



# Financial report

# Alternative performance measures 2022

## Definitions of alternative performance measures

The annual report, the half year report and other communication to investors contain certain financial performance measures, which are not defined by IFRS. In addition to information based on IFRS, management uses these alternative performance measures to assess the financial and operational performance of the Group. Management believes that these non-IFRS financial performance measures provide useful information regarding Galenica's financial and operational performance. Alternative performance measures are used in Galenica's value-based management as the basis for management's incentive and remuneration schemes. Such measures may not be comparable to similar measures presented by other companies. The main alternative performance measures used by Galenica are explained and/or reconciled with the IFRS measures in this section.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. Totals are calculated using the underlying amount rather than the presented rounded number.

The alternative performance measures are unaudited.

### IAS 19 – Employee benefits

The pension plans of Galenica are organised in legally independent pension funds and are based purely on the defined contribution principle as stated in the Swiss “BVG” law. Nevertheless, Galenica's pension plans are classified as defined benefit pension plans under IAS 19.

Galenica's results are influenced by external parameters that cannot be managed by the Group and the management is of the opinion that such an impact should be excluded when it comes to assess the performance of the Galenica Group. For this reason, Galenica also evaluates its performance by adjusting personnel costs as if those plans were defined contribution plans (adjustments for the effects of IAS 19). For these adjustments, the costs of defined benefit plans and long-service awards determined in accordance with IAS 19 are replaced by an expense based on the employer's contribution and long-service awards for the period of service.

### IFRS 16 – Leases

Lessees have to account for most leases on balance sheet by recognising lease liabilities and corresponding right-of-use assets. The right-of-use assets are depreciated over the lease term and the lease liabilities generate interest expense in the statement of income. Variable lease payments, not dependent on an index or rate, such as sales-based rental expenses are accounted for as operating expenses when they are incurred. With its large network of retail pharmacies, IFRS 16 has a significant impact on Galenica's balance sheet and the presentation of lease related expenses in the consolidated statement of income.

Galenica has lease agreements with fixed and variable lease payments and these payments affect various line items in the statement of income making comparisons across individual pharmacies and points-of-sale difficult. For this reason management also monitors results by adjusting the statement of income and balance sheet as if lease agreements were still accounted for as operating leases, e.g. all lease expense is presented in other operating costs on a straight-line basis and the depreciation of the right-of-use assets and the interest expense on the lease liabilities are removed. Income taxes are also adjusted accordingly.

IFRS 16 adjusted measures are important for Galenica's value-based management and therefore for management's incentive and remuneration schemes. As the type and duration of rental agreements under IFRS 16 have a significant influence on the invested capital and accordingly on the return on invested capital (ROIC) and on the Galenica economic profit (GEP), the invested capital is stated after removing lease liabilities. This minimises the risk that management makes decisions that are not in the interest of Galenica due to potential incentives when concluding leases.

## Organic growth of net sales

Organic growth of net sales shows the development of net sales for the operating segments Products & Care and Logistics & IT excluding the effects of acquisitions, new license agreements, openings and closures of pharmacies (effect of net expansion). It provides a “like-for-like” comparison with previous periods. In the business area Professionals (B2B), organic growth of net sales is calculated only including existing business activities with a full year period comparison. In the business area Retail (B2C), organic growth of net sales is calculated only including points of sales with a full year period comparison. In order to show the impact of mandatory price reductions of medications reimbursed by health insurers on net sales transparently, organic growth of net sales is also disclosed without the effect of price reductions.

### Organic growth of net sales first half of 2022

in thousand CHF	Retail (B2C)	Professionals (B2B)	Products & Care <sup>1)</sup>	Wholesale	Logistics & IT Services	Logistics & IT <sup>1)</sup>
Net sales	880,442	109,341	<b>986,815</b>	1,379,426	63,794	<b>1,434,631</b>
Change to previous period <sup>2)</sup>	5.5%	23.5%	<b>7.4%</b>	3.8%	26.2%	<b>4.1%</b>
Effect of net expansion	6,172 <sup>3)</sup>	13,467 <sup>4)</sup>	<b>19,639</b>	-	-	-
In % of net sales of previous period	0.7%	15.2%	<b>2.1%</b>	0.0%	0.0%	<b>0.0%</b>
<b>Net sales excluding effect of net expansion</b>	<b>874,269</b>	<b>95,874</b>	<b>967,176</b>	<b>1,379,426</b>	<b>63,794</b>	<b>1,434,631</b>
<b>Organic growth of net sales <sup>2)</sup></b>	<b>4.8%</b>	<b>8.3%</b>	<b>5.3%</b>	<b>3.8%</b>	<b>26.2%</b>	<b>4.1%</b>
Mandatory price reductions <sup>5)</sup>	16,671			26,387		
In % of net sales of previous period	2.0%			2.0%		
<b>Net sales excluding effect of net expansion and mandatory price reductions</b>	<b>890,940</b>			<b>1,405,813</b>		
<b>Organic growth of net sales excluding price reductions <sup>2)</sup></b>	<b>6.8%</b>			<b>5.8%</b>		

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> Growth rate includes minor change in segment reporting structure: adjusted growth rate on a comparable basis would be 1.2% lower for Retail (B2C), 1.1% lower for Products & Care and 0.7% higher for Wholesale and Logistics & IT

<sup>3)</sup> The effect of net expansion is calculated only including point of sales without a full year period comparison (acquisitions, openings and closure of pharmacies)

