

Paths through and beyond **COVID-19**





Agenda

12:00 – 12:15

CEO Opening Remarks

How Aldar is responding to COVID-19?

12:15 - 12:30

Executive Director – Procurement

Update on Aldar’s initiatives for the suppliers

12:30 - 13:00

Executive Director – Procurement

Key challenges in the supply chain due to COVID-19

13:00 - 14:00

Open Discussion

Let’s hear from you



Opening Remarks

Mr. Talal Al Dhiyebi

Aldar Chief Executive Officer

Update on Aldar's Suppliers' initiatives

Mr. Khaled Al Rajhi
Executive Director – Procurement

Aldar Initiatives for the Suppliers



Procurement Automation

Your journey is all online now

Your journey from registration till awarding the contract all online



VO & payment settlement

We are progressing well!

81% VOs processed within 60 and most of the invoices is processed less than 30 days



Incentives and penalties

Implemented

Rolled out in Contracts for imminent award.



VAT Application

Progressing

Ongoing discussion with relevant authority to consider adjustment of application



Workers Welfare program

3 Areas to focus on in 2020

Aldar have reduced the workers welfare requirements from 10 to 3 areas during the pandemic



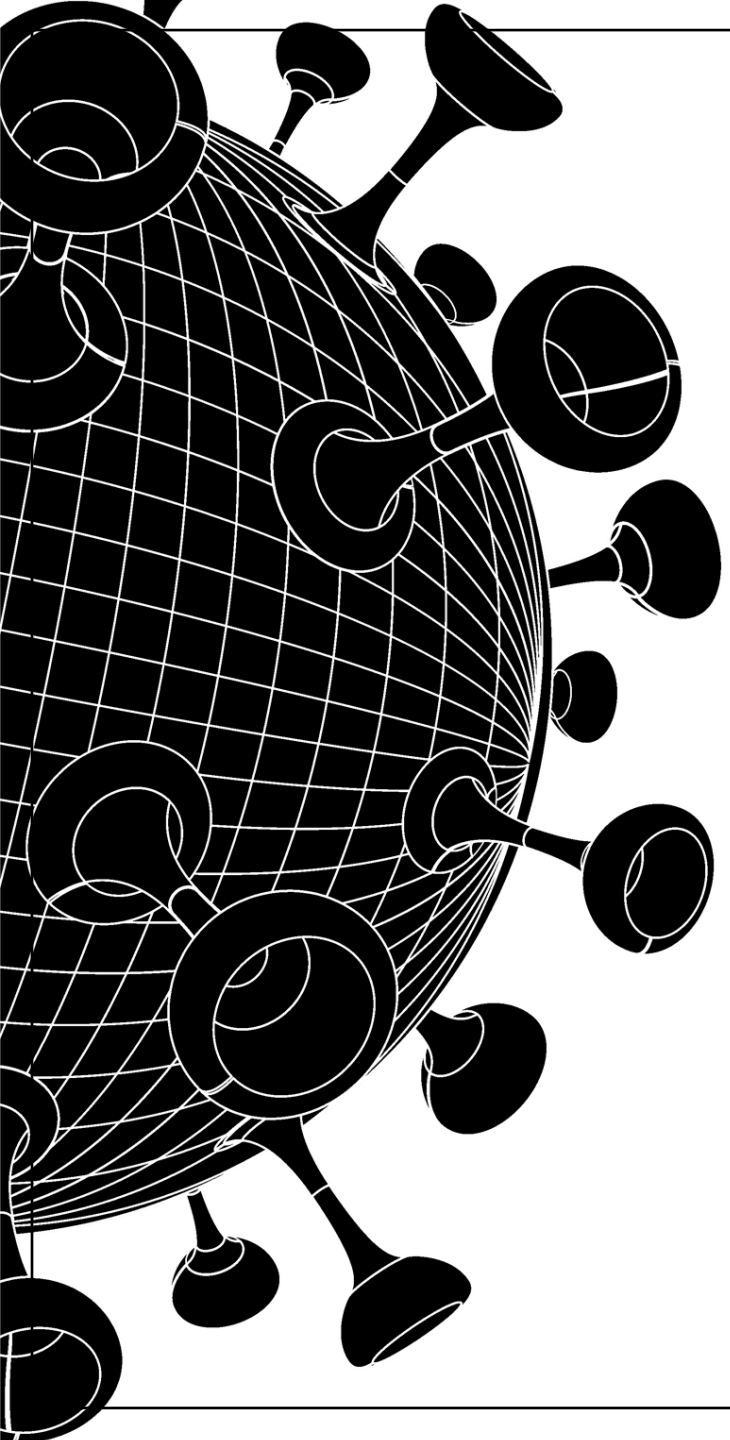
ICV Program

Starting on 3rd May 2020

Tenderers need to have a unified ICV certificate (version 3.0).

[More info: icv@aldar.com](mailto:icv@aldar.com)



