Financial Statement for specific purposes as at 31 March 2026 and for the period from 1 April 2025 to 31 March 2026

Archimica S.p.A.

Archimica S.p.A.
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

(Values in Euro)	Note	31 march 2026	31 march 2025
Intangible assets	**5.1**	99.689	56.621
Tangible assets	**5.2**	27.657.489	23.018.872
Right-of-Use Asset	**5.2**	160.573	123.870
Deferred tax assets	**5.3**	2.851.000	2.653.000
Other non-current assets	**5.4**	67.741	67.741
Financial Asset derivatives	**5.4**	5.411	47.442
Shareholdings in other companies	**5.4**	61.428	61.428
Total non-current assets		**30.903.330**	**26.028.974**
Inventories	**5.6**	6.296.523	7.189.254
Trade receivables	**5.7**	8.477.730	9.382.506
Contract assets	**5.8**	910.830	1.118.242
Tax receivables	**5.5**	255.392	257.840
Other current assets	**5.4**	3.205.001	2.460.704
Cash and cash equivalents	**5.9**	2.140.898	2.289.603
Total current assets		**21.286.374**	**22.698.150**
Total assets		**52.189.704**	**48.727.124**
Share capital	**5.10**	10.207.131	10.207.131
Other reserves	**5.10**	28.395.279	26.871.795
Profit (loss) carried forward	**5.10**	(12.793.138)	396.465
Profit (loss) for the period	**5.10**	(9.676.619)	(13.189.603)
Net equity	**5.10**	**16.132.654**	**24.285.789**
Non-current financial liabilties	**5.11**	12.495.687	8.190.044
Lease liabilities – non current portion	**5.11**	81.095	89.838
Liabilities for employees' benefits	**5.12**	136.672	158.546
Non-current provisions for risks and charges	**5.13**	1.578.741	1.630.719
Deferred tax liabilities	**5.15**	30.788	44.148
Total non-current liabilities		**14.322.983**	**10.113.294**
Current financial liabilties	**5.11**	6.238.613	2.979.252
Lease liabilities – current portion	**5.11**	82.548	34.106
Other current financial liabilities	**5.11**	4.811.168	595.406
Trade payables	**5.14**	8.268.703	8.880.105
Current provisions for risks and charges	**5.13**	169.284	212.846
Other current payables	**5.15**	2.163.751	1.626.326
Total current liabilities		**21.734.067**	**14.328.041**
Total liabilities		**36.057.050**	**24.441.335**
Total equity and liabilities		**52.189.704**	**48.727.124**

Income Statement

(Values in Euro)	Note	From 1 april 2025 to 31 march 2026	From 1 april 2024 to 31 march 2025
Revenues	**5.16**	23.491.743	19.493.213
Other revenue and income	**5.17**	165.243	88.501
Purchase costs of raw materials,	**5.18**	(4.482.816)	(4.419.070)
Purchase cost of Ancillary materials, consumables, and goods	**5.18**	(5.012.276)	(3.334.028)
Service costs and costs of third-party assets	**5.19**	(11.513.141)	(10.803.266)
Employee expenses	**5.20**	(8.897.813)	(8.426.042)
Other operating expenses	**5.21**	(277.238)	(2.556.117)
Capitalization of internal costs		-	80.870
Change in inventories	**5.6**	(699.757)	(1.467.493)
Depreciation, Amortization and Asset value adjustments	**5.22**	(2.183.804)	(2.258.091)
Depreciation, Amortization and Asset value adjustments on RoU	**5.22**	(82.860)	(22.088)
Operating profit		**(9.492.721)**	**(13.623.610)**
Financial income	**5.23**	94.865	204.569
Financial expenses	**5.23**	(480.036)	(1.029.047)
Profit (loss) before taxes		**(9.877.891)**	**(14.448.087)**
Income taxes	**5.24**	201.272	1.258.484
Net profit (loss) for the period		**(9.676.619)**	**(13.189.603)**

Statement of Comprehensive Income

(Values in Euro)	Note	From 1 april 2025 to 31 march 2026	From 1 april 2024 to 31 march 2025
Net profit (loss) for the period		**(9.676.619)**	**(13.189.603)**
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans		15.557	(6.926)
Tax effect		(3.734)	1.662
Total	**5.12**	**11.823**	**(5.264)**
Items that may be reclassified subsequently to profit or loss:			
Gains/(losses) on cash flow hedging instruments		1.574	(164.331)
Tax effect		10.087	38.638
Total	**5.11**	**11.661**	**(125.693)**
Comprehensive income (loss) for the period		**(9.653.135)**	**(13.320.560)**

Cash Flow Statement

Values in Euro		From 1 april 2025 to 31 march 2026	From 1 april 2024 to 31 march 2025
Operations of income management:			
Net Profit / (Loss) for the Period		(9.676.619)	(13.189.603)
Amortization/Depreciation		2.266.665	2.280.179
Taxes		(201.272)	(1.258.484)
Devaluation		-	(88.235)
Net financial expense		385.170	824.478
Cash flow generated (absorbed) by income management	**a**	**(7.226.056)**	**(11.431.666)**
Adjustments for non-monetary item		23.484	(130.957)
Changes in equity recognized in OCI	**b**	**23.484**	**(130.957)**
Increases/decreases in current assets and liabilities:			
Change in inventories		892.732	1.029.358
Change in trade receivables		1.112.188	7.244.347
Change in trade debts		(611.402)	1.134.935
Changes in other assets and liabilities		(172.480)	(494.430)
Changes in provisions		(117.413)	217
Taxes paid		-	-
Cash flow generated (absorbed) by current assets and liabilities	**c**	**1.103.624**	**8.914.428**
Cash flow generated (absorbed) by operating activity	**a+b+c**	**(6.098.948)**	**(2.648.195)**
Activities of investment:			
Increase of tangible fixed assets net of consideration for disposals		(6.921.573)	(7.738.941)
Increase of intangible fixed assets net of consideration for disposals		(63.478)	(11.340)
Cash flow generated (absorbed) by investment activity	**d**	**(6.985.051)**	**(7.750.281)**
Financial assets and liabilities:			
Increase in medium and long-term financing		6.000.000	4.000.000
Increase in short-term financing		9.947.403	8.450.000
Repayment of short-term loans		(3.994.774)	(6.086.181)
Increase in short-term leasing		119.563	140.916
Repayment of lease or rental		(79.863)	(23.769)
Net financial expense paid		(591.979)	(823.825)
Increase equity		1.500.000	6.250.000
Other changes in equity		-	-
Cash flow generated (absorbed) by financing activities	**e**	**12.900.350**	**11.907.141**
Cash flow and cash equivalents	**a+b+c+d+e**	**(183.650)**	**1.508.666**
Cash and cash equivalents at the beginning of the Period		2.289.665	781.590
Exchange effect		34.883	(653)
Cash and cash equivalents at the beginning of the Period		**2.140.898**	**2.289.603**
of which entered in cash and cash equivalents		2.140.898	2.289.603

