



Vincom Retail Joint Stock Company Quarterly Results 2Q2021

29 July 2021

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1

Operational and financial resilience in spite of Covid

- Core business remains robust with 2Q2021 leasing revenue improved 4.8% y-o-y, thanks to larger scale partially offset by Covid impact
- Strong improvement in EBITDA and PATMI of 10.6% and 12.9% increase respectively over 2Q2020 from cost optimization initiatives

2

Vaccines – the “Energy Drink” for Vietnam’s retail market

- As of July 21, Vietnamese citizens have received more than 4.4 million anti – Covid vaccine shots (75% in June and the first half of July). 70% of Vietnam's population is expected to be vaccinated by YE2021 – 1Q2022
- The retail industry is expected to experience positive recovery thanks to consumers' "Revenge Shopping" psychology – a phenomenon experienced in China and Europe when these markets re-opened, further boosted by promotional campaigns

3

On track with the launch of 3 new retail malls in 2H2021

- **VMM Smart City Hanoi** – new design to bring about a unique experience for customers. Secured contracts with Kohnan supermarket, Mango, Nike, FILA, Levi's, Pizza 4P's, and other brands
- **The launches of VCP in My Tho and VCP in Bac Lieu** mark Vincom Retail's entry into the 44th market in Vietnam

Key Metrics in 2Q2021

Unit: VND billion	2Q2021	2Q2020	YoY%	6M2021	6M2020	YoY%
GFA ('000 m²)	1,654	1,598	▲ 3.5	1,654	1,598	▲ 3.5
Leasing Revenue	1,370	1,307	▲ 4.8	3,082	2,756	▲ 11.8
Leasing NOI⁽¹⁾	939	930	▲ 0.1	2,252	1,928	▲ 16.8
EBITDA	1,006	910	▲ 10.6	2,515	1,978	▲ 27.2
PATMI	388	343	▲ 12.9	1,168	835	▲ 39.9

Source: Management report & consolidated financial statements in 2Q2021

(1) NOI for leasing of 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



1. Market Overview

Increasing Vaccination Rate To Prevent The Spread of Covid-19

By the end of 2021 – 1Q2022, 70% of Vietnam's population will be vaccinated

In response to signs of Covid escalation, government took early and drastic measures of social distancing and accelerates vaccination programs



As of July 2021, Covid remains relatively better contained in Vietnam

- Third lowest number of cases in SEA
- 80% of cases in quarantine cares

Country	Total Infected	%Total population
Indonesia	2.8M	1.0%
Philippines	1.5M	1.4%
Malaysia	893.3K	2.8%
Thái Lan	392K	1.4%
Myanmar	218.7K	0.6%
Campuchia	66.3K	0.4%
Singapore	62.9K	1.1%
Việt Nam	46.3K	0.1%
Lào	3.3K	0.1%
Brunei	283	0.1%

8 MILLION DOSES OF VACCINE ARRIVED IN VIETNAM

ACCELERATION OF VACCINATION TO CONTROL COVID SITUATION



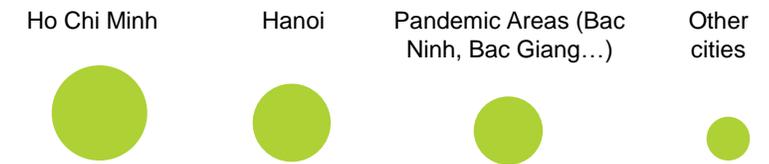
Cumulative number of people vaccinated in Vietnam (Thousand people)

