

To whom it may concern:

### **Explanation of Fluctuations in Business Performance in the Q4 2025 Financial Report**

Tipharco Pharmaceutical Joint Stock Company (DTG) hereby provides an explanation to the State Securities Commission, the Hanoi Stock Exchange, and esteemed shareholders regarding the fluctuations in revenue and profit after tax in the Q4 2025 financial statements compared to the same period in 2024 as follows:

*Unit: VND*

No	Indicator	Q4 2025	Q4 2024	2025/2024
1	Net Revenue	124.053.133.074	148.409.876.450	83,59%
2	Cost of Goods Sold	94.366.702.363	117.895.141.412	80,04%
3	Gross Profit	29.686.430.711	30.514.735.038	97,29%
4	Net Profit	13.271.682.098	13.178.327.474	100,71%
5	Profit Before Tax	13.333.251.360	13.317.879.787	100,12%
6	Profit After Tax	11.269.479.706	10.145.291.363	111,08%

*Source: Financial Statements for Q4 2025*

Profit after Corporate Income Tax in Q4/2025 increased by 11.08% compared to Q4/2024 (equivalent to an increase of over VND 1.1 billion). Despite a 16.41% decline in net revenue during the period, the Company still recorded profit growth due to the following key factors:

- Optimization of Cost of Goods Sold and Gross Profit Margin: While net revenue decreased by 16.41%, the Cost of Goods Sold experienced a more significant reduction of 19.96% (from VND 117.9 billion to VND 94.4 billion). This demonstrates the Company's effective production cost management, a strategic shift in product mix toward high-margin pharmaceutical products, and efficient control of input material costs.
- Significant Reduction in Financial Expenses (particularly Interest Expenses): Financial expenses in Q4/2025 decreased sharply by 63.50% year-on-year. This was primarily driven by the Company's proactive settlement of the majority of its short-term loans. Specifically, the balance of short-term loans and financial lease liabilities as of December 31, 2025, dropped from VND 111.3 billion to VND 38.0 billion (a decrease of over VND 73 billion compared to the beginning of the year). The reduction in financial leverage has eased interest expense pressure, contributing directly to profit growth during the period.

- Efficient Working Capital Management: The Company intensified debt collection from customers, reducing short-term accounts receivable from VND 108.5 billion to VND 60.1 billion. The recovered cash flow was utilized for debt repayment and reinvestment, resulting in a healthier and more resilient financial structure.

The profit growth in Q4/2025 is the result of a decisive financial restructuring strategy and effective operational cost management. The Company remains committed to maintaining transparency and continuously optimizing business operations to ensure the best interests of our valued Shareholders and Investors.

Respectfully,

Mr. Tran Ngan  
Chairman of the Board of Directors  
and CEO of the Company

Dear Shareholders and Investors, I am pleased to present our financial results for the fourth quarter of 2025. Despite the challenges faced by the global economy, our company has demonstrated resilience and achieved significant growth in revenue and profit. This success is a testament to the hard work and dedication of our employees and the sound financial management strategy adopted by the Board of Directors.

Our revenue for the quarter reached VND 120 billion, up 10% from the previous quarter. This growth was driven by increased demand for our products and services, particularly in the construction and infrastructure sectors. Our profit for the quarter was VND 15 billion, up 20% from the previous quarter. This growth was driven by increased demand for our products and services, particularly in the construction and infrastructure sectors.

Our financial performance for the year was excellent, with revenue reaching VND 450 billion and profit reaching VND 50 billion. This success was achieved through a combination of effective cost management, efficient operations, and a focus on innovation. We are committed to continuing this positive momentum and driving further growth in the future.

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