

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

Since Aldar was established, it has continued to shape and enhance the urbanisation of the UAE's capital city by delivering desirable destinations where communities can work, live and visit. Those destinations include Yas Island, Reem Island, Al Raha Beach, Saadiyat Island and now Mina Zayed.



SUSTAINABLE

We aim to create a business culture where sustainability is at the heart of everything we do, and where the concept of sustainability informs the way we operate, collaborate, innovate and grow. Our responsibility towards our stakeholders, the community, and the environment will continue to drive our business decisions and long-term value creation.

Read more on page 20.

DESIRABLE

Customers are at the heart of all aspects of our business. Our mission is to create exceptional and memorable experiences that maximise value for all customers and outperform their expectations. We are engaged with our customers in all areas of the customer journey from design and development, to purchase and handover to ensure a better process and increased satisfaction. As a result of our rigorous drive to build a customer centric culture, Aldar has become one of the most trusted landlords and desirable developers in the UAE.

Read more on page 22.

RELIABLE

We are a commercially independent business, focused on balancing the interests of our shareholders and customers through sustainable growth and efficiency initiatives. We are an agile and integrated organisation that continuously optimises people and performance to deliver operational excellence.

Read more on page 24.

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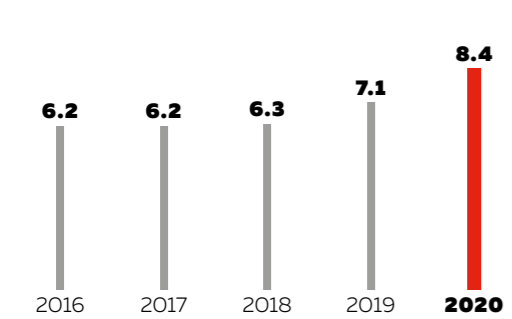
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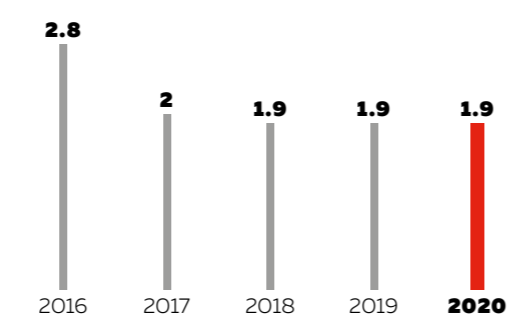
2020 HIGHLIGHTS

Aldar is the largest real estate group in Abu Dhabi, and one of the region's most recognised and trusted master developers.

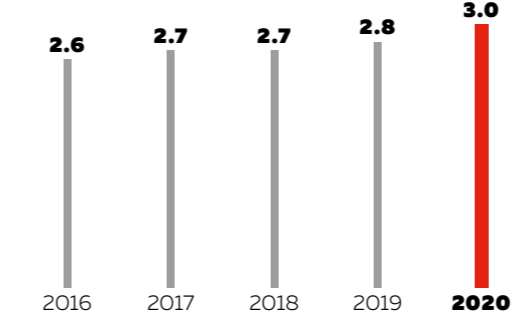
Revenue
AED 8.4bn
+17% (2019: AED 7.1 BILLION)



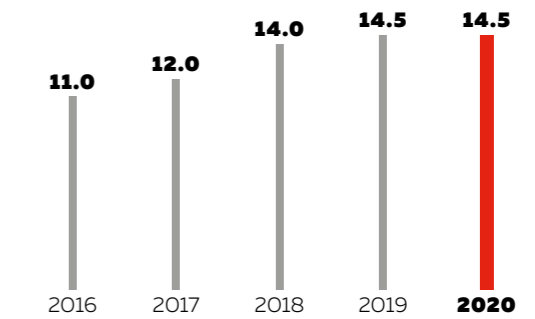
Net Profit
AED 1.9bn
+0.4% (2019: AED 1.9 BILLION)



Gross Profit
AED 3.0bn
+8% (2019: AED 2.8 BILLION)



Dividend Per Share
14.5 fils
(2019: 14.5 FILS)

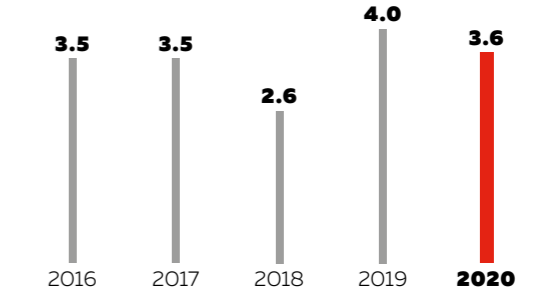
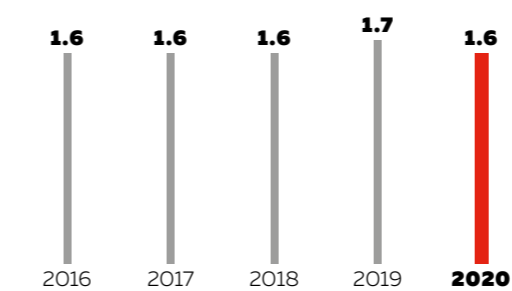


Earnings Per Share
25 fils
(2019: 25 FILS)

Total Assets
AED 40bn
(2019: AED 41 BILLION)

Net Operating Income from Aldar Investment
AED 1.6bn
-7% (2019: AED 1.7 BILLION)

Off-plan Development Sales
AED 3.6bn
-8% (2019: AED 4.0 BILLION)



2020

KEY HIGHLIGHTS



JANUARY

- Aldar reaffirms commitment to Sustainability in 2020 with the launch of inaugural Sustainability Report in 2019
- Aldar announces finalists for its Manassah entrepreneurship competition designed to support the UAE's most ambitious retail and F&B entrepreneurs

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MARCH

- Aldar holds AGM via video conference
- Aldar announces programmes totalling AED 100 million aimed at supporting residential communities, schools, retail partners, and home buyers
- Aldar invests AED 2 million in Abu Dhabi's first social impact bond by The Authority of Social Contribution – Ma'an



APRIL

- Aldar partners with ADCB, ADIB, and FAB to offer home finance offers for Aldar customers
- Aldar invests in 'ATMAH' programme to increase employment opportunities for People of Determination in Abu Dhabi
- Aldar partners with Sandooq Al Watan contributing AED 5 million, to provide 10,000 laptops in support of the distance learning initiative
- Aldar employees contribute AED 1 million to the 'Together We Are Good' programme launched by The Authority of Social Contribution – Ma'an

FEBRUARY

- Aldar partners with Abu Dhabi Finance and Abu Dhabi Islamic Bank for a limited time, exclusive home finance offer with rates starting from 2.99% and no fees applicable
- Aldar announces 7% net profit rise to AED 1.98 billion in 2019
- Aldar issues dividend of 14.5 fils to shareholders



MAY

- Aldar announces Q1 2020 Financial Results/Aldar reports revenue of AED 1.76 billion in Q1 2020
- Aldar announces cumulative programmes worth up to AED 190 million aimed at supporting residential communities, schools, retail partners, and home buyers



AUGUST

- Aldar issues second sustainability report and launches new key sustainability commitments
- Aldar records 21% revenue growth to AED 2.01 billion in Q2 2020

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Operational Highlights continued



Darna

SEPTEMBER

- Aldar unveils 'Darna' digital loyalty programme
- Aldar launches a new building sale at Water's Edge on Yas Island following solid demand



NOVA YAS ISLAND

Y A

NOVEMBER

- Successful launch of Aldar's Noya on Yas Island which sold out on first day
- Aldar records 30% revenue growth to AED 2.1 billion in Q3 2020



OCTOBER

- ADQ and Aldar sign MOU to develop and manage government capital projects with a total value of approximately AED 40 billion



DECEMBER

- Aldar Properties sells Abu Dhabi Golf Complex including the Westin Hotel for AED 180 million
- Aldar signs agreement with Tabreed to sell Abu Dhabi district cooling assets for AED 963 million

LEADING REAL ESTATE GROUP

Aldar is the leading real estate developer and manager in Abu Dhabi, supported by an owned, strategic land bank of approximately 65 million square metres across prime areas of the Emirate.

Since Aldar's inception in 2004, the Company has delivered many iconic developments in Abu Dhabi and is recognised for creating destinations that people can live in, work at and visit. Aldar also owns one of the largest diversified property portfolios in the region, located across Abu Dhabi.

Aldar is split into two main business segments:

- Aldar Development (previously Development Management) comprises Aldar's core development and sales business responsible for developing Aldar's expansive land bank and houses Aldar's fee-based development management business.
- Aldar Investment (previously Asset Management) comprises Aldar's flagship real estate investment platform, Aldar Investment Properties LLC (AIP)¹; a Hospitality and Leisure platform; and a portfolio of adjacent businesses including a leading Abu Dhabi education business and a real estate services platform.

ALDAR DEVELOPMENT

Aldar is the largest developer within Abu Dhabi and one of the largest in the UAE. Since inception, it has completed over 29,000 residential units across the Emirate. As at 31 December 2020, more than 6,000 residential units are under development.

Aldar owns a significant land bank of approximately 65 million square metres across Abu Dhabi, in prime locations providing through-the-cycle optionality that address specific segments of the real estate market.

ALDAR INVESTMENT

Aldar owns and manages a diverse real estate and hospitality portfolio of approximately AED 18 billion in value, all located within the Emirate of Abu Dhabi. The portfolio is predominantly split across four asset classes: residential, retail, office and hotels. Aldar Investment also owns several adjacent businesses that provide strategic synergies for the wider group such as schools; and property & facilities management subsidiaries.

OUR MARKETS

Residential

Aldar Development predominantly sells residential properties through its development business, where it actively launches off-plan (construction-linked build-to-sell) residential developments. In addition, Aldar Investment owns a significant residential

portfolio of around 6,200 units, including The Bridges, across Abu Dhabi, which are leased to a mix of individual and corporate tenants.

Retail

Aldar has developed a substantial retail footprint within Abu Dhabi with approximately 490,000 square metres of gross leasable area across both super-regional malls, such as Yas Mall and Al Jimi Mall as well as community and convenience-focused retail destinations located around its residential developments.

Commercial

Aldar has developed and acquired a high-quality, predominantly Grade A commercial office portfolio of approximately 319,000 square metres of gross leasable area that attracts top-tier local and international tenants. The commercial portfolio is principally located across Abu Dhabi Island and has a significant exposure to the Government of Abu Dhabi as a tenant.

Hotels

Aldar owns a unique cluster of hotels (3,000 keys) predominantly on Yas Island that benefit from their close proximity to tourist attractions and continue to support Yas Island as the leisure and entertainment hub of Abu Dhabi.

ADJACENT BUSINESSES

Aldar Education

Through its wholly owned subsidiary, Aldar Education, Aldar is also heavily invested in schools where it caters for the education of more than 25,000 students. Aldar Education owns and operates its own schools, as well as managing schools owned by the Abu Dhabi Government and ADNOC.

Provis/Khidmah

Aldar acquired full ownership of its property and facility management company in 2018. Following this acquisition, Aldar invested heavily in reshaping Khidmah's operational model to drive further value by splitting Khidmah's property management arm into a separate company called Provis. Today, both the property management function and the facilities management function are run completely independently. In early 2021, Provis acquired Asteco to bring its total units under management to over 60,000 units, further supporting Provis' position as one of the leading property management companies in the UAE.

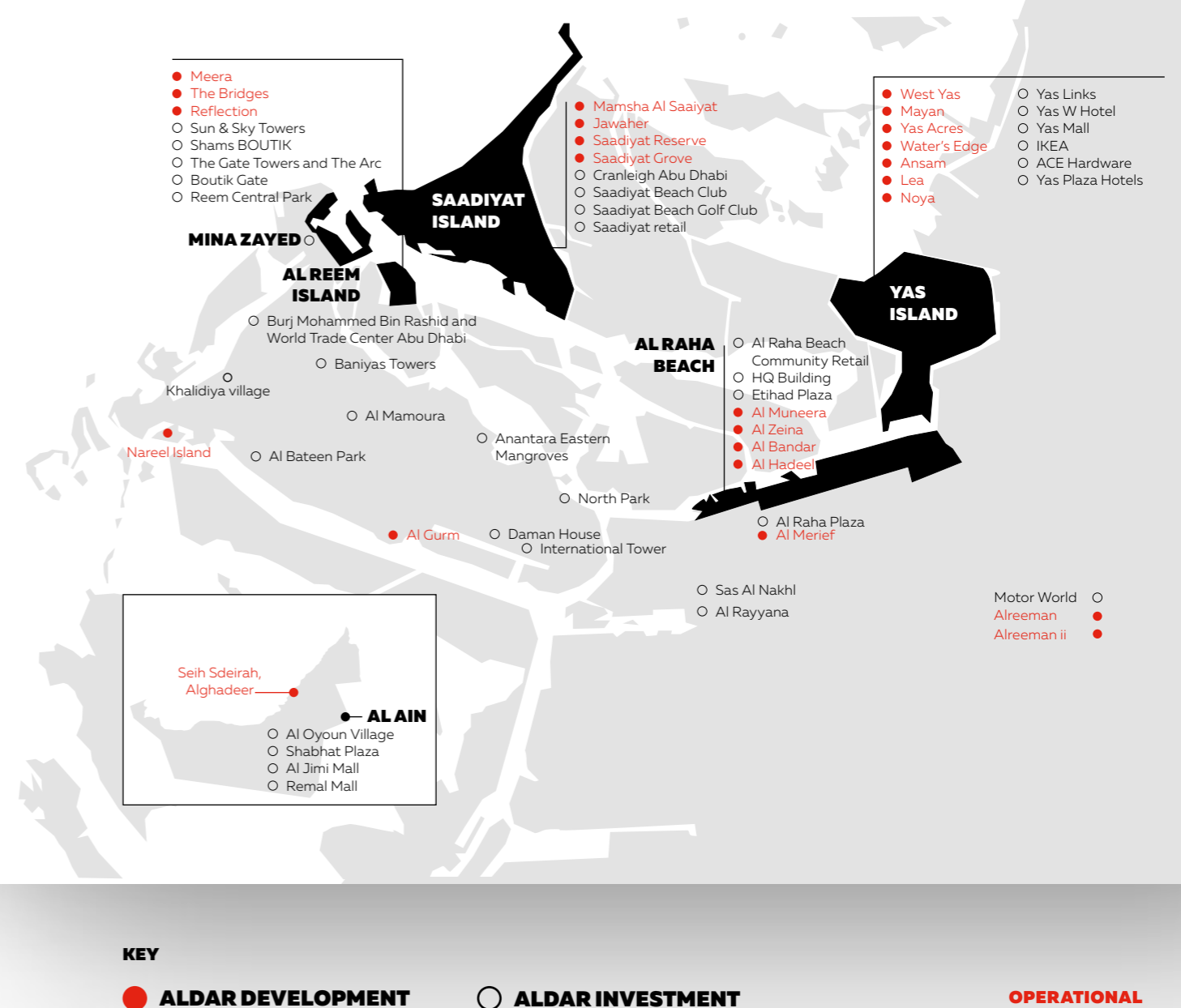
OUR STRATEGY

Read more on page 28.

MARKET OVERVIEW

Read more on page 14.

KEY DESTINATIONS



1. Aldar Investment owns Aldar Investment Properties LLC (AIP) rated Baa1 (stable) by Moody's, owner of a diversified portfolio of prime real estate assets (retail, residential and commercial) in Abu Dhabi.

Note: This report follows the reporting segmentation that was in place during the 2020 fiscal year and does not reflect any proposed changes to reporting segmentation (due to the new Group operating model) which may come into effect from Q1 2021.

SUSTAINABLE LONG-TERM GROWTH

I am delighted to report that your Company has had a strong year of progress despite the significant challenges of the Covid-19 pandemic.

The resilience of the Abu Dhabi economy and real estate market have underpinned Aldar's achievements. We have experienced progressive political, economic, and legislative policy changes intended to make the Emirate a top global destination for quality of living, business opportunity and tourism appeal. Key milestones included the signing of the Abraham Accord, which is further deepening the desire for increased tolerance between nations; legal amendments to allow foreign investors full ownership of Limited Liability Companies; and modification of citizenship laws as well as the expansion of the Golden Visa programme.

Even in the most challenging of years, Aldar has remained focused on operational excellence and customer satisfaction. The business recovered well after the initial lock-down period in March 2020 and by the fourth quarter was able to report strong revenue and profit growth. This has enabled the Board to recommend a cash dividend to shareholders of 14.5 fils per share or a cash distribution of over AED 1.14 billion. Aldar intends to retain its progressive dividend policy and continue to provide long-term sustainable returns to shareholders.

During this critical period, Aldar has made significant headway to move forward with its growth strategy, which is closely aligned with Abu Dhabi's plans for investment and economic diversification.

A major step in this new strategy has seen Aldar become the trusted partner for public-private collaboration on strategic real estate and infrastructure development. This was evident from the appointment of Aldar by the Government of Abu Dhabi Department of Finance and Department of Economic Development on an exclusive basis as strategic delivery partner for an initial AED 40 billion



of key capital projects, including public housing and associated community infrastructure projects. This is true testament to the Company's track record and reliability in consistently delivering high-quality developments.

We continue to drive change right through the business, making very significant and real commitments to ambitious ESG goals, aligned to national and international frameworks. In 2021, Aldar will incorporate major programmes for energy efficiency, waste management and reliable data collection. This commitment to ESG is fundamental to the way we want to do business today and in the future.

This year will be an important year as we celebrate the 50th anniversary of the founding of the United Arab Emirates. As the world adjusts to the new realities of the global pandemic and momentous societal change, it will be a moment to reflect on the extraordinary achievements of our young nation and embolden our vision for the future.

On behalf of the Board, I would like to finish by thanking the nation's leadership for their exceptional guidance in such a complicated and difficult year. They have risen to the challenges of the Covid-19 pandemic, implementing rigorous programmes to protect citizens and encourage vaccination. I would also like to compliment our front-line workers for their extraordinary hard work and commitment to keep us safe.

And finally, thank you to our shareholders, customers and employees for their continued loyal and resolute support.

H.E. Mohamed Khalifa Al Mubarak
Chairman of Aldar Properties

“During this critical period, Aldar has made significant headway to move forward with its growth strategy, which is closely aligned with Abu Dhabi's plans for investment and economic diversification.”

POWERFUL PERFORMANCE

Aldar Properties delivered a powerful operating and financial performance in 2020, drawing on its fundamental institutional strengths to successfully navigate through the most difficult challenges that the Company has ever faced.

The Company's strong progress has been founded on the bedrock provided by Abu Dhabi's effective response to the global pandemic. The Government has acted decisively to protect the health and safety of residents and to support the economy, including measures to sustain confidence in the real estate market. Recovery is now within sight thanks to the effective testing regime as well as a rapid and comprehensive vaccination programme.