More than **630 vaccination points** have been established in HCMC

By the end of July, **20% of HCMC citizens** will be vaccinated

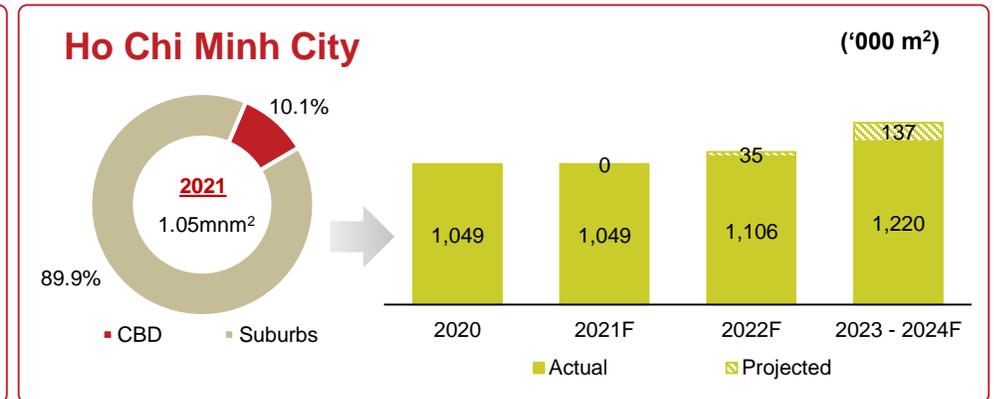
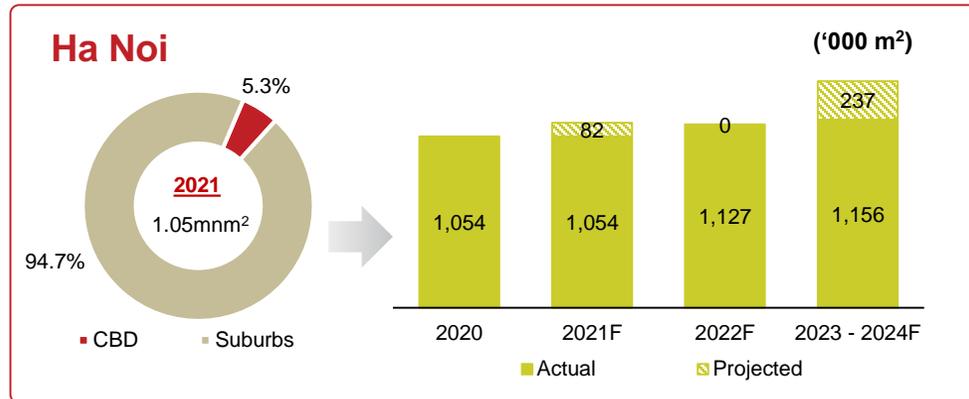


Share of vaccine distribution

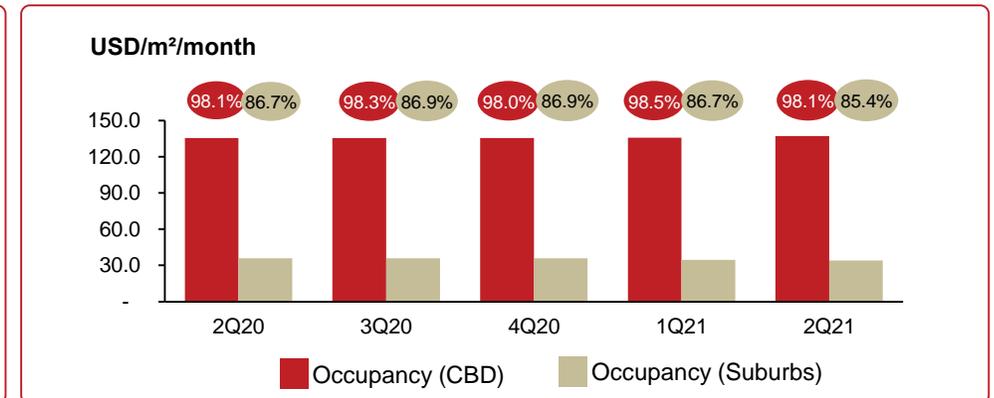
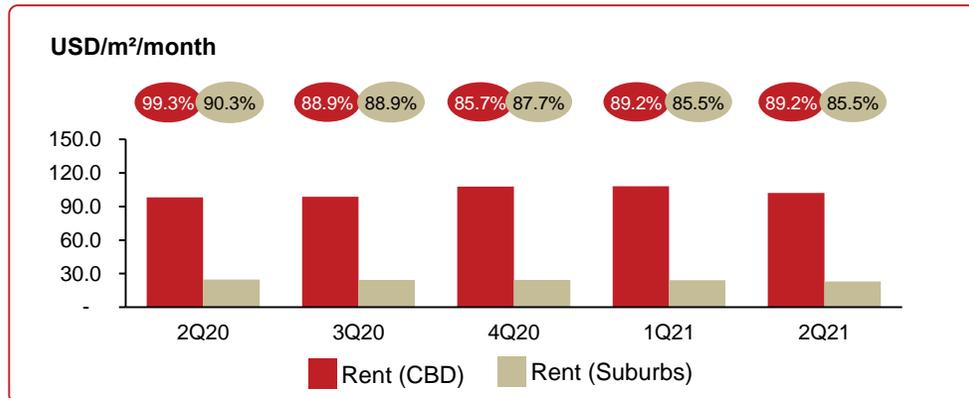


Resilient Market in Spite of Covid with Stable Rentals and Occupancy Rates

Net leasable area (NLA)



Rent & Occupancy



	CBD	Suburbs
• Rent:	↓ 102 USD/m ² /month 0.4% Q-o-Q	↓ 24 USD/m ² /month Unchanged Q-o-Q
• Occupancy:	↓ Achieved 89% Unchanged Q-o-Q	↓ Achieved 85% Unchanged Q-o-Q

	CBD	Suburbs
• Rent:	↑ 137 USD/m ² /month 1.1% Q-o-Q	↓ 34 USD/m ² /month 0.1% Q-o-Q
• Occupancy:	↓ Achieved 98% Unchanged Q-o-Q	↓ Achieved 85% 1.3% Q-o-Q

International Retail Brands Remain Committed to Vietnam



F&B

Brands exploring Vietnam



New brands entering Vietnam



Brands planning to expand



Fashion, Accessories, Cosmetic



MARC JACOBS



TORY BURCH



GARMIN



Others

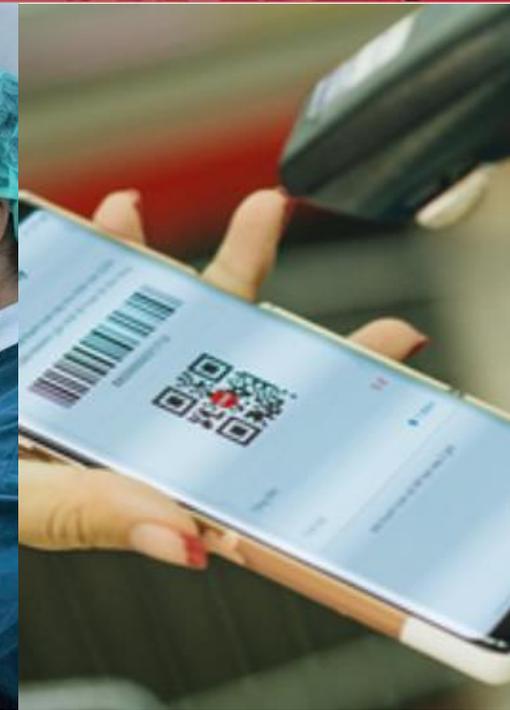


Husqvarna

dyson



All Retail Malls in Vietnam Adapting to the New Normal



Strict compliance with “5K” requirements

(*) “5K” are abbreviation for “wearing facemask”, “applying disinfection measures”, “avoid gathering in crowd”, “health declaration”, and “keeping distance” in Vietnamese

Temperature checks & medical declaration points at every entrance to retail malls

Strict measures to quarantine those traveling from high risk areas

Regular testing for all employees working in retail malls

Technology application

- Click & Collect, Take-away platform
- Touchless payment



2. Key Highlights in 2Q2021 & 3Q2021 Action Plan

Key Operational Metrics in 2Q2021

Retail GFA

'000 sqm	2Q2020	2Q2021	Difference (%)
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

%	2Q2020	2Q2021	Difference (ppts)	1Q2021	Difference (ppts)
Vincom Center	92.5%	94.8%	▲ 2.3	95.0%	▼ 0.2
Vincom Mega Mall	87.2%	86.8%	▼ 0.4	87.3%	▼ 0.3
Vincom Plaza	82.5%	80.3%	▼ 2.2	80.4%	▼ 0.1
Vincom+	76.0%	74.6%	▼ 1.4	74.4%	▲ 0.2
Total	85.0%	84.1%	▼ 0.9	84.4%	▼ 0.3

Events & Achievements in 2Q2021

Solidify the **leading position** as the **largest** retail developer, owner and operator in Vietnam

80	Retail malls
43	Provinces/ cities
1.7 mn sqm	Retail GFA

Grand opening events



April 2021



Signed Contract



sociolla



July 2021



Vincom Retail malls – The preferred partner for major chain tenants



Continued Partnership with Anchor and Chain Tenants as We Expand Our Network

VMM Smart City

Fashion & Beauty



F&B



Anchor



VCP My Tho



Retail Chain Expansion Plan



New Tenants



Marketing Activities in 2Q2021

The PROUD Festival



The Proud Festival campaign was held during the April 30 – May 1 public holiday in the entire Vincom Retail network, with two major events on the Reunification Day (April 30) and International Labor Day (May 1)

