

A summary of the Company's Risk Register comprising mainly of High and Extreme inherent Risks is provided in the report below.

Sr. No.	Classification	Description	Key Risk Indicators	Mitigation	Risk Level	
					Inherent	Residual
1.	Strategic Risk	<p>1.1 Our business, financial condition and results of operations may be negatively affected if we are unable to compete effectively in our markets.</p> <p>The pharmaceutical industry is highly competitive. Our key competitors are large national and international manufacturers and distributors of pharmaceutical and healthcare products. In addition, we compete with local manufacturers and distributors of pharmaceutical products and other healthcare product providers in each market in which we operate. Thus, we may be impacted by competition from competitors' products and we cannot assure you that we will be able to remain competitive by continually distinguishing our products and services from that of our competitors', or maintain our existing supplier and customer relationships. Nor can we assure you that we will increase or maintain our existing market share.</p>	<ul style="list-style-type: none"> Reducing Gross Margins Reducing in turnover growth rate Reduction in Brand and company ranking 	<ul style="list-style-type: none"> Niche/New Products Understand the market Innovative Products through active engagement with stakeholders Track key financial ratios 	High	Medium
		<p>1.2 We may not be successful in introducing new products.</p> <p>We believe a critical component of the ongoing success and sustainable growth of our Mega We Care™ branded products business is our ability to develop and introduce new products into our portfolio, particularly branded generic products, through a combination of both in-house product development and the procurement from third parties through arrangements including but not limited to purchase of technical dossiers for submission of new products for regulatory approval and</p>	<ul style="list-style-type: none"> Less or no new products introduced Reduction in revenue growth Higher PBT in short run due to lower investments in new product introduction Product recalls/product failures. 	<ul style="list-style-type: none"> Credible partners with higher reference standards Risk based supplier selection Adopt higher regulatory standards Strengthen Business Development practices 	High	Low

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		<p>or registering and marketing third party brands under Mega's trademarks under defined term contracts with options to renew.</p> <p>As such, the success of our new product candidates is highly dependent on our ability to identify a generic formulation of existing drugs, to develop these drugs in a cost-effective and timely basis, and to commercialize them successfully. The products need to be tested and prove to be equally effective. The development and commercialization process involves a high degree of business risk. Registration and approvals may get delayed and our competitors may grab the market share. In addition, our product candidates, may not be functionally or commercially feasible. This may negatively impact our business in a material manner. The Efficacy of our products and the perceptions in the minds of the customers/consumers is critical to our survival and growth and any reduction in these indices may adversely impact our revenues and profits.</p>				
		<p>1.3 Risks associated with doing business in Myanmar</p> <p>For the fiscal year ended December 31 2022, 2023 and 2024, approximately, 39.9%, 42.1%, and 37.3% respectively, of our total consolidated group revenues came from Myanmar.</p> <p>Since November 1997, Myanmar was governed by the State Peace and Development Council, formerly known as the State Law and Order Restoration Council, a military-dominated regime that previously governed Myanmar from 1988 to November 1997. Myanmar has experienced opposition from pro-democracy, religious and ethnic groups in recent years, with such opposition having at times included armed resistance.</p>	N.A.	<ul style="list-style-type: none"> Compliance local and global laws Focus on Pharmaceutical and Consumer goods which are in the range of essential products and hence mostly not subject to sanctions Stringent compliance with the policies of Principals 	High	High - Medium

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		<p>Although the government of Myanmar has in recent years instituted certain market-based economic and financial reforms, such as the sale of state-owned assets, much of the economy remains state-dominated as a result of past socialist economic initiatives. A new constitution was ratified in May 2008 through a nationwide referendum. In November 2010, Myanmar held its first elections in two decades, although key opposition leaders boycotted the election. Since March 2011, the new president has shown leanings towards democratization, freed several political prisoners, taken steps to liberalize the state-controlled economy and permitted parliamentary elections, which were overwhelmingly won by the opposition party. The Country witnessed a Military coup on February 01, 2021. The government has promised to hold free and fair election in the near future. However, the economy is under sanctions. In any event, we cannot assure you that political or economic developments in Myanmar will always be positive, nor not have a negative effect on our business, financial condition, results of operations and commercial opportunities. Should such reforms by the Myanmar government fail, the occurrence of such events may negatively affect our business, results of operations, financial condition and commercial opportunities in a material manner.</p>				