In parallel, Aldar was quick to implement safety measures across all our properties and we launched an AED 190 million programme of support for customers, tenants, and our school communities. The Company also rolled out a suite of digital solutions to ensure continuity in customer service and sales.

While Aldar adapted rapidly to fast-changing conditions, we continued to take important strides to assure accelerated sustainable growth in the coming years.

The Company has adopted a new operating model to propel it to the next level in terms of scale and breadth of activity. The new structure promotes agility and accountability throughout the organisation, with two core businesses – Aldar Investment and Aldar Development – led by their own Chief Executive Officers. This is an exciting transformation that reflects Aldar's maturity, and will help us to enhance the customer experience, accelerate our digital transformation, further improve operational efficiency, and achieve our sustainability targets.



“While Aldar adapted rapidly to fast-changing conditions, we continued to take important strides to assure accelerated sustainable growth in the coming years.”

Our diversified businesses are supported by a robust balance sheet and a clear mandate to pursue both profitable capital recycling and new growth opportunities. Our transactions in 2020 – notably the divestment of two district cooling assets and a hotel and golf complex in Abu Dhabi and the acquisition of Asteco to add to the Aldar Estates property management business – are examples of these strategies in action, and we have allocated AED 2 billion for additional growth capital in 2021.

We will experience significant expansion across all our platforms in the coming years. Aldar Investment will build scale and enhance asset class diversification, while Aldar Development is continuing to develop prime destinations in Abu Dhabi and is planning to enter the Egyptian market. Businesses such as Aldar Education and Aldar Estates will build on their positions as leading operators in their respective markets.

A key engine for future growth will be our expanded public-private partnership with the Abu Dhabi Government. In October 2020, we unveiled a new AED 40 billion programme of capital projects to be managed by Aldar over the next five years, providing a strong and predictable fee income and cementing the Company's central role in shaping Abu Dhabi's real estate sector.

Aldar's performance in 2020 and the Company's growth trajectory are remarkable given a challenging macro-economic environment of the last year. They are testament to the strength of our diversified business model, driven by our strong commitment to high standards of corporate governance, the robust and clearly defined strategies of our core businesses, and the hard work and fortitude of our employees.

On behalf of the Company, I would also like to express appreciation for the Government's decisive management of Covid-19 challenges and its leadership in setting a clear ambition for recovery and future growth. The clear strategic direction has inspired strong investor confidence in the long-term fundamentals of the UAE economy and the Abu Dhabi real estate sector.

Talal Al Dhiyebi
Group Chief Executive Officer of Aldar Properties

MARKET OVERVIEW

Aldar has developed a diversified portfolio of real estate assets across its core market of Abu Dhabi and will continue to diversify in the coming years, with plans for both geographical expansion and moves into alternative asset classes. Currently, the business operates predominantly across four main real estate sectors: residential, retail, commercial offices, and hospitality.

LEADING ABU DHABI'S RAPID DEVELOPMENT AND URBANISATION

INTRODUCTION

This section provides a general overview of the sector level performance of each segment and a brief outlook on what to expect in 2021 and beyond.

The Abu Dhabi Government continues to refocus and reprioritise investments as the Emirate diversifies the economy away from the hydrocarbon industry, building a more self-sufficient environment to benefit future generations. This has included recent pivots towards industrial & logistics, agri-tech, renewal energy and healthcare.

A global destination

The Government has also made a series of announcements aimed at making the UAE and Abu Dhabi the global destination of choice for residents, tourists, business community and investors alike. This includes amendments to nationality laws allowing the grant of UAE citizenship to non-Emirati investors, specialised talents and professionals and their families, as well as the expansion of the 10-year Golden Visa programme.

The modernisation of UAE legal system, with changes to civil laws and foreign ownership of businesses, demonstrates progressive measures to improve living standards, further supporting the UAE as a welcoming environment for lifestyle, diversity, and entrepreneurialism.

Rising to the challenge

The Government of Abu Dhabi has also risen to the complex health challenges of the Covid-19 pandemic by implementing rigorous programmes to protect its citizens and encourage vaccination. Through the Choose to Vaccinate campaign, the UAE has achieved one of the highest inoculation rates in the world, showcasing progress in protecting the health and wellness of its population. The launch of the Hope Consortium places the UAE at the centre of the vaccine distribution campaign, reaffirming the country's role in combatting the virus.

Why Abu Dhabi? continued

Amidst these changes, Abu Dhabi continues to receive strong support from both international debt and investment markets, with successful and oversubscribed bond offerings totalling around US\$ 15 billion completed during 2020, including a 50-year tranche which was the longest term for a bond issuance from any GCC sovereign issuer. Major FDI transactions were also concluded, including a US\$ 20.7 billion institutional investment into ADNOC's oil pipeline and wider oil infrastructure by Global Infrastructure Partners, Brookfield Asset Management, Singapore's sovereign wealth fund GIC, Ontario Teachers' Pension Plan Board, NH Investment & Securities and Snam. The deal was one of the single largest energy infrastructure deals of the year and reaffirms investor confidence in the national oil company.

With estimates for Brent Crude oil pricing in 2021 generally in the range of US\$ 65-70/barrel, the Abu Dhabi economy is set to see an improved outlook as demand in global oil markets rebound from 2020's lows. ADNOC's US\$ 122 billion five-year investment programme underlines Abu Dhabi's fundamental economic strength and strong ability to deploy capital ahead of recovery in global demand, ensuring the Emirate will remain a major, reliable energy producer in years ahead. This will have a positive impact on Abu Dhabi's oil and gas ecosystem and supply chain, and will inject further liquidity into the local economy.

16 STIMULUS MEASURES

Amidst the unprecedented impact of Covid-19 on the global economy, the UAE and Abu Dhabi and government acted swiftly to help protect the economy and local businesses and citizens, by launching a series of stimulus packages, some of which will continue into 2021 as the effects of the pandemic continue to disrupt normal business activity.

UAE Central Bank

The UAE Government and Central Bank of UAE have put in place far-reaching support measures to ensure the stability of the economy and shore up the financial position of individuals and businesses.

The AED 100 billion stimulus package includes measures to promote lending activity to small and medium enterprises (SMEs) and encourage new mortgages and reduce fees for individuals. The Targeted Economic Support Scheme (TESS) has also been extended to June 30, 2021 to further protect the economy from the financial impact of the pandemic. This includes an extension of the AED 50 billion Zero Cost Facility (ZCF) to support retail and corporate banking customers through collateralised zero cost funding.

Abu Dhabi Finance and Department of Economic Development

The Abu Dhabi Department of Finance and Department of Economic Development and several Abu Dhabi banks, set out a 10-point package to help sectors and individuals worst affected by the pandemic, including retail, trade, and hospitality customers. This includes deferred instalments on both principal and interest payments on existing loans (personal, auto, mortgages, credit cards), halting of foreclosures on mortgages for defaulted customers, refunding of processing fees and instalment programs.

Abu Dhabi Executive Council

To promote and encourage continued economic activity across the Emirate, all approved capital expenditure and development projects would be continued, whilst priorities would be given to start-ups and SMEs to help kick-start expansion of small business activities, including various initiatives through Ghadan 21 and Hub71, which focused on incubating new tech ventures. This was further supported by development of new investment laws and regulations, to ensure greater flexibility and to help maintain long-term economic growth.

A range of other fee reductions and waivers were also made, including commercial property registration (Tawtheeq) and commercial vehicle registration fees, rental rebates for restaurants, suspended tourism and municipality fees, reduced land rents for new industrial leases, as well as AED 5 billion in water and electricity subsidies for UAE Nationals and commercial and industrial sector businesses, as the governments strived to lower business and living costs. There was also a AED 3 billion allocation to the SME Credit Guarantee Scheme, which is managed by Abu Dhabi Investment Office (ADIO), to help protect smaller businesses.

MARKET ANALYSIS

This section provides an overview of the performance of Abu Dhabi's residential, retail, office, and hospitality real estate segments during 2021 and an outlook for the coming years.



Residential

During 2020, the residential sector saw contrasting fortunes for the sales and leasing segments, with the transactional market generally outperforming the leasing market. This was reflected in continued downside to average rentals across the year, against a more positive shift in sales values, at least during the second half of the year, as pricing levels found a floor after a multi-year decline in values. This included growth in sales values for many of Abu Dhabi's established investment zone villa communities as well as some other select projects.

Whilst most locations and unit typologies experienced lower rental rates, there were some exceptions, specifically good quality low-density housing communities (villas and townhouses) which witnessed an increase in demand and, in some cases, even modest rental growth. This was primarily driven by the impact of Covid-19 and some new emergent occupational trends, including higher demand from tenants seeking bigger spaces and greater privacy.

There was also an increase in the propensity of expatriates to upgrade their accommodation amidst heightened market affordability. This was also evident in the strong occupancy and rental performance of high-quality, well managed residential apartments, which bucked a broader shift away from high density locations.

With residential occupiers focusing on quality and space, there has been increased migration of residents from older areas on Abu Dhabi Island towards newer master planned destinations such as Saadiyat, Yas, Reem and Raha Beach. This trend is expected to continue as the market continues to experience rental deflation resulting in heightened affordability.

Overall supply and demand dynamics for the residential market remained finely balanced, with minimal new launches and a relatively manageable development pipeline, which has been supported by developer consolidations over the past decade, ultimately limiting private-led supply. However, demand has been impacted by job redundancies, with an overweight impact across the lower income segments, as the economic fallout resulted in employment losses across sectors such as aviation, construction, hospitality and trade.

Despite the impact to wider market sentiment, sales across Aldar's developments remained buoyant in 2020, driven by a combination of demand for standing inventory and off-plan through the launch of Noya. Moving forwards, sustained UAE household formation is expected to help drive sales for villas/townhouses and villa plots, further supplemented by upgrading trends of resident expatriates. Investment demand for smaller higher yielding apartments is also anticipated, supporting new launches of more affordable housing projects such as Water's Edge.

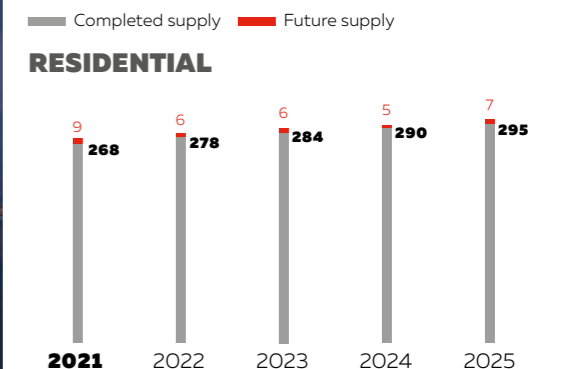
During 2020, the Abu Dhabi Region saw the completion of around 6,500¹ new units, bringing the total housing stock to approximately 267,000 units. Most units were delivered across master planned communities such as Reem Island, Raha Beach, including various legacy projects from previous development cycles.

Despite otherwise testing conditions, Aldar's residential asset management portfolio saw occupancy increase, rising from 88% in December 2019 to 89% at the end of 2020, significantly outperforming the wider market average, supported by a continued "flight-to-quality" to newer and well managed residential developments. Rental rates also demonstrated a premium to other similar secondary-landlord products in the market, underlining the strength of both the Aldar product appeal and property management regime.

Outlook

The long-term supply picture up to 2025 comprises over 30,000 new residential units, with the near-term picture oriented towards the investment zones, particularly Reem Island, Raha Beach and Yas Island, which together will dominate deliveries in the coming years. However, based on historical trends, the realisation rates for this supply may be much lower. This is likely to result in rising vacancy levels amongst secondary held units, amidst heightened competition between independent landlords, with rentals likely to face further sustained downward pressure at least in the immediate near term. However, as what has been the case, quality assets will continue to generate a premium and will attract the stronger demand flows, supporting more attractive long-term occupancy rates.

FUTURE SUPPLY BY YEAR (2021-2025F)



Residential Supply ('000/units)
Source: Aldar internal research/estimates.

Commercial

As with 2019, only a small number of office completions were recorded during 2020, comprising nearly 50,000 sqm of Grade B accommodation, with total office stock now equating to around 3.8 million sqm of GLA as of year end.

With minimal new speculative supply delivered, high-quality Grade A office properties have generally benefitted from a "flight-to-quality" and have been able to either protect or grow their occupancy rates, despite an otherwise challenging macro-economic and business environment.

This has been primarily driven by sustained demand from Government and GREs occupiers, as well as consistent take up of smaller fitted office spaces, due to prevalence of short-term contract work and rising demand for flexibility due to Covid-19 as well as other global trends. However, there has been some weakness in the SME segments, mainly impacting the Grade B/C market, with further muted performance expected during 2021.

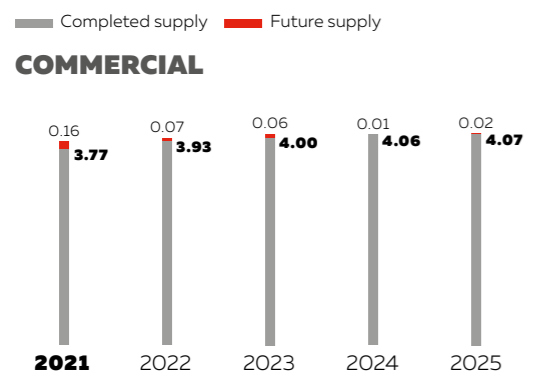
At a wider market level, average vacancy rates have continued to rise, reflecting the continuation of a two-tiered market between prime Grade A and Grade B assets. Aldar's overall commercial office portfolio, witnessed positive tenant inflows, ending the year at an average occupancy of around 92%, the same level as 2019. However, the Grade A component of the portfolio significantly outperformed, with an average occupancy of around 96%² at the end of 2020.

Outlook

With no major recent launches, the future office pipeline remains steady with around 0.4 million sqm set for delivery between 2021-25. A large portion of this (circa 90,000 sqm) will comprise the new Abu Dhabi Media Zone campus in Yas Island, which is being developed by Aldar on behalf of twofour54, meaning there is actually very limited speculative office accommodation likely to be delivered over the next five years.

This will provide some level of support to the Grade A market, although overall demand levels are likely to remain somewhat subdued in the short term with modest economic growth in 2021, likely to take place amidst an employment recovery.

FUTURE SUPPLY BY YEAR (2021-2025F)



Office Supply (Mn/sqm/GLA)
Source: Aldar internal research/estimates.

Retail

There were no major retail completions during 2020, with various projects seeing delivery dates pushed back into 2021 amidst prevailing difficulties across the sector. As a result, total retail stock remained close to 2.8 million sqm GLA³ as of 31 December 2020.

With many malls closed for parts of the year and capacity restrictions in place across the majority, the sector faced a very testing 2020. Whilst asset performances have clearly been impacted, there was a strong rebound during H2 2020, with footfall and sales volumes recovering a significant portion of the ground lost during H1.

The market was also aided by a captive domestic market, with less outbound travel to popular shopping destinations in Europe, US and Asia during the summer months, meaning spending capacity remained in-country and specifically within Abu Dhabi. This was most evident in the performance of luxury, convenience, and parts of the Home segments, which saw growth across certain centres and retail brands.

However, the sector overall has been impacted by a reduction in spending power, with job losses and depopulation, adding to consumer led spending cuts due to ongoing uncertainty in the economy and wider jobs market. The impact has been most pronounced within lower income job segments, particularly across sectors such as construction, aviation, trade, and hospitality, which have seen the bulk of job losses over the past 12 months, with a lesser impact on higher yielding jobs. Consequently, there has been a more noticeable shift in remittance patterns, and a less noticeable change in sales volumes through high-quality retail assets.

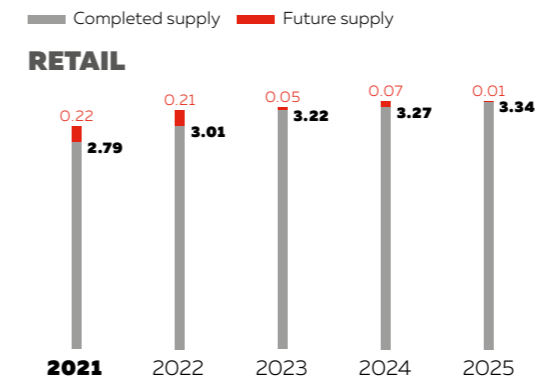
Occupancy rates have come under pressure during the year, with Aldar's portfolio seeing a decline from 89% at the end of 2019 to 83% a year later, although occupation levels were impacted by ongoing redesign and refurbishment works across a number of retail facilities.

Outlook

There is approximately 550,000 sqm GLA of new retail space set to be delivered by the end of 2025, with the largest component coming from the anticipated completion of Reem Mall on Reem Island. The super-regional centre comprises around 185,000 sqm and is likely to be completed in 2022.

Most of the remaining supply is spread across community malls and other street and mixed-use retail projects, as developers in the Emirate start to move away from the construction of large scale malls. Whilst new supply will add further pressure to the retail sector, it is likely to be felt more acutely across older retail assets which lack entertainment and destination appeal.

FUTURE SUPPLY BY YEAR (2021-2025F)



Retail Supply (Mn/sqm/GLA)
Source: Aldar internal research/estimates.

Hospitality

As with all markets globally, Abu Dhabi's hospitality sector was severely disrupted by the negative impact of Covid-19, which led to restricted tourism flows both internationally and domestically. Many major sport and leisure events and conferences were also cancelled. As a result, during 2020, visitors totalled 3.15 million, down around 39% from 5.1 million in the previous year⁵.

However, despite the very challenging landscape for global and regional tourism, Abu Dhabi's hotels ended the year with an average occupancy of around 66%, down from 73% in 2019⁵ fairing better than neighbouring Dubai which saw average occupancy rates fall from 75% in 2019 to just 54% in 2020⁵.

Occupancy rates in Abu Dhabi were supported by the temporary closure of some properties and the use of others for quarantine facilities, which effectively removed some rooms from the market and helped to stabilise performance. This was further supported by the lack of new supply, with no major hotels opening during the year as completions were pushed back into 2021.

Average room rates were also widely affected, with ADRs of AED 283/night versus AED 369/night during 2019, down around 23% year-on-year⁵.

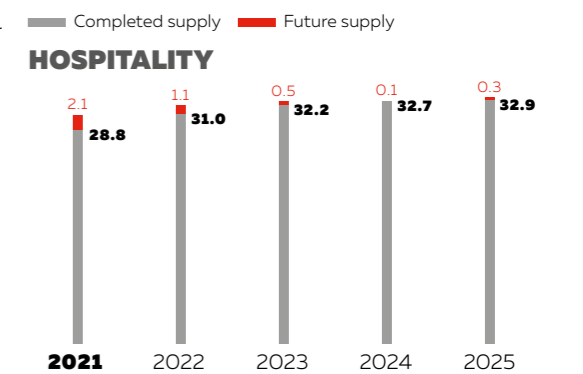
Aldar's hospitality portfolio, which includes nearly 3,000 hotel keys was significantly disrupted by Covid-19 with average occupancy rates declining from 75% in 2019 to 46% in 2020, with hotel closures limiting the performance of key assets over the course of the year.

