

Hanoi, March 31th, 2025

**EXPLANATION OF BUSINESS PERFORMANCE
FOR YEAR OF 2025**

Respectfully to: - **State Securities Commission**
- **Hanoi Stock Exchange**

Pursuant to:

- *Legal Regulations on Information Disclosure in the Securities Market;*
- *The audited financial statements for the year of 2025;*
- *The self-prepared financial statements for the quarters of 2025;*
- Vietnam Medicinal Materials Joint Stock Company (stock code: DVM) would like to explain the fluctuations in profit in 2025 compared to the previously announced profit in 2024 as follows:

I. Profit variance between 2025 and 2024:

Content	Code	2025 (VND)	2024 (VND)	Value (VND)	% Change
1. Revenue from sales of merchandise and services	01	1,452,762,828,308	1,580,015,291,142	(127,252,462,834)	(8.05)
2. Revenue deductions	02	1,860,735,316	46,032,000	1,814,703,316	3.942
3. Net revenue from sales of merchandise and services (10 = 01-02)	10	1,450,902,092,992	1,579,969,259,142	(129,067,166,150)	(8.17)
4. Cost of goods sold	11	1,311,030,439,841	1,439,371,590,106	(128,341,150,265)	(8.92)



5. Gross profit from sales of merchandise and services (20 = 10-11)	20	139,871,653,151	140,597,669,036	(726,015,885)	(0.52)
6. Financial income	21	1,557,828,047	4,592,777,323	(3,034,949,276)	(66.08)
7. Financial expenses	22	42,430,767,006	47,700,455,832	(5,269,688,826)	(11.05)
- Of which: Interest expense	23	42,430,767,006	47,700,455,832	(5,269,688,826)	(11.05)
8. Selling expenses	25	6,938,542,677	11,254,728,685	(4,316,186,008)	(38.35)
9. Administration expenses	26	41,911,862,582	28,419,639,298	13,492,223,284	47.47
10. Net profit from business operation {30 = 20 + (21 - 22) - (25 + 26)}	30	50,148,308,933	57,815,622,544	(7,667,313,611)	(13.26)
11. Other income	31	138,724,998	764,986,315	(626,261,317)	(81.87)
12. Other expenses	32	3,268,725,659	3,179,149,538	89,576,121	2.82
13. Other profit (loss) (40 = 31 - 32)	40	-3,130,000,661	-2,414,163,223	(715,837,438)	29.65
14. Total Profit (loss) before tax (50 = 30+40)	50	47,018,308,272	55,401,459,321	(8,383,151,049)	(15.13)
15. Current Corporate	51	7,062,555,153	7,526,574,665	(464,019,512)	(6.17)

9056
 GTY
 HÂN
 LIỆP
 NAI
 HỮ

Income Tax expenses					
16. Deferred Corporate Income Tax expenses	52				
17. Profit after Corporate Income Tax (60=50 - 51 - 52)	60	39,955,753,119	47,874,884,656	(7,919,131,537)	(16.54)

- 2025 Profit after tax (PAT) decreased by VND 7,919,131,537, equivalent to a 16.54% decline compared to the previous year. This was primarily driven by an 8.17% drop in net revenue amid intense competition in the pharmaceutical market and the impact of drug bidding policies on selling prices.
- Additionally, financial income saw a sharp decline of 66.08%, while general and administrative (G&A) expenses rose by 47.47% due to increased management and compliance costs.
- Although the company effectively controlled the cost of goods sold (COGS) with an 8.92% reduction, leading to an improved gross profit margin, this was insufficient to offset the rising expenses and falling revenue, resulting in a year-on-year decrease in net profit.

Best regards./.

Recipients:

- As above;
- Archived at the office.

GENERAL DIRECTOR



Vu Thanh Trung