Footfall: **106%** of target

Tenant sales: **90%** of target

The "Safe Shopping" campaign at all Vincom retail malls



Vincom swiftly implemented measures to ensure a safe environment for customers, employees and partners/ tenants:

- The delivery areas within retail malls are strictly controlled to ensure "5K" rules are followed
- Organized extensive media outreach to attract customers to all brands and stores present in Vincom malls

Media reach: **c.740,000**

Grand World Grand Opening – the Sleepless Festival City

21 April 2021



Grand World Phu Quoc – The first retail tourism destination in Vietnam located at Phu Quoc United Center

- Inspired by famous shopper-tainment destinations such as Clarke Quay (Singapore), Genting (Malaysia), and Korea's Jeju
- Located at the heart of Phu Quoc United Center, aspiring to become the leading destination attracting millions of tourists
- Harmoniously combines tradition and modernity, local identity and international brands

Marketing activities on April 30 – May 1

- WOW Marathon with **2,000** participants
- WOW Sunset Show at sea square
- Performance events, cheerleading, combo special offers from restaurants, bars, pubs

Successfully connected with large audience

- Attracted **c. 640,000** visitors



**TOP 3 OUTSTANDING SOCIAL MEDIA CAMPAIGNS
IN APRIL 2021**

Covid-19 Response from Vincom Retail

Customers

- “Necessity” stores like supermarkets and pharmacies remain open
- Encourage customers to shop online via partners such as Grab, Now, and Beamin



Tenants

- Organize co-promotion events with tenants using lives-treaming on Vincom’s fan-page (e.g., Mango Event)
- “Preparing for the Recovery”, a VND 50 billion voucher package to be launched nationwide. Extend support packages during social distancing and store closure periods



Employees

- Continue to pay full base salaries to employees at retail malls closed due to lock-down
- Ensure safe working environment for our employees. Frequently sanitize the workplace and provide quick Covid test for our staff



Shareholders

- Implemented cost optimization initiatives: VND 133 billion savings in 1H 2021.
- Closely monitor Covid situations and fine-tune action plans as appropriate



Vincom Mega Mall Smart City – Unique Shopping Experience

1 Convenience

- On the ground parking lots to improve identification, expedite goods movement, and make transportation easier
- To make shopping more accessible, the stores are organized into classified areas
- Increase the number of public transportation stops to and from the mall



2 Unique architecture

- Next-generation mall design with interior architectural highlights
- New technologies to bring about unique experience (laser waterfall, massive LED screen, etc.)

3 Flexible floor plan design and use of smart materials

- Features large-scale entertainment areas: 3,000m² Go Kart installed inside the retail mall
- Combining indoor and outdoor entertainment areas: outdoor concert venue, outdoor cinema, outdoor fairground, outdoor pubs and bars
- Eco-friendly materials including solar glass installed on the mall's exterior to save electricity

VMM Smart City will serve as the format for next – generation retail malls including VMM Co Loa and VMM Dream City



4. Financial Updates

Financial Performance in 2Q2021 vs. 2Q2020

Unit: VND billion	2Q2020	2Q2021	YoY (%)	Commentary
Leasing of Investment Properties and Rendering of Related Services	1,307	1,370	▲ 4.8	Increase is primarily due to the rental revenue of Vincom Mega Mall Ocean Park, which began operation at the end of 2020
Sale of Inventory Properties	294	96	▼ 67.6	16 units handed over in 2Q2021 compared to 49 units in 2Q2020
Other Revenue	29	45	▲ 55.5	Increase in other revenue comes from brokerage commission and condotel management fees
Total Revenue	1,630	1,510	▼ 7.3	
Gross Profit ⁽¹⁾	646	629	▼ 2.5	Reflects lower contribution from sale of inventory properties; gross profit of leasing improved
Operating Profit / (Loss)	467	465	▼ 0.5	Despite a decrease in gross profit; net profit from operating activities was equivalent to 2Q2020 thanks to financial income increase of VND 10 billion
Profit / (Loss) before Tax	446	483	▲ 8.4	
Profit / (Loss) after Tax for the Period	343	388	▲ 12.9	
Profit / (Loss) after Tax and Minority Interest	343	388	▲ 12.9	

Note: VAS Consolidated Quarterly Financial Statements in 2020, 2021

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

Financial Performance in 1H2021 vs. 1H2020

Unit: VND billion	1H2020	1H2021	YoY (%)	Commentary
Leasing of Investment Properties and Rendering of Related Services	2,756	3,082	▲ 11.8	Increase in revenue primarily comes from the strong recovery of Retail Market in 1Q2021.
Sale of Inventory Properties	495	548	▲ 10.6	126 units were handed over in 1H2021 compared to 100 units in 1H2020
Other Revenue	65	107	▲ 65.5	Increase in other revenue comes from brokerage commission and condotel management fees
Total Revenue	3,316	3,737	▲ 12.7	
Gross Profit ⁽¹⁾	1,405	1,798	▲ 28.7	
Operating Profit / (Loss)	1,043	1,425	▲ 36.6	
Profit / (Loss) before Tax	1,065	1,463	▲ 37.4	
Profit / (Loss) after Tax for the Period	835	1,168	▲ 39.9	
Profit / (Loss) after Tax and Minority Interest	835	1,168	▲ 39.9	

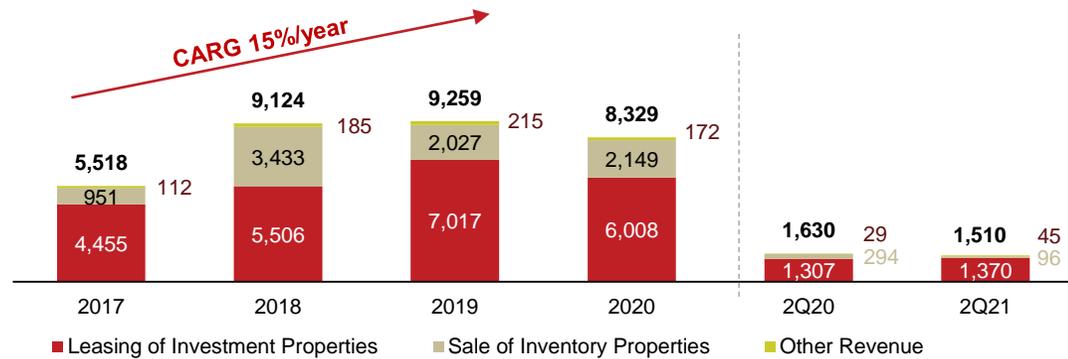
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Financial Performance 2Q2021

Total Revenue

VND bn



Gross Profit (1)

VND bn

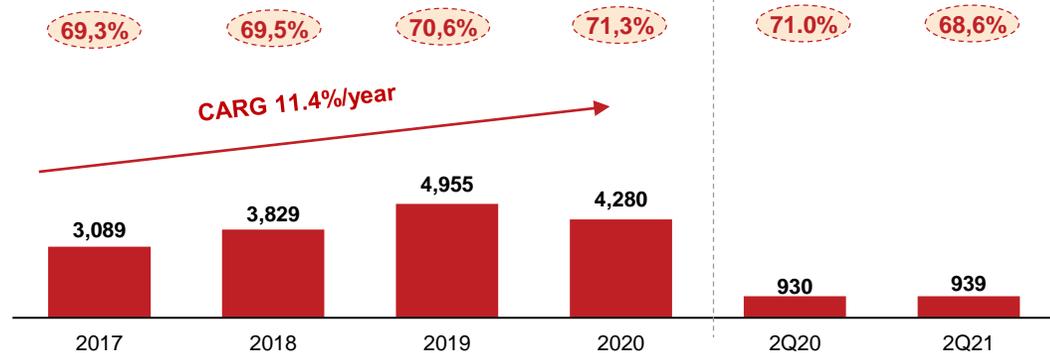
Gross Profit Margin (%)



Leasing Net Operating Income (NOI) (2)

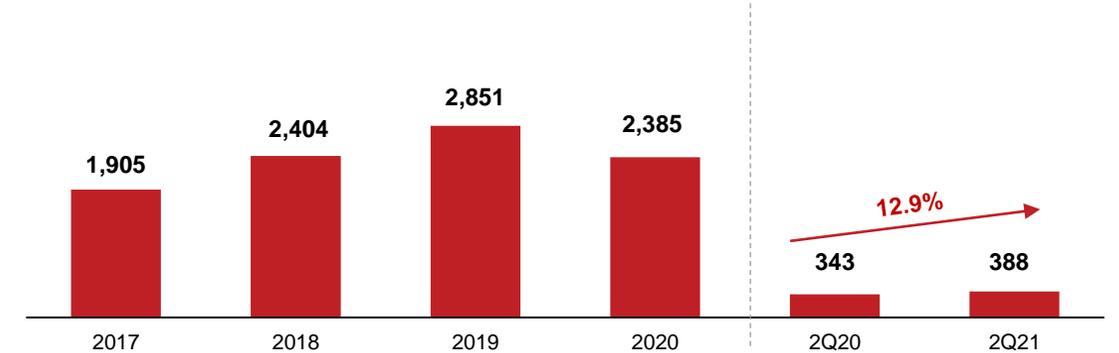
VND bn

Leasing NOI Margin (%)



Profit After Tax and Minority Interest

VND bn



Note: Based on VAS Audited Consolidated Financial Statements for respective years and VAS Consolidated Financial Statements for 2Q2021

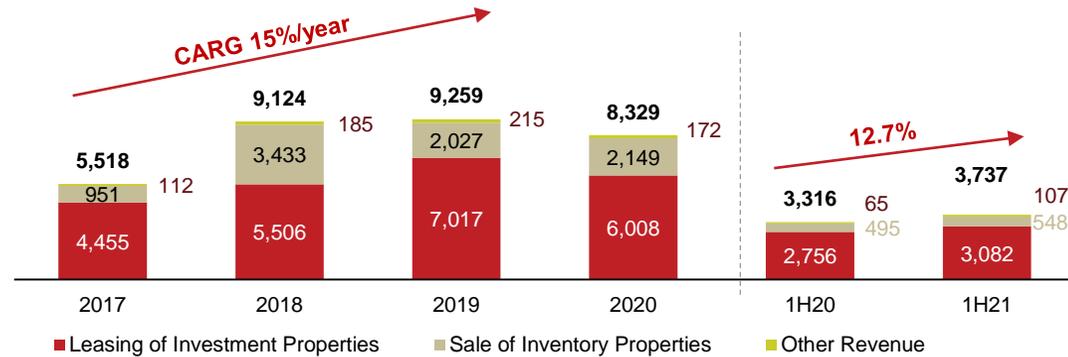
(1) Depreciation and amortization relating to investment properties is below the graph and should be added back (to Gross Profit) under IFRS. Since 2018, "Other" segment includes results from management of Da Nang condotels which was incurring loss as the property was still ramping up after launch in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

Financial Performance 1H2021

Total Revenue

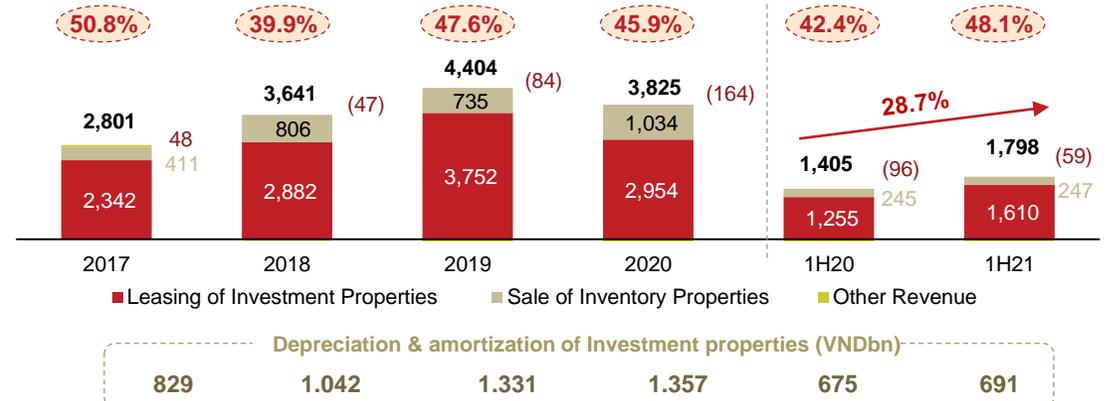
VND bn



Gross Profit (1)

VND bn

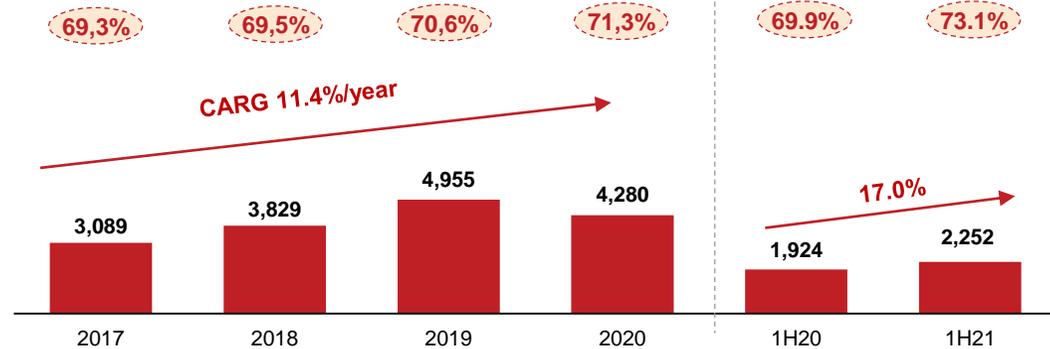
Gross Profit Margin (%)