Outlook

After no major deliveries were recorded during 2020, a number of new properties will start operations during 2021, including the recently opened Hilton Yas Bay, potentially adding close to 2,000 new keys to the existing 28,854 rooms across the Abu Dhabi Region⁴. With overall tourism demand likely to remain muted in the face of ongoing travel restrictions, the market is expected to see a modest recovery, but visitor numbers will remain well below 2019 levels, in what is likely to be a multi-year recovery.

Despite the challenges, the Government of Abu Dhabi continues to invest in the tourism and hospitality sector, with various cultural and leisure facilities set to be completed over the next two years which will further bolster the Emirate's vacation market appeal, including the Zayed National Museum on Saadiyat Island and Sea World on Yas Island.

FUTURE SUPPLY BY YEAR (2021-2025F)

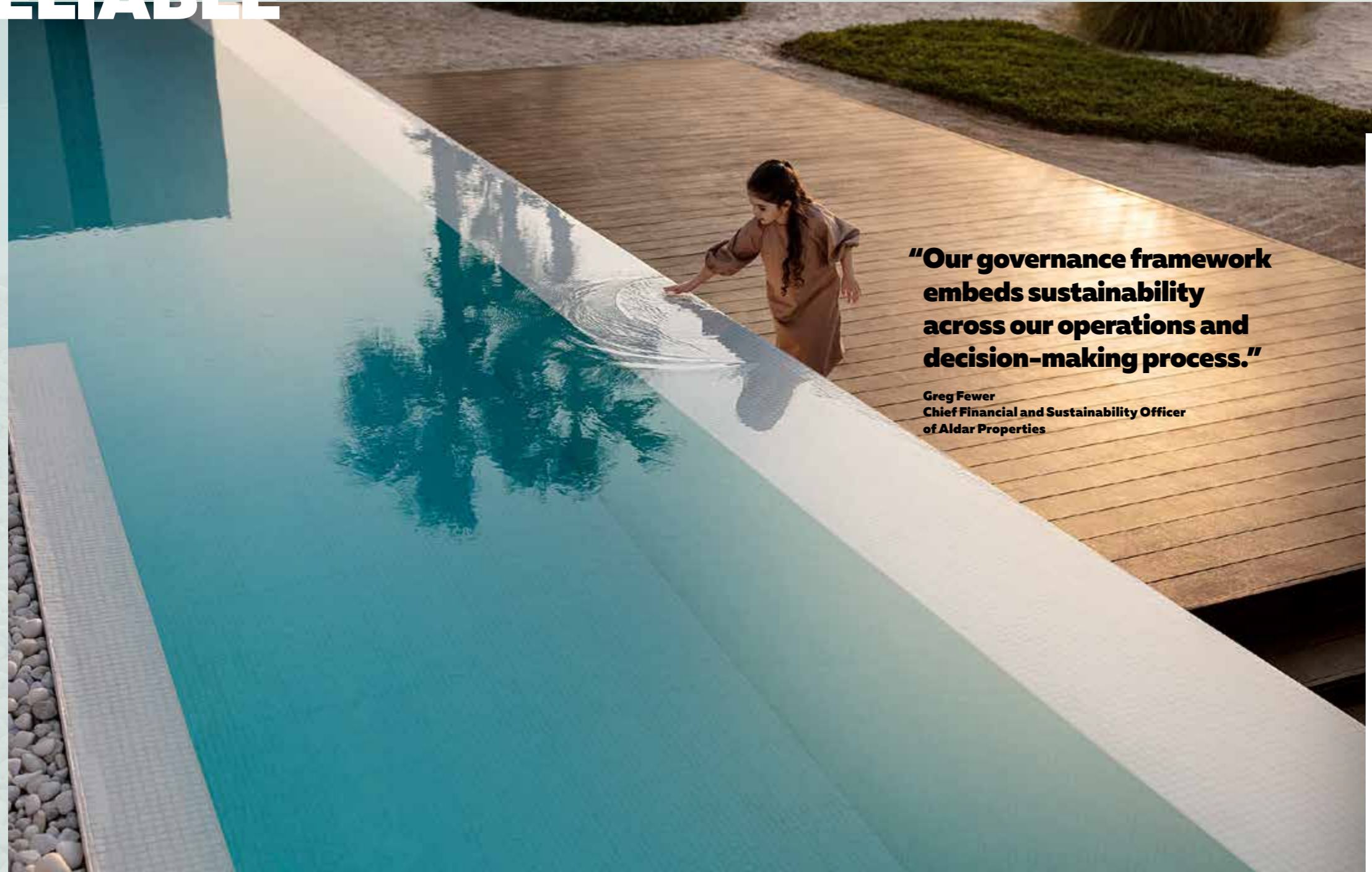


Hospitality Supply (keys) Thousands
Source: Aldar internal research/estimates.

References

- 1 Aldar research estimation.
- 2 Aldar Grade A office portfolio consists of HQ, International Tower, North Park, Al Mamoura, and excludes other Grade B properties.
- 3 Aldar Super Regional Mall portfolio consists of Yas Mall and Al Jimi Mall excludes other smaller Regional, Community and Neighbourhood sized schemes.
- 4 Department of Culture and Tourism (DCT) data on hospitality performance across Abu Dhabi.
- 5 Department of Tourism and Commerce Marketing (DTCM) data on hospitality performance across Dubai.

SUSTAINABLE DESIRABLE RELIABLE



"Our governance framework embeds sustainability across our operations and decision-making process."

Greg Fewer
Chief Financial and Sustainability Officer
of Aldar Properties

We aim to create a business culture where sustainability is at the heart of everything we do, and where the concept of sustainability informs the way we operate, collaborate, innovate and grow. Our responsibility towards our stakeholders, the community, and the environment will continue to drive our business decisions and long-term value creation.

ECONOMY

Aldar endeavours to contribute to a thriving economy through stable, responsible and diversified growth. This is enabled by applying the highest standards of governance, ethics and accountability – and supported by optimised, innovative operations.

COMMUNITY

Aldar is a member of its wider community and we put the priorities of these stakeholders at the heart of our decision making. Our heritage is rooted in trusted government and community partnerships that support sustainable, healthy and inclusive communities.

PEOPLE

We work to attract and retain the best talent through a culture of inclusion, growth and empowerment. We are dedicated to offering safe, healthy and fair working conditions for all employees and contract workers in line with leading international practices.

ENVIRONMENT

We practice proactive and responsible environmental stewardship throughout the lifecycle of our assets, including in the supply chain. Operating in a climate sensitive region, carbon reduction is a key priority, and we aspire to be carbon neutral over the longer term.

Read more on page 42.

SUSTAINABLE DESIRABLE RELIABLE

“Our success is built on a deep understanding of local market dynamics and our premier positioning in Abu Dhabi as master developer of iconic and desirable destinations.”

Jonathan Emery
Chief Executive Officer of Aldar Development

Customers are at the heart of all aspects of our business. Our mission is to create exceptional and memorable experiences that maximise value for all customers and outperform their expectations. We are engaged with our customers in all areas of the customer journey from design and development, to purchase and handover to ensure a better process and increased satisfaction. As a result of our rigorous drive to build a customer centric culture, Aldar has become one of the most trusted landlords and desirable developers in the UAE.

RESIDENTIAL

We are one of the most trusted and recognised real estate lifestyle developers in the UAE. Our goal isn't simply to build properties. We strive to shape communities that people love to live in. Communities that become homes, brimming with life and everything we love.

RETAIL

Aldar retail offers the chance of enjoying every dimension of our life in a fulfilling way – a place to remember and connect. A platform of collaboration between retailers, local culture and customers, to create better spaces for shopping, entertainment, and leisure.

HOSPITALITY AND LEISURE

From the relaxing white sands of Saadiyat Beach Club to the award-winning culinary delights of Yas Island, our destinations create memorable experiences for all types of traveller. Aldar has created a stunning collection of leisure offerings to suit our community of residents and guests with beach clubs, marinas, golf courses and multi-purpose parks available throughout Abu Dhabi.

Read more on page 50.

SUSTAINABLE DESIRABLE RELIABLE

We are a commercially independent business, focused on balancing the interests of our shareholders and customers through sustainable growth and efficiency initiatives. We are an agile and integrated organisation that continuously optimises people and performance to deliver operational excellence.

STRONG PERFORMANCE

Our financial performance in 2020 is testament to the reliability of our business. Despite the challenges brought about by Covid-19, we reported a 17% increase in revenue to AED 8.4 billion and 8% increase in gross profit to AED 3.0 billion.

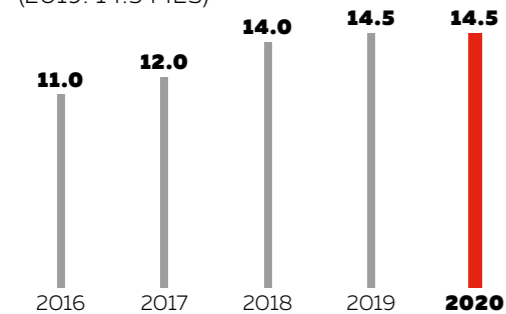
SHAREHOLDER RETURNS

In line with our steadfast commitment to providing sustainable returns for our shareholders, we recommended a dividend of AED 0.145 per share in 2021. Dividend payments are consistent with 2020 figures, as we anticipate another year of strong business performance in 2021.

Dividend Per Share

14.5 fils

(2019: 14.5 FILS)

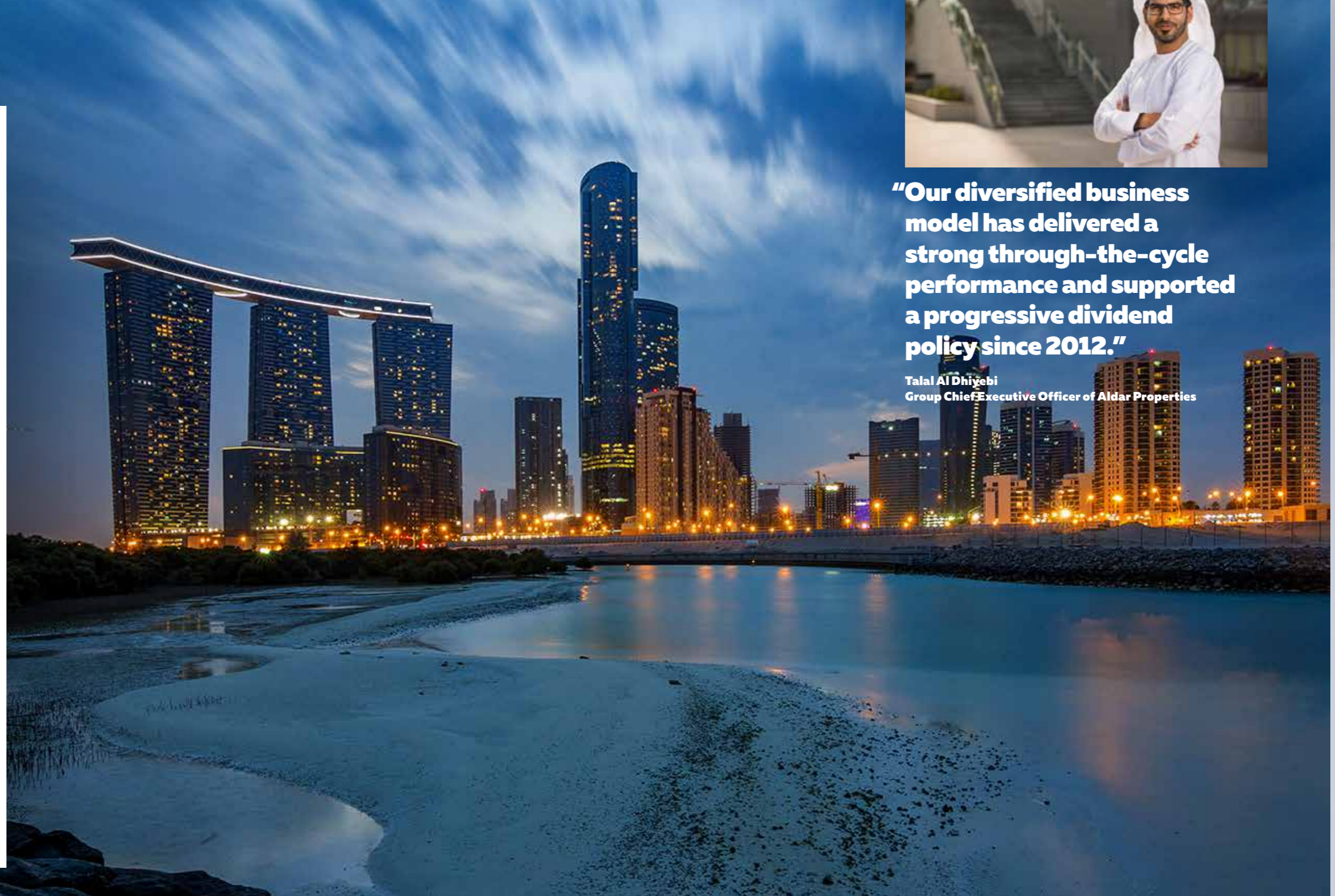


Read more on page 76.



“Our diversified business model has delivered a strong through-the-cycle performance and supported a progressive dividend policy since 2012.”

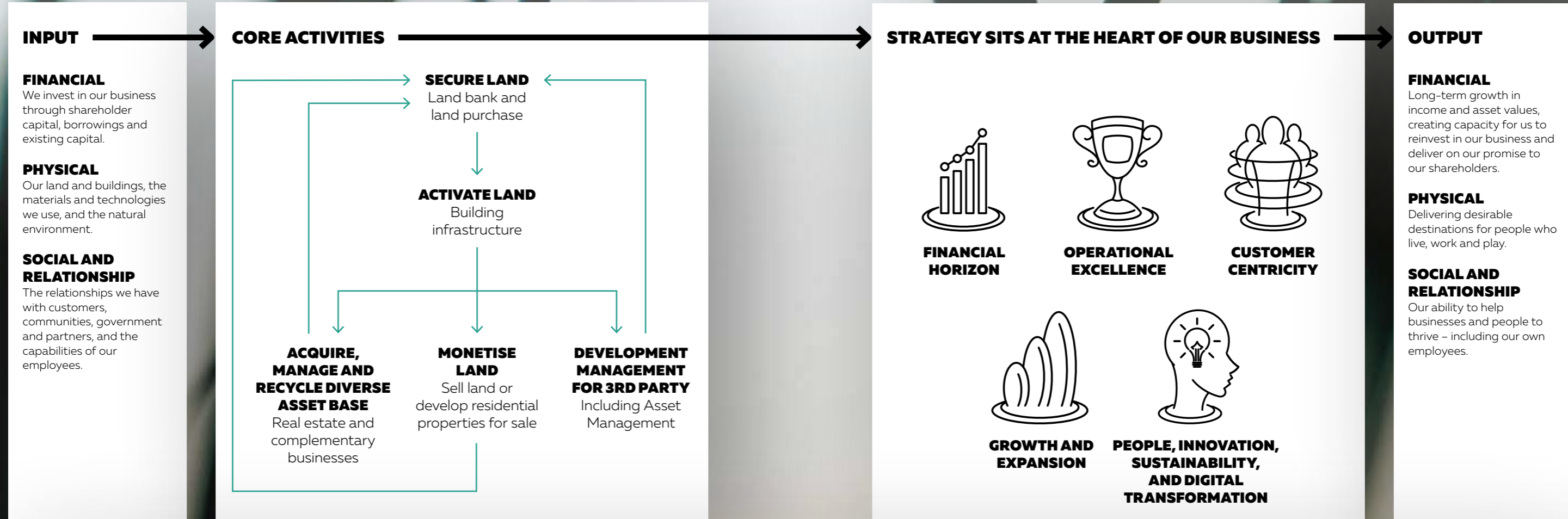
Talal Al Dhiyebi
Group Chief Executive Officer of Aldar Properties



CREATING SUSTAINABLE, LONG-TERM VALUE

Aldar plays a pivotal role in the growth, maturity and diversification of Abu Dhabi's economy. We aim to be a sustainable business by anticipating and responding to the needs of our customers, communities, partners and employees. Using our knowledge, we are able to adapt to market conditions and enhance our position as we pursue our vision of long-term value creation.

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OUR VALUES UNDERPINNING EVERYTHING WE DO

CUSTOMER CENTRICITY | DIVERSE & INCLUSIVE | AGILE | INNOVATIVE | COLLABORATIVE

SUSTAINABLE RETURNS THROUGH SOUND INVESTMENTS AND INNOVATIVE STRATEGIES

Our **vision** demonstrates what we aim to achieve, while our **mission** defines our DNA and what we stand for. They form the cornerstone of our strategic intent and commitment to stakeholders.

OUR VISION

Become a leading regional real estate developer and manager that creates memorable experiences and value for our customers and shareholders.

OUR MISSION

Place our customers first by embedding sustainability, quality, technology and innovation in everything we do.

OUR VALUES

CUSTOMER CENTRICITY

We engage and deliver an exceptional customer journey.

DIVERSE & INCLUSIVE

We value diversity and treat everyone with respect, inclusiveness and dignity.

