

Financial for specific purposes as at 31 March 2025 and for the period from 1 April 2024 to 31 March 2025

Archimica S.p.A.

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Legal, administrative and production headquarters:
Viale Milano, 86 – 26900 Lodi (LO) - Italy

www.archimica.com

Share capital: Euro 10.207.131,30 i.v.

Shares: 16,463,115 ordinary shares

Face value: Euro 0.62 euro

Tax registration ID: 07254610152

VAT number: 07254610152

Register of Companies of Milan, Monza-Brianza, Lodi: 07254610152

R.E.A.: LO 1462016

Sole Shareholder Company

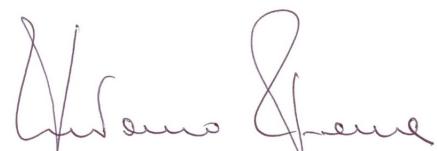
Statement of Financial Position

<i>(Values in Euro)</i>	Note	31 march 2025	31 march 2024
	Note	31 marzo 2025	31 marzo 2024
Intangible assets	5.1	56.621	64.066
Tangible assets	5.2	23.142.742	17.665.258
Deferred tax assets	5.3	2.653.000	1.395.000
Other non-current assets	5.4	176.611	307.514
Total non-current assets		26.028.974	19.431.839
Inventories	5.6	7.189.254	8.218.613
Trade receivables	5.7	9.382.506	13.216.207
Contract assets	5.8	1.118.242	4.528.889
Tax receivables	5.5	257.840	442.901
Other current assets	5.4	2.460.704	1.658.110
Cash and cash equivalents	5.9	2.289.603	781.590
Total current assets		22.698.150	28.846.310
Total assets		48.727.124	48.278.148
Share capital	5.10	10.207.131	10.207.131
Other reserves	5.10	26.871.795	3.759.228
Profit (loss) carried forward	5.10	396.465	4.291.144
Profit (loss) for the period	5.10	(13.189.603)	(3.894.678)
Net equity	5.10	24.285.789	14.362.825
Non-current financial liabilities	5.11	8.279.882	6.892.636
Liabilities for employees' benefits	5.12	158.546	158.329
Non-current provisions for risks and charges	5.13	1.630.719	1.593.926
Deferred tax liabilities	5.15	44.148	83.270
Total non-current liabilities		10.113.294	8.728.161
Current financial liabilities	5.11	3.608.764	15.508.631
Trade payables	5.14	8.880.105	7.745.171
Current provisions for risks and charges	5.13	212.846	158.065
Other current payables	5.15	1.626.326	1.775.297
Total current liabilities		14.328.041	25.187.163
Total liabilities		24.441.335	33.915.323
Total equity and liabilities		48.727.124	48.278.148



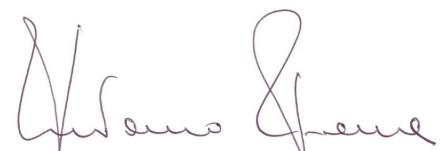
Income Statement

<i>(Values in Euro)</i>	Note	From 1 april 2024 to 31 march 2025	From 27 april 2023 to 31 march 2024
Revenues	5.16	19.493.213	30.546.554
Other revenue and income	5.17	88.501	26.723
Raw, ancillary and consumable materials and goods	5.18	(7.753.098)	(10.374.181)
Service costs and costs of third-party assets	5.19	(10.803.266)	(11.779.928)
Employee expenses	5.20	(8.426.042)	(7.762.864)
Other operating expenses	5.21	(2.556.117)	(370.192)
Capitalization of internal costs		80.870	-
Change in inventories	5.6	(1.467.493)	(1.518.873)
Depreciation, Amortization and Asset value adjustments	5.22	(2.280.179)	(2.088.856)
Operating profit		(13.623.610)	(3.321.617)
Financial income	5.23	204.569	304.039
Financial expenses	5.23	(1.029.047)	(875.525)
Profit (loss) before taxes		(14.448.087)	(3.893.103)
Income taxes	5.24	1.258.484	(1.575)
Net profit (loss) for the period		(13.189.603)	(3.894.678)



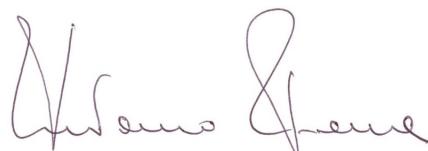
Statement of Comprehensive Income

(Values in Euro)	Note	From 1 april	From 27 april
		2024 to 31 march 2025	23 to 31 march 2024
Net profit (loss) for the period		(13.189.603)	(3.894.678)
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans		(6.926)	9.337
Tax effect		1.662	(2.241)
Total	5.12	(5.264)	7.096
Items that may be reclassified subsequently to profit or loss:			
Gains/(losses) on cash flow hedging instruments		(164.331)	(194.223)
Tax effect		38.638	
Total	5.11	(125.693)	(194.223)
Comprehensive income (loss) for the period		(13.320.560)	(4.081.805)



Cash Flow Statement

<i>(Values in euro)</i>	From 1 april 24 to 31 March 25	From 27 april 2023 to 31 March 2024
Operations of income management:		
Net Profit / (Loss) for the Period	(13.189.603)	(3.894.677)
Amortization	2.280.179	2.088.856
Taxes	(1.258.484)	(1.575)
Devaluation	(88.235)	(182.267)
Net financial expense	824.478	(571.486)
Cash flow generated (absorbed) by income management	a	(11.431.666)
Increases/decreases in current assets and liabilities:		
Change in inventories	1.029.358	2.306.096
Change in trade receivables	7.244.347	(4.179.284)
Change in trade debts	1.134.935	(922.230)
Changes in other assets and liabilities	(494.430)	(1.218.028)
Changes employee benefits	217	-
Taxes paid	-	(623.014)
Cash flow generated (absorbed) by current assets and liabilities:	b	8.914.428
Cash flow generated (absorbed) by operating activity	a+b	(2.517.238)
Activities of investment:		
Increase of tangible fixed assets net of consideration for disposals	(7.738.941)	(4.621.217)
Increase of intangible fixed assets net of consideration for disposals	(11.340)	
Cash flow generated (absorbed) by investment activity	c	(7.750.281)
Financial assets and liabilities:		
Increase in medium and long-term financing	4.000.000	9.000.000
Increase in short-term financing	8.450.000	7.965.000
Repayment of short-term loans	(5.969.034)	(6.186.840)
Net financial expense paid	(823.825)	585.480
Increase Equity	6.250.000	(0)
Other Change in equity	(130.957)	(0)
Cash flow generated (absorbed) by financing activities	d	11.776.185
Cash flow and cash equivalents	a+b+c+d	1.508.666
Cash and cash equivalents at the beginning of the Period	781.590	1.250.771
Exchange effect	(653)	(13.994)
Cash and cash equivalents at the beginning of the Period	2.289.603	781.591
of which entered in cash and cash equivalents	2.289.603	781.591





Statement of Changes in Shareholders' Equity

(Values in Euro)	Share capital	Other reserves	Retained earnings (losses)	Profit (loss) for the year	Total Shareholders' Equity
Equity at 27 april 23	10.207.131	3.946.355	5.890.685	(1.599.541)	18.444.630
Net profit (loss) for the period				(3.894.678)	(3.894.678)
Remeasurement of defined benefit plans		7.096			7.096
Riserva cash flow hedging		(194.223)			(194.223)
Total profit/(loss) for the period ended 31 March 2024	-	(187.127)	-	-	(187.127)
Allocation of net profit for the prior period			(1.599.541)	1.599.541	-
Equity at 31 march 2024	10.207.131	3.759.228	4.291.143	(3.894.678)	14.362.825
Net profit (loss) for the period				(13.189.603)	(13.189.603)
Remeasurement of defined benefit plans		(5.264)			(5.264)
Gains/(losses) on cash flow hedging instruments		(125.693)			(125.693)
Shareholders' payment		23.243.524			23.243.524
Comprehensive income (loss) for the period ended 31 March 2025	-	23.112.567	-	(13.189.603)	9.922.964
Allocation of net profit for the prior period			(3.894.678)	3.894.678	-
Equity at 31 march 2025	10.207.131	26.871.796	396.465	(13.189.603)	24.285.789

A handwritten signature in black ink, appearing to read "Archimica S.p.A." followed by a name.

Explanatory notes to the Financial Statements for specific purposes as at 31 March 2025 and for the period from 1 April 2024 to 31 March 2025

1 General Information

Archimica S.p.A. (hereinafter the "**Company**" or "**Archimica**") is a company incorporated and domiciled in Italy, organized according to the legal system of the Italian Republic. Archimica's capital is 100% owned by PI Health Sciences BV, a company incorporated under Dutch law.

The Company operates in Italy in the field of active pharmaceutical ingredients, in particular in the Active *Pharmaceutical Ingredients* ("API") branch. The plant in Lodi (Italy) is used to produce APIs and key starting materials (KSM) for customers who need GMP production. Currently, The Lodi facility will require a certain level of improvements and upgrades to meet the needs of global innovators, to be accomplished with the capital investment and technical expertise of PI Industries. The investments planned and made are to be placed in relation to the objectives of increasing production capacity, improving the efficiency and safety of the Lodi plant, guaranteeing respect for the environment and compliance with the requirements of the Italian regulatory authority, the provision of effective extraordinary maintenance activities aimed at ensuring production continuity and creating the technical infrastructures for the development of the business line CDMO. On 30 April 2025, PI Health Sciences Netherlands BV, the sole shareholder of Archimica SpA, confirmed its intention and commitment to continue to financially support and capitalize Archimica SpA in order to ensure that it fulfills its obligations and continues its operations, without prejudice to its ability to operate as a going concern for at least twelve months following the date of approval of the financial statements being prepared.

