

Hanoi, 15th May 2024

BẢN DỊCH

**REPORT OF THE MANAGEMENT BOARD ON THE BUSINESS
PRODUCTION SITUATION IN 2023 AND BUSINESS PLAN IN 2024**

I. REPORT ON THE ACTIVITIES IN 2023

1. Situation overview:

In 2023, the world faced many difficulties and challenges: The Russia-Ukraine conflict continued; Several countries in the African region have involved in military conflicts; The Israel-Hamas conflict in Gaza caused instability and profound impacts on the political relations between countries. Global economy grew by 3%, the lowest rate since 2003 (except for 2020: -2.8% due to Covid pandemic). Inflation rate decreased but still remained high at 6.9%, leading governments to implement tight monetary measures and continuous interest rate hikes, affecting the global financial market. Despite these challenges, Viettel Global Investment Joint Stock Company (“Viettel Global”) maintained high revenue growth in the double digits; Pre-tax profits continued to increase for the third consecutive year. Natcom company rose to the number 1 position in market share in Haiti, bringing the total number of leading companies in the market to 6 (Metfone-Cambodia, Unitel-Laos, Telemor-Timor Leste, Mytel-Myanmar, Lumitel-Burundi, Natcom-Haiti). These are significant growth milestones, marking Vietnam's position in the international market.

To achieve these achievements, Viettel Global continued to effectively implement the strategy of promoting investment, seeking business solutions, and exploring new growth opportunities. The company also enhanced direct support in markets to address complex issues and facilitating business operations in those markets. Viettel Global swiftly and seriously implemented the business transformation strategy from traditional telecommunications and information technology services to new fields such as data, digital services, B2B sector, E-wallet... leveraging infrastructure scale and technology advantages to focus on developing fixed broadband services...

2. Evaluation of business production activities:

With efforts to implement the plan, by the end of 2023, Viettel Global had achieved the following results:

- **Total consolidated revenue: VND 32,165 billion**, a **17.7%** increase compared to 2022, exceeding the set plan by 114.6%;

- **Pre-tax consolidated profit: VND 3,879 billion**, an increase of VND 865 billion (~**28.7%**) compared to the same period in 2022 (VND 3,014 billion), maintaining the target of positive pre-tax profit for 4 consecutive years.

Note: The high pre-tax profit increase was mainly due to the fast growth of most market companies (including subsidiaries and affiliates) in business; sales and service revenues of market companies grew strongly, including: Movitel in Mozambique increased by 26%, Mytel in Myanmar increased by 28%, Natcom in Haiti increased by 30%, Telemor in Timor Leste increased by 18%, Metfone in Cambodia increased by 13%; especially E-wallet companies also showed impressive growth: M_mola (Mozambique) increased by 502%, U-money (Laos) increased by 111%, Mosan (Timor Leste) increased by 91%, Halopesa (Tanzania) increased by 36%, Emoney (Cambodia) increased by 20%). In addition, the cash flow recovered from good markets helped Viettel Global restructure deposits and loans, generating financial profit contributing to profit increase.

- **Mobile subscribers:** increased by **4.5** million subscribers, reaching **225%** of the plan (*additional plan of 2 million subscribers*).
- **Digital subscribers:** increased by 11 million subscribers, completing 183% of the plan (*additional plan of 6 million subscribers*).

Moreover, markets in each continent also achieved remarkable achievements:

- **Asia:** All markets maintained the number 1 position in mobile. Metfone and Mytel alone led in both mobile and fixed broadband services. Metfone had the highest revenue and profit growth in the last 9 years (Revenue increased by 13%; Profit increased by 68% and reached USD 69.3 million). Mytel added 2.2 million subscribers, solidifying its number 1 position with a 37% market share, owning the most popular mobile app in Myanmar with 11.4 million users. Telemor's revenue increased by 18%, market share increased and maintained the number 1 position with 53.5% (an increase of 0.6%). Unitel continued to lead in mobile market share with 57% (an increase of 1.5% compared to 2022).
- **Africa:** Continued to lead the main growth contribution of Viettel Global. **Movitel:** Revenue maintained growth for 5 consecutive years above 20%; **Lumitel** maintained and consolidated the number 1 position in all services: Mobile accounted for 63.4% market share (an increase of 5.1%); Wallet subscribers accounted for 81% (an increase of 3%), fixed broadband 43% (an increase of 1%).
- **America:** **Natcom** had the highest revenue growth in 10 years: increased by 30%; Project capital fully recovered 100% after 12 years of operation (the 5th market of Viettel Global to fully recover project capital after Metfone, Unitel, Telemor, and Lumitel); Natcom officially rose to become the number 1 mobile network with 51.7% market share.

