SHDS, Inc.	Operating company	100%	100%
	Galderma Services Inc.	Operating company	100%	100%
	Alastin Skincare, Inc.	Operating company	100%	100%
Vietnam	Galderma Vietnam Company Limited	Operating company	100%	100%

Acquisitions, incorporations and liquidations

Year	Entity Name	Country	Status
2025	SHDS, Inc.	U.S.	Merged
	Galderma Services Poland sp. z o.o	Poland	Incorporated
2024	Sunshine Luxembourg VII SARL	Luxembourg	Disposed (previous parent)[1]
	Sunshine SwissCo AG	Switzerland	Disposed[1]
	Galderma Arabia Limited	Kingdom of Saudi Arabia	Incorporated
	Galderma SAS	France	Merged

1 Refer to note 1.1 for more information on the reorganization of Galderma Group in 2024.

21.2 Transactions with related parties

As of December 31, 2025, Galderma Group AG was not controlled by any party.

As of December 31, 2024, Galderma Group AG was controlled by Sunshine SwissCo AG, EQT VIII SCSp, EQT VIII Co-Investment (D) SCSp, Abu Dhabi Investment Authority and Auba Investment Pte. Ltd. acting collectively as the Shareholder Group represented by EQT Fund Management SARL. The Shareholder Group conducted several rounds of Galderma Group AG share sales during the reporting period. Following a transaction in March 2025, the Shareholder Group lost control but retained significant influence over the Group through December 31, 2025.

Related parties include other entities within the EQT portfolio, pension funds, and members of the key management of Galderma Group AG.

Key management compensation

Key management personnel of Galderma Group AG comprise the members of the Board of Directors and the Executive Committee. The table below presents the expenses recognized in relation to the compensation of key management personnel.

In M USD	**Year ended December 31, 2025**	Year ended December 31, 2024
Short-term employee benefits	19	15
Post-employment benefits	1	1
Share-based payment	16	31
Total	**36**	**47**

Other related-party transactions

The Group has several transactions and relationships with related parties.

Purchases for the year ended December 31, 2025 from related parties including EQT portfolio companies were 33 M USD (13 M USD in 2024). All of these transactions were conducted on an arm's-length basis.

In addition, the Group has repurchased 3,038,976 shares of Galderma Group AG through three transactions at an average market price of 119.47 USD per share from the Shareholder Group represented by EQT Fund Management SARL during accelerated bookbuilding offerings initiated by the Shareholder Group. The total consideration paid amounted to 363 M USD which was recognized as a deduction from equity.

22. EVENTS AFTER THE BALANCE SHEET DATE

On December 8, 2025, L'Oréal Group announced its intention to increase its equity investment in the Company by acquiring an additional 10% stake from the Shareholder Group. The share purchase agreement was closed on February 10, 2026, 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, represented by EQT Fund Management SARL (including Sunshine SwissCo AG, EQT VIII SCSp, EQT VIII Co-Investment (D) SCSp, Abu Dhabi Investment Authority and Auba Investment Pte. Ltd.), 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.

On February 12, 2026, Galderma Group replaced the RCF originally established at the time of the 2024 IPO. The new facility was secured on more favorable terms and increased in size from 700 M USD to 1,000 M USD.

On March 4, 2026, the Board of Directors proposed a repayment of reserves from capital contribution of 0.35 CHF per share to be approved at the Annual General Meeting on April 22, 2026. The dividend will be translated to USD two days before the date of approval by the Annual General Meeting.

There were no other significant events after the balance sheet date.

23. MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied, unless otherwise stated.

23.1 Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated.

23.2 Net sales

Sales represent amounts received and receivable from third parties for goods supplied to the customers and for services rendered. Sales are recognized when the Group fulfils its contractual promise by transferring control of the promised goods or services to the customer, typically either upon dispatch from the warehouse or upon arrival at the customer. The large majority of the contracts have one performance obligation. If a contract contains more than one performance obligation, the consideration is allocated based on the standalone selling price of each performance obligation.

Sales are measured as the amount of consideration which the Group expects to receive, based on the list price applicable to a given distribution channel after deduction of returns, sales taxes, pricing allowances, other trade discounts, and couponing and price promotions to consumers. The level of discounts, allowances, and promotional rebates is recognized as a deduction from revenue at the time that the related sales are recognized or when the rebate is offered to the customer (or consumer if applicable). The provisions and accruals relating to rebates are included in accruals and deferred income on the balance sheet. They are estimated using judgements based on historical experience and the specific terms of the agreements with the customers. If actual future results vary, these estimates need to be adjusted with an effect on sales and earnings in the period of adjustments.

Payments made to customers are treated as reductions of net sales unless they relate to a distinct service provided by the customer. In such cases, the payment is recognized as an expense up to the fair value of the service, with any excess reducing net sales. The Group estimates these amounts as part of the transaction price.

The Group recognizes a provision for expected sales returns at the time of sale based on historical return patterns. In general, no return asset is recognized, as products returned are not expected to be resold.

The Group has a range of credit terms which are typically between 30 to 60 days, in line with market practice and without any financing component.

23.3 Expenses allocated to functions

Cost of goods sold is determined on the basis of the cost of production or of purchase, adjusted for the variation of inventories. All other expenses, including those in respect of advertising and promotions, are recognized when the Group has control over the goods or when it receives the services. Government grants (mainly R&D credit) that are not related to assets are credited to the statement of profit or loss as a deduction of the related expenses when they are received, if there is reasonable assurance that the terms of the grant will be met.

23.4 Other operating income / expenses

Other operating expenses comprise results on disposals of businesses; acquisition-related costs; restructuring costs, impairment of property, plant, and equipment,

goodwill and intangible assets; litigations and onerous contracts; results on disposal of property, plant, and equipment; foreign exchange gains and losses on operating activities as well as specific other expenses.