The Company has prepared the Financial Statements for specific purposes as of March 31, 2025 and for the period from March 31, 2024 to March 31, 2025 (also the "**Period**") in accordance with the criteria set forth in these explanatory notes.

The Financial Statements for specific purposes as at 31 March 2025 and for the period from 1 April 2024 to 31 March 2025 (also "**these Financial Statements**") have been prepared not by virtue of a legal obligation but to provide the parent company PI Health Sciences Limited Group with information necessary for the preparation of its Consolidated Financial Statements as at 31 March 2025. As a result, the budget for specific purposes as at 31 March 2025 and for the period from 1 April 2024 to 31 March 2025 may not be suitable for other purposes. This document was approved by the Board of Directors of the Company held on May 8, 2025.

2 Summary of Accounting Policies

The following are the main accounting criteria and principles applied in the preparation of the Financial Statements for specific purposes as at 31 March 2025 and for the period from 1 April 2024 to 31 March 2025.

2.1 Preparation Base

These Financial Statements have been prepared in compliance with the principles of business continuity, economic accrual, relevance and aggregation, prohibition of offsetting information.

These financial statements consist of the statement of financial position as at 31 March 2025, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow

statement for the period and these notes, which also include a summary of the most significant accounting principles applied.

The statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement are expressed in units of Euro, while all other amounts included in this document, unless otherwise indicated, are expressed in thousands of Euro.

The Financial Statements for the year ended March 31, 2025 and for the period from April 1, 2024 to March 31, 2024 and the related classification criteria adopted by the Company are set out below:

- The Statement of Financial Position has been prepared by classifying assets and liabilities according to the "current/non-current" method. Current assets are those intended to be realized, sold or consumed in the normal operating cycle of the Company; current liabilities are those that are expected to be extinguished in the normal operating cycle of the Company or in the twelve months following the end of the financial year;
- the Income Statement has been prepared by classifying operating costs by nature as it is believed that this approach provides reliable and more relevant information than the classification by destination;
- the Statement of Comprehensive Income includes, in addition to the profit for the year as shown in the income statement, other changes in equity attributable to transactions not carried out with the Company's shareholders;
- the cash flow statement has been prepared by showing the cash flows deriving from operating activities according to the "indirect method";
- the statement of changes in shareholders' equity is presented separately from the comprehensive income statement and transactions with shareholders.

2.2 Going concern assessment

As part of the evaluation process, the Directors considered a series of qualitative and quantitative elements. During the 1st quarter of 2025, the war events in Eastern Europe and the Israeli-Palestinian conflict had significant economic repercussions in terms of energy costs and the procurement of raw materials.

The Company has taken into account the implications of the Russian and Israeli-Palestinian conflict and the implications of the current macroeconomic environment in making judgments relating to business continuity and in the significant estimates and judgments used in the preparation of these Financial Statements. In this regard, it should be noted that the Company, although it cannot remain exempt from indirect effects deriving from the aforementioned conflicts, is not exposed to direct effects that may have an impact on business continuity and on the significant estimates and opinions used in the preparation of these Financial Statements. Ukrainian

The Company considers the prevention and management of risks that may jeopardize the achievement of objectives and business continuity to be a strategic priority. In this regard, the Company has identified the main risks related to climate change or environmental issues that may have implications or impact economic activities. The potential risks identified are those related to climate change, both in terms of physical risks, i.e. more frequent extreme weather events or gradual changes in the climate (e.g. floods, rising temperatures, decrease in resources, etc.) and/or related to an increase in operating costs for extraordinary maintenance activities (e.g. for restoring the condition of assets following the damage suffered), and in terms of transition risks, i.e. related to the transition to a low-carbon and/or more environmentally sustainable economy.

The results achieved in the period showed a loss of 13,190 thousand Euros attributable to a number of concomitant factors: the physiological time gap in the preparation, start-up and development of the new promising CDMO business segment and the need to implement some production slowdowns in relation to the investments in progress.

The Directors considered it appropriate to use the going concern assumption in the preparation of the Financial Statements, for a period of at least twelve months from the date of its preparation, which is mainly based on:

- on the irrevocable capital and financial support to which the sole shareholder PI Health Sciences Netherlands B.V. has committed itself on 30 April 2025, valid for a period of not less than twelve months from the date of preparation of these financial statements;
- on the waiver of the repayment of the shareholder loan, which took place on 29 October 2024, for an amount of Euro 16,993,524, with the consequent allocation of the same to the available capital reserve;
- the payment into the capital reserve account for an amount of Euro 6,250,000 made by the sole shareholder;
- on the future implementation of the 2026 - 2035 Business Plan, approved by the Board of Directors on 13 March 2025, prepared mainly on the basis of the following assumptions:
 - a.** Long-term growth: A compound annual growth rate (CAGR) of 12% over 5 years is expected, with a focus on new products and CDMOs.
 - b.** Increased API sales: Growth target for Cytarabine, Hydroxyurea, Mianserin and Sucrafalto through competitive offers and winning new customers. The aim is to internalize (in-house) the production of GPC85, reactivate the Dysopyramide and Pirenzepine, enter the Chinese market with Mianserin and evaluate Entresto as a new API.
 - c.** Revenue forecasts: Revenues up from €19.5 million in 2025 to €35 million in 2026, with good results expected from Diacerein, GPE/GPC and new formulations.
 - d.** Margins and EBITDA: The contribution margin increases from 53% (2025) to 66% (2030); EBITDA negative in 2025 but expected to grow to 28% in 2030.
 - e.** Profit after Tax and Material Margin: Improvement in 2025 thanks to DTA Recovery and margin on materials up (from 72% to 77%).
 - f.** Cost control: Constant reduction of overheads and personnel costs; recruitment plan structured on the HR 2026 function.
 - g.** Cash flow and financing: €12 million of orders expected in 2026 (of which €6.3 million in Q1); including €10 million HSBC financing.
 - h. Investments 2026: EHS interventions on equipment and the environment, maintenance projects and updating structures.

Therefore, taking into account the above, the Directors considered it appropriate to use the going concern assumption in the preparation of the Financial Statements, for a period of at least twelve months from the date of its approval.

A description of the ways in which the Company manages financial risks is set out in paragraph 3 "Financial Risk Management" of the Explanatory Notes to these Financial Statements.

2.3 Accounting Principles and Valuation Criteria

INTANGIBLE ASSETS

Intangible assets consist of non-monetary items, identifiable and without physical consistency, controllable and capable of generating future economic benefits. These items are initially recognised at purchase cost, including expenses directly attributable to preparing the asset for its use. Any interest expense accrued during and for the development of intangible assets is considered part of the purchase cost.

(a) Other intangible assets

Intangible assets acquired separately are initially recognised at cost, while those acquired through business combinations are recognised at *fair value* at the acquisition date. After initial recognition, intangible assets are recognised at cost net of cumulative depreciation and any accumulated impairment losses.

The useful life of intangible assets is valued as definite or indefinite depending on the nature of the assets.

Intangible assets with a finite useful life are depreciated over their useful life and are subject to a fairness test whenever there are indications of a possible impairment loss. The depreciation period and depreciation method of an intangible asset with a finite useful life shall be reconsidered at least at the end of each period. Changes in the expected useful life or in the manner in which the future economic benefits of the asset will be realized are recognized through the change in the period or method of depreciation, as applicable, and are considered changes in accounting estimates. The depreciation of intangible assets with a finite useful life are recognised in the statement of profit/(loss) for the period in the cost category consistent with the function of the intangible asset.

Intangible assets with an indefinite useful life are not depreciated, but are tested annually for impairment, both at the individual level and at the level of the cash-generating unit. The indefinite useful life assessment is reviewed annually to determine whether this attribution continues to be sustainable; otherwise, the change from indefinite to a finite useful life shall apply on a prospective basis.

Gains or losses arising from the disposal of an intangible asset are measured by the difference between the net proceeds from the disposal and the carrying amount of the intangible asset and are recognised in the income statement in the period in which the disposal takes place.

The Company's estimated useful life for the various categories of intangible assets is shown below:

(b) Research and development costs

Research costs are charged to the income statement for the period in which they are incurred. Development costs incurred in relation to a given project are recognised as intangible assets when the following can be demonstrated:

- the technical possibility of completing the intangible asset, so that it is available for use or sale;
- the intention to complete the activity and their ability and intention to use or sell it;
- the ways in which the activity will generate future economic benefits;
- the availability of resources to complete the task;
- the ability to reliably assess the cost attributable to the activity during development.

After initial recognition, development activities are measured at cost less accumulated depreciation, amortization or impairment. Asset depreciation begins when development is completed and the task is available for use. Development activities are depreciated with reference to the period of expected benefits and the related depreciation and amortization are included in the cost of sales.

For development projects whose amortization had already been started during the previous periods, the relative recoverability is analyzed through the verification of any impairment (*impairment test*).

TANGIBLE ACTIVITIES

Property, plant and equipment is recorded at purchase or production cost, net of accumulated depreciation and any impairment losses. The purchase or production cost includes the costs directly incurred to prepare the activities for their use, as well as any dismantling and removal costs that will be incurred as a result of contractual obligations that require the asset to be restored to its original condition. Financial expenses directly attributable to the acquisition, construction or production of qualifying assets are capitalised and amortised on the basis of the useful life of the asset to which they refer.

Expenses incurred for maintenance and repairs of an ordinary nature are charged to the income statement when incurred. The capitalisation of costs relating to the extension, modernisation or improvement of structural elements owned or used by third parties is carried out to the extent that they meet the requirements to be classified separately as an asset or part of an asset. Assets recognised in relation to improvements to third-party assets are allocated to the asset classes to which they refer, and are depreciated on the basis of the duration of the lease, or on the basis of the specific useful life of the asset, whichever is shorter.

Depreciation is calculated on a straight-line basis using rates that allow the assets to be depreciated until the end of their economic and technical useful life. When the asset subject to depreciation is composed of distinctly identifiable items, the useful life of which differs significantly from that of the other parts of the asset, depreciation is carried out separately for each of those parts, using the component *approach*.

The estimated economic-technical useful life for the various categories of tangible assets is as follows:

Category of intangibles asset	Service life in years
Industrial building(walls)	25
Lightweight constructions	13
Higly corrosive specific plants	8
Low corrosive specific plants	10
Purification plants	8
Generic plants	10
Miscellaneous equipment	5
Specific equipment	5
EDP system	5
Office furniture	8
Car fleet	4
Vehicles	5

The economic and technical useful life of tangible assets is reviewed and updated, where necessary, at least at the end of each period.

Leasing

A contract contains or represents a lease if it gives the policyholder the right to control the use of a particular asset for a specified period of time in exchange for consideration; this right exists if the contract gives the lessee the right to manage the asset and substantially obtain the economic benefits deriving from its use.

On the date on which the asset is made available for use, the lessee recognises in the balance sheet an asset representing the right to use the asset and a liability of payments expected over the term of the contract. The duration of the lease is determined by also considering the periods represented by the extension options or the early termination options of the contract, depending on the probability that they will be exercised.

The lease liability is initially recognised at an amount equal to the present value of the payments due for the lease from the lease start date, i.e.: (i) fixed (or substantially fixed) payments; (ii) variable payments that depend on indices, rates or other parameters; (ii) payment of the exercise price of the call option, provided that the option is held by the lessee and the lessee considers it reasonably probable to exercise it. The present value of these payments is calculated using a discount rate equal to the implied interest rate of the lease or using the lessee's incremental financing rate.

After initial recognition, the lease liability is measured in the same way as amortised cost and is restated, generally as a contra-entry to the carrying amount of the related right-of-use asset, if there is a change in lease payments due mainly as a result of: (i) contractual renegotiations that do not give rise to a new separate lease; (ii) changes in indices or rates (to which variable payments are related); or (iii) changes in the assessment of the exercise of the options provided for in the contract (options to purchase the leased property, options to extend or terminate the contract early).

The right to use a leased asset is initially recognised at cost, determined as the sum of the following components: (i) the initial amount of the *lease liability*; (ii) the initial direct costs incurred by the lessee; (iii) any payments made on or before the start date, net of any incentives received from the lessor; and (iv) an estimate of the costs that the lessee expects to incur for the dismantling, removal of the underlying asset and

remediation of the site or to bring the asset back to the condition set out in the contract. After initial recognition, the *right-of-use asset* is adjusted to take into account the accumulated depreciation and amortisation charges, any impairment losses and the effects of any restatement of the lease liability. In particular, the lessee applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset has been impaired and to account for the identified impairment losses.

Leases in which the lessor substantially retains the risks and rewards associated with the ownership of the assets are classified as operating leases. Payments relating to operating leases are recognised linearly in the income statement over the life of the lease contract.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(a) *Property, plant and equipment and intangible assets with a finite useful life*

A test is carried out at each reference date of the Period to ascertain whether there are indicators that property, plant and equipment and intangible assets with a finite useful life may have been impaired. To this end, both internal and external sources of information are considered. With regard to the former (internal sources), the following are considered: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset and the economic performance of the asset compared to what was expected. External sources include: trends in the market prices of assets, any technological, market or regulatory discontinuities, trends in market interest rates or the cost of capital used to value investments.

If the presence of these indicators is identified, the recoverable amount of the aforementioned assets is estimated, allocating any impairment to the related book value in the income statement. The recoverable amount of an asset is represented by the greater of the *fair value*, net of ancillary costs to sell, and its value in use, the latter being understood as the present value of the estimated future cash flows for that asset, determined by applying the same approach as described in the previous paragraph. For an asset that does not generate largely independent cash flows, the recoverable amount is determined in relation to the *Cash Generating Unit* to which the asset belongs.

An impairment loss is recognised in the income statement if the carrying amount of the asset, or of the CGU to which it is allocated, is greater than its recoverable amount. The impairment of CGU is primarily attributed to a reduction in the carrying amount of any goodwill attributed to it and, therefore, to a reduction in other assets, in proportion to their carrying amount and within the limits of their recoverable amount. If the conditions for a previously made impairment are no longer met, the carrying amount of the asset is restored, with the exception of goodwill, and charged to the income statement, up to the limit of the value that the asset in question would have had if the impairment had not been made and the related depreciation had been made.

(b) *Impairment of non-financial assets*

Further information on impairment of non-financial assets is also provided in the following notes:

- Estimates and Assumptions	Note 4
- Intangible assets	Note 5.1
- Material Assets	Note 5.2

At each reference date of the Period, the Company assesses whether there are indicators of impairment of assets. In such a case, or in cases where an annual impairment review is required, the Company makes an estimate of the recoverable amount. The recoverable amount is the greater of the *fair value* of the asset or cash-generating unit, net of costs to sell, and its value in use. The recoverable amount is determined on a per-asset basis, except when that asset generates cash flows that are not largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset is higher than its recoverable amount, that asset has suffered an impairment loss and is consequently written down to its recoverable amount.

In determining the value in use, the Company discounts estimated future cash flows at present value using a pre-tax discount rate, which reflects market valuations of the present value of money and the specific risks of the asset. In determining the *fair value* net of selling costs, recent transactions on the market are taken into

account. If such transactions cannot be identified, an appropriate valuation model is used. These calculations are supported by appropriate valuation multipliers, prices of listed shares for investee companies whose securities are traded on the market and other available *fair value* indicators .

The Company bases its *impairment* test on detailed budgets and forecast calculations, prepared separately for each cash-generating unit to which individual assets are allocated. These budgets and forecast calculations generally cover a five-year period. In the case of longer periods, a long-term growth rate is calculated and used to project future cash flows beyond the fifth year.

Impairment losses on continuing operations, including impairment losses on inventories, are recognised in the income statement in the cost categories consistent with the allocation of the asset that showed the impairment. Exceptions are previously revalued fixed assets, where the revaluation has been recorded among other comprehensive income components. In such cases, the impairment loss is in turn recognised under other components of the statement of comprehensive income up to the amount of the previous revaluation.

For assets other than goodwill, at each reference point of the Period, the Company assesses whether there are indications of the disappearance (or reduction) of impairment losses previously recognised and, if such indications exist, estimates the recoverable amount of the asset or the CGU. The value of a previously depreciated asset can only be reversed if there have been changes in the assumptions on which the calculation of the recoverable amount determined was based, subsequent to the recognition of the last impairment loss. The reversal of impairment may not exceed the carrying value that would have been determined, net of depreciation, if no impairment loss had been recognised in previous periods. This reversal is recognised in the income statement unless the fixed asset is recognised at a revalued value, in which case the reversal is treated as a revaluation increase.

Intangible assets with an indefinite useful life are tested for impairment at least annually with respect to December 31, at the level of the cash-generating unit and when circumstances indicate that there may be an impairment loss.

FINANCIAL ASSETS (EXCLUDING DERIVATIVES)

The Company's financial assets are classified on the basis of the business model adopted for their management and the characteristics of the related cash flows.

(a) Financial assets measured at amortised cost

Financial assets for which the following requirements are met are classified in this category: (i) the asset is held as part of a business model whose objective is to hold the asset for the purpose of collecting contractual cash flows; and (ii) the contractual terms of the business provide for cash flows represented solely by payments of principal and interest on the principal amount to be returned. These are mainly trade receivables, financial assets and other assets.

Trade receivables that do not contain a significant financial component are recognised at the price defined for the relevant transaction (determined in accordance with IFRS 15 Revenue from Contracts with Customers).

The post-recognition measurement method is the cost amortised using the effective interest rate method. With reference to the impairment model, the Company assesses receivables using an expected loss logic (so-called "impairment ratio"). *Expected Loss*.

For trade receivables, the Company adopts a simplified approach to valuation (so-called "Valuation Assessment"). *Simplified approach* which does not require the recognition of periodic changes in credit risk, but rather the accounting of an *Expected Credit Loss* (so-called Expected Credit Loss). ECL) calculated over the entire life of the credit (so-called ECL). *Lifetime ECL*). In particular, the policy implemented by the Company provides for a matrix approach according to the following steps:

- historical analysis of losses on trade receivables;
- definition of appropriate customer groupings according to the characteristics of credit risk highlighted by historical analysis;

- determination of the historical loss rate for groups of customers on the basis of the losses recognised in relation to the amount of receivables in the reference period or in relation to overdue bands if the relevant information is available without excessive effort;
- possible adjustment of the historical loss rate based on current and forward-looking information (changes in the economic, regulatory and technological environment, industry outlook, etc.).

In the absence of a reasonable expectation of recovery, trade receivables are written down in full.

Write-downs made pursuant to IFRS 9 are recognised in the income statement net of any positive effects related to reversals and are recognised as costs.

(b) Financial assets at fair value with a contra-entry in the statement of comprehensive income ("FVOCI")

Financial assets for which the following requirements are met are classified in this category: (i) the asset is held within the framework of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of the asset itself; and (ii) the contractual terms of the business provide for cash flows represented solely by payments of principal and interest on the principal amount to be returned.