3. Results of key tasks implementation

- Viettel Global concentrated all necessary resources to ensure the completion of all targets and indicators for revenue, profit, subscribers, many indicators far exceeded the assigned targets.
- Continued excellent management of traditional telecommunications services (mobile, fixed broadband); At the same time, expanded new services (super app, E-wallet): The Company proactively implemented transitions to adapt to the development trend of building a comprehensive ecosystem to support customer data retention and growth: E-wallet subscribers increased by an additional 5.6 million subscribers, approximately 118% of the annual plan, accumulating a total network of approximately 16 million active wallet subscribers; Super app subscribers increased by an additional 6 million subscribers, approximately 100% of the annual plan, accumulating a total network of 17.3 million active subscribers monthly.
- **Digital transformation activities showed many positive changes:** In 2023, Viettel Global completed raising the digital maturity level to 2.9 (2022: 2.3 points). All market companies increased their scores and improved their digital maturity level.
- **Raised the level of professionalism in the risk management system of Viettel Global to 3.0** (Based on 38 criteria for assessing the maturity level provided by Ernst & Young). Achieved ahead of the target in the Risk Management Policy approved by the Viettel Global Board of Directors in 2022 (Expected to reach 3.0 by 2025).
- **Reviewed and reorganized the organizational model of Viettel Global and market companies.** Through some major directions on organizational models, human resource planning at the Company, and foreign markets with the goal: 1) Strengthen management, supervise the entire investment process and capital recovery; 2) Enhance the leadership role in the IT and digital transformation activities of Viettel Global and market companies; 3) Gradually professionalize communication activities and brand management at market companies. 4) Improve the regulations on the set of criteria, standards for selecting personnel to work abroad to enhance the quality of human resources. 5) Optimize the local workforce (Completed 108% of the annual plan; Labor structure shifted to digital, new fields reached 15.04% ~ 100% of the plan)
- **Strengthened investment promotion activities with many positive results:** In 2023, Viettel Global, together with market companies, implemented many research and investment promotion activities: 1) Searched for investment opportunities in new markets; sought development solutions for business 2) Participated, provided digital transformation solutions to state management agencies, expanded growth opportunities.

4. Existing issues:

Along with the achievements, in 2023, Viettel Global still did not carry out M&A in at least 1 market to bring in additional revenue of about 55 million USD (equivalent to VND 1,200 billion); However, Viettel Global made many efforts to organize and implement M&A promotion activities, regularly reviewed, and evaluated the impact of

objective and subjective issues on M&A activities and the effectiveness of M&A plans. At present, Viettel Global is determined to implement debt restructuring solutions in markets with high profits and effectiveness (in 2023, Viettel Global implemented capital restructuring solutions bringing in USD 39 trillion ~ 900 VND billion), and will continue to research and analyze further to have a long-term M&A direction.

II. BUSINESS PLAN IN 2024

1. Business environment forecast

In 2024, the global situation will still face many challenges, with global GDP expected to grow by 2.9% (Lower than 2022: 3.5%, 2023: 3.0%); In the countries where Viettel Global is investing, the recovery is forecasted to be faster than in 2023 (Except for Mozambique: 5%, lower than 2022 7%), inflation is decreasing; However, due to the small and dependent economic scale, there will still be many difficulties, especially regarding exchange rates.

The economy is expected to recover faster than in 2023, with some governments having built and implemented digital transformation strategies (Cambodia, Timor, Laos...) which will be opportunities for market companies to develop digital services for business and individual customers.

The trends and opportunities in 2024 are still significant: 4G mobile is still a trend and in a strong development phase in developing countries. In the Viettel Global invested markets, only Metfone and Mytel have 4G subscriber rates >90%; the remaining markets still have room for 4G development: **Telemor** (73%); **Unitel** (67%); **Natcom** (64%), especially in African markets in the booming phase of 4G technology: **Movitel** (31%), **Halotel** (26%); **Lumitel** (20%).

Fixed broadband services: The forecasted growth rate of FTTH subscribers is still higher than mobile. In Africa, the proportion of new FTTH is at 12% with a forecasted FTTH growth rate of over 30%, while in Latin America, although the FTTH proportion is over 50%, the expected growth rate is >10% due to the trend of transitioning from coaxial cable to FTTH

Digital services and B2B solutions: are forecasted to grow by 15%, including: Public cloud computing services to grow by 16%; IoT to grow by 18%; Artificial intelligence and machine learning to grow by 27%. The revenue share in Viettel Global markets is still low. This is an opportunity for markets to leverage telecommunication infrastructure advantages; enhance cooperation with partners (within and outside the Viettel Group) to diversify services; At the same time, prepare infrastructure/legal conditions to deploy IT solution business: Data center, Cloud, Cybersecurity... E-wallet subscribers: E-wallet payments will account for 54% of the total payment volume on global e-commerce platforms; 36% for retail points in 2024; QR code payment technology will be a common form globally. For the 5 markets with >1 million subscribers (**Metfone**: 1.1 million subscribers; **Mytel**: 2.8 million subscribers; **Lumitel**: 2 million subscribers; **Halotel**: 2.9 million subscribers; **Movitel**: 5 million subscribers), they will continue to expand the service ecosystem on the wallet to increase efficiency/subscriber; Other markets with low wallet subscriber rates will intensify wallet subscriber development.

2. Business plan in 2024:

With the above forecasts, the Board of Directors has developed a business plan in 2024 with the following key targets and tasks:

2.1. Key targets:

- **Total consolidated revenue** reaching **VND 31,746 billion**, equivalent to 2023
- **Consolidated pre-tax profit:** reaching **VND 5,477 billion**, achieving 141% compared to the actual performance in 2023. Profit increased by 1,598 billion (~41.2%), mainly due to the strong increase in planned pre-tax profit in 2024 of Viettel Global invested markets and the reduction of provisions at the parent company (specifically: Natcom increased by VND 231 billion ~ 18%, Halotel reduced losses by VND 392 billion, Metfone increased by VND 138.7 billion ~ 7%, Movitel_E increased by VND 105 billion ~ 40%, and the parent company increased by VND 1,260 billion mainly due to the reduction of provisions and the decrease in exchange rate differences compared to 2023).
- **Telecommunication subscribers:** an additional **2 million** subscribers.
- **Digital subscribers:** an additional **6 million** subscribers

2.2. Key tasks:

- Concentrate all necessary resources to ensure the completion of the production and business targets in 2024 (revenue, profit, subscribers).
- Continue to maintain excellent business operations for traditional telecommunication services (mobile, fixed broadband); At the same time, expand the space, vigorously develop new services (superapp, E-wallet).
- Continue to implement investment promotion activities to maximize economic benefits for production and business activities in markets.
- Evaluate the brand health for all markets; Re-position the Telemor brand.
- Develop and implement action programs for Viettel Global to achieve Level 3.1 maturity. Improve the organizational structure, functions, and tasks of risk management to enhance the maturity level of the risk management system to Level 3.2.

2.3. Implementation solutions:

- **Regarding investment:** Strengthen investment in network infrastructure, especially 4G networks for markets with potential to maintain growth sources; Promote frequency acquisition and develop a 5G investment plan; Invest in Data centers, Cloud in some markets to gain a competitive advantage, lead the way, and affirm the pioneering position in technology in markets like Cambodia, Laos, Timor.
- **Regarding investment promotion:** Research investment models, solutions in the telecommunications sector as a supporting foundation, expand the development space of Viettel Global.
- **Regarding compliance and risk management:** Build a compliance portfolio and implement to minimize risks to the maximum. Proactively review compliance

in market company activities to identify risks, control legal risks, and propose solutions to resolve; Periodically monitor, support in the resolution process.

- **Regarding business and communication:** Sustainably develop based on Viettel Global's core strengths: Actively seek new business opportunities, set high goals, and find solutions to achieve them. Organize practical task force delegations, support markets in various areas. Build a communication machine with a clear direction, support markets in brand health assessment, implement effective communication programs and campaigns.

- **Regarding financial management, capital structure:** Establish and put into use budget management tools in 9 market companies. Build a legal framework in managing exchange rate, interest rate risks. Research solutions to minimize exchange rate risks in markets (Borrow local currency to pay off USD debts; buy USD or other foreign currencies for markets such as Burundi, Laos).

- **Human resource management solutions:** Continue to streamline market organizations towards customer orientation, shift high-quality personnel to new fields, digital areas. Guide, support markets to improve salary policies towards: Accelerate salary increases in low markets and separate salary policies for key personnel, local managers

The above is the report from the General Director of Viettel Global, respectfully submitted for the General Meeting's consideration./.

GENERAL DIRECTOR

Recipient:

- *Shareholders of Viettel Global*

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