



VINCOM RETAIL



Vincom Retail Joint Stock Company 2020 Performance and 2021 Outlook

29 January 2021

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Key Messages

1

Vietnam is among the brightest spots in the world in terms of GDP growth after successfully preventing and controlling Covid-19

- Amidst the global pandemic, Vietnam's GDP growth is among the highest in the world, estimated at 2.9%. The only country in ASEAN delivered a positive GDP growth in 2020 thanks to the successful containment of the Covid-19 pandemic with only 3 community cases in 4Q2020
- A V-shape recovery from 3Q.2020 is about to continue strongly in 2021 onwards thanks to a strong and growing domestic consumption, resilient flow of FDI and acceleration of infrastructure investment
- 2021 GDP of Vietnam is expected to reach 7.7%, which will mark the highest level in ASEAN region (*)

2

Vietnam retail market has bounced back strongly post Covid-19 with favorable fundamentals remaining resilient

- Vietnam retail sales prove to be the fastest rebound in the region with mobility having returned almost to the level of pre-Covid
- The retail property market has remained resilient which adopts new consumption behaviors
- Major cities of Hanoi and HCMC had a stable rental with solid leasing enquiries expected in 2021

3

Vincom Retail continues its solidified position as a leading retail platform in Vietnam

- Tenant sales in categories such as F&B and Fashion continued its rebound to approximately 75% of pre-Covid level (2019)
- Key tenants continuing to expand in Vincom Retail malls with key initiatives including marketing campaigns have continued to stimulate footfall and sales growth

4

Grand opening of VMM Ocean Park while upgrading tenant mix with international brands successfully attracted more customers

- VMM Ocean Park opened on 11 December 2020 with occupancy rate of 93% (including committed tenants). After the first 3 days, footfall and tenants sales reached ~76,000 and VND 20bn respectively
- Bring in international anchor tenants to define mall positioning
- Launch impressive marketing campaigns amidst year-end festive season

(*) Source: : Average consensus forecast on Bloomberg as at January 19, 2021



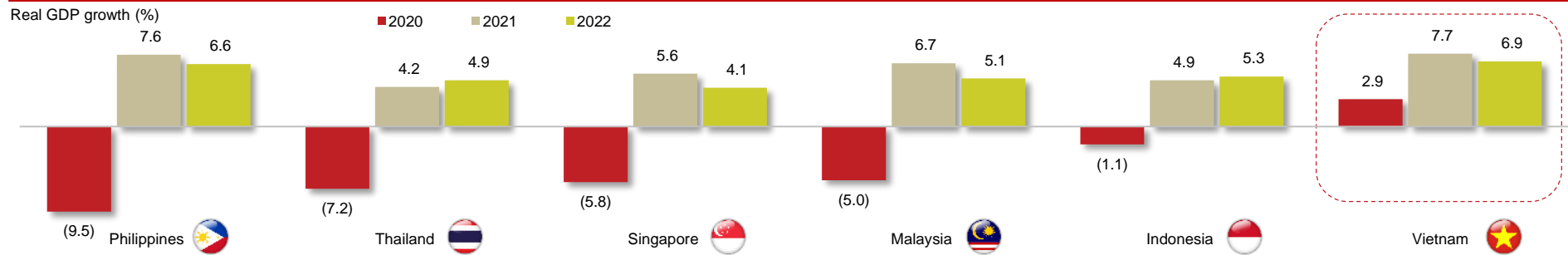
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1. Market Overview

Vietnam On A Rebound - The Brightest Spot In SEA's Economies

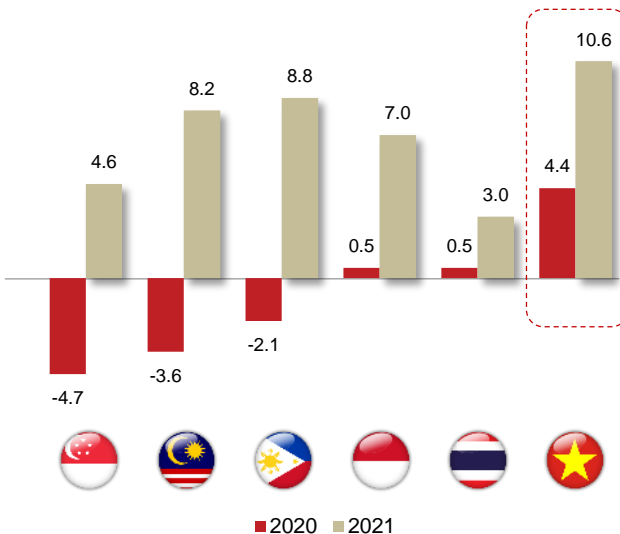
The Only Country In ASEAN Which Had Positive GDP Growth In 2020E And The Strongest GDP Growth Forecast in 2021E



Vietnam GDP to continue growing in 2021 led by a recovery in domestic consumption, resilient FDI due to supply chain shift and public investment

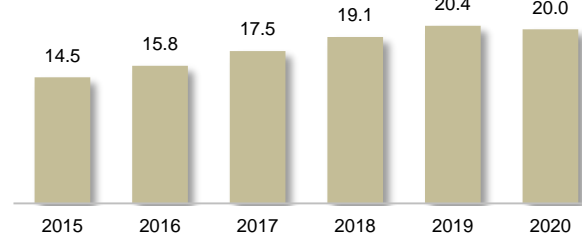
1 Highest Domestic Consumption Growth Country In ASEAN during 2020-2021

Domestic consumption growth (%)



2 Vietnam to Become The New Center of The Global Manufacturing Supply Chain

Implemented FDI has been resilient despite Covid-19 (US\$bn)



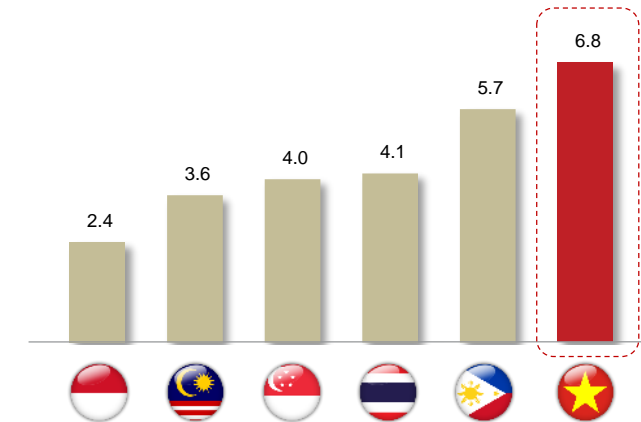
Increasing immigration and expansion of global leaders into Vietnam



Free trade agreements such as CPTPP, EVFTA and RCEP to boost Vietnam's foreign trade

