



Aldar Q3 2020 revenue up 30% to AED 2.1 billion and net profit up 8% to AED 416 million driven by record quarter for development business

- **Strong financial performance reflects the strength of Aldar’s diversified business structure**
- **Development business delivers record quarterly revenues of AED 1.29 billion in Q3, up 101% year-on-year**
- **Record quarter for development sales of AED 1.2 billion in Q3, up 7% year on year, bringing YTD total to AED 2.0 billion**
- **Asset Management Q3 net operating income resilient at AED 383 million, demonstrating the value of Aldar’s diversified investment property and operating business portfolio**
- **Strong cash position driven by AED 3.1 billion of development sales collections YTD, with AED 2.5 billion of free cash and AED 4.0 billion of undrawn credit facilities as at 30 September 2020**

Abu Dhabi – UAE, 11 November 2020: Aldar Properties PSJC (“Aldar”), the largest listed real estate company in the United Arab Emirates (UAE) by market capitalization, today reported a 30% year on year increase in revenue to AED 2.1 billion. Gross profit was up 5% to AED 696 million and net profit rose 8% to AED 416 million, driven by record quarterly home sales in its core market, Abu Dhabi.

Aldar produced a 7% year-on-year increase in development sales to a record AED 1.2 billion for the third quarter. This brought year to date total sales to AED 2.0 billion, with prime Abu Dhabi destinations of Saadiyat Island and Yas Island continuing to attract investors and end-users.

The Abu Dhabi real estate market has held firm this year despite the challenging global macro-economic environment, supported by incentives for home buyers, measured supply of new units, and government programmes to promote private sector growth. Collections from units being handed over and projects under development were also very strong, with AED 3.1 billion collected year to date.

Aldar’s large portfolio of investment properties has displayed a high degree of stability despite the difficult operating environment due to Covid-19, with average occupancy across the diversified retail, commercial and residential assets standing at 87%. The Company also continued to earn steady income from its third-party development management business, which is set to expand further following a new mandate granted in late October (post Q3 reporting period) to take over the development and management of over AED 30 billion of Abu Dhabi Government capital projects.

Talal Al Dhiyebi, Chief Executive Officer of Aldar said, **“The strength of Aldar’s business continues to be demonstrated in this challenging year, with our highly diversified business model delivering strong earnings.**

The company benefits from two core businesses, comprising a large and diverse, actively managed income-generating investment portfolio and a development business of premier destinations. These provide strong cash flows, revenue visibility as well as meaningful revenue and profit growth.

Given the company's balance sheet strength and robust cash position, Aldar continues to actively pursue opportunities to invest in both our development pipeline and in expanding our investment portfolio.

Strong sales at our prime developments reflects sustained investor confidence in Abu Dhabi's real estate fundamentals, which are supported by the Government's commitment to implement its economic growth and diversification strategy. Aldar is proud to be partnering with the Abu Dhabi Government as it invests further in strategic capital projects."

Business and financial update

Aldar's Development Management business recorded revenues of AED 1.29 billion in the third quarter of 2020, more than double the same period in the previous year. This exceptional growth was driven by strong sales of completed residential units, income recorded from continued progress on delivery of projects under development and income for managing Abu Dhabi Government projects.

Aldar has experienced strong demand for its high-quality residential units at the Water's Edge, Mamsha and Nareel Island developments. By introducing digital solutions and virtual tours, the company has achieved continuity in sales in 2020 despite the temporary lockdown due to Covid-19 earlier in the year.

The Asset Management business recorded net operating income (NOI) of AED 383 million, just 3.5% lower year on year, demonstrating the benefits of a well-diversified portfolio in the current exceptional circumstances.

The impact from Covid-19 measures on hospitality and retail assets has been offset by a stable commercial and residential property portfolio, and a 5% year on year increase in gross profit at Aldar's Adjacent Business segment, which includes Aldar Education, property management firm Provis and facilities management company Khidmah.

Aldar maintained its healthy balance sheet position, with AED 2.5 billion of free cash and AED 4.0 billion of undrawn, committed credit facilities as at 30 September 2020, supported by AED 3.1 billion of development sales collections during the year to date.

Update on AED 190 million Covid-19 targeted support programmes

Aldar launched targeted programmes in March 2020 to support tenants, homebuyers and the wider community to minimize the impact of Covid-19.

Since launching the programmes, Aldar has granted a 20% discount applied to nearly 7,500 students at its schools, invested approximately AED 10 million in technology including provision of laptops and distance learning education platform and Aldar Academies has established a AED 6 million hardship fund to support parents in these challenging times.

Aldar has allocated AED 60 million to support residential buyers and tenants through market-beating home finance products, rent-to-own units, monthly rental payment plans and convenient rental payment options. Over 330 residential buyers have taken advantage of the subsidized mortgage offer, supporting unit purchases in excess of AED 1 billion.

The company also launched a series of initiatives to support retail partners, reaching over AED 90 million which has helped businesses continue to operate through difficult circumstances.