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		<p>1.4 Our continued growth depends, in part, on increases in real disposable income and per capita spending across countries in which we operate, each of which may not grow as rapidly as it has in the past or may not grow at all.</p> <p>While real disposable income and per capita spending on products across countries in which we operate have generally risen in recent years, each may not grow as rapidly as it has in the past or may not grow at all, which might cause our business, financial condition, results of operations and commercial opportunities to be negatively affected in a material manner.</p>	<ul style="list-style-type: none"> • Consumers inclination towards cheaper generics • Decline in Public Health • Heightened government intervention in pricing and purchase of healthcare products 	<ul style="list-style-type: none"> • Competitive Pricing • Niche products marketing to safeguard margins • Aggressive branding • Practice and Build quality image • Elevate the communities through health and economic awareness 	High	High - Medium
		<p>1.5 We may not be able to successfully identify, acquire or integrate future projects.</p> <p>One of our business strategies is to take advantage of the consolidation trend in the highly fragmented pharmaceutical industry in our frontier and emerging markets by engaging in acquisition transactions, such as our acquisition of the Eugica™ brand, including intellectual property and title documents in relation to the products manufactured and distributed under the Eugica™ brand, from DHG Pharmaceutical Joint Stock Co. on December 12, 2012, acquisition of enterprise as well as brands of Bio-life Marketing Sdn. Bhd., Malaysia on November 30, 2016, certain pharmaceutical brands forming entire business of Sandoz® in Myanmar and Ethiopia in December 2018 and Manufacturing facility in Indonesia in February 2020. In addition, in order to expand our business, we may identify, pursue and set up joint venture projects from time to time. Our acquisition strategy entails the following risks, among others</p>	<ul style="list-style-type: none"> • Reducing performance parameters • Potential or actual impairment of investments reflected in the financial statements • Declining vertical with which the newly acquired business is integrated • Declining market share/market presence • Reducing Margins 	<ul style="list-style-type: none"> • Calibrated integration • Realise synergies efficiently • Monitoring the implementation of above at the highest levels in the Company 	High - Medium	Medium - Low

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		<ul style="list-style-type: none"> • we may incorrectly assess the value of any acquisition target; • we may not realise any of the anticipated benefits from any of the acquisitions we complete; • we may face difficulties associated with integrating the operations and/or the technologies or products of acquired businesses with our operations; • we may experience increasing competition for potential business acquisitions or trademark acquisitions; • we may not have access to sufficient capital to finance potential business acquisitions or trademark acquisitions; and • we may not be able to retain key employees of companies acquired by us or key employees necessary successfully commercialize technologies and products that we acquire. <p>In addition, businesses that we acquire may not have internal control policies (in particular with respect to accounting control procedures and general internal controls) in place which may incur extra costs and expenses when integrating the operations of acquired businesses into those of our group. Failure to make acquisitions may also impact our ability to grow business and it may adversely affect our Revenue and profits.</p>				

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		<p>1.6 Our Controlling Shareholders are able to exercise significant influence over us.</p> <p>Our controlling shareholders, namely Unistrech Co., Ltd. Owned by the Shah family, will own more than, directly and indirectly, at least 50.0% of our entire issued share capital in aggregate. Accordingly, our controlling shareholders will have the ability to exercise significant influence over our business and on decisions in shareholder meetings except in cases which may require a three fourths majority.</p>	<ul style="list-style-type: none"> Declining standards of Governance Declining performance Stakeholder feedback 	<ul style="list-style-type: none"> Transparency in information and management Maintain standards of Governance Stakeholder engagement 	Medium	Low
		<p>1.7 Risks relating to the ownership of our shares</p> <p>We may not be able to or may elect not to pay dividends.</p> <p>Our dividend payment policy is to pay dividends in the amount of not less than 25.0% per cent of our annual net profit (after corporate income tax and appropriation of statutory reserves) from the date the Company has been listed on the SET. However, the dividend payment for each year may vary depending on our business operations, financial condition, investment plan and the need for working capital for business operations and expansion as well as other relevant factors. Board of Directors may decide to leverage funds for pursuing growth and expansion opportunities instead of paying higher dividends and the Board of Directors may consider paying a lower rate of the specified dividends or may elect not to pay any dividends at all, which may impact our ordinary share price after being listed on the SET.</p>	<ul style="list-style-type: none"> Reducing financial performance Less than desirable Financial ratios Market presence challenged 	<ul style="list-style-type: none"> Disclosures and transparency Strategic Focus Stakeholder engagement and addressing stakeholder concerns Innovation and technology 	High	High - Medium