These assets are initially recognised in these Financial Statements at their fair value plus any ancillary costs directly attributable to the transactions that generated them. At the time of subsequent measurement, the measurement carried out at the time of recognition is updated and any changes in fair value are recognised in the statement of comprehensive income. With reference to the impairment model, the following is described in point a) detailed above.

(c) Financial assets at fair value with an entry in the income statement ("FVPL")

Financial assets that are not classified in any of the previous categories (i.e. residual category) are classified in this category. Assets in this category are recognised at fair value at the time of their initial recognition. Ancillary costs incurred at the time of recognition of the activity are immediately recognised in the income statement. At the time of subsequent measurement, FVPL financial assets are measured at fair value.

Gains and losses arising from changes in fair value are recognised in the income statement in the period in which they are recognised under "Gains (losses) on assets measured at fair value". Purchases and disposals of financial assets are accounted for at the settlement date.

INVENTORIES

Inventories are recorded at the lower of the purchase or production cost and the net realisable value, represented by the amount that the Company expects to obtain from their sale in the normal course of business, net of selling costs.

The purchase cost of raw materials is calculated according to the weighted average cost method.

The cost of finished and semi-finished products includes the weighted average cost of raw materials, the labour cost directly attributable to the product and other production costs (determined on the basis of normal operating capacity). Financial charges are not included in the valuation of inventories, which are charged to the income statement when incurred, as the time conditions for capitalisation are not met.

The realisable value for inventories of raw materials and semi-finished products that can no longer be used in the production cycle and inventories of finished products that cannot be sold is determined through an analysis for each purchase or production batch and the accounting of a specific provision for obsolescence.

CONTRIBUTIONS

The contributions are recognised in the presence of a formal concession resolution and are accounted for as income in the period in which the related costs are incurred.

Grants received for specific assets whose value is recorded under fixed assets are recognised in the income statement in relation to the depreciation period of the asset to which they refer.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and available bank deposits and other forms of short-term investments, with a maturity of three months or less. Cash and cash equivalents are measured at *fair value*.

FINANCIAL PAYABLES

Financial payables are initially recorded at *fair value*, net of directly attributable ancillary costs, and are subsequently measured at amortised cost, applying the effective interest rate method. If there is a change in the estimate of expected cash flows, the value of liabilities is recalculated to reflect that change based on the present value of the expected new cash flows and the effective internal rate initially determined. Financial payables are classified as current liabilities, except for those with contractual maturity more than twelve months from the date of these Financial Statements and those for which the Company has an unconditional right to defer their payment for at least twelve months after the reference date.

Financial payables are accounted for at the trading date of the transaction and are removed from these Financial Statements upon their settlement and when the Company has transferred all risks and charges relating to the instrument itself.

Financial liabilities are written off these Financial Statements when the underlying obligation is discharged, cancelled or fulfilled.

Financial assets and liabilities are offset on the balance sheet when there is a legal right to offset, which is currently exercisable, and there is the intention to settle the relationship on a net basis (i.e. to realise the asset and at the same time settle the liability).

DERIVATIVES

Derivative financial instruments qualify as securities held for trading, measured at *fair value* with a contra-entry in the income statement and classified under other current and non-current assets or liabilities, or, if the instrument hedges the risk of changes in the expected cash flows of another financial instrument or a forecast transaction, directly to a positive or negative equity reserve.

Financial assets and liabilities with a contra-entry in the income statement are initially recognised and subsequently measured at *fair value* and the related ancillary costs are immediately expensed in the income statement. For derivative instruments for which a hedging relationship has not been designated, gains or losses arising from their measurement at *fair value* are recognised directly in the income statement for the period in which the change in *fair value* occurs.

EMPLOYEE BENEFITS

In defined benefit plans, which also include the severance pay due to employees pursuant to Article 2120 of the Italian Civil Code ("TFR"), the amount of the benefit to be paid to the employee can only be quantified after the termination of the employment relationship and is linked to one or more factors such as age, years of service and salary; therefore, the related expense is charged to the accrued income statement on the basis of an actuarial calculation. The liability recognised in these Financial Statements for defined benefit plans is the present value of the obligation at the date of these Financial Statements. Requirements for defined benefit plans are determined annually by an independent actuary using the projected *unit credit method*. The present value of the defined benefit plan is determined by discounting future cash flows at an interest rate equal to that of bonds (*high-quality corporate*) issued in the currency of the relevant defined benefit plans and taking into account the duration of the relevant pension plan. Actuarial gains and losses arising from the above adjustments and changes in actuarial assumptions are recognised in the statement of comprehensive income. Starting from 1 January 2007, the so-called "2007 Finance Law" and the related implementing decrees introduced significant changes to the rules on severance pay, including the employee's choice regarding the destination of his or her accruing severance pay. In particular, the new flows of severance pay may be directed by the worker to chosen pension forms or kept in the company. In the case of allocation to external pension schemes, the Company is subject only to the payment of a defined contribution to the chosen fund and from

that date onwards the newly accrued portions are in the nature of defined contribution plans not subject to actuarial valuation.

CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities of a non-probable, but possible, or remote nature are not recognised in these Financial Statements; however, adequate information is provided in this regard for possible contingent assets and liabilities.

Where, on the other hand, the financial disbursement relating to the obligation is expected to take place beyond the normal payment terms and the effect of discounting is significant, the amount of the provision is represented by the present value of future payments expected for the extinction of the obligation.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised for losses and charges of a specific nature, of certain or probable existence, the amount and/or date of occurrence of which, however, cannot be determined. Recognition is recognized only when there is a current obligation, legal or implied, for a future outflow of economic resources as a result of past events and it is probable that such outflow will be required for the performance of the obligation. This amount represents the best estimate of the cost of extinguishing the obligation. The rate used in determining the present value of the liability reflects current market values and takes into account the specific risk associated with each liability.

When the financial effect of time is material, and the payment dates of the bonds are reliably estimateable, the funds are valued at the present value of the expected disbursement using a rate that reflects market conditions, the change in the cost of money over time and the specific risk associated with the bond. The increase in the value of the fund, determined by changes in the cost of money over time, is accounted for as interest expense. The funds are periodically updated to reflect changes in cost estimates, implementation times and discount rate; Revisions of estimates are charged to the same item in the income statement that previously included the provision.

The risks for which the occurrence of a liability is only possible are indicated in the appropriate information section on contingent liabilities and no allocation is made for them.

PAYABLES TO SUPPLIERS AND OTHER LIABILITIES

Trade payables are obligations to pay for goods or services acquired from suppliers as part of the ordinary business activity. Payables to suppliers are classified as current liabilities if payment is made within one year from the date of these Financial Statements. Otherwise, these payables are classified as non-current liabilities. Payables to suppliers and other liabilities are initially recorded at fair value, net of directly attributable ancillary costs, and are subsequently measured at amortised cost, applying the effective interest rate method.

REVENUErecognition

Revenues are recognised at fair *value* of the consideration received for the sale of products and services from the ordinary operations of the Company's business. The revenue is recognized net of value added tax, expected returns, rebates, discounts and certain marketing activities carried out with the help of customers and whose value is a function of the revenues themselves.

Revenues from the sale of products are recognised when the risks and rewards associated with ownership of the goods are transferred to the buyer, the sale price is agreed or determinable and is expected to be collected. More specifically, revenue from customer contracts is recognized when the following conditions are met:

- the contract with the customer has been identified;
- the contractual obligations ("Bond performance") contained in the contract;
- the price has been determined;
- the price has been allocated to the individual contractual obligations contained in the contract;

- the contractual obligation contained in the contract has been fulfilled.

The allocation of the consideration among the various performance obligations is carried out on the basis of "*stand-alone selling prices*" (so-called "*stand-alone selling prices*"). sales prices in its own right) of the related performance obligations.

The Company recognises revenues from contracts with customers when it fulfils the contractual obligation by transferring the promised good or service to the customer, or through the satisfaction of the various *performance obligations*. This can occur at a specific time ("point in time") or as the related *performance obligations* are met ("over time"). The good or service is deemed to be transferred when (or as often) the customer gains control of it.

A *performance obligation* is met over time if one of the following criteria is met:

- The customer receives and consumes the benefits simultaneously at the time the entity performs its service.
- The customer controls the contract asset at the time it is created or enhanced by the entity
- The entity's performance does not create an asset with an alternative use the entity has a right to collect consideration for the services completed on the date

The contractual consideration included in the contract with the customer may include fixed amounts, variable amounts, or both. If the contractual consideration includes a variable amount (e.g. discounts, price concessions, incentives, penalties or other similar elements), the Company estimates the amount of the consideration to which it will be entitled in exchange for the transfer to the customer of the promised goods or services. The Company includes the amount of the estimated variable consideration in the transaction price only to the extent that it is highly probable that when the uncertainty associated with the variable consideration is subsequently resolved, there will not be a significant downward adjustment in the amount of cumulative revenue recognized.

COST RECOGNITION

Costs are recognised when they relate to goods and services purchased or consumed during the period or by systematic distribution.

Financial income/expense

Interest income/expense is recognised as financial income/expense following its assessment on the basis of accrual criteria or when the future usefulness of the same cannot be identified.

TAXES

Current taxes are determined on the basis of the estimate of taxable income, in accordance with the tax regulations applicable to the Company.