Results on disposals of businesses include impairment and subsequent remeasurement of businesses classified as held for sale, as well as other directly related disposal costs like restructuring costs directly linked to businesses disposed of and legal, advisory and other professional fees. Restructuring costs are restricted to dismissal indemnities and employee benefits paid to terminated employees upon the reorganization of a business or function. It does not include dismissal indemnities paid for normal attrition, poor performance or professional misconduct.

23.5 Goodwill and intangible assets

Goodwill
Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Indefinite useful life intangible assets
Indefinite useful life intangible assets comprise of brands and trademarks. Brands and trademarks are protected and are deemed indefinite when the Group has a proven track record of successful life cycle management and there is no foreseeable limit on the period during which the asset is expected to generate positive cash flows. Indefinite useful life intangible assets are recognized at cost less accumulated impairment losses. They are not amortized but tested for impairment annually or more frequently if an impairment indicator is triggered. The assessment of the classification of intangible assets as indefinite is reviewed annually.

Payments made to third parties to in-license or acquire intellectual property rights, compounds and products are capitalized, as they are separately identifiable, controllable and are expected to generate future benefits using the cost accumulation method. These intangible assets are tested for impairment annually if not amortized. Any impairment charge is recorded in the Group statement of profit or loss under other operating expenses.

Finite useful life intangible assets
Finite useful life intangible assets are recognized at cost less accumulated amortization and any accumulated impairment losses. They are amortized over the shorter of their contractual or useful economic lives. They comprise mainly management information systems, manufacturing process, license agreements, patents and rights to carry on an activity (e.g., exclusive rights to sell products or to perform a supply activity). Finite life intangible assets are amortized on a straight-line basis assuming a zero-residual value over the estimated useful life or the related contractual period depending on specific circumstances. The useful lives are as follows:

- Brands and intellectual property rights – *up to 30 years*
- Operating rights and others – *up to 25 years*
- Management information systems – *3-8 years*

Useful lives and residual values are reviewed annually. Amortization of finite life intangible assets starts when they are available for use and is allocated to the appropriate headings of expenses by function in the statement of profit or loss.

Research and development
Internal research costs are charged to the statement of profit or loss in the year in which they are incurred. Development costs are only recognized as assets on the balance sheet if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs that do not meet these criteria are charged to the statement of profit or loss in the year in which they are incurred. This is currently the case for most development projects of the Group due to uncertainties inherent when developing new products because the expected future economic benefits cannot be reliably determined.

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and impairment losses.

23.6 Property, plant, and equipment

Owned assets
Property, plant and equipment are shown on the balance sheet at their historical cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated. Depreciation is assessed on components that have homogenous useful lives by using the straight-line method so as to depreciate the initial cost down to the residual value over the estimated useful lives. The useful lives are as follows:

- Buildings – *20-40 years*
- Machinery and equipment – *10-25 years*
- Information technology equipment – *3-8 years*
- Tools, furniture and other equipment – *3-15 years*
- Vehicles – *3-8 years*

Useful lives, components and residual amounts are reviewed annually. Such a review takes into consideration the nature of the assets, their intended use including but not limited to the closure of facilities and the evolution of the technology and competitive pressures that may lead to technical obsolescence. Depreciation of property, plant, and equipment is allocated to the appropriate headings of expenses by function in the statement of profit or loss.

Leases – Group as a lessee
The Group recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The Group has elected not to recognize ROU assets and lease liabilities for leases of low-value assets and short-term leases (lease term of less than 12 months). The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate at the lease commencement date because, generally, the interest rate implicit in the lease is not readily determinable. At inception, the ROU asset comprises the initial lease liability, initial direct costs, and any obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is recognized at cost less accumulated amortization and any accumulated impairment losses. It is depreciated over the shorter of the lease term and the useful life of the underlying asset. ROU assets are included in property, plant, and equipment, and the lease liability is part of current and non-current financial debt.

23.7 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. An indication could be unfavorable development of a business under competitive pressures or severe economic slowdown in a given market as well as reorganization of the operations to leverage their scale. If any such indication exists, then the assets recoverable amount is estimated. Goodwill and intangible assets with an indefinite useful life or not yet available for use are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflow of other assets or CGUs. Goodwill arising from business combinations is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate. The discount rate reflects the current assessment of the time value of money and the country specific risk to the level at which the impairment test is performed. The business risks specific to the asset or CGU are included in the determination of the cash flows. Both the cash flows and the discount rates include inflation.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss on goodwill is not reversed. Impairment loss on other assets is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount had no impairment loss been recognized.

23.8 Inventories

Raw materials and purchased finished goods are valued at the lower of purchase cost calculated using the first-in, first-out (FIFO) method and net realizable value. Work in progress, sundry supplies, and manufactured finished goods are valued at the lower of their weighted average cost and net realizable value.

23.9 Trade and other receivables

Trade and other receivables are recognized initially at their transaction price and then generally measured at amortized cost less loss allowances.

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

23.10 Provisions

Provisions comprise liabilities of uncertain timing or amounts that arise from restructuring plans, environmental, litigation, and other risks. Provisions are recognized when a legal or constructive obligation stemming from a past event exists and when the future cash outflows can be reliably estimated. Provisions are measured at the present value of the expenditures unless the impact of discounting is immaterial. Obligations arising from restructuring plans are recognized when detailed formal plans have been established and when there is a valid expectation that such plans will be carried out by either starting to implement them or announcing their main features. Provisions reflect management's best estimate of the outcome based on the facts known at the balance sheet date.

23.11 Financial instruments

Financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement

On initial recognition, a financial asset is classified as subsequently measured at: amortized cost, at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL).

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVPL:

- It is held within a business model whose objective is to collect contractual cash flows, and
- Its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

The Group's financial assets at amortized cost mainly include trade receivables and cash and cash equivalents.

Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as FVPL:

- It is held within a business model whose objective is to collect contractual cash flows and selling financial assets, and
- Its contractual terms give rise on specific dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at FVOCI are subsequently measured at fair value. Interest income calculated under the EIR, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

The Group's financial assets at FVOCI mainly include trade receivables for which a factoring agreement is in place but not utilized.

