Risk Management Committee Report 2025

ANTIBIOTICE S.A.
BOARD OF DIRECTORS
RISK MANAGEMENT COMMITTEE

ANNUAL REPORT
of the Risk Management Committee

Pursuant to the provisions of the Corporate Governance Code of Antibiotice S.A., the Risk Management Committee:

- is the advisory committee established to assist the Board of Directors in fulfilling its responsibilities regarding the analysis, monitoring and assessment of the effectiveness of the internal control system and the risk management framework, including sustainability risks and emerging risks, in order to support the sustainable growth of the Company and the achievement of its business objectives.
- Is responsible for measuring the solvency of the Company in relation to its usual duties and obligations and informs or, where appropriate, submits proposals to the Board in this respect:
  - ✓ Analyses and assesses the financial and non-financial risks that may affect the Company;
  - ✓ Provides the Board, at least quarterly, with sufficiently detailed and timely information enabling it to understand and assess management performance in monitoring and controlling the financial risks affecting the Company's solvency, in accordance with approved procedures, as well as the Company's overall performance.

During 2025, the members of the Risk Management Committee met in the following meetings:

Meeting of the Risk Management Committee dated 14 May 2025, with the following agenda:

1. Drafting the Rules of Procedure of the Risk Management Committee
2. Calendar of Risk Management Committee meetings

Meeting of the Risk Management Committee dated 26 August 2025, with the following agenda:

1. H1 2025 Financial Statements - Assessment of risks associated with deviations from the budget approved by the General Meeting of Shareholders
   Purpose: Understanding the causes that led to the H1 2025 financial results
   - Which business lines or products show the largest deviations from the budget;
   - Impact on gross margin and EBITDA;
   - Liquidity risks/cash flow pressures
   - Evolution of receivables collection
2. Assessment of financial and commercial risks
   Purpose: Understanding the macroeconomic/sector context
   - Analysis of external risks (increases in raw material prices, supply chains, inflationary pressures, increased competition);
   - Analysis of declining demand in the main markets (domestic or export);
   - Analysis of the loss of major contracts/important tenders.

3. Operational risks and efficiency of internal processes
   Purpose: Determining the contribution of operational risks to the financial result
   - Production disruptions;
   - Production capacity utilisation rate;
   - Significant increases in rejects or technological losses
4. Impact on financing capacity and risk rating
   Purpose: Ensuring financial sustainability
   - Current debt capacity and financial risk rating;
   - Risks related to non-compliance with banking covenants for H2 2025;
   - Analysis of financing sources.
5. Update of the risk register and risk appetite
   Purpose: Ensuring alignment of current risks with the Company's risk appetite
   - Analysis of the need to revise the risk matrix;
   - Analysis of the corrective action plan for risks identified as "severe" or "critical";
   - Analysis of emerging risks requiring monitoring.
6. Role of internal control and internal audit in the context of financial performance.
   Purpose: Assessing the effectiveness of control mechanisms
   - Analysis of the effectiveness of financial and budgetary controls for early detection of deviations;
   - Analysis of significant deficiencies identified by internal audit in the previous period.

Meeting objectives:
1. Identify the causes of deviations from the budget and assess the associated risks.
2. Analyse how these risks affect strategic plans, internal control and the assumed risk appetite, and identify new opportunities in the current macroeconomic context.
3. Recommend mitigation measures and a possible contingency plan.

Meeting of the Risk Management Committee dated 10 September 2025, with the following agenda:
1. Analysis of additional materials submitted by executive management:
   - Status of H1 2025 financial deviations;
   - Commercial and external risks;
   - Critical risks;
   - Internal Audit information.
2. Formulation of the final recommendations of the Risk Management Committee to the Board of Directors.

Based on the materials provided by executive management and the discussions held during the meetings, the Risk Management Committee formulated a set of recommendations aimed at supporting the Board of Directors in substantiating decisions and strengthening the Company's corporate governance:

1. Strengthening the risk management framework

1.1. Review and update of the Enterprise Risk Management (ERM) strategy, including the probability-impact matrix, tolerance limit, overall risk value, and submission thereof for approval by the Board of Directors within 60 days, in order to establish the framework, methodology and risk tolerance level.