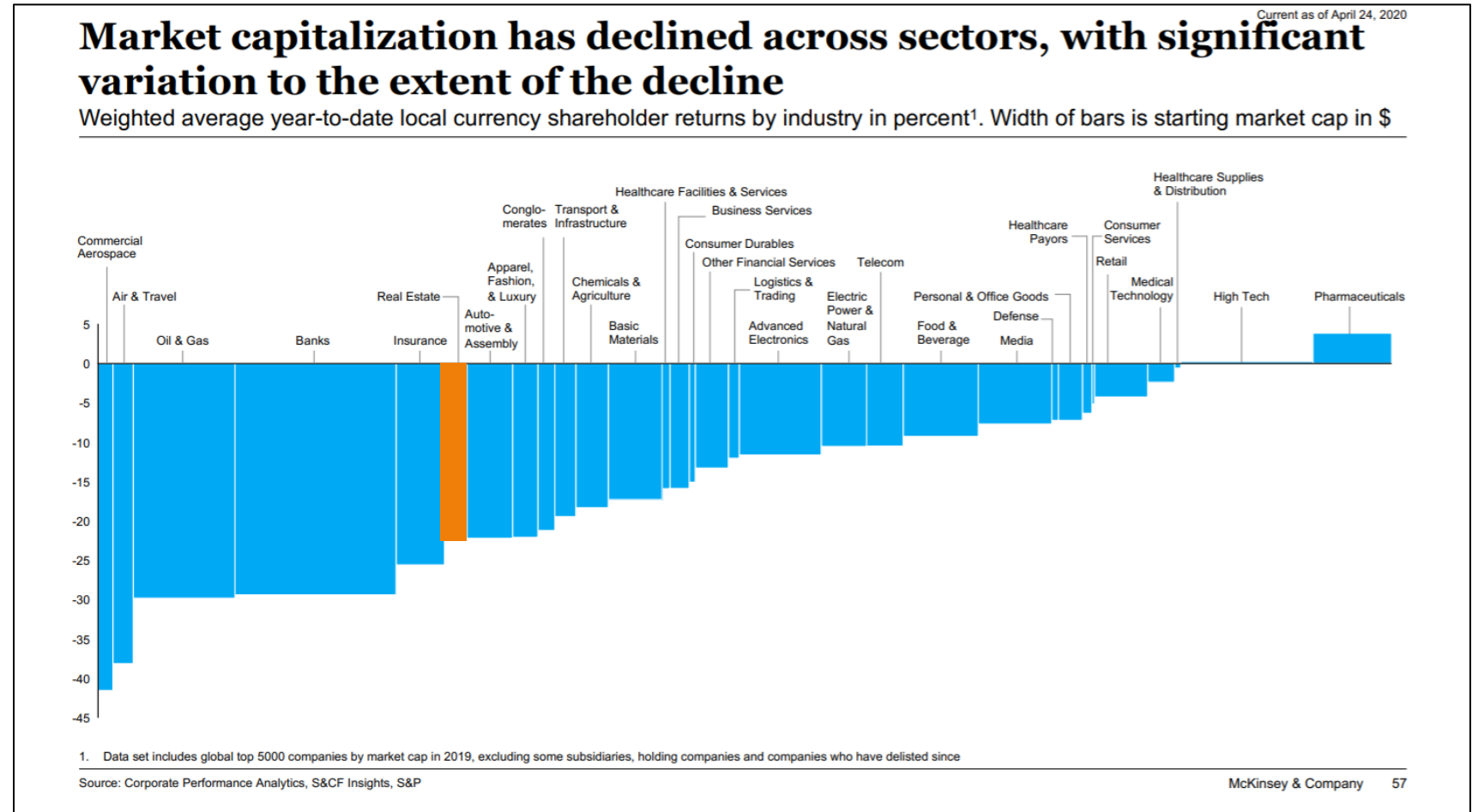


Key challenges due to COVID-19



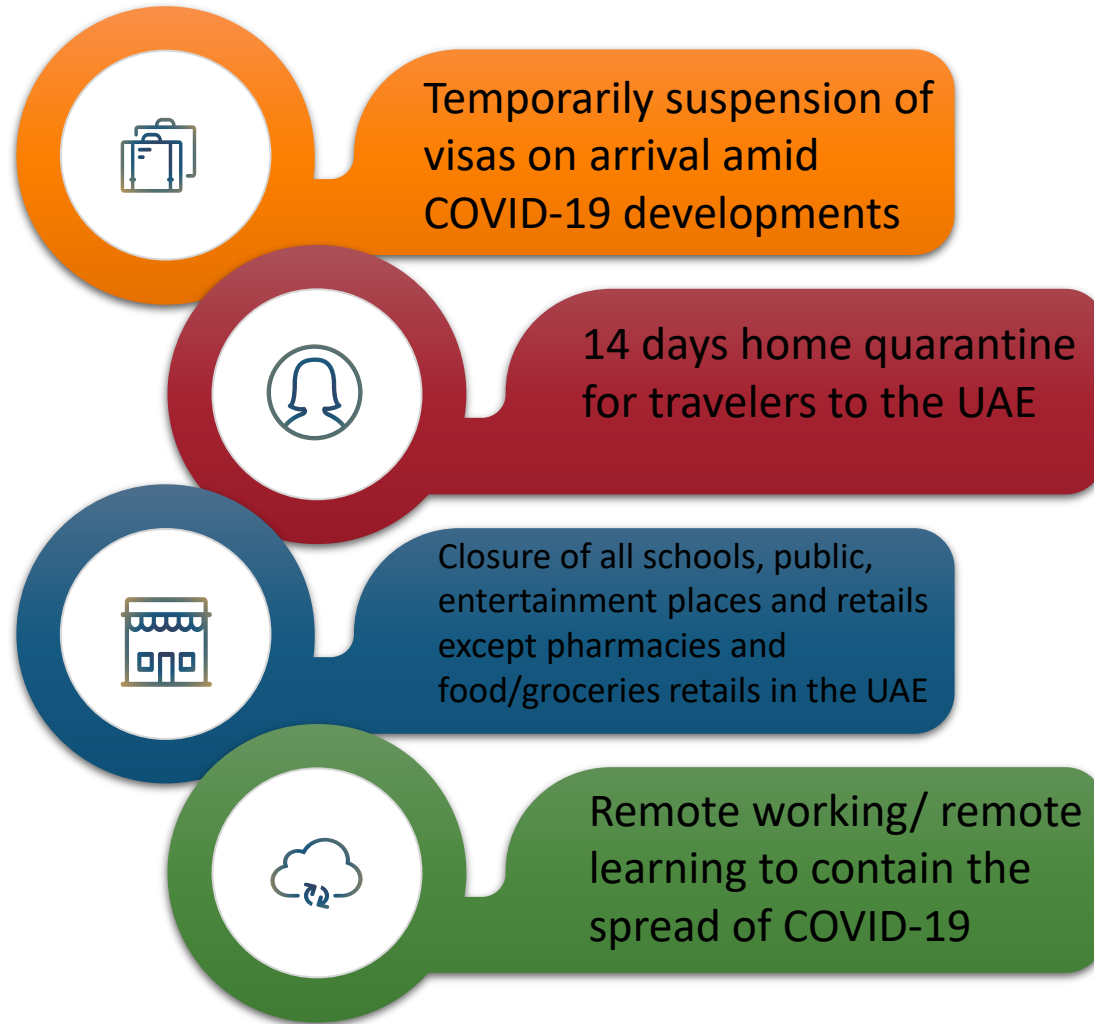
Impact of COVID-19 globally

- [Supply Shock] When China, the world's factory, is impacted, global supply chains are impacted.
- [Demand Shock] full lockdown, workers and consumers were ordered to stay at home.
- Overall most sectors suffered declination in demand except for pharmaceuticals & technology.