Financial assets measured at fair value through profit or loss (FVPL)

All financial assets that are not measured at amortized cost or FVOCI are measured at FVPL. This includes derivative instruments.

Financial assets at FVPL are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit or loss. However, see explanations below for derivatives designated as hedging instruments.

Financial assets – derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

Financial assets – impairment
For cash, the Group applies the Expected Credit Loss (ECL) approach. For trade receivable the Group uses the simplified approach in calculating Expected Credit Loss (ECL) and recognizes a loss allowance based on lifetime ECLs at each reporting date (see above).

Financial liabilities – classification and subsequent measurement
Financial liabilities are classified at initial recognition as financial liabilities measured at FVPL or at amortized cost. The Group's financial liabilities mainly include trade and other payables, accruals, financial debt and derivative financial instruments.

Financial liabilities measured at amortized cost
After initial recognition, interest-bearing financial debt is subsequently measured at amortized cost using the EIR method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as financial expenses in the statement of profit or loss.

This category generally applies to interest-bearing financial debt, trade and other payables and accruals.

Financial liabilities – derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative financial instruments and hedge accounting
Initial recognition and subsequent measurement
The Group uses derivative financial instruments, such as forward currency contracts and interest rate caps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at FVPL. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair values are recognized in profit and loss. However, refer to the below explanations for derivatives designated as
hedging instruments.

Hedge accounting
For the purpose of hedge accounting, hedges are classified as cash flow hedges since they hedge the exposure to variability in cash flows that is either attributable to the interest risk associated with the group financial liability or
a highly probable forecast transaction.

When a derivative is designated as cash flow hedging instrument, the effective portion of the fair value changes in the fair value of the derivative is recognized in other comprehensive income (OCI) and accumulated in the hedging reserves. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income (OCI) is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. In addition, the Group uses options (caps and swaps) to hedge its interest rate risk coming from its financial liabilities towards external banks.

The accounting entries during the duration of the hedge are as follows:

- The change in the intrinsic value of the hedging instrument is recognized in other comprehensive income (and then in the hedge reserve in equity) and released to the statement of profit or loss over the life of the hedging relationship, which is shorter than the life of the hedged item in this case, as the interest payments on the underlying hedged loan occur.
- The change in fair value of the time value of an option that hedges a time-period related hedged item such as a floating rate debt is recognized in a separate component of equity to the extent that it relates to the hedged item. The initial time value that exists at the inception of the hedging relationship is amortized to profit or loss on a systematic and rational basis over the same period over which any intrinsic value of the cap would affect profit or loss.

If hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedge reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Presentation (current vs non-current)
The full fair value of hedging derivatives is classified as non-current asset or liability when the remaining maturity of the hedging instrument is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedging instrument is less than 12 months. Trading derivatives are classified as a current asset or liability.

23.12 Equity items
Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

When shares recognized as equity are repurchased, the amount of consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchase shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within equity.

23.13 Foreign currencies
The functional currency of an entity is the currency of the primary economic environment in which it operates. Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated into the presentation currency USD at the exchange rates on the reporting date. The income and expenses of foreign operations are translated into USD at the exchange rates at the dates of transactions. Foreign currency differences from the translation of foreign operations into USD are recognized in OCI.

23.14 Share-based payment arrangements

The Group operates equity-settled share-based payment arrangements. The grant date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amounts recognized as an expense are adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance condition at the vesting date. For share-based payment awards with market performance conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The Group operates an immaterial cash-settled share-based payment arrangement. The Group measures the services rendered by the plan participants and the liability incurred at the fair value of the liability. At each reporting date the fair value of the liability is remeasured.

23.15 Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and if the obligation can be estimated reliably.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The obligations of the Group arising from defined benefit plans and other long-term employee benefits, and the related current service cost, are determined using the projected unit credit method. Actuarial advice is provided by consultants and actuaries externally engaged by the the Group. The actuarial assumptions used to calculate the defined benefit obligations vary according to the economic conditions of the country in which the plan is located and include the discount rate, inflation future salary and pension developments, mortality, and the employee turnover rate. Such plans are either externally funded (in the form of independently administered funds) or unfunded. The deficit or excess of the fair value of plan assets over the present value of the defined benefit obligation is recognized as a liability or an asset on the balance sheet.

Remeasurement of the defined benefit liability from defined benefit plans, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense and other expenses related to the defined benefit plans are recognized in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

23.16 Taxes

Income taxes include current and deferred taxes as well as actual or potential withholding taxes on current and expected transfers of income from subsidiaries. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. The Group reflects the effect of uncertainty using either the most likely outcome or the expected value outcome, depending on which method the entity expects to better predict the resolution of the uncertainty. Current tax is measured using the tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax is recognized in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction affects neither the accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. In addition, the Group does not recognize deferred tax on temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future as well as on taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each balance sheet date.

The Group has determined that the global minimum top-up tax – which is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as current tax when it is incurred.

Statutory Auditor's Report

To the General Meeting of Galderma Group AG, Zug

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Galderma Group AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 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 year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 206 to 263) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

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

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

Key Audit Matters

REVENUE RECOGNITION – VARIABLE CONSIDERATION (GROSS TO NET) IN THE US BUSINESS

VALUATION OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES FOR THE DERMATOLOGICAL SKINCARE CASH GENERATING UNIT

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.

REVENUE RECOGNITION – VARIABLE CONSIDERATION (GROSS TO NET) IN THE US BUSINESS

Key Audit Matter

Variable consideration is common in the Therapeutic Dermatology and Injectable Aesthetics industry for determining the transaction price because sales agreements frequently contain clauses for rebates and discounts.

Management is required to make estimations in respect of revenue recognition, particularly regarding the anticipated levels of rebates and discounts that will affect Galderma's revenue, and more specifically in the United States of America. In this country, the underlying contractual agreements are customer specific, complex and significant in volume for the Therapeutic Dermatology and Injectable Aesthetics products. The estimated amounts are deducted from gross sales and recorded as accruals.