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		<p>1.8 We depend substantially on the knowledge and proficiency of our key management personnel, and our business, cash flow, results of operations, financial condition and commercial opportunities may be negatively affected if we lose their services.</p> <p>Our future success depends heavily upon the continued services of our key management personnel. Our ability to attract and retain key personnel, in particular, senior management, key product development personnel and key sales and marketing personnel, is a critical aspect of our competitiveness. Competition for these individuals could require us to offer higher compensation and other benefits in order to attract and retain them, which would increase our operating expenses and, in turn, could materially and adversely affect our business, result of operations, financial condition, results of operations and commercial opportunities. We may be unable to attract or retain the personnel required to achieve our business objectives, and failure to do so could severely disrupt our business and prospects. Furthermore, if any of our executive officers join a competitor or form a competing company, we may lose a significant number of our customers, which could have a negative effect on our business, cash flow, result of operations, financial conditions and commercial opportunities.</p>	<ul style="list-style-type: none"> • High Turnover ratio at senior-middle management levels • Inertia at Junior-Middle level employees • Inadequate training/development opportunities 	<ul style="list-style-type: none"> • Monitoring and Reporting turnover at all levels • Emphasis on Human Capital Development • Retention of Middle-Senior management to ensure continuity • Succession plans 	High - Medium	Low

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2.	Regulatory Risk	<p>2.1 If we are unable to protect our intellectual property, trademarks and trade secrets, our business, results of operations, financial condition and commercial opportunities could be negatively affected in a material manner.</p> <p>Our success depends in part on our ability to protect and maintain our proprietary trademarks. We seek to protect our trademarks under trademark protection laws in Thailand and other jurisdictions, as well as employee and third party confidentiality agreements.</p> <p>As of December 31, 2024, we had 3,975 trademark registrations. Apart from the lengthy, time consuming and cumbersome process of seeking trademark approvals we may be issued one or we also have a risk of rejection of our application. We cannot assure you that our pending trademark applications, or any trademark applications we may make in the future in respect of other products, will result in an issued trademark, or that any trademark registrations issued in the future will be able to provide us with meaningful protection or commercial benefits. The trademarks applications and registered trademarks may be challenged, invalidated or circumvented in the future.</p> <p>In addition we also have trade secrets which are more often in our case than patents and we seek to protect these trade secrets in part by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as:</p> <p>(1) employees;</p> <p>(2) corporate collaborators;</p> <p>(3) contract manufacturers;</p> <p>(4) consultants; etc.</p>	<ul style="list-style-type: none"> Increased level of litigation and consequent rise in legal costs Expensive product rollbacks or changes in branding campaigns Market presence challenged 	<ul style="list-style-type: none"> Trademark risk analysis Stringent branding processes prior to product launch Market intelligence and Trademark enforcement Corporate governance processes including Code of Conduct 	High - Medium	Low

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		<p>Not with standing these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim against a party that illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable.</p> <p>If any of our trade secrets were to be disclosed to, or independently developed by, a competitor, our competitive position, results of our operations, financial condition and commercial opportunities would be negatively affected in a material manner.</p>				
		<p>2.2 Our ability to set our prices solely in accordance with market forces is restricted in Vietnam by government price limits adversely affecting our business revenue and profits</p> <p>Prices of pharmaceutical products in Vietnam are subject to the regulation and approval of the government. We must publicly declare the prices of our pharmaceutical products (import prices, wholesale and retail prices) prior to distribution, and submit one price dossier for approval to the Drug Administration of Vietnam (“DAV”) and another for filing. If any changes in pricing are proposed to be made, the process must be re-started and a new approval obtained. If our proposed pricing is acceptable, the DAV will issue a receipt of acknowledgement in respect of our price declaration and alternatively the DAV will request that we reconsider our proposed pricing and re-submit. This limits our ability to price our products in accordance with traditional economic principles and we cannot predict the nature of any measures that may be adopted in the future by the Vietnamese government to control prices.</p>	<ul style="list-style-type: none"> Declining Margins Reduced product lifecycle Market domination by cheap generics Market may embrace lower regulatory standards 	<ul style="list-style-type: none"> Introduce new products with higher standards Rebranding with credible products Establish image as a high quality product company Champion higher regulatory standards Competitive sourcing 	High	Medium

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		<p>2.3 We may not be able to fully comply with applicable regulatory and accounting requirements or renew our certifications and other permits and licenses which enable us to conduct our business. Non-compliance with, changes in or amendments to these regulatory and accounting requirements could have a negative effect on our business, financial condition and results of operations.</p> <p>Our manufacturing, marketing and distribution activities require us to obtain certain permits and licenses which have certain conditions to be complied with and these conditions may change or get more stringent/detailed in the future. There are government and regulatory bodies involved in granting such licenses/permits and certain protectionist measures may be adopted in the interest of the host markets. Furthermore, we may be required to apply for additional permits, licenses or certifications if any interpretation or implementation of the relevant current regulations change, or if new regulations requires us to obtain additional permits, licenses or certifications.</p> <p>Changes to, or different interpretations of, accounting methods or policies may require us to reclassify, restate or otherwise change or revise our financial statements, including those contained in this filing.</p>	<ul style="list-style-type: none"> • Fines/Penalties • Non-Compliances reported • Regulatory interventions in operations • Reducing margins • Asset write-offs/ Impairments 	<ul style="list-style-type: none"> • Monitoring compliance • Internal Audits • License renewals • Regulatory standards 	High - Medium	Low