3 Highest Level Of Public Investment Spending As % Of GDP To Support Local Economy

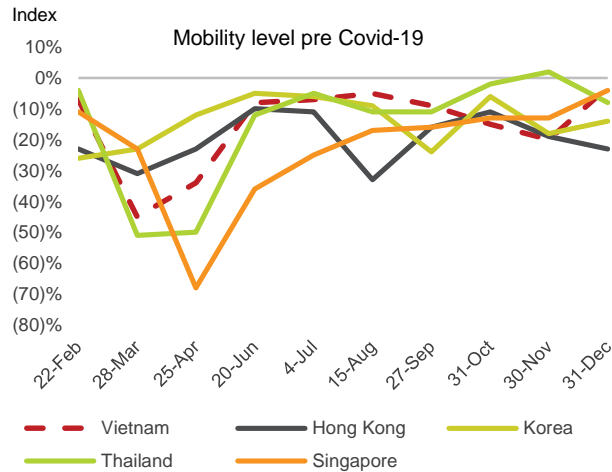
Public investment as % of GDP (2021 Target)



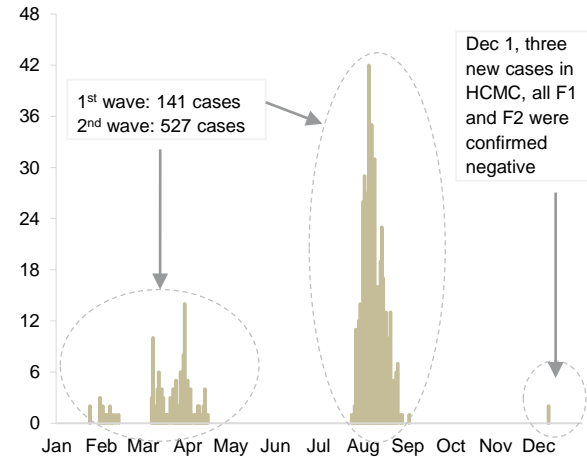
Public investment expected to continue the elevated trend in 1H21 with accommodative monetary policy

Clearer Signs Of A Speedy Recovery And Ready For A "New Normal"

Mobility is gradually returning to pre-Covid levels



Daily Community Cases In Vietnam

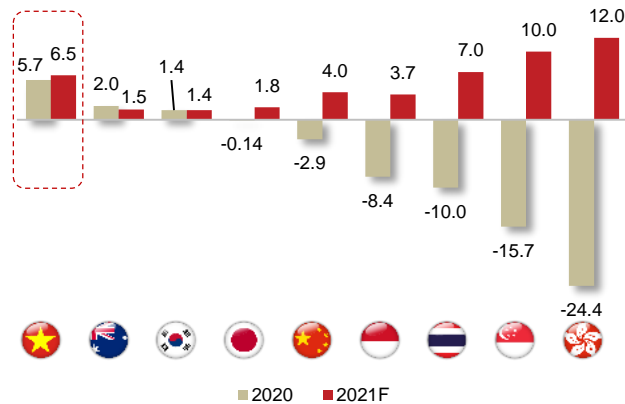


Comparison of Social Distancing Measures

Country	First wave of infections (1H20)	Subsequent wave of infections (2H20)
	Areas Imposed	
VN	Nationwide (1 - 22 Apr) (100% of GDP)	Da Nang (28 Jul – 25 Aug) (1% of GDP)
ID	Jakarta, wets Java, Gorontalo and West Sumatra (Apr to early Jun) (33% of GDP)	Jakarta (14 Sep to 11 Oct) (18% of GDP)
MY	Nationwide (18 Mar - 3 May) (100% of GDP)	Varying timeframes for different states (mid-Dec: 50% of GDP ; mid-Nov: 84% , mid-Oct: 50%)
PH	Nationwide (16 Mar - 31 May) (100% of GDP)	Manila and adjacent provinces (4 – 18 Aug) (45% of GDP)

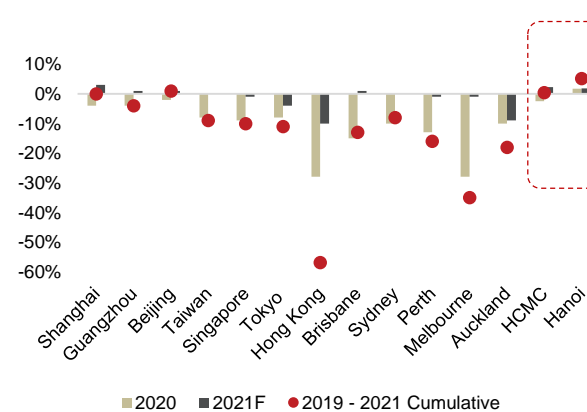
Whilst Retail Sales Across The Region Start to Recover in 2021, Vietnam Proves Its Leading Position With Early and Sustainable Growth

Nominal retail sales change YoY (%)



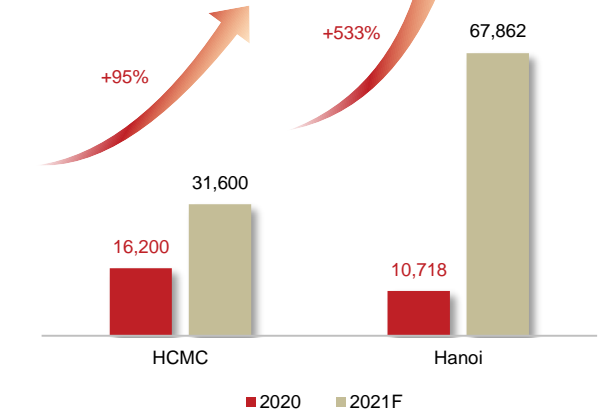
Rental Outlook In Vietnam Remains Stable And Not Experienced A Decrease in Rental Rates

% change in rental rate forecast (YoY)



Solid Retail Leasing Enquiry Growth Expected

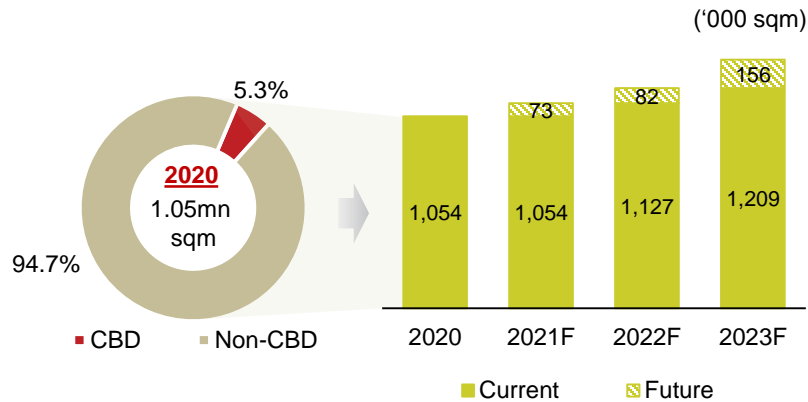
Sqm NLA



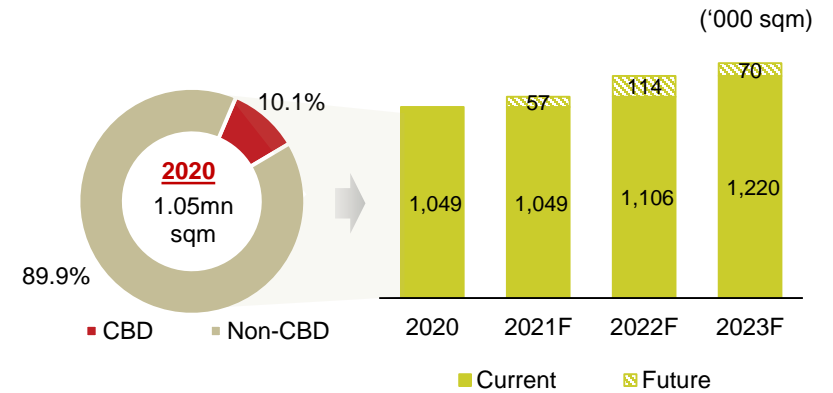
Retail Property Markets Remained Resilient In 2020 And Beyond