As a consequence of management’s judgment in estimating the variable consideration and its impact on the consolidated financial statements, we identified the recognition of variable consideration for selected Therapeutic Dermatology and Injectable Aesthetics programs in the United States of America as a key audit matter.

Our response

The following are the primary procedures we performed to address this key audit matter:

- We obtained an understanding of the US Therapeutic Dermatology and Injectable Aesthetics accrual processes for developing the estimate, including the calculation process and the determination of the underlying assumptions.
- We evaluated the design and implementation of the relevant key controls relating to the estimate.
- We verified the reasonableness of the accrual rates by testing management’s process by using internal and external information, including historical experience and trend analysis of actual rebate claims paid.
- We evaluated the appropriateness of the Group’s revenue recognition policies, including the recognition and measurement of deduction to gross sales relating to variable consideration and related disclosures.

For further information on Revenue recognition – variable consideration (gross to net) in the US business refer to the following:
— Note 3 'Segment information and net sales' section 'Net sales by products and geographic area' page 214
— Note 11 'Accruals and deferred income' page 225
— Note 23 'Material accounting policies' section 'Net sales' page 255

VALUATION OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES FOR THE DERMATOLOGICAL SKINCARE CASH GENERATING UNIT

Key Audit Matter

The Group reported goodwill totaling USD 2,152 million and intangible assets with indefinite useful lives of USD 1,242 million as of 31 December 2025 related to the Dermatological Skincare cash generating unit (CGU), arising from past business combinations.

Management tests goodwill and intangible assets with indefinite useful lives for impairment, annually or more frequently when there are indications of impairment, using a discounted cash flow model to determine the value in use of the CGU.

Performing the impairment tests on the level of individual CGUs requires the use of a number of key assumptions and judgements, including estimated future cash flows and the discount rate. In addition, the determination of the CGUs requires judgement.

As a consequence of management's judgement involved, we identified the valuation of goodwill and intangible assets with indefinite useful lives for the Dermatological Skincare CGU as a key audit matter.

Our response

The following are the primary procedures we performed to address this key audit matter:

- We obtained an understanding of the Group's impairment process for developing the estimate, including the calculation process and the determination of the underlying assumptions.
- We evaluated the design and implementation of the relevant key controls related to the Group's recoverable amount calculation and underlying assumptions.
- We involved valuation professionals with specialized skills and knowledge, who assisted in developing an independent discount rate.
- We evaluated the reasonableness of management's future cashflows for the Dermatological Skincare CGU by (1) comparing business plan data against the latest plans approved by the Board of Directors and forecasts approved by management, (2) challenging the future cashflows based on our understanding of the commercial prospects of the Dermatological Skincare CGU and by comparing them with publicly available data, where possible, and (3) conducting sensitivity analysis.
- We considered the appropriateness of disclosures in relation to impairment sensitivities in the consolidated financial statements.

For further information on Valuation of goodwill and intangible assets with indefinite useful lives for the Dermatological Skincare cash generating unit refer to the following:

— Note 7 'Goodwill and intangible assets' page 219

— Note 23 'Material accounting policies' section 'Goodwill and intangible assets' page 256

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 of the Company, the tables marked "audited" in the Compensation 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 identified above when it becomes available 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.

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.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 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.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

KPMG AG

Stéphane Nusbaumer
Licensed Audit Expert
Auditor in Charge

Yann Butticker
Licensed Audit Expert

Zug, 4 March 2026

STATUTORY FINANCIAL STATEMENTS OF GALDERMA GROUP AG

for the year ended
December 31, 2025

10, ZÄHLERWEG, CH-6300 ZUG

Contents

Statement of profit or loss

In M USD / CHF	**Year ended December 31, 2025 (USD)**	Year ended December 31, 2024 (USD)	***Year ended December 31, 2025 (CHF)***	*Year ended December 31, 2024 (CHF)*
Other operating income	**3**	**-**	***2***	*-*
Total operating income	**3**	**-**	***2***	*-*
Personnel expenses	(37)	(22)	*(31)*	*(19)*
General and administration expenses	(13)	(10)	*(11)*	*(8)*
Management and marketing fees	(1)	(0)	*(1)*	*(0)*
Other operating expenses	(0)	(0)	*(0)*	*(0)*
Total operating expenses	**(52)**	**(32)**	***(43)***	***(28)***
Operating result	**(49)**	**(32)**	***(41)***	***(28)***
Financial income	67	52	*56*	*46*
Financial expenses	(1)	(0)	*(0)*	*(0)*
Foreign exchange gains	4	2	*3*	*2*
Foreign exchange losses	(5)	(2)	*(4)*	*(2)*
Total financial result	**66**	**52**	***54***	***46***
Profit before taxes	**17**	**21**	***14***	***18***
Taxes	(2)	(3)	*(2)*	*(2)*
Profit for the year	**15**	**18**	***12***	***16***

Balance sheet

In M USD / CHF	**Notes**	**December 31, 2025 (USD)**	December 31, 2024 (USD)	***December 31, 2025 (CHF)***	*December 31, 2024 (CHF)*
Current assets					
Other short-term receivables					
from third parties		0	0	*0*	*0*
from entities in which the entity holds a participation	1.8	36	40	*29*	*36*
Deferred expenses and accrued income		2	0	*2*	*0*
Total current assets		**39**	**40**	***31***	***36***
Non-current assets					
Loans to entities in which the entity holds a participation		1,560	1,560	*1,237*	*1,410*
Investment in affiliates	3	6,188	6,188	*4,906*	*5,590*
Total non-current assets		**7,749**	**7,749**	***6,143***	***7,000***
Total assets		**7,787**	**7,789**	***6,174***	***7,036***
Short-term liabilities					
Trade accounts payable					
to third parties		4	3	*4*	*3*
to entities in which the entity holds a participation		8	3	*7*	*3*
Other short-term liabilities					
to entities in which the entity holds a participation		8	0	*6*	*0*
Accrued expenses and deferred income		25	11	*20*	*10*
Total short-term liabilities		**46**	**18**	***36***	***16***
Total liabilities		**46**	**18**	***36***	***16***
Shareholders' equity					
Share capital	2.1	3	3	*2*	*2*
Legal capital reserves					
Reserves from capital contributions	2.2	7,329	7,736	*6,602*	*6,938*
Legal retained earnings					
Reserves for treasury shares	2.3	378	15	*314*	*13*
Available earnings					
Accumulated profit / (loss) brought forward		18	(0)	*16*	*(0)*
Profit for the year		15	18	*12*	*16*
Cumulative translation adjustment		n/a	n/a	*(808)*	*52*
Total shareholders' equity	2.4	**7,742**	**7,771**	***6,138***	***7,021***
Total liabilities and shareholders' equity		**7,787**	**7,789**	***6,174***	***7,036***