<sup>4)</sup> The effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

<sup>5)</sup> Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

## Organic growth of net sales first half of 2022 Products &amp; Care

in thousand CHF	Local Pharmacies	Pharmacies at Home	Retail (B2C) <sup>1)</sup>	Products & Brands	Services for Professionals	Professionals (B2B) <sup>1)</sup>
Net sales	627,947	252,598	<b>880,442</b>	75,097	34,244	<b>109,341</b>
Change to previous period <sup>2)</sup>	1.8%	16.1%	<b>5.5%</b>	26.0%	18.3%	<b>23.5%</b>
Effect of net expansion	6,172 <sup>3)</sup>	-	<b>6,172 <sup>3)</sup></b>	7,721 <sup>4)</sup>	5,745 <sup>4)</sup>	<b>13,467 <sup>4)</sup></b>
In % of net sales of previous period	1.0%	0.0%	<b>0.7%</b>	13.0%	19.9%	<b>15.2%</b>
<b>Net sales excluding effect of net expansion</b>	<b>621,774</b>	<b>252,598</b>	<b>874,269</b>	<b>67,375</b>	<b>28,499</b>	<b>95,874</b>
<b>Organic growth of net sales <sup>2)</sup></b>	<b>0.8%</b>	<b>16.1%</b>	<b>4.8%</b>	<b>13.0%</b>	<b>-1.6%</b>	<b>8.3%</b>
Mandatory price reductions <sup>5)</sup>	7,262	9,409	<b>16,671</b>			
In % of net sales of previous period	1.2%	4.3%	<b>2.0%</b>			
<b>Net sales excluding effect of net expansion and mandatory price reductions</b>	<b>629,036</b>	<b>262,007</b>	<b>890,940</b>			
<b>Organic growth of net sales excluding price reductions <sup>2)</sup></b>	<b>2.0%</b>	<b>20.4%</b>	<b>6.8%</b>			

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> Growth rate includes minor change in segment reporting structure: adjusted growth rate on a comparable basis would be 4.8% lower for Pharmacies at Home and 1.2% lower for Retail (B2C)

<sup>3)</sup> The effect of net expansion is calculated only including point of sales without a full year period comparison (acquisitions, openings and closure of pharmacies)

<sup>4)</sup> The effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

<sup>5)</sup> Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

## Organic growth of net sales first half of 2021

in thousand CHF	Retail (B2C)	Professionals (B2B)	Products & Care <sup>1)</sup>	Wholesale	Logistics & IT Services	Logistics & IT <sup>1)</sup>
Net sales	834,286	88,518	<b>918,926</b>	1,328,787	50,542	<b>1,377,914</b>
Change to previous period	14.4%	5.4%	<b>13.6%</b>	7.4%	4.4%	<b>7.4%</b>
Effect of net expansion	17,077 <sup>2)</sup>	17,484 <sup>3)</sup>	<b>34,561</b>	-	-	-
In % of net sales of previous period	2.3%	20.8%	<b>4.3%</b>	0.0%	0.0%	<b>0.0%</b>
<b>Net sales excluding effect of net expansion</b>	<b>817,209</b>	<b>71,035</b>	<b>884,365</b>	<b>1,328,787</b>	<b>50,542</b>	<b>1,377,914</b>
<b>Organic growth of net sales</b>	<b>12.1%</b>	<b>-15.4%</b>	<b>9.3%</b>	<b>7.4%</b>	<b>4.4%</b>	<b>7.4%</b>
Mandatory price reductions <sup>4)</sup>	7,920			14,453		
In % of net sales of previous period	1.1%			1.2%		
<b>Net sales excluding effect of net expansion and mandatory price reductions</b>	<b>825,129</b>			<b>1,343,239</b>		
<b>Organic growth of net sales excluding price reductions</b>	<b>13.2%</b>			<b>8.6%</b>		

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> The effect of net expansion is calculated only including point of sales without a full year period comparison (acquisitions, openings and closure of pharmacies)

<sup>3)</sup> The effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

<sup>4)</sup> Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

## Organic growth of net sales first half of 2021 Products &amp; Care

in thousand CHF	Local Pharmacies	Pharmacies at Home	Retail (B2C) <sup>1)</sup>	Products & Brands	Services for Professionals	Professionals (B2B) <sup>1)</sup>
Net sales	616,926	217,533	<b>834,286</b>	59,583	28,935	<b>88,518</b>
Change to previous period	9.6%	30.9%	<b>14.4%</b>	9.1%	-1.5%	<b>5.4%</b>
Effect of net expansion	16,085 <sup>2)</sup>	992 <sup>2)</sup>	<b>17,077 <sup>2)</sup></b>	17,484 <sup>3)</sup>	-	<b>17,484 <sup>3)</sup></b>
In % of net sales of previous period	2.9%	0.6%	<b>2.3%</b>	32.0%	0.0%	<b>20.8%</b>
<b>Net sales excluding effect of net expansion</b>	<b>600,841</b>	<b>216,541</b>	<b>817,209</b>	<b>42,099</b>	<b>28,935</b>	<b>71,035</b>
<b>Organic growth of net sales</b>	<b>6.7%</b>	<b>30.3%</b>	<b>12.1%</b>	<b>-22.9%</b>	<b>-1.5%</b>	<b>-15.4%</b>
Mandatory price reductions <sup>4)</sup>	4,893	3,027	<b>7,920</b>			
In % of net sales of previous period	0.9%	1.8%	<b>1.1%</b>			
<b>Net sales excluding effect of net expansion and mandatory price reductions</b>	<b>605,734</b>	<b>219,568</b>	<b>825,129</b>			
<b>Organic growth of net sales excluding price reductions</b>	<b>7.6%</b>	<b>32.2%</b>	<b>13.2%</b>			

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> The effect of net expansion is calculated only including point of sales without a full year period comparison (acquisitions, openings and closure of pharmacies)

<sup>3)</sup> The effect of net expansion is calculated only including business activities without a full year period comparison (acquisitions and new license agreements)

<sup>4)</sup> Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

## Adjusted consolidated statement of income

Galenica's consolidated statement of income adjusted by IAS 19 effects related to employee benefits (defined benefit plans and long-service awards) and IFRS 16 lease effects allowing financial results to be assessed on a comparable basis.