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At a Glance: Third Quarter Financial Results

Financial highlights: Q3 Strong performance led by Development Management

<i>Million AED (dirhams)</i>	Q3 2020	Q3 2019	% change	9M 2020	9M 2019	% change
Revenue	2,094	1,605	30%	5,858	5,026	17%
Gross profit	696	662	5%	2,110	2,054	3%
Net profit	416	387	8%	1,203	1,356	-11%

- Strong Q3 2020 revenue growth of 30% to AED 2.1 billion from AED 1.6 billion a year earlier, driven by strong sales of residential inventory and increased income from the third-party development management business
- Gross profit increased 5% to AED 696 million in Q3 2020 from AED 662 million a year earlier; Net profit increased 8% to AED 416 million in Q3 2020 from AED 387 million a year earlier

Development Management (DM): Record quarterly development sales drives 101% jump in revenue

<i>Million AED (dirhams)</i>	Q3 2020	Q3 2019	% change
DM Revenue	1,291	642	101%
DM Sales	1,201	1,118	7%
DM Gross profit	313	255	23%

- Development Management business recorded a 101% year-on-year growth in Q3 2020 revenue to AED 1.29 billion, from AED 642 million in Q3 2019.
- Development Management gross profit increased 23% year-on-year in Q3 2020
- Record quarterly development sales at AED 1.2 billion, driven by robust demand for high-end development projects across prime locations including Water's Edge, Nareel Island and Mamsha
- Year to date cash collections for units handing over and under development were AED 3.1 billion
- Aldar's third-party development management business will expand significantly following a post-reporting period (late October) announcement of an agreement to take over the development and management of over AED 30 billion of Abu Dhabi Government capital projects. The company is currently managing AED 5 billion of government projects announced in 2019.

- The agreement signed with ADQ involves management of a number of developments, including the Riyadh City project and the Baniyas North project as well as other projects in Al Ain and Al Dhafra regions, which will together include more than 25,000 land and villas for UAE Nationals and associated infrastructure.

Asset Management (AM): Resilient performance despite impact of Covid-19 on economic activity

<i>Million AED (dirhams)</i>	Q3 2020	Q3 2019	% change
AM Revenue	737	794	-7.2%
Net Operating Income	383	397	-3.5%
Occupancy across diversified portfolio of investment properties	87%	91%	

- Asset Management business net operating income (NOI) of AED 383 million, a 3.5% decline year on year, primarily on account of the impact of Covid-19 travel restrictions on occupancy at hospitality assets and rent relief extended to retail tenants.
- Aldar's diversified portfolio of investment properties remains robust, with occupancy across commercial, retail and residential assets at an average 87% in Q3 2020.
- Adjacent Businesses recorded a 5% rise in Q3 2020 gross profit due to growth at Aldar Education, property management company Provis and facilities management company Khidmah.
- The retail portfolio has experienced a solid recovery in sales activity since stay-at-home measures were relaxed in mid-2020, with Q3 sales flat year on year.

ESG: Sustainability practices embedded across the business

- Aldar's ESG strategy and framework are aligned to both national and international sustainability frameworks, including Vision 2021, Ghadan 21, the National Climate Change Plan, UAE Green Agenda and UN Sustainable Development Goals.
- Key sustainability commitments for 2021 include the introduction of Sustainability Data Management system (SDMS) to enhance the reporting process of Aldar's sustainability data. In addition, Aldar will prioritize the development of Waste Management Plan as well as the implementation of the second phase of the Energy Efficiency Plan and for the Asset Management business.

Covid-19 Update: Proactive response to support key stakeholders

- Aldar continues to implement precautionary safety measures across all assets and in its communities, including deploying specialised disinfection services to ensure a safe and seamless property handover process

- Aldar launched targeted programmes worth up to AED 190 million in March 2020 to support tenants, homebuyers and the wider community.
- Series of initiatives targeting retail partners reaching over AED 90 million with a particular focus on SMEs and start-ups.
- AED 60 million has been allocated to support residential buyers and tenants through market beating home finance products, rent to own units and monthly payment plans. Aldar also introduced a more flexible rent payment for its residential tenants, by allowing them to pay rent using a credit card. Over 330 residential buyers have taken advantage of the subsidized mortgage, supporting unit purchases in excess of AED 1 billion.
- Aldar Academies has been allotted AED 50 million, including 20% discount applied to nearly 7,500 students at its schools, around AED 10 million investment in technology including provision of laptops and distance learning education platform and a AED 6 million hardship fund was established for Aldar Academies.
- AED 20 million allocated to various other initiatives including national sanitation efforts and waiving all administrative fees associated with transacting with Aldar.

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About Aldar

Aldar Properties PJSC is the leading real estate developer in Abu Dhabi, and through its iconic developments, it is one of the most well known in the United Arab Emirates, and wider Middle East region.

From its beginnings in 2005 through to today, Aldar continues to shape and enhance the urban fabric of the UAE's Capital City in addition to other key areas of the Emirate.

Aldar develops exciting and innovative projects, such as the internationally recognized HQ building situated in the Al Raha Beach development, the Gate Towers in Shams Abu Dhabi on Al Reem Island, in addition to Yas Island's F1 circuit.

Aldar's shares are traded on the Abu Dhabi Securities Exchange (Stock quote: ALDAR:UH), and is a profitable, cash generative business that provides recurring revenues, and benefits from a diverse and supportive shareholder base. Aldar operates according to high standards of corporate governance and is committed to operating a long term and sustainable business in order to provide ongoing value for its shareholders.

Aldar seeks to create quality, comfortable, desirable destinations that enrich the lives of Abu Dhabi residents as well as tourists within the Emirate. Aldar is playing a leading role in the development and provision of world class retail - Yas Mall, international standard education through Aldar Academies, iconic entertainment venues such as the Yas Marina Circuit, and community amenities across its entire portfolio.

Aldar is driven by a vision to be the most trusted and recognized real estate lifestyle developer in Abu Dhabi and beyond.

For more information on Aldar please visit www.aldar.com or follow us on:

