

No.25 CENTRAL PHARMACEUTICAL JSC

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Number: 192- BC/DPTW25

Explaining fluctuations in income statement

SOCIALIST REPUBLIC OF VIETNAM

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Ho Chi Minh City, 16th July 2025

**Att: - State Securities Commission of Vietnam;
- Hanoi Stock Exchange**

No.25 Central Pharmaceutical Joint Stock Company (Stock code: UPH) explains changes in business results in 2nd Quarter 2025 compared to 2nd Quarter 2024 as follows:

Items	2nd Quarter 2025	2nd Quarter 2024	Increase/ Decrease	percentage %
Net revenue	20,540,255,402	29,891,271,236	(9,351,015,834)	-31,28%
Finance Profit	929,160,954	747,029,659	182,131,295	24,38%
Other Profit	-	(1,417,350)	1,417,350	100,00%
Cost of goods sold and services rendered	18,715,944,379	25,762,754,058	(7,046,809,679)	-27,35%
Gross profit	1,824,311,023	4,128,517,178	(2,304,206,155)	-55,81%
Selling expenses	226,629,758	376,415,322	(149,785,564)	-39,79%
General and administrative expenses	2,637,242,759	3,603,203,107	(965,960,348)	-26,81%
Accounting profit before tax	(110,400,540)	894,511,058	(1,004,911,598)	-112,34%
Net profit after tax	(109,466,432)	893,224,058	(1,002,690,490)	-112,26%

Explain:

Profit after tax (PAT) of 2nd quarter 2025 was a loss of VND 109.5 million, and decreased significantly compared to the same period in 2nd quarter 2024, which was VND 1,003 billion (equivalent to a decrease of 112.26%), with the following main reasons:

- The loss in profit after tax is mainly due to the decrease in revenue in the second quarter of 2025 but the cost of goods sold does not decrease accordingly (due to the unchanged fixed production costs), the cost of goods sold ratio on revenue in the second quarter of 2025 is 91% while the average plan is 86%, causing the gross profit to decrease, only to a value of 1.82 billion VND, plus the financial profit of 929 million VND is still not enough to offset the selling and administrative expenses of 226 million VND and 2.63 billion VND respectively, causing the pre-tax profit to be negative 110.4 million VND and the company has recorded the deferred corporate income tax deduction, so the after-tax profit is negative 109.4 million VND.

Compared to the same period, revenue in the 2nd quarter 2025 decreased by 31.28% while cost of goods sold decreased by only 27.35%, causing gross profit to decrease by 2.30 billion VND, equivalent to a decrease of 55.81% over the same period. In addition, although sales expenses and administrative expenses decreased by more than 1.11 billion VND, an average decrease of 28%, and there was an additional increase in financial profit of 24.38% (an increase of 182 million VND), it was not enough to offset the decrease in gross profit, causing the Company's pre-tax profit in the second quarter of 2025 to decrease by more than 1.003 billion VND.

- Revenue in 2nd quarter 2025 decreased compared to the same period in 2nd quarter 2024 mainly due to low purchasing power in the quarter, and due to the tightening policies to control counterfeit drugs in the market, which temporarily affected the Company's overall trading activities.

We commit that the information published above is true and are fully responsible before the law for the information published.

Best Regards,



GENERAL DIRECTOR

Nguyễn Mạnh Hai