AGILE

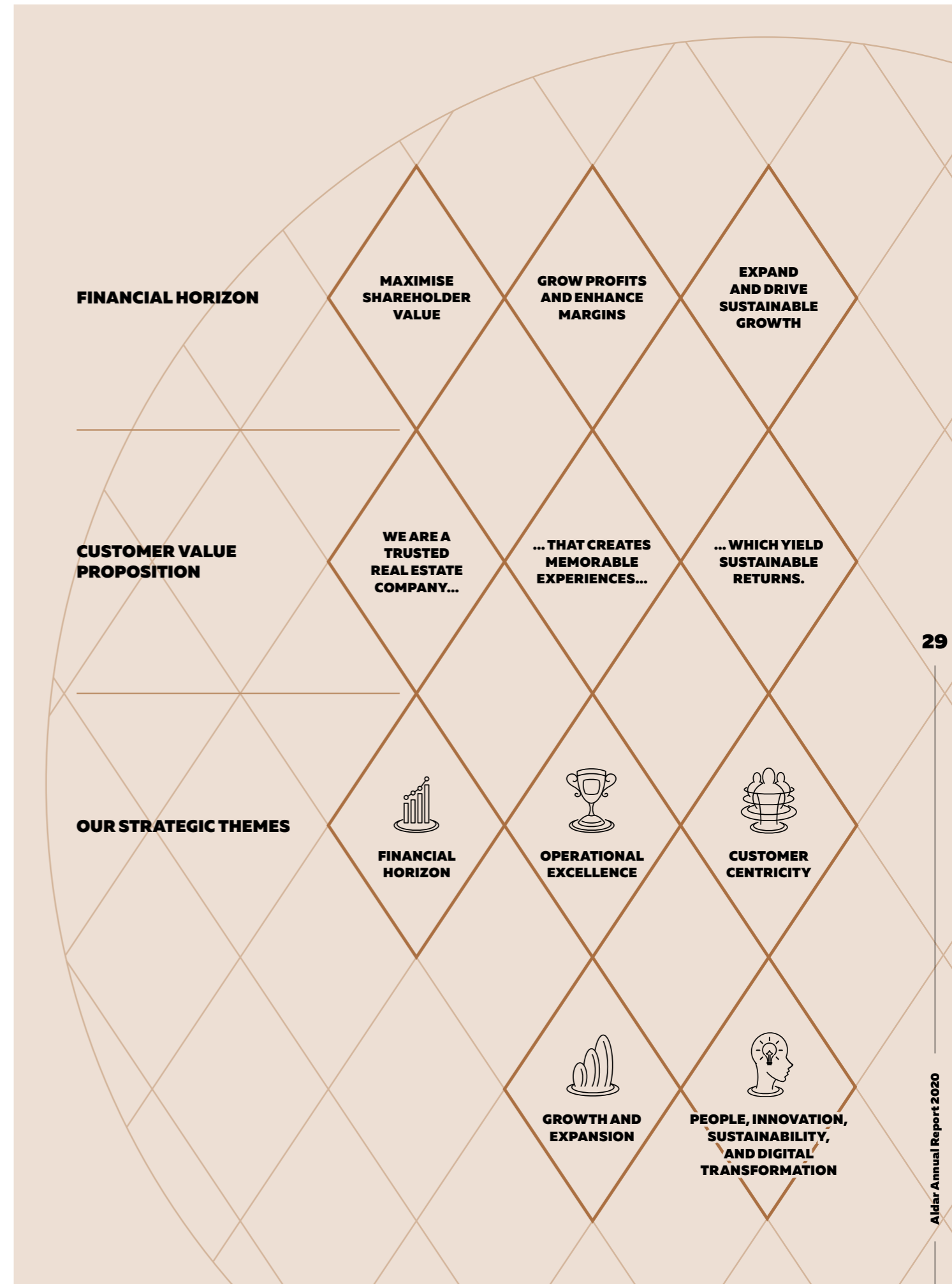
We are responsive, dynamic and committed.

INNOVATIVE

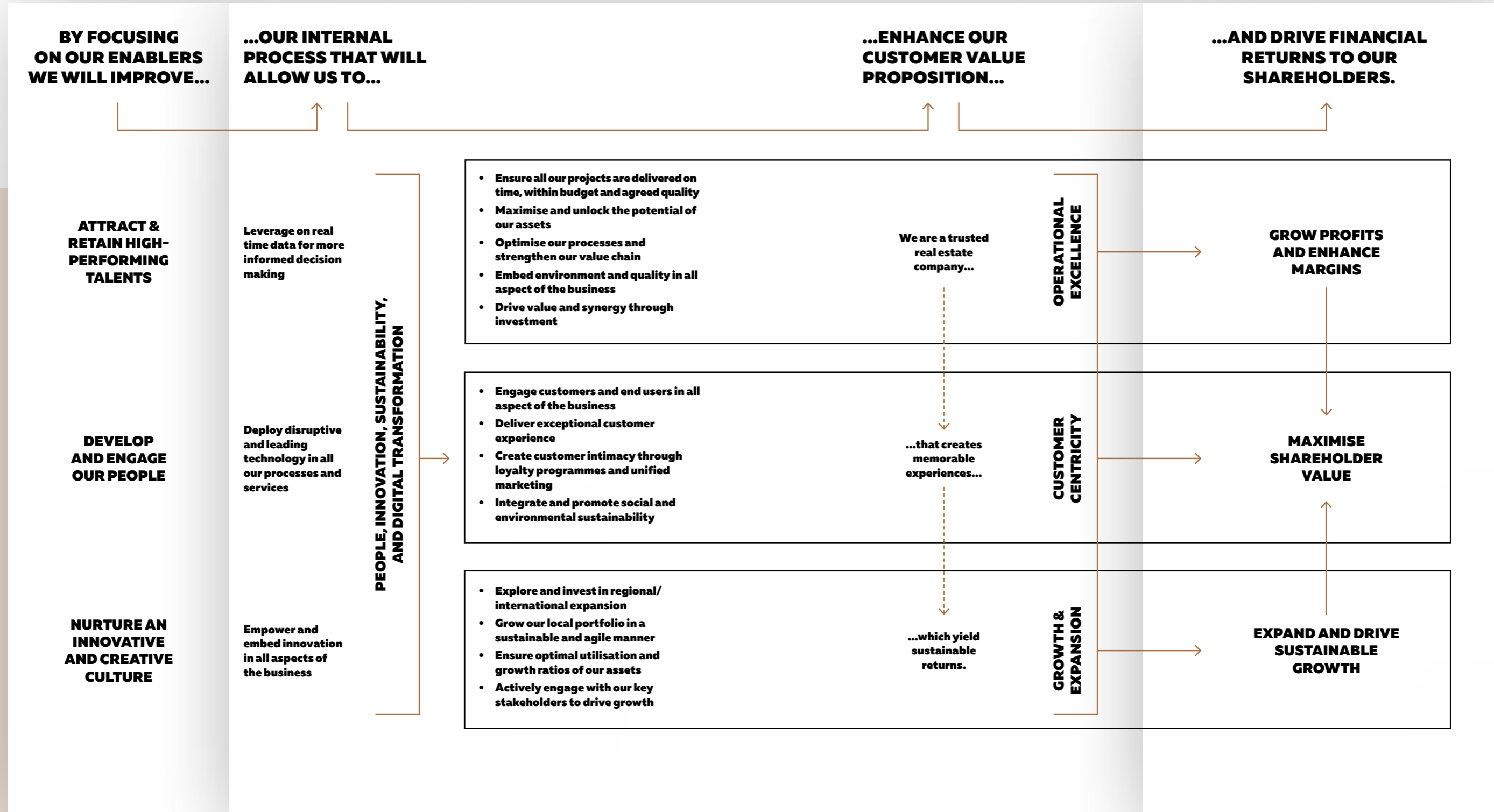
We differentiate ourselves by going above and beyond in everything we do.

COLLABORATIVE

We are one team. We work together across boundaries to achieve our mutual objectives.



ALDAR CORPORATE STRATEGY MAP



1 FINANCIAL HORIZON

Our objective is to drive maximum financial returns for our shareholders by continually growing our portfolio and improving efficiencies.



STRATEGIC OBJECTIVES

- Maximise shareholder value.
- Grow profits and enhance margins.
- Expand and drive sustainable growth.

2020 ACHIEVEMENTS

- Strong financial performance driven by core businesses and adjacencies.
- Appointment of Aldar by the Abu Dhabi Government on an exclusive basis as strategic delivery partner for an initial AED 40bn of key capital projects, including public housing and associated community infrastructure projects.
- Strong cash position driven by AED 4.0bn of development collections in 2020, with AED 3.3bn of free cash and AED 4.0bn of undrawn credit facilities as at year end.

KEY OUTCOMES

- **AED 8.39bn** revenue which is a 17% increase from the previous year.
- **AED 2.98bn** gross profit which is 8% increase from the previous year.
- **AED 1.93bn** total net profit which is 0.4% increase from the previous year despite economic challenges due to Covid-19.
- **AED 1.14bn** recommended cash distribution (Recommended dividend of 14.5 fils per share), showing Aldar's commitment to providing sustainable returns to shareholders.

2021 PLANS

- **Aldar Development:**
 - Target development sales to be in line with 2020.
 - Ramp-up expected from fee-based business in 2021.
- **Aldar Investment:**
 - Target single digit growth on 2020 NOI.
 - Increase AUM & continue to deliver attractive returns through accretive investments, active asset management and capital recycling.
- Maintain gross debt levels in line with financial policies.
- Continued commitment to shareholder returns underpinned by performance-based dividend policy.

2 OPERATIONAL EXCELLENCE

Aims to achieve agility through optimising operational processes and supply chain efficiency to ensure that we deliver our developments on time and within budget, and manage our assets and investments in an effective and efficient manner.



STRATEGIC OBJECTIVES

- Ensure our projects are delivered on time, within budget and agreed quality.
- Maximise and unlock the potential of our assets.
- Optimise our processes and strengthen our value chain.
- Embed environment and quality in all aspects of the business.
- Drive value and synergy through investment.

2020 ACHIEVEMENTS

- Launched our In-Country Value (ICV) programme and workers welfare policy.
- Implemented process efficiency through Robotic Process Automation across the business.
- Established a dedicated function to oversee process improvements and implementation of excellence practices across the organisation.
- Adopted a new operating model to deliver on next phase of growth, aligned with Aldar's strategy and in line with Abu Dhabi's plans for investment and economic diversification.

KEY OUTCOMES

- **88%** occupancy rate across our portfolio (retail, office and commercial) despite the impact of Covid-19.
- **AED 1.2bn** divestment value which includes energy, residential and hospitality assets.
- **1,282** development units handed over in 2020.
- **1.9bn** Achievement of development collections for 2020.
- **50%** of Aldar Academies students attending top 100 universities worldwide.
- **Outstanding** – Highest percentage of outstanding schools out of all private operators in the region.

2021 PLANS

- Introducing & integrating centre of excellence to drive agility and efficiency.
- Dedicating and implementing a delivery excellence engine for future pipeline of projects.
- Increase digitisation and robotic process automation across the business.

3 CUSTOMER CENTRICITY

Encompasses our corporate customer value proposition that creates trust through engaging our customers and delivering exceptional customer experience.



STRATEGIC OBJECTIVES

- Engage customers and end users in all aspects of the business.
- Deliver exceptional customer experiences.
- Create customer intimacy through loyalty programmes and unified marketing.
- Integrate and promote social and environmental sustainability.

2020 ACHIEVEMENTS

- Launched Aldar's Loyalty Programme (Darna) across our portfolio.
- Implemented our Energy Monitoring Programme.
- Drove insights from our customers and delivered more centric services and products.
- Embedded Sustainability practices across the Group through development of a comprehensive Sustainability Strategy and roadmap.

KEY OUTCOMES

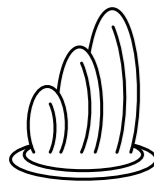
- **36.5k** customers engaged to receive design preference, satisfaction and recommendation rates.
- **AED 190m** aimed at supporting residential communities, schools, retail partners, and home buyers.
- **27k** members in the Aldar's loyalty programme in Abu Dhabi.
- **ESG** highest rated real estate company in UAE based on ESG invest.
- **15%** energy savings vs. 2018 baseline already achieved in OA communities.

2021 PLANS

- Streamlining and enhancing all our customer facing and fulfilment platforms/services.
- Creating a deeper understanding of our customers preference across the business.
- Implementing and monitoring our revamped customer journey across the business.
- Growing our customer loyalty programme and getting closer to our customers.
- Embedding our sustainability pillars in our business and drive results.

4 GROWTH AND EXPANSION

Aims to increase the value of our assets through sustainable growth into new markets; quicker turnaround on quality developments and acquisitions; and innovative marketing strategies.



STRATEGIC OBJECTIVES

- Explore and invest in regional/international expansion.
- Grow our local portfolio in a sustainable and agile manner.
- Ensure optimal utilisation and growth ratios of our assets.
- Actively engage with our key stakeholders to drive growth.

2020 ACHIEVEMENTS

- Executed on acquisition transactions.
- Drove more growth in our adjacencies.
- Progressed in international presence and expansion.

KEY OUTCOMES

- **AED 40bn** new fee-based capital projects secured for the next five years.
- **60k** managed units – Making Provis one of the largest property management companies in the region.
- **AED 826m** amount increased in assets within Aldar's investment portfolio.
- **AED ~1bn** sales of project Noya which was sold out on the launch day.
- **Cloud** – Launched Aldar's first co-working space in Yas Mall during Covid-19.

2021 PLANS

- Ensuring regional business presence.
- Executing our international sales strategy.
- Delivering & growing our management fee business and transacting in our investments pipeline.
- Growing and diversifying our assets under management within the non-traditional assets.
- Prioritising Egypt market and focusing on other markets for regional expansion.
- Introducing our venture business to Abu Dhabi Market.

5 PEOPLE, INNOVATION, SUSTAINABILITY, AND DIGITAL TRANSFORMATION

Attract and maintain high-performing talent; nurture an innovative, sustainable, and creative culture; and adopt disruptive technology.



STRATEGIC OBJECTIVES

- Leverage data for more informed decision making.
- Deploy disruptive and leading technology in all aspects of the business.
- Empower and embed innovation in all aspects of the business.
- Attract and retain high-performing talent.
- Develop and engage our people.
- Nurture an innovative, sustainable, and creative culture.

2020 ACHIEVEMENTS

- Partnered with leading global Proptech venture capital funds.
- Digitised our innovation management platform.
- Delivered VDC (Virtual Design & Construction)/BIM (Building Information Modelling/Management) programme focused on digitally enabled design and delivery of our developments.
- Implemented big data and analytics platform to drive smarter intelligent insights and informed decision making.
- Implemented a strategy to continuously engage, develop and retain our people.

KEY OUTCOMES

- **82%** great place to work score. 12% increase in the total score compared to 2019.
- **96%** employees had their technical competencies assessed on our Talent Management Platform (Saba).
- **€10m** Planned investment in two Proptech VC Funds.
- **0** downtime in Aldar's core IT services.

2021 PLANS

- Launching and monetising innovative and disruptive services in the Abu Dhabi real estate market.
- Doubling down on data and artificial intelligence across the business.
- Further embedding diversity and inclusion across the business.
- Continuously investing in developing and growing our people.
- Boost investment in Proptech through corporate innovation programmes and Venture Capital funds.

OUR SUSTAINABILITY STRATEGY AND FRAMEWORK



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This is a high-level summary on Aldar's 2020 sustainability achievements and more details will be published in Aldar's 2020 sustainability report, which will be launched in H1 2021.

ALDAR'S APPROACH TO SUSTAINABILITY

2020 has been an exceptional year due to the Covid-19 pandemic. However, it was positive and progressive on Aldar's sustainability front. After announcing the updated sustainability framework in the 2019 sustainability report, we embarked on developing a Group-wide sustainability strategy using the sustainability framework as the structure.

The sustainability strategy has been cascaded to all Aldar businesses and departments including Aldar's subsidiaries.

2021 will focus on taking the sustainability strategy into implementation and to deliver on our sustainability targets announced in the previous sustainability report. This will include the development of asset management and development focused implementation plans and empowering their capabilities towards sustainability.

On top of the sustainability implementation is the development of Aldar's Carbon Neutral Action Plan which is expected to be released by Q4 2021.



ECONOMY:

Our economic sustainability and contributions are vital to everyone who depends on our Company, including our customers, communities, employees, supply chain, shareholders and investors. We strive to provide our shareholders with secure, growing distributions derived from sustainable business practices.



COMMUNITY:

Healthy, dynamic communities are at the heart of our business. These multi-faceted environments – where citizens, residents and visitors live, learn, work and play – can be powerful catalysts of sustainable change, not just through the sustainability of the buildings themselves but also by encouraging sustainable lifestyles for everyone within them.



PEOPLE:

Our people are the lifeblood of our business and sustainability journey, continuously raising the bar for what our Company should and can achieve, and then applying their combined creativity, determination and expertise to meet and exceed these goals.



ENVIRONMENT:

We aim to reduce our environmental impact and improve the efficiency of our use of resources over time, in recognition that our stewardship of the environment is our greatest responsibility to future generations.

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KEY ACHIEVEMENTS

Despite the challenging year influenced by the pandemic and its impacts on different businesses and processes; we have significantly improved our ESG score on different regional and international ratings and Aldar was ranked on the top of all listed real estate companies in the UAE and the third among all listed companies in Abu Dhabi Securities Exchange, as of end of 2020¹.

We have also improved our ESG score well above the industry average for both Dow Jones Sustainability Index and MSCI.

We also made good progress in 2020 across the four sustainability pillars as explained below:

ECONOMY:

- We have emphasised our commitments to sustainability by developing and launching several sustainability policies including sustainability, environmental, CSR, human rights, health and safety, sustainable procurement and other policies. Read more about Aldar sustainability policies online.
- We have been advancing our sustainability governance to support a strong sustainability implementation across the businesses. Led by the Sustainability Council at Aldar, the sustainability governance will include hiring additional resources to lead the sustainability implementation at the Aldar Development and Aldar Investment in 2021.
- To further strengthen our support to local economic development, Aldar launched and rolled out our In-Country Value (ICV) Programme to deepen the local contractor and consultant base.
- Towards achieving responsible and diversified growth, Aldar took over the development management of several government capital projects worth AED 40 billion.
- We have also further strengthened our focus on Digital Transformation (DT) and Innovation through the launch of dedicated corporate DT and innovation strategies. Our Innovation strategy aims to accelerate Aldar innovation projects internally as well as supporting external innovation startup ecosystem.

COMMUNITY:

- We remained focused on being customer centric which was proven essential for agility during 2020 and the uncertainties involved during that year. The launch of 'Darna' digital loyalty programme across Aldar's entire portfolio and the first of its kind for Abu Dhabi and Al Ain, reinforces Aldar's commitment to customer centricity approach and complements the innovation programme.
- Our Corporate Social Responsibility (CSR) impact has been growing year after year and we always see the opportunities in supporting our communities. We marked major milestones for CSR in 2020 and Covid-19 provided us with additional opportunities to create further impact for our communities. Our key CSR achievements included:
 - Pledged AED 30 million with our CSR partner, Sandooq Al Watan, to promote research, foster innovation, support and upskill UAE National Talent.
 - We empower People of Determination through three core strategic programmes:
 - Our strategic partnership with the Special Olympics UAE;
 - With the Social Impact Bond ATMAH Programme (in partnership with Aldar Academies, ZHO, DCD and Ma'an); and
 - By encouraging more recruitment of People of Determination across the Aldar Group.
- Aldar employees contributed AED 1 million to the 'Together We Are Good' programme launched by The Authority of Social Contribution – Ma'an.
- Aldar has also contributed AED 5 million to an initiative launched by Sandooq Al Watan to distribute 10,000 laptops to school and university students in line with the Ministry of Education's distance learning programme.

PEOPLE:

- To deliver on our ambition to become an employer of choice that attracts and retains the best international, local and internal talent, create an inclusive, human centric and high-performance climate, and challenge status quo and drive growth and innovation; Aldar launched a holistic Diversity and Inclusion Strategy in Q3 2020.
- Aldar certified as a Great Place to Work.
- Beyond the strong commitment towards Worker Welfare Policy, in 2020 we started auditing our supply chain to ensure compliance with this policy. We identified our high-risk assets and development projects and conducted 11 audits against key Aldar Worker Welfare principles that overlapped with Covid-19 related measures, awareness and preparedness as advised by the governmental bodies in the UAE. We achieved an improvement in overall compliance on nine follow-up audits.
- Aldar developed and implemented a comprehensive Occupational Safety and Health Management System. Our Development's QHSE department has been awarded the ISO 9001:2015 for having established a unique Quality Management System.

ENVIRONMENT:

- The Energy and Waste Management Committee was established at Group level in Q1 2020 to ensure alignment, synergy and efficiency in the energy and waste management efforts and practices across Aldar's businesses.
- The Energy Management Project, led by the Energy and Waste Management Committee, was launched in Q4 2020 to support the delivery of Aldar's 2025 emissions reductions targets announced on Aldar's 2019 sustainability report. The Energy Management Project covers about 87 assets and aims to engage major energy service companies over six-year contracts to achieve the retrofits and monitor and confirm the energy savings.



1. <https://esginvest.com/esg-rankings/>

Responding to Covid-19 Strategically, With Stakeholders' Interest at the Core

In 2020, Aldar has led a number of initiatives alongside various measures across its businesses that support the nationwide efforts to protect health and wellbeing and promote business continuity. The measures highlight Aldar's commitment to its employees, business partners, residents, parents and the wider community.

These initiatives are in addition to Aldar's AED 190 million programme aimed at supporting residential communities, schools, retail partners and home buyers.

- Aldar was among the first private sector organisations in Abu Dhabi to implement a remote working policy.
- Aldar Properties was the first company in Abu Dhabi to have its entire portfolio of hotels endorsed as compliant with the Department of Culture and Tourism's 'Go Safe' certification programme.
- 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.
- Aldar Education has made an investment of AED 10 million toward technology and infrastructure to facilitate distance learning programmes and to cover for devices that were purchased and distributed to families who did not have the tools to deliver distance learning to their children.

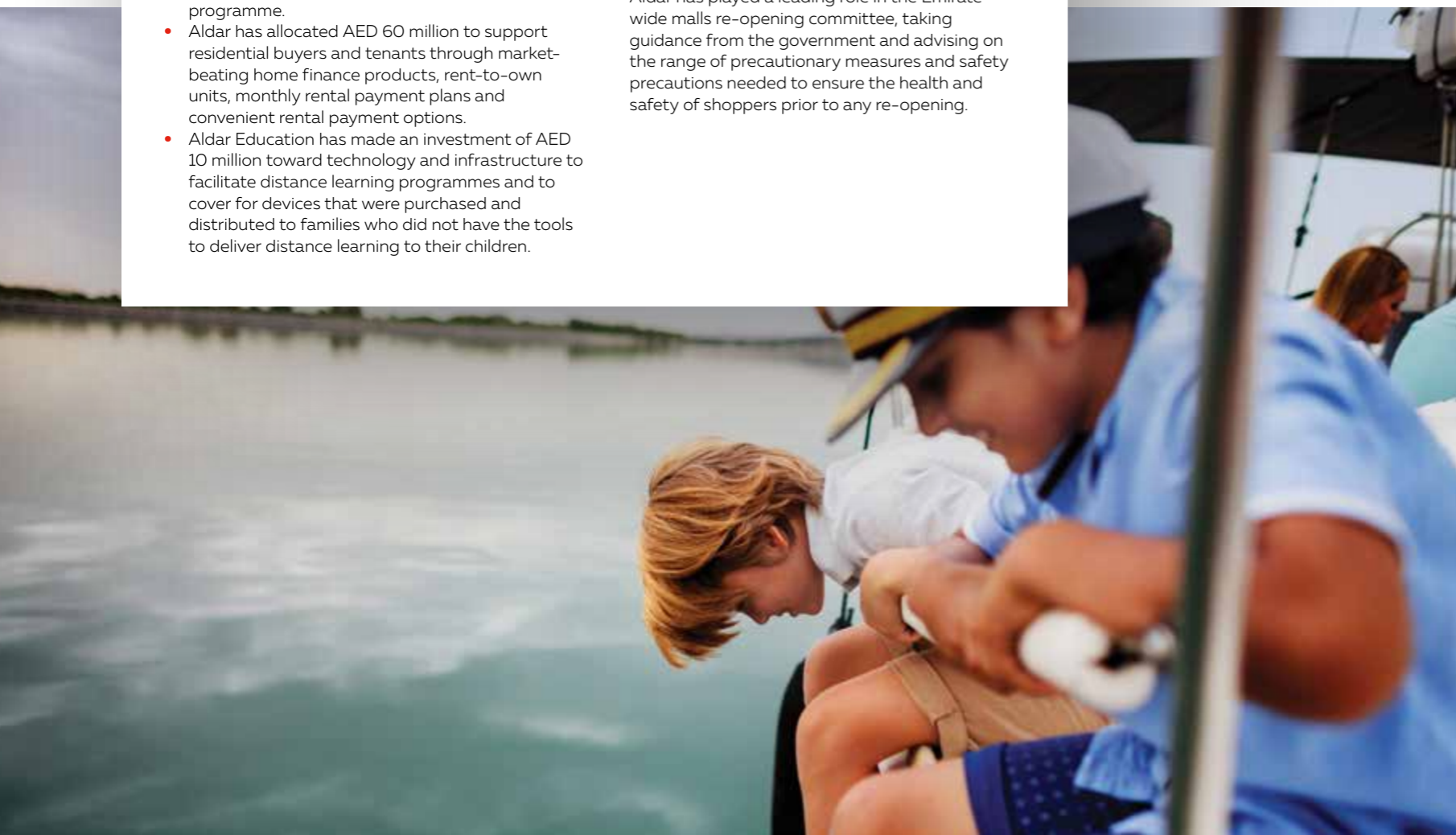
- Aldar allocated AED 20 million to various other initiatives including national sanitisation efforts and waiving all administrative fees associated with transacting with the Company, including transfer fees and late payment fees applicable during 2020.
- Aldar was proud to play an active role as part of the public/private sector steering committee that oversaw the successful delivery of UFC Fight Island, which featured the creation of a world-class 'safe zone' for approximately 2,500 people over five weeks on Yas Island.
- The Company has launched a series of initiatives to support retail partners, reaching over AED 90 million with a particular focus on SMEs and start-ups which has helped businesses continue to operate through difficult circumstances.
- Aldar has also committed to paying AED 4 billion to its contractors, suppliers and consultants in 2020.
- Aldar has made available over 2,000 rooms across its portfolio of hotels for individuals required to remain under observation while undergoing quarantine protocols.
- Aldar has played a leading role in the Emirate-wide malls re-opening committee, taking guidance from the government and advising on the range of precautionary measures and safety precautions needed to ensure the health and safety of shoppers prior to any re-opening.

KEY 2021 TARGETS

Sustainability in 2021 should deliver on the ambitions of the strategy and build on the great legacy Aldar achieved in 2020. This is further emphasised by Aldar's new operating model announced in 2021.

Our key sustainability commitments into 2021 include:

Pillar	Commitment
ECONOMY	<ul style="list-style-type: none"> • Update the sustainability governance structure by creating a development and asset management focused sustainability councils which should enable both businesses to implement the sustainability strategy and discuss and action specific sustainability initiatives and targets as relevant to each business. • Enhance the sustainability reporting process and the quality of the data through the implementation of a Group-wide sustainability data management system. • Develop ESG risk registers and identify their financial implications on the businesses. • Enhance sustainability disclosure by expanding our disclosures to including the most relevant and common practices including Task Force on Climate-related Financial Disclosures (TCFD).
COMMUNITY	<ul style="list-style-type: none"> • Develop CSR Strategy and Review the CSR governance across the Group to ensure more impactful CSR practices. • Launch and implement new CSR programmes. • Develop Aldar's social impact measurement framework.
PEOPLE	<ul style="list-style-type: none"> • Deliver health and safety training to all employees.
ENVIRONMENT	<ul style="list-style-type: none"> • Deliver and announce Aldar's Carbon Neutral Action Plan. • The implementation of the second phase of the Energy Management Project – Investment Grade Audit. • Develop a waste management plan across our businesses to improve waste management and recycling, and pilot and implement innovative waste management solutions.



DIVERSIFIED OPERATING MODEL

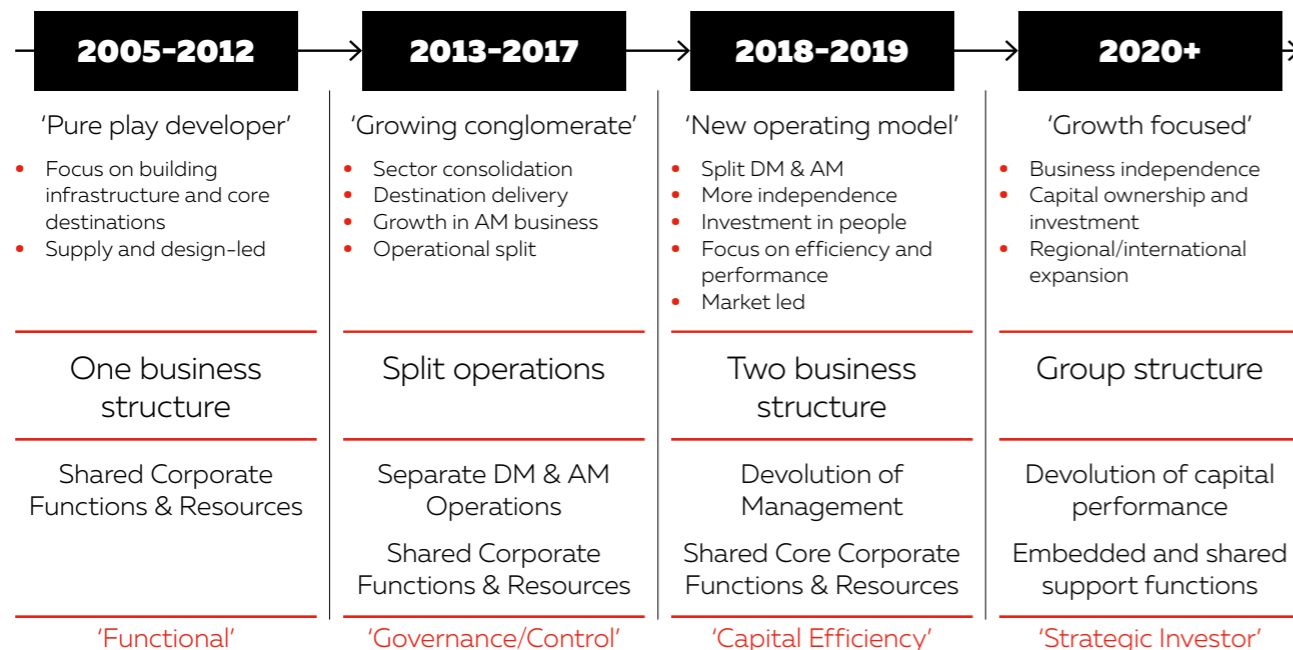
Over the past 16 years, Aldar's business model has evolved from a pure play developer to a diversified property development and investment company represented by two major business segments: Aldar Development (previously Development Management) and Aldar Investment (previously Asset Management). Within each business are several sub-segments that contribute to the overall Group's financial performance.

In January 2021, Aldar announced a new Group operating model to drive the next phase of growth. The new Group operating model is centred around the following strategic themes: customer centricity, digital transformation, operational efficiency, and sustainability.

Established as independent arms, Aldar Development and Aldar Investment will have their own decentralised governance models and support functions, while remaining aligned with Aldar Group's overall business strategy. This will allow them to pursue the right opportunities, with a focus on expanding their specialised portfolios. Overseeing the two entities, Aldar will focus on the overarching brand, strategy, capital allocation, governance, as well as the people, legal, audit and excellence functions.

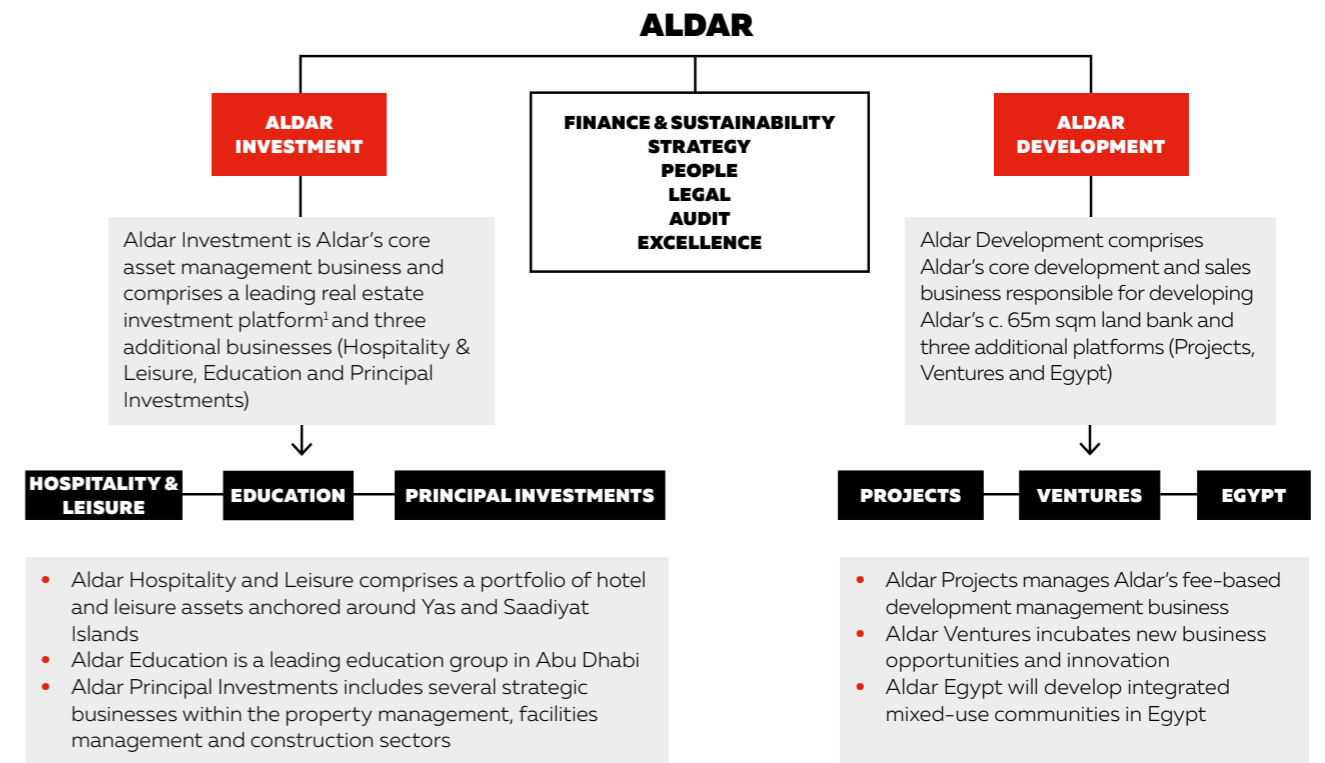
The new model promotes agility and accountability throughout the organisation, with two core businesses – Aldar Development and Aldar Investment – led by their own Chief Executive Officers, both reporting to Aldar's Group CEO.

EVOLUTION OF OUR OPERATING MODEL



NEW GROUP OPERATING MODEL

- New Group operating model to drive the next phase of growth, focusing on enhancing the customer experience, digital transformation, operational efficiency and sustainability
- Central corporate functions to remain at parent Aldar-level
- Aldar Development and Aldar Investment to have their own decentralised governance and operations functions, whilst remaining aligned to Aldar's overall strategy



1. Aldar Investment owns Aldar Investment Properties LLC (AIP) rated Baa1 (stable) by Moody's, owner of a diversified portfolio of prime real estate assets (retail, residential and commercial) in Abu Dhabi.
Note: This report follows the reporting segmentation that was in place during the 2020 fiscal year and does not reflect any proposed changes to reporting segmentation (due to the new Group operating model) which may come into effect from Q1 2021.

ALDAR DEVELOPMENT

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2020 HIGHLIGHTS

- AED 3.63 billion development sales -8% versus 2019
- One development project launch (Noya) comprising 510 units on Yas Island
- 2020 development business revenue and gross profit up 60% and 31% respectively
- AED 20 billion awards from Government of Abu Dhabi across National Housing and infrastructure works
- Over 1,300 units handed over in 2020
- 90% sold across all projects

Note: This report follows the reporting segmentation that was in place during the 2020 fiscal year and does not reflect any proposed changes to reporting segmentation (due to the new Group operating model) which may come into effect from Q1 2021.

JONATHAN EMERY, CHIEF EXECUTIVE OFFICER OF ALDAR DEVELOPMENT



While 2020 was a year of complex challenges, it was also a period of intense activity and bold transformation at Aldar Development.

By focusing on customer service and deploying digital solutions to ensure continuity of sales, the business achieved record revenues and the highest growth in gross profit since 2013.

Our success was built on a deep understanding of local market dynamics, our premier positioning in Abu Dhabi, as well as supportive government policies towards the sector and the wider economy. Development sales totalled AED 3.63 billion, stable year-on-year, with strong inventory sales complementing the sell-out launch in November of the first phase of Noya on Yas Island.

Meanwhile, the third-party development management business generated revenue of AED 1.26 billion, more than tripling from 2019, and gross profit of AED 210 million, up 43% year-on-year. This business is set to expand significantly following the agreement for Aldar to manage an initial AED 40 billion of Abu Dhabi Government infrastructure and housing projects. We will begin to work on these projects from the first quarter of 2021 and expect this strong, trust-based private-public partnership to prosper further in the coming years.

At Aldar Development, we have been highly encouraged by the confidence shown in the Abu Dhabi real estate market among investors and end users in the last year, particularly when rock-bottom interest rates have enhanced affordability. The fact that 510 units at Noya on Yas Island were sold out in just four hours in November bodes well for future project launches, while we expect to see continued robust demand for our existing prime developments on Yas Island and Saadiyat Island.

In addition, through our Aldar Egypt business unit, we will flex our expertise to explore meaningful opportunities in the lucrative Egyptian property market, potentially through relationships with respected partners.

Across our business, our core focus will be on execution and delivery of integrated communities that adhere to the highest standards of operational excellence, supply chain management, and technology adoption, while keeping sustainability at the heart of our operations.

