

**BUSINESS PLAN IN 2026**  
**BINH DINH PHARMACEUTICAL AND MEDICAL EQUIPMENT JOINT  
STOCK COMPANY (BIDIPHAR)**

**To: The 2026 Annual General Meeting of Shareholders  
Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (Bidiphar)**

**I. OPERATING CONTEXT**

In 2026, the Company will operate in the context of a pharmaceutical industry that continues to undergo significant transformation, presenting both opportunities and challenges:

**Opportunities:**

- Government policies continue to prioritize the development of the domestic pharmaceutical industry, particularly products applying science and technology and technology transfer.
- This presents an opportunity for the Company to strengthen its manufacturing capabilities, enhance operational autonomy, and improve its competitive position.
- The distribution market is becoming increasingly transparent and standardized; pharmacy and drugstore systems are gradually stabilizing following the implementation of new tax regulations for household businesses.

**Challenges:**

- Requirements for quality standards and GMP compliance are becoming increasingly stringent, while intensified post-inspection activities are driving up compliance costs.
- Global economic and geopolitical volatility has led to rising raw material prices, exchange rate fluctuations, and higher energy costs, while the ability to adjust selling prices remains limited.
- The re-evaluation of GMP-WHO and GMP-EU standards in 2026 may require certain production lines to be temporarily suspended for upgrades, potentially affecting short-term supply.
- Some products are still facing regulatory dossier requirements, along with changes in regulations governing health supplements.
- Pressure on implementation resources is increasing as multiple key projects are carried out amid a labor market with limited availability of suitably qualified personnel.

**Strategic Direction:**

- The Board of Directors identifies 2026 as a pivotal year to strengthen the Company's operational foundation while creating new growth drivers.



- The Company will implement proactive and flexible measures to capture market opportunities, effectively manage risks, and enhance value for shareholders.

## II. KEY OBJECTIVES FOR 2026

1. Achieve revenue of more than VND 2,100 billion and profit before tax of VND 375 billion.
2. By 31 December 2026, complete:
  - EU-GMP assessment for the oncology pharmaceutical manufacturing plant.
  - Validation of the entire production and supporting equipment systems, hygiene evaluation, and research testing for the Small Volume Injectable (SVI) sterile pharmaceutical manufacturing plant.
3. Communications and brand building:
  - Maintain the Top 4 position among reputable pharmaceutical companies.
  - Continue to meet the criteria for a Science and Technology Enterprise.
  - Obtain National Brand certification for at least two product lines.
4. Continue to prioritize investment in R&D activities and new product development.
5. Continue to accelerate digital transformation, including implementation of SAP S/4HANA, development of Power BI management reports, application of AI, and development of a Zalo mini app.
6. Financial management:  
Finalize processes and management reporting for finance (inventory, cash flow, costing, selling expenses, branch operating expenses, etc.) in order to assess the efficiency of resource utilization across all core activities of the Company.
7. Human resources management:
  - Operate HR software and develop analytical management reports to identify issues and propose improvements based on HR data.
  - Increase labor productivity by more than 10% through process improvements combined with digitalization.
  - Ensure over 95% of tasks are completed on schedule.
8. Finalize supply chain management processes, enhance forecasting effectiveness, ensure readiness of resources, and implement production plans that meet business requirements.
9. Enhance the effectiveness of updates and compliance with legal regulations: ensure 100% of legal documents relevant to the Company's operations are updated, communicated, implemented, and monitored through action plans.
10. ESG: Continue to develop medicinal herb cultivation areas, use solar energy, protect the environment, and improve solid waste and wastewater treatment.



### III. 2026 BUSINESS PLAN

#### 1. Business Targets for 2026

No.	Items	Unit	2025 Performance	2026 Plan	% Growth
1	Charter capital	Billion VND	945	945	0%
2	Total revenue	Billion VND	1.947	2.090	7%
3	Pre-tax profit	Billion VND	344	375	9%
4	Dividend payout ratio (cash or shares)	%	20% in cash	Minimum 20% in cash or shares	-

#### 2. 2026 Investment and Procurement plan

No.	Investment Category	Investment budget in 2026 (Unit: VND)	Estimated Disbursement in 2026 (Unit: VND)
1	Digital Transformation	48.015.000.000	29.315.000.000
2	Nhon Hoi Branch (Oncology Drug Manufacturing Plant)	42.454.200.000	40.994.200.000
3	Production Equipment – 498 Nguyen Thai Hoc	10.910.000.000	10.910.000.000
4	Testing / Quality Control Equipment – 498 Nguyen Thai Hoc	7.761.000.000	7.761.000.000
5	Research Equipment – 498 Nguyen Thai Hoc	800.000.000	650.000.000
6	Storage / Preservation Equipment	800.000.000	800.000.000
7	Fire Protection and Firefighting System	12.000.000.000	10.000.000.000
8	Repair and Maintenance of Office Headquarters at 498 Nguyen Thai Hoc	1.440.000.000	1.440.000.000
9	Transportation Equipment Category	2.800.000.000	2.800.000.000
10	Category of Items under the Sterile Drug Project	475.104.980.000	344.166.807.000
11	Office Building at 34 Ngo May	58.500.000.000	32.500.000.000
12	Regular Procurement Items for Production and Business Operations (office supplies, working tools and equipment, periodic replacement materials, repair and maintenance costs, etc.)	84.009.625.140	67.207.700.000
<b>Total</b>		<b>744.594.805.140</b>	<b>548.544.707.000</b>

The Board of Directors respectfully submits this report to the Annual General Meeting of Shareholders for approval.

Yours sincerely,

**Recipients:**

- Shareholders of Bidiphar;
- BOD, Audit Committee;
- Executive Board;
- Stored at Company Secretary Office.

**ON BEHALF OF THE BOARD OF DIRECTORS**

**CHAIRMAN** *(handwritten signature)*



**Tạ Nam Bình**