Deferred and deferred tax assets are calculated against all differences that emerge between the taxable amount of an asset or liability and its carrying amount, with the exception of goodwill at initial recognition. Deferred tax assets, including those relating to tax losses carried forward, for the portion not offset by deferred tax assets, are recognised to the extent that it is probable that taxable income will be available in the future against which they can be recovered. Deferred and deferred tax assets are determined using the tax rates in force or substantially approved at the end of the period that are expected to be applicable in the periods in which the differences are realized or settled.

Current taxes, deferred tax assets and deferred tax assets are recognised in the income statement under "Income taxes", with the exception of those relating to items recognised under comprehensive income other than net profit and those relating to items directly debited or credited to equity. In the latter cases, deferred taxes are recognised in the statement of comprehensive income and directly in equity. Deferred and deferred

tax assets are offset when they are applied by the same tax authority, there is a legal right of set-off and a settlement of the net balance is expected.

Other taxes not related to income, such as indirect taxes and taxes, are included in the income statement item "Other operating expenses".

3 Financial Risk Management

The Company's activities are exposed to the following financial risks: market risk (defined as currency and interest rate risk), credit risk, liquidity risk and capital risk.

The Company's *risk management* strategy is aimed at minimizing potential negative effects on the Company's financial performance. Risk management is centralised in the Treasury function, which identifies, assesses and hedges financial risks in close collaboration with the operating units. The Financial Department provides indications for monitoring risk management, as well as indications for specific areas, concerning interest rate risk, exchange rate risk and the use of derivative and non-derivative instruments.

MARKET RISK

The Company is exposed to the following market risks.

Interest Rate Risk

The Company has a long-term financing situation that is fully funded by third parties. Loan agreements are initially recorded at *fair value*, net of directly attributable ancillary costs, and are subsequently measured at amortised cost, applying the effective interest rate method, recognising the interest accrued in the period in the income statement. In addition, where deemed applicable, the Company has indexed the loans received to market values.

Exchange Rate Risk

On average, the Company generates a significant portion of its turnover in countries in the US Dollar Area and is therefore subject to exchange rate risk. However, the risk arising from foreign currency credit exposure is mitigated by the fact that the Company also has supply contracts in place in US dollars that generate a partial natural hedge of the foreign currency exposure.

Product Risk

All production sites and production techniques used must comply with GMP standards established by the regulatory authorities in the sector such as the Food and Drug Administration ("FDA") and the Italian Medicines Agency ("AIFA") as well as other regulatory authorities in other countries. In the event of non-compliance with regulatory requirements, the Company may have to pay fines, notify its customers and regulatory authorities, dispose of non-compliant inventories, incur costs for product recalls or even close its plants. All of this could have a significant risk to the Company's operating and financial results. In addition, regulatory authorities conduct periodic undisclosed inspections of the Company's manufacturing sites to check our compliance with regulatory standards. Should the regulatory authority identify a non-compliance with regulatory requirements during such inspections, it may impose fines on the Company or if it determines that the Company's non-compliance was serious, it may impose the closure of the Company's manufacturing sites. All of this could have a significant risk to the Company's operating and financial results. The Company constantly monitors compliance with regulatory standards and maintains processes and controls designed to prevent and mitigate the risk of non-compliance.

The Company has assessed the risk associated with non-conformities of its products as low on the basis of its historical data and the high customer satisfaction rating.

Risks related to the evolution of the legal and regulatory framework of the pharmaceutical sector

The pharmaceutical sector is characterized by a high level of local, national and international regulation, which influences activities at all levels. The pharmaceutical sector is also exposed to national and international

technical standards that govern the performance of research, development, production, distribution and scientific information of medicines. The Company implements a policy of constant monitoring of regulatory developments in all the markets in which it operates, through dedicated organisational structures, set up at Corporate and branch level, in order to identify and promptly adopt the most appropriate response strategies. Risks associated with expansion into emerging countries

The strategy pursued by the Company envisages an expansion of activities in countries with the highest development potential and characterised by sustained growth rates (e.g. Central and Eastern Europe, the Middle East and North Africa). Operations in these countries may present risks related to political, economic, currency, regulatory, or fiscal instability or discontinuity.

Risks associated with competitive pressure

Archimica, like any company operating in the pharmaceutical sector, is subject to product competition that could cause a contraction of its market share. The Company manages risk by pursuing a policy of progressive diversification and enrichment of its product portfolio, in order to reduce dependence on the existing product portfolio. In the pharmaceutical sector, there is a risk that delays in the development or release processes by the Regulatory Authorities of the necessary authorizations may prevent compliance with the scheduled timing for the launch, with consequent possible impacts on the expected profitability of the products and/or delays in achieving the expected growth targets. To mitigate this risk, the Company pursues both a strategy of enrichment and balancing of its *pipeline* of products related to dossiers in the registration phase and already registered and others in different stages of development, and geographical diversification logics aimed at limiting dependence on the Regulatory Authorities of a single country.

CREDIT RISK

The Company's ability to operate and fulfil its obligations towards the banking system and suppliers is conditioned by the regular flow of collections from customers. In this regard, the company has always kept a close eye on trade receivables and minimised risk positions, the nominal value of which has been adjusted on the basis of the presumed realisable value. On this basis, and in view of a customer default rate of less than 1%, no external loan coverage measures were taken.

The amount of financial assets deemed to be of doubtful recoverability is in any case covered by appropriate allocations to the allowance for doubtful debts. See note 5.7 for more details on the allowance for doubtful accounts. The following table provides a breakdown by past due class of current receivables from customers as at 31 March 2025, net of the provision for doubtful debts.

	31 march 25	31 march 24
<i>(Values in thousands of Euro)</i>		
Current	8.806	8.965
Past due 0-30 days	612	2.611
Past due 31-60 days	59	771
Past due 61-90 days	2	600
Past due 91-120 days	-	29
Past due 121-150 days	-	34
Past due 151-180 days	-	203
Past due 181-210 days	3	-
Past due 211-240 days	6	-
Past due 241-270 days	-	34
Past due over 360 days	105	31
Total	9.382	13.216

The amount indicated equal to -105 thousand Euros refers to credit notes issued to two customers.

LIQUIDITY RISK

Liquidity risk is typically represented by the possibility that an entity may have difficulty in raising sufficient funds to meet its obligations and includes the risk that counterparties that have provided loans and/or credit lines may require their repayment.

The following tables show the expected cash flows in future years, with regard to financial liabilities outstanding as of March 31, 2025:

Balance at march 31,2025	Total	< 1 year	1-5 years	> 5 years
<i>(Values in thousands of Euro)</i>				
Non-current financial liabilities	8.190	-	7.190	1.000
Current financial liabilities	3.575	3.575	-	-
Financial Leasing	124	34	90	-
Other Liabilities	1.626	1.626	-	-
Trade payables	8.880	8.880	-	-
Total	22.395	14.115	7.280	1.000

CAPITAL MANAGEMENT RISK

The Company's objective in the field of capital risk management is mainly to safeguard business continuity in order to guarantee returns to shareholders and benefits to other stakeholders. The Company also aims to maintain a sustainable capital structure in order to reduce the cost of debt.

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The *fair value* of receivables from customers and other financial assets, payables to suppliers and other payables and other financial liabilities, recognised under "current" items in the statement of financial position and measured using the amortised cost method, since these are mainly assets underlying commercial transactions that are expected to settle in the short term, does not deviate from the carrying amounts of the Balance Sheet as at 31 March 2025.

Non-current financial liabilities and assets are settled or measured at market rates and the *fair value* of these liabilities is therefore considered to be substantially in line with current carrying amounts.

The following is a classification of financial assets and liabilities by category as at 31 March 2025:

Balance at march 31,2025 (Values in thousands of Euro)	Loans and receivables	Financial assets or liabilities	Designated hedging tools	Total financial asset(iabilities)	Non-financial assets (liabilities)	Total
Assets						
Trade receivables	9.383			9.383		9.383
Contract assets	1.118			1.118		1.118
Other current and non-current as	2.637			2.637		2.637
Cash and cash equivalents	2.290			2.290		2.290
Total assets	15.428	-	-	15.428	-	15.428
Liabilities						
Current and non-current financia	11.889			11.889		11.889
Trade payables	8.880			8.880		8.880
Other current and non-current liabilit	1.626			1.626		1.626
Total liabilities	22.395	-	-	22.395	-	22.395

FAIR VALUE ESTIMATE

The *fair value* of financial instruments listed on an active market is based on market prices at the reference date of the Period. The *fair value* of instruments that are not listed on an active market is determined using valuation techniques based on a number of methods and assumptions linked to market conditions at the date of these Financial Statements. The fair value of financial instruments is classified below on the basis of the following hierarchical levels:

- *Level 1: Fair values* determined with reference to quoted (unadjusted) prices on active markets for identical financial instruments;
- *Level 2: Fair values* determined with valuation techniques with reference to variables observable on active markets;
- *Level 3: Fair values* determined with valuation techniques with reference to unobservable market variables.

4 Estimates and Assumptions

The preparation of financial statements requires the Directors to apply accounting principles and methodologies which, in certain circumstances, are based on difficult and subjective evaluations and estimates based on historical experience and assumptions that are considered reasonable and realistic from time to time according to the relevant circumstances. The application of these estimates and assumptions affects the amounts reported in the schedules of these Financial Statements, the statement of financial position, the statement of income, the statement of comprehensive income, the cash flow statement, as well as the

information provided. The final results of the items in these Financial Statements for which the above estimates and assumptions have been used may differ from those reported in the financial statements that reflect the effects of the occurrence of the event being estimated, due to the uncertainty that characterizes the assumptions and the conditions on which the estimates are based.

The following are briefly described areas that require more subjectivity on the part of directors in the preparation of estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on financial data.

