

Dear Partners,

ExtractumPharma zrt. feels it is necessary to inform you about the situation and actions taken at our company in connection with COVID-19.

Because of our prominent role in healthcare - in this challenging situation - we believe it is important to continue to work smoothly with our partners to ensure safe and balanced supply of medicines to the patients.

To ensure this, the management of ExtractumPharma Zrt. together with all its staff, will make all effort to ensure that sales, production, quality control, quality assurance and delivery of goods can continue to meet market needs in the forthcoming period during the circumstances of the coronary epidemic virus.

In addition to the above, our company has taken a number measures - a few of them are outlined as below:

- According to our today's knowledge, none of the employees of our company are affected by the coronavirus epidemic, and as a result the pharmaceutical production is running. However, there may be temporary delays and partial shipments in the delivery of customer orders, of which our colleagues will keep you informed.
- Employees over the age of 60 and employees affected by school closure involving their children have been ordered to take their annual paid leave.
- By creating the necessary infrastructure, work from home have been made available to workers who are not involved in the production directly.
- We have implemented specific stringent hygiene standards in the premises of our pharmaceutical plant and warehouse. Our suppliers and customers are requested to comply with these standards when dispatching and receiving goods.
- Although there is an increase of delivery time of some excipients and packaging materials - our supplier partners have reported minor delays - but overall, we believe that with our considerable effort the safe delivery of pharmaceuticals can be accomplished on our part.
- Due to industry specific issues, the sales of some of our products has risen sharply and needs to be continuously addressed due to regulatory negotiations.
- Our manufacturing, quality control, quality assurance and logistics capacity related to our current confirmed orders is heavily utilized, so we are constantly monitoring the effects of future changes and paying special attention to our raw material stock management.
- We strive to ensure digital and telephone consultation with our partners, but unfortunately minor disruptions may occur. Therefore, we apologize in advance.

For this reason, we consider continuous consultation with our trading and cooperative partners to maintain our strategic cooperation and to ensure appropriate production capacity and deliveries, taking into account circumstances that may arise due to the epidemic.

We kindly request our partners to pay our invoices in due time, as companies only with sufficient cash flow can ensure the smooth supply, production and sales as well as that our employees are financially secure.

Our company continues to strive to secure the existing payment terms, but to do so, it is essential that we meet and enforce the disciplined payment deadlines expected and required by our partners.

In the event of further incidents not yet visible today, either at government level or within our company, we will inform you of any action that may be taken or of any further action that may be required.

Finally, we inform our dear customers and partners who currently have overdue invoices, that in the case of new orders, we are unable to maintain the priority of our production for them until the overdue invoices are settled.

We kindly ask you to take note of the above information in the hope of resolving the crisis caused by the coronavirus as soon as possible.

Yours Sincerely,

On Behalf of the Board of Directors of ExtractumPharma zrt.



Nemes József  
General Director



Budapest, 19<sup>th</sup>/March/2020.