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 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**	**26.871.795**	**396.465**	**(13.189.603)**	**24.285.789**
Net profit (loss) for the period				(9.676.619)	(9.676.619)
Remeasurement of defined benefit plans		11.823			11.823
Gains/(losses) on cash flow hedging instruments		11.661			11.661
Shareholders' payment		1.500.000			1.500.000
Comprehensive income (loss) for the period ended 31 March 2026	**-**	**1.523.484**	**-**	**(9.676.619)**	**(8.153.135)**
Allocation of net profit for the prior period			(13.189.603)	13.189.603	-
Equity at 31 march 2026	**10.207.131**	**28.395.279**	**(12.793.138)**	**(9.676.619)**	**16.132.654**

Explanatory notes to the Financial Statements for specific purposes as at 31 March 2026 and for the period from 1 April 2025 to 31 March 2026

1 General Information

Archimica S.p.A. (hereinafter the "**Company**" or "**Archimica**") is a company incorporated and domiciled in Italy, organized under the legal system of the Italian Republic. The capital of Archimica is 100% owned by PI Health Sciences BV, a company incorporated under Dutch law.
The Company operates in Italy in the active pharmaceutical ingredients sector, in particular in the *Active Pharmaceutical Ingredients ("API")* and *Contract Development and Manufacturing Organization ("CDMO") branch.* The plant in Lodi (Italy) is used to produce APIs and key starting materials (KSM) for customers who need GMP production. 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, ensuring 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 to expand the development of the CDMO business line.
The Company has prepared the Financial Statements for specific purposes as of March 31, 2026 and for the period from April 01, 2025 to March 31, 2026 (also the "**Period**") in accordance with the criteria set forth in these explanatory notes.
TheSpecific Purpose Financial Statements as at 31 March 2026 and for the period from 1 April 2025 to 31 March 2026 (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 the information necessary for the preparation of its Consolidated Financial Statements as at 31 March 2026. Consequently, the Specific Purpose Financial Statements as at 31 March 2026 and for the period from 1 April 2025 to 31 March 2026 may not be suitable for other purposes.
This document was approved by the Board of Directors of the Company held on May 4, 2026.

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 2026 and for the period from 1 April 2025 to 31 March 2026.

2.1 Preparation Base

These Financial Statements have been prepared in compliance with the principles of going concern, economic accrual, relevance and aggregation, prohibition of offsetting information.
These financial statements consist of the statement of financial position as at 31 March 2026, 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 as at 31 March 2026 and for the period from 1 April 2025 to 31 March 2026 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" criterion. Current assets are those intended to be realized, sold or consumed in the Company's normal operating cycle; current liabilities are those for which settlement is expected in the Company's normal operating cycle 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

In the process of assessing the going concern assumption, the Directors took into consideration various elements, both qualitative and quantitative. During the period, the conflicts in Eastern Europe and the Middle East had significant economic effects, in particular in terms of increased energy costs and difficulties in the supply of raw materials.
The Company has taken into account the implications deriving from the Russian-Ukrainian, Israeli-Palestinian and Iranian-American conflicts, as well as the current macroeconomic environment, in the formulation of its assessments of business continuity and in the significant estimates and judgments adopted for the preparation of these Financial Statements. Although the Company is not exposed to direct impacts deriving from these events, it recognizes the possibility of indirect effects, which, however, are not such as to compromise business continuity or the reliability of the estimates made.
Risk management and prevention are a strategic priority for the Company, in order to safeguard the achievement of objectives and business continuity. In this context, the main risks related to climate change and environmental issues have been identified, potentially capable of affecting economic activities. These risks include both physical risks, such as the increase in the frequency of extreme weather events or gradual changes in climatic conditions (e.g. floods, rising temperatures, reduction of resources), with possible repercussions on operating and extraordinary maintenance costs, and transition risks, linked to the transition to a low-carbon and more environmentally sustainable economy.
The results for the period show a loss of 9,677 thousand Euros, attributable to a number of concomitant factors: the operational and strategic reorientation undertaken following the change of ownership that took place during 2023; the physiological timing misalignment necessary for the planning, start-up and development of the new CDMO business segment, considered promising; as well as the production slowdowns that have become necessary in relation to the investments currently underway.
The Directors considered it appropriate to use the going concern assumption in the preparation of the Financial Statements, for a period of at least 12 months from the date of its preparation, which is mainly based on:

- on the payment into the capital reserve account of an additional Euro 1,500,000, which is in addition to the Euro 24,849,414 already contributed in previous years by the sole shareholder;
- on the future implementation of the 2027 - 2035 Business Plan,

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 recognized 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 less accumulated amortisation and any accumulated impairment.