(a) Impairment of assets

In accordance with the accounting principles applied by the Company, tangible and intangible assets and goodwill, where any, are subject to verification in order to ascertain whether an impairment has occurred, which must be recognised through a write-down, when there are indicators that suggest difficulties in recovering the related net book value through use. Verification of the existence of the aforementioned indicators requires directors to make subjective assessments based on the information available within the Company and on the market, as well as historical experience. In addition, if it is determined that a potential impairment may have been generated, the Company proceeds to determine it using valuation techniques deemed appropriate. The correct identification of the indicators of the existence of a potential impairment of property, plant and equipment, intangible assets and goodwill, as well as the estimates for determining them, depend on factors that may vary over time, influencing the valuations and estimates made by the directors.

(b) Depreciation

The cost of property, plant and equipment and intangible assets is depreciated on a straight-line basis over the estimated useful life of the related assets. The economic useful life of these assets is determined by the directors at the time they are purchased; It is based on historical experience for similar assets, market conditions and anticipations of future events that could impact the useful life of assets, including changes in technology. Therefore, the actual economic life may differ from the estimated useful life.

(d) Provisions for risks and charges

The estimation of provisions for risks and charges, which is carried out with reference to the best information available at the date of these Financial Statements, involves the preparation of discretionary estimates based on both historical and prospective data regarding the future outcome of disputes or events, the assessment of which in terms of risk profiles and estimates in terms of economic and financial impacts are subject to uncertainties and complexities that could lead to changes in estimates.

(e) Provision for doubtful accounts

The allowance for doubtful accounts reflects estimates of estimated losses for the Company's receivables portfolio. Provisions were made for expected losses on loans, estimated on the basis of past experience with reference to loans with similar credit risk, current and historical unpaid amounts, as well as the careful monitoring of the quality of the loan portfolio and the current and expected conditions of the economy and the reference markets. Estimates and assumptions are reviewed periodically and the effects of any change are reflected in the income statement in the period in question.

(f) Warehouse obsolescence fund

The Company ascertains in the provision for inventory obsolescence the probable liabilities attributable to impairment losses in inventories. The determination of these provisions involves the assumption of estimates based on current knowledge of factors that may change over time, thus being able to generate final outcomes that are also significantly different from those taken into account in the preparation of this information.

5 Notes to the Statement of Financial Position and the Income Statement

5.1 Intangible assets

The item in question and its movements can be broken down as follows:

<i>(Values in thousands of Euro)</i>	Development and research costs	Software and other intangible assets	total
Balance at March 31, 2024	-	64	64
<i>Of which:</i>			
- historical cost	154	2.426	2.580
- accumulated amortization	(154)	(2.362)	(2.516)
Additions		11	11
Amortization		(19)	(19)
Balance at March 31, 2025	-	57	57
<i>Of which:</i>			
- historical cost	154	2.438	2.591
- accumulated amortization	(154)	(2.381)	(2.534)

The period saw investments amounting to 11 thousand euros.

5.2 Material Assets

Investments in the Period represent what is necessary for the process of constant modernization of production plants, adaptation to environmental safety standards and protection of employees.

The item in question and its movements can be broken down as follows:

<i>(Values in thousands of Euro)</i>	Building and land	Plants and machinery	Industrial & commercial equipment	other goods	Current tangible assets and accounts	total
Balance at March 31,2024	4.452	7.069	859	104	5.183	17.668
<i>Of which:</i>						
- historical cost	12.491	51.604	4.091	1.327	5.183	74.697
- accumulated depreciation	(8.038)	(44.535)	(3.232)	(1.223)	-	(57.028)
Change in consolidation area						-
Additions	-	140	-	7	7.464	7.611
Depreciation	(370)	(1.504)	(350)	(16)	-	(2.239)
IFRS 16 depreciation					(22)	(22)
IFRS 16 increase				144		144
Other movements	(6)					(6)
Reclassifications	827	1.780	165	14	(2.796)	(12)
Balance at March 31,2025	4.904	7.484	675	230	9.851	23.144
<i>Of which:</i>						
- historical cost	13.312	53.523	4.256	1.491	9.851	82.433
- accumulated depreciation	(8.408)	(46.039)	(3.581)	(1.261)	-	(59.289)

During the period, the Company made investments of 7,611 thousand euros. The investments made are to be placed in relation to the objectives of increasing production capacity, improving the efficiency and safety of the plant, ensuring respect for the environment and providing for regular extraordinary maintenance activities in order to guarantee production continuity and to implement interventions required by the Italian regulatory authority.

The increases in the period mainly relate to:

- acquisition of new plants and revamping of existing ones for the production lines of Diacerein, Sucralfate, Mianserine and Cytarabine;
- the creation of a new Kilolab and a new laboratory for quality control;
- the general renovation of the office building called F1.

The Company has carried out impairment tests to determine the recoverable amount of "Tangible assets". Since it is not possible to identify a Cash Generating Unit ("CGU") smaller than the entire company, the Company has carried out the impairment test considering the entire company as the reference CGU. For the purposes of carrying out the impairment test, since the fair *value* updated to 31 March 2025 of the reference CGU is not available, the Company determined the value in use on the basis of the 2026-2035 Business Plan approved by the Board of Directors on 13 March 2025, providing for the use of a growth rate of 2% ("grow rate") and using the WACC as at 31 March 2025 as the discount rate, equal to 7.9%. The impairment test showed that the value in use of the CGU was higher than its carrying value. Therefore, it was not necessary to make lasting impairment losses on tangible assets.

5.3 Deferred tax assets and deferred tax liabilities

The items in question and their changes can be broken down as follows (values in thousands of Euro):

Particulars	Taxable 31-mar-24	Deferred Tax assets 31 mar 24	P&L during the period	Taxable 31-mar-25	Deferred Tax assets 31 march 25
Provision for inventories	908	-	-	1.184	-
Trade receivables	257	-	-	2.449	-
Gains/(loss) on exchange difference	7	-	-	13	-
Other provision	5	-	-	5	-
Environmental provision	1.701	-	-	1.789	-
Fiscal losses	7.946	1.395	-	19.713	1.258
Surplus Tax advantage	217	-	-	217	-
Total	11.041	1.395	-	25.360	1.258

Particulars	Taxable 31-mar-24	Deferred Tax liabilities 31 mar 24	P&L during the period	Taxable 31-mar-25	Deferred Tax liabilities 31 mar 25
Property, plant and equipment	87	25	0	117	33
Other	208	58	-	47	11
Total	295	83	0	164	44

The Company recognises deferred tax assets for a total of 2,653 thousand Euros. On the basis of the forecasts of future taxable income deriving from the positive results expected by the Company, confirmed by the 2025/2026 budget and the multi-year plan approved by the Company's directors, the directors considered it reasonable to record only deferred tax assets on losses carried forward which are expected to be fully recovered by March 2035, taking into account the following elements:

- current tax legislation referring to the carry-forward, for IRES purposes (Article 84 of the TUIR), of tax losses which provides for the possibility of calculating the aforementioned losses as a reduction in the income of future tax periods (up to a limit of 80% of its amount) without time limits;
- verification time horizon for the repayment of deferred tax assets through future taxable income: in this sense, the starting point was the provisions of the 2025-2030 business plan prepared by the directors;
- current tax legislation relating to the deductibility of the components that give rise to deferred tax assets relating to temporary differences.

On the basis of the above considerations, the valuations carried out have shown that the deferred tax assets recorded in these financial statements are fully recoverable.

5.4 Other Current and Non-Current Assets

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	31 march 25	31 march 24
Security deposits	68	38
Financial assets derivates	47	208
Other non-current assets	61	61
Total other non-current assets	177	308
Other non-income tax receivables	1.339	827
Advance payments and others	754	590
Other current assets	368	241
Total other current assets	2.461	1.658

Other non-current assets mainly include non-current financial receivables; the main item amounting to 68 thousand refers to security deposits with institutions; other current assets mainly include the VAT credit claimed by the Company as at 31 March 2025 for 1,189 thousand Euros, 754 thousand for advance payments to various suppliers. Other current receivables include deferred income on costs mainly relating to insurance and maintenance contracts for 358 thousand Euros. Other activities also include a tax credit, net of uses made during the Period for 2 thousand euros, generated by the Technological Innovation Bonus paid in 2020 by the State for companies. Details of the contributions received and their uses are provided below:

Description	year	tax credit for energy	Utilization	Outstanding amount
Technological innovation bonus	2020	15.317	- 15.317	-
Capital goods investment bonus	2020	11.787	- 9.429	2.358
ENERGY I tax credit 2022 semester	2022	172.912	- 172.912	-
GAS II tax credit year 2022 quarter	2022	76.016	- 76.016	-
ENERGY TAX CREDIT III quarterly 2022	2022	158.360	- 158.360	-
GAS III tax credit year 2022 quarter	2022	128.627	- 128.627	-
GAS I tax credit year 2022 quarter	2022	46.800	- 46.800	-
GAS+ ENERGY IV tax credit quarter 2022	2022	311.391	- 311.391	-
Energy tax credit 1 quarter	2023	108.697	- 108.697	-
Gas tax credit January February 23	2023	86.183	- 86.183	-
Energy tax credit 2 trim 23	2023	44.119	- 44.119	-
Gas credit March 23	2023	10.826	- 10.826	-
Gas credit II trim 23	2023	15.932	- 15.932	-
Total march 31, 2025		1.186.968	- 1.184.610	2.358

5.5 Current Tax Receivables

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	31march 2025	31march 2024
IRAP receivables	238	277
Other tax receivables	20	166
Total tax receivables	258	443

During the year, the Italian Revenue Agency repaid a previous receivable deriving from a relief measure issued in 2018, relating to financial penalties, for an amount of 152 thousand euros, plus accrued interest of 12 thousand euros.