### Adjusted consolidated statement of income first half of 2022

in thousand CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
<b>Net sales</b>	<b>1,959,878</b>	-	-	<b>1,959,878</b>
Products & Care <sup>1)</sup>	986,815	-	-	986,815
Logistics & IT <sup>1)</sup>	1,434,631	-	-	1,434,631
Other income	7,755	-	-	7,755
<b>Operating income</b>	<b>1,967,633</b>	-	-	<b>1,967,633</b>
Cost of goods	-1,467,996	-	-	-1,467,996
Personnel costs	-263,608	-1,369	-	-264,977
Other operating costs	-85,398	-	-27,525	-112,923
Share of profit from associates and joint ventures	2,019	-47	-5	1,967
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>152,649</b>	<b>-1,416</b>	<b>-27,530</b>	<b>123,703</b>
Products & Care <sup>1)</sup>	110,973	-	-25,699	85,274
Logistics & IT <sup>1)</sup>	40,345	-	-1,231	39,114
Depreciation and amortisation	-49,301	-	25,625	-23,676
<b>Earnings before interest and taxes (EBIT)</b>	<b>103,348</b>	<b>-1,416</b>	<b>-1,905</b>	<b>100,027</b>
Return on sales (ROS) <sup>2)</sup>	5.3%	-0.1%	-0.1%	5.1%
Products & Care <sup>1)</sup>	77,550	-	-1,722	75,829
Return on sales (ROS) <sup>2)</sup>	7.9%	0.0%	-0.2%	7.7%
Logistics & IT <sup>1)</sup>	25,382	-	-20	25,361
Return on sales (ROS) <sup>2)</sup>	1.8%	0.0%	0.0%	1.8%
Net financial expenses	-2,474	-115	1,204	-1,385
<b>Earnings before taxes (EBT)</b>	<b>100,875</b>	<b>-1,531</b>	<b>-701</b>	<b>98,642</b>
Income taxes	-17,750	267	126	-17,357
<b>Net profit</b>	<b>83,124</b>	<b>-1,264</b>	<b>-575</b>	<b>81,285</b>
Attributable to:				
- Shareholders of Galenica Ltd.	82,912	-1,264	-575	81,072
- Non-controlling interests	213	-	-	213

<sup>1)</sup> Reported for each operating segment not taking into account Group Services and Eliminations

<sup>2)</sup> Calculated as EBIT divided by net sales

in CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
Earnings per share	1.67	-0.03	-0.01	1.63
Diluted earnings per share	1.67	-0.03	-0.01	1.63

## Adjusted consolidated statement of income first half of 2021

in thousand CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
<b>Net sales</b>	<b>1,857,103</b>	-	-	<b>1,857,103</b>
Products & Care <sup>1)</sup>	918,926	-	-	918,926
Logistics & IT <sup>1)</sup>	1,377,914	-	-	1,377,914
Other income	6,111	-	-	6,111
<b>Operating income</b>	<b>1,863,214</b>	-	-	<b>1,863,214</b>
Cost of goods	-1,389,768	-	-	-1,389,768
Personnel costs	-256,389	3,702	-	-252,688
Other operating costs	-74,211	-	-25,799	-100,010
Share of profit from associates and joint ventures	3,748	170	67	3,985
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>146,592</b>	<b>3,872</b>	<b>-25,732</b>	<b>124,732</b>
Products & Care <sup>1)</sup>	112,403	-	-24,478	87,925
Logistics & IT <sup>1)</sup>	39,343	-	-1,254	38,089
Depreciation and amortisation	-47,589	-	24,267	-23,322
<b>Earnings before interest and taxes (EBIT)</b>	<b>99,003</b>	<b>3,872</b>	<b>-1,465</b>	<b>101,410</b>
Return on sales (ROS) <sup>2)</sup>	5.3%	0.2%	-0.1%	5.5%
Products & Care <sup>1)</sup>	77,654	-	-1,439	76,215
Return on sales (ROS) <sup>2)</sup>	8.5%	0.0%	-0.2%	8.3%
Logistics & IT <sup>1)</sup>	26,354	-	-27	26,328
Return on sales (ROS) <sup>2)</sup>	1.9%	0.0%	0.0%	1.9%
Net financial expenses	-2,337	8	1,143	-1,186
<b>Earnings before taxes (EBT)</b>	<b>96,666</b>	<b>3,880</b>	<b>-322</b>	<b>100,224</b>
Income taxes	-17,108	-647	65	-17,690
<b>Net profit</b>	<b>79,559</b>	<b>3,233</b>	<b>-257</b>	<b>82,534</b>
Attributable to:				
- Shareholders of Galenica Ltd.	79,304	3,238	-258	82,283
- Non-controlling interests	255	-5	1	251

<sup>1)</sup> Reported for each operating segment not taking into account Group Services and Eliminations

<sup>2)</sup> Calculated as EBIT divided by net sales

in CHF	As reported	Adjustments IAS 19	Adjustments IFRS 16	Adjusted
Earnings per share	1.60	0.07	-0.01	1.66
Diluted earnings per share	1.60	0.07	-0.01	1.66



## Free cash flow

The free cash flow shows Galenica's capacity to pay dividends and repay debt and repay equity. It provides information on the remaining cash and cash equivalents from the operating cash flow, reduced by all lease payments and after consideration of investment activities.

### Free cash flow

in thousand CHF	1.1.-30.6.2022	1.1.-30.6.2021
Cash flow from operating activities before working capital changes	134,758	138,697
Payment of lease liabilities	-26,205	-24,855
<b>Cash flow from operating activities before working capital changes adjusted</b>	<b>108,553</b>	<b>113,842</b>
Working capital changes	-95,540	-78
<b>Cash flow from operating activities adjusted</b>	<b>13,014</b>	<b>113,764</b>
Cash flow from investing activities without M&A <sup>1)</sup>	-39,204	-19,514
<b>Free cash flow before M&amp;A</b>	<b>-26,191</b>	<b>94,250</b>
Cash flow from M&A <sup>2)</sup>	-8,467	-38,369
<b>Free cash flow</b>	<b>-34,658</b>	<b>55,881</b>

<sup>1)</sup> Cash flow from investing activities without net cash flow from business combinations

<sup>2)</sup> Net cash flow from business combinations

### CAPEX

in thousand CHF	1.1.-30.6.2022	1.1.-30.6.2021
Investments in property, plant and equipment	18,652	18,924
Investments in intangible assets	12,198	5,824
<b>CAPEX</b>	<b>30,849</b>	<b>24,748</b>

### Cash conversion

	1.1.-30.6.2022	1.1.-30.6.2021
Cash conversion <sup>1)</sup>	75.1%	80.2%

<sup>1)</sup> Calculated as EBITDA adjusted less CAPEX divided by EBITDA adjusted

## Capital management

Galenica's capital is managed and monitored at Group level. The objective of capital management at Galenica is to ensure the continuity of operations, increase enterprise value on a sustainable basis, provide an adequate return to investors, provide the financial resources to enable investments in areas that deliver future benefits for patients and customers and further returns to investors.