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 an adequacy test whenever there are indications of a possible impairment loss. The depreciation period and the method of amortization of an intangible asset with a finite useful life is 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 recognized 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 cash-generating unit level. The indefinite useful life measurement is reviewed annually to determine whether the attribution continues to be sustainable; otherwise, the change from indefinite useful life to defined useful life applies 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:

Category of intangibles asset	**Service life in years**
Concessions, licenses and similar rights	10
Trademarks and Brand	5
Development costs	3
Software	5

(b) Research and development costs

Research costs are recognised in 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 or impairment losses. Amortization of the asset begins when development is completed and the asset is available for use. Development activities are depreciated over the period of expected benefits and the related depreciation and amortization is included in the cost of goods sold.
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. Purchase or production costs include costs directly incurred to prepare the assets 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 over 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 capitalization of costs relating to the expansion, modernization 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 assets or part of an asset. Assets recognised in relation to improvements to third-party assets are attributed to the classes of assets 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 by means of 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, whose useful life differs significantly from that of the other parts that make up the asset, depreciation is carried out separately for each of these parts, applying the "*component approach*" method.
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 for 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, depending on the likelihood 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 strike price of the call option, provided that the option is in the hands of the lessee and the lessee reasonably believes that it will be exercised. The present value of these payments is calculated by adopting a discount rate equal to the implied interest rate of the lease or by using the lessee's incremental financing rate.
After initial recognition, the lease liability is measured in the same way as amortised cost and is redetermined, 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) contract renegotiations that do not give rise to a new separate lease; (ii) changes in ratios or rates (to which variable payments are related); or (iii) changes in the measurement of the exercise of the options provided for in the contract (options to purchase the leased asset, 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 *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 in dismantling, removing the underlying asset and remediating the site or in restoring the asset to the condition set out in the contract. After initial recognition, the *right-of-use asset* is adjusted to take into account cumulative depreciation, 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 on a straight-line basis 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. For this purpose, 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. With regard to external sources, the following are considered: the trend in the market prices of the assets, any technological, market or regulatory discontinuities, the trend 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 selling costs, 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. Impairment of CGU is recognised primarily as a

reduction in the carrying amount of any goodwill attributed to it and, subsequently, as 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 recognised in the income statement, within the limits 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 test 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 greater 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. Recent market transactions are taken into account in determining fair *value* net of selling costs. If such transactions cannot be identified, an appropriate valuation model is used. These calculations are supported by appropriate valuation multipliers, listed stock prices 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 recognised under other comprehensive income. In such cases, the impairment loss is in turn recognised under other comprehensive income up to the amount of the previous revaluation.
For assets other than goodwill, at each reference point in the Period, the Company assesses whether there are indications that impairment losses previously recognised have disappeared (or decreased) and, if such indications exist, estimates the recoverable amount of the asset or the CGU. The value of a previously written asset can be reversed only 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 amount that would have been determined, net of depreciation, if no impairment had been recognised in previous periods. Such a reversal is recognised in the income statement unless the fixed asset is accounted for at revalued value, in which case the reversal is treated as an increase in revaluation.
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 under 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 asset provide for cash flows represented solely by payments of principal and interest on the amount of principal to be repaid. 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 method of measurement after initial recognition is the amortised cost using the effective interest rate method. With reference to the impairment model, the Company values receivables using an expected loss logic (so-called expected loss). *Expected Loss*.

For trade receivables, the Company adopts a simplified approach to valuation (so-called "*Simplified approach"). The Simplified approach* 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. *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 under a business model whose objective is achieved both by raising contractual cash flows and by selling the asset; and (ii) the contractual terms of the asset provide for cash flows consisting solely of principal and interest payments on the principal amount to be repaid.

These assets are initially recognised in these Financial Statements at their fair value increased by any ancillary costs directly attributable to the transactions that generated them. At the time of subsequent measurement, the measurement made 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 belonging to this category are recognised at fair value at the time of their initial recognition. Ancillary costs incurred at the time of recognition of the asset are recognised immediately 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 recognised 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 products and semi-finished products includes the weighted average cost of raw materials, labour costs directly attributable to the product and other production costs (determined on the basis of normal operating capacity). Financial charges, which are booked to the income statement when incurred, are not included in the valuation of inventories, 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 cash equivalents and other forms of short-term investments, with an original maturity of three months or less. Items included in cash and cash equivalents are measured at *fair value*.

FINANCIAL PAYABLES

Financial payables are initially recognised 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 the liabilities is recalculated to reflect this change on the basis of the present value of the new expected cash flows and the internal effective interest 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 accrual income statement on the basis of actuarial calculation. The liability recognised in these Financial Statements for defined benefit plans corresponds to the present value of the obligation at the date of these Financial Statements. The obligations 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 these adjustments and changes in actuarial assumptions are recognised in the statement of comprehensive income.
As of 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 as to the destination of his or her accruing severance pay. In particular, the new flows of severance pay may be directed by the employee to chosen pension schemes or kept in the company. In the case of allocation to external pension schemes, the Company is only subject to the payment of a defined contribution to the chosen fund and from that date onwards the newly vested 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 contingent 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 recognised only when there is a current obligation, legal or implicit, for a future outflow of economic resources as a result of past events and it is probable that such an outflow is required for the fulfilment of the obligation. This amount represents the best estimate of the cost of extinguishing the obligation. The rate used to determine 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 significant, 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 obligation. 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 provisions are periodically updated to reflect changes in cost estimates, implementation times and the discount rate; 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 activities. 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.