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		<p>2.4 The economic, political and social conditions and government policies in some of our major markets could affect our business, results of operations, financial condition and commercial opportunities.</p> <p>As of December 31, 2023 and 2024, a significant portion of our consolidated group revenues are derived from a number of emerging frontier markets or countries, such as Myanmar, Vietnam, Cambodia, Nigeria, Yemen, Ukraine and Peru (“Major Risk Markets”), which accounted for approximately 69.7% and 65.7% of our consolidated group revenues. Accordingly, our financial condition and results of operations as well as the growth of our business will be affected to a significant extent by economic, political and legal developments in any of the Major Risk Markets. These international operations are subject to certain specific risks that can materially affect our results of operations and can be summarised as follows:</p> <ul style="list-style-type: none"> • unsettled political conditions, war, civil unrest and hostilities in some countries and regions where we operate or seek to operate; • undeveloped legal systems; • economic instability in foreign markets; • the impact of inflation; • natural disasters; • an inability to access necessary human capital; 	<ul style="list-style-type: none"> • Asset write-offs/ Impairments • Unrealizable dues • High fluctuations in Currency rates • Frequent change in regulations • Declining performance 	<ul style="list-style-type: none"> • Asset Light approach i.e. maintaining low asset base • Moderate to low capital investment • Competitive pricing • Long term view of business • Resilience • Compliance with regulations 	Extreme	High - Medium

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		<ul style="list-style-type: none"> • governmental action such as expropriation of assets, general legislative and regulatory environment changes, exchange controls and the difficulty of enforcing contractual rights; • restrictions on foreign investment in certain jurisdictions; and • changes in global trade policies such as sanctions and embargoes imposed by the United States and other countries. <p>Although the economies of the Major Risk Markets have been transitioning from tightly government-controlled economies to more market-oriented economies, the majority of productive assets in such Major Risk Markets are still owned by their respective governments. The governments of the Major Risk Markets also exercise significant control over the economic growth through allocating resources, controlling repayments of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. In the Major Risk Markets we may experience difficulties in effecting service of legal process and enforcing judgments against persons who breach contractual or legal duties to us, or violate our trademarks and licenses.</p>				

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		<p>2.5 We deal with hazardous materials and must comply with environmental laws and regulations, which can be expensive and restrict our business operation.</p> <p>Our activities involve the controlled storage, use and disposal of hazardous materials, including corrosive, explosive and flammable chemicals, and biological waste. We are subject to federal, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials.</p> <p>Although we believe that our safety procedures for the handling and disposing of these materials comply with the standards prescribed by these laws and regulations, we cannot assure you that we would be able to eliminate the risk of contamination or injury from these materials.</p>	<ul style="list-style-type: none"> • Environmental violations • Compliance violations • Waste Inefficiency • Increased cost of operations 	<ul style="list-style-type: none"> • ESG compliance and reporting • Transparency in compliance 	High - Medium	Low

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		<p>2.6 Our Mega We Care™ branded products business is highly regulated, and future government regulations may place additional burdens on our business as well as have a negative effect on our business, financial condition, results of operations and commercial opportunities in a material manner.</p> <p>Our Mega We Care™ branded products business is generally subject to extensive government regulation and supervision. In particular, the regulatory framework addresses all aspects of our operations, including approval, production, licensing and certification requirements and procedures for periodic renewal and reassessment processes, registration of new drugs, quality control, pricing of pharmaceutical products and environmental protection and Violation of these laws, rules and regulations may also constitute civil or criminal offenses under certain circumstances, and could have a negative effect on our business, results of operations current and or future. In addition, the relevant government authorities may also introduce policies that are unfavorable to the pharmaceutical industry by terminating or materially altering any favorable policies, or introducing any unfavorable policies, which could have a negative effect on our business, financial condition, results of operation and commercial opportunities in a material manner.</p>	<ul style="list-style-type: none"> • Frequent changes in regulatory framework • Bans/prohibitions on business 	<ul style="list-style-type: none"> • Frequent monitoring • Stakeholder interaction • Competitive pricing • Focus on technology • Company strategy of making high quality products available at competitive prices 	High - Medium	Medium