1.2. Develop and propose, within 30 days, financial risk treatment measures (e.g. hedging instruments, contractual currency denomination policies, creation of foreign exchange

reserves, etc.) to be submitted for Board approval and implemented depending on the identified risk level.

1.3. Integrate the commercial action plan (domestic and international markets) into the risk register within 30 days, to ensure traceability between measure - risk - financial impact.

2. Extension and completion of risk registers

2.1. Complete and update the General Risk Register and the Critical Risk Register within 30 days so that they cover, in a balanced manner, all four risk categories - Commercial, Operational, Financial and Strategic - in order to provide the Board of Directors with a complete and relevant picture for deliberation and decision-making;

2.2. Explicitly mark the status of occurred/materialised risks in the General Risk Register and the Critical Risk Register and quantify the actual impact on key indicators (revenue, EBITDA, liquidity, solvency, profitability), by reference to financial results (audited or interim), within 30 days;

2.3. Analysis of significant risks above the tolerance limit.

2.4. Determination of the Company's overall risk.

3. Periodic monitoring and reporting

3.1. Presentation of an assessment of the specific financial impact for each critical risk (e.g. revenue losses, EBITDA effect);

3.2. Quarterly reporting to the Board of Directors of foreign exchange exposures and their impact on financial expenses, including sensitivity scenarios (±5% and ±10% change in the EUR/RON exchange rate), to support strategic decisions regarding financing and hedging policy.

3.3. Quarterly reporting to the Board of Directors of critical risks, preventive measures adopted and the status of their implementation.

4. Audit and internal control

4.1. Extend the mandate of Internal Audit to assess annually the budgeting and financial planning process and budgetary control mechanisms;

4.2. Update preventive budget audit/control starting with the current budgeting period, by mandating the Governance and Risk Department to review the budget plan before its approval by the Board of Directors, in order to validate the correctness of assumptions, inclusion of alternative scenarios and compliance with legal requirements (revaluations, accounting regulations).

Meeting of the Risk Management Committee dated 10 October 2025, with the following agenda:

1. Discussions on preventive measures established following the update of the General Risk Register and the Critical Risk Register.
2. Discussions on the results of monitoring exchange-rate fluctuations synchronised with mandatory revaluation.
3. Discussions on the impact of foreign exchange exposures on financial expenses, based on sensitivity scenarios.
4. Discussions on the value of the specific financial impact on critical risks.
5. Discussions on the status of the review of the Enterprise Risk Management (ERM) Strategy.

6. Discussions on the standard format for reporting progress in implementing the recommendations of the Risk Management Committee to the Board of Directors

Objectives and purpose of the meeting:
1. Monitor the implementation of the Risk Management Committee recommendations at the Board of Directors meeting.
2. Review the progress of executive management in implementing Board decisions;
3. Assess the materials submitted by executive management for analysis;
4. Formulate recommendations and observations to the Board of Directors.