REVENUE RECOGNITION

Revenues are recognised at fair *value* of the consideration received for the sale of products and services from the ordinary management of the Company's business. Revenue is recognised net of value added tax, expected returns, allowances, discounts and certain marketing activities carried out with the help of customers and the value of which 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 the "*stand-alone selling prices" (so-called "stand-alone selling prices"). Stand-alone* selling prices 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 satisfied ("over time"). The good or service is deemed to be transferred when (or as often) the customer acquires 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 client 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 in the transaction price the amount of the estimated variable consideration 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 arise 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 tax assets 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 realised 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 income and those relating to items directly debited or credited to equity. In the latter cases, deferred tax assets are recognised in the statement of comprehensive income and directly in equity. Deferred tax assets and deferred tax assets are offset when they are applied by the same tax authority, there is a legal right to 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 centralized in the Treasury function which identifies, evaluates and hedges financial risks in close collaboration with the operating units. The Financial Department provides indications for monitoring risk management, as well as providing 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 entirely financed by third parties. The 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. The Company also makes use of interest rate risk hedging instruments in order to mitigate exposure to fluctuations in interest rates. Below is a summary of the interest rate hedging contracts:

No. contracts	Type of Hedge and risk	Nominal Value	Carrying Value of Hedging	Maturity Date	Weighted Average Strike Price/ rate
82043/2021	IRS CAPPED	883.396,00	11.574,21	30/06/2026	CAP - STRIKE: 0,00%
26429258MH	Interest Rate Collar Payer	4.500.000,00	- 54.096,93	28/09/2029	Collar: Cap 4,00%, Floor 2,50%
15908174MH	Interest Rate CAP/FLOOR	1.534.161,00	34.319,89	31/07/2026	CAP - STRIKE: -0,35%
17733024MH	Interest Rate CAP/FLOOR	211.806,00	1.548,20	30/05/2025	CAP - STRIKE: -0,45%

Exchange Rate Risk

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

Product Risk

All manufacturing sites and manufacturing techniques used must comply with GMP standards established by industry regulatory authorities 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 facilities. 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 is 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 characterised 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 in 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 processes or the issuance 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 the logic of geographical diversification 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 maintained careful monitoring of 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 consideration of a customer insolvency rate of less than 1%, no external measures have been adopted to cover receivables.

Financial assets considered to be of doubtful recoverability are adequately covered through appropriate provisions to the allowance for doubtful accounts. For further details on the allowance for doubtful accounts, please refer to Note 5.7. The following two tables present the breakdown of current trade receivables as at 31 March 2026 by aging category, net of the allowance for doubtful accounts and the estimated expected creditlosses (ECL):

(Values in thousands of Euro)	**31 march 2026**	**31 march 2025**
Current	7.625	8.806
Past due 0-30 days	711	612
Past due 31-60 days	2	59
Past due 61-90 days	2	2
Past due 91-120 days	-	-
Past due 121-150 days	-	-
Past due 151-180 days	137	-
Past due 181-210 days	-	3
Past due 211-240 days	-	6
Past due 241-270 days	-	-
Past due 271-300 days	-	-
Past due 331-360 days	-	-
Past due 1-2 years	0	(105)
Past due2-3 years		
Past due>3 years	-	
Total	**8.478**	**9.382**

Bucket	Outstanding	Credit Loss Rate	ECL Provison for March 25
Not due	7.625	0,01%	0,58
0-090 days	715	0,03%	0,22
091-180 days	-	0,06%	-
181-270 days	137	0,22%	0,30
271-365 days	-	0,58%	-
1-2 year	0	4,72%	0,02
2-3 year	-	48,91%	-
>3 year	-	100,00%	-
	8.478		**1,12**

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 liabilities outstanding as of March 31, 2026:

Balance at march 31,2026 *(Values in thousands of Euro)*	**Total**	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Term loan from bank and financial institution	23.545	10.295	750	3.000	7.500	2.000
Future interests on Term loan from bank and financial institution	1.645	134	375	435	653	48
Trade Payables	8.138	8.138	-	-	-	-
Trade Payables From Intercompany	131	131	-	-	-	-
Employees Payable	201	201	-	-	-	-
Lease liabilities	164	20	61	67	15	-
Other Payables	133	-	133	-	-	-
Social security for employees	1.830	1.830	-	-	-	-
Total	**35.787**	**20.750**	**1.318**	**3.502**	**8.168**	**2.048**

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, as these are mainly assets underlying commercial transactions that are expected to be settled in the short term, does not differ from the carrying amounts of the Balance Sheet as at 31 March 2026.

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 breakdown of financial assets and liabilities by category as at 31 March 2026:

Balance at march 31,2026 *(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	8.478			8.478		8.478
Contract assets	911			911		911
Other current and non-current assets	3.340			3.340		3.340
Cash and cash equivalents	2.141			2.141		2.141
Total assets	**14.869**	**-**	**-**	**14.869**	**-**	**14.869**
Liabilities						
Current and non-current financial liabilities	23.709			23.709		23.709
Trade payables	8.269			8.269		8.269
Other current and non-current liabilities	2.164			2.164		2.164
Total liabilities	**34.142**	**-**	**-**	**34.142**	**-**	**34.142**

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 series of methods and assumptions related to market conditions at the date of these Financial Statements. The fair value of financial instruments is classified according to 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 the financial statements requires the Directors to apply accounting principles and methodologies which, in certain circumstances, are based on difficult and subjective assessments 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 formats of these Financial Statements, the statement of financial position, the income statement, 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 standards applied by the Company, tangible and intangible assets are tested 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 exercise subjective valuations based on the information available within the Company and on the market, as well as on 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 indicator elements of the existence of a potential impairment of property, plant and equipment and intangible assets, 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 and amortization

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 regarding future events that could impact the useful life of the 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 the estimated losses estimates for the Company's receivables portfolio. Provisions have been made for expected losses on loans, estimated on the basis of past experience with reference to receivables with similar credit risk, current and historical unpaid amounts, as well as the careful monitoring of the quality of the receivables 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 results 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:

(Values in thousands of Euro)	Development and research costs	Software and other intangible assets	total
Balance at March 31, 2025	**-**	**57**	**57**
Of which:			
- historical cost	*154*	*2.438*	***2.591***
- accumulated amortization	*(154)*	*(2.381)*	***(2.534)***
Additions		8	**8**
Reclasses		55	**55**
Amortization		(20)	**(20)**
Balance at March 31, 2026	**-**	**100**	**100**
Of which:			
- historical cost	*154*	*2.501*	***2.655***
- accumulated amortization	*(154)*	*(2.401)*	***(2.555)***

During the period, investments were made in software for 55 thousand Euros for the new Quality Control laboratory, as well as a further 8 thousand Euros for a software for monitoring energy consumption.