1) <https://www.bloomberg.com/news/articles/2020-03-20/a-covid-19-supply-chain-shock-born-in-china-is-going-global>
 2) <https://www.mckinsey.com/business-functions/risk/our-insights/covid-19-implications-for-business>

local changes due to COVID-19 that impacted our industry since March 2020



Med – Long* Term Impact

Shortage of labor/workers
Delay of products/services delivery

Shortage of labors/workers
Delay of products/services delivery
Low productivity due to the panic

Loss of Business profit
Business slowdown

Low work productivity
Shortage of Technology readiness

*Note:

Med Term : 3 to 6 Months

Long Term: more than 6 Months

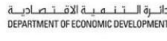


Abu Dhabi Government, AED 110 Bn stimulus package for the market

16 dynamic initiatives to stimulate the local economy (14/03/2020)

17 financial Initiatives SME & Individuals (25/03/2020)

GHADAN 21
ECONOMY | KNOWLEDGE | COMMUNITY



Launch of 16 dynamic initiatives under Abu Dhabi's economic stimulus package

For immediate implementation

- Exemptions** until the end of 2020
 - No annual registration fees for commercial vehicles
 - No toll gate tariffs for all vehicles
 - No individual or commercial real estate registration fees
- For commercial & industrial activities**
 - No Tawtheeq fees this year
- People, SMEs & Startups**
 - AED 5bn to subsidise water and electricity for citizens and commercial & industrial activities
 - Subsidies for electricity connection fees for startups for this year
 - AED 3bn for SME credit guarantee programme
 - Performance guarantees for projects up to AED50 million waived for startups
- Lending Options**
 - New committee to review lending options to support local companies
- Waivers & Rebates**
 - Suspending bid bonds
 - Industrial land leasing fees reduced by 25% for new contracts
 - Industrial and commercial penalties waived
- Acceleration**
 - Payment of approved government invoices within 15 working days
- Tourism Industry**
 - Up to 20% rebate on rentals for the restaurant, tourism and entertainment sectors.
 - Tourism and municipality fees for the tourism & entertainment sectors suspended for this year.
- Capital Market**
 - Establish AED 1bn market maker fund to enhance liquidity and sustain balance between supply and demand for stocks



In line with directives from Mohamed bin Zayed

17 financial initiatives for individuals and SMEs

- 10 initiatives for individuals**
 - For those impacted by COVID-19**
 - Defer instalments (principal & interest) on existing loans (personal, auto, mortgages) and credit cards for up to 3 months for eligible customers until 30 Jun 2020 with no additional bank charges
 - Halt foreclosures on mortgages for defaulted customers until 30 Jun 2020
 - Halt suspension of bank accounts for retrenched customers until 30 Sep 2020
 - Refund credit card processing fees in full for foreign currency transactions committed after 1 Jan 2020, associated with cancellation of travel plans
 - Instalment programmes with no service fees for utility bill payments until 30 Jun 2020
 - For all**
 - Defer instalments (principal & interest) on new loans (personal, auto, mortgages) and credit cards for up to 3 months for eligible customers until 30 Jun 2020 with 50% reduction in associated bank charges
 - Reduce interest charges on new loans (personal, auto, mortgages) and credit cards for eligible customers based on new prevailing rates for eligible customers
 - Reduce bank charges by 50% on early settlement of existing loans (personal, auto, mortgages) for eligible customers until 30 Jun 2020
 - Reduce required down-payment by 5% for first-time home buyers
 - Interest-free instalment plans for school tuition with waiver of service charges or 0% interest loan until 30 Jun 2020
- 7 initiatives for SMEs**
 - For those impacted by COVID-19**
 - Defer instalments (principal & interest) on existing borrowing for up to 3 months for eligible customers until 30 Jun 2020 with no additional bank charges
 - Reduce bank's merchant service fees (credit card transactions) by 50% for eligible SME customers with usage below AED 5m per annum until 30 Jun 2020
 - Reduce banking fees and charges on Zero Balance accounts by up to 50% for eligible customers
 - Reduce Min. Average Balance requirements for all SME account categories to up to AED10,000 per month for eligible customers
 - For all**
 - Defer instalments (principal & interest) on new borrowing for up to 3 months for eligible customers until 30 Jun 2020 with 50% reduction in associated bank charges
 - Reduce interest charges on new borrowing based on new prevailing interest rates for eligible customers
 - Reduce bank charges by 50% on early settlement of existing borrowing for eligible customers until 30 Jun 2020

Note 1: These initiatives are available upon request
 Note 2: Provision of new loans will be subject to bank credit approval process
 Note 3: Banks would still be able to design and implement additional initiatives that may be deemed important
 Note 4: The above initiatives will be revisited and updated subject to market conditions



Reduced economical impact



In alignment with Abu Dhabi Government, Aldar launches a stimulus program as a proactive action

ALDAR APPLAUDS GOVERNMENT STIMULUS AND ANNOUNCES KEY PROGRAMMES FOR COMMUNITIES, CUSTOMERS AND PARTNERS



Aldar rolls out key programmes worth **AED 100 million**



Monthly payment plan for **residential rents** for 2020



AED 4 billion to be paid to contractors, suppliers and consultants in 2020



Connecting communities to retailers through **free delivery** and **virtual personal shopper**



Payment plans for Aldar Education **school fees** in 2020



AED 10 million to enhance distance learning capabilities



AED 50 million to support retail partners across our portfolio – focus on SMEs and start ups



Khidmah to support the wider sanitisation effort throughout the upcoming period



Waiving all **transaction fees** including transfer fees and penalties for 2020



New and attractive **home financing solutions** in coordination with leading Abu Dhabi financial institutions

More recent local changes in April 2020

Circular
Regarding the instructions and terms to be applied to reopen malls in Abu Dhabi

added.gov.ae

Registering mortgage services for **Abu Dhabi industrial facilities**

added.gov.ae

Concerning the non-compliance and violation of the directives related to preventive measures against 'Covid-19'

The Department of Economic Development - Abu Dhabi urges you and your staff to comply with the directives related to the preventive measures aiming to control the Coronavirus 'Covid-19' outbreak, and abide by the instructions of the National Emergency and Crisis and Disasters Management Authority and the Ministry of Health and prevention, especially in committing to testing upon request.

added.gov.ae

20%

قيمة استرجاع المنشآت السياحية والترفيهية والمطاعم من القيمة الإيجارية لمشاغلتها
refund on rental fees of restaurants, tourism and entertainment facilities

added.gov.ae

Changes in National Sterilization program and quarantine daily timing in Ramadan

In line with the prevention measures taken to limit the spread of Coronavirus 'Covid-19', the Department of Economic Development - Abu Dhabi and its strategic partners are carrying out free field medical tests campaigns as a part of its initiative for labourers in the industrial areas across the emirate of Abu Dhabi.

All necessary measures will be taken for infected cases to be contained and treated.

added.gov.ae

Announcing the reduction of the working hours in public and private sectors during Ramadan

Prevention of the movement of workers out of the emirate, and their travel limited to within Abu Dhabi, Al Ain, and Al Dhafra. Prevention of entry of workers from other emirates.

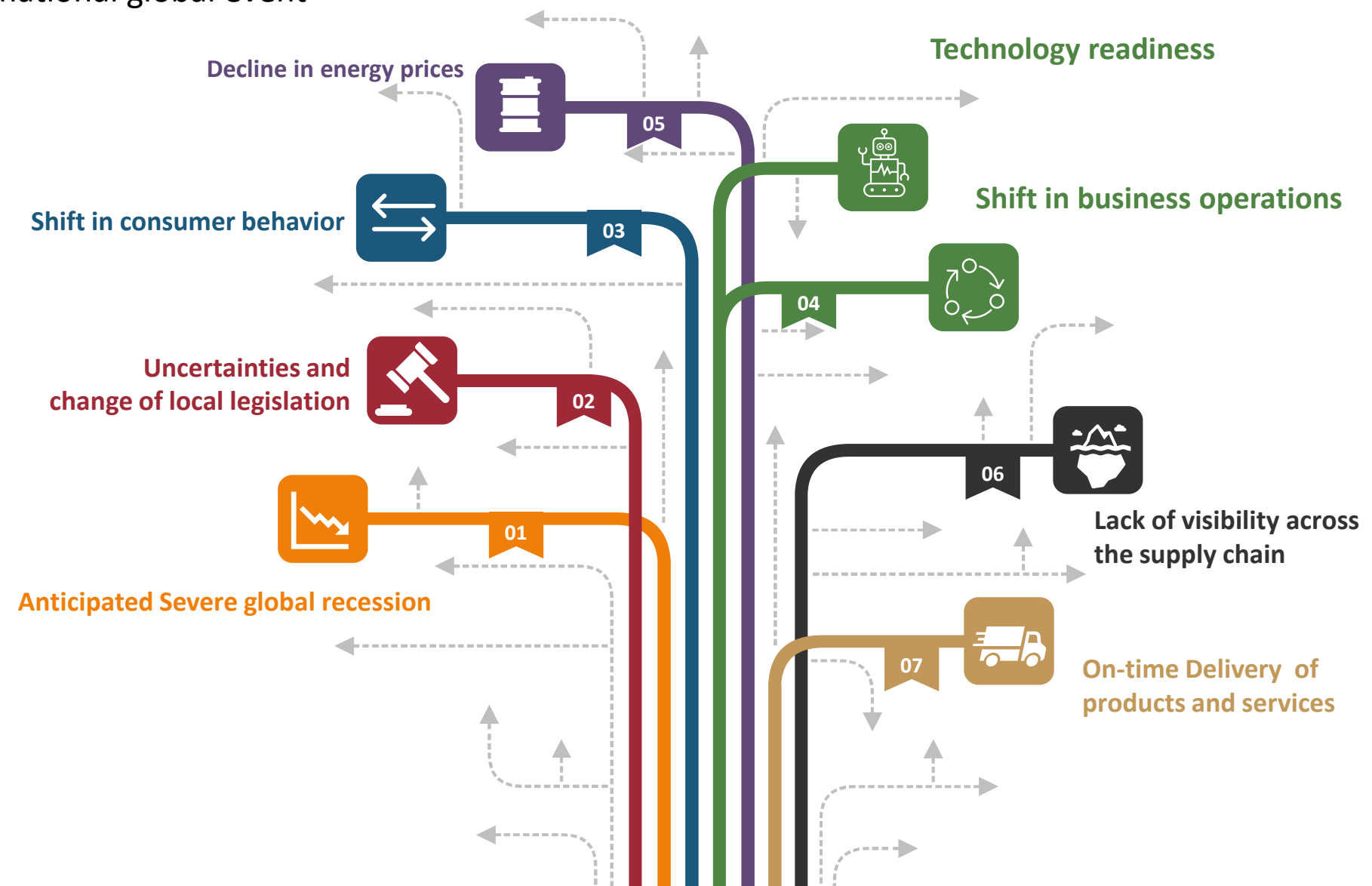
Further precautionary and preventative measures are being taken to protect the health and safety of workers and to reduce the likelihood of infection.

added.gov.ae



Key Supply Chain Challenges

COVID-19 is a transformational global event



Is COVID-19 pandemic a force majeure event?



We ask you to:

- a. Communicate openly with Aldar
- b. Keep Aldar informed of difficulties and delays
- c. Be mindful of your contractual obligations to mitigate any negative impact
- d. Document everything

01 An epidemic/ pandemic will not, in itself, grant relief under contract

02 The effects of an event of force majeure must render performance of affected obligations essentially impossible

03 Different contractual entitlements and differing circumstances for every claim mean that every case must be assessed on its own merits

04 To date no contractor or consultant who has claimed force majeure has provided substantiation of any claim

All these challenges are calling for



Cost Optimization opportunities

Through strategic partnership between both parties

Close monitoring of the situation

To plan, adapt and communicate



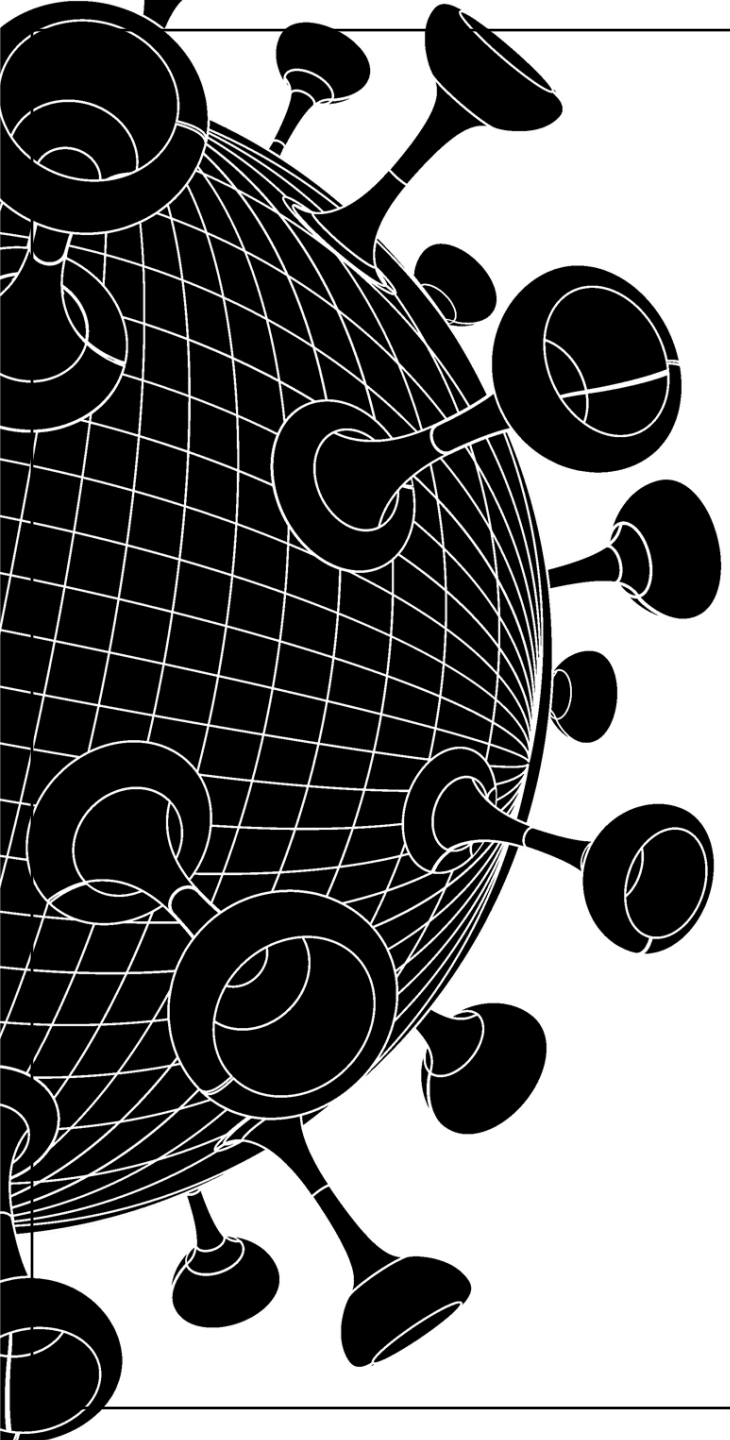
Enhance cashflow

Supporting payment in 30 days or less.

Improve visibility across supply chain

By knowing the 1st and subsequent tiers of suppliers

**“If you want to go fast, go alone.
If you want to go far, go together.”**



Open Discussion

Press  and share your thoughts

Or send us an e-mail to stsourcing@aldar.com,
latest by 10 May 2020