Meeting of the Risk Management Committee dated 5 December 2025, with the following agenda:
1. Discussions on the assessment of the specific financial impact for each critical risk in Q3 2025
   Purpose: Monitoring the implementation of the recommendations approved at the Board meeting of 17 September 2026
2. Discussions on the format for reporting to the RMC/Board (dashboard) on critical risks, preventive measures adopted and their implementation status in Q3 2025.
   Purpose: Establishing a standardised, clear and relevant risk reporting framework for the Risk Management Committee and the Board of Directors to support informed strategic decision-making.
   - Establishing the format, scenarios (±5%, ±10%) and level of detail to avoid fragmented or incomplete reporting from various departments
   - Proposed dashboard, heatmap, traffic-light indicators, progress of measures.
3. Endorsement of the Enterprise Risk Management (ERM) Strategy for submission to the Board of Directors for approval.
4. Discussions on measures proposed by executive management to mitigate significant risks related to the STEP project.
   Purpose: Assessing the risks identified in the planning phase, including analysis of the financial impact and assessment of the capacity to absorb the risk resulting from additional costs.
5. Discussions on the updated SAP risk map.
   Purpose: Review and validation of the updated SAP risk map to confirm that significant post-implementation risks are fully identified, properly assessed, addressed through appropriate measures and aligned with risk appetite, with a clear mechanism for monitoring and reporting to the Risk Management Committee/Board of Directors.
6. Discussions on SAP user readiness, competencies and change management.
   Purpose: Assess whether the level of readiness, user competencies and SAP-related change management are adequate for the correct and controlled operation of processes, so as to prevent errors, workarounds and residual operational/financial risks, with clear remediation and monitoring measures.
7. Endorsement of the Q3 2025 Performance and Solvency Report for submission to the Board of Directors.

Meeting objectives:
1. Assess the materials submitted by executive management for analysis;
2. Formulate recommendations and observations to the Board of Directors.

Based on the assessment of financial risks in Q3 2025, the Risk Management Committee formulated a series of recommendations to the Board of Directors, serving as guidelines:

1. **Strengthening the integrated financial risk monitoring framework**
   Mandating executive management to strengthen the monitoring and reporting framework so that key indicators periodically reported to the Board of Directors (receivables, inventories, liquidity, indebtedness, FX) generate clear early-warning signals, with alert thresholds and well-defined responsibilities.

2. **Prioritising liquidity resilience and working capital**
   Mandating executive management to treat the improvement of cash conversion (receivables + inventories) as a priority objective, aligned with the liquidity policy and the risk appetite approved by the Board of Directors, taking into account potential cash pressure in Q4 2025.

3. **Strengthening credit and counterparty risk discipline**
   Mandating executive management to review commercial and credit policies in line with the pharmaceutical market so that sales growth does not compromise payment discipline and the quality of the receivables portfolio, in the context of the current weakening of collection discipline.

4. **Aligning the financing structure and market risks (interest rate, FX, investment)**
   Mandating executive management to develop clear policies on interest-rate risk and foreign-exchange risk, as well as principles for exposure to market risks, so that the financing structure and investment portfolio are consistent with the risk profile and medium-term strategy.

5. **Formalising risk appetite, KRIs and stress testing**
   Mandating executive management to develop and implement a formal risk appetite framework (including limits and key risk indicators/KRIs for the main financial risks), supplemented by periodic scenarios and stress tests, for a forward-looking approach.

6. **Clarifying roles and responsibilities in financial risk management**
   Confirming, at governance level, the oversight role of the Risk Management Committee and the role of executive management in defining and implementing measures, with regular reporting to the Board on the effectiveness of actions and compliance with approved risk limits.

The recommendations of the Risk Management Committee were presented to and approved by the Board of Directors.

Antibiotice S.A. ensures the organisation, operation and administration of the risk management system across the entire organisation as an integral part of the organisational culture, with a view to achieving the objectives set out in the "The Future Together" Business Plan. Thus, in order to control and limit risks, while also capitalising on opportunities, the Company's management adopts a proactive, forward-looking management style that enables the organisation to manage risks within acceptable limits, ensuring the conditions for sustainable development. Effective risk management is an essential component of corporate governance and a critical success factor for the Company's sustainability.

Within the Company, the Governance and Risk Department, part of the Legal and Corporate Governance Directorate, manages the risk management system, ensures the implementation and continuous improvement of the risk management culture across all Company departments

through advisory, training and coordination activities, and performs specific checks related to due diligence assignments. The risk management process is documented in system procedure SOP-AR-001 Risk Management, as well as in procedures specific to certain risk categories (for example: quality risks, occupational health and safety risks, environmental risks).

Within the Company, the organisation of the risk management process is based on the **Three Lines of Defense Model**, which operationalises the approved risk appetite through a clear and coherent internal control architecture.