5.6 Inventories

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	31march 2025	31march 2024
Raw and consumable materials	1.961	1.523
Work in progress and semi-finished products	447	1.757
Finish products and goods for resale	4.781	4.939
Total	7.189	8.219

The value of inventories, net of the related provisions for doubtful accounts, decreased by 1,030 thousand euros compared to 31 March 2024.

Changes in inventory impairment provisions during the period are shown below:

<i>(Values in thousands of Euro)</i>	Obsolescence Reserve	Quality Reserve	Net realizable value reserve	Total
Balance at march 31,2024	(248)	(623)	(37)	(908)
Provisions	(504)	(900)	-	(1.404)
Utilisations	376	753	-	1.128
Reclassification	75	(75)	-	(0)
Balance at march 31,2025	(301)	(845)	(37)	(1.184)

During the period, the Company used provisions for a total of 1,128 thousand euros in relation to out-of-specification products for which they were disposed of and set aside 1,404 thousand euros for products subject to quality control.

5.7 Receivables from Customers

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	31 march 25	31 march 24
Trade receivables	11.891	13.473
Allowance for doubt trade receivables	(2.508)	(257)
Total	9.383	13.216

Trade receivables as at 31 March 2025 do not have a significant financial component as they have a maturity of less than 12 months. Consequently, for these items, for which a *simplified approach has been used*, the estimate of the expected losses in the following 12 months coincides with that calculated over the entire life of the credit and the time value of the money is generally assumed to be zero.

During the period, a total provision for doubtful accounts was made for 2,251 thousand Euros, of which 2,240 thousand Euros refer to the customer Nostrum, following the initiation of Chapter 11 proceedings in the United States and the consequent assessment of the amount of receivables as doubtful recoverability.

Allowance for doubtful accounts		
<i>(Values in thousands of Euro)</i>		
Balance at March 31,2024	(257)	
Provisions	(2.251)	
Balance at March 31,2025	(2.508)	

5.8 Contractual activities

The Company has contracts in place for the processing and processing of goods owned by third party customers. These contracts take into account the "*performance satisfied over the time*", equal to the product between the kg produced and the selling price, adopting the output method, i.e. measuring progress on the basis of the results achieved and the value transferred with respect to the remaining services promised under the contract.

<i>(Values in thousands of Euro)</i>	31 march 25	31 march 24
Contract assets	1.118	4.529

5.9 Cash equivalents and Cash Equivalents

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	31march 2025	31march 2024
Cash and cash equivalents (Bank and postal deposits)	2.288	779
Cash and cash equivalents	1	2
Total cash and cash equivalents	2.290	782

Cash and cash equivalents include cash and available bank deposits. Cash and cash equivalents are measured at *fair value*. The following table shows the Company's cash and cash equivalents by currency:

<i>(Values in thousands of Euro)</i>	31march 2025	31march 2024
Cash and cash equivalents in Euro	2.194	780
Cash and cash equivalents in USD	95	1
Total cash and cash equivalents	2.290	782

5.10 Net Worth

The share capital of Archimica SpA, fully subscribed and paid-in, amounts to 10,207 thousand euros and consists of 16,463,115 ordinary shares of 0.62 euros each.

The Share Capital as at 31 March 2025 is fully paid-up, with no restrictions on the distribution of dividends and the repayment of capital.

Below is a summary table of the possibilities of using the various equity reserves.

<i>(Values in thousands of Euro)</i>	31march 2025	Possibility of use
Share capital	10.207	Loss allowance
Legal reserve	2.041	Loss allowance
Employee benefits discount	(1)	
Capital contribution	24.849	Share Capital increase-Loss allowance
Cash flow hedging reserve	(18)	
Retained earnings	396	Share Capital increase-Loss allowance
Profit(loss) of the period	(13.190)	Share Capital increase-Loss allowance
Total net equity	24.286	

5.11 Current and Non-Current Financial Liabilities

The following table provides details of the item in question as at 31 March 2025:

(in Euro)	31 march 2025	31 march 2024
Financial leasing debts non current	90	-
Loan non current part Unicredit 5MIO-2	3.492	4.452
Loan non current part Unicredit 5MIO-1	520	1.553
Loan non current part Credit agricole 3,5 MIO-1	178	888
Loan non current part HBSC 4 MIO	4.000	-
No current financial liabilities	8.280	6.893

(in Euro)	31 march 2025	31 march 2024
Financial leasing debts current	34	1
Credit Agricole Hot money	0	1.500
Negative bank account Credit Agricole	595	-
Unicredit c/Export	0	737
Interests on intercompany loan	0	173
Intercompany loan	0	7.965
Instalments Loans current portion	2.979	5.133
Current financial liabilities	3.609	15.509

The change in financial liabilities to third parties is due to the net effect, on the one hand, of the decrease in payables for existing loans, for the payment of instalments of maturing mortgages and for the repayment of short-term lines of Unicredit and Credit Agricole, and on the other hand, for the disbursement of a new loan

by the HSBC bank for 4,000 thousand Euros and the balance of the ordinary current account of Credit Agricole in debt as of March 31, 2025. It should also be noted that the loan disbursed by the parent company during the previous and subsequent financial years was waived by the parent company on 29 October 2024, with the consequent allocation of the amount to the available capital reserve.

Loans to banks outstanding at nominal value are divided as follows:

During the period, there was an increase in lease liabilities, mainly attributable to the stipulation of new contracts relating to company vehicles. The table below summarises financial liabilities. The table below summarises the financial liabilities related to existing finance lease contracts:

	31march 2025	31march 2024
<i>(Values in thousands of Euro)</i>		
Cars	124	1
Total	124	1

Net financial debt

The Net Financial Debt framework implements the ESMA guidelines on Disclosure Obligations pursuant to the "Prospectus Regulation" of 4 March 2021 (ESMA 32-382-1138) and the Consob Attention Notice nr. 5/21 of 29 April 2021.

	Values in thousands of Euro	31/03/2025	31/03/2024
A. Cash	2,290	782	
B. Other cash equivalent	-	-	
C 1. Securities held for trading	-	-	
C 2. Treasury shares	-	-	
D	Cash (A)+(B)+(C)	2,290	782
E. Derivatives	47	208	
E. Current financial receivables	47	208	
F. Current bank payables	595	2,237	
G. Current portion of non current debt	2,979	5,133	
H. other current financial debt	34	8,139	
I. Current financial debt (F) + (G) + (H)	3,609	15,509	
J. Net current financial debt (I) + (E) - (D)	1,367	14,935	
K. Non Current bank payables	8,190	6,893	
L. Bonds issued	-	-	
M. Other non current financial debt	90	-	
N. Non-current financial debt (K) + (L) + (M)	8,280	6,893	
O. Net financial debt (J) + (N)	9,646	21,828	

5.12 Employee Benefits

This item includes the payable relating to the severance indemnity (TFR). The movement of the item can be detailed as follows:

<i>(Values in thousands of Euro)</i>	Provisions for Leaving Indemnities & Severance Pay	Actualization of Provisions for Leaving Indemnities & Severance Pay	Total
Balance at march31, 2024	(174)	15	(159)
Actualized		(1)	(1)
Accrued	(5)	-	(5)
Paid	6	-	6
Balance at march31, 2025	(173)	14	(159)

The actuarial calculations for the purpose of determining defined benefit pension plans are detailed in the following tables:

Actuarial assumptions		31/03/2025
Economic assumption		
Inflation rate		2,00%
Increase TFR rate		3,00%
Actuarial rate		3,72%
Demographic assumption		
Probability of resignation		5,00%
Probability of advances		3,00%

The sensitivity analysis to changes in the main actuarial assumptions included in the calculation model is shown below. The results obtained can be summarized in the following table:

	Annual discount rate		Annual inflation rate		Annual turnover rate	
	0,50%	-0,50%	0,25%	-0,25%	2%	-2%
Liabilities for employee benefits	139.973	153.110	148.194	144.492	149.198	143.939

The split in liability in the coming years is shown below:

Years	Expected cash flows
	<i>(in Euro)</i>
0-1	10.418
1-2	11.268
2-3	9.083
3-4	9.176
4-5	9.463
6-10	47.124

5.13 Provisions for risks and charges

The movement of the items in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	Environmental provision	Other provision	Total
Balance at march 31, 2024	(1.701)	(51)	(1.752)
Actuarial	(88)	-	(88)
Accruals	-	(3)	(3)
Balance at march 31, 2025	(1.789)	(54)	(1.843)

Compared to 31 March 2024, the only changes concerned the adjustment of the environmental provision for 88 thousand Euros and the provision for 3 thousand Euros for the fair value of derivatives.

As regards the environmental characterization activities of the Lodi site, the general plan relating to the Lodi site was already completed in 2019. During 2020 and 2021, potential remediation initiatives were further analysed and discussed with local authorities during the Service Conferences held. At the same time, some significant preliminary activities had been launched: soil sampling, construction of two probes to monitor interstitial gases and the carrying out of tests for the construction of a pilot plant for the treatment of groundwater. As a result of these activities, in 2022 the applicability of the technology chosen for the execution of the recovery plan was confirmed and the design of the final plant is currently being launched, followed by the construction phase and the start of operations, thus reaching the complete execution of the characterization plan. The related environmental provision recorded in these Financial Statements is subject to periodic verification and the value shown has been updated and updated.