The development business sits at the heart of Aldar Properties' business model. Since inception, Aldar has created some of the most iconic development projects and destinations across Abu Dhabi. That includes Aldar's own Headquarters building on Al Raha Beach, Yas Marina Circuit, Ferrari World, the W Hotel on Yas Island and the Gate Towers & Sun and Sky towers on Shams Reem Island. The principal activities of Aldar projects are off-plan residential property developments and third-party development management.

ALDAR DEVELOPMENTS

Land bank

Aldar's original business model stems from taking raw land, developing infrastructure and creating a masterplan that sets out a clear vision for the destination. Aldar's exceptional experience in creating Abu Dhabi's key destinations continues to be a driver of value generation and will serve the Company well in the future.

As at 31 December 2020, Aldar's land bank comprises a diverse portfolio of approximately 65 million square metres (sqm) of land and 12 million sqm of gross floor area (GFA) at various stages of development. The land bank stretches across the Emirate of Abu Dhabi, ranging from key destinations such as Yas Island, Shams Reem Island, Saadiyat Island and Mina Zayed. Aldar also owns significant land in established locations on Abu Dhabi Island and in the broader Abu Dhabi mainland region, which includes Seih Sdeirah on the border with Dubai.

This diversified land bank has allowed Aldar to offer a broad range of residential products through the real estate cycle. Over the past five years, Aldar has launched over 10,000 off-plan residential units across 20 development projects, ranging from mid-market studio apartments to luxury palaces, catering to a wide segment of the market.

Destination development

In its role as a master developer, Aldar is responsible for the long-term vision and development of strategic destinations that are instrumental in supporting the long-term development of the Emirate of Abu Dhabi. These destinations include, Reem Island, Saadiyat Island, Mina Zayed and Yas Island. In addition to developing its own land bank, Aldar has pursued an active programme to attract third-party developers to co-develop key destinations to share risk and widen the range of products on offer to end users and investors.

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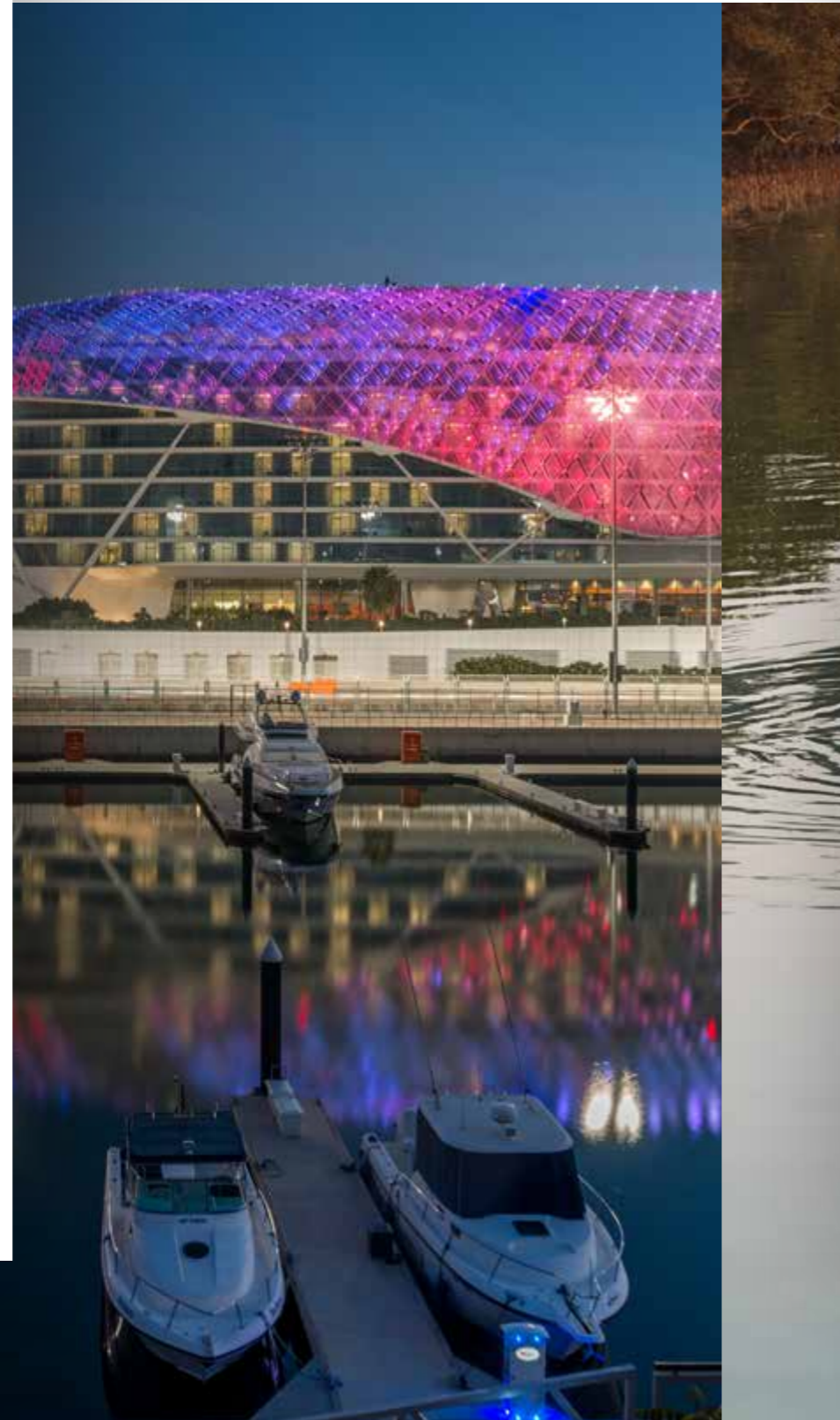
ALDAR DEVELOPMENT continued

YAS ISLAND

Yas Island has been at the centre of Aldar's development strategy since the Company's inception. The original masterplan concept behind Yas Island was to develop a world-class leisure and entertainment hub that includes a Formula 1 circuit, theme parks, golf courses, marinas, retail and concert arenas. The delivery of these attractions has played an important role in supporting the tourism growth witnessed in Abu Dhabi over the past decade.

Yas Island remains central to Aldar's strategy for the development and asset management businesses. To date, Aldar has delivered nearly 2,200 residential units to customers and currently has more than 3,000 units under development, which will significantly increase the island's population in the coming years. Aldar is also developing the new twofour54 media and entertainment free-zone that will bring approximately 10,000 permanent workers onto Yas Island following its scheduled completion in 2022.

From an asset management perspective, the majority of Aldar's hotel portfolio is located on Yas Island, with the Yas Plaza complex and Yas W hotels accounting for close to 2,000 keys. Aldar's flagship retail asset, Yas Mall, which sits at the centre of the island, is Abu Dhabi's premier shopping destination with over 400 international brands and the region's largest international department store.



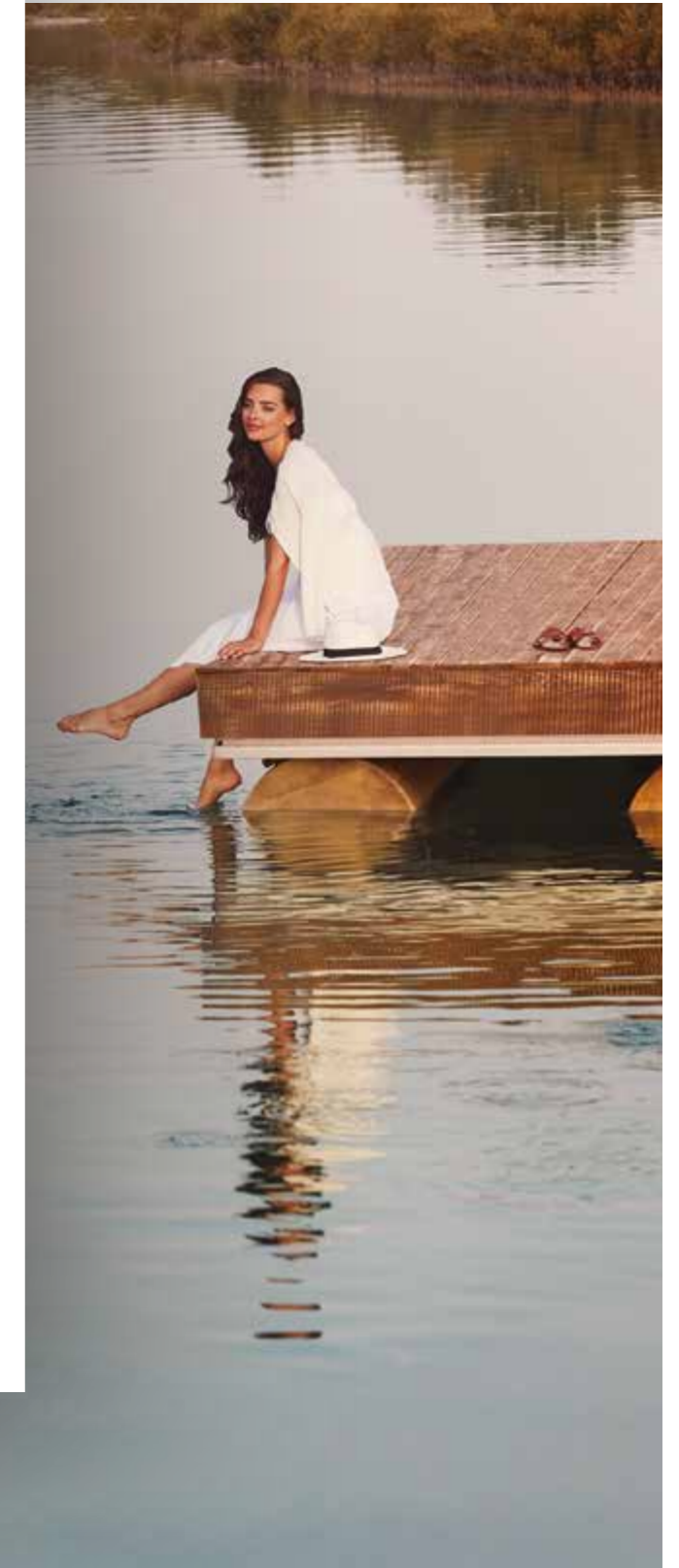
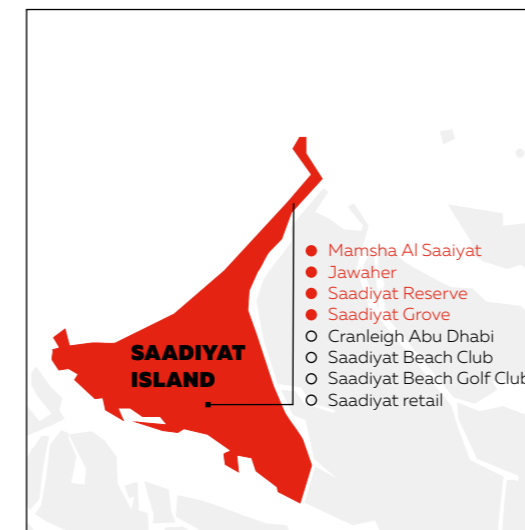
SAADIYAT ISLAND

Following the acquisition of land from Tourism Development & Investment Company (TDIC) in 2018 and the land swap with the Government of Abu Dhabi in late 2019, Saadiyat Island now sits at the heart of Aldar's development business. Saadiyat Island is a premier island destination, spanning 27 square kilometres and created around an environmentally sensitive philosophy and low-density master plan. The island is home to three main areas, Saadiyat Cultural District, Saadiyat Beach District and Saadiyat Marina District.

Saadiyat's vibrant Cultural District will bring together Louvre Abu Dhabi, Zayed National Museum and The Guggenheim Abu Dhabi – all designed by Pritzker prize winners. The area is also home to the purpose-built art and culture centre, Manarat AlSaadiyat and The UAE Pavilion.

With a pristine beachfront, home to several five-star hotels, a golf course and beach club, the island is a prestigious address in Abu Dhabi, which offers an immaculate lifestyle. The island also hosts world-class educational offerings, including The Redwood Nursery, Cranleigh Abu Dhabi and New York University Abu Dhabi.

Aldar delivered both the Mamsha Al Saaiyat and Jawaher developments in 2019, bringing new residential options to the market. This will soon be complemented by the launch of Saadiyat Grove, a mixed-use development in the heart of the Cultural District.

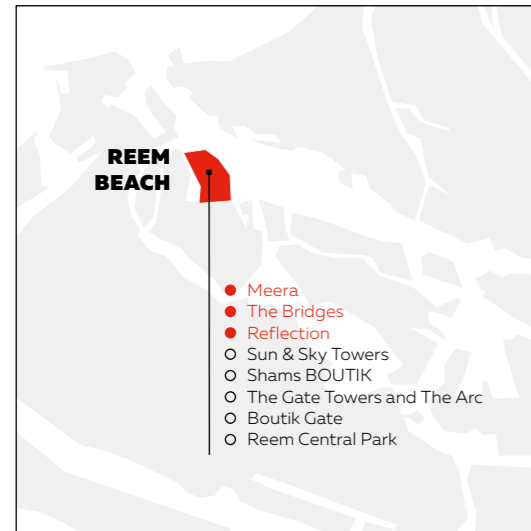


ALDAR DEVELOPMENT continued

SHAMS REEM ISLAND

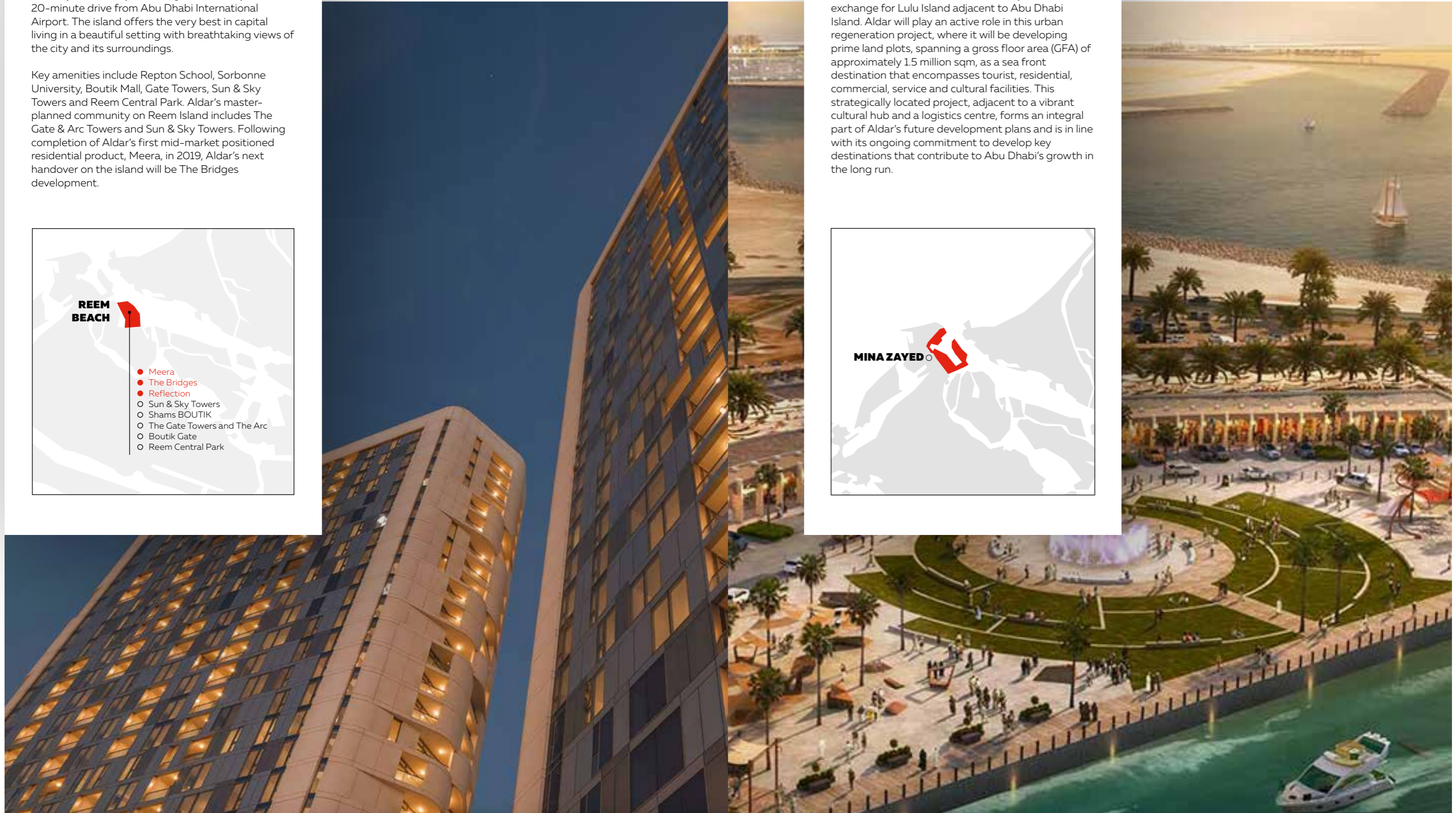
Reem Island is closely connected to the traditional centre of Abu Dhabi city and the new financial centre on Maryah Island by five bridges and is only a 20-minute drive from Abu Dhabi International Airport. The island offers the very best in capital living in a beautiful setting with breathtaking views of the city and its surroundings.

Key amenities include Repton School, Sorbonne University, Boutik Mall, Gate Towers, Sun & Sky Towers and Reem Central Park. Aldar's master-planned community on Reem Island includes The Gate & Arc Towers and Sun & Sky Towers. Following completion of Aldar's first mid-market positioned residential product, Meera, in 2019, Aldar's next handover on the island will be The Bridges development.



MINA ZAYED

Part of the land swap deal with the Government of Abu Dhabi in 2019, Aldar Properties received prime infrastructure enabled land in Mina Zayed in exchange for Lulu Island adjacent to Abu Dhabi Island. Aldar will play an active role in this urban regeneration project, where it will be developing prime land plots, spanning a gross floor area (GFA) of approximately 1.5 million sqm, as a sea front destination that encompasses tourist, residential, commercial, service and cultural facilities. This strategically located project, adjacent to a vibrant cultural hub and a logistics centre, forms an integral part of Aldar's future development plans and is in line with its ongoing commitment to develop key destinations that contribute to Abu Dhabi's growth in the long run.



ALDAR DEVELOPMENT continued

PROPERTY DEVELOPMENT

Aldar's core development business is focused on off-plan residential property development through activation of Aldar's diverse land bank. As of 31 December 2020, Aldar had more than 6,000 residential units under development, 90% of which had been sold.

During 2020, Aldar launched one new development to the market: Noya on Yas Island. The project is predominantly focused on offering well located, mid-market townhouses and villa developments. Noya was extremely well received by the market and was completely sold out in the first four hours of its public launch, contributing significantly to achieving 2020's development sales of AED 3.6 billion.