Galenica defines the capital that it manages as invested interest-bearing liabilities and equity. Galenica uses a system of financial control based on various key performance indicators. Capital is monitored based on the gearing, for example, which expresses net debt as a percentage of shareholders' equity including non-controlling interests and is communicated regularly to management as part of internal reporting. The debt coverage expresses net debt as a multiple of earnings before interest, taxes, depreciation and amortisation (EBITDA). Debt coverage ratio provide information about the creditworthiness of the Group. Galenica has no covenants requiring a minimum level of debt coverage.

Total assets and shareholders' equity are adjusted for the cumulative effects of the IAS 19 and IFRS 16 adjustments and net debt is adjusted for lease liabilities.

### Total assets

in thousand CHF	30.06.2022	30.06.2021
<b>Total assets</b>	<b>2,454,464</b>	<b>2,513,598</b>
Cumulative effects of IAS 19 adjustments	-2,261	-46,662
Cumulative effects of IFRS 16 adjustments	-227,771	-220,242
<b>Total assets adjusted</b>	<b>2,224,432</b>	<b>2,246,694</b>

### Net debt

in thousand CHF	30.06.2022	30.06.2021
Current financial liabilities <sup>1)</sup>	242,865	139,373
Current lease liabilities	50,200	47,872
Non-current financial liabilities <sup>1)</sup>	181,565	380,611
Non-current lease liabilities	185,109	180,032
Cash and cash equivalents	-20,966	-124,418
Interest-bearing receivables	-1,165	-331
<b>Net debt</b>	<b>637,608</b>	<b>623,139</b>
Lease liabilities (current and non-current)	-235,309	-227,903
<b>Net debt adjusted</b>	<b>402,299</b>	<b>395,236</b>

<sup>1)</sup> Excluding non-interest-bearing financial liabilities

### Shareholders' equity

in thousand CHF	30.06.2022	30.06.2021
<b>Shareholders' equity</b>	<b>1,163,083</b>	<b>1,113,856</b>
Cumulative effects of IAS 19 adjustments	12,983	-13,434
Cumulative effects of IFRS 16 adjustments	4,972	4,994
<b>Shareholders' equity adjusted</b>	<b>1,181,038</b>	<b>1,105,416</b>

## Equity ratio

	30.06.2022	30.06.2021
Equity ratio <sup>1)</sup>	47.4%	44.3%
Equity ratio adjusted <sup>2)</sup>	53.1%	49.2%

<sup>1)</sup> Calculated as shareholders' equity divided by total assets

<sup>2)</sup> Calculated as shareholders' equity adjusted divided by total assets adjusted

## Gearing

	30.06.2022	30.06.2021
Gearing <sup>1)</sup>	54.8%	55.9%
Gearing adjusted <sup>2)</sup>	34.1%	35.8%

<sup>1)</sup> Calculated as net debt divided by shareholders' equity

<sup>2)</sup> Calculated as net debt adjusted divided by shareholders' equity adjusted

## Debt coverage

	30.06.2022	30.06.2021
Debt coverage <sup>1)</sup>	2.1 x	2.1 x
Debt coverage adjusted <sup>2)</sup>	1.6 x	1.6 x

<sup>1)</sup> Calculated as net debt divided by two times EBITDA of the first half year

<sup>2)</sup> Calculated as net debt adjusted divided by two times EBITDA adjusted of the first half year

# Consolidated interim financial statements 2022

## Consolidated statement of income

in thousand CHF	1.1.-30.6.2022	1.1.-30.6.2021
Net sales	1,959,878	1,857,103
Other income	7,755	6,111
<b>Operating income</b>	<b>1,967,633</b>	<b>1,863,214</b>
Cost of goods	-1,467,996	-1,389,768
Personnel costs	-263,608	-256,389
Other operating costs	-85,398	-74,211
Share of profit from associates and joint ventures	2,019	3,748
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>152,649</b>	<b>146,592</b>
Depreciation and amortisation	-49,301	-47,589
<b>Earnings before interest and taxes (EBIT)</b>	<b>103,348</b>	<b>99,003</b>
Financial income	445	221
Financial expenses	-2,919	-2,558
<b>Earnings before taxes (EBT)</b>	<b>100,875</b>	<b>96,666</b>
Income taxes	-17,750	-17,108
<b>Net profit</b>	<b>83,124</b>	<b>79,559</b>
Attributable to:		
– Shareholders of Galenica Ltd.	82,912	79,304
– Non-controlling interests	213	255

in CHF	1.1.-30.6.2022	1.1.-30.6.2021
Earnings per share	1.67	1.60
Diluted earnings per share	1.67	1.60

Unaudited figures

## Consolidated statement of comprehensive income

in thousand CHF	1.1.-30.6.2022	1.1.-30.6.2021
<b>Net profit</b>	<b>83,124</b>	<b>79,559</b>
Translation differences	-139	25
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>-139</b>	<b>25</b>
Remeasurement of net defined benefit liability	-56,513	79,848
Income taxes from remeasurement of net defined benefit liability	10,172	-14,373
Share of other comprehensive income from joint ventures	-921	2,667
<b>Items that will not be reclassified to profit or loss</b>	<b>-47,262</b>	<b>68,142</b>
<b>Other comprehensive income</b>	<b>-47,401</b>	<b>68,167</b>
<b>Comprehensive income</b>	<b>35,723</b>	<b>147,725</b>
Attributable to:		
- Shareholders of Galenica Ltd.	35,511	147,411
- Non-controlling interests	213	315

Unaudited figures

## Consolidated statement of financial position

in thousand CHF		30.06.2022		31.12.2021 <sup>1)</sup>
Cash and cash equivalents		20,966		164,982
Trade and other receivables		533,369		461,108
Inventories		296,320		295,070
Prepaid expenses and accrued income		37,239		42,336
<b>Current assets</b>	<b>36.2%</b>	<b>887,894</b>	<b>37.6%</b>	<b>963,496</b>
Property, plant and equipment		245,213		244,549
Right-of-use assets		228,334		215,496
Intangible assets		1,034,894		1,020,666
Investments in associates and joint ventures		30,499		30,696
Financial assets		23,499		19,152
Deferred tax assets		2,843		4,747
Employee benefit assets		1,288		67,000
<b>Non-current assets</b>	<b>63.8%</b>	<b>1,566,570</b>	<b>62.4%</b>	<b>1,602,306</b>
<b>Assets</b>	<b>100.0%</b>	<b>2,454,464</b>	<b>100.0%</b>	<b>2,565,802</b>

