

Hanoi, July 20th, 2026

**EXPLANATION OF BUSINESS PERFORMANCE
FOR THE FIRST QUARTER OF 2026**

Respectfully to: - State Securities Commission
- Hanoi Stock Exchange

Pursuant to:

- *Legal Regulations on Information Disclosure in the Securities Market;*
- *Audited Financial Statements Q2 2026;*
- *The self-prepared financial statements for Q2 2026 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 profit variance in the Q2/2026 compared to the same period in 2025 as follows:

No.	Content	Q2/2026 (VND)	Q2/2025 (VND)	Difference	
				Value (VND)	%
1	Net revenue	10,877,128,111	378,014,440,189	(367,137,312,078)	(97.12)
2	Profit after tax	632,595,268	14,819,319,512	(14,186,724,244)	(95.73)

Net revenue in the second quarter of 2026 amounted to **VND 10,877,128,111**, representing a decrease of **VND 367,137,312,078** compared with the same period in 2025 (**VND 378,014,440,189**), equivalent to a decline of **97.12%**, primarily due to the following reasons:

- In Q2/2026, the Company's herbal medicine and pharmaceutical trading activities encountered significant challenges, with the number of orders declining

substantially compared to the same period of the previous year. In addition, in Q2/2025, the Company recognized revenue from several high-value contracts and orders, resulting in a relatively high revenue base for the corresponding period. In Q2/2026, these contracts and orders were no longer generated or had not yet been implemented, leading to a significant decline in revenue.

- In addition, intensifying competition in the pharmaceutical market, fluctuations in customer demand, and the Company's review and restructuring of its product portfolio also affected sales volume during the period.
- As a result of the significant decline in net revenue, profit after tax for the second quarter of 2026 also decreased correspondingly compared with the same period of the previous year. Nevertheless, the Company remained profitable and continued to implement measures to expand its market presence, develop its customer base, and enhance operational efficiency in the coming periods.

The above is Vietnam Medicinal Materials Joint Stock Company's explanation regarding the profit fluctuations in the Q2/2026 Financial Statements compared to the same period last year.

Best regards./.

Recipients:

- As above;
- Archived at the office.

GENERAL DIRECTOR



Vu Thanh Trung