Moreover, Aldar handed over close to 1,400 units to customers during 2020 and was able to collect approximately AED 4.0 billion of cash from customers.

Market share and customer base

Aldar's growth in recent years, coupled with a trend for consolidation in the real estate sector, means that the Company enjoys a dominant position in Abu Dhabi, and is a decisive factor in the management of new supply to the market.

In this context, Aldar managed to achieve approximately AED 3.5 billion of sales annually in the past five years, supported by a focused development

Units sold by 2020

90%

Read more on page 61

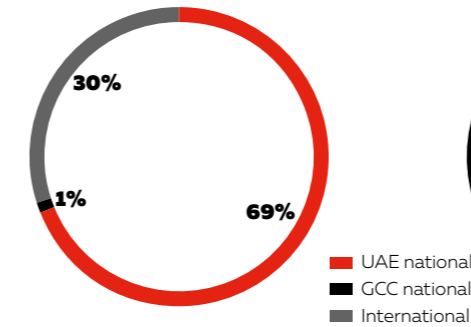
Total as at 31 Dec 20

Project	Location	Launch date	Sold units	Net Sales value (AEDm)	Units launched	% sold	% completion	Expected completion
Ansam	Yas Island	2014	547	959	547	100%	100%	Handed over
Hadeel	Al Raha Beach	2014	231	482	233	99%	100%	Handed over
Nareel	Abu Dhabi Island	2015	150	1,401	161	93%	100%	Handed over
Merief	Khalifa City	2015	272	604	281	97%	100%	Handed over
Meera	Reem Island	2015	401	515	408	98%	100%	Handed over
Mamsha	Saadiyat Island	2016	265	1,039	461	57%	100%	Handed over
Jawaher	Saadiyat Island	2016	83	762	83	100%	100%	Handed over
Mayan	Yas Island	2015	381	673	512	74%	81%	From Q1 2021
Yas Acres	Yas Island	2016	639	2,389	652	98%	96%	Handing over
The Bridges	Reem Island	2017	625	649	636	98%	100%	Handed over
Water's Edge	Yas Island	2017	1,592	1,661	1,626	98%	61%	Q3 2021
Reflection	Reem Island	2018	152	158	192	79%	55%	Q3 2021
Alghadeer	Seih Sdeirah	2018	483	353	707	68%	73%	Q1 2021
Al Reeman	Al Shamka	2019	911	1,447	1,012	90%	45%	Q4 2021
Lea	Yas Island	2019	213	427	238	89%	27%	Q4 2021
Al Reeman II	Al Shamka	2019	535	550	557	96%	11%	Q2 2021
Reserve	Saadiyat Island	2019	179	415	223	80%	11%	Q4 2021
Noya	Yas Island	2020	499	947	510	98%	Launched	Q2 2021
Aldar developments			8,158	15,432	9,039	90%		
West Yas	Yas Island	2015	937	4,304	1,007	93%		Handed over 2021
West Yas plots	Yas Island	2018	108	378	203	53%		
Total developments			9,203	20,114	10,249	90%		

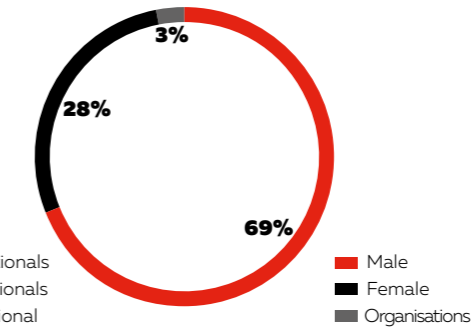
pipeline that addressed the previously underserved segments of the market. Moreover, in a booming economy such as Abu Dhabi's unique AA economy, Aldar was able to benefit from a growing young and wealthy population, where approximately 5% of all buyers during 2020 were less than 30 years of age.

Since the introduction and amendments of the new real estate law in 2018, where foreigners can own real estate in investment zones and the abolition of the lease hold structures, Aldar's customer nationality has gradually grown more diverse, where foreign buyers now account for 43% of total customers.

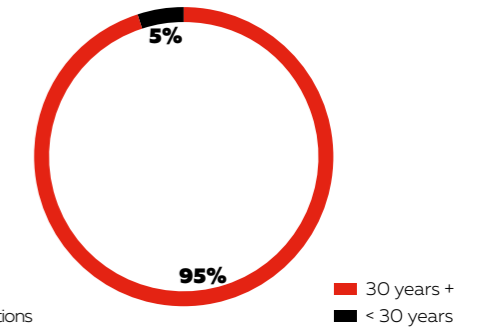
Customer nationality



Customer gender



Customer age



ALDAR DEVELOPMENT continued

ALDAR'S FEE-BASED BUSINESS

Further to developing its own land bank through off-plan residential development and developing assets to lease through the asset management business, Aldar works closely with third parties to tender for large scale projects, utilising the Company's development capabilities and procurement know how.

In 2019, Aldar was awarded three major development management projects worth AED 5 billion to develop a national housing scheme, a new media and entertainment free-zone on Yas Island and key remaining infrastructure works on Saadiyat Island. The first two are based on fixed-price contracts where Aldar will recognise the full revenue and costs associated with the development whilst the infrastructure project will be recognised on a fee-only basis.

In 2020, Aldar was appointed as the strategic delivery partner for the government of Abu Dhabi on key public housing and associated infrastructure. As such, Aldar was awarded capital projects worth more than AED 40 billion across Riyadh City, Baniyas North project and others in Al Ain and Al Dhafra regions, which together include more than 25,000 plots of land and villas for UAE Nationals. Aldar will also have management oversight of Musanada's projects ranging from education, healthcare, infrastructure, social services, and facilities management. Aldar's 'In-Country Value' programme ('ICV') will ensure that most contracts are prioritised towards local contractors, consultants, suppliers – including SMEs – to ensure as much as possible is reinvested into the local economy.



AL FALAH
Type: National housing
Land: Non-Investment Zone
Location: Al Falah



TWOFOUR54
Type: Media free zone
Land: Investment Zone
Location: Yas Island



SAADIYAT INFRASTRUCTURE
Type: Infrastructure work
Land: Investment Zone
Location: Saadiyat Island

Date Awarded	2020	2019
Counterparty	Abu Dhabi Executive Office	Government of Abu Dhabi
Projects	<ul style="list-style-type: none"> • Modon (Riyadh City, Baniyas North and other) • Musanada 	<ul style="list-style-type: none"> • Al Falah housing, media zone, Saadiyat infrastructure
Value (AEDbn)	AED 40bn	AED 5bn
Initial term	3-5 years	3-5 years
Contract type	<ul style="list-style-type: none"> • Fee-only contracts 	<ul style="list-style-type: none"> • Fixed-price contracts (Al Falah housing & media zone) • Fee-only (Saadiyat infra)
Fee	<ul style="list-style-type: none"> • c. 5% (fee-only) 	<ul style="list-style-type: none"> • +10-15% (fixed-price) • c. 5% (fee-only)
Margin¹	<ul style="list-style-type: none"> • +80% (fee-only) 	<ul style="list-style-type: none"> • +10-15% (fixed-price) • 80-90% (fee-only)

Note:

1. Differing accounting treatments between fixed-price and fee-only contracts:
 - Fixed-price contracts: full project P&L reflected in financial accounts.
 - Fee-only contracts: only fee income and associated costs reflected in financial accounts.
 - Following ramp-up of projects in 2021, gross profit run-rate projected from 2022 onwards.

As part of a new framework agreement with the Government of Abu Dhabi in connection with the delivery of key public housing and associated community infrastructure project¹, Aldar has been awarded development projects associated with Modon and Musanada (public infrastructure companies owned by the Government of Abu Dhabi). Projects will be transferred to Aldar in Q1 2021 for direct management and oversight.

MODON

Aldar will take on the development management of AED 30 billion of social infrastructure projects including Riyadh City, Baniyas North and developments in the Al Ain and Al Dhafra regions.

Projects to deliver +40,000 serviced villa plots and +10,000 villas for UAE Nationals and associated infrastructure over the next five years.

Project	Site Area (sqm)	Total GFA (sqm)	Residential GFA (sqm)	Serviced Villa Plots	Villas By Modon
Al Nahda	15.1m	7.8m	7.5m	5,346	3,045
Riyadh City Infra	80.5m	31.2m	26.1m	26,706	-
Baniyas North	9.1m	3.7m	4.1m	3,453	3,453
Ba Alghaiylam	1.3k	6.5m	5.6m	4,595	3,748
Al Falah Villas	2.2m	0.2m	0.1m	158	158

Note:

1. Details based on initial feasibilities may vary from final delivery.

MUSANADA

Aldar will take on the management oversight of AED 10 billion of ongoing Musanada projects ranging from education, healthcare, infrastructure, social services, and facilities management.

Contract terms	<ul style="list-style-type: none"> • Fee-only contracts at c. 5% of project value. • Projects fully funded by government and no liability to Aldar for cost and programme overruns. • No capital outlay or working capital contribution by Aldar. • Agreement is renewable at the end of the five years' term, subject to the achievement of market standard performance criteria.
Sustainability	<ul style="list-style-type: none"> • Projects support Government of Abu Dhabi's vision of promoting liveability and quality of life in local communities. • Aldar to implement sustainability goals in areas of environmental standards, procurement and worker welfare. • Aldar's 'In-Country Value' (ICV) programme aims to deepen local contractor and consultant base.

ALDAR DEVELOPMENT continued

ALDAR DEVELOPMENT FRANCHISE

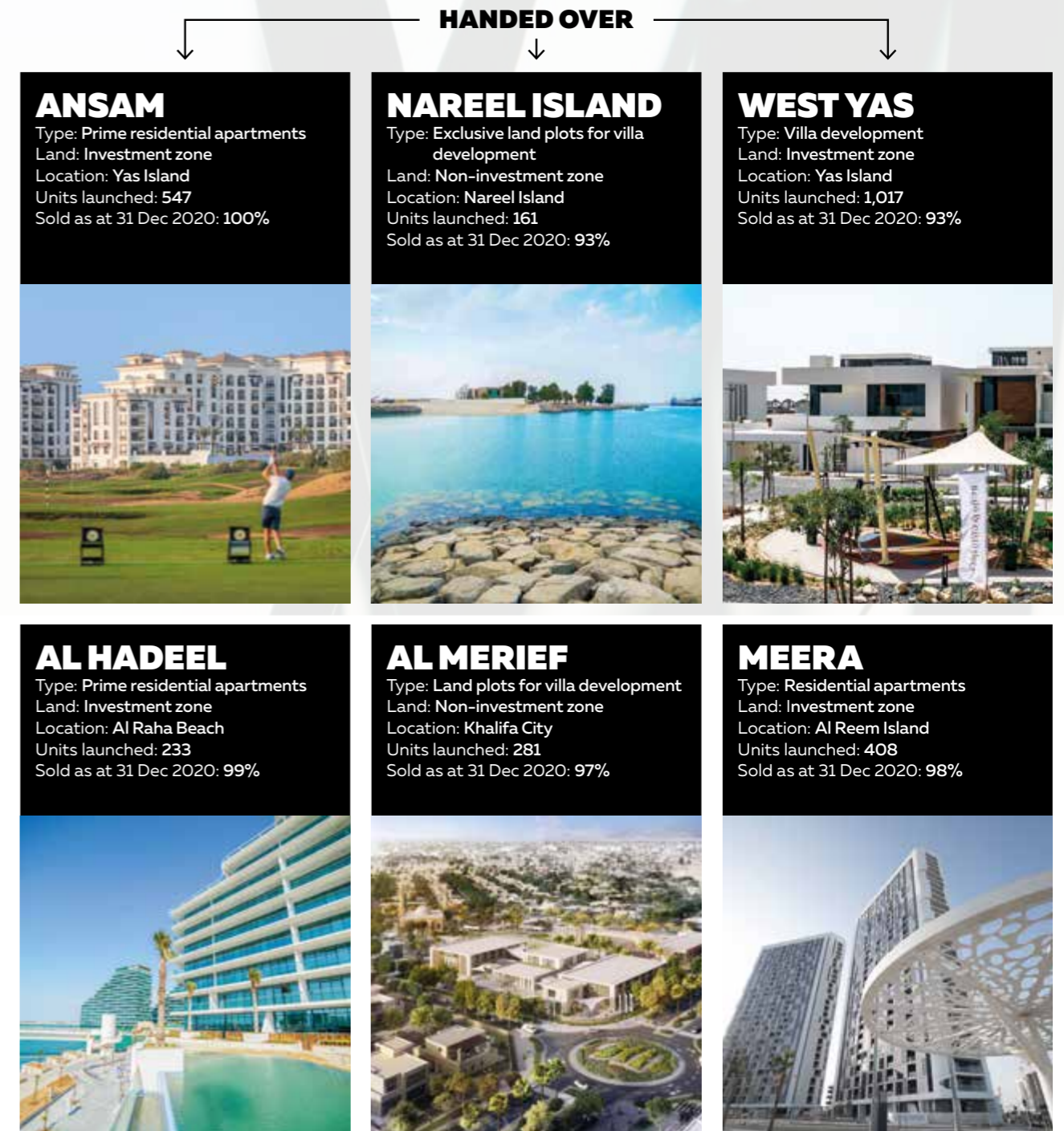
Development and Sales	Development Management	Owned Land Bank
Last 5-year average annual sales ~ AED 3.5bn	Total third-party projects AED 45bn ¹	Total area ~ 65m sqm
Average units sold per annum ~ 1,500	Fee-only contracts ~ 5% fee ²	Total GFA ³ ~ 12m sqm
Average gross profit margin 30-35%	Average gross profit margin +80%	Focus on prime destinations: Yas Island Saadiyat Island

Notes:

1. Comprised of AED 42 billion of fee-only contracts (Modon, Musanada and Saadiyat Infrastructure) and AED 3 billion of fixed-price contracts (Al Falah and Media Zone).
2. Fee calculated on total project value.
3. As of 31 December 2020, GFA has not been allocated to entire land bank.

DEVELOPMENT PIPELINE

Since 2014, Aldar has launched over 10,000 residential units and plots, catering to all market segments from mid-market studios to palace plots.



ALDAR DEVELOPMENT continued

DEVELOPMENT PIPELINE continued

COMMENCED HANDOVER

EXPECTED COMPLETION: 2021

THE BRIDGES
 Type: Mid-market units
 Land: Shams Reem Island
 Location: Reem Island
 Units launched: 636
 Sold as at 31 Dec 2020: 98%



WATER'S EDGE
 Type: Mid-market units
 Land: Yas Island
 Location: Yas Island
 Units launched: 1,626
 Sold as at 31 Dec 2020: 98%



JAWAHER
 Type: Golf-view villas and townhouses
 Land: Investment zone
 Location: Saadiyat Island
 Units launched: 83
 Sold as at 31 Dec 2020: 100%



REFLECTION
 Type: Mid-market units
 Land: Shams Reem Island
 Location: Reem Island
 Units launched: 192
 Sold as at 31 Dec 2020: 79%



AL REEMAN
 Type: Land plots
 Land: Al Shamkha
 Location: Al Shamkha
 Units launched: 1,012
 Sold as at 31 Dec 2020: 90%



AL REEMAN II
 Type: Land plots
 Land: Al Shamkha
 Location: Al Shamkha
 Units launched: 557
 Sold as at 31 Dec 2020: 96%



MAMSHA AL SAAIYAT
 Type: Beachfront residential apartments
 Land: Investment zone
 Location: Saadiyat Island
 Units launched: 461
 Sold as at 31 Dec 2020: 57%



YAS ACRES
 Type: Villa and townhouse development
 Land: Investment zone
 Location: Yas Island
 Units launched: 652
 Sold as at 31 Dec 2020: 98%



MAYAN
 Type: Prime residential apartments
 Land: Investment zone
 Location: Yas Island
 Units launched: 512
 Sold as at 31 Dec 2020: 74%



ALGHADEER
 Type: Mid-market townhouses
 Land: Seih Sideriah
 Location: Seih Sdeirah
 Units launched: 707
 Sold as at 31 Dec 2020: 68%



LEA
 Type: Land plots
 Land: Yas Island
 Location: Yas Island
 Units launched: 238
 Sold as at 31 Dec 2020: 89%



RESERVE
 Type: Land plots
 Land: Saadiyat Island
 Location: Saadiyat Island
 Units launched: 223
 Sold as at 31 Dec 2020: 80%



ALDAR INVESTMENT

2020 recurring revenues

AED 3.0bn

2020 net operating income

AED 1.6bn

Assets

81

ACROSS 4 SECTORS (RESIDENTIAL, RETAIL, COMMERCIAL AND HOSPITALITY)

GAV

AED 18.1bn

ACROSS 4 SECTORS (RESIDENTIAL, RETAIL, COMMERCIAL AND HOSPITALITY)

GLA

2.1m sqm

Portfolio WAULT

4.0 years

88%

OCCUPANCY ACROSS INVESTMENT PROPERTIES PORTFOLIO

38.7%

GROSS DEBT LTV

Note: This report follows the reporting segmentation that was in place during the 2020 fiscal year and does not reflect any proposed changes to reporting segmentation (due to the new Group operating model) which may come into effect from Q1 2021.

JASSEM BUSAIBE,
CHIEF EXECUTIVE OFFICER OF ALDAR INVESTMENT



Aldar Investment has demonstrated considerable resilience at a time of significant dislocation due to the global Covid-19 pandemic, which has presented operational and macro-economic challenges.

Our professional teams responded impressively, ensuring stringent health and safety measures were rapidly implemented, providing service excellence to allow our tenants and their employees and customers to adapt to fast-changing circumstances.

In parallel, we continued to defend and create value across our AED 18 billion portfolio of prime income-generating property assets. Our track record of high-quality asset management has resulted in stable and high occupancy across the residential and commercial segments, with the business benefiting from long-term lease contracts with strong and reputable tenants.

Meanwhile, the retail segment has seen a steady rebound since stay-at-home measures were lifted, with positive trends in footfall and retail sales developing through the second half of 2020, reflecting an improvement in consumer confidence.

While the hospitality and leisure assets were significantly impacted by the global travel restrictions in place for the

majority of 2020, we witnessed a recovery in the fourth quarter thanks to "safe zones" created to allow premier sporting events such as UFC and Formula 1 to be held smoothly.

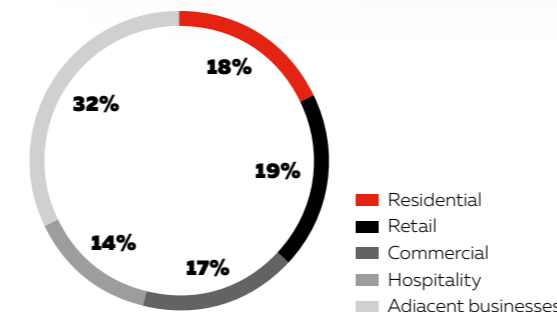
The effective testing and vaccination programmes rolled out across the UAE give us cause for optimism for improved operating conditions in the coming year.