in thousand CHF		30.06.2022		31.12.2021 <sup>1)</sup>
Financial liabilities		242,898		43,052
Lease liabilities		50,200		49,717
Trade and other payables		335,710		364,043
Tax payables		25,855		29,442
Accrued expenses and deferred income		178,279		176,147
Provisions		2,083		2,498
<b>Current liabilities</b>	<b>34.0%</b>	<b>835,025</b>	<b>25.9%</b>	<b>664,899</b>
Financial liabilities		206,292		406,544
Lease liabilities		185,109		173,334
Deferred tax liabilities		48,156		60,071
Employee benefit liabilities		15,285		25,967
Provisions		1,514		1,310
<b>Non-current liabilities</b>	<b>18.6%</b>	<b>456,356</b>	<b>26.0%</b>	<b>667,226</b>
<b>Liabilities</b>	<b>52.6%</b>	<b>1,291,381</b>	<b>51.9%</b>	<b>1,332,125</b>
Share capital		5,000		5,000
Reserves		1,154,421		1,222,538
<b>Equity attributable to shareholders of Galenica Ltd.</b>		<b>1,159,421</b>		<b>1,227,538</b>
Non-controlling interests		3,663		6,140
<b>Shareholders' equity</b>	<b>47.4%</b>	<b>1,163,083</b>	<b>48.1%</b>	<b>1,233,677</b>
<b>Liabilities and shareholders' equity</b>	<b>100.0%</b>	<b>2,454,464</b>	<b>100.0%</b>	<b>2,565,802</b>

<sup>1)</sup> 31.12.2021 restated (refer to note 2)

Unaudited figures

## Consolidated statement of cash flows

in thousand CHF	1.1.-30.6.2022	1.1.-30.6.2021
Net profit	83,124	79,559
Income taxes	17,750	17,108
Depreciation and amortisation	49,301	47,589
(Gain)/loss on disposal of non-current assets	-84	-90
Increase/(decrease) in provisions and employee benefit assets and liabilities	-1,580	5,166
Net financial result	2,474	2,337
Share of profit from associates and joint ventures	-2,019	-3,748
Share-based payments	2,466	2,522
Interest received	282	188
Interest paid	-2,068	-1,852
Other financial receipts/(payments)	-12	-22
Dividends received	6,860	2,548
Income taxes paid	-21,735	-12,608
<b>Cash flow from operating activities before working capital changes</b>	<b>134,758</b>	<b>138,697</b>
Change in trade and other receivables	-71,157	-125,115
Change in inventories	-802	24,499
Change in trade and other payables	-30,320	56,332
Change in other net current assets	6,739	44,207
<b>Working capital changes</b>	<b>-95,540</b>	<b>-78</b>
<b>Cash flow from operating activities</b>	<b>39,219</b>	<b>138,619</b>
Investments in property, plant and equipment	-18,751	-17,871
Investments in intangible assets	-10,992	-6,169
Investments in associates and joint ventures	-3,833	-
Investments in financial assets	-7,136	-4,279
Proceeds from property, plant and equipment and intangible assets	309	238
Proceeds from financial assets	1,199	8,567
Net cash flow from business combinations	-8,467	-38,369
<b>Cash flow from investing activities</b>	<b>-47,671</b>	<b>-57,883</b>
Dividends paid	-104,810	-89,509
Purchase of treasury shares	-236	-123
Proceeds from sale of treasury shares	58	25
Proceeds from financial liabilities	1,008	124,050
Repayment of financial liabilities	-1,232	-25,677
Payment of lease liabilities	-26,205	-24,855
Purchase of non-controlling interests	-4,048	-46
<b>Cash flow from financing activities</b>	<b>-135,464</b>	<b>-16,136</b>
Effects of exchange rate changes on cash and cash equivalents	-100	37
<b>Net change in cash and cash equivalents</b>	<b>-144,016</b>	<b>64,637</b>
Cash and cash equivalents as at 1 January	164,982	59,781
<b>Cash and cash equivalents as at 30 June</b>	<b>20,966</b>	<b>124,418</b>

Unaudited figures



## Consolidated statement of changes in equity

in thousand CHF	Share capital	Treasury shares	Retained earnings	Equity attributable to shareholders of Galenica Ltd.	Non-controlling interests	Equity
<b>Balance as at 31 December 2020</b>	<b>5,000</b>	<b>-19,817</b>	<b>1,062,099</b>	<b>1,047,282</b>	<b>6,073</b>	<b>1,053,355</b>
Net profit			79,304	79,304	255	79,559
Other comprehensive income			68,107	68,107	60	68,167
<b>Comprehensive income</b>			<b>147,411</b>	<b>147,411</b>	<b>315</b>	<b>147,725</b>
Dividends			-89,204	-89,204	-305	-89,509
Transactions on treasury shares		2,207	-2,462	-255		-255
Share-based payments			2,586	2,586		2,586
Change in non-controlling interests			40	40	-86	-46
<b>Balance as at 30 June 2021</b>	<b>5,000</b>	<b>-17,610</b>	<b>1,120,470</b>	<b>1,107,860</b>	<b>5,996</b>	<b>1,113,856</b>
<b>Balance as at 31 December 2021</b>	<b>5,000</b>	<b>-14,511</b>	<b>1,237,049</b>	<b>1,227,538</b>	<b>6,140</b>	<b>1,233,677</b>
Net profit			82,912	82,912	213	83,124
Other comprehensive income			-47,401	-47,401	-	-47,401
<b>Comprehensive income</b>			<b>35,511</b>	<b>35,511</b>	<b>213</b>	<b>35,723</b>
Dividends			-104,443	-104,443	-367	-104,810
Transactions on treasury shares		3,649	-3,639	10		10
Share-based payments			2,530	2,530		2,530
Change in non-controlling interests			-1,725	-1,725	-2,323	-4,048
<b>Balance as at 30 June 2022</b>	<b>5,000</b>	<b>-10,862</b>	<b>1,165,282</b>	<b>1,159,421</b>	<b>3,663</b>	<b>1,163,083</b>

Unaudited figures

On 11 May 2022, the Annual General Meeting approved a dividend payment of CHF 104.4 million for the financial year 2021 (previous year: CHF 89.2 million), corresponding to CHF 2.10 per registered share (previous year: CHF 1.80). For this purpose, CHF 1.05 was taken from the reserves from capital contributions (previous year: CHF 0.90) and CHF 1.05 from retained earnings (previous year: CHF 0.90) of Galenica Ltd. The dividend was paid out to the shareholders on 17 May 2022.

