



RISK MANAGEMENT POLICY (ERM)

Edition: 1

SIMTEL TEAM S.A.

Date:
19.12.2025

Statement of the Board of Directors on risk appetite of Simtel Team S.A.

1. Purpose and scope

This Risk Appetite Statement (RAS) sets out the level of risk that Simtel. is willing to undertake it in order to achieve strategic and financial objectives. It applies to the entire organization and controlled entities and is developed in accordance with ISO 31000:2018, COSO ERM 2017 and the requirements of the BVB Corporate Governance Code.

The statement explicitly covers ESG/climate risks, cybersecurity and the responsible use of artificial intelligence, structurally integrated into the Company's ERM.

2. Principles and governance

Simtel's risk appetite framework reflects prudence, materiality, the three lines of defense model and transparency towards the capital market. The responsibilities are distributed as follows:

- **Board of Directors (BoD):** approves the RAS and receives quarterly reports on the risk profile.
- **Audit & Risk Committee (AC&R):** oversees the ERM framework, methodology and key risk indicators (KRI).
- **Executive management:** implements risk management measures and keeps risk registers up to date.

Internal audit: tests the effectiveness of controls and aims to remedy findings.

The RAS reflects prudence, materiality, the three-line defence, and transparency to the market. CA approves RAS, CA&R oversees the ERM framework, methodology and key risk indicators, and management implements measures and maintains risk registers. The Compliance and Internal Audit functions test effectiveness and pursue remediation.

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SIMTEL TEAM S.A.

J2010000564406, Tax No. 26414626

Registered office: Bucharest, sector 6, Splaiul Independenței nr. 319L,
Brussels Building (Building B), Entrance A, Ground Floor

Subscribed and paid-up share capital: 1,628,346.2 Lei



3. Appetite scale

Simtel classifies risk appetite into four levels: zero, low, moderate, and high. Deviations beyond appetite require remediation and escalation plan to AC&R. Material incidents are reported within 24–72 hours. The RAG (Red-Amber-Green) traffic light system governs the escalation:

- Green (in appetite): routine monitoring, monthly CRO and quarterly AC&R reporting.
- Amber (at the limit): mandatory correction plan in 30 days; escalation to AC&R if the situation persists.

Red (out of appetite): immediate escalation, notification of the Board within 72 hours, assessment of the obligation of external reporting.

4. Qualitative limits – zero tolerance.

The Company establishes absolute zero tolerance for the following risk categories, which are treated as "out of appetite" regardless of the context, size of the transaction, commercial pressures or instructions received from any external or internal source. These categories reflect the fundamental values of the organization and the conditions necessary to maintain the operating license, the reputation on the capital market and compliance with the applicable legal and regulatory framework.

5. Quantitative tolerances – financial and liquidity.

For operational performance, the EBITDA variation compared to the budget approved by the Board of Directors is accepted at $\pm 5\%$ monthly and $\pm 8\%$ cumulative quarterly; when exceeding a negative deviation of 10% cumulative YTD, the risk goes out of appetite and a correction plan is required and, if necessary, the updating of the public guidance.

For cash flow and liquidity, the company maintains a minimum cash buffer equivalent to two months of fixed costs and debt service; Dropping below a month and a half is treated as exceeding tolerance.

For the treasury position, a quick ratio of at least 1.1x and a current ratio of at least 1.3x are pursued.

For the covenants, Simtel sets its internal headroom of at least 20% compared to the contractual thresholds and targets $\text{Net Debt/EBITDA} \leq 2.5x$ (exceeding 3.0x is out of appetite), $\text{EBITDA/Net Interest} \geq 4.0x$ (below 3.0x is out of appetite) and $\text{DSCR} \geq 1.5x$ (below 1.3x is out of appetite).



For working capital, DSO \leq 75 days represents appetite, between 75–90 days requires a recovery plan, and over 90 days is out of appetite.

6. KRI for EPC projects.

The Company monitors the variation of the margin at completion against the bid base and treats a compression of more than 200 basis points as a material deviation; The cost-over-budget variant of over 5% requires corrective actions, and over 10% is out of appetite.

Deadline slippage over 10% of the duration of the project or over 30 days, whichever is greater, indicates material deviation; indicators of value earned below SPI levels < 0.95 or CPI < 0.95 require remediation, and below 0.90 are out of appetite.

The conversion rate of change orders below 70% in three consecutive months signals the problem of commercial discipline. Reputable and qualitative, the rate of warranty claims above 1% of the project value is considered out of appetite. For withholdings and guarantees, the withholding balance of more than 180 days over 10% of the total withholdings is out of appetite.

7. KRI for counterpart and focus.

The company accepts a concentration of the top five customers up to 55% of the revenue for the last 12 months; Exceeding 65% is out of appetite. DSO greater than 90 days, the share of receivables due over 30 days more than 30% or the deterioration of the external rating at the "watch" level require the revision of credit limits and guarantees; Multiple concomitant cases are out of appetite. The share of uninsured or unsecured exposures above 40% of the total commercial exposure signals an exit from appetite.

8. KRI for liquidity and funding.

The Company maintains confirmed and undisbursed lines of at least 10% of the gross cash outflows forecast for three months; Falling below this threshold or an average absolute cash forecast error of more than 10% over three consecutive months requires corrective action. Outstanding trade debts over 60 days that exceed 15% of total trade debts are out of appetite.



KRI regulation and reporting. The target number of late reports to the BVB/ASF is zero; the number of MAR deviations is zero; transactions with related parties are approved and reported on time, with 100% coverage in the register; The coverage of annual trainings for key personnel must be 100%.

9. Reputational and IR KRIs.

The Company's reputation on the capital market is an essential strategic asset, with a direct impact on the cost of capital, access to financing and the ability to attract and retain quality business partners. Simtel monitors and manages reputational risk through the following indicators:

- Major negative articles in the national or international media without the right to reply within 48 hours: zero target; repeated non-compliance constitutes an over-tolerance;
- Response time to investor questions: < 2 business days for standard questions; < 24 hours for sensitive questions from the perspective of the MAR;
- Publication of materials for public events (presentations, recordings, transcripts): within a maximum of 24 hours on the corporate website and on the BVB platform;

Internal Net Promoter Score (NPS) and ESG ratings (Sustainalytics, MSCI ESG): monitored annually; Significant deterioration compared to the sectoral benchmark requires an improvement plan.

These practices are an integral part of the Company's transparency expectations and are reflected in all IR policies, the Corporate Governance Code and the Capital Market Communication Policy.

10. KRI ESG and climate, health and safety.

Simtel accepts $TRIR \leq 0.8$ and $LTIFR \leq 0.25$, maintains zero fatalities and zero serious accidents, and aims to reduce the intensity of project-related emissions year after year. Environmental incidents classified as "major" are out of appetite, as is the recurrence of "medium" events in the absence of remedies. The integration of these risks into ERM and supply chain due diligence processes is part of the framework adopted.

11. KRI cyber and AI.

The company treats as out of appetite any security breach that compromises personal data, intellectual property, or critical systems. Patching of critical severity vulnerabilities must be completed within a maximum of seven days,



and for high vulnerabilities within a maximum of thirty days; the click-through rate on phishing simulations must remain below 5% during three consecutive rounds; Data loss incidents classified as 'major' have zero tolerance.

Cyber risks and those related to the use of artificial intelligence are recognized as emerging risks materially with the potential for systemic impact, which is growing rapidly with the digitalization of the Company's operations.

Cyber and AI risks are explicitly integrated into the field of ERM and RAS, in line with the requirements of NIS2 (EU Directive 2022/2555 on the security of network and information systems) and the recommendations of ENISA (European Union Agency for Cybersecurity).

12. Appetite for accuracy and discipline in forecasting.

The internal variability of performance is kept in appetite by the EBITDA thresholds above; when the anticipated deviation from the public guidance exceeds $\pm 10\%$ in revenue or EBITDA, the company evaluates the update or withdrawal of the guidance without delay, with publication through a current report and on the website.

13. Monitoring, escalation and review.

The RAS indicators are monitored monthly by the CRO and reported quarterly to the AC&R. Any "amber" deviation for two consecutive months requires a remediation plan at the management level, and any "red" deviation is immediately escalated to the AC&R and, where applicable, to the CA.

Material incidents are reported within 24–72 hours, and the statement is reviewed at least annually or at major changes in context, with a summary included in the annual report.