The first line of defense, represented by operational management, has direct responsibility for identifying, assessing, managing and reporting the risks associated with the activities performed, ensuring the implementation of appropriate controls in current processes.

The second line of defense, consisting of control functions and the risk management function, monitors the effectiveness of risk management, develops methodologies and policies, provides specialist support and oversees compliance with the established risk appetite.

The third line of defense, represented by internal audit, provides an independent and objective assessment of the risk management framework, the internal control system and the manner in which the first two lines fulfil their responsibilities, thereby contributing to the continuous improvement of governance and risk management processes across the Company.

The risk management process within Antibiotice aims at the systematic identification and multidimensional assessment of the risks to which the organisation is exposed, through their anticipation, management and mitigation, in order to ensure operational continuity and the achievement of strategic objectives. The process of identifying, assessing, managing and reporting risks complies with the applicable legal requirements.

Within the risk management process, the Risk Management function, together with risk owners, carries out the following main activities:

- Identification and assessment of risks at the level of each organisational structure by risk owners and specialists from the Risk Management function.
- Establishment of appropriate and available control measures to limit identified risks. The control measures, together with the responsible persons and proposed implementation deadlines, were centralised in the Risk Control Measures Implementation Plan.
- The risks identified at organisational structure level were centralised in the Risk Registers.
- Monitoring the implementation of risk control measures, with the status of measures and risks being reassessed through Risk Monitoring Forms.
- Periodic review of major risks, assessing their likelihood and impact in order to verify the exposure level and assess the effectiveness of strategies and control measures;
- Supporting the decision-making process by providing risk reports and analyses, as well as due diligence activities.
- At the same time, Risks, Opportunities and Impacts relating to environmental, social and governance sustainability matters were identified and assessed.

The main categories of risks identified were:

- **business risks (economic, legislative, project-related, commercial - generated by partners);**
- **financial risks (foreign exchange, liquidity, interest rate, commercial);**
- **integrity and anti-competitive practice risks;**
- **operational risks (human resources, information technology, information security, cybersecurity, occupational health and safety, reputational risk);**

- **risks and opportunities relating to sustainability matters;**

I. Business risks

Business risk is the possibility that an event or action may adversely affect the Company's ability to achieve its assumed objectives or proposed strategies.

Economic risks

The main circumstances giving rise to economic risks are: competition and competing products with lower prices; reduced sales capacity of the partner; changes in local market conditions; changes in political conditions with foreign exchange and commercial implications; development of private-label brands by national chains that receive priority in recommendations to patients; changes in partners' commercial policies; increases in purchase prices for raw materials/purchase prices for co-manufactured products; emergence of new competitors among local manufacturers.

Control measures implemented include: promoting products by emphasising quality-related advantages and alignment with international regulations; directing and increasing sales in new markets; phased price negotiations and knowledge of legislation on price formation; identifying and integrating profitable and attractive products into national chain projects; maintaining constant and proactive contact with customers, monitoring the political situation and responding promptly to customer requests; increasing demand for ATB products through media and online campaigns; identifying alternative sources for co-manufactured products.

Legislative risks

The pharmaceutical market is a regulated market, with clear legislative provisions designed to control the quality and therapeutic efficacy of medicines on the market and to prevent counterfeiting. Adapting to these provisions results in additional costs related to updating documentation and aligning with the latest quality standards.

The main circumstances giving rise to legislative risks are: frequent changes in national and international legislation; introduction of new authorisation requirements for portfolio products; tightening of GMP/GDP compliance standards; emergence of regulations specific to export markets; legislative changes affecting reference prices or reimbursement mechanisms; risk of non-compliance with regulatory authority requirements and the related consequences for manufacturing or marketing authorisations.

Control measures implemented to reduce risks include: continuous monitoring of legislative changes; updating and maintaining the Quality Management System under control; implementing GMP requirements in accordance with applicable legislation; updating authorisation documentation for portfolio products; continuous training of personnel on specific legislative requirements; accessing multiple sources of information and fully substantiating projects for entering new markets.