# Notes to the consolidated interim financial statements of the Galenica Group

## 1. Group organisation

### General information

Galenica is a fully-integrated healthcare service provider in Switzerland. Galenica operates a network of pharmacies, develops and offers own brands and products, exclusive brands and products from business partners as well as a variety of on-site health services and tests for customers. Galenica is also a provider of pre-wholesale and wholesale distribution and database services in the Swiss healthcare market.

The parent company is Galenica Ltd., a Swiss company limited by shares with its headquarters in Bern. The registered office is at Untermattweg 8, 3027 Bern, Switzerland. Shares in Galenica Ltd. are traded on the SIX Swiss Exchange under securities no. 36067446 (ISIN CH0360674466).

The Board of Directors released the consolidated interim financial statements 2022 on 8 August 2022 for publication.

## 2. Accounting principles

### Basis of preparation

The unaudited consolidated interim financial statements of Galenica are based on the financial statements of the individual companies of Galenica as at 30 June 2022, prepared in accordance with uniform principles. Except for the amendments to International Financial Reporting Standards (IFRS) as detailed below, the consolidated interim financial statements have been prepared using the same accounting principles as the consolidated financial statements for the year ending 31 December 2021 and comply with IAS 34 – Interim Financial Reporting. The consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ending 31 December 2021 as they update previously reported information.

Galenica's consolidated interim financial statements are prepared in Swiss francs (CHF) and, unless otherwise indicated, figures are rounded to the nearest CHF 1,000.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. Totals are calculated using the underlying amount rather than the presented rounded number.

Foreign currencies effects are not material for the consolidated interim financial statements.

### Restatement 2021 due to adjustments to provisional purchase price allocation

The purchase price allocation for the acquisition of Spagyros Ltd. was determined provisionally at the end of 2021 and has now be finalised. The fair value measurement leads to a decrease of property, plant and equipment based on the final external valuation in the amount of CHF 0.7 million and deferred tax liabilities in the amount of CHF 0.1 million. This adjustment leads to an increase in goodwill in the amount of CHF 0.6 million. The figures for the previous year were adjusted for the purposes of comparison.

### Estimation uncertainty and assumptions

The preparation of the Group's consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and the disclosure of contingent liabilities as at the reporting date. Although these estimates and assumptions are made on the basis of all available information and with the greatest of care, the actual results may differ.

### Seasonal influences on operations

Sales in the business sectors in which Galenica operates are usually not significantly influenced by seasonal or cyclical fluctuations during the financial year.

## Income taxes

Current income taxes are based on an estimate of the expected income tax rate for the full year.

## Scope of consolidation

The consolidated interim financial statements of Galenica comprise those of Galenica Ltd. and all its subsidiaries, including associates and joint ventures.

Details of changes in the scope of consolidation in the reporting period are included in [note 4, Business combinations](#).

## Amendments to IFRS

As at 1 January 2022 Galenica adopted the following new International Financial Reporting Standards:

- Amendments to IFRS 3 – Reference to the conceptual framework
- Amendments to IAS 16 – Proceeds before intended use
- Amendments to IAS 37 – Onerous Contracts – cost of fulfilling a contract
- Annual Improvements 2018-2020 Cycle

These changes have no or no material impact on the financial position, financial performance and cash flows of Galenica nor on disclosures in these consolidated interim financial statements. Galenica has not early adopted any other standard or interpretation that has been issued but is not yet effective.

### 3. Operating segment information

#### Operating segment information first half of 2022

##### Operating segment information first half of 2022

in thousand CHF	Products & Care	Logistics & IT	Group Services	Eliminations	Galenica Group
Net sales	986,815	1,434,631	22,352	-483,920	1,959,878
Intersegmental net sales	-46,092	-416,313	-21,516	483,920	-
<b>Net sales to third parties</b>	<b>940,724</b>	<b>1,018,318</b>	<b>837</b>	<b>-</b>	<b>1,959,878</b>
Other income	4,010	2,962	1,438	-656	7,755
Share of profit from associates and joint ventures	1,937	20	-	62	2,019
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>110,973</b>	<b>40,345</b>	<b>242</b>	<b>1,089<sup>1)</sup></b>	<b>152,649</b>
Depreciation and amortisation	-33,423	-14,963	-1,062	147	-49,301
<b>Earnings before interest and taxes (EBIT)</b>	<b>77,550</b>	<b>25,382</b>	<b>-820</b>	<b>1,237<sup>1)</sup></b>	<b>103,348</b>
Interest income					320
Interest expense					-2,666
Other net financial result					-128
<b>Earnings before taxes (EBT)</b>					<b>100,875</b>
Income taxes					-17,750
<b>Net profit</b>					<b>83,124</b>
<b>Assets</b>	<b>1,735,549</b>	<b>952,034</b>	<b>388,076</b>	<b>-621,195<sup>2)</sup></b>	<b>2,454,464</b>
Investments in associates and joint ventures	31,657	85	-	-1,244	30,499
<b>Liabilities</b>	<b>661,509</b>	<b>593,768</b>	<b>631,305</b>	<b>-595,202<sup>3)</sup></b>	<b>1,291,381</b>
Investments in property, plant and equipment	4,125	13,400	1,127	-	18,652 <sup>4)</sup>
Investments in intangible assets	769	11,499	-	-70	12,198 <sup>5)</sup>
Employees as at 30 June (FTE)	3,924	1,377	216	-	5,517

<sup>1)</sup> Including the effects of IAS 19 from defined benefit plans and long-service awards of CHF 1.4 million

<sup>2)</sup> Of which elimination of intercompany positions of CHF -603.6 million and other unallocated amounts of CHF -17.6 million

<sup>3)</sup> Of which elimination of intercompany positions of CHF -603.6 million and other unallocated amounts of CHF 8.4 million