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		<p>2.7 We may be subject to product liability, personal injury or wrongful death claims or product recalls in connection with our products and services.</p> <p>We are exposed to risks inherent in the manufacturing, packaging, marketing and distribution of pharmaceutical, and nutraceutical products, such as: (1) unsafe products; (2) ineffective products; (3) defective products; (4) contaminated products; (5) improper or inaccurate labeling of products; (6) inadequate warnings or insufficient or misleading disclosures of side effects; and (7) unintentional distribution of counterfeit medicines. In the event of any use or misuse of our products resulting in personal injury or death, product liability claims may be brought against us for damages. We may also be subject to product recalls and any relevant government may close down our operations.</p>	<ul style="list-style-type: none"> • Product Recalls • Quality defects • Excessive or false Off-label claims • After sales concerns gathered by Sales teams • Lack of proactive Regulatory Internal Audits 	<ul style="list-style-type: none"> • Pharmacovigilance qSOPs and action • Robust Regulatory Audit schedule • Compliance with quality standards • Controls on Off-Label claims • Pragmatic Marketing Code of Conduct • Product Liability Insurance 	Extreme - High	Medium
3.	Financial Risks	<p>3.1 Changes in foreign currency exchange rates could negatively affect our business, results of operations financial condition, or commercial opportunities in a material manner.</p> <p>In our operations, there are transactions and balances denominated in currencies other than the Thai Baht (which is the currency used to report our results of operations and financial condition in our financial statements). As such, we are exposed to the risk of such changes in foreign currency exchange rates in the event that we cannot immediately pass on the effect of any such devaluation in our pricing to our customers.</p>	<ul style="list-style-type: none"> • High Levels of foreign Exchange losses/Gains • Diverse currencies along with significant gaps in foreign currency assets and liabilities 	<ul style="list-style-type: none"> • Balancing Foreign currency assets and liabilities • Transaction timing management • Foreign currency hedging - Natural and otherwise • Reporting and transparency • Limit the basket of currencies 	High - Medium	Medium - High

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		<p>3.2 Our level of insurance coverage may not be adequate.</p> <p>Although we maintain insurance coverage that we believe is in accordance with customary industry practice, we are not fully insured against certain risks because such insurance is either not available at all or not available on commercially reasonable terms. In addition, we do not carry coverage for timely completion of our projects under development, loss of rent or profit or defects in the quality of materials used. Should an uninsured loss or a loss in excess of insured limits occur, we may lose the capital invested in, and the anticipated revenue from, the affected assets. In addition, any payments we make to cover any uninsured loss of the insurer of such event, may have a negative effect on our business, financial condition and results of operations in a material manner.</p>	<ul style="list-style-type: none"> Asset write-offs, impairments, etc Reducing bottomlines Increased risk of impairment Accounting provisions 	<ul style="list-style-type: none"> Periodic Insurance review Securing all the assets KPIs of responsible staff/Management 	High	Low
		<p>3.3 Our financial performance may be affected by fluctuations in interest rates.</p> <p>As of December 31, 2023 and 2024, based upon our consolidated financial statements, we have, on a consolidated basis, outstanding loans from financial institutions in the amount of Baht 76.0 million and 287.6 million respectively, which are subject to floating interest rates leading to a possibility of fluctuations in interest costs and thus negatively impact our business and profits and that too potentially significant.</p>	<ul style="list-style-type: none"> Increasing interest costs 	<ul style="list-style-type: none"> Stakeholder engagement Banking relationships Diverse financial instruments 	Medium	Low

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4.	Operational Risks	<p>4.1 Our failure to maintain the principals of our Maxxcare™ distribution business segment could have a negative effect on our business.</p> <p>Our Maxxcare™ distribution business division distributes substantially all products to customers through a distribution network that currently consists of our own distribution infrastructure in Myanmar, Cambodia and Nigeria and in Vietnam through strategic tie-ups as an aggregator. In addition to distributing our own Mega We Care™ branded products in these countries, our Maxxcare™ distribution business also distributes healthcare and FMCG products for international pharmaceutical and international and local FMCG companies in Cambodia and Myanmar and through strategic partners and aggregating arrangements in Vietnam. These distribution activities accounted for 46.9% and 43.2% of our consolidated group revenues for fiscal year ended December 31, 2023 and year ended December 31, 2024 respectively. We typically distribute such products pursuant to the relevant agreements entered into directly between us and such principals, under which our principals provide us with a series of incentives and other support to distribute their products.</p>	<ul style="list-style-type: none"> • Sudden/Abrupt Fall in business revenues • Inability to attract new Principals • Reducing margins due to competition 	<ul style="list-style-type: none"> • Service standards • Build Cost • Competitive/sensitive business • Investment in technology and skill development • Compliance 	Extreme - High	High - Medium