As described in the paragraph "Product risk", the Company constantly monitors compliance with regulatory standards and maintains processes and controls designed to prevent and mitigate the risk of non-compliance. Based on the information currently available, the Company is not aware of any non-compliance incidents that could have a material adverse effect on its operating and financial results.

5.14 Payables to suppliers

The item "Payables to suppliers" includes payables to suppliers of raw materials and services, as well as payables to agents for accrued commissions.

<i>(Values in thousands of Euro)</i>	31 march 2025	31 march 2024
Current	8.484	7.189
Past due 0-30 days	71	396
Past due 31-60 days	19	14
Past due 91-120 days	0 -	13
Past due 121-150 days	252	1
Past due 151-180 days	-	0
Past due 241-270 days	-	3
Past due 271-360 days	-	156
Past due over 360 days	41	-
Total	8.880	7.745

5.15 Other current liabilities

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	31 march 25	31 march 24
Payables to employees	1.119	930
Social security payables	346	381
Other current liabilities	161	464
Total other current liabilities	1.626	1.775

The item other current liabilities mainly refers to payables to personnel for accruals to be settled and related social security contributions.

5.16 Sales Revenue

This item refers to sales of the Company's products in the following regions:

<i>(Values in thousands of Euro)</i>	From 1 april 24 to 31 march 25	From 27 april 23 to 31 march 24
Europe	11.984	14.111
North America	2.129	11.522
South America	-	547
Middle East	182	286
Asia	4.443	3.862
Others	754	218
Total	19.493	30.547

Details of the revenues recorded at *point-of-time* and *over-time* are provided below.

<i>(Values in thousands of Euro)</i>	From 1 april 23 to 31 march 25	From 27 april 23 to 31 march 24
Goods transferred in a given moment	22.904	29.698
Goods transferred for a given reference period	(3.411)	848
Total	19.493	30.547

Revenue from customer contracts

The Company has contracts in place for the processing and processing of goods owned by third party customers. These contracts take into account the "*performance satisfied over the time*", equal to the product between the kg produced and the selling price, adopting the output method, i.e. measuring progress on the basis of the results achieved and the value transferred with respect to the remaining services promised under the contract. As of March 31, 2025, the total amount for these works amounted to Euro 1,118 thousand.

5.17 Other income

"Other income" amounted to 88 thousand euros, mainly referring to non-recurring revenues.

5.18 Purchase costs of raw materials, supplies, consumables and goods

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	From 1 april 24 to 31 march 25	From 27 april 23 to 31 march 24
Raw materials expenses	8.191	9.055
Change in inventories of raw material, ancillaries, consumables and goods	(438)	1.319
Total	7.753	10.374

The change in inventories of raw materials, supplies, consumables and goods is mainly attributable to the application of strict and restrictive valuation criteria implemented by the Company.

5.19 Costs for Services and Enjoyment of Third-Party Goods

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	From 1 april 24 to 31 march 25	From 27 april 23 to 31 march 24
Maintenaince, repair and services	3.070	3.277
Utilities	1.255	1.334
Consulting and collaboration fees	1.754	2.554
Leases and rents	430	407
Transport charges on sales	312	172
Travel and other expenses	125	96
Other services from third parties	3.857	3.940
Total	10.803	11.780

5.20 Personnel Costs

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	From 1 April 24 to 31 march 25	From 27 April 23 to 31 march 24
Wages and salaries	6.091	5.624
Social security contributions	1.903	1.733
Other long-term benefits	366	346
Other personnel costs	66	61
Total	8.426	7.763

5.21 Other operating costs

As already mentioned in the paragraph "Receivables from customers", during the period a total provision was made for write-downs of 2,251 thousand Euros, of which 2,240 thousand Euros refer to the customer Nostrum, following the start of Chapter 11 proceedings in the United States and the consequent assessment of the amount of receivables as doubtful recoverability.

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	From 1 April 24 to 31 march 25	From 27 April 2023 to 31 march 24
Other taxes	188	282
Provision/use/release for risks and charges	2.339	(16)
Other costs	29	103
Total	2.556	370

5.22 Depreciation, Amortization and Value Adjustments

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	From 1 April 24 to 31 march 25	From 27 April 23 to 31 march 24
Depreciation of tangible assets	2.261	2.052
Depreciation of intangible assets	19	26
Impairment of tangible assets	-	11
Total	2.280	2.089

5.23 Financial income and expenses

The item in question can be detailed as follows:

<i>(Values in thousands of Euro)</i>	From 1 April 24 to 31 march 25	From 27 April 23 to 31 march 24
Other financial expense from third parties	(1.028)	(862)
Net exchange rate gain/(loss)	(1)	(14)
Total financial expense	(1.029)	(876)
Other financial income	205	304
Total financial income	205	304
Net financial income/(expense)	(824)	(572)

5.24 Income Taxes

The item in question can be detailed as follows:

<i>(Values in Euro)</i>	From 1 April 24 to 31 march 25	From 27 April 23 to 31 march 24	From 1 april 23 to 30 june 24
Current taxes	-	-	-
Deferred taxes Liabilities	0	264	243
Deferred taxes Asset	1258	(477)	-
Previous year taxes	-	211	-
Actual tax	1258	(2)	0

5.25 About the cash flow statement

Net Financial Debt was negative for 9,646 thousand Euros, deriving from positive balances of 2,290 thousand Euros and financial liabilities totalling 11,889 thousand Euros.

Cash flows used by operating activities are mainly due to changes in receivables from customers, payables to suppliers and changes in inventories.

Cash flows absorbed by investing activities amounted to 7,750 thousand Euros.

5.26 Commitments

The Company has guarantees provided by the bank for Euro 1.2 thousand and guarantees that it has borrowed from third parties for Euro 4.5 million.

5.27 Relations with Related Parties and with Subsidiaries, Associates, Parent Companies and Companies under the control of the latter

100% of the Company's capital is held by PI Health Sciences BV, a company incorporated under Dutch law. During the Period, the Company had commercial and financial relationships with related parties whose economic content complies with the rules and conditions agreed upon at normal market conditions.

<i>(Values in thousands of Euro)</i>	Financial receivables	Financial liabilities	Trade receivables	Trade liabilities
PI HEALTH SCIENCES USA LLC				164
PI Health Sciences LTD			65	
	-	-	65	164
<i>(Values in thousands of Euro)</i>	Revenues and other profits	Costs of raw material, ancillaries, c onsumables and	Costs for services	Financial income and expenses
PI Health Sciences BV	-	-	-	(406)
PI HEALTH SCIENCES USA LLC			164	
PI Health Sciences LTD	65			
	65	-	164	(406)

5.28 Remuneration due to Directors, Statutory Auditors and the Independent Auditors

The remuneration accrued during the period of members of the administrative and control bodies, as well as to the auditing and control bodies, is reported below:

<i>(Values in thousands of Euro)</i>	From 1 April 24 to 31 march 25
Board of Directors	27
Board of statutory auditors or other supervisory board	37
External auditors	91
Total	155

5.29 Main events and transactions during the period

During the Period, a series of significant operations and changes of an organizational, economic and financial nature took place. In the management area, the resignation of the Site Manager and the subsequent appointment of his replacement, as well as the resignation of a member of the Board of Directors, followed by the appointment of two new members. The Council now consists of four members. From an economic point of view, the Company recorded a contraction in revenues and a consequent reduction in economic results. This

trend is largely attributable to the situation of the American customer Nostrum, which entered Chapter 11 proceedings, which represented the main buyer of the active ingredient Sucralfate. This event resulted in a loss on receivables of approximately €2.2 million and an estimated loss on the annual business of Sucralfato of approximately €6 million.

With a view to strengthening its capital, it should be noted that a debt to the parent company PI Industries was converted into a reserve of equity for an amount of 16.9 million euros, as well as capital payments of 6.25 million euros, testifying to the owners' desire to support and invest in the future of Archimica. Also in the financial field, a new medium-long term loan was obtained for a total of 10 million euros from the financial company HSBC. Of this amount, 4 million euros were disbursed in March 2025, while the remaining part will be made available by December 2025, depending on the company's liquidity needs.

During the year 2024, an important investment plan was also launched, amounting to approximately 7.6 million euros, aimed at reorganizing production spaces, increasing production capacity and developing the technical infrastructure necessary to support the CDMO (Contract Development and Manufacturing Organization) business line.

Finally, it should be noted that the war tensions in Eastern Europe, which had caused significant impacts on energy costs in 2022, showed a clear downsizing during 2024. However, persistent geopolitical tensions in the Middle East and recent statements by the President of the United States regarding the introduction of new customs duties could lead to an increase in the costs of raw materials for procurement and negatively affect the costs of exporting company products to the US market.

5.30 Significant Events Occurring after the End of the Period and Outlook

The results achieved in April 2025 confirm a regular operating performance in line with company forecasts. However, the recent introduction of tariffs by the United States could lead to a reduction in pharmaceutical exports to this market, as well as generate an increase in raw material costs and contribute to general inflationary pressure. These elements represent factors of potential instability for the Italian and European economy. The Company will therefore continue to carefully monitor the evolution of these scenarios, promptly assessing any corrective measures to protect its profitability and operational sustainability.

At the same time, the implementation of the investment plan already launched continues, with the aim of increasing production capacity, improving the efficiency and safety of the plants, ensuring full environmental compliance, ensuring adequate extraordinary maintenance and completing the interventions planned following the observations that emerged during the AIFA inspection. The plan also includes the creation of the technical infrastructures necessary for the development of the CDMO (Contract Development and Manufacturing Organization) business line.

Lodi, 8 May 2025

For the Board of Directors
An administrator