<sup>4)</sup> Of which non-cash investments of CHF 0.9 million

<sup>5)</sup> Of which non-cash investments of CHF 1.8 million

## Operating segment information first half of 2021

### Operating segment information first half of 2021

in thousand CHF	Products & Care	Logistics & IT	Group Services	Eliminations	Galenica Group
Net sales	918,926	1,377,914	10,485	-450,222	1,857,103
Intersegmental net sales	-35,419	-404,963	-9,840	450,222	-
<b>Net sales to third parties</b>	<b>883,507</b>	<b>972,950</b>	<b>645</b>	<b>-</b>	<b>1,857,103</b>
Other income	3,723	3,024	188	-825	6,111
Share of profit from associates and joint ventures	3,910	8	-	-170	3,748
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>112,403</b>	<b>39,343</b>	<b>-307</b>	<b>-4,846<sup>2)</sup></b>	<b>146,592</b>
Depreciation and amortisation	-34,749	-12,989	-1	150	-47,589
<b>Earnings before interest and taxes (EBIT)</b>	<b>77,654</b>	<b>26,354</b>	<b>-308</b>	<b>-4,697<sup>2)</sup></b>	<b>99,003</b>
Interest income					189
Interest expense					-2,482
Other net financial result					-45
<b>Earnings before taxes (EBT)</b>					<b>96,666</b>
Income taxes					-17,108
<b>Net profit</b>					<b>79,559</b>
<b>Assets<sup>1)</sup></b>	<b>1,687,729</b>	<b>864,050</b>	<b>404,017</b>	<b>-389,994<sup>3)</sup></b>	<b>2,565,802</b>
Investments in associates and joint ventures <sup>1)</sup>	31,015	66	-	-385	30,696
<b>Liabilities<sup>1)</sup></b>	<b>585,459</b>	<b>515,479</b>	<b>641,402</b>	<b>-410,215<sup>4)</sup></b>	<b>1,332,125</b>
Investments in property, plant and equipment	8,460	10,581	37	-155	18,924 <sup>5)</sup>
Investments in intangible assets	2,155	3,770	-	-102	5,824 <sup>6)</sup>
Employees as at 30 June (FTE)	3,799	1,364	225	-	5,388

<sup>1)</sup> Figures as at 31 December 2021 restated (refer to note 2)

<sup>2)</sup> Including the effects of IAS 19 from defined benefit plans and long-service awards of CHF -3.9 million

<sup>3)</sup> Of which elimination of intercompany positions of CHF -441.1 million and other unallocated amounts of CHF 51.1 million

<sup>4)</sup> Of which elimination of intercompany positions of CHF -441.1 million and other unallocated amounts of CHF 30.9 million

<sup>5)</sup> Of which non-cash investments of CHF 1.7 million

<sup>6)</sup> Of which non-cash investments of CHF 0.2 million

## 4. Business combinations

In the first half of 2022, the scope of consolidation has changed as a result of the following transactions:

**Acquisition of pharmacies.** Galenica acquired 100% of the interests in pharmacies in various locations in Switzerland. Upon acquisition, most of these pharmacies were merged with Galenicare Ltd.

The total purchase consideration amounted to CHF 10.4 million and was fully settled in cash. The fair value of the provisional net assets amounts to CHF 2.5 million at the acquisition date. The goodwill of CHF 7.9 million was allocated to the operating segment Products & Care and corresponds to the added value of the pharmacies based on their locations. Transaction costs were not material.

### Business combinations

in thousand CHF	Fair value
Cash and cash equivalents	1,967
Trade receivables	855
Inventories	475
Right-of-use assets	2,158
Other current and non-current assets	258
Trade payables	-715
Lease liabilities	-2,158
Other current and non-current liabilities	-350
<b>Fair value of net assets</b>	<b>2,491</b>
Goodwill	7,943
<b>Purchase consideration</b>	<b>10,434</b>
Cash acquired	-1,967
<b>Net cash flow from current business combinations</b>	<b>8,467</b>

### Pro forma figures for acquisitions made in the first half of 2022

Since their inclusion in Galenica's scope of consolidation, the businesses acquired contributed net sales of CHF 4.6 million and an operating result (EBIT) of CHF 0.1 million to the Group's results. If these acquisitions had occurred on 1 January 2022, they would have contributed additional net sales of CHF 2.1 million and increased EBIT by CHF 0.4 million.

## 5. Net sales

### Net sales first half of 2022

#### Net sales first half of 2022

in thousand CHF	Sale of goods	Sale of services	Total net sales	Intersegmental net sales	Total net sales to third parties	of which sale of goods to third parties	of which sale of services to third parties
Local Pharmacies	590,444	37,503	<b>627,947</b>	-12	<b>627,935</b>	590,432	37,503
Pharmacies at Home	248,441	4,157	<b>252,598</b>	-188	<b>252,410</b>	248,253	4,157
<b>Retail (B2C) <sup>1)</sup></b>	<b>838,782</b>	<b>41,660</b>	<b>880,442</b>	<b>-97</b>	<b>880,345</b>	<b>838,686</b>	<b>41,660</b>
Products & Brands	74,136	960	<b>75,097</b>	-38,302	<b>36,794</b>	35,834	960
Services for Professionals	27,075	7,169	<b>34,244</b>	-10,660	<b>23,584</b>	21,672	1,913
<b>Professionals (B2B) <sup>1)</sup></b>	<b>101,250</b>	<b>8,091</b>	<b>109,341</b>	<b>-48,963</b>	<b>60,378</b>	<b>57,506</b>	<b>2,873</b>
<b>Products &amp; Care <sup>1)</sup></b>	<b>938,445</b>	<b>48,370</b>	<b>986,815</b>	<b>-46,092</b>	<b>940,724</b>	<b>896,191</b>	<b>44,532</b>
Wholesale	1,374,463	4,963	<b>1,379,426</b>	-393,773	<b>985,653</b>	982,662	2,991
Logistics & IT Services	325	63,469	<b>63,794</b>	-31,130	<b>32,665</b>	324	32,340
<b>Logistics &amp; IT <sup>1)</sup></b>	<b>1,374,789</b>	<b>59,841</b>	<b>1,434,631</b>	<b>-416,313</b>	<b>1,018,318</b>	<b>982,986</b>	<b>35,332</b>
Group Services	-	22,352	<b>22,352</b>	-21,516	<b>837</b>	-	837
Eliminations <sup>2)</sup>	-434,057	-49,863	<b>-483,920</b>	483,920	-	-	-
<b>Galenica Group</b>	<b>1,879,177</b>	<b>80,701</b>	<b>1,959,878</b>	<b>-</b>	<b>1,959,878</b>	<b>1,879,177</b>	<b>80,701</b>

