

REPORT ON BUSINESS AND PRODUCTION ACTIVITIES IN 2025 AND PRODUCTION AND BUSINESS PLAN FOR 2026

Kind Attn to: THE GENERAL MEETING OF SHAREHOLDERS OF DHG PHARMA

- Pursuant to Enterprise Law No.59/2020/QH14 dated 17 Jun 2020, amended and supplemented by Law No.76/2025/QH15, effective from 1 Jul 2025;
- Pursuant to the Charter of DHG Pharmaceutical Joint Stock Company (DHG Pharma) issued on 19 Apr 2021.

PART 1: PRODUCTION AND BUSINESS PERFORMANCE IN 2025

I. MACROECONOMY

The 2025 - 2026 period marks historic transformation for Vietnam's economy in globally volatile context, with world growth maintaining around 3.2%. Year 2025 became pivotal milestone as Vietnam's GDP surged above 8%, bringing economy's size to over USD 500 billion for first time and pushing per capita income close to USD 5,000. This achievement was underpinned by record-high total trade turnover of USD 920 billion, placing Vietnam among 15 countries with largest trade volumes globally and sustaining decade-long trade surplus. Beyond financial figures, completion of more than 3,000 kilometers of North - South expressway network, together with technical opening of Long Thanh International Airport, has generated unprecedented boost to national infrastructure. At same time, announcement of establishment of International Financial Centers in HCMC and Da Nang, coupled with strong performance of VN-Index, has affirmed Vietnam's emerging position on global investment map.

Entering 2026, Vietnam continues to demonstrate strong determination to accelerate growth, setting ambitious GDP target of 10%, although international organizations such as WB and IMF maintain more cautious forecasts of 6 - 7% due to pressures from inflation and weakening global demand. Inflation in 2026 is expected to remain under control within 4 - 4.5%, while exchange rate and foreign-exchange market are maintained in stable condition to address global financial risks. Although trade surplus may narrow as export growth slows, economy is still expected to sustain strong growth momentum through intensified institutional reforms and optimization of previously invested strategic infrastructure. Overall economic landscape in this period reflects clear transition from extensive growth toward deeper, quality-driven development,

requiring careful balance between ambitious growth objectives and sustainable macroeconomic stability.

II. PHARMACEUTICAL INDUSTRY OUTLOOK

In 2025, global pharmaceutical industry continued maintaining growth momentum, though market structure showed clear shift as primary drivers concentrated in high-value specialty medicines such as oncology, immunology, rare diseases, and next-generation metabolic–obesity therapies. According to IQVIA Institute, global pharmaceutical spending continued increasing but growth pace gradually adjusted toward more sustainable level as healthcare systems strengthened budget control. Pharmaceutical sector also faced simultaneous impact from therapeutic innovation, pricing negotiation pressure, and increasingly stringent clinical evidence requirements, while R&D and logistics costs continued rising. These factors led to narrowing profit margins despite continued revenue expansion. For 2026, market is expected to further expand with stronger focus on portfolio optimization and cost efficiency rather than aggressive volume-driven growth.

In Vietnam, 2025 continued recording growth momentum. According to IQVIA, by 4Q/2025, pharmaceutical market size (excluding vaccines) reached VND 213,621 billion, equivalent to more than USD 8 billion, up 5%. Country has had 245 establishments engaged in pharmaceutical export, import, and drug storage services; nearly 8,000 wholesale establishments and around 95,600 retail drug outlets. Vietnam currently has 67 enterprises exporting pharmaceuticals and raw materials with total export value of USD 312 million in 2025, ranking fourth in Southeast Asia. Asia represents primary export market, followed by Europe and Japan.

On supply side, pharmaceutical imports in 2025 reached approximately USD 4.3 billion, with Europe accounting for more than 60% of total value. Imports of pharmaceutical ingredients (API) reached nearly USD 487 million, with China and India accounting for almost 90%. This indicates sector still relies significantly on external raw material sources, implying potential risks related to exchange rates and supply chain disruptions. However, increasing number of enterprises investing in manufacturing plants meeting EU-GMP and Japan-GMP standards is gradually strengthening domestic production capacity, creating opportunity to expand exports and reduce import dependence in medium term.

Key milestone in 2025 was implementation of amended Pharmaceutical Law from mid-year, expanding investment incentive mechanisms for projects producing pharmaceutical ingredients and high-technology medicines. Policy created foundation for long-term objective of increasing share of domestically produced drugs, reducing dependence on imported API, and gradually participating more deeply in regional value chain. With more than 30 manufacturing factories satisfying EU-GMP or equivalent standards, domestic production capacity has improved significantly.

Moving into 2026, Vietnam's pharmaceutical industry is expected not only to maintain growth but also transition toward phase of structurally sustainable development, driven

by three key forces:

First, resilient demand foundation. Market continues benefiting from demographic and socio-economic dynamics. Rapid population aging is driving steady increase in demand for treatment of chronic diseases such as cardiovasculars, diabetes, and musculoskeletal disorders. Simultaneously, improvement in per-capita income together with expanding health-insurance coverage has reshaped consumption behavior, as population increasingly allocates spending not only for treatment drugs but also for healthcare products.

Second, rising presence of domestic medicines on ETC channel. Supported by policies prioritizing domestically manufactured drugs and continuous achievement of EU-GMP or equivalent standards by local manufacturers, domestic medicines are gradually challenging dominance of imported products within hospital channel. High-quality generic drugs with competitive price are considered strategic advantage enabling domestic enterprises to expand market share and gradually replace imported products within same segments.

Third, operational optimization – key to profit recovery. Following the period in 2025 characterized by pressure from rising raw material and logistics costs, 2026 is expected to mark phase in which industry focuses on improving efficiency. Pharmaceutical companies are streamlining distribution systems and accelerating digitalization of management processes to reduce inefficiencies while enhancing responsiveness to market fluctuations. As newly invested manufacturing plants begin operating at optimal capacity, profit margins are expected to improve noticeably, opening more sustainable growth cycle for companies effectively leveraging technology.

III. PRODUCTION AND BUSINESS PERFORMANCE IN 2025

1. Overview

Target	2025 Budget	2025 Actual	2024 Actual	% Actual/ Budget 2025	Growth
Net sales	5,210	5,267	4,885	101%	8%
Profit before tax	940	987	904	105%	9%
Profit after tax		852	779		9%

Key achievements in 2025:

- In 2025, DHG Pharma successfully achieved and exceeded targets approved by GMS. Net sales reached VND 5,267 billion, achieving 101% of target and up 8%; profit before tax reached VND 987 billion, achieving 105% of target and up 9%; profit after tax reached VND 852 billion, up 9%.
- DHG Pharma continued affirming leading position in Vietnam pharmaceutical industry for 29 consecutive years in terms of sales and profit.
- According to IMS 4Q/2025, DHG ranked among Top 2 pharmaceutical companies with largest market share in Vietnam pharmaceutical industry and maintained No.1 position in retail channel (excluding vaccines).

- One notable milestone in 2025 was Betalactam Factory obtaining EU-GMP certificate. Ownership of production lines at two factories (Betalactam and Non-Betalactam) satisfying EU-GMP and Japan-GMP standards further confirms DHG Pharma as one of few domestic pharmaceutical companies possessing international-standard manufacturing capability, aligned with strategic orientation of developing “international-quality Vietnamese medicines.”
- Manufacturing operations remained stable, with total production output in 2025 reaching 5,510 million product units, equivalent to VND 7,170 billion in value, contributing to stable supply for market.
- Company continued strengthening governance system toward greater standardization, transparency, and compliance, including enhanced review of internal regulations, compliance training, and risk prevention.
- IT and digital transformation initiatives achieved significant progress, including migration of infrastructure to cloud platforms, ERP standardization, increased automation, and deployment of digital payment and information security solutions, thereby improving operational efficiency and corporate governance.
- Awards in 2025:
 - + 13 consecutive years – Top 50 Listed Companies in Vietnam, voted by Forbes Vietnam.
 - + 14 consecutive years – Top 50 Best Performing Companies in Vietnam, voted by “Nhip Cau Dau Tu” Magazine.
 - + 9 consecutive years – Top 10 Most Reputable Pharmaceutical Companies, voted by Vietnam Report.
 - + 29 consecutive years – High-quality Vietnamese Goods title, voted by consumers.
 - + 4 consecutive years – Top 10 Best Working Environments in the Pharmaceutical/Medical Equipment/Healthcare sector.
 - + 4 consecutive years – Top 100 Best Places to Work in Vietnam.
 - + 5 consecutive years – Top 100 Sustainable Companies in Vietnam, voted by Vietnam Chamber of Commerce and Industry (VCCI).
 - + 8 consecutive years – Best Corporate Governance Report, awarded by Ho Chi Minh Stock Exchange (HOSE), Hanoi Stock Exchange (HNX), and Investment Newspaper.
 - + Top 50 Pioneering Enterprises in Advancing Corporate Governance in Vietnam – VNCG50, selected by Vietnam Institute of Directors (VIOD).
 - + Top 5 “Breakthrough Corporate Governance” Category, selected by Vietnam Chamber of Commerce and Industry (VCCI).

2. Market sector operation

- Domestic net sales reached VND 4,558 billion, up 11%, supported by positive growth across key distribution channels and stable contribution from several product categories.
- + By Category – Brand: Key categories maintained strong growth, with several exceeding targets, including Respiratory, Musculoskeletal, Gastrointestinal – Hepatobiliary, Cardiovascular – Diabetes, and OEM. 7 brands recorded sales exceeding VND 100 billion, including Hapacol, Klamentin, Apitim, Glumeform, Zaromax, Hagimox, and Medlon.
- + By Distribution Channel:
 - Pharmacy Channel: Despite impact from stricter pharmaceutical regulations and pharmacy business policies, Pharmacy channel maintained growth through strong efforts from sales teams, expanded market coverage, optimized product portfolio, and strengthened customer support programs to comply with new regulations. As a result, channel recorded 11% growth. In 2025, total number of active customers reached approximately 30,000, including nearly 16,000 club members, contributing significantly to DHG Pharma's sales.
 - Hospital Channel: Hospital channel operations during year were affected by changes in administrative organization and operational mechanisms within public healthcare sector, impacting transaction progress and implementation of several tenders. Under these conditions, Company maintained stable operations and recorded 1% sales growth.
 - Modern Trade Channel: In 2025, this channel achieved remarkable growth of 29% yoy. DHG products are currently available in approximately 4,263 stores across 4 major pharmacy chains, along with nearly 467 outlets within health and beauty retail chains, and are also distributed through e-commerce platforms, significantly expanding market coverage and consumer accessibility.
- Export sales reached VND 130 billion, equivalent to previous year. DHG products are present in 20 countries, including Singapore, Malaysia, Philippines, Indonesia, Myanmar, Cambodia, Laos, Mongolia, China, creating favorable foundation for continued expansion and growth potential in international markets.
- Strengthened brand visibility on digital platforms combined with POSM systems at points of sale, thereby positioning products with premium, modern, and trustworthy image in consumers' minds.
- Focused on target customer segments, created positive impressions, enhanced brand recall, and accelerated product consumption in market.
- Implemented engagement programs for internal teams, partners, and consumers to clearly communicate core values and key product benefits, contributing to sales

growth.

- Proactively introduced products at pharmaceutical industry events, reinforced brand credibility and expanded professional partnership networks.
- Organized sales skill training programs for employees, while updated product knowledge for pharmacists and professional teams, thereby improved consultation quality and sales effectiveness.
- DHG Pharma continues building brand under mission “For a more beautiful and healthier life”.

In 2025, DHG Pharma continued integrating business growth with social responsibility, allocating more than VND 6 billion to community healthcare and social welfare programs.

- + Nearly VND 3 billion was allocated to 54 free medical examination and medicine distribution programs, serving 25,000 people, prioritizing elderly, disadvantaged individuals, ethnic minorities, and vulnerable groups.
- + Over VND 700 million was provided to support residents in Central Vietnam affected by natural disasters, in coordination with provincial Departments of Health and Can Tho City Youth Union.
- + More than VND 2 billion was allocated to social welfare initiatives, including Fund for Poor, Golden Heart Fund; scholarships and gifts for disadvantaged high-achieving students; support for centers caring for people with disabilities and orphans; community programs and charity walks supporting healthcare.

Through community healthcare and social welfare initiatives, DHG Pharma not only delivers practical healthcare solutions but also spreads humanistic values, spirit of compassion, and strong sense of community responsibility. These initiatives form solid foundation for sustainable development, enabling DHG Pharma to grow alongside societal progress while continuously improving quality of life for Vietnamese people. Company remains committed to fulfilling mission “For a more beautiful and healthier life” through high-quality pharmaceutical products satisfying EU-GMP and Japan-GMP standards.

3. Production, Quality, Research and Supply Chain Operation

- Total production output of two manufacturing plants in 2025 reached 5,510 million product units, with production value of VND 7,170 billion.
- Upgraded international GMP standards while maintained compliance with domestic regulatory requirements for manufacturing lines:
 - + Betalactam Factory obtained EU-GMP certificate on 02 Sep 2025 and was officially announced as EU-GMP compliant by Drug Administration of Vietnam on 19 Sep 2025.
 - + Non-Betalactam Factory was re-certified with WHO-GMP by Drug Administration of Vietnam on 26 Nov 2025.

- + Non-Betalactam Factory obtained GMP certificate from Food and Drug Administration of Philippines on 10 Dec 2025.
- + NVC QC Laboratory completed reassessment and maintained ISO/IEC 17025 certificate on 19 Dec 2025.
- Research and Product Registration:
 - + Developed 12 new products.
 - + 7 products launched to market.
 - + Marketing authorization granted for 24 new products in domestic market and 12 products for export markets.
 - + Total of 56 products achieved bioequivalence (including 4 products passed bioequivalence in both domestic and international markets).
- DHG Pharma is implementing several key technology transfer projects, including Lusefi, Loco, and Gx, with progress on schedule from the registration stage through dossier evaluation. These projects reflect a clear strategic direction toward mastering advanced technologies, while also serving as an important instrument for diversifying product portfolio, thereby creating momentum for sales growth and enhancing the company's competitiveness in the industry.

4. Human Resources, Finance and Administration Operation

- As of 31 Dec 2025, DHG had a total of 2,819 employees (2024: 2,809 employees).
- Employee income, benefits, and healthcare policies continued to be ensured; salary and bonuses were fully implemented in accordance with the Resolution of Employee Conference.
- Two salary adjustments were implemented during the year, timely recognizing the efforts and contributions of employees. Special commendations were granted to teams and individuals who contributed to the achievement of Betalactam Plant attaining the GMP-EU international standard, recognizing outstanding dedication of workforce.
- Training and capability development were strengthened to foster positive working environment and enhance team engagement.
- HR management processes were standardized to improve systemization and management efficiency.
- IT infrastructure migration to Cloud was completed, ERP processes were standardized, automation was further enhanced.
- QR Code payment solutions, digital signatures, and information security measures were implemented in accordance with Group standards.
- Internal regulations and procedures were regularly reviewed, updated, and improved.
- Compliance training and periodic inspections were strengthened to mitigate risks and improve operational efficiency.

PART 2: PRODUCTION AND BUSINESS PLAN FOR 2026

I. BUSINESS PLAN FY2026

- Net sales: VND 5,530 billion
- Profit before tax: VND 1,007 billion

II. KEY SOLUTIONS FOR ACHIEVING 2026 TARGETS

Looking ahead to 2026, the Company identifies key objectives such as maintaining stable growth, improving operational efficiency, and expanding new growth drivers. Leveraging core strengths in market development, manufacturing, quality management, and supply chain. Following key solutions will be implemented:

- Market Sector:
 - + Business strategy: Focusing resources on strategic product portfolio, strengthening integrated marketing activities and sales support programs to reinforce brand position and improve product circulation efficiency.
 - + Distribution expansion: Continuing to optimize distribution network, particularly modern retail channels and specialized supply chains, aligned with evolving consumer trends.
 - + System management: Enhancing customer data management system, strengthening forecasting and analytical capabilities to support business decision-making, while optimizing KPI performance measurement framework aligned with sales targets and receivables management.
 - + Human resource development: Investing in advanced training programs for management and sales skills, developing succession plan, and strengthening professional working culture.
 - + Export expansion: Gradually expanding into potential international markets and global online channels, establishing dedicated teams, and ensuring compliance with stringent legal and quality standards.
 - + OEM strategy: Positioning OEM operations as new growth pillar by leveraging existing manufacturing capabilities and focusing on high value-added products for both domestic and international partners.
- Production – Research – Supply Chain Sector
 - + Manufacturing operations: Optimizing production capacity at key manufacturing plants.
 - + Quality standards: Maintaining and renewing international quality management certificates (such as EU-GMP and ISO), serving as foundation to reinforce product credibility and meet stringent market requirements.

- + Research & Development (R&D): Accelerating new product registration roadmap and conducting technical standard evaluations, while focusing on technology transfer projects to diversify product portfolio and enhance competitive capabilities.
- + New growth drivers: Strengthening export activities and developing manufacturing partnership projects, leveraging existing operational capacity to maximize value creation.
- Finance – Accounting Sector:
 - + Operational governance: Continuing to standardize procurement processes and cost management practices to enhance transparency and operational efficiency.
 - + System investment: Prioritizing resources for SAP implementation to integrate data and strengthen financial management capabilities.
 - + Reporting digitalization: Automating management report systems and developing centralized data platform to shorten processing time and improve reliability of information.
- Human Resources – Administration – Information Technology Sector
 - + HR development: Strengthening organizational stability, developing succession plan, and standardizing competency framework. Fostering working environment based on values of Discipline – Unity – Responsibility.
 - + Digital transformation: Establishing core ERP system as foundation for standardizing company-wide processes, combined with comprehensive digitalization of office operations, distribution management, and HR management to optimize operational efficiency.
 - + Internal control: Enhancing compliance culture and developing early risk identification mechanisms to ensure system security and safeguard shareholders' interests.

Above is the Report on the production and business performance in 2025, and Production and business plan for 2026.

Kindly submit to the AGM for consideration and approval.

Best regards./.

Recipients:

- Ditto;
- Archived: BOD Secretary.

ACTING GENERAL DIRECTOR

Toshifumi Kojima

[NOTICE: This Convocation Notice is a translation of the Vietnamese language original for convenience purpose only, and in the event of any discrepancy, the Vietnamese language original shall prevail.]