NLA

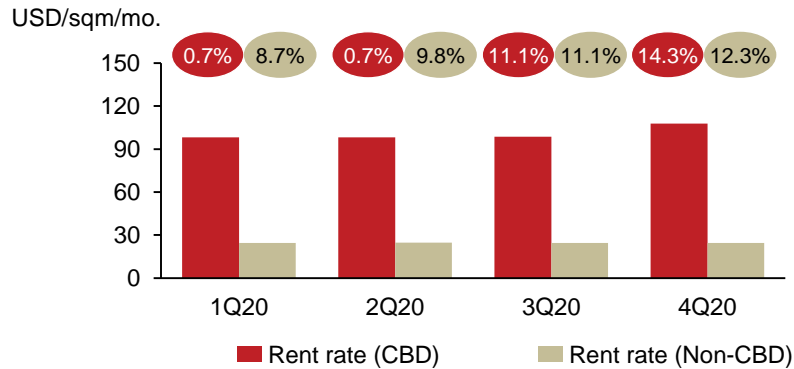
Hanoi



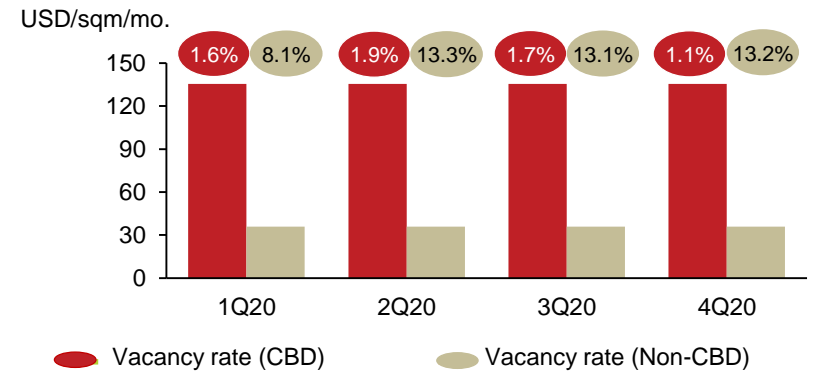
Ho Chi Minh City



Rent and vacancy rate



- **Rent rate:** ↑ 10% Q-o-Q in CBD ■ Stable in non-CBD
- **Occupancy:** ↓ At 87%, decreased ~2% QoQ



- **Rent rate:** ■ Stable in both CBD and non-CBD
- **Occupancy:** ↑ At 88%, slightly increased 0.5% QoQ

Retail Malls Continue To Develop Into The Center Of All Activities

Retail development trend forecast 2021



Retail at stores still plays an important role

- Stores remain the primary channel for reaching consumers, and retailers will continue to invest in physical stores
- Demand for flagship stores from high-end and fast fashion retailers will continue to grow in 2021
- Large-scale shopping centers will dominate the retail property market in Hanoi and Ho Chi Minh City, especially the modern style and large shopping centers with a variety of products and good service quality.



Retailers participate in Omni-Chanel strategy

- The pandemic has prompted Vietnam to turn to omni-channel purchases
- Retailers invest in technology and infrastructure, develop highly experiential flagship stores to cater to customers' needs



Shopping centers continue to develop into the center of all activities

- The demand for entertainment and experience is expected to increase even higher in 2021
- Shopping centers are integrated with facilities such as virtual reality area, smart guest welcoming areas, and experiential restaurants



Young consumers are the driving force behind the growth of lifestyle retail

- Young consumers are the ones who spend the most and continue to spend more in entertainment, fashion and F&B



Consumer-centric research

- Retailers should invest in customer analysis tools to better understand customer behaviors and tailor services offered



Promote safety and hygiene in shopping centers

- Shopping centers continue to ensure hygiene and safety standards after the disease outbreak
- Measures such as thermal screening and periodic disinfection have become a must-have procedures during disease season



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2. 2020 Key Highlights

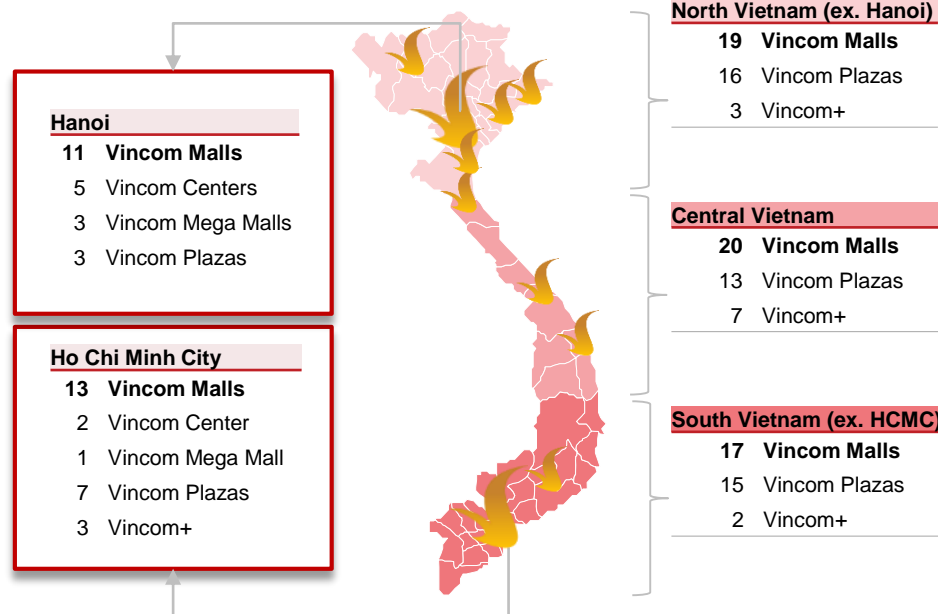
Solidified Position As Dominant Retail Platform In Vietnam

Distinguished retail formats and focused on wide range of lifestyle oriented consumers

Prime Urban and High Growth Areas in Key Cities



Key Cities



Unique Multi-Format Retail Model

(Segmentation by GFA)

