

Hanoi, July 22th, 2025

**EXPLANATION OF BUSINESS PERFORMANCE
FOR THE SECOND QUARTER OF 2025**

Respectfully to: - State Securities Commission
- Hanoi Stock Exchange

Pursuant to:

- *Legal Regulations on Information Disclosure in the Securities Market;*
- *The audited semi-annual financial statements for 2025 of Viet Nam Medicinal Materials Joint Stock Company;*
- *The self-prepared financial statements for Q2 2025 of Viet Nam Medicinal Materials Joint Stock Company;*

Viet Nam Medicinal Materials Joint Stock Company (Stock code: DVM) would like to provide an explanation for the changes in profit for the Q2 of 2025 compared to the Q2 of 2024 as follows:

No.	Content	Q2 2025 (VND)	Q2 2024 (VND)	Difference	
				Value (VND)	%
1	Net revenue	378,014,440,189	322,546,860,483	55,467,579,706	17.20
2	Profit after tax	14,819,319,512	11,636,176,601	3,183,142,911	27.36

The company's profit after tax on the financial statements for Q2 2025 increased by approximately 27.36% compared to the same period in 2024, mainly due to the following reasons:

- Net revenue in Q2/2025 increased by VND 55,467,579,706 (equivalent to 17.2%) compared to the same period in 2024.

- However, cost of goods sold also rose by VND 45.9 billion due to a high proportion of revenue coming from modern medicine and medicinal herbs, which have high cost prices.
- Selling expenses decreased by VND 257 million as the company focused on wholesale channels, major distributors, and hospitals, while minimizing retail channels.
- Administrative expenses decreased by VND 5.5 billion, mainly due to a reduction in salaries and salary-related contributions for employees.

The above is the explanation provided by Vietnam Medicinal Materials Joint Stock Company regarding the business performance.

Best regards./.

Recipients:

- As above;
- Archived at the office.

GENERAL DIRECTOR