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		<p>The arrangements which support our Maxxcare™ distribution business operations are typically short-term in nature, and are generally renewed every three years and can be terminated by six months' notice by either party. We cannot assure you that the principals of our Maxxcare™ distribution business will continue to sell products to us on commercially acceptable terms, or at all, or that such distribution arrangements will continue. We also cannot assure you that we will be able to establish new distributor relationships, or renew our agreements with our principals when they expire. We cannot assure you that the principals of our Maxxcare™ distribution business will continue to sell products to us on commercially acceptable terms, or at all, or that such distribution arrangements will continue. We also cannot assure you that we will be able to establish new distributor relationships, or renew our agreements with our principals when they expire. In addition, we cannot assure you that there would not be material changes in our relationships with principals due to reasons beyond our control. The agreements may be terminated/not renewed and thus discontinued thereby affecting our revenues and contribution from Distribution/Maxxcare business.</p>				

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		<p>4.2 If we are unable to operate our Maxxcare™ distribution business efficiently, our business may be negatively affected.</p> <p>Our ability to meet the demand of our principals within our Maxxcare™ distribution business may be constrained if we are unable to efficiently operate our Maxxcare™ distribution business, or if the operations of one or more of our subsidiaries or warehouses are disrupted or shut down for any reason including as a result of natural disasters. Any such disruption could result in higher costs or longer lead times associated with product distribution. In addition, as it is difficult to predict accurate sales volume in the distribution industry, we may be unable to optimize our distribution operations, which may result in us:</p> <p>(1) having excess or insufficient inventory;</p> <p>(2) being unable to efficiently warehouse products; and</p> <p>(3) having a decreased ability to distribute products. Any failure to effectively operate our distribution processes may also materially decrease our operating margins and reduce our profitability.</p>	<ul style="list-style-type: none"> • High turnover rate of Principals • Excessive inventory levels • Overdues in payables to Principals • Delays in fulfilling sales orders • Increased costs of supply chain 	<ul style="list-style-type: none"> • Monitor inventory and capital investment in distribution business • Modular warehousing and other distribution infrastructure • Cost sensitive operations • Costing of operations 	High	Low

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		<p>4.3 We rely on our distributors for transacting sales of our Mega We Care™ branded products. Other than in Myanmar, Vietnam (through strategic partners), Cambodia, Nigeria, Yemen and Ghana, where we have set up our own distribution infrastructure, we use third party distributors to distribute our Mega We Care™ branded products in each relevant country.</p> <p>In line with industry practice, we generally do not have long-term agreements with such third-party distributors, though we have established long-term relationships with many of them.</p> <p>We cannot assure you all of our distributors will renew their agreements with us, or otherwise continue their business relationships with us. Neither can we assure you that our distributors will meet performance targets in the future.</p>	<ul style="list-style-type: none"> • Frequent Changes in Distributors • Reducing revenues • Increasing costs of distribution 	<ul style="list-style-type: none"> • Improved engagement with Distributors • Market updates • Timely Contract renewals 	Medium	Low
		<p>4.4 The continued success of our marketing and sales team is subject to a variety of risks.</p> <p>The performance of our marketing and sales team is subject to certain risks, including:</p> <ul style="list-style-type: none"> • inability to successfully execute advertising, marketing and promotional programs necessary to effectively maintain market share and increase the awareness of our brands, products and services; • failure to implement effective pricing and other strategies in response to competitive pressures in the industry; • inability to respond to changes in consumer demand in a timely manner; • failure to adhere to, or comply with, any relevant local laws, rules or regulations; and 	<ul style="list-style-type: none"> • Reducing revenues • Reducing Margins • Erosion in market share • Regulatory penalties 	<ul style="list-style-type: none"> • Performance monitoring • Maintain margins/ market share • Compliance risk assessment 	High	Medium

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		<ul style="list-style-type: none"> failure to comply with the terms prescribed within the regulatory or governmental permits, approvals and clearances, or to pass government inspections or audits. <p>The occurrence of any such circumstances could have a negative effect on our business, results of operations, financial condition, reputation and commercial opportunities in a material manner.</p>				
		<p>4.5 If our raw material cost increase, or if we are unable to procure raw materials at acceptable prices and quality, it may negatively affect our business.</p> <p>Our Mega We Care™ branded product business and our OEM business division depend heavily on the supply of 4 categories of raw materials, being:</p> <p>(1) active ingredients; (2) excipient; (3) packaging; and or (4) gelatin.</p> <p>Any decrease in the supply, which may occur for various reasons, for example, due to changes in the natural climate, natural disaster, sudden increase in demand or an increase in the cost of raw materials (particularly active ingredients and gelatin), could lead to an increase in the costs of the procurement of raw materials.</p>	<ul style="list-style-type: none"> Rising costs of manufacturing Single supply sources Fluctuations in supply prices 	<ul style="list-style-type: none"> Stakeholder engagement Market intelligence Alternate supply sources and engagement 	High	Medium

