

REPORT ON THE BUSINESS PERFORMANCE OF 2024

March, 2025

I. General assessment of the 2024 business situation

In 2024, the global economy continued to face numerous difficulties and challenges, but the Vietnamese economy still recorded positive results. In this context, VTC Telecommunications demonstrated outstanding efforts, achieving remarkable accomplishments, and solidifying a strong position in the field of telecommunications and information technology.

Despite signs of improvement in the economic situation compared to 2023, the Company still faced significant challenges, including:

- Competition: The telecommunications and information technology market continued to experience fierce competition, especially with the entry of many new businesses and the presence of international corporations.
- Political instability: Political instability around the world has had a significant impact on the company's production and business operations.
- Inflation and economic recession: Although inflation in Vietnam was controlled at 3.5%, pressure on production costs and product prices remained a significant challenge. The risk of a global economic recession became increasingly apparent, directly affecting purchasing power and investment demand in the market.

However, with the strong determination of all employees, along with the strategic leadership throughout the Board of Directors (BOD) and the Board of Management (BOM), the company achieved positive business results, successfully completing the set plans, thereby affirming its position and potential for sustainable development in the future.

II. 2024 business performance

1. 2024 business indicators

Unit: Billion VND

No.	Indicator	2023 result	2024 plan	2024 result	Compared to 2024 plan	Compare to 2023 result
1	Consolidated Revenue	179.09	230.00	236.60	103%	132%
2	Consolidated Profit before tax	2.69	4.70	6.33	135%	235%
3	Consolidated Profit after tax	0.31	3.50	3.59	103%	1158%
4	Consolidated Profit after tax of parent company shareholders	0.91	3.10	3.53	114%	388%

All 2024 business indicators increased compared to 2023 and exceeded the targets set at the beginning of the year, demonstrating the success in planning and implementing effective business strategies. The company's growth and business results during the year are assessed to be in line with the market's difficulties, consistent with the development of the domestic Telecommunications and Information Technology industry, and in accordance with VNPT Group's orientation.

2. 2024 Business Operations

2.1 Information Technology Services

The technical services market continued to experience intense competition, with provincial/city telecom units cutting costs and reducing service prices, while the trend of self-maintenance and servicing by telecom units also significantly narrowed the traditional technical services market in recent years. The company proactively reduced service prices and optimized project implementation processes to ensure quality and save costs, using service quality as a competitive advantage. Revenue from service provision in 2024 reached 144.4 billion VND, an increase of 43% compared to 2023.

Installation, maintenance, and optimization services: Thanks to a team of experienced technicians, the Company effectively implemented installation, maintenance, optimization, and alert handling services, which were highly appreciated by customers. In 2024, VTC provided services in Ho Chi Minh City, Binh Duong, and Dong Nai with outstanding revenue growth compared to 2023.

Vessel monitoring services: In April 2024, the T2 satellite disconnection incident of Thuraya affected the fishing vessel monitoring service. Currently, the company has coordinated with the VNPT Vinaphone Co. and Thuraya to resolve the incident, promptly addressing disconnection incidents for fishing vessels to maintain service development and maintain its leading position in the fishing vessel monitoring service market. The Company is cooperating with equipment suppliers and other satellite companies to diversify product options for customers.

Information technology and digitization services: In 2024, the Company recorded significant growth in information technology, information security, and digitization services. This is a service segment that the company focuses on developing to shift from traditional telecom services to align with strategic orientations such as information security and digitization in the current period. We have implemented and recorded revenue from Intelligent Operation Center (IOC) projects and digital transformation projects at ministries and agencies, and continues to target customers inside and outside the VNPT Group in the coming time.

2.2 Commercial Business

In 2024, the electronic telecom product market continued to face fierce competition. The increase in interest rates has pushed up product costs, leading to a significant increase in

production and import costs and time. To maintain competitiveness, VTC was forced to cut costs, reduce prices, and accept low profit margins in commercial contracts. The company's commercial products have also gradually shifted from hardware products to software and copyright products to bring about better efficiency than before.

Commercial revenue reached 74 billion VND, an increase of 25% compared to 2023. Commercial revenue mainly comes from telecom equipment, Thuraya satellite terminal equipment, and software products.