5.2 Tangibles Assets and RoU

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:

(Values in thousands of Euro)	Building and land	Plants and machinery	Industrial & commercial equipment	other goods	Assets under construction	Total
Balance at March 31,2025	**4.904**	**7.484**	**675**	**105**	**9.851**	**23.019**
Of which:						
- historical cost	*13.311*	*53.523*	*4.256*	*1.268*	*9.851*	***82.208***
- accumulated depreciation	*(8.408)*	*(46.039)*	*(3.581)*	*(1.161)*	*-*	***(59.190)***
Additions	885	443	8	231	5.292	**6.858**
Depreciation	(387)	(1.429)	(316)	(33)		**(2.164)**
Other movements				(1)		**(1)**
Reclassifications	236	2.392	89	53	(2.825)	**(55)**
Balance at March 31,2026	**5.638**	**8.890**	**456**	**355**	**12.317**	**27.658**
Of which:						
- historical cost	*14.432*	*56.358*	*4.353*	*1.550*	*12.317*	***89.011***
- accumulated depreciation	*(8.794)*	*(47.468)*	*(3.897)*	*(1.195)*	*-*	***(61.354)***

During the period, the Company made investments totalling 6,858 thousand Euros, aimed at increasing production capacity, improving plant efficiency and safety, protecting the environment, as well as carrying out extraordinary maintenance work necessary to ensure production continuity and compliance with the provisions of the Italian regulatory authority.
During the year, the investments already started in the previous period continued, with further increases, relating to the construction of the Kilo Lab, the general revamping of the F1 building and the construction of the new Quality Control laboratory. as well as the replacement of some reactors, as well as the development of the SerylHydrazine and Pyrogallolo Aldehyde projects.

(Values in thousands of Euro)	**RoU Building and land**	**RoU Plants and machinery**	**RoU Other goods**	**Total**
Balance at March 31,2025	**-**	**-**	**124**	**124**
Of which:				
- historical cost	-	-	*252*	***252***
- accumulated depreciation	-	-	*(128)*	***(128)***
Additions	68	43		**120**
Depreciation	(27)	(16)	(37)	**(83)**
Balance at March 31,2026	**42**	**28**	**87**	**161**
Of which:				
- historical cost	*68*	*43*	*252*	***372***
- accumulated depreciation	*(27)*	*(16)*	*(165)*	***(211)***

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-25**	**Deferred Tax assets 31 mar 25**	**P&L during the period**	**Taxable 31-mar-26**	**Deferred Tax assets 31 march 26**
Provision for inventories	1.183	-	-	1.340	-
Trade receivables	2.449	-	-	2.449	-
Gains(loss) on exchange diffe	- 32	-	-	- 32	-
Other provision	25	-	-	210	-
Environmental provision	1.789	-	-	1.738	-
Fiscal losses	19.842	2.653	-	32.626	2.851
Surplus Tax advantage	217	-	-	217	-
Total	**25.474**	**2.653**	**-**	**38.548**	**2.851**

Particulars	Taxable 31-mar-25	Deferred Tax liabilities 31 mar 25	P&L during the period	Taxable 31-mar-26	Deferred Tax liabilities 31 march 26
Property, plant and equipmen	115	33	0	115	29
Other	47	11	-	5	2
Total	**162**	**44**	**0**	**120**	**31**

The Company maintained the recognition of deferred tax assets relating to tax losses carried forward for a total amount of 2,653 thousand Euros, proceeding with a prudential increase limited to 198 thousand Euros.
On the basis of the forecasts of future taxable profitability, related to the positive results expected and confirmed by the multi-year plan approved by the directors, it was deemed appropriate to recognize only the deferred tax assets referring to tax losses that are estimated to be fully recovered by March 2031.
The evaluation was carried out considering the following elements:

- the tax legislation in force on the use of tax losses for IRES purposes (Article 84 of the Consolidated Income Tax Act), which allows them to be offset against future taxable income within the limit of 80% of the taxable income of each financial year, with no time limits of use;
- the reference time horizon for the recovery of deferred tax assets through future taxable income, identified in the 2026-2035 business plan prepared by the directors;
- the tax rules applicable to components that generate deferred tax assets on temporary differences.

In the light of the analyses carried out, it was deemed that the deferred tax assets recorded in these financial statements are fully recoverable.

5.4 Other Current and Non-Current Assets, financial assets and investments

The item in question can be detailed as follows:

(Values in thousands of Euro)	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**

(Values in thousands of Euro)	31 march 2026	31 march 2025
Other non-income tax receivables	2.589	1.339
Advance payments and others	42	754
Other current assets	573	368
Total other current assets	**3.205**	**2.461**

Other non-current assets mainly include non-current financial receivables; the most significant item, amounting to 68 thousand Euros, refers to security deposits with institutions, while 61 thousand Euros relate to equity investments held by the Company.
Other current assets mainly include the VAT credit claimed by the Company as at 31 March 2026, amounting to 2,589 thousand Euros, and advances to suppliers for 42 thousand Euros. Other current receivables also include deferred income for 476 thousand Euros, mainly relating to costs for insurance and maintenance contracts.
Among other activities, there is no longer any tax credit; the last use, amounting to 2 thousand Euros during the period, refers to the Technological Innovation Bonus granted by the State in 2020 to companies.
Below is a breakdown of the contributions received and their uses:

5.5 Current Tax Receivables

The item in question can be detailed as follows:

(Values in thousands of Euro)	31 march 2026	31 march 2025
IRAP receivables	238	238
Other tax receivables	18	20
Total tax receivables	**255**	**258**

Tax credits remained almost unchanged.

5.6 Inventories

The item in question can be detailed as follows:

(Values in thousands of Euro)	31 march 2026	31 march 2025
Raw and consumable materials	1.672	1.112
Stock in transit	96	850
Work in progress and semi-finished products	635	447
Finish products and goods for resale	3.893	4.781
Total	**6.297**	**7.189**

The value of inventories, net of the related provisions for doubtful accounts, decreased by 892 thousand Euros compared to 31 March 2025.

