

**REPORT ON BUSINESS AND FINANCIAL PERFORMANCE IN 2025**  
**OPERATIONAL PLAN OF THE EXECUTIVE BOARD FOR 2026**

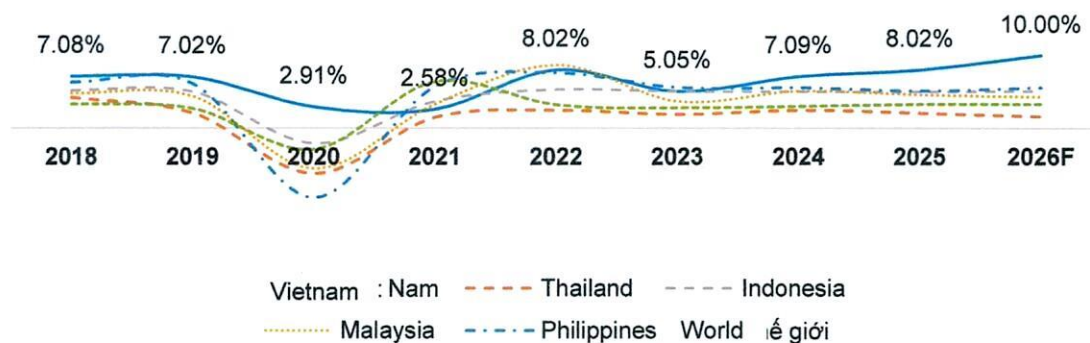
**I. Macroeconomic context and pharmaceutical industry business environment in 2025**

**1. Global macroeconomic environment and outlook**

The global economy in 2025 remained relatively stable as inflation continued to ease and monetary policies in many major economies gradually shifted toward a more neutral stance. However, growth remained uneven due to geopolitical tensions, the restructuring of global supply chains, and public debt pressures.

According to the International Monetary Fund (IMF), global GDP growth reached 3.3% in 2025 and is projected to remain at the same level in 2026. Meanwhile, the Organization for Economic Co-operation and Development (OECD) forecasts that global growth will slow to 2.9% in 2026, compared with an estimated 3.2% in 2025. In particular, the U.S. economy is expected to decelerate from 2% to 1.7%, while Europe and China are likely to face slower growth.

**Vietnam and ASEAN-5 Economic Growth (2018–2025) and 2026 Forecast**



Source: IMF, NSO

Against this backdrop, the global pharmaceutical industry continued to record stable growth, with a medium-term CAGR of approximately 5-8% (according to IQVIA), driven by increasing demand for chronic disease treatments and population ageing. However, cost-containment pressures in developed markets and the wave of patent expirations during the 2025–2030 period are intensifying competition in the generic and biosimilar segments, while also raising requirements for manufacturing standards and supply chain governance.



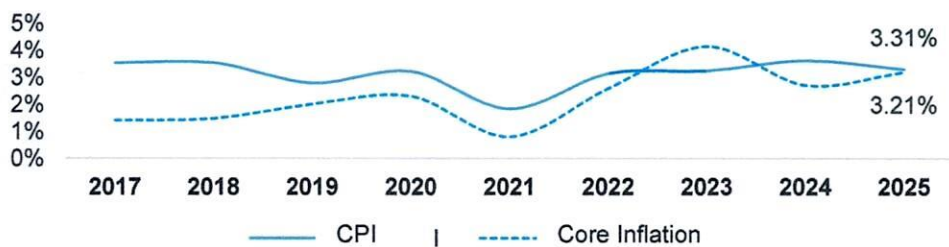
## 2. Vietnam macroeconomic environment and outlook

In 2025, Vietnam recorded GDP growth of 8.02%, among the highest in the Asia-Pacific region. The size of the economy reached approximately USD 514 billion, while GDP per capita increased to USD 5,026. Average inflation was maintained at 3.3%, below the target of 4.5%, contributing to a stable investment environment and favorable capital costs. Total import-export turnover exceeded USD 930 billion, reinforcing Vietnam's important role in regional supply chains.

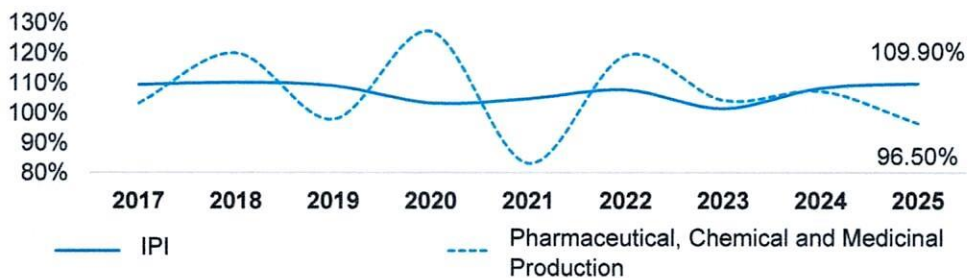
The Government continues to promote a shift in governance from a management-oriented approach to a development-facilitating approach, positioning science and technology, innovation, and digital transformation as key drivers of long-term growth. The year 2026 is identified as the starting point of a new development phase aligned with the orientation of the 14th National Party Congress, with the objective of achieving breakthroughs in institutional reforms, improving the investment environment, and effectively harnessing new growth drivers.

During the 2026–2030 period, Vietnam aims to maintain average GDP growth of around 10% per year or higher, with the goal of increasing GDP per capita to approximately USD 8,500 by 2030. At the same time, Vietnam aims to upgrade its economic structure, with the manufacturing and processing sector targeted to account for approximately 28% of GDP, while the digital economy is projected to contribute around 30% of GDP by 2030. These targets reflect Vietnam's strategic transition from a processing-and assembly-based growth model toward one driven by high technology, innovation, and higher domestic value creation.

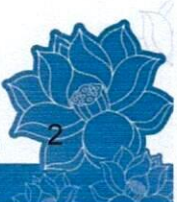
**Vietnam CPI and Core Inflation (2017–2025)**



**Production Index of Pharmaceuticals, Chemicals and Medicinal Materials vs. Vietnam Industrial Production Index (2017 - 2025)**



Source: NSO



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### 3. Business environment of Vietnam's pharmaceutical industry in 2025

In 2025, Vietnam's pharmaceutical industry continued to maintain positive growth momentum amid expanding economic activity and an increasingly transparent and standardized regulatory framework. According to IQVIA, during the 2023–2025 period, the market maintained an average growth rate of approximately ~8%, with estimated revenue reaching ~USD 9 billion. Market expansion has been driven not only by increased consumption but also by a gradual shift toward higher-value pharmaceutical products.

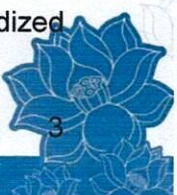
The market structure continues to be dominated by the retail channel (OTC), accounting for approximately 61% of total revenue and growing at 7%, supported by the expansion of modern pharmacy chains and growing consumer focus on self-care and preventive healthcare. The hospital channel (ETC) accounts for around 39% of total revenue, growing at 3%, supported by rising health insurance coverage (95.15% of the population), improvements in healthcare infrastructure, and increasingly professional centralized procurement mechanisms. Notably, treatment demand is shifting in line with the evolving disease burden structure, as non-communicable diseases (NCDs) now account for over 70% of the national disease burden, leading to increased demand for chronic disease treatments and specialty medicines.

From a supply perspective, Vietnam's domestic pharmaceutical manufacturing capacity continued to strengthen and upgrade its standards. As of the end of 2025, Vietnam had:

- 266 pharmaceutical manufacturing facilities certified with WHO-GMP
- 34 manufacturing facilities meeting EU-GMP or equivalent standards
- Approximately 1,700 hospitals nationwide, with an average growth rate of around 8% per year since 2020
- Total health insurance-covered medical visits increasing by around 5% annually, while health insurance expenditures have risen by approximately 11% per year since 2020

These indicators reflect improvements in manufacturing standards and competitiveness among domestic pharmaceutical companies, while also demonstrating the continuous expansion of the domestic healthcare market. At the same time, they highlight increasing requirements for pharmaceutical supply chain management, particularly given that Vietnam's domestic API self-sufficiency remains limited. As a result, the pharmaceutical industry continues to rely heavily on imported raw materials and remains sensitive to exchange rate fluctuations, logistics costs, and global supply chain disruptions.

The year 2025 also marked significant progress in regulatory reforms within the pharmaceutical sector. The implementation of the amended Law on Pharmacy, together with Decree No. 163/2025/ND-CP and related guiding circulars, has standardized



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procedures for drug registration, importation, quality testing, and regulatory supervision. At the same time, administrative reform has been actively promoted, with nearly 40% of administrative procedures in the pharmaceutical sector reviewed and streamlined, helping to shorten processing times and reduce compliance costs for businesses. According to the Ministry of Health, as of November 2025, the online regulatory system had processed 8,378 applications for the importation of medicines and pharmaceutical ingredients, 877 applications for approval of drug advertising content, and 122 applications for GSP certification assessments.

Alongside institutional reforms, the pharmaceutical market supervision model is increasingly shifting toward post-market surveillance supported by digital platforms. The adoption of electronic prescriptions, electronic invoices, and QR-code-based traceability systems is helping to standardize data and enhance transparency across the pharmaceutical supply chain. The rate of detected counterfeit medicines declined to 0.024%, compared with 0.06% in 2024, reflecting the effectiveness of the new regulatory framework while also raising compliance standards and accelerating the industry's natural consolidation process.

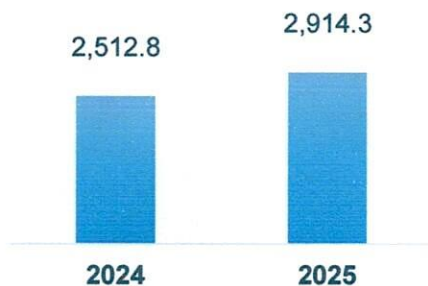
## II. Business Performance

### 1. Business Results in 2025

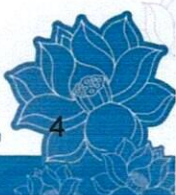
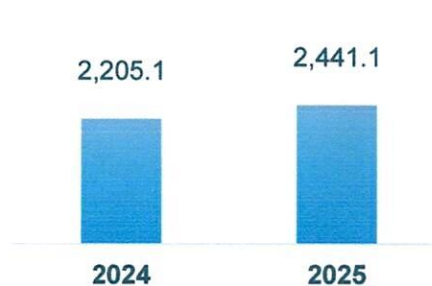
Unit: VND billion

No.	Indicators	Actual 2024	Actual 2025	Target 2025	% Growth	Actual vs Target (%)
1	Gross Revenue	2,512.8	2,914.3	2,981.0	16.0%	97.8%
2	OTC Channel	1,074.6	1,271.4	1,248.4	18.3%	101.8%
3	ETC Channel	1,377.5	1,540.5	1,634.3	11.8%	94.3%
4	Net Revenue	2,205.1	2,441.1	2,649.0	10.7%	92.2%
5	Profit Before Tax	404.2	446.2	493.5	10.4%	90.4%
6	EBITDA	520.8	567.2	635.0	8.9%	89.3%
7	EBITDA Margin	23.6%	23.2%	24.0%	-0.4%	96.7%

**Gross revenue**  
(Unit: VND billion)



**Net revenue**  
(Unit: VND billion)



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In 2025, Imexpharm recorded strong growth in both gross revenue and net revenue, outperforming the overall growth rate of the pharmaceutical industry. Gross revenue reached VND 2,914.3 billion, representing a 16.0% increase compared with 2024 and achieving 97.8% of the annual target, significantly higher than the domestic pharmaceutical peers' average growth of approximately 11%. Net revenue amounted to VND 2,441.1 billion, up 10.7% year-on-year and achieving 92.2% of the annual target, driven by growth across both the ETC and OTC channels.

### Profit before tax (Unit: VND billion)



Gross profit increased by 17.1% year-on-year, significantly outpacing the growth of net revenue, supported by effective cost management, as cost of goods sold (COGS) increased by only 6.7%. This performance reflects the Company's efforts to improve inventory management, enhance production planning, and promote continuous manufacturing operations to optimize plant capacity. As a result, the gross profit margin improved to 41.0% (compared with 38.8% in 2024), reflecting stronger production efficiency and reinforcing the Company's profitability.

Profit before tax (PBT) reached VND 446.2 billion, representing a 10.4% increase compared with 2024 and achieving 90.4% of the annual target. This growth was lower than the increase in gross profit as the Company accelerated the restructuring of its sales network, expanded market coverage, and increased investment in digitalization across most stages of its business operations, leading to a 22.4% year-on-year increase in selling, administrative and general expenses. Nevertheless, maintaining double-digit PBT growth demonstrates that the Company's core operational efficiency remained resilient, while also reflecting a proactive willingness to incur short-term costs to build a foundation for long-term growth.

### EBITDA (Unit: VND billion)



EBITDA reached VND 567.2 billion, representing an 8.9% increase compared with 2024 and achieving 89.3% of the annual target.

The EBITDA margin in 2025 stood at 23.2%, slightly lower than 23.6% in 2024 and below the 24.0% target, mainly due to short-term cost pressures arising from the expansion of business operations and increased investments in systems, human resources, and technology. Nevertheless, the Company continued to maintain effective operational cost control and stable production efficiency, reflecting its strategic focus on sustainable growth rather than short-term profit maximization.

## 2. Performance by Business Segment

### Manufacturing

#### Production Output by Manufacturing Plant

(Product Units)

Manufacturing Plants	Production Output 2025 sv 2024
IMP1	+9%
IMP2	+5%
IMP3	+26%
IMP4	+31%
<b>Total</b>	<b>+11%</b>

#### Sales Volume and Revenue by Manufacturing Plant (2025 vs. 2024)



In 2025, the Company successfully brought into operation the lyophilized powder production line (Line 1) at IMP4 Plant and the multi-dose powder production line at IMP2, contributing to enhanced manufacturing capacity and improved ability to meet market demand.

Imexpharm's manufacturing operations continued to be optimized, focusing on improving operational efficiency and cost control, in line with the Company's strategy of prioritizing high-technology and higher value-added products. The overall production loss rate improved compared with the previous year, decreasing by 11.1% compared with 2024, reflecting the effectiveness of process standardization, technical improvements, and the greater stability of newly commissioned production lines. The Company aims to further reduce the average loss rate in the coming years in order to optimize production costs and enhance profit margins.

Labor productivity (product units per working hour) increased by 5.5% in 2025 compared with 2024. This result reflects the effectiveness of the Company's manufacturing restructuring initiatives, systematic workforce training, and the application of digitalization.

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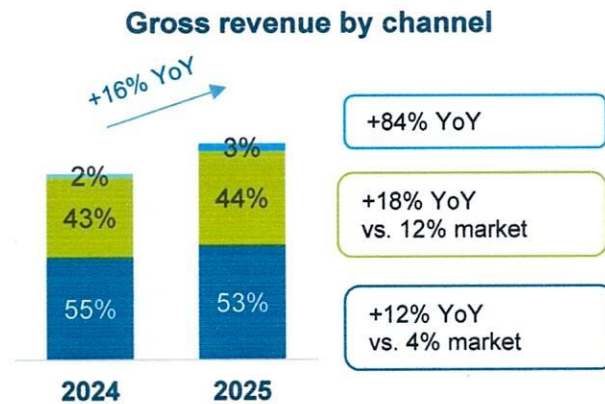


in production management, enabling Imexpharm to expand manufacturing capacity while maintaining operational discipline and product quality, particularly as the product portfolio increasingly shifts toward injectables and high-technology pharmaceuticals.

To support revenue growth and prepare for potential orders, plant-level performance also improved significantly. Production output increased across all manufacturing plants, with IMP3 and IMP4 recording strong production output growth of 26% and 31%, respectively, while IMP1 and IMP2 increased by 9% and 5%, bringing the Company's total production output growth to 11% compared with 2024.

In terms of sales revenue and sales volume by plant, IMP4 recorded the highest growth rate, driven by the shift toward higher-value product segments and more effective capacity utilization at the Company's key manufacturing facilities.

### Sales



Revenue from the ETC channel increased by 11.8% year-on-year, reflecting continued growth in demand for EU-GMP certified products. Growth in the ETC channel was driven by high-value and technology-intensive medicines, such as multi-dose powder formulations and lyophilized powder for injection, among others.

Meanwhile, OTC channel revenue recorded an 18.3% increase, with the number of customers expanding by 6% compared with the previous year, reflecting the strong recovery of the retail channel following the challenging period of 2023–2024. This result not only demonstrates the strengthening of the Company's market position but also enabled the OTC channel to exceed its annual target, achieving 101.8% of the plan. Growth was recorded across all business regions, with the Northern region leading at 51% year-on-year growth. Notably, revenue from major pharmacy chains increased by 75.8%, raising their contribution to 13.8% of total OTC revenue (from 9% in 2024). This expansion further enhanced market coverage and reinforced the role of modern distribution channels in Imexpharm's growth strategy.



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## Marketing and brand building

In 2025, Imexpharm implemented 59 diverse marketing activities nationwide, including group presentations, expert insights, hospital seminars, scientific conferences, and factory visits, with a strong focus on engaging healthcare professionals (HCPs). These programs reached approximately 6,000 physicians, contributing to increased brand awareness and reinforcing the Company's position within the medical community.

The Company organized a series of scientific seminars under the theme "*Advances in Corticosteroid Anti-inflammatory Therapy – Prednisolone ODT (Orally Disintegrating Tablet)*", including nine in-person seminars and one online conference. Following its launch, Predni-ODT was rapidly introduced to approximately 4,600 pharmacies and attracted nearly 4,000 new customers, significantly expanding the product's market coverage.

Imexpharm also maintained an active presence within the medical community through specialized seminar series and its annual ImexForum scientific program. In 2025, ImexForum was held in Hanoi for the first time, attracting nearly 300 healthcare professionals, marking an important milestone in the Company's strategy to expand its presence in the Northern market. In addition, the Company participated in and supported several prestigious scientific conferences, including the 41st National Ear, Nose and Throat (ENT) Conference, the National Pulmonology Scientific Conference (VILA 2025), and conferences organized by the Vietnam Pharmaceutical Association.

In the retail channel, Imexpharm served as a Diamond Sponsor at the Retail Operations & Partners Conference 2025 organized by Pharmacy, while also delivering specialized training programs for more than 100 pharmacists of Pharmacy in Ho Chi Minh City, contributing to enhanced professional capabilities and strengthening strategic collaboration with the pharmacy chain system.

## Research and Development (R&D)

With R&D investment accounting for approximately 5% of revenue, Imexpharm continues to develop high-technology pharmaceutical products that meet stringent quality standards.

In 2025, the Company maintained 157 ongoing R&D projects, including 66 new projects that were evaluated and planned for feasibility studies, and 91 projects currently in the research and development phase. During the year, Imexpharm also launched 25 new products, exceeding the annual plan of 16 SKUs, demonstrating the Company's strong capabilities in product development and commercialization.

In the fourth quarter, the Company officially launched IMECEP (Ceftazidime/Avibactam 2.5g) – Vietnam's first EU-GMP first generic antibiotic, enhancing patient access to high-quality medicines at affordable costs. At the same time, the Company continued to expand

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its first-generic portfolio with Cefotetan 1g and 2g, which were granted marketing authorization in 2025 and are expected to be launched in 2026.

In addition to developing new active pharmaceutical ingredients (API), Imexpharm also successfully researched and obtained approval for new dosage forms, including multi-dose powder formulations for Imefed at IMP2 and lyophilized powder for injection or inhalation solution for Colistin IMP 1 MIU at IMP4. These developments help reduce product toxicity, diversify treatment options, and further enhance the Company's manufacturing technology capabilities.

### **Drug registration**

In 2025, Imexpharm obtained 17 new registrations, including 14 drug registrations in Vietnam, two health supplement registrations, and one Marketing Authorization (MA) in Myanmar. This result increased the Company's total number of Marketing Authorizations (MAs) to 429, further affirming its capability in new product development.

Alongside expanding its product portfolio, the Company completed the digital transformation of its entire drug registration process in 2025, covering all stages from document preparation and dossier compilation to digital approval, fully replacing the previously manual processing method.

The digitalization initiative eliminated several manual steps such as document printing, physical approval procedures, and scanning documents for submission to the Drug Administration of Vietnam's public service portal. As a result, the Company achieved savings in time, cost, and resources, while shortening preparation time, accelerating processing speed, and improving productivity. These improvements provide a solid foundation for expediting product registrations and supporting the Company's product portfolio expansion strategy.

### **Digital transformation**

In 2025, Imexpharm recorded a significant advancement in corporate governance and operational management through increased investment in digital technologies. During the year, the Company's IT department simultaneously implemented 10 key technology projects, generating wide-ranging impacts across most of the Company's manufacturing, business, and operational activities.

In upgrading and developing its core application platforms, Imexpharm successfully completed the upgrade to SAP S/4HANA, synchronized data with the Data Warehouse, and restructured its management reporting system, thereby improving data quality and strengthening decision-making capabilities. The CoreSource CRM system was upgraded and integrated with Zalo OA - ZNS, enhancing customer engagement, while DMS tools were expanded to include visit management functions and a Mini App for receivables.

reporting, helping optimize distribution channel management and improve accounts receivable control.

At the same time, the Company standardized and digitalized internal processes on the BASE platform, converting workflows from BASE Request to BASE Service and developing additional digital processes. These initiatives improved process transparency and shortened processing time. The iHRP human resource management system was also comprehensively implemented, covering time attendance, payroll, KPIs, recruitment, and training, together with a mobile application, modernizing HR management and enhancing the employee experience.

In the fourth quarter of 2025, the Company launched Imexpharm Connects, a digital platform and ecosystem designed to strengthen engagement, information transparency, and value sharing with the pharmacist and pharmacy community. This initiative marked an important milestone in the Company's strategy to develop a digital ecosystem and foster sustainable partnerships.

### **Global business development**

Alongside new product development, the Company continued to maintain and hold 28 Marketing Authorizations in the European Union (EU-MAs) covering 11 products, providing a competitive advantage when entering highly regulated markets.

In 2025, Imexpharm recorded positive progress in its global market expansion strategy, submitting one new drug registration dossier in the EU and three dossiers in ASEAN markets (Myanmar, Malaysia, and Singapore). During the year, the Company also successfully signed a distribution agreement for injectable products in Thailand and entered into a Memorandum of Understanding (MoU) with a European partner.

As a result, Imexpharm further expanded its access to markets including the European Union, the United Kingdom, Canada, Switzerland, and Israel, bringing the Company's international presence to more than 40 countries and territories, thereby reinforcing its sustainable growth strategy and deepening its integration into the global pharmaceutical value chain.

## **III. Financial performance**

### **1. Asset structure**

In 2025, Imexpharm's total assets reached VND 2,782.6 billion, an increase of VND 278.1 billion compared with 2024, equivalent to 11.1% growth.

As of 31 December 2025, current assets amounted to VND 1,507.4 billion, increasing by VND 97.9 billion, or 6.9% year-on-year. Liquidity improved as cash and cash equivalents reached VND 189.2 billion, up 16.8%, while short-term financial investments totaled VND 212.1 billion, increasing by 49.4%. Inventories stood at VND 677.7 billion, representing a

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3.9% decrease, resulting in the inventory ratio declining from 28.2% to 24.4%, reflecting improved inventory management efficiency and more efficient use of working capital.

Non-current assets totaled VND 1,275.2 billion, representing a 16.4% increase year-on-year. The growth was mainly driven by other non-current assets, which reached VND 388.8 billion, up 214.3%, primarily comprising long-term prepaid expenses related to product marketing authorizations, SAP system upgrades, as well as payments for land and building leases and trademark usage rights. Meanwhile, fixed assets amounted to VND 781.0 billion, decreasing VND 77.8 billion, or 9.1%, consistent with the Company's depreciation cycle.

## 2. Capital structure

In 2025, Imexpharm's equity reached VND 2,306.5 billion, an increase of VND 123.4 billion compared with 2024, equivalent to 5.7% growth, and continued to represent the primary source of funding in the Company's financial structure. Charter capital remained unchanged at VND 1,540.4 billion, while the increase in equity was mainly driven by accumulated retained earnings. During 2025, The Company did not conduct any capital increase during 2025.

As of 31 December 2025, retained earnings amounted to VND 449.0 billion, an increase of VND 128.2 billion compared with 2024. With its current equity structure, Imexpharm continues to maintain a strong capital foundation, prioritizing internal capital accumulation while ensuring financial autonomy to support the Company's medium- and long-term growth plans.

## 3. Key financial indicators

Indicators	Unit	2024	2025
<b>Liquidity Ratios</b>			
Current Ratio	Times	4.4	4.0
Quick Ratio	Times	2.2	2.2
<b>Capital Structure Ratios</b>			
Debt-to-Total Assets Ratio	%	12.8	17.1
Debt-to-Equity Ratio	%	14.7	20.6
<b>Efficiency Ratios</b>			
Inventory Turnover	Times	1.9	2.1
Total Asset Turnover	Times	0.9	0.9
<b>Profitability Ratios</b>			
Return on Sales (ROS)	%	14.6	14.3
Return on Equity (ROE)	%	15.0	15.6
Return on Assets (ROA)	%	13.1	13.2



- **Liquidity ratios**

In 2025, the current ratio decreased from 4.4 to 4.0 as part of the Company's efforts to optimize capital utilization, while the quick ratio remained stable at 2.2. The Company's liquidity continued to be maintained at a very safe level, ensuring strong liquidity and stable business operations.

- **Capital structure ratios**

Financial leverage indicators increased as the debt-to-total assets ratio rose from 12.8% to 17.1%, while the debt-to-equity ratio increased from 14.7% to 20.6%. The Company proactively utilized additional borrowings to finance investment activities, particularly the Cat Khanh Pharmaceutical Factory Complex Project. Despite this increase, the Company's leverage ratio remains relatively low compared with the industry average, reflecting a solid equity base and a prudent financial management policy. The capital structure continues to be managed prudently, providing a flexible foundation for the Company to respond to potential interest rate fluctuations in the coming period.

- **Efficiency ratios**

The total asset turnover ratio remained stable at 0.9, while inventory turnover improved from 1.9 to 2.1 times, indicating faster inventory circulation and reduced capital lock-up. This reflects improved working capital management efficiency.

- **Profitability ratios**

In 2025, Return on Sales (ROS) slightly declined from 14.6% to 14.3%, mainly due to cost pressures during the period when the Company accelerated investments in sales systems, management infrastructure, and digital transformation initiatives. However, Return on Assets (ROA) increased slightly from 13.1% to 13.2%, while Return on Equity (ROE) improved from 15.0% to 15.6%, indicating continued efficiency in the utilization of both assets and equity. The fact that ROE grew faster than ROA suggests improved equity efficiency, supported by the Company's prudent use of financial leverage, while also reflecting effective cost control and capital structure optimization.

#### 4. Impact of exchange rate and interest rate fluctuations

Unit: VND billion

Indicators	2024	2025	% Change
Interest income	7.9	16.1	104.7%
Interest expenses	3.5	3.2	-9.5%
Foreign exchange gains	3.6	2.9	-19.8%
Foreign exchange losses	1.2	1.2	-3.3%

In 2025, interest income from deposits increased significantly from VND 7.9 billion to VND 16.1 billion, representing a 104.7% increase, as the Company maintained a higher level



of idle cash and optimized cash utilization through term deposits. Interest expenses declined from VND 3.5 billion to VND 3.2 billion, equivalent to a 9.5% decrease, despite the expansion in the scale of operations. Meanwhile, foreign exchange gains decreased from VND 3.6 billion to VND 2.9 billion, representing a 19.8% decline, while foreign exchange losses remained broadly stable at VND 1.2 billion. This stability reflects the Company's prudent foreign exchange risk management policy, which helps mitigate the adverse impact of exchange rate fluctuations on business performance.

#### IV. Investment status and project implementation

In October 2024, the General Meeting of Shareholders of Imexpharm approved the implementation of the Cat Khanh Pharmaceutical Factory Complex Project. Detailed information about the project is presented as follows:

<b>Project name</b>	Cat Khanh Pharmaceutical Factory Complex
<b>Project objectives</b>	<ul style="list-style-type: none"> <li>· Diversify the product portfolio to better meet growing domestic demand</li> <li>· Increase the Company's revenue and profitability</li> <li>· Support the expansion of export markets</li> </ul>
<b>Total land area</b>	97,602.1 m <sup>2</sup>
<b>Project operating term</b>	50 years from the date of issuance of the Investment Registration Certificate
<b>Planned project scale</b>	Area: 25,000 m <sup>2</sup> Planned design capacity: 1.4 billion product units
<b>Manufacturing standard</b>	EU-GMP
<b>Project location</b>	Quang Khanh Industrial Complex (Phase 1), located in My Tra Commune, Cao Lanh City, and An Binh Commune, Cao Lanh District, Dong Thap Province
<b>Total investment</b>	VND 1,495 billion (One trillion four hundred ninety-five billion Vietnamese Dong)
<b>Planned funding</b>	<ul style="list-style-type: none"> <li>· Equity: 20% – VND 300 billion</li> <li>· Borrowings: 80% – VND 1,195 billion</li> </ul>
<b>Estimated project timeline</b>	<ul style="list-style-type: none"> <li>· Construction commencement: Q4 2025</li> <li>· Construction completion: End of 2028</li> <li>· Commercial operation: 2028–2030</li> </ul>

In 2025, Imexpharm completed all key legal procedures for the Cat Khanh Pharmaceutical Factory Complex Project, including obtaining the Investment Registration Certificate, establishing the Cat Khanh Branch, and officially commencing Phase 1 of the project.

#### V. Environmental and social responsibility report

##### 1. Environmental performance assessment



In 2025, Imexpharm continued to maintain effective environmental governance, focusing on regulatory compliance, risk control, and improved resource efficiency, in line with the characteristics of pharmaceutical manufacturing and the increasingly stringent standards of the market.

Specifically, the Company further optimized energy consumption through technical solutions and improvement initiatives, achieving total energy savings of 42,600 kWh per year, while generating 48,946 kWh of solar power to reduce reliance on grid electricity. Waste, emissions, and wastewater management were conducted in full compliance with environmental regulations, with no environmental violations recorded during the year. In addition, the implementation of Extended Producer Responsibility (EPR), with a packaging recycling rate of 15%, demonstrates the Company's efforts to manage the product life cycle within the regulatory framework applicable to the pharmaceutical industry.

The Executive Management noted that the absence of any major environmental incidents, together with the continued operation of periodic monitoring and supervision systems, provides a solid foundation for the Company to further implement emission reduction initiatives and enhance environmental performance in the medium and long term.

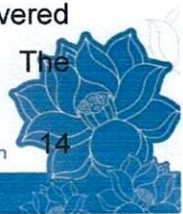
## 2. Assessment related to employees

The Executive Management recognizes employees as the core resource determining Imexpharm's competitiveness and sustainable growth. In 2025, the Company maintained a stable, professional, and attractive working environment, reflected in its continued recognition as No.1 in the Pharmaceutical / Medical Devices / Healthcare industry and Top 21 among all companies in Vietnam according to the Anphabe Employer Brand survey, with a preference rate 17 times higher than the market average.

The Company proactively recruited and trained employees to meet operational and business requirements, while continuing to refine and restructure its organizational structure in line with its development strategy and the ongoing administrative restructuring of provincial boundaries. The workforce size was maintained at an appropriate level of 1,456 employees, with a younger workforce structure (Gen Z accounting for 26.6%). The employee turnover rate in 2025 was 13.81%, lower than the previous year (14.64%) and below the market average (approximately 18%), indicating significant improvements in employee retention initiatives.

At the same time, Imexpharm ensured the timely and full implementation of compensation, bonus, and employee welfare policies, including 13th-month salary bonuses, special occasion bonuses, the ESOP program, and other employee benefits, contributing to stronger employee engagement and workforce stability.

Regarding occupational health and safety, the Company conducted periodic health check-ups for 100% of employees (with a total cost of over VND 1.4 billion) and delivered occupational safety training averaging 16.11 hours per production employee. The



Executive Management will continue strengthening safety control measures and training programs in the coming period, aiming to maintain a safe and sustainable working environment.

### **3. Assessment of the Company's responsibilities to local communities**

Imexpharm's community responsibility initiatives in 2025 were implemented with a focused approach, aligned with practical needs and aimed at creating long-term social value. During the year, the Company allocated VND 750 million to social welfare programs, focusing on healthcare, education, support for disadvantaged communities and children, and disaster relief, particularly in localities where the Company operates.

In addition, Imexpharm continued to fulfill its financial obligations to the State, with total tax contributions to the state budget reaching VND 258.5 billion, representing a 21% increase compared with 2024, thereby demonstrating the Company's active role in contributing to socio-economic development.

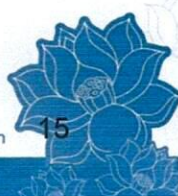
Community initiatives, together with recognitions such as the Saigon Times CSR – Corporate Social Responsibility Award 2025 and the Top 50 Vietnam Sustainable Enterprises (CSA 2025), have further strengthened the Company's reputation and trust among communities and stakeholders, providing a solid foundation for Imexpharm's stable and sustainable long-term development.

## **VI. Improvements in organizational structure, policies, and management, key achievements, difficulties and challenges in 2025**

### **1. Improvements in organizational structure, policies, and management**

- The Company implemented the consolidation of management positions within the Production, QA, and QC departments at the EU-GMP manufacturing plants in Binh Duong (IMP3 and IMP4, which are geographically adjacent). This initiative aims to streamline the organizational structure, enhance operational alignment, and improve management efficiency.
- The organizational structure and sales branch network were also adjusted to align with the administrative boundary changes implemented by the Government effective from 1 July 2025, ensuring continued operational flexibility and efficiency.
- In addition, the Company restructured and streamlined reporting lines within the supply chain, enhancing transparency, shortening coordination processes, and improving overall operational effectiveness.
- The KPI system was further reviewed and refined to ensure closer alignment with the Company's strategic development objectives, thereby strengthening the linkage and consistency between corporate strategy, departmental targets, and individual performance indicators.

### **2. Key achievements in 2025**



The year 2025 marked significant progress in corporate governance, operational efficiency, and sustainable development at Imexpharm.

- A record three consecutive years maintaining the No.1 position in antibiotic manufacturing and distribution
- A fourth consecutive year achieving double-digit growth in revenue and profit before tax
- First launch in Vietnam of a “first generic” product meeting EU-GMP standards, while continuing to maintain 12/12 production lines certified with EU-GMP.
- Effective cost control, with labor productivity increasing by 14.9% compared with 2024, supporting operational efficiency and sustainable growth.
- Expansion of diverse marketing initiatives across both OTC and ETC channels, demonstrating flexible adaptation to the evolving business landscape in 2025 (including new product launches, electronic invoice regulations, tax policy updates, ETC partnerships, ImexForum, and scientific seminars).
- Continued advancement in digital transformation through the implementation and enhancement of SAP S/4HANA, Base, iHRP, DMS, and Power BI systems.
- Maintained stable employment while continuing to enhance compensation, bonus, and employee welfare policies, with average employee income increasing by 12.1% compared with the previous year despite ongoing market challenges.

### **3. Difficulties and challenges in 2025**

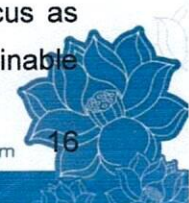
- Rising cost pressures, particularly related to maintaining EU-GMP standards, investing in technology and digital transformation, and meeting increasingly stringent regulatory compliance requirements in export markets.
- A rapidly evolving and complex international regulatory environment, requiring the Company to continuously update technical dossiers, adjust operational processes, and strengthen compliance capabilities.
- In the human resources area, competition for high-quality talent has intensified, particularly for specialized professionals and technical personnel at high-standard manufacturing facilities.
- Uncertainties in the global macroeconomic and geopolitical environment, as well as global market fluctuations, continued to exert pressure on supply chains, logistics costs, and market expansion plans.

## **VII. Explanation regarding the auditor’s opinion**

The independent auditor issued an unqualified opinion on Imexpharm’s audited financial statements for 2025. Accordingly, the Executive Management has no additional explanations to provide.

## **VIII. Business plan and key priorities for 2026**

Entering 2026, Imexpharm’s Executive Management identifies its operational focus as selective growth, improvement of revenue quality, and strengthening a sustainable




operational foundation, rather than expanding purely in scale. The strategy is built upon three key pillars: value-driven growth – efficiency optimization – system standardization.

1. **Revenue growth and sales channel structure:** The Company will shift from expansion based primarily on distribution coverage toward enhancing distribution channel quality and customer value.
  - Restructure the OTC channel in accordance with new tax regulations, prioritizing official pharmacies and modern retail chains, with a focus on customers demonstrating strong compliance capabilities.
  - Strengthen digital marketing initiatives and enhance brand recognition across different product segments.
  - Continue to develop the ETC channel across tender segments, public hospitals, and private healthcare institutions, supported by a broader product portfolio with differentiated dosage forms to optimize cost competitiveness.
  - Selectively invest in the non-prescription (non-Rx) product segment, focusing on products and segments with strong profit margins to balance growth and profitability.
2. **Expansion of international business:** Imexpharm will continue transforming its EU-GMP manufacturing capabilities into tangible export revenue growth.
  - Implement key updates to EU Marketing Authorization (EU-MA) dossiers, including shelf-life extensions, batch size increases, and the addition of CEP-compliant API sources.
  - Submit additional drug registration dossiers in the EU.
  - Proactively evaluate and select potential products for collaboration with international partners, gradually increasing the proportion of export revenue and expanding market coverage.
3. **Strengthening manufacturing capabilities and standardizing quality systems:** The Company will continue reinforcing its EU-GMP manufacturing foundation to support long-term growth.
  - Thoroughly prepare for the WHO-GMP re-inspection (IMP1) and EU-GMP re-certifications (IMP2, IMP3) to ensure operational continuity and system-wide credibility.
  - Implement key improvement initiatives at IMP3 and IMP4 aimed at enhancing productivity and operational safety.
  - Conduct research and evaluation to prepare for a manufacturing automation roadmap, moving toward a modern, low-risk, and cost-optimized production model.
  - Continue evaluating secondary sources for APIs and excipients to enhance supply security and strengthen control over raw material quality.



- Further refine the investment plan for the Cat Khanh Pharmaceutical Factory Complex Project, targeting specialty drugs and biologics in line with the technology transfer roadmap from the new strategic investor,
- 4. R&D and new product development:** The Company will reinforce long-term growth drivers by expanding its high-value product portfolio.
- Target the launch of at least 15 new products, focusing on segments with strong potential for tender participation and export opportunities.
  - Continue expanding the first generic product portfolio, particularly in essential medicines and specialty drugs, to strengthen competitive advantages, optimize profit margins, and enhance the Company's position in both domestic and international markets.
  - Expand bioequivalence (BE) research and publication activities to strengthen scientific credibility and improve product competitiveness.
- 5. Digital transformation and ESG integration:** The Company will accelerate digitalization and ESG integration across operations to support sustainable development.
- The iHRP system will be further refined and officially implemented in 2026, becoming a core human resource management platform to enhance performance transparency, resource optimization, and workforce development in line with regional enterprise standards.
  - Imexpharm Connects will be developed into a central digital platform for marketing and market engagement, enabling personalized interactions with pharmacies, physicians, and partners, thereby improving sales investment efficiency.
  - ESG principles will continue to be integrated into operations, from information transparency, investor relations, and fair human resource management to resource optimization and waste reduction.

ON THE BEHALF OF  
EXECUTIVE BOARD   
GENERAL DIRECTOR



**PHARMACIST. TRAN THI DAO**