Project risks

Circumstances giving rise to project risks include: lengthy evaluation of potential procurement sources; incomplete documentation provided by active substance manufacturers; technical, legal or regulatory changes during the project; the need to repeat research stages and requests from authorities for additional registration documentation.

Control measures: accessing multiple sources of information and proper substantiation of projects concerning new markets; continuous and effective interdepartmental communication;

periodic reassessment of projects from the perspective of suppliers and documentation; increasing the scientific knowledge of laboratory personnel through courses delivered by internal and external lecturers; adjusting resources and working strategies.

Partner-generated risks

Circumstances giving rise to such risks include: dependence on a limited number of manufacturers able to meet both price and geographical coverage requirements; volatility of contractual relationships and intensifying competition in target markets; supply chain vulnerabilities caused by limited production capacities, quality issues or partners' logistical difficulties; concentration of purchases on single sources of raw materials or finished products; rapid market dynamics and the emergence of new competitors.

Control measures: maintaining constant media campaigns to increase brand awareness; maintaining proactive contact with partners and participating in international trade fairs to identify new products, partners and markets; informing partners about production capacity and maintenance periods; organising production in campaigns to reduce costs; correlating the procurement plan with the production plan and communicating the annual forecast; partnerships tailored to each customer's specific needs.

***II. Financial risks** reflect the impact that financial sources and resources may have on the Company's performance and stability, including liquidity risk, foreign exchange risk, interest-rate risk and commercial non-payment risk.*

Circumstances favouring the occurrence of financial risks include: fiscal unpredictability, rising inflation, customer insolvency, exchange-rate fluctuations, increases in the monetary policy interest rate, increases in ROBOR and EURIBOR indices, and long receivables collection periods.

Measures implemented to mitigate risk include: optimising inventory turnover in distribution, ensuring demand for products in the Antibiotice portfolio and improving receivables collection periods from distributors; entering into commercial risk insurance contracts; synchronising import activity with export activity by correlating payment and collection terms and currency shares; forecasting collections and correlating payments with collections; optimising amounts used from operating credit facilities to cover the temporary gap between collections and payments; drawing from operating credit facilities in the currency in which payments are made, without performing foreign exchange conversions.

The Company assesses the risk level associated with **trade receivables** as low because most third-party receivables are insured.

***III. Integrity risks** refer to the probability of an integrity incident involving an employee, professional group or field of activity, favoured by specific vulnerabilities and capable of adversely affecting the achievement of an organisational structure's objectives.*

Control measures implemented to manage integrity risks include: implementation through updating and transparent communication of the Code of Ethics and the Integrity Plan; implementation of the Procedure for Receiving, Reviewing and Resolving Reports of Breaches of Law, prepared in accordance with Law No. 361/2022 on the protection of whistleblowers in the public interest; development and implementation of the Workplace Harassment and Equal Opportunities Policy; employee training on the Conflict of Interest Procedure, as well as on the Code of Ethics and Integrity Plan; external training aimed at acquiring competencies regarding knowledge and understanding of the legal and institutional framework for promoting integrity and combating corruption in organisations; monitoring the application of ethics and integrity measures through the activity of the Ethics and Integrity Council.

The Company's Integrity Plan includes measures to prevent and combat acts of corruption and procedures to ensure ethics and integrity in its activities.

Risks related to anti-competitive practices

Circumstances giving rise to such risks include: the complexity of the legal framework governing competition practices; the risk of non-compliant conduct in commercial relationships or medicine promotion activities.

Through the internal framework comprising internal policies, the Corporate Governance Code, the Antibiotice S.A. Code of Good Practice for the Promotion of Prescription Medicines and Interactions with Healthcare Professionals, the Sponsorship and Patronage Policy, and the Code of Good Practice in Sales, Company management both prevents the risk of legal breaches and develops and implements effective mechanisms for detecting and managing breaches that could not be avoided at the initial stage.

To reduce the likelihood of risks relating to competitive practices and minimise their impact, Antibiotice has implemented measures such as: identifying and assessing potential competition-risk areas and evaluating the risk; reviewing key commercial contracts; updating the Integrity Plan; reviewing the Code of Good Practice in Sales; employee training sessions on this matter; implementing specific procedures; and continuous monitoring and control.

IV. Operational risks

Operational risk is the risk of direct or indirect losses resulting from deficiencies or shortcomings in procedures, personnel, the Company's internal systems or external events that may affect its operations. The Company's objective is to manage operational risk in a manner that limits financial losses, avoids damage to its reputation and achieves its investment objective of generating benefits for investors.

Risks associated with human resources *concern the difficulty of attracting and recruiting personnel with experience in fields specific to the pharmaceutical industry, as well as the loss of human capital and high staff turnover.*

Control measures established to manage human resources risks include: creating a rigorous selection process; implementing a continuous professional development programme for employees to ensure their ongoing development; encouraging internal recruitment; partnerships with educational institutions through specific programmes and collaboration platforms; continuous analysis of the organisational climate and identification of additional non-financial motivation opportunities to retain personnel within the organisation; constant analysis of specific indicators relating to employee turnover; implementation of career management and succession planning projects; improvement of the compensation and benefits system to increase the attractiveness of the employer brand.

Risks relating to information technology, data protection and cybersecurity

To reduce risk exposure, a series of measures have been taken, including: implementation by the IT function of cybersecurity standards imposed by applicable regulations; ensuring the continuous and effective operation of Data Loss Prevention (DLP) software; developing and updating internal data protection procedures; conducting controls and audits of structures that manage large volumes of personal data; periodic testing of data recovery procedures to ensure their effectiveness; implementing redundancy strategies for critical systems; implementing strict cybersecurity protocols, employee education and investment in advanced security solutions.

V. **Risks and opportunities relating to sustainability matters** (environmental, social and governance) have a broad impact on the entire ecosystem surrounding the Company, influencing potential investors as well as customers and partners.

The pharmaceutical industry has a significant environmental impact, from resource consumption to waste generation and emissions. Awareness and management of environmental risks are vital to the long-term sustainability of the business.

Climate risk adaptation measures adopted by Antibiotice include strategies aimed at increasing resource efficiency, such as implementing advanced technologies and optimising energy and water consumption. In this respect, continuous monitoring of environmental quality factors and operating procedures, transport optimisation, green procurement, collaboration with low-emission suppliers, process digitalisation, targeted investments in energy-efficient equipment, supplier audits, the plan for prevention and control of accidental pollution, and emergency preparedness and response are among the measures taken to prevent and monitor risks. These measures reduce negative environmental impact while supporting and improving operational efficiency and long-term sustainability.

At Antibiotice, the principle of equal treatment and equal opportunities for all employees is consistently and strictly observed. We actively promote an organisational culture that adopts a "zero tolerance" approach to discrimination and harassment.

Adaptation and mitigation measures for climate risks also present a number of opportunities: efficient use of resources through optimisation of consumption, conservation of energy and water through state-of-the-art technical solutions, process efficiency improvements, and employee involvement in reducing waste quantities and ensuring selective collection.

By preparing and periodically updating the Risk Register, both at organisational structure level and at overall Company level, the Company demonstrates the implementation of a structured risk management process in accordance with corporate governance requirements.

VI. Cyber Risk Management

Antibiotice S.A. is classified as an operator of essential services in the national economy and is required to comply with the national strategy on the security of networks and information systems, with the provisions of Law No. 362/2018 on ensuring a high common level of security of networks and information systems being applicable.

An important component of corporate governance is cyber-threat risk management, complemented by the set of rules governing information-system security in order to comply with legal requirements. Continuous monitoring of the internal IT infrastructure highlights any missing or inadequate protection and defence measure, enabling security teams to implement the necessary mitigating controls and prioritise risk remediation.

