

No: 99 /2026/BC-KTKT

## REPORT ON BUSINESS PERFORMANCE IN 2025 AND PLAN FOR 2026

To: The Annual General Meeting of Shareholders 2026

Northern Electricity Development and Investment Joint Stock Company No.2

Northern Electricity Development and Investment Joint Stock Company No.2 (NEDI2) respectfully reports the implementation results of its production and business activities in 2025 and the business plan for 2026 as follows:

### I. BUSINESS PERFORMANCE RESULTS IN 2025

#### 1. Hydrological conditions

- The year 2025 witnessed particularly abnormal and extreme climate developments across a wide area, with many storms and tropical depressions recorded in the East Sea in history. Ngoi Phat Hydropower Plant was also affected by these unusual weather conditions. The first four months of the year experienced intense heat and low river water levels. From May onwards, the heat gradually decreased, and from June to early November there were continuous rains, which significantly improved the hydrological conditions.
- The natural inflow to Ngoi Phat reservoir reached 29.33 m<sup>3</sup>/s, equivalent to 105.35% of 2024 and 116.8% compared to the 5-year average (2020-2024) of 25.115 m<sup>3</sup>/s.

#### 2. Electricity generation operation

- Focused on maintaining stable operation of generating units, ensuring continuous operation with 24/7 monitoring, maintenance and incident handling, ready to respond to any potential technical issues.
- Mastered operational technology and optimized plant operation, calculating inflow conditions under high head to minimize water spillage from the reservoir.
- Commercial electricity output in 2025:

Commercial electricity output	Plan 2025	Actual 2025	Completion rate
10 <sup>6</sup> kWh	402,54	452,75	112,47%

#### 3. Maintenance and repair works

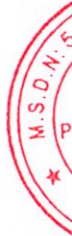
- Regular monitoring and observation of dam structures, tunnels and the power plant.
- Proactively carried out major overhauls of generating units H3 and H4.
- Successfully completed scheduled and unscheduled maintenance and repairs.
- Conducted periodic inspection and certification of equipment.
- Replaced transformers and relocated the 35 kV transmission line at the headworks area and other works.
- Coordinate with TEG experts to survey and provide consultancy on improving the plant's operation and maintenance processes.

#### 4. Improvement and optimization of technological systems

- Monitored and evaluated the Hydrological Forecasting (HNT) program, coordinated with contractors to optimize and improve the software of the DCS/SCADA system after upgrading. Upgraded several equipment systems including plant UPS system, water level monitoring system before and after trash racks, H4 cooling tank, HPOP pumping system, and domestic water supply system.
- Continued improvement of the ISO 9001:2015 Quality Management System.

#### 5. Safety, training, disaster prevention and search & rescue - fire protection

- Consolidated the Disaster Prevention and Search & Rescue Committee, updated procedures and organized emergency drills. Coordinated with hydropower plants in the same basin to



operate reservoirs safely and protect downstream communities. Maintained 24/7 standby operation with materials and equipment ready to respond to storms and floods.

- Conducted periodic inspection of high-risk safety equipment, fire protection systems and occupational safety equipment.
- Installed additional fire protection equipment at the operation building.
- Organized examinations and issued Electrical Safety Certificates.
- Hired experts to provide advanced TIG welding training.
- Focus on storm and flood prevention and post-storm damage recovery.
- Hired consultants for geological and topographical surveys to develop solutions for slope stabilization at the existing Ngoi Phat plant.
- Fully restored facilities damaged by Typhoon Yagi (2024)

## 6. Financial performance

In 2025, the Company maintained a stable financial balance, fully meeting the financial needs to cover production and business costs and mitigate the consequences of storms and floods. In 2025, the Company repaid the principal of investment loans of VND 174.5 billion, bank loan interest of VND 40.6 billion, and dividends of VND 125 billion (dividend rate of 25%) to shareholders in full and on time.

## 7. Corporate governance and other activities

- Successfully renewed the Electricity Operation License for Ngoi Phat Hydropower Plant and obtained a new Environmental License.
- Developed plans for dam protection, reservoir emergency response and boundary marking for the dam protection area.
- Issued 56,000 IREC certificates for partners.
- Effectively managed procurement contracts for materials and services supporting production and disaster recovery.
- Maintained strict labor discipline, optimized workforce utilization and improved operational efficiency.
- Ensured employees' welfare, salaries, bonuses and social insurance payments.
- Fulfilled corporate social responsibilities initiated by local authorities.

## 8. Business performance results

		Unit: million VND		
NO	Contents	Plan 2025	Actual 2025	Plan Completion Rate
#	Electricity production (million kWh)	402,5	452,7	112%
1	Total revenue	368.573	409.859	111%
2	Total expenses	204.735	183.678	90%
4	Profit before tax	163.838	226.181	138%
5	Profit after tax	155.237	214.643	138%
6	Dividends	25%	35%	140%

## II. BUSINESS PLAN FOR 2026

### 1. Advantage and Disadvantages

#### 1.1 Advantages

- The plant is located in a geographically advantageous position with favorable natural conditions, in the upstream area supplying electricity to the Northern region, thus experiencing high load demand. Situated at the downstream end of the Ngoi Phat stream, it can utilize water from the reservoirs of upstream hydropower plants, contributing to the stable production of the plant.
- Competitive electricity contract price with EVN, with continuous efforts to optimize production costs.
- Production costs are always a priority, focusing on savings, optimization, and efficiency.
- Coordination with dispatching and local management agencies is smooth.
- Strong support from major shareholders Vinaconex and Toyota Tsusho.