In line with our capital recycling strategy, Aldar Investment generated AED 1.1 billion in 2020 from the investment exits of two district cooling assets and the Abu Dhabi Golf complex and Westin Hotel, generating significant return on invested capital. Our active approach to portfolio management allows us to drive incremental returns to our shareholders.

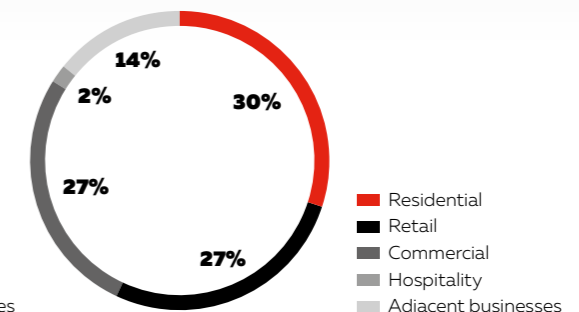
With strong foundations in place, I am very excited by the growth prospects of Aldar Investment. Our track record of active asset management, efficient platform and low cost of capital ensure that we are in a strong position to add significant scale and enhance diversification of the portfolio.

Aldar Investment is Aldar's core asset management business comprised of a leading real estate investment platform called Aldar Investment Properties LLC (AIP); a hospitality & leisure platform anchored around Yas Island; and a high growth adjacent businesses segment.

2020 FY Revenue split by sector



2020 FY NOI split by sector



ALDAR INVESTMENT PROPERTIES (AIP)

AIP was carved out in 2018, seeded with a portfolio of diversified income yielding real estate assets located across prime investment zones in Abu Dhabi. AIP holds a standalone credit rating of Baa1 (stable), one notch higher than the parent's credit rating "Aldar Properties PJSC" of Baa2 (stable), and the highest credit rating for a non-government

corporate in the region. As a result, Aldar can efficiently raise long-term debt at a lower cost than traditional structures under Aldar. AIP owns a portfolio of prime retail, residential and commercial assets and is the most efficient platform for real estate ownership in the region.

ALDAR INVESTMENT continued

RESIDENTIAL

Residential highlights

GLA

822,683 sqm

ACROSS 12 ASSETS (5,620 UNITS)

WAULT

5.5 years

Occupancy

89%

NOI

AED 471 m

Gross profit margin

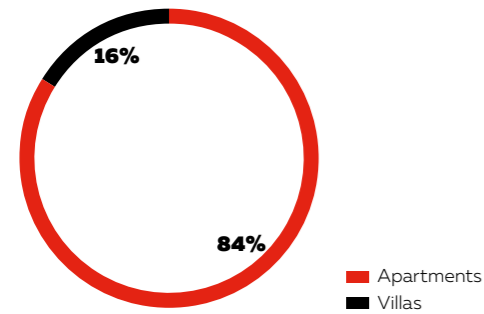
85%

Bulk leases

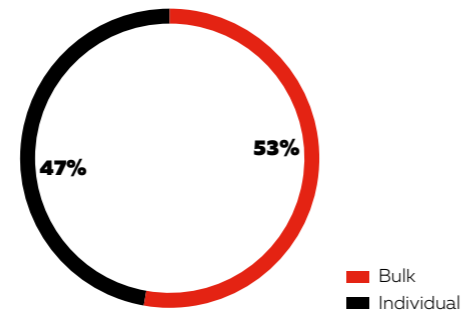
53%

Residential asset breakdown

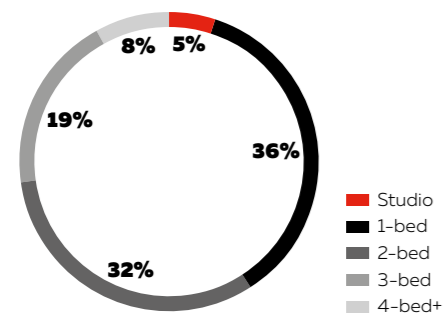
Unit type



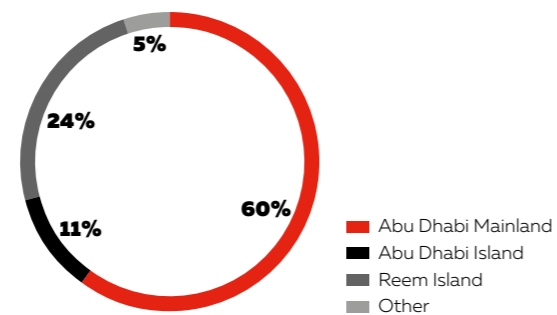
Lease type split



Unit type split



Location



The residential asset management portfolio includes 5,620 residential units across 12 high-quality developments featuring excellent amenities and facilities. All of the residential units are located within Abu Dhabi, with a concentration of units positioned between Abu Dhabi mainland and Reem Island.

The residential portfolio has grown significantly over the last five years following two major completions in 2014, Al Rayyana and The Gate Towers, collectively adding approximately 3,000 units to the portfolio. In 2019, this was further supported with the acquisition of 789-unit Etihad Plaza, partly offset by the sales of Al Murjan Tower. Today, the residential units in our portfolio appeal to a broad demographic spectrum as it includes a wide array of high-quality units ranging from studio apartments to large four and four plus bedroom villas.

Top residential tenants

Resident	% of Rent
Cleveland Clinic Abu Dhabi	13%
Defense Conseil International Services	10%
Aldar Academies	6%
Aldar Charter Schools	3%
ADNOC Schools	2%

Residential lease terms and duration

WAULT stands at 5.5 years as at 31 December 2020. This is supported by the fact that 53% of the residential units are leased on a bulk, long-term basis. Typical terms for individual tenants are done on rolling 12-month leases. For bulk tenants, these leases typically range from 3 to 30 years.



ALDAR INVESTMENT continued

RETAIL Retail highlights

NLA
485,808 sqm
ACROSS 33 ASSETS
(1,273 RETAIL UNITS)

Lfi NOI declines
14%

WAULT
2.9 years

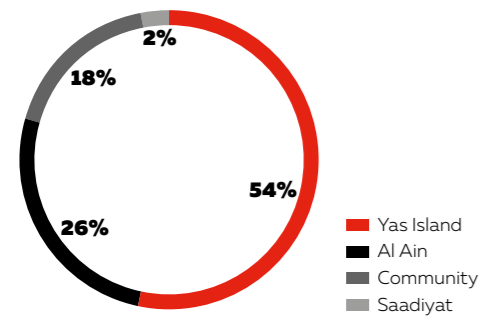
Gross profit margin
72%

Trading occupancy
83%

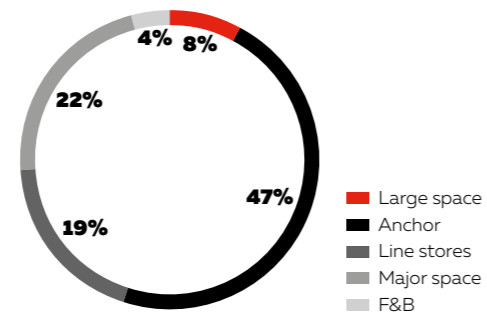
Foot fall
20.7m

Retail asset breakdown

Location split



Yas Mall – retail split



Our retail portfolio includes 485,808 sqm net leasable area (NLA) across 33 assets within the Abu Dhabi metropolitan area and Al Ain.

The retail strategy is split between community retail, which offers residents key amenities such as supermarkets and restaurants, and destination retail, which provides a much broader retail, entertainment and leisure offering.

The community retail predominantly includes on-site convenience retail, based around many of Aldar's residential communities. Destination retail includes Aldar's two largest retail assets, Yas Mall and Al Jimi Mall.

Yas Mall

Yas Mall is the flagship asset in the retail and asset management portfolio. Yas Mall is located in the centre of Yas Island, within close proximity of the key leisure and entertainment offerings on the island, such as Ferrari World and Warner Bros.

Opened in November 2014, Yas Mall lifted the Abu Dhabi retail offering as the first super-regional mall. The mall has now completed six years of operations and occupancy standing at 81% as at 31 December 2020, due to ongoing repositioning.

Retail lease terms and duration

WAULT stands at 2.9 years as at 31 December 2020. Typical lease terms for line shops and anchor tenants range from 3 to 5 years to 7 to 10 years, respectively.

Top retail tenants

Retail	% of Rent
Dareen International	11%
Majid Al Futtaim Group	8%
Al Futtaim Group	6%
Landmark Group	6%
Allied	3%



ALDAR INVESTMENT continued

COMMERCIAL Commercial highlights

GLA
318,074 sqm
ACROSS 15 ASSETS

Lfi NOI declines
2%

WAULT
3.8 years

Gross profit margin
88%

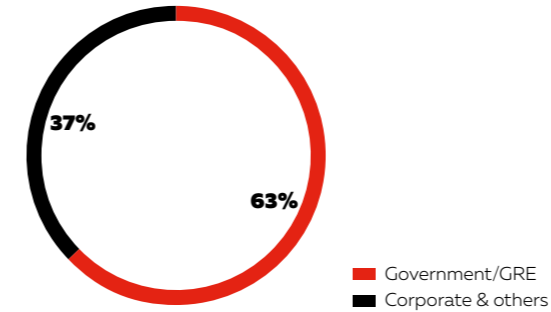
Government of Abu Dhabi and
government-related entities
63%
LEASES

Occupancy
92%

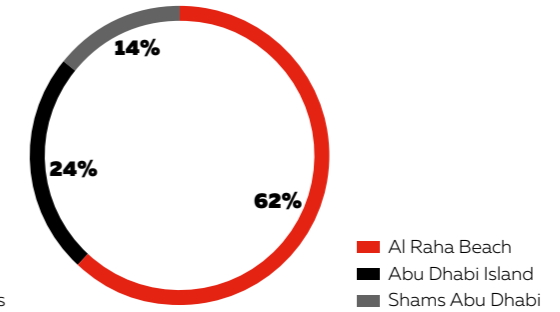


Commercial asset breakdown

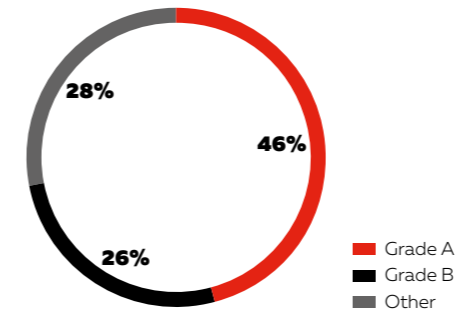
Tenant split



Location split



Office Type split



Our office portfolio includes 318,074 sqm GLA, predominantly focused on Grade A office spaces within Abu Dhabi Island.

The office portfolio is predominantly leased on a long-term basis to government and government-related entities, which is representative of the Abu Dhabi commercial office tenant market. Aldar's commercial asset portfolio strategy is to maintain high-quality commercial space and build long-term relationships with tenants.

Commercial office lease terms and duration

WAULT stands at 3.8 years as at 31 December 2020. This is supported by the fact that 63% of the commercial space is leased on long-term contracts to government and government-related entities.

Typical lease structures range from 3 to 5 or 5 to 10 years for small and large entities, respectively.

Top commercial tenants

Commercial	% of Rent
Department of Economic Development	16%
National Health Insurance Company	7%
The Department of Urban Planning and Municipalities	7%
Mubadala Development Company	6%
Etihad Airways	4%

ALDAR INVESTMENT continued

HOSPITALITY & LEISURE Hospitality & Leisure highlights

Keys

2,930

ACROSS 11 HOTELS
(Including four leisure assets 3 golf courses and a beach club¹)

Occupancy in 2020

46%

(EXCLUDING UNAVAILABLE ROOMS DUE TO COVID-19 RESTRICTIONS, OCCUPANCY WAS 53%)

Gross profit margin

8.9%

Keys

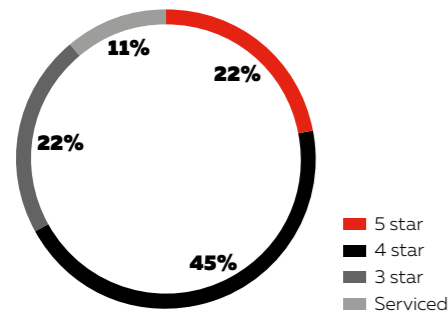
85%

LOCATED ON YAS ISLAND

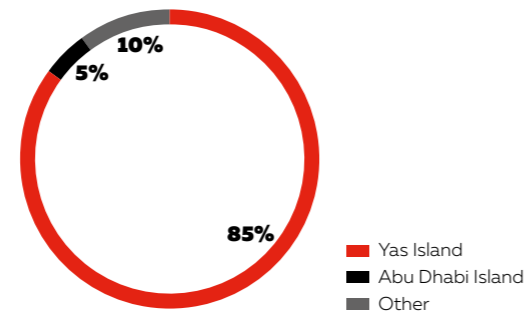
Both W and Yas Plaza hotels have hosted several events: UFC 1, UFC 2 and F1.

72 Hospitality & Leisure asset breakdown

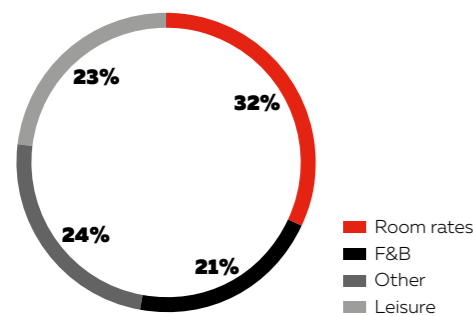
Hotel type by keys



Location split by keys



Hospitality revenue split



1. Westin and Abu Dhabi Golf Club sold in December 2020.



Our hotels portfolio includes 2,930 keys across 11 hotels and serviced apartments across Abu Dhabi.

The hotel portfolio includes a broad range of product offerings including 5-star, 4-star, 3-star hotel rooms and serviced apartments.

With 85% of our hotel keys located on Yas Island, our core strategy remains focused on continued activation of the island through major events and promotion, working alongside the relevant partners to achieve this strategy.

Aldar's six hotels and serviced apartment properties, which are clustered together at Yas Plaza, on Yas Island, are operated on a franchise model through franchise agreements. The remaining five hotel properties are operated on hotel management agreements with reputable international operators.

The hospitality & leisure portfolio was able to generate a gross profit of AED 38 million despite the challenging operating conditions and restrictions imposed by Covid-19. Hotel occupancy was supported by quarantine-related business from the public and private sectors and also by several successful 'safe zone' events hosted on Yas Island such as UFC 1, UFC 2 and Formula 1.

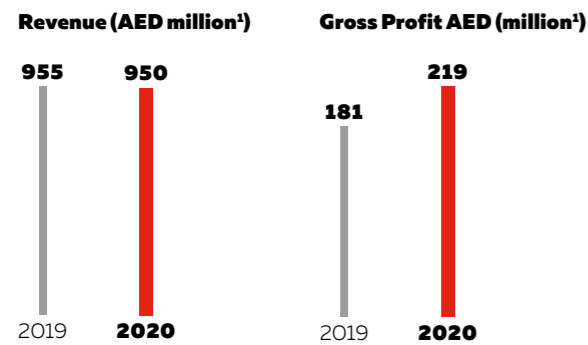
Hospitality lease terms and duration

Aldar's agreements with its hotel management companies or operators have initial terms ranging from 15 to 20 years, and typically can be extended either at the management company's or operator's option or automatically, subject to notice to terminate.

ALDAR INVESTMENT continued

ADJACENT BUSINESSES

In addition to Aldar Investment's core business of real estate ownership, it owns a number of strategic adjacent businesses. These businesses complement Aldar's core skill set and bring in significant value to the Group.



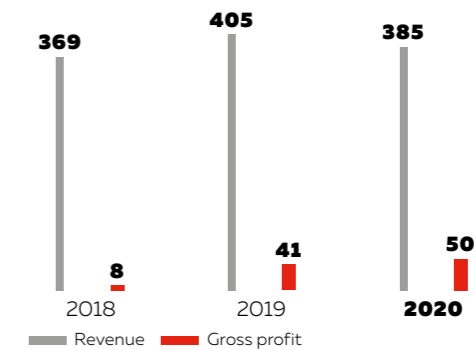
Properties and facilities management

Over the past decade, Aldar has developed a leading properties and facilities management business, Khidmah, to support the operational asset management of its portfolio.

In 2018, Aldar separated the properties and facilities management business (previous Khidmah) into two, property management (Provis) and facilities management (retaining the Khidmah name).

Whilst Provis and Khidmah are independently managed from Aldar, they play a significant role in the Aldar Investment business. Provis is specifically focused on sales and leasing, property management and consultancy services whilst Khidmah remains focused specifically on domestic, commercial and retail facility management solutions.

Revenue & Gross Profit (AED million)



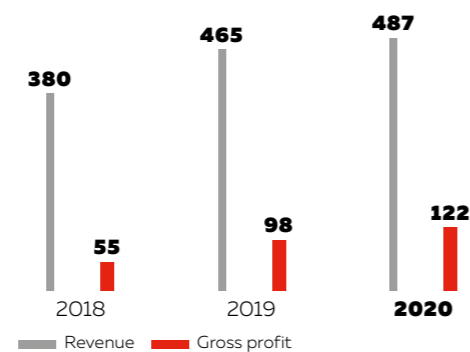
Education

Aldar Education LLC ("Aldar Academies") is a wholly owned subsidiary of Aldar. Aldar Academies is the leading operator and provider of private education in the Emirate of Abu Dhabi with the largest network of schools, delivering the English, International Baccalaureate and American curriculums adapted for the UAE. Aldar Academies is licensed by Abu Dhabi Department of Education and Knowledge (ADEK) and with many schools rated as "Outstanding" and the remaining "Very Good" with outstanding features.

Further to organic expansion, more recently Aldar Academies has been the only academic group in the region to have championed the Charter school model for Abu Dhabi. In addition to Al Rayanna School, five new Charter schools are being managed by Aldar Academies for the 2019/20 academic year that further complement the management of ADNOC schools, that were brought under Aldar Academies management in 2017.

In total, Aldar Academies has tripled student numbers to c.25,000 students in last two academic years driving revenue and profit growth.

Revenue & Gross Profit (AED million)



1. Excluding Pivot.



TRANSFORMATIONAL YEAR

In a transformational year for Aldar Properties, the Company delivered a robust financial performance, made significant progress on sustainability and put in place the building blocks for the next phase of accelerated growth.

Despite a challenging operating environment, the Group recorded a 17% increase in revenue to AED 8.39 billion. Gross profit rose 8% to AED 2.98 billion and net profit held steady at AED 1.93 billion.