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

(Values in thousands of Euro)	Obsolescense Reserve	Quality Reserve	Net realizable value reserve	Total
Balance at march 31,2025	**(301)**	**(845)**	**(36)**	**(1.184)**
Provisions	(237)	(416)	-	(653)
Utilisations	91	404	-	495
Balance at march 31,2026	**(447)**	**(858)**	**(36)**	**(1.342)**

During the period, the Company used provisions for a total of 495 thousand euros in relation to out-of-specification products for which they were disposed of and set aside 653 thousand euros for products subject to quality control.

5.7 Receivables from Customers

The item in question can be detailed as follows:

(Values in thousands of Euro)	31 march 2026	31 march 2025
Trade receivables	8.739	11.891
Allowance for doubt trade receivables	(261)	(2.508)
Total	**8.478**	**9.383**

Trade receivables as at 31 March 2026 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 expected losses in the following 12 months coincides with that calculated over the life of the receivable and the time value of the money is generally assumed to be zero.

During the period, the provision for doubtful accounts made in the previous year for 2,240 thousand Euros was used, to fully cover the position of an american customer.

Allowance for doubtful accounts *(Values in thousands of Euro)*	
Balance at March 31,2025	**(2.508)**
Provisions	(49)
Utilisations	2.296
Balance at March 31,2026	**(261)**

5.8 Contractual activities

The Company has contracts in place for the processing and transformation 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.

(Values in thousands of Euro)	**31 march 2026**	**31 march 2025**
Contract assets	911	1.118

5.9 Cash and cash equivalents and Cash Equivalents

The item in question can be detailed as follows:

(Values in thousands of Euro)	**31 march 2026**	**31 march 2025**
Cash and cash equivalents (Bank and postal deposits)	2.140	2.288
Cash and cash equivalents	1	1
Total cash and cash equivalents	**2.141**	**2.290**

. The following table shows the Company's cash and cash equivalents by currency:

(Values in thousands of Euro)	31 march 2026	31 march 2025
Cash and cash equivalents in Euro	2.106	2.194
Cash and cash equivalents in USD	35	95
Total cash and cash equivalents	**2.141**	**2.290**

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 2026 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.

(Values in thousands of Euro)	31 march 2026	Possibility of use
Share capital	10.207	Loss coverage
Legal reserve	2.041	Loss coverage
Employee benefits discount	11	
Capital contribution	26.349	Share Capital increase-Loss coverage
Cash flow hedging reserve	(6)	
Retained earnings	(12.793)	Share Capital increase-Loss coverage
Profit(loss) of the period	(9.677)	Share Capital increase-Loss coverage
Total net equity	**16.133**	

5.11 Current and Non-Current Financial Liabilities

The following table provides details of the item in question as of March 31, 2026:

(Values in thousands of Euro)	**31 march 2026**	**31 march 2025**
Loan non current part Unicredit 5MIO-2	2.496	3.492
Loan non current part Unicredit 5MIO-1	-	520
Loan non current part Credit agricole 3,5 MIO-1	-	178
Loan non current part HBSC 10 MIO	10.000	4.000
No current financial liabilities	**12.496**	**8.190**
Instalments Loans current portion	6.239	2.979
Current financial liabilities	**6.239**	**2.979**

(Values in thousands of Euro)	**31 march 2026**	**31 march 2025**
HSBC facility	2.023	-
Standard Chartered Bank facility	2.641	-
Unicredit c/Export	147	-
Credit Agricole Bank	-	595
Other current financial liabilities	**4.811**	**595**

(Values in thousands of Euro)	**31 march 2026**	**31 march 2025**
Financial leasing debts non current	81	90
Financial leasing debts current	83	34

The change in financial liabilities to third parties is attributable to the net effect of two opposing dynamics: on the one hand, the reduction in payables for existing loans, following the repayment of mortgage instalments that have come due; on the other hand, the increase deriving from the disbursement of new loans and the activation of additional credit lines.
In particular, HSBC disbursed additional loans for 6,000 thousand Euros, as well as credit lines for 2,000 thousand Euros. During the period, a new banking relationship was also established with Standard Chartered Bank, which approved credit lines in favour of the Company for a total of 10,000 thousand Euros; as at 31 March, 7,134 thousand Euros were drawn.
Loans to banks outstanding at nominal value are divided as follows:

Terms & Condition of borrowing	Unicredit	Unicredit	Credit Agricole	HSBC
Date of payment	23/07/2020	20/11/2023	08/06/2021	05/03/2025
Duration	6 years	6 years	5 years	5 years
Original amount (euro)	5.000.000	5.000.000	3.500.000	10.000.000
Current amount	514.704	3.500.000	177.130	10.000.000
Start of repayment	31/10/2020	31/12/2024	30/06/2021	05/06/2027
End of repayment	31/07/2026	30/09/2029	30/06/2026	05/03/2032
Repayment periodicity	Quarterly	Quarterly	Quarterly	Quarterly
Interest rate	EURIBOR 3 Months + spread 1,75%	EURIBOR 3 Months + spread 1,60%	EURIBOR 3 Months + spread 1,05%	EURIBOR 3 Months + spread 1,75%
Covenants	N/A	N/A	N/A	Covenant applicable from FY 2027

During the period, there was an increase in lease liabilities, mainly attributable to the stipulation of new contracts relating to the lease of buildings and various equipment. The table below summarises lease libility movements:

5.12 Employee Benefits

The item in question includes the payable relating to the severance indemnity (TFR). The changes in the item can be broken down as follows:

(Values in thousands of Euro)	**Provisions for Leaving Indemnities & Severance Pay**	**Actualization of Provisions for Leaving Indemnities & Severance Pay**	**Total**
Balance at march 31, 2025	**(173)**	**14**	**(159)**
Actualized		8	8
Accrued	12	-	12
Paid	3	-	3
Balance at march 31, 2026	**(158)**	**22**	**(137)**