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> Eliminations of intersegmental net sales

### Net sales first half of 2021

#### Net sales first half of 2021

in thousand CHF	Sale of goods	Sale of services	Total net sales	Intersegmental net sales	Total net sales to third parties	of which sale of goods to third parties	of which sale of services to third parties
Local Pharmacies	581,825	35,101	<b>616,926</b>	-34	<b>616,892</b>	581,791	35,101
Pharmacies at Home	213,535	3,998	<b>217,533</b>	-225	<b>217,309</b>	213,311	3,998
<b>Retail (B2C) <sup>1)</sup></b>	<b>795,188</b>	<b>39,099</b>	<b>834,286</b>	<b>-86</b>	<b>834,201</b>	<b>795,102</b>	<b>39,099</b>
Products & Brands	58,228	1,355	<b>59,583</b>	-29,308	<b>30,275</b>	28,919	1,355
Services for Professionals	22,331	6,604	<b>28,935</b>	-9,903	<b>19,032</b>	17,237	1,795
<b>Professionals (B2B) <sup>1)</sup></b>	<b>80,583</b>	<b>7,935</b>	<b>88,518</b>	<b>-39,212</b>	<b>49,307</b>	<b>46,156</b>	<b>3,151</b>
<b>Products &amp; Care <sup>1)</sup></b>	<b>873,222</b>	<b>45,704</b>	<b>918,926</b>	<b>-35,419</b>	<b>883,507</b>	<b>841,258</b>	<b>42,249</b>
Wholesale	1,313,526	15,261	<b>1,328,787</b>	-389,208	<b>939,579</b>	934,377	5,201
Logistics & IT Services	1,284	49,259	<b>50,542</b>	-17,171	<b>33,372</b>	293	33,079
<b>Logistics &amp; IT <sup>1)</sup></b>	<b>1,314,767</b>	<b>63,147</b>	<b>1,377,914</b>	<b>-404,963</b>	<b>972,950</b>	<b>934,670</b>	<b>38,280</b>
Group Services	-	10,485	<b>10,485</b>	-9,840	<b>645</b>	-	645
Eliminations <sup>2)</sup>	-412,061	-38,162	<b>-450,222</b>	450,222	-	-	-
<b>Galenica Group</b>	<b>1,775,928</b>	<b>81,175</b>	<b>1,857,103</b>	<b>-</b>	<b>1,857,103</b>	<b>1,775,928</b>	<b>81,175</b>

<sup>1)</sup> Including eliminations of intercompany net sales

<sup>2)</sup> Eliminations of intersegmental net sales

## 6. Financial assets and financial liabilities measured at fair value

### Fair value

in thousand CHF	30.06.2022		31.12.2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Current financial liabilities	42,829	42,829	43,052	43,052
Bond (fair value level 1)	200,070	199,060	-	-
<b>Current financial liabilities</b>	<b>242,898</b>	<b>241,889</b>	<b>43,052</b>	<b>43,052</b>
Non-current financial liabilities <sup>1)</sup>	26,112	26,112	26,238	26,238
Bond (fair value level 1)	180,180	174,888	380,306	389,270
<b>Non-current financial liabilities</b>	<b>206,292</b>	<b>201,000</b>	<b>406,544</b>	<b>415,508</b>

<sup>1)</sup> Of which contingent consideration liabilities from business combinations (fair value level 3) of CHF 24.0 million (previous year: CHF 24.0 million)

With the exception of financial liabilities the carrying amounts of all financial instruments approximate to the fair value or fair value disclosure is not required (lease liabilities).

### Sensitivity analysis of contingent consideration liabilities from business combinations

Determining the contingent consideration liability from business combinations net sales was identified as key assumption. Galenica has recorded the maximum amount as contingent consideration liability, an increase in the forecasted net sales of the acquired company would hence have no impact on the contingent consideration liability. In return, a decrease of the forecasted net sales 2024 by 5% would reduce the contingent consideration liability by CHF 2.2 million.

## 7. Employee benefit assets

Galenica realised in the consolidated statement of comprehensive income a remeasurement loss of CHF 56.5 million which is due to the negative market developments on plan assets exceeded the positive effect from the increase in the discount rate. The increase of the discount rate resulted in an actuarial gain (change in financial assumptions) and an asset ceiling. Overall Galenica has net employee benefit liabilities of CHF 14.0 million as at 30 June 2022 (as at 31 December 2021: net employee benefit assets of CHF 41.0 million).

Due to the remeasurement loss a deferred tax gain of CHF 10.2 million has been recorded in the consolidated statement of comprehensive income, which also resulted in a respective decrease of deferred tax liabilities.

## 8. Contingent liabilities and commitments

Galenica signed purchase agreements to acquire pharmacies and other businesses in the next few years. The purchase prices will be fixed at the time of transfer of ownership on the basis of net asset value and discounted cash flows. The unrecognised commitments are expected to involve payments of CHF 0.8 million at the most. The purchase rights have an estimated volume of CHF 1.3 million. These purchase rights or obligations fall due between 2022 and 2023.



## 9. Subsequent events

The following business combinations occurred between 30 June 2022 and 8 August 2022, the date that the consolidated interim financial statements were released for publication.

**Acquisition of Medinform AG.** On 5 July 2022, Galenica acquired 50% of the shares of the Swiss based Medinform AG. The company is a leading provider of training courses and specialisations for pharmacies and has a broad network of partners such as health insurance companies and doctors.

The purchase consideration amounting to CHF 4.3 million was settled in cash. Due to the proximity of the acquisition to the date of release for publication of these financial statements, the fair value of the provisional net assets at the acquisition date cannot yet be estimated with sufficient reliability.

**Acquisition of Acquantic AG.** On 11 July 2022, Galenica acquired 100% of the shares of the Swiss based Acquantic AG. With the acquisition, Galenica gains access to a digital ecosystem that significantly simplifies the reimbursement of specific medicines by linking pharmaceutical companies and health insurances.

The purchase consideration consists of a cash consideration of CHF 4.6 million as well as a contingent consideration of up to CHF 5.5 million depending on future events and the achievement of certain profitability targets. Due to the proximity of the acquisition to the date of release for publication of these financial statements, the fair value of the provisional net assets at the acquisition date cannot yet be estimated with sufficient reliability.

There were no further significant events after the reporting date.