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		<p>that we would be able to pass on any increase in raw material costs to our customers, which may negatively affect our business, results of operations and financial condition in a material manner.</p> <p>In order to manufacture our products, we must obtain sufficient quantities of high-quality raw materials at commercially acceptable prices and in a timely manner. As such, we typically do not enter into long-term supply agreements with raw material suppliers and as a result are vulnerable to supply shortages and fluctuations in market prices. Should any of our suppliers fail to supply sufficient quantities of raw materials of an acceptable quality in the future, we may be unable to obtain replacement raw materials elsewhere in a timely and cost effective manner. We may also be forced to obtain raw materials from different suppliers, who may require us to pay prices that are not commercially reasonable or may provide us with raw materials that are not of an acceptable quality. This may consequently disrupt our manufacturing process and negatively affect our business, results of operations and financial condition in a material manner.</p>				

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		<p>4.6 We rely largely on our own manufacturing and storage facilities in the manufacturing and storage of our products. Any disruption of our current facilities or in the development of new facilities could reduce or restrict sales and have a negative effect on our business, financial condition and results of operations in a material manner.</p> <p>We rely largely on our own manufacturing and storage facilities for the continued operation of our Mega We Care™ branded products business and our OEM business.</p> <p>As such, natural disasters, such as storms, fires or earthquakes, or other unanticipated catastrophic events, including power interruptions, water shortages, terrorist attacks and wars, as well as changes in governmental regulations for the land underlying these facilities, could significantly impair our ability to manufacture products and operate our business.</p> <p>Due to the current higher standards of manufacturing, as such, if we are forced to re-locate any or all of our manufacturing facilities after experiencing any of the aforementioned disasters, our expenses may rise due to the cost of relocating our tools and equipment to a new manufacturing facility. There may also be delays in obtaining necessary re-certification from the relevant national authorities.</p>	<ul style="list-style-type: none"> • Single Location concentration • Absence of engagement with third party suppliers • Excessive maintenance/renovation costs 	<ul style="list-style-type: none"> • Third party suppliers for finished goods formulations • Alternate contracts for continuity • Alternate manufacturing locations 	Extreme - High	Medium

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		<p>4.7 The existence of counterfeit products in the pharmaceutical retail market may damage our brand and reputation and have a negative effect on our business, financial condition, results of operations and commercial opportunities.</p> <p>Certain products distributed or sold in the pharmaceutical and health care retail market in certain markets may be manufactured without proper licenses or approvals and/or intentionally and fraudulently mislabeled with respect to their content and/or manufacturer. These products are generally referred to as counterfeit products. These products are generally sold at lower prices than authentic products due to their lower production costs, and in some cases, are very similar in appearance to the authentic products. Furthermore, counterfeit products may or may not have the same chemical content as their authentic counterparts.</p> <p>Continued proliferation of counterfeit products may reinforce the negative image of distributors and retailers among consumers, and may severely harm the reputation and brand names of companies like ours. As a result, the continued proliferation of counterfeit pharmaceutical products in our operating markets could have a negative effect on our business, results of operations, financial condition and reputation.</p>	<ul style="list-style-type: none"> Reducing margins Eroding brand image Regulatory warnings 	<ul style="list-style-type: none"> Market intelligence Aggressive IP enforcement Stakeholder engagement Vigilance 	High	Medium

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		<p>4.8 Failure to maintain adequate inventory levels could increase our operating costs or cause us to lose sales, either of which could have a negative effect on our business, results of operations, financial condition and commercial opportunities in a material manner.</p> <p>We need to maintain sufficient inventory levels to operate our Mega We Care™ branded products business and our Maxxcare™ distribution business successfully as well as to meet market demand. At the same time, we are exposed to the risk of excess inventory accumulation, especially of our Mega We Care™ branded products. We cannot assure you that we can accurately predict these market trends and events, including avoiding over-stocking or under-stocking products, for the following reasons:</p> <ul style="list-style-type: none"> • demand for products could change significantly between the time product inventory is ordered and the time it is delivered for sale; • when we begin to introduce a new product into the market, it is particularly difficult to forecast product demand accurately; and • the purchase of certain types of inventory may also require significant lead time. <p>Inventory levels in excess of customer demand may result in:</p> <ol style="list-style-type: none"> (1) setting up of reserves or inventory write-downs; (2) expiration of products; or (3) increase in inventory holding costs. <p>As such, the occurrence of which could have a negative effect on our business, results of operations, financial condition and commercial opportunities in a material manner.</p>	<ul style="list-style-type: none"> • Stock outs • Loss of market share • Declining Margins and Revenues 	<ul style="list-style-type: none"> • Monitoring and control • Supplier engagement • Market intelligence • Budgetary Control 	High	Medium - Low