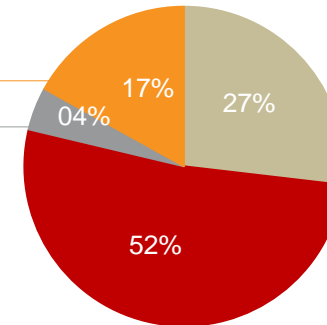
Vincom Center

Location: City-center, CBD
Retail GFA: 40,000 – 60,000 sqm
No. of Malls: 7
Total GFA: 280,026 sqm



Vincom Mega Mall

Location: In integrated, mixed-use projects
Retail GFA: 60,000 – 150,000+ sqm
No. of Malls: 4
Total GFA: 444,098 sqm



Vincom+

Location: Medium-density, non-CBD
Retail GFA: 3,000 – 5,000 sqm
No. of Malls: 15
Total GFA: 71,936 sqm



Vincom Plaza

Location: High-density, CDB of cities ex. Hanoi and HCMC
Retail GFA: 10,000 – 40,000 sqm
No. of Malls: 54
Total GFA: 857,517 sqm



4 retail mall formats



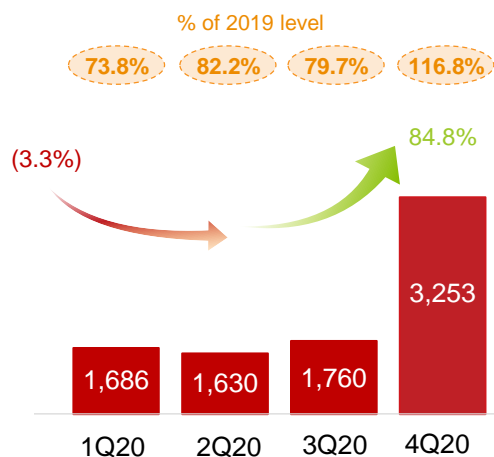
Proven and scalable retail development platform

Financial Performance – 4Q2020

All key financial figures continued remarkable momentum from the 3rd quarter

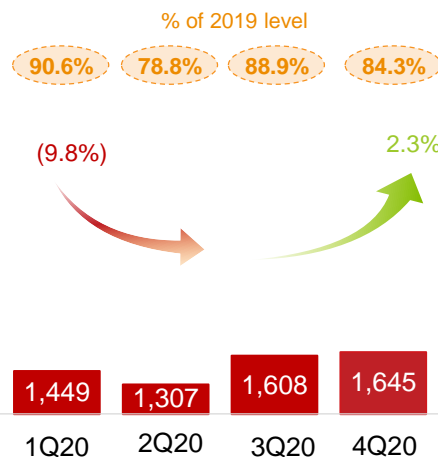
Total Revenue

VNDbn



Leasing Revenue

VNDbn

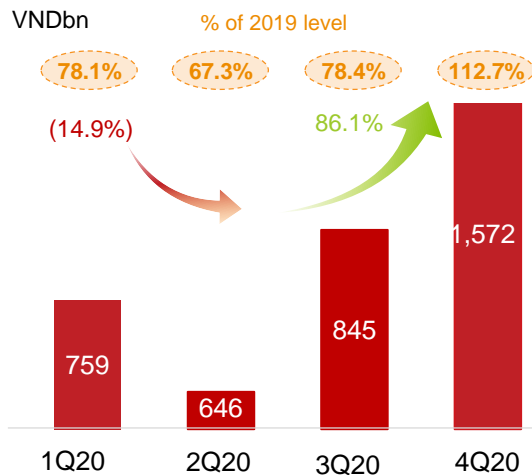


Decline 2Q vs. 1Q

Growth 4Q vs. 3Q

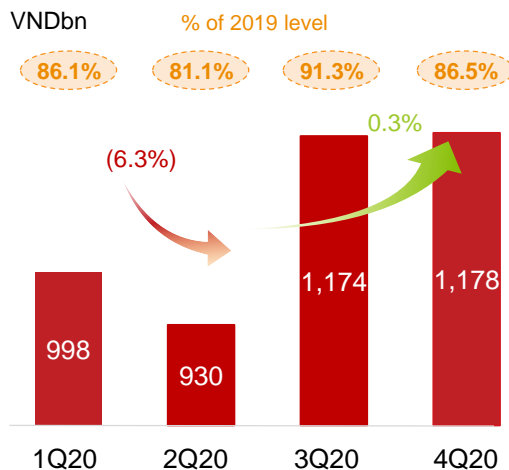
Gross Profit

VNDbn



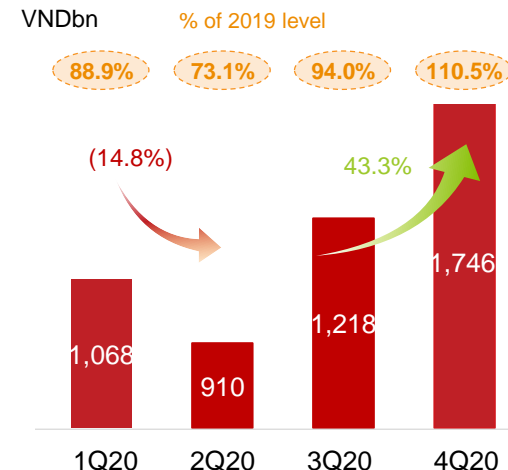
Leasing NOI ⁽¹⁾

VNDbn



EBITDA

VNDbn



Note: Based on VAS Consolidated Quarterly Financial Statements

These financial metrics already took into account the impact of the rental support (VND300bn in 1Q, VND375bn in 2Q, VND145bn in 3Q and VND46bn in 4Q)

(1) NOI for leasing investment properties and rendering of related services is calculated by taking total income from leasing activities and from other property-related services less any property-related operating expenses, which include land lease costs but exclude management expenses allocated from parent company

Key Operational Metrics

Retail GFA

('000 sqm)	2019	2020	Change (%)
Vincom Center	280	280	-
Vincom Mega Mall	388	444	▲ 14.4
Vincom Plaza	858	858	-
Vincom+	72	72	-
Total	1,598	1,654	▲ 3.5

Occupancy rate

	2019	2020	Change (ppts)
Vincom Center	91.3%	92.7%	▲ 1.4
Vincom Mega Mall	91.7%	86.8%	▼ 4.9
Vincom Plaza	88.7%	81.5%	▼ 7.2
Vincom+	84.9%	75.2%	▼ 9.7
Total	89.8%	84.4%	▼ 5.4

Note: As of 31 December 2020

Events & Achievements In 2020

EVENT

On 17 December 2020, Vincom Retail was honored among the top 10 leading brands in Vietnam 2020 by Forbes Vietnam



POSITIONING

Solidify leading position of the retail developer, owner and operator of shopping malls in Vietnam

As of 31 December 2020, Vincom Retail owns:

80	Shopping malls
43	Cities/provinces
1.7mn sqm	Retail GFA

RELATIONSHIP WITH TENANTS

An accompanying partner of chain tenants who want to expand first time in Vietnam

On 6 March 2020, Vincom Center Pham Ngoc Thach reopened with occupancy rate reaching **98%** and anchor tenants such as UNIQLO, Haidilao

A reliable partner throughout 2020 with timely support packages during Covid-19

In 2020, Vincom Retail provided **VND 865 billion** to support tenants nationwide whose businesses were impacted by Covid-19. The supporting package was in forms of rental discount and promotional vouchers

Business Highlights in 4Q And 2020

New mall opening – Vincom Mega Mall Ocean Park



Occupancy rate: 93%
(including committed tenants)

Key tenants



Upgrading Operating Malls



Leasing Plan and Tenant Growth

Chain tenants expansion

Area
↑15%

New tenants

Number of new tenants

+114

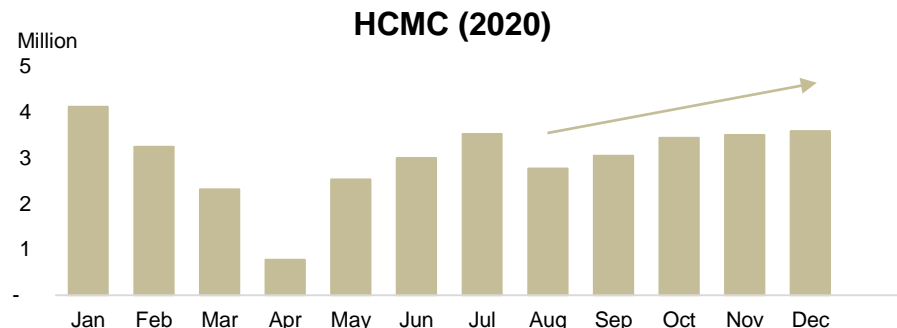
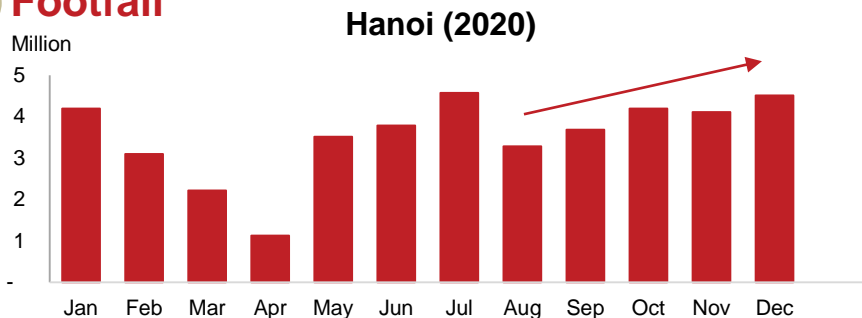
Accounting for

%11

of total tenants

Tenants' Recovery Post Covid-19

1 Footfall



- Overall, footfall has positively recovered. Hanoi malls saw strong footfall recovery thanks to upgraded VCC Metropolis, VCC Pham Ngoc Thach with more international famous brands driving footfall
- Newly opened VMM Ocean Park in December was well received
- HCMC malls witnessed weaker recovery than in Hanoi due to travel restriction impact, which lead to fewer foreign tourists

2 Tenants' sales in 2020

F&B

Fashion

Entertainment

Cinema

COVID-19 relative impact



Least impacted



Least impacted



Medium impacted



Most impacted

Recovery status



Strong recovery
witnessed across
Hanoi and HCMC



Strong recovery
witnessed across
Hanoi and HCMC



Gradual recovery
witnessed across
Hanoi and HCMC



Gradual recovery
witnessed across
Hanoi and HCMC

3

Resumption of business activities & improved tenant sales resulted in less tenant support in 4Q2020. Total support package of 2020 was **VND865bn** (vs. VND 820bn in 9M2020).

Marketing Activities That Drive Footfall And Tenant Sales

Marketing Campaigns

Vietnamese Women's Day (20 Oct 2020)

**Radiant flowers - Happy
fragrance**



- The first event ever held at Vincom - **Discover Vincom on Women's Day**
- Footfall: ~4mn (visits)
- Tenant sales: ~VND 548bn

Black Friday, Christmas (23 Nov 2020 – 15 Jan 2021)

**Welcome festival - Warm
and full of love**



- Activities focus on decoration, cheerful events with up to 70% discount
- Presence of famous singers and Christmas Music Night
- Footfall: ~6mn (visits)
- Tenant sales: VND 823bn

Grand Opening of VMM Ocean Park

Opening Day (11 Dec 2020)



- Music performance event with the participation of singer Noo Phước Thịnh
- Bus Tour & Roadshow, in cooperation with VinFast, transported internal customers and Vinhomes residents to Vincom
- Footfall: ~76.2 thousands (visits)
- Tenant sales: ~VND 20bn

Christmas Festival in the Ocean City (19 December 2020)



- The first Christmas night in the Ocean City with a music performance featuring famous singers
- Light and fireworks show – first time at Ocean Park urban area
- Light up the tallest Christmas tree in Hanoi
- Roadshow, in cooperation with VinFast, transported Vinhomes residents

Promoting disease prevention and safety measures at Vincom malls

- Guide customers to prevent disease at Vincom malls including wearing mask before entering the shopping mall or participating in entertainment activities
- Hourly disinfection with hand sanitizer when entering and leaving shopping mall
- Viral marketing on Fan pages of the 80 shopping malls and on company website



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3. 2021 Strategy Plan

2021 Strategies And Plan

Product Strategy

- Continue to develop Vincom Center (VCC)/Vincom Mega Mall (VMM)/Vincom Plaza (VCP) in the big and Tier-1 cities to offer a dynamic and engaging experience to the residential community in Vinhomes' mega projects and surrounding areas
- Enhance customer experience, embrace digital technologies, and ascertain the number one destination for customers by expanding and diversifying tenants' portfolio with international and Vietnamese brands



- 5 new shopping malls
- New malls' occupancy target: VMM 85%, VCP and VC+ 95% (including committed tenants)

Tenant Strategy

- Expand the group of international, large, chain and anchor tenants (Fashion, F&B, Furniture, Home accessories, Supermarket, etc.) in existing shopping malls
- Pioneer in reaching and bringing international, prestigious brands and attractive retail models to Vietnam for the first time
- Accompany and support Vietnamese tenant groups



- Upgrade VCP Da Nang to VCC
- Upgrade tenant mix at VCC Metropolis (Hanoi), VCP Phan Van Tri (HCMC), VCP Hung Vuong (Can Tho)

Digital Transformation

- Apply digital transformation initiatives to create a dynamic, engaging customer experience and maximize operational efficiency



- Roll out Tenant Portal
- Build data warehouse system
- Enhance Vincom web/ Vincom app to facilitate customer experience to and at Vincom malls

Marketing Strategy

- Solidify Vincom Retail's leading position for effective cooperation and consumers' trust
- Expand channels for brand communication: Web/App



- Implement marketing and communication plans for the grand openings of major projects namely Grand World, Vincom Mega Mall Smart City, and Vincom Mega Mall Grand Park

Customer Services

- Provide a safe shopping environment with quality products and services
- Optimize operating costs and energy costs



- Enhance a quality service program to offer impressive shopping experience for the continuously increasing end-users and customers

Sale Goals And Action Plan

Goals

Leading shopping malls
with presence across Vietnam

Shopping malls of Vietnamese
Pioneer in bringing shopping experiences from
prestigious domestic and international brands

Action Plan

New opening + **5** projects, including **2** Vincom Mega Mall **2** Vincom Plaza **1** Vincom+

+ **150,000** sqm GFA



Increase nationwide
retail GFA to

~1.8mn sqm

Upgrade tenant mix **3** projects, including **1** Vincom Center **2** Vincom Plaza

**Chain and
anchor
tenants
development**

Number of stores

↑ 20%

Area

↑ 20%

Target tenants for finalizing





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4. Financial Update

Financial Performance In 4Q2020 vs 4Q2019

Figures in VND billion	4Q2019	4Q2020	YoY (%)	Commentary	QoQ (%)	Commentary
Leasing of Investment Properties and Rendering of Related Services	1,951	1,645	▼ 15.7	<ul style="list-style-type: none"> An additional VND45.6 billion (US\$1.9 million) tenant support package was granted Revenues from advertising, utilities and car-parking was also lower due to the social distancing period, and overall Covid-19 impact 	▲ 2.3	
Sale of Inventory Properties	785	1,547	▲ 97.1	<ul style="list-style-type: none"> Two major projects (My Tho and Bac Lieu) were handed-over in 4Q2020 	▲ 1,347.7	<ul style="list-style-type: none"> Two major projects (My Tho and Bac Lieu) were handed-over in 4Q2020
Other revenue	48	61	▲ 27.4		▲ 33.5	
Total Revenue	2,784	3,253	▲ 16.8		▲ 84.8	
Gross Profit ⁽¹⁾	1,395	1,572	▲ 12.7		▲ 86.1	
Operating Profit / (Loss)	1,096	1,186	▲ 8.2		▲ 76.3	
Profit / (Loss) before Tax	1,109	1,211	▲ 9.2		▲ 69.0	
Profit / (Loss) after Tax for the Period	884	975	▲ 10.3		▲ 70.3	
Profit / (Loss) after Tax and Minority Interest	883	974	▲ 10.3		▲ 70.3	

Note: VAS Consolidated Quarterly Financial Statements

(1) Gross profit already subtracted D&A relating to investment properties accounted for under VAS

Financial Performance In 2020 vs 2019

Figures in VND billion	2019	2020	Change (%)	Commentary
Leasing of Investment Properties and Rendering of Related Services	7,017	6,008	▼ 14.4	■ In 2020, the Company disbursed VND865 billion to support tenants affected by the Covid-19 pandemic
Sale of Inventory Properties	2,027	2,149	▲ 6.0	
Other revenue	215	172	▼ 20.0	■ Entertainment business and operation of Condotel Da Nang were heavily impacted by Covid-19
Total Revenue	9,259	8,329	▼ 10.0	
Gross Profit ⁽¹⁾	4,404	3,821	▼ 13.2	
Operating Profit / (Loss)	3,546	2,901	▼ 18.2	
Profit / (Loss) before Tax	3,576	2,993	▼ 16.3	
Profit / (Loss) after Tax for the Period	2,852	2,382	▼ 16.5	
Profit / (Loss) after Tax and Minority Interest	2,851	2,382	▼ 16.5	

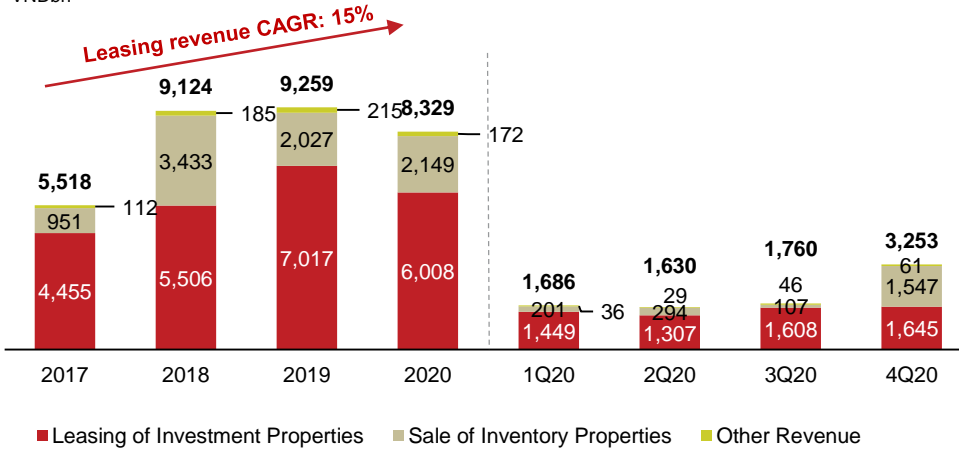
Note: VAS Consolidated Quarterly Financial Statements

(1) Gross profit already subtracted D&A relating to investment properties accounted for under VAS

Financial Performance

Total Revenue

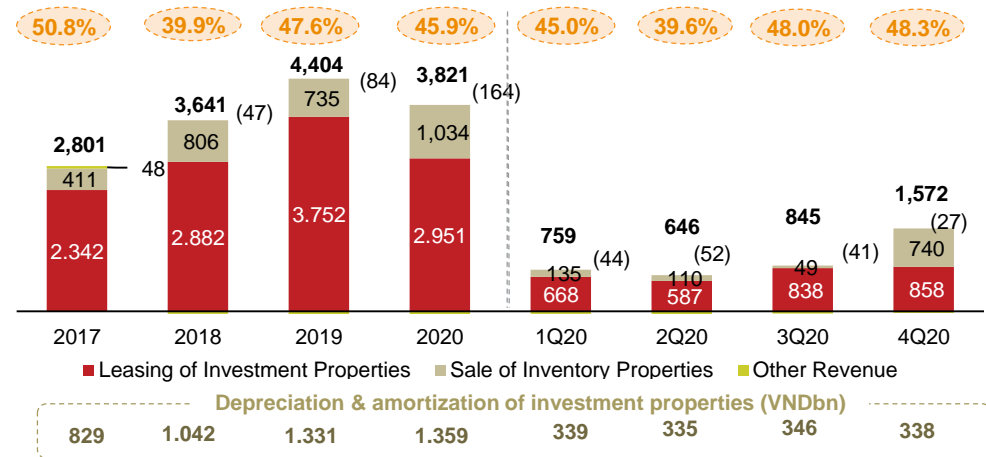
VNDbn



Gross Profit⁽¹⁾

VNDbn

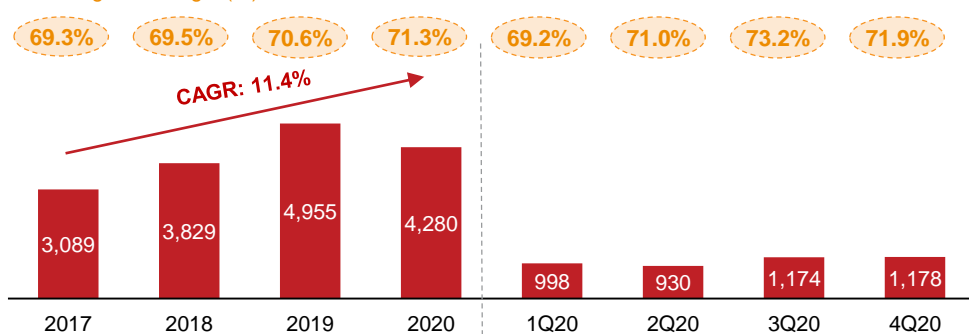
Gross Profit Margin (%)



Leasing Net Operating Income (NOI)⁽²⁾

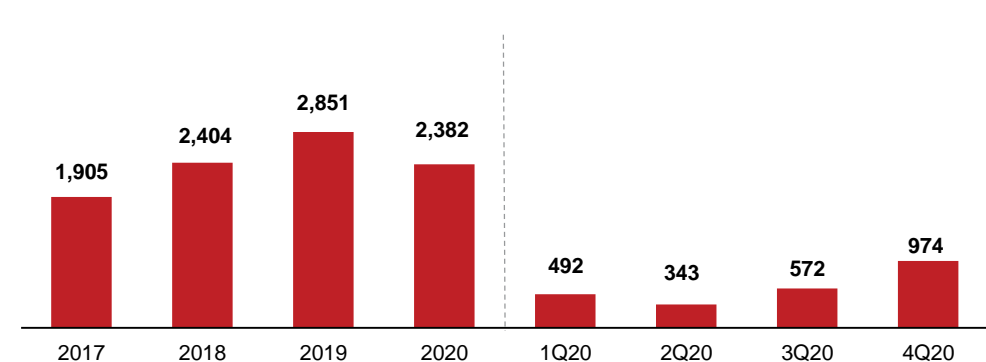
VNDbn

Leasing NOI Margin (%)



Profit After Tax and Minority Interest

VNDbn



Note: Based on VAS Audited Consolidated Financial Statements for respective years and VAS Consolidated Quarterly Financial Statements of 2020

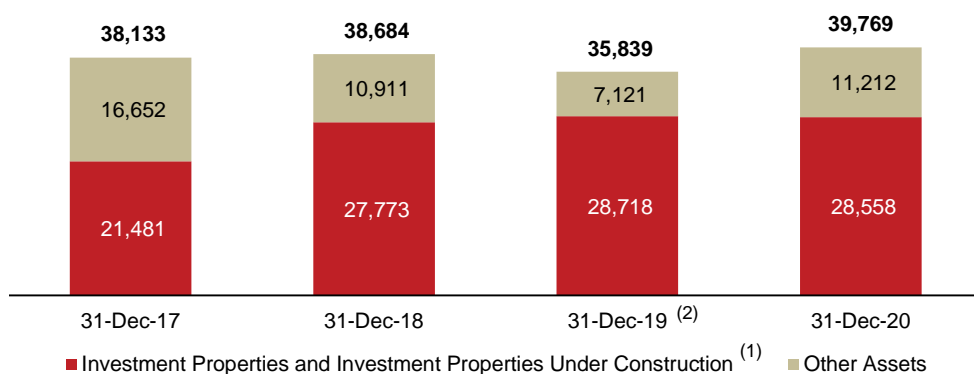
(1) Depreciation and amortization relating to investment properties is below the graph and should be added back (to Gross Profit) under IFRS. Since 2018, "Other" segment includes results from management of Da Nang condotels which was incurring loss as the property was still ramping up after launch in May 2018.

(2) NOI for leasing investment properties and rendering of related services is calculated by taking total income from leasing activities and from other property-related services less any property-related operating expenses which include land lease costs but exclude management expenses allocated from parent company.

Balance Sheet

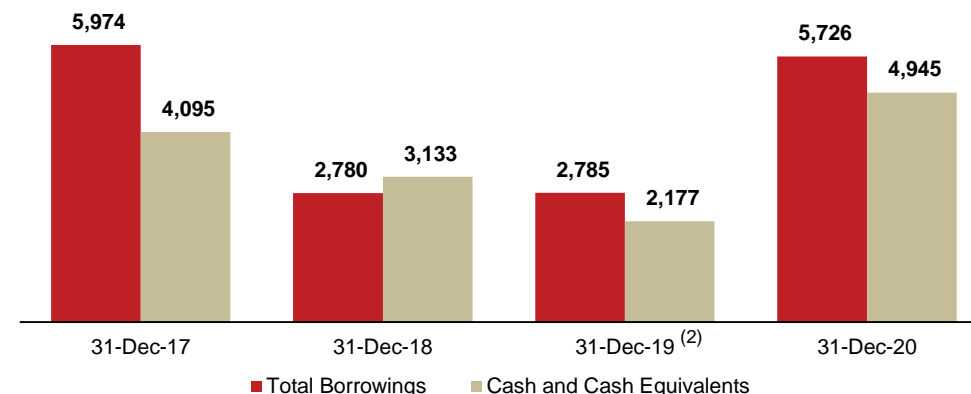
Total Assets

VNDbn



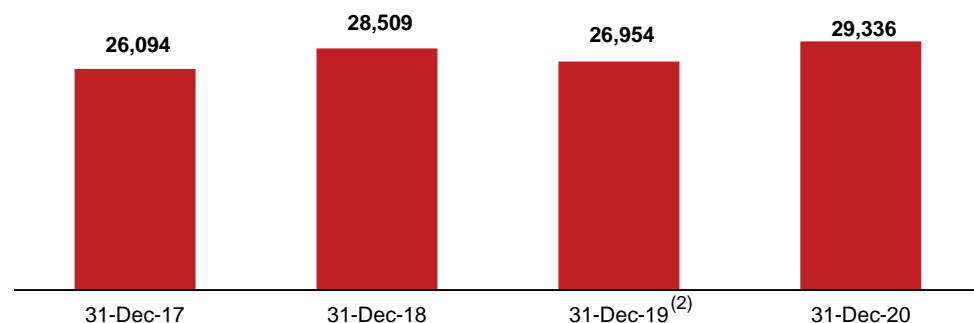
Total Borrowings, Cash and Cash Equivalents

VNDbn



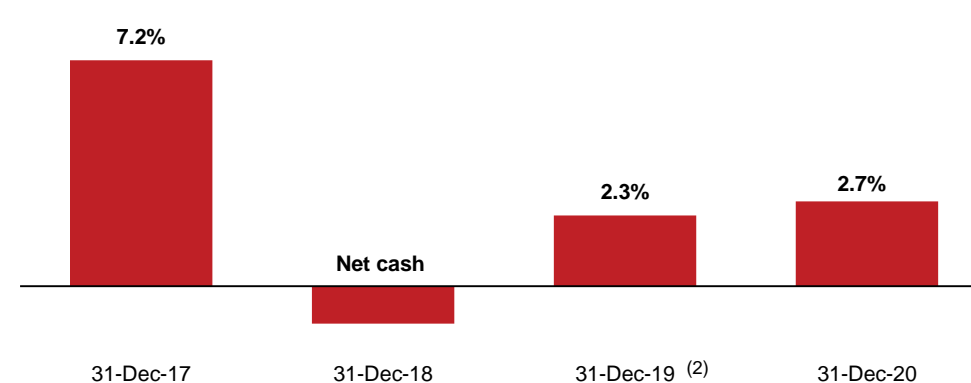
Total Equity

VNDbn



(Net Debt / (Net Cash))⁽³⁾ / Equity

VNDbn



Note: Based on VAS Audited Consolidated Financial Statements for respective years and VAS Consolidated Financial Statements for 4Q2020

(1) Investment Properties and Investment Properties Under Construction (IP/IPUC) are valued at development cost minus depreciation and amortization and are not fair valued

(2) Decline in other assets, cash and cash equivalents, total equity as well as increase in gearing ratio as of 31 December 2019 was due to the payment of cash dividends of VND 2,445bn in April 2019 and buy back 56.5 mil treasury shares completed in November 2019

(3) Net Debt / (Cash) = (Short-term Borrowings + Long-term Borrowings) – (Cash & Cash Equivalents + ST Investments).



VINCOM RETAIL



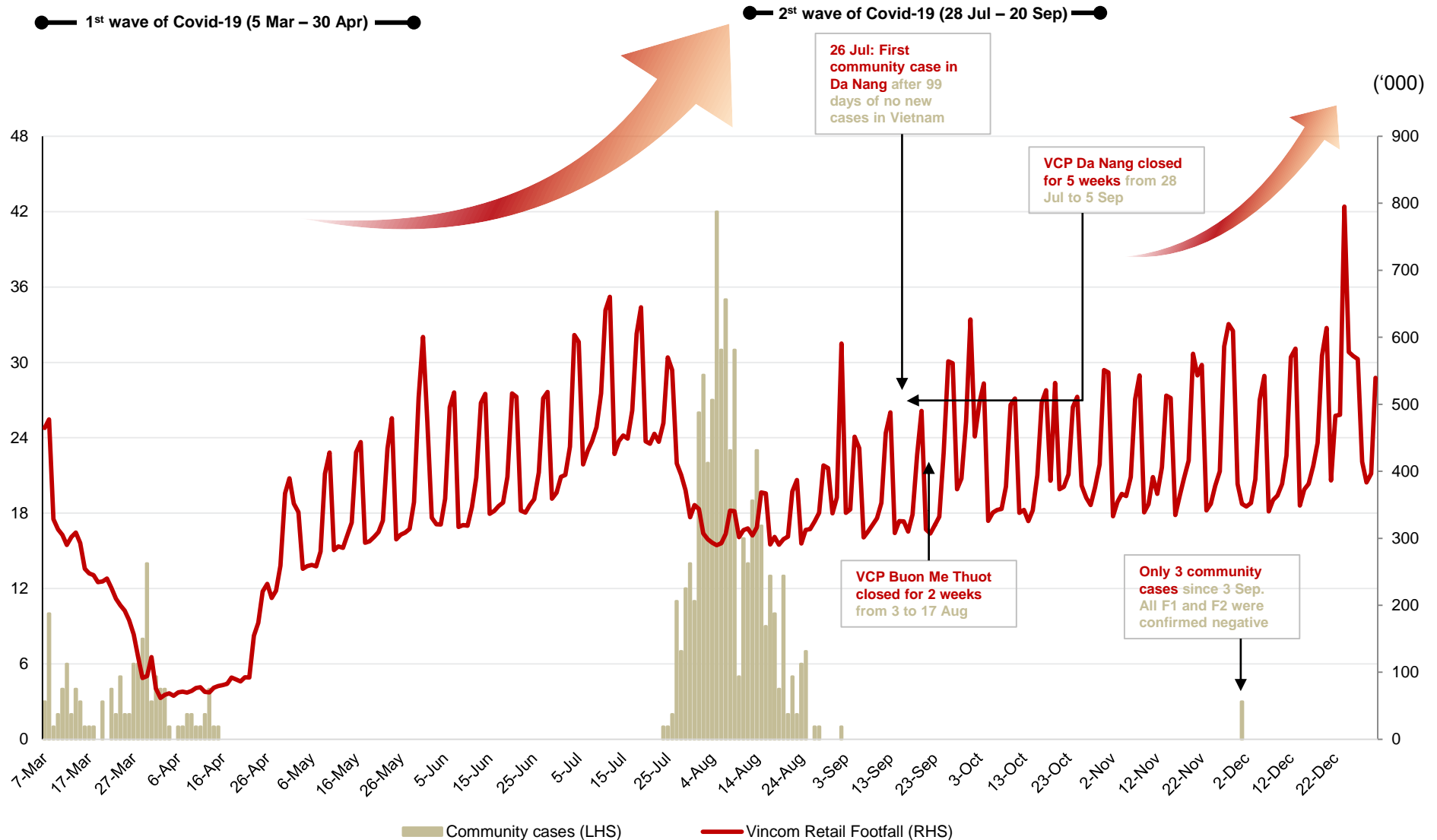
Appendix

Bridging VAS to IFRS

Unit: VND Billion

	VAS 2020	Adj.	IFRS 2020	Commentary on Adjustments
Leasing revenue and other related services	6,008	51	6,059	Realized unearned revenue of deposit from customer in relation to amortization of deposit
Sale of inventory properties	2,149		2,149	
Other revenue	172		172	
Total revenue	8,329	51	8,380	
Cost of leasing activities and other related services	(3,057)	1,283	(1,774)	Mostly depreciation of malls included in VAS; excluded under IFRS
Cost of inventory properties sold	(1,115)		(1,115)	
Others	(336)		(336)	
Cost of goods & services	(4,508)	1,283	(3,225)	
Gross profit	3,821	1,334	5,155	
Gain/loss from recording FV of IP/IPUC		1,204	1,204	Fair valuations of the investment properties and investment properties under construction ("IP/IPUCs") are based on valuation reports by independent valuers as of 30 June 2020
Selling expenses	(330)		(330)	
General and administrative expenses	(399)	73	(326)	Amortization of Goodwill included in VAS; excluded under IFRS
Other income	124		124	
Other expense	(32)		(32)	
Finance expense	(467)	(108)	(575)	Amortization of deposit from customer
Finance income	276	65	341	Revert capitalized interest income to IPUC
Profit before tax	2,993	2,567	5,560	
Tax expense	(610)	(241)	(851)	Mainly deferred tax arising from fair value adjustment of IP/IPUC
Profit after tax	2,382	2,326	4,709	

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VINCOM RETAIL



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