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

Actuarial assumptions	31/03/2026
Economic assumption	
Inflation rate	2,00%
Increase TFR rate	3,00%
Actuarial rate	4,05%
Demographic assumption	
Probability of resignation	5,00%
Probability of advances	3,00%

The sensitivity analysis of 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	131.557	142.096	138.247	135.121	138.342	132.972

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

Years	Expected cash flows *(in Euro)*
0-1	11.563
1-2	11.963
2-3	9.427
3-4	10.048
4-5	9.600
6-10	39.492

5.13 Provisions for risks and charges

Compared to 31 March 2025, the only changes concerned the adjustment of the environmental provision for 52 thousand Euros and the provision for 43 thousand Euros for the fair value of derivatives.
The movement of the items in question can be detailed as follows:

(Values in thousands of Euro)	Environmental provision	Other provision	Total
Balance Non-current provisions for risks and charges at march 31,2025	**1.631**	**-**	**1.631**
Actuarial	(52)		(52)
Balance Non-current provisions for risks and charges at march 31,2026	**1.579**	**-**	**1.579**
Balance current provisions for risks and charges at march 31,2025	**159**	**54**	**213**
Actuarial		-	-
Accruals	-	(44)	(44)
Balance current provisions for risks and charges at march 31,2026	**159**	**10**	**169**

As regards the environmental characterization activities of the Lodi site, the preliminary plan for the Lodi site was already completed in 2019. Between 2020 and 2022, various site remediation solutions were explored and shared with the local authorities through Service Conferences, accompanied by preliminary activities such as soil sampling, installation of gas monitoring probes and tests on a pilot plant for groundwater treatment. These activities confirmed the feasibility of the chosen technology and started the design of the final plant, with the environmental fund updated in the balance sheet.

In 2024, the pilot water treatment plant (Pump & Treat) showed good efficacy, albeit with limitations in the treatment of metals naturally present in groundwater. New analyses and updates of the Risk Analysis were carried out, which required revisions and separation between groundwater and soil gas monitoring.

In October 2024, the Risk Analysis was substantially approved by the authorities, but with conditions (including technical updates and construction of the final plant). The final report of 2025 confirmed the approval with prescriptions and the monitoring plan.

For 2026, the following are planned: continuation of the management of the pilot plant, development and submission of the final design of the treatment plant, approval by the authorities and possible start of works, followed by the monitoring phase.

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.

(Values in thousands of Euro)	**31 march 2026**	**31 march 2025**
Current	7.638	8.484
Past due 0-30 days	570	71
Past due 31-60 days	18	19
Past due 61-90 days	0	13
Past due 121-150 days	-	252
Past due 181-210 days	1	-
Past due over 360 days	41	41
Total	**8.269**	**8.880**

5.15 Other current liabilities

The item in question can be detailed as follows:

(Values in thousands of Euro)	**31 march 2026**	**31 march 2025**
Payables to employees	1.211	1.119
Social security payables	352	346
Other current liabilities	600	161
Total other current liabilities	**2.164**	**1.626**

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:

(Values in thousands of Euro)	**From 1 april 2025 to 31 march 2026**	**From 1 april 2024 to 31 march 2025**
Europe	16.073	11.984
North America	5.299	2.129
Middle East	182	182
Asia	513	469
India	1.241	3.974
Others	184	754
Total	**23.492**	**19.493**

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

(Values in thousands of Euro)	**From 1 april 2025 to 31 march 2026**	**From 1 april 2024 to 31 march 2025**
Goods transferred in a given moment	23.670	22.904
Goods transferred for a given reference period	(178)	(3.411)
Total	**23.492**	**19.493**

Revenue from customer contracts

The Company has contracts in place for the processing and transformation 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.

5.17 Other income

"Other income", amounting to 165 thousand Euros, mainly derives from non-recurring revenues and the re-invoicing of costs to group companies for an amount of 128 thousand Euros.

(Values in thousands of Euro)	**From 1 april 2025 to 31 march 2026**	**From 1 april 2024 to 31 march 2025**
Cross recharges Intercompany	128	65
Revenue from Asset Sale to Third Parties	15	-
Other Income from Third Parties - General	22	23
Total	**165**	**89**

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

The item in question can be detailed as follows:

(Values in thousands of Euro)	**From 1 april 2025 to 31 march 2026**	**From 1 april 2024 to 31 march 2025**
Raw materials expenses	9.302	8.191
Change in inventories of raw material,ancillaries,consumables and goods	193	(438)
Total	**9.495**	**7.753**

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:

(Values in thousands of Euro)	**From 1 april 2025 to 31 march 2026**	**From 1 april 2024 to 31 march 2025**
Mainteinance, repair and services	2.931	3.070
Utilities	1.445	1.255
Consulting and collaboration fees	1.547	1.754
Leases and rents	399	430
Transport charges on sales	191	312
Travel and other expenses	171	125
Other services from third parties	4.830	3.857
Total	**11.513**	**10.803**

5.20 Personnel Costs

The item in question can be detailed as follows:

(Values in thousands of Euro)	From 1 april 2025 to 31 march 2026	From 1 april 2024 to 31 march 2025
Salaries & Wages	4.892	4.917
Accrued Vacation	524	451
13th /14th Month Salaries	831	726
Bonuses	182	(4)
Contributions on 13th and 14th Month Accruals	257	227
Contributions on ROL (Reduction of Working Hours), Vacation, and Time Bank	152	134
Contributions on Performance Bonuses and 30% Overtime Premium	35	(1)
Work Accident Insurance (INAIL) – Workers and Employees	59	53
Social Security Contributions – Employees and Executives	1.561	1.543
TFR (Severance Pay) – Current Year	402	366
Other Additional Personnel Costs	3	14
Total	**8.898**	**8.426**

5.21 Other operating costs

The item in question can be detailed as follows:

(Values in thousands of Euro)	From 1 april 2025 to 31 march 2026	From 1 april 2024 to 31 march 2025
Other taxes	266	188
Provision/use/release for risks and charges	(47)	2.339
Other costs	58	29
Total	**277**	**2.556**

5.22 Depreciation, Amortization and Value Adjustments

The item in question can be detailed as follows:

(Values in thousands of Euro)	From 1 april 2025 to 31 march 2026	From 1 april 2024 to 31 march 2025
Depreciation of tangible assets	2.163	2.239
Depreciation of intangible assets	20	19
Total	**2.184**	**2.258**

(Values in thousands of Euro)	From 1 april 2025 to 31 march 2026	From 1 april 2024 to 31 march 2025
Depreciation of RoU assets	(83)	(22)
Total	**(83)**	**(22)**

5.23 Financial income and expenses

The item in question can be detailed as follows:

(Values in thousands of Euro)	From 1 april 2025 to 31 march 2026	From 1 april 2024 to 31 march 2025
Interest expense on financial lease obligations	(9)	(3)
Other financial expense from third parties	(515)	(1.028)
Financial expenses from PIHS Group Companies		
Net exchange rate gain/(loss)	35	(1)
Total financial expense	**(480)**	**(1.029)**
Financial income fromPIHS Group Companies		
Other financial income	95	205
Total financial income	**95**	**205**
Net financial income/(expense)	**(385)**	**(824)**

5.24 Income Taxes

The item in question can be detailed as follows:

(Values inEuro)	**From 1 april 2025 to 31 march 2026**	**From 1 april 2024 to 31 march 2025**
Current taxes	-	-
Deferred taxes Liabilities	3	0
Deferred taxes Asset	198	1258
Previous year taxes	-	-
Actual tax	**201**	**1258**

5.25 About the cash flow statement

Net Financial Debt was negative for 21,573 thousand Euros, deriving from positive balances of 2,141 thousand Euros and financial liabilities totalling 23,720 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 6,985 thousand Euros.

5.26 Commitments

The Company has requested and obtained bank guarantees from UniCredit amounting to Euro 1.2 million, issued in favor of the Italian Customs Agency, as well as a SACE guarantee of Euro 3.5 million in connection with the financing received from UniCredit.
Furthermore, the estimated amount of contracts on capital account remaining to be executed and not yet provided for amounts to Euro 2,4 million, here below the details:

Description *(in thousand of euros)*	**Amount**
Hydroxyurea Project Huge F5	672
F1 Building revamping general	593
SerylHydrazine project	215
New QC Lab realization	190
HPLC Substitution	130
Purchase of 3 Huber Cryostat	125
Chlorosulphonic acid tank replacement	109
Kilo lab realization	74
Other	295
Total	2.403

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.

(Values in thousands of Euro)	Financial receivables	Financial liabilities	Trade receivables	Trade liabilities
PI HEALTH SCIENCES USA LLC				(50)
PI Health Sciences LTD			22	(80)
	-	**-**	**22**	**(131)**

(Values in thousands of Euro)	Revenues and other profits	Costs of raw material,ancillaries, consumables and goods	Costs for services	Financial income and expenses
PI HEALTH SCIENCES USA LLC			520	6
PI Health Sciences LTD	128		80	-
	128	**-**	**600**	**6**

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:

(Values in thousands of Euro)	From 1 april 2025 to 31 march 2026
Board of Directors	20
Board of statutory auditors or other supervisory board	46
External auditors	55
Total	**121**

5.29 Main events and transactions during the period

During the year, as highlighted in the previous paragraphs of this Report, the following main events were recorded:

- the resignation of the Site Manager, followed by the appointment of his replacement;

- the resignation of the Chairman of the Board of Directors and the subsequent appointment of a new Chairman, keeping the overall composition of the Board of Directors unchanged, equal to four members;
- a significant increase in revenues, with a consequent improvement in economic results. This growth is largely attributable to the Diacereina product for the customer Lab Medidom, which generated an increase of approximately 6 million Euros compared to the previous period;
- an unexpected increase in waste disposal costs (+1.5 million euros compared to the previous period), also due to the implosion of a tank that compromised the correct characterization of the waste, resulting in an increase in costs;
- from a financial point of view, a reduction in the liquidity contribution by the parent company PI (1.5 million Euros compared to approximately 23 million in the previous period), made possible by the signing of two new loans:
    - a short-term supplier working capital line (2 million euros at 6 months) with HSBC Italia;
    - a short-term loan of 10 million euros, consisting partly of a credit line and partly of an advance on customer invoices;
- the implementation, during 2025, of a significant investment plan (approximately €9.047 million), aimed at making the company layout more efficient, increasing production capacity and developing technical infrastructures to support the CDMO business line.

During 2026, the war tensions in Eastern Europe, which had significantly affected energy costs starting in 2022, showed a significant reduction in their impact. However, critical issues remain related to geopolitical tensions in the Middle East and the recent conflict between the United States and Iran, with the consequent closure of the Strait of Hormuz, which could have a negative impact on the costs of raw materials and the export costs of company products.

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

The results recorded in April 2026 show regular management, consistent with company forecasts. However, the recent conflict in the Middle East and the consequent closure of the Strait of Hormuz could lead to an increase in raw material costs, fueling widespread inflationary pressures. These dynamics represent potential elements of instability for the Italian and European economy. In this context, the Company will continue to closely monitor the evolution of the scenario, promptly adopting any corrective actions aimed at safeguarding profitability and operational sustainability.

At the same time, the implementation of the investment plan already underway continues, aimed at increasing production capacity, improving plant efficiency and safety, compliance with environmental standards, as well as carrying out extraordinary maintenance interventions and adapting the observations made during the AIFA inspection. The plan also includes the development of the technical infrastructure necessary to support the growth of the CDMO (Contract Development and Manufacturing Organization) business line.

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Lodi, 4 May 2026

For the Board of Directors
An administrator