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5.	Emerging risks	5.1 There is a growing as our business environment changes, data convergence with third parties and cyber security threats become more sophisticated. Emerging technologies and embracing new business models may also heighten the risk. Failure to maintain our customer, product and or corporate data can result in reputational, financial and regulatory implications. However, to mitigate this we have implemented company wise controls, cyber security awareness and training programs. We also continually review our security controls based on known threats and updated intelligence.	<ul style="list-style-type: none"> Threats to business continuity Hacking incidents Data breach 	<ul style="list-style-type: none"> Data Security training Access Control Firewalls and virus protection Establishing credibility of sources converging with Company's information security systems 	High	Low
		5.2 Sustainability Our high quality standards and sustainability combined with inherent scarcity of the raw materials/ ingredients for our products run a risk of shortage of such materials. Combined with these factors and Mega's strategy to supply to fast growing under developed and developing countries may lead to a shortage of supplies and there is a risk of climate change affecting the supplies in response to rising demand. However, Mega has a process oriented approach for selecting suppliers not only compliant with the requirements of Good Manufacturing Practices but much beyond those standards. Mega takes all steps necessary to ensure sustainability of supplies including maintain effective long term relationships with credible suppliers, high level of technology in forecasting, investing in long term relationships and blend these factors with an advantage of flexible captive manufacturing facility.	<ul style="list-style-type: none"> Environmental non-compliance No or scarce reporting Absence of leadership involvement 	<ul style="list-style-type: none"> ESG reporting Transparency in reporting non-compliances, fines, etc Setting Targets 	Extreme - High	High - Medium

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		5.3 Data Privacy and related regulatory Environment <p>Mega has invested in building an information technology environment which involves collection and processing of data. Data including personal data remains an important part of the intellectual property. Countries have announced their data protection laws which includes privacy and usage of data to the extent approved by the data owners. In addition, data is collected and stored on servers maintained by third parties offering cloud computing on professional basis. Mega has in place a Data Privacy policy and framework. Mega also has a contemporary computer security system and a policy for restricted use of data in the company's possession. Mega also has restrictions in its agreements with vendors to safeguard Mega's proprietary data. Mega has in place a system of stress testing and infrastructure audits by third parties.</p>	<ul style="list-style-type: none"> • Data Breaches • Fines/reporting • Complaints/whistle Blowing 	<ul style="list-style-type: none"> • Stakeholder engagement • Reporting • Cyber security measures including training • Optimize data requests 	High	Medium
		5.4 Post-Pandemic recovery <p>Society has seen a significant increase in consumption of supplements, NSAIDS and immunity building products during the Pandemic period. This has attracted new local and foreign competitors in the market. Regulatory bodies have opened gates for production and sale of pharmaceutical products and medicinal supplements. The new demand and new players will elevate their aggression to retain their market share and revenues in the markets including those where Mega Lifesciences is present.</p>	<ul style="list-style-type: none"> • Increase in competitors • Falling margins • New Brands 	<ul style="list-style-type: none"> • Focus on Quality • Aggressive branding • Competitive pricing • Building brand image as a credible long term player • Focus on Human wellness 	Extreme - High	High

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		Pharmaceutical companies have expanded capacities to cope with the increase in demand of certain products and will now utilise the capacity for other products. The market will see serious changes including reduction in demand for supplements and return back to slightly above pre-pandemic levels and higher number of competitors.				
6.	Bribery Risk	<p>The Company deals with government and public hospitals, government agencies, regulatory bodies, certification bodies and various other checks and certifications which are preconditions to obtaining licenses and also conducting regular business.</p> <p>Management and employees are under constant pressure to maintain, build and grow business and our businesses are conducted in developing and under-developed markets. Mega Lifesciences appoints various third parties to conduct business on its behalf especially in distribution, importation, trademark registration, regulatory services, logistics and certain other services. Mega Lifesciences also conducts distribution business for third party principals and is under increasing pressure to ensure compliance in its dealings with the customers which include government hospitals, government bodies directly or through tenders.</p>	<ul style="list-style-type: none"> • Multiple licenses across countries • Poor governance in underdeveloped/developing markets • Higher expectations from third party Principals under distribution contracts • Reducing margins • Outsourced services 	<ul style="list-style-type: none"> • Corporate values • Anti-Corruption training and monitoring • Financial and internal Audits • Agreements with service providers including clauses for sustainability, anti-corruption, personal data protection, etc 	High	Medium - Low