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## 1.2 Disadvantage

- Hydrological fluctuations and the impact of climate change: Uneven and unstable flow distribution affects the effectiveness of reservoir regulation;
- Risk of localized heavy rainfall leading to increased landslides and sediment inflow, along with domestic and natural debris entering the reservoir, thereby reducing the effective water head and causing blockages in technical water systems; certain structures are also prone to frequent damage due to rainfall and flooding-induced landslides;
- Main system equipment, manufactured over 12 years ago and in operation for over 10 years, has reached the stage requiring comprehensive maintenance and upgrades; some components show signs of aging and mechanical and electrical wear and tear;
- Costs for repairs and replacement of materials and components are trending upwards; some specialized equipment must be imported, resulting in longer supply times;
- Increasing competition has exerted downward pressure on market prices, resulting in declining revenue from the electricity market. In addition, transmission line congestion and surplus generation capacity during certain periods have adversely affected market revenue and profitability. Furthermore, due to the long 110 kV transmission line (over 40 km), annual transmission losses remain relatively high.
- Increasingly stringent requirements for safety in construction projects, environmental protection, disaster prevention, and search and rescue require more resources;
- Unclear policies and regulations regarding power generation and grid development make it difficult to identify opportunities for development and expansion.

## 2. Business targets for 2026

Unit: million VND

No	Indicators	Actual 2025	Plan 2026	Difference (2026-2025)	Rate plan 2026/actual 2025
#	Electricity production (million kWh)	452,7	407,41	-45,3	90%
1	Total revenue	409.859	371.540	-38.319	91%
2	Total expenses	183.678	206.678	23.000	113%
4	Profit before tax	226.181	164.862	-61.319	73%
5	Profit after tax	214.643	156.207	-58.436	73%
6	Dividends	35%	25%		71%

## 3. Solutions for implementing the 2026 business and production plan

### 3.1 Solutions for Production Operations

- Continue to strictly implement reservoir and inter-reservoir operating procedures, ensuring a balance between power generation, flood control, and maintaining minimum downstream flow;
- Proactively monitor meteorological and hydrological developments closely, enhance the efficiency of the inter-reservoir system to develop flexible operating methods;
- Research and implement solutions for clearing reservoirs to increase useful capacity;
- Continue implementing solutions for clearing downstream, ensuring that the downstream water level during power generation at the designed capacity of 4 generating units;
- Strengthen technical and operational management, inspect and review 110kV power lines/substations to detect and promptly address defects and risks of violating the safety corridor along the line; implement measures to reduce lightning strikes on power lines during the rainy season;
- Strengthen the statistical and operational data analysis to serve as a basis for adjusting production plans accordingly;
- Closely coordinate with the national power system and electricity market operator, regional dispatch centers, power plants in the area, and other entities in the power generation sector to optimize generation, and to support and exchange technical and technological solutions for safe and efficient operation.

### 4.2 Technical and equipment solutions

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- Assess the current condition of equipment and develop appropriate maintenance and servicing plans accordingly;
- Prioritize in-depth inspection and evaluation of items such as: speed control system, excitation system, high-voltage equipment, bearings, superbolts, technical water system, and protective measurement equipment;
- Continue upgrading and improving some control and monitoring items of H4 to ensure that the frequency of machine downtime due to subjective errors is less than 1% of the number of starts;
- Ensure that spare parts and equipment are available for replacement and repair, optimize inventory; manage and organize storage in a scientific, safe, and quality-assured manner.

#### 4.3 Safety, disaster prevention, fire protection and environmental protection

- Inspect, monitor, and strictly enforce safety procedures, regulations, and internal rules for production safety, occupational safety and hygiene, and fire prevention.
- Continue to maintain and improve dam and reservoir safety, and conduct regular and unscheduled inspections as required;
- Review and update disaster prevention and search and rescue plans to suit the actual situation and extreme weather scenarios;
- Strictly implement environmental protection regulations, minimizing impacts on ecosystems and the lives of people downstream;
- Strengthen coordination with local authorities in disseminating information and warning about flood releases, ensuring absolute safety for people and equipment during normal operation and during the rainy season and floods.

#### 4.4 Organizational and human resource solutions

- Continue to improve the organizational structure, assigning clear tasks that match the capabilities and experience of each position;
- Organize training and professional development programs to enhance the skills of the operation and maintenance team, especially in areas related to high-maintenance equipment, troubleshooting, and operation under abnormal conditions;
- Encourage proactiveness and technical innovation to improve production efficiency and reduce costs;
- Continue to hone skills for participating in the competitive electricity market and prepare for the next stages of market development.

#### 4.5 Other solutions

- Organize the annual general meeting of shareholders and major company events in a formal, economical, and efficient manner.
- Improve corporate governance and internal regulations.
- Cooperate with Toyota Tsusho (TTC) to expand the IREC renewable energy certificate market.
- Improve maintenance expertise to expand services to nearby power plants.
- Continue exploring new projects aligned with the energy development strategy of Vinaconex / TTC.

The above is the report on business performance in 2025 and the proposed business plan for 2026. NEDI2 respectfully submits this report and looks forward to receiving guidance from shareholders to successfully accomplish the Company's objectives for 2026.

*Sincerely!*

Recipients:

- As addressed;
- Archive: Administration Department

NORTHERN ELECTRICITY DEVELOPMENT AND INVESTMENT JOINT STOCK COMPANY NO.2 *gu*



**TỔNG GIÁM ĐỐC**  
*Đỗ Vương Cường*