In this respect, a Privileged Access Management (PAM) system has been implemented, ensuring rigorous control and monitoring of access to the infrastructure for both internal system administrators and external providers.

Also in 2025, the external NIS audit was carried out and successfully completed, with no non-compliances identified. At the same time, preparations for alignment with the NIS2 Directive were initiated through training programmes dedicated to Company management, thereby ensuring continuity of good cybersecurity practice and compliance with the new European standards in this area.

1. Analysis of the risk management process in 2025

During 2025, the risk owners in each organisational structure, together with the specialists of the Risk Management function, carried out the following activities:

- At the level of each structure, the risks associated with its objectives and activities were identified and assessed and the risk response strategy was formulated;
- Based on the risk alert forms, the risks identified at the level of each structure were analysed and appropriate risk control measures were established, together with the responsible persons and implementation deadlines;
- Each risk owner completed the Risk Register and submitted it to the Risk Management function for review and validation. Subsequently, the registers were signed by the manager/director of the issuing structure;
- Periodic monitoring of the implementation status of control measures was carried out by the Risk Management function, recording in the Company-wide consolidated Risk Register the implementation status of measures for significant risks.

The Risk Management function *ensured the effective implementation of the risk management process throughout 2025 by carrying out the following activities:*

- organised and delivered training sessions for risk owners at organisational structure level prior to the start of the risk management process, regarding the methodology established by system procedure SOP-AR-001 Risk Management.
- analysed and reviewed the risk registers at organisational structure level, prioritised significant risks and prepared the General Risk Register;
- proposed and submitted for approval to the General Director the "tolerance limit" applied in the risk analysis. Thus, after the application of control measures, residual risks (remaining after the measures are applied) must fall within the "Tolerate" zone.
- prepared the Control Measures Implementation Plan based on the Risk Register, the risk profile and the Risk Alert Forms;
- monitored and reviewed the implementation process of the Control Measures Plan for significant risks identified at organisational structure level. For this purpose, all risk owners at structure level were contacted and information was obtained on the status of implementation of control measures, issues encountered and new information regarding the level of risk exposure. The information collected was integrated into a report on the status of implementation of the measures.
- reassessed the identified risks, completed and updated the General Risk Register, assessed residual risk and prepared the risk matrix as at 1 December 2025.
- organised and participated in training sessions with external lecturers. Directors, managers, activity coordinators, section heads and risk owners at organisational structure level also attended the training sessions.
- participated together with the Sustainability Team in managing impacts, risks and opportunities (IROs) relating to environmental, social and governance matters - a mandatory stage in the double materiality assessment process.
- assesses monthly the commercial non-payment risk for key customers - human-use medicines - by preparing the risk map, and prepares the Commercial Non-Payment Report quarterly.
- identified and updated, together with project owners, the "Risk Analysis of the STEP Project - Inova a+ Research and Development Centre and Production of Critical Medicines" - risk assessment analysis.
- prepared together with project owners the "Risk Analysis of the ERP SAP Digitalisation Project - post-implementation stage".

- Preventive commercial risk management actions through the analysis and management of non-payment risk - in 2025, more than 145 business partners were analysed and verified, for whom Analysis and Evaluation Reports were prepared. Both quantitative checks - financial indicators - and qualitative assessments - insolvency/debts, information from the electronic archive of security interests in movable property, information from open sources concerning acts of corruption - were carried out for suppliers of raw materials, distributors of human and veterinary medicines and service providers (gas suppliers, electricity suppliers, training providers, carriers).
- Periodically informed Company management through Quarterly Activity Reports, Critical and Commercial Risk Reports, and specific risk reports on the STEP and ERP-SAP projects.

The overall risk score calculated at the end of 2025 is 4.68, indicating a 21% reduction compared with the first quarter of the year (5.94). The overall risk score is calculated on the scale used for exposure, from 1 to 25. This development reflects both a genuine maturation of the risk management system and the tangible effect of implementing the Risk Management Measures Plan.

Chair of the Risk Management Committee,
Corina VULPES