Leasing Net Operating Income (NOI) (2)

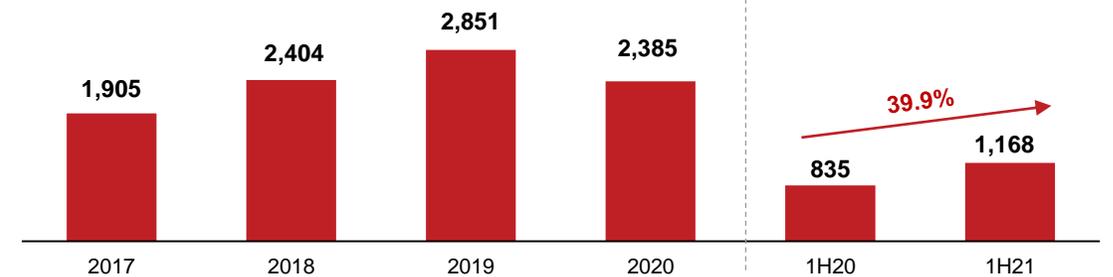
VND bn

Leasing NOI Margin (%)



Profit After Tax and Minority Interest

VND bn



Note: Based on VAS Audited Consolidated Financial Statements for respective years and VAS Consolidated Financial Statements for 2Q2021

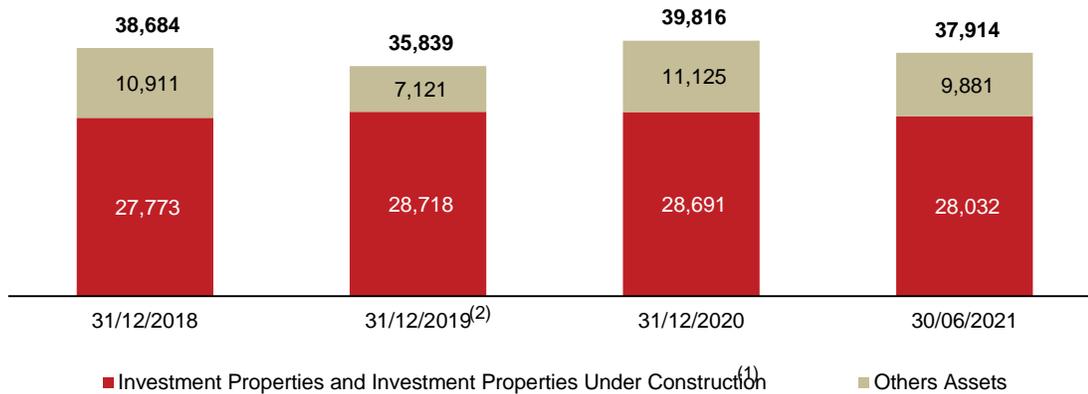
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Balance Sheet