Notes to the statutory financial statements

1. PRINCIPLES

1.1 General aspects

Galderma Group AG (the Company) was incorporated on February 7, 2022 in Zug, Switzerland.

The Company was incorporated to become the parent of Galderma Group (the Group) with the purpose of listing its shares. On March 22, 2024, Galderma Group AG made an initial public offering (IPO) in Switzerland and was listed on the SIX Swiss Exchange. One day prior to the IPO, on March 21, 2024, Sunshine SwissCo AG (direct holder for the positions reported by EQT Fund Management SARL) contributed all of the shares in Galderma Holding SA to the Company. Galderma Holding SA directly or indirectly controls most of the subsidiaries of Galderma Group.

These financial statements were prepared according to the principles of the Swiss law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. It should be noted that to ensure the Company's going concern, its financial statements may be influenced by the creation and release of hidden reserves.

Due to rounding, numbers presented throughout these financial statements may not add up precisely to the totals provided.

1.2 Foreign currency translation

The functional currency of the Company is United States Dollars (USD). Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at year-end rates. Any resulting exchange differences that are realized or deemed to be realized are recognized in the respective captions of the statement of profit or loss depending upon the nature of the underlying transactions. The aggregate unrealized exchange difference is calculated by reference to original transaction date exchange rates. Where this gives rise to a net unrealized loss, it is charged to the statement of profit or loss whilst a net unrealized gain is deferred.

1.3 Financial assets and liabilities

Financial assets and liabilities such as other short-term receivables, trade accounts payable and other short-term liabilities are recognized in the balance sheet at nominal value.

1.4 Reserves for treasury shares

Reserves for treasury shares are recognized when directly or indirectly controlled affiliates of the Company acquire shares of the Company. Treasury share reserves are recognized at the cost of the treasury shares incurred by the respective affiliate and are released at cost of the shares when they are sold or distributed (first in first out). Recognition and releases of treasury share reserves are credited/debited to reserves from capital contributions.

1.5 Cumulative translation adjustment

For Swiss law purposes, the balance sheet and statement of profit or loss are required to be converted in Swiss Franc (CHF). The method used is the closing rate method, whereby assets and liabilities are converted using the closing rates, and in the statement of profit or loss is converted using the average yearly rate. Share capital, reserves from capital contributions, treasury share reserves and other equity positions are converted using the historical rate. Any difference arising from such conversion is recorded under the equity account "Cumulative translation adjustment". Closing rate is 1 USD = 0.7928 CHF and average rate used is 1 USD = 0.8293 CHF (in 2024, closing rate was 1 USD = 0.9034 CHF and average rate was 1 USD = 0.8799 CHF).

1.6 Cash pool

Galderma Holding SA, a subsidiary of Galderma Group AG, is the pool leader with regards to a zero-balance cash-pool account with several entities of the Group. Through this agreement, a current account exists that can fluctuate between either a debtor or a credit balance. This account bears interest. In the case of a balance in favor of the Company, the balance of the current account is presented in the line "Other short-term receivables from entities in which the entity holds a participation". In the opposite situation, the balance of the account is presented in the line "Other short-term liabilities from entities in which the entity holds a participation."

1.7 Foregoing a cash flow statement

As the Company prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS Accounting Standards), it has decided to forego presenting a cash flow statement in accordance with Swiss law.

1.8 Reclassification of comparative figures

Receivables previously presented under trade accounts receivable from entities in which the entity holds a participation were reclassified to other short-term receivables from entities in which the entity holds a participation. Prior year figures have been reclassified to ensure consistency with the current year's presentation.

2. SHAREHOLDERS' EQUITY

2.1 Share capital

The share capital of the Company amounts to 3 M USD (2 M CHF) and consists of 237,897,635 fully paid shares with a nominal value of 0.01 CHF per share.

On March 5, 2024, the Company increased its share capital by 2 M USD (2 M CHF) to 2 M USD (2 M CHF), divided into 200,000,000 fully paid-in registered shares with a nominal value of 0.01 CHF each. In the course of the IPO on March 22, 2024, the Company issued 37,897,635 shares with a nominal value of 0.01 CHF per share. Galderma Group AG increased its share capital to issue new shares for future management and Board of Directors compensation commitments (subscribed by Galderma Holding SA) at nominal value for 0.4 M USD (0.4 M CHF).

Capital range

The Company has a share capital ranging from 2,260,028 CHF (lower limit) to 2,616,874 CHF (upper limit). The Board of Directors is authorized within the capital range to increase or reduce the share capital once or several times and in any amounts, or to acquire or dispose of shares directly or indirectly, until March 12, 2029 or until an earlier expiry of the capital range. The capital increase or reduction may be affected by issuing fully paid-in registered shares with a par value of 0.01 CHF each and cancelling registered shares with a par value of 0.01 CHF each, as applicable; by increasing or reducing the par value of the existing shares within the limits of the capital range; or by simultaneous reduction and re-increase of the share capital. In the event of a capital increase within the capital range, the Board of Directors shall, to the extent necessary, determine the issue price, the type of contribution, the date of issue, the conditions for the exercise of subscription rights and the beginning date for dividend entitlement. In the event of a share issue, the Board of Directors is authorized to withdraw or restrict subscription rights of existing shareholders and allocate such rights to third parties, the Company or any of its subsidiaries for the purposes as defined in the Company's articles of association.

Conditional share capital
The Company has a conditional share capital for employee participation and a conditional capital for financing, acquisitions and other purposes. The Company can therefore raise additional share capital up to the upper limit of the capital range for the purposes stated below.

- Conditional share capital for employee participation: The share capital may be increased in an amount not to exceed 237,898 CHF through the issuance of up to 23,789,763 fully paid-in registered shares with a par value of 0.01 CHF per share. Such shares may be issued at a price lower than the respective market price quoted on the stock exchange and such rights or acquisition obligations may be granted below their intrinsic value. The subscription rights and advance subscription rights of the shareholders of the Company shall be excluded in connection with the issuance of such shares, rights or purchase obligations.

- Conditional share capital for financing, acquisitions, and other purposes: The share capital may be increased in an amount not to exceed 237,898 CHF through the issuance of up to 23,789,763 fully paid-in registered shares with a par value of 0.01 CHF each. The increase can be facilitated through the exercise or mandatory exercise of conversion, exchange, option, subscription or other rights to acquire shares. It can also be facilitated through obligation to acquire shares, which were granted to or imposed on shareholders or third parties alone or in connection with bonds, notes, options, warrants or other securities or contractual obligations of the Company or any of its subsidiaries. The subscription rights of shareholders shall be excluded upon the exercise of any instruments in connection with the issuance of shares. The main conditions of such instruments shall be determined by the Board of Directors.

2.2 Legal capital reserves

In M USD / CHF	**December 31, 2025 (USD)**	December 31, 2024 (USD)	**December 31, 2025 (CHF)**	December 31, 2024 (CHF)
Reserves from capital contributions	7,329	7,736	6,602	6,938
Total legal capital reserves	**7,329**	**7,736**	**6,602**	**6,938**

From a fiscal point of view, any distribution made from reserves from capital contributions are treated the same as repayment of share capital. The Swiss Federal Tax Administration (SFTA) has confirmed that it will recognize disclosed reserves from capital contributions as a capital contribution as per Article 5 (1bis) of the Withholding Tax Act.

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 44 M USD (36 M CHF).

In 2024, Sunshine SwissCo AG contributed all shares in Galderma Holding SA to the Company at book value by way of contribution to equity. This transaction resulted in an increase in the reserves from capital contributions of 5,614 M USD (5,049 M CHF). The issuance of shares during the IPO on March 22, 2024, resulted in a further increase in the reserves from capital contributions of 2,133 M USD (1,899 M CHF). Refer to section 2.1 for more information.

2.3 Reserves for treasury shares
The table below shows an overview of treasury shares purchased, distributed and owned by affiliates.

In units or M USD / CHF	**Number of treasury shares**	**Reserves for treasury shares (USD)**	**Reserves for treasury shares (CHF)**
At January 1, 2024	**-**	**-**	**-**
Purchase of treasury shares issued during the IPO	663,927	0	0
Distribution of shares to employees to settle share-based payment schemes	(332,720)	(0)	(0)
Distribution of shares to the Board of Directors	(9,721)	(0)	(0)
Purchase of treasury shares	170,000	15	13
At December 31, 2024	**491,486**	**15**	**13**
At January 1, 2025	**491,486**	**15**	**13**
Purchase of treasury shares	3,038,976	363	301
Distribution of shares to employees to settle share-based payment schemes	(197,809)	(0)	(0)
Distribution of shares to the Board of Directors	(3,743)	(0)	(0)
At December 31, 2025	**3,328,910**	**378**	**314**

During the reporting period, 3,038,976 treasury shares were acquired at an average purchase price of 119.47 USD per share (99.00 CHF per share). In the comparative period, the Company acquired 170,000 shares at an average market price of 88.45 USD per share (75.00 CHF per share). The purchase prices in both periods presented corresponded to the market prices at acquisition date.

2.4 Movements on shareholders' equity

In M USD	Share capital	Reserves from capital contributions	Reserves for treasury shares	Accumul. profit / (loss) brought forward	Cumulative translation adjustment	Profit for the year	Total
At January 1, 2024	**0**	**3**	**-**	**(0)**	**n/a**	**-**	**3**
IPO:							
- Increase of share capital March 5, 2024	2	-	-	-	n/a	-	2
- Increase of share capital during IPO	0	-	-	-	n/a	-	0
- Issuance of shares	-	2,133	-	-	n/a	-	2,133
Contribution from shareholder	-	5,614	-	-	n/a	-	5,614
Treasury share transactions, net	-	(15)	15	-	n/a	-	-
Profit for the year	-	-	-	-	n/a	18	18
At December 31, 2024	**3**	**7,736**	**15**	**(0)**	**n/a**	**18**	**7,771**
At January 1, 2025	**3**	**7,736**	**15**	**18**	**n/a**	**-**	**7,771**
Dividend	-	(44)	-	-	n/a	-	(44)
Treasury share transactions, net	-	(363)	363	-	n/a	-	-
Profit for the year	-	-	-	-	n/a	15	15
At December 31, 2025	**3**	**7,329**	**378**	**18**	**n/a**	**15**	**7,742**

In M CHF	Share capital	Reserves from capital contributions	Reserves for treasury shares	Accumul. profit / (loss) brought forward	Cumulative translation adjustment	Profit for the year	Total
At January 1, 2024	**0**	**3**	**-**	**(0)**	**(0)**	**-**	**2**
IPO:							
- Increase of share capital March 5, 2024	2	-	-	-	-	-	2
- Increase of share capital during IPO	0	-	-	-	-	-	0
- Issuance of shares	-	1,899	-	-	-	-	1,899
Contribution from shareholder	-	5,048	-	-	-	-	5,048
Treasury share transactions, net	-	(13)	13	-	-	-	-
Profit for the year	-	-	-	-	-	16	16
Cumulative translation adjustment	-	-	-	-	52	-	52
At December 31, 2024	**2**	**6,938**	**13**	**(0)**	**52**	**16**	**7,021**
At January 1, 2025	**2**	**6,938**	**13**	**16**	**52**	**-**	**7,021**
Dividend	-	(36)	-	-	-	-	(36)
Treasury share transactions, net	-	(301)	301	-	-	-	-
Profit for the year	-	-	-	-	-	12	12
Cumulative translation adjustment	-	-	-	-	(859)	-	(859)
At December 31, 2025	**2**	**6,602**	**314**	**16**	**(808)**	**12**	**6,138**

3. INVESTMENTS IN AFFILIATES

3.1 Direct investments in affiliates

The Company has the following direct investments:

In M USD / CHF	Domicile	Share capital	Shareholding and voting rights	**2025 (USD)**	2024 (USD)	**2025 (CHF)**	2024 (CHF)
Galderma Finance Europe B.V.	Breda, The Netherlands	USD 0	100%	3	3	2	3
Galderma Holding SA	Zug, Switzerland	CHF 100	100%	6,185	6,185	4,904	5,588

Galderma Holding SA directly or indirectly controls all affiliates listed in the following section.

3.2 Indirect investments in affiliates

The table below shows affiliates that are indirectly controlled by the Company through Galderma Holding SA. The Company obtained control of these affiliates when it became the parent of Galderma Holding SA on March 21, 2024.

Name	Domicile	Country / territory	Share capital (in K)		Shareholding & voting rights	
					2025	2024
Galderma Argentina SA	Buenos Aires	Argentina	ARS	1,342,456	100%	100%
Galderma Australia Pty Ltd	Sydney	Australia	AUD	2,500	100%	100%
Galderma Austria GmbH	Vienna	Austria	EUR	35	100%	100%
Galderma Brasil Ltda	Hortolândia	Brazil	BRL	299,742	100%	100%
Galderma Distribuidora do Brasil Ltda	São Paulo	Brazil	BRL	22,799	100%	100%
G Production Inc.	Baie-D'Urfé	Canada	CAD	55	100%	100%
Galderma Canada Inc.	Saint John	Canada	CAD	1,000	100%	100%
Galderma Chile Laboratorios Ltda	Santiago de Chile	Chile	CLP	12,330	100%	100%
Galderma Hong Kong Ltd	Hong Kong SAR	China	HKD	10	100%	100%
Q-MED International Trading (Shanghai) Ltd	Shanghai	China	USD	1,675	100%	100%
Galderma De Colombia SA	Bogota	Colombia	COP	2,250,000	100%	100%
Galderma International SAS	Courbevoie	France	EUR	940	100%	100%
Galderma Research & Development SNC	Biot	France	EUR	30,323	100%	100%
Laboratoires Galderma SAS	Alby-Sur-Chéran	France	EUR	14,015	100%	100%
Galderma Laboratorium GmbH	Düsseldorf	Germany	EUR	800	100%	100%
Galderma India Private Limited	Mumbai	India	INR	24,156	100%	100%
PT Galderma Indonesia Healthcare	Jakarta	Indonesia	IDR	10,170,027	100%	100%
Galderma Italia Spa	Milano	Italy	EUR	612	100%	100%
Galderma K.K.	Tokyo	Japan	JPY	10,000	100%	100%
Galderma Arabia Limited	Sajir Riyadh	Kingdom of Saudi Arabia	SAR	30,000	100%	100%
Galderma Malaysia Sdn. Bhd.	Kuala Lumpur	Malaysia	MYR	4,200	100%	100%
Galderma Mexico SA de CV	Mexico City	Mexico	MXN	3,735	100%	100%
Galderma Benelux B.V.	Breda	Netherlands	EUR	18	100%	100%
Galderma Philippines, Inc.	Manila	Philippines	PHP	12,500	100%	100%
Galderma Polska Sp. ZOO	Warsaw	Poland	PLN	93	100%	100%
Galderma Services Poland Sp. ZOO	Krakow	Poland	PLN	5	100%	0%
OOO Galderma	Moscow	Russia	RUB	25,000	100%	100%
Galderma Singapore Private Ltd	Singapore	Singapore	SGD	1,387	100%	100%
Galderma Production Singapore Pte. Ltd	Singapore	Singapore	SGD	7,520	100%	100%
Galderma Laboratories South Africa (PTY) Ltd	Johannesburg	South Africa	ZAR	375	100%	100%
Galderma Korea Ltd	Seoul	South Korea	KRW	500,000	100%	100%
Laboratorios Galderma SA	Madrid	Spain	EUR	432	100%	100%
Galderma Services Spain SL	Barcelona	Spain	EUR	10	100%	100%
Galderma Nordic AB	Uppsala	Sweden	SEK	100	100%	100%
Q-MED AB	Uppsala	Sweden	SEK	24,846	100%	100%
Galderma Pharma SA	Zug	Switzerland	CHF	48,900	100%	100%
Galderma SA	Zug	Switzerland	CHF	178	100%	100%
Galderma (Thailand) Limited	Bangkok	Thailand	THB	100,000	100%	100%
Galderma Middle East FZ LLC	Dubai	United Arab Emirates	AED	5,000	100%	100%
Galderma (U.K.) Ltd	London	United Kingdom	GBP	1,500	100%	100%
Galderma Laboratories LP	Dallas	United States	n/a	n/a[1]	100%	100%
Galderma Research & Development LLC	Dallas	United States	USD	0	100%	100%
Galderma Services, Inc.	Dallas	United States	USD	1	100%	100%
Alastin Skincare, Inc.	Carlsbad	United States	USD	0	100%	100%
SHDS, Inc.	Dallas	United States	USD	0	0%	100%
Galderma Vietnam Company Limited	Ho Chi Minh City	Vietnam	VND	34,905,000	100%	100%

1 Not applicable to "Limited Partnership" type of companies.

There were no changes in share capital in 2025, except for Galderma Production Singapore Pte. Ltd (capital injection of 7,420 K SGD) and for Galderma Services Poland Sp. ZOO (newly created in 2025). Additionally, SHDS, Inc. was merged with Galderma Services, Inc. in 2025.

4. SHARES AND OPTIONS ON SHARES FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

Shares or options on shares were granted to members of the Board of Directors and the Executive Committee. The shares and options on shares that were granted for the services in financial years 2025 or 2024 respectively are disclosed in the following table:

2024 In units or M USD / CHF	Shares		Options		Total Value in USD	Total Value in CHF
	Number of shares	Value in USD	Number of options	Value in USD		
Granted to members of the Board of Directors	9,721	1	-	-	1	1
Granted to members of the Executive Committee	-	-	335,630	28	28	24

2025 In units or M USD / CHF	Shares		Options		Total Value in USD	Total Value in CHF
	Number of shares	Value in USD	Number of options	Value in USD		
Granted to members of the Board of Directors	8,230	1	-	-	1	1
Granted to members of the Executive Committee	3,261	0	156,728	19	19	16

The table below outlines how the value for the shares and options granted to the Executive Committee from the Long-Term Incentive Plan (LTI) of Galderma Group and the Employee Share Purchase Program (ESPP) have been determined for the purpose of the above disclosure.

	2025	2024
Shares granted to members of the Board of Directors	The value of the shares granted to the Board of Directors equals the amount of the Board of Director fee compensated in shares.	The value of the shares granted to the Board of Directors equals the amount of the Board of Director fee compensated in shares.
Shares granted to members of the Executive Committee	The value of the shares granted to the Executive Committee under the Employee Share Purchase Plan (ESPP) equals the value of the 25% discount on the share price provided under the ESPP.	n/a
Restricted share units (RSUs) from the LTI granted to the Executive Committee	RSUs are measured on the basis of a dividend-adjusted share price at grant date taking into account the different vesting dates of the options.	RSUs and PSUs are measured on the basis of a dividend-adjusted share price at grant date taking into account the different vesting dates of the options. The calculation of the value of PSUs is based on a 100% achievement rate of the performance conditions.
Performance share units (PSUs) from the LTI granted to the Executive Committee	PSUs are measured at the share price at grant date. The calculation of the value of PSUs is based on a 100% achievement rate of the performance conditions.	

The share-based payment compensation to all eligible employees of Galderma Group is administered by an affiliate of the Company. The shares and options on shares were granted by this affiliate and recharged based on the values of the compensation calculated in accordance with IFRS Accounting Standards.

5. FULL-TIME EQUIVALENTS

The annual average number of full-time equivalents did not exceed 10 for the reporting year and for the previous year.

6. OFF-BALANCE SHEET COMMITMENTS

Galderma Group AG is a guarantor for the following financial liabilities of affiliates:

- Bonds in CHF: The maximum guaranteed amount at balance sheet date is 1,544 M USD (1,224 M CHF) which includes principal amount, interest, accrued interest and other charges. In 2024, it was 620 M USD (560 M CHF)
- Bond in EUR: The maximum guaranteed amount at balance sheet date is 690 M USD (547 M CHF) which includes principal amount, interest, accrued interest and other charges. In 2024, it was 0 M USD (0 M CHF)
- Term Loan in USD: The maximum guaranteed amount at balance sheet date is 600 M USD (476 M CHF). In 2024, it was 2,100 M USD (1,897 M CHF)

7. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities, or which should be disclosed here.

Proposed appropriation of available earnings and proposed repayment from legal capital reserves

	December 31, 2025 (USD)	December 31, 2025 (CHF)
Accumulated profit brought forward	17,788,142	15,642,299
Profit for the year	14,566,021	12,080,272
Cumulative translation adjustment	n/a	(807,580,499)
Total available earnings	**32,354,163**	**(779,857,928)**

The Board of Directors proposes the following appropriation of available earnings:

Accumulated profit to be carried forward	32,354,163	27,722,571
Cumulative translation adjustment to be carried forward	n/a	(807,580,499)

The Board of Directors proposes the following repayment from the reserves from capital contributions:

	December 31, 2025 (USD)	December 31, 2025 (CHF)
Reserves from capital contributions	7,328,604,254	6,601,535,143
Proposed repayment from the reserves from capital contributions	(135,000,000)	(83,264,172)
Reserves from capital contributions after repayment	**7,193,604,254**	**6,518,270,971**

The Board of Directors proposes a repayment of reserves from capital contributions of 83,264,172 CHF, which may not exceed 135,000,000 USD. The approved repaid reserves from capital contributions in CHF will be translated to USD two days before the date of the approval of the repayment of reserves from capital contributions by the Annual General Meeting using the exchange rate prevailing on that day. If the resulting amount in USD is higher than the amount of 135,000,000 USD as presented above, the amount of repaid reserves from capital contributions in CHF will be reduced in order to not exceed the upper threshold of 135,000,000 USD. If the repaid reserves from capital contributions in CHF per share has to be reduced, the amount paid per share will be rounded down to the nearest Swiss centime.

Dividend-bearing shares are 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 amount of 83,264,172 CHF presented is based on the total number of shares issued as of December 31, 2025.

In accordance with the applicable tax regulations, up to 50% of the repaid reserves from capital contributions is subject to a 35% Swiss withholding tax, while at least the remaining 50% is repaid free from Swiss withholding tax.

Statutory Auditor's Report

To the General Meeting of Galderma Group AG, Zug

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Galderma Group AG (the Company), which comprise the balance sheet as at 31 December 2025, the statement of profit or loss for the year then ended, and notes to the statutory financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 272 to 283) comply with Swiss law and the Company's articles of incorporation.

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

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

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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 of the Company, the tables marked "audited" in the Compensation Report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, 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.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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 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.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Stéphane Nusbaumer
Licensed Audit Expert
Auditor in Charge

Yann Butticker
Licensed Audit Expert

Zug, 4 March 2026

GALDERMA

EST. 1981

CREDITS

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Galderma Group AG

ZÄHLERWEG 10, 6300 ZUG, SWITZERLAND