

To whom it may concern:

### **Explanation of Fluctuations in Business Performance in the Q6 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.