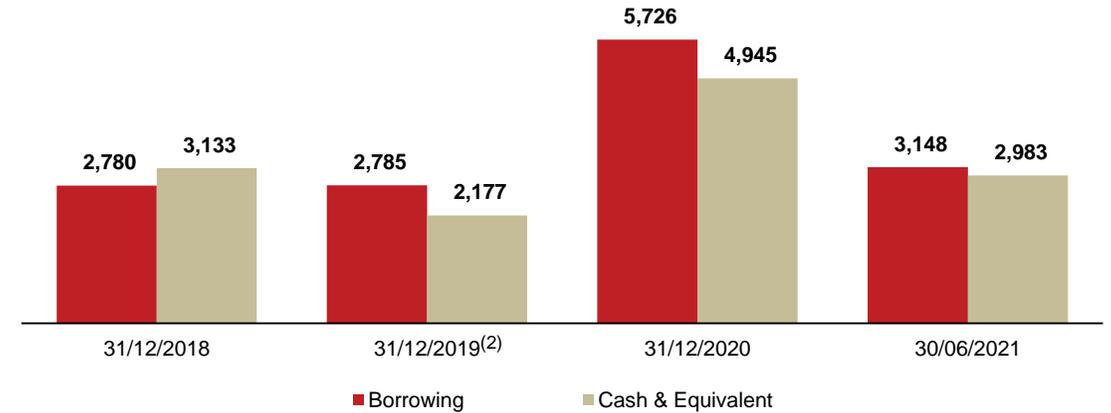
Total Assets

VND bn



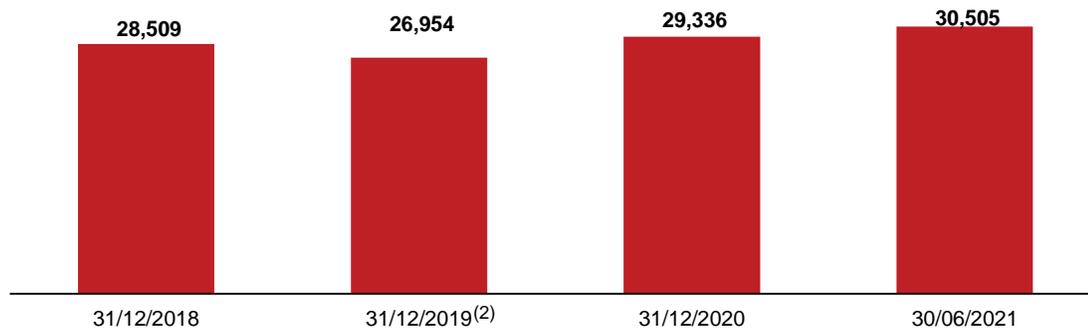
Total Borrowings, Cash and Cash Equivalents

VND bn



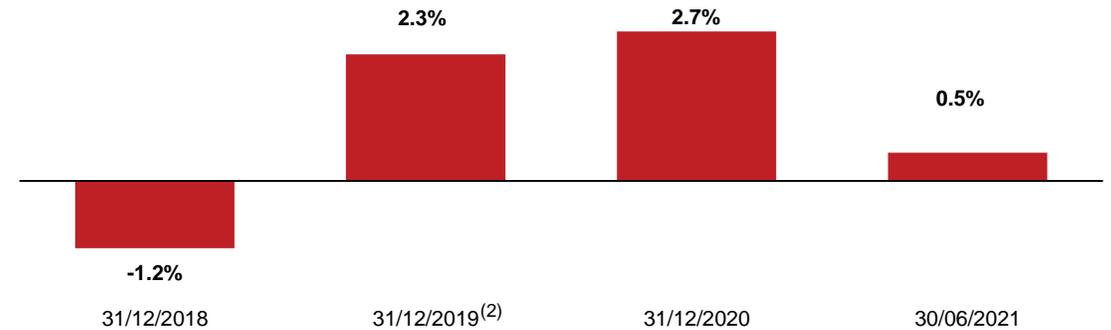
Owner's Equity

VND bn



(Net Debt / (Net Cash)) / Equity

VND bn



Note: Based on VAS Audited Consolidated Financial Statements for respective years and VAS Consolidated Financial Statements for 2Q2021

(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 1H2021	Adj.	IFRS 1H2021	Commentary on Adjustments
Leasing revenue and other related services	3,082	57	3,139	Realized unearned revenue of deposit from customers in relation to amortization of deposit
Sale of inventory properties	548	-	548	
Other revenue	107	-	107	
Total revenue	3,737	57	3,794	
Cost of leasing activities and other related services	(1,472)	725	(747)	Mostly depreciation of malls included in VAS and excluded under IFRS; Reclassification of depreciation of prepaid expenses to COGS
Cost of inventory properties sold	(301)	-	(301)	
Others	(166)	-	(166)	
Cost of goods & services	(1,939)	725	(1,214)	
Gross profit	1,798	782	2,580	
Selling expenses	(144)	-	(144)	
General and administrative expenses	(145)	36	(109)	Amortization of goodwill is included in VAS; added back for IFRS
Other income	41	-	41	
Other expense	(3)	-	(3)	
Finance expense	(306)	(55)	(361)	Amortization of deposit from customer
Finance income	221	33	254	Amortization of deposit under BCC
Profit before tax	1,462	795	2,257	
Tax expense	(294)	(159)	(453)	Deferred tax arising from above adjustments
Profit after tax	1,168	636	1,804	

Note: Based on VAS Consolidated Financial Statements for 2Q2021 and conversion to IFRS by management, excluding impact from Investment Property and Investment Property Under Construction (IP/IPUC) revaluation gain/loss