Recognizing the fiercely competitive digital product and service market with a diverse number of products and difficulty in penetrating and developing sales, the Company has oriented the development of digital product commerce associated with VNPT Group's product and service. Currently, the Company has completed technical connections with Vinaphone for Kaspersky security software and vnEdu education products to be able to deploy commerce on Vinaphone's platforms. Revenue from digital products in 2024 reached 6.5 billion VND, and the goal is to achieve good growth in 2025.

2.3 Research and Development Activities

VTC always strives to develop products and solutions that are in line with domestic and international technology trends. The focus of 2024 is to optimize the portfolio of products, services, apply 4.0 technology and digital transformation, contributing to the common value chain of VNPT Group and shaping core products to bring into business in the market.

The Company has been participating in the VNPT Group's digital transformation service supply chain for Government customers, ministries, departments, and businesses. Typical projects include: Digitalization of land database, Intelligent Operation Center (IOC), Event Warning Transmission Equipment Service (EOC), Information Storage System, Intelligent Communication System (ICS) and digital transformation projects in provinces/cities.

In 2024, the Company cooperated with satellite companies and airlines in Vietnam to develop satellite in-flight connectivity service. The Company was also granted a license to provide this service by the Ministry of Information and Communications, affirming its pioneering position in the field of satellite information in Vietnam.

2.4 Business activities of the subsidiary

the traditional scratch card market shrank, while the subsidiary - Smart Technology Investment and Development Joint Stock Company (STID)'s new products and solutions are in the process of completion and have not been widely accepted by the market, revenue reached 37.8 billion VND, an increase of 37% compared to the same period in 2023.

STID has shifted its focus to information technology products and services. The provision of information technology equipment has generated revenue, but profits have not met expectations due to the company's application of competitive pricing to accumulate experience. In addition, STID has also shifted its development towards security and

information safety products and solutions through development cooperation with security firms such as Darktrace, Kaspersky, MSOne... and developed citizen identification authentication solutions. These product solutions are in the process of completion, trial implementation at banks, schools, public administrative organizations... market capacity is still small because these are new segments that the market is beginning to accept.

3. Other management activities

3.1 Financial accounting management

The company ensures sufficient capital supply for production and business activities in 2024. The management and use of capital is carried out flexibly, planning capital sources according to each business stage, and regularly inspecting and monitoring progress to manage financial resources and incurred costs effectively and economically.

The company's financial situation is reflected transparently and truthfully, ensuring that owner's equity is preserved and developed. Debts are closely monitored, with efforts to accelerate debt recovery to maintain stable cash flow.

3.2 Personnel management

The company has arranged and allocated resources reasonably, focusing on the strengths of each unit to improve operational efficiency. Optimizing management processes and applying digital transformation to operations helps ensure smooth production and business operations, increasing labor productivity.

In 2024, recruitment and training were strengthened to supplement high-quality human resources. Implementing internal training in a practical direction, combining face-to-face and online methods, focusing on information technology expertise and digital product business, to build a team suitable for long-term development strategies.

We continue to apply a performance-based salary policy, creating motivation to improve labor productivity. The cost allocation method in project implementation is maintained, helping to optimize budget, shorten implementation time and improve the efficiency of resource use.

Respectfully./.

Recipients:

- BOD and BOS members;
- Shareholders;
- Company's archive.

GENERAL DIRECTOR



Bùi Văn Bằng

ANNEX: 2024 BUSINESS PERFORMANCE

Unit: Billion VND

No.	Indicator	2023 result	2024 plan	2024 result	Compared to 2024 plan	Compared to 2023 result
Parent company (VTC)						
1	Revenue	151.54	190.00	215.47	113%	142%
2	Profit before tax	3.31	3.40	6.05	178%	183%
3	Profit after tax	1.09	2.50	3.43	137%	315%
Subsidiary (STID)						
1	Revenue	27.60	40.00	37.84	95%	137%
2	Profit before tax	-1.52	1.30	0.28	22%	
3	Profit after tax	-1.50	1.00	0.17	17%	
Consolidated						
1	Consolidated revenue	179.09	230.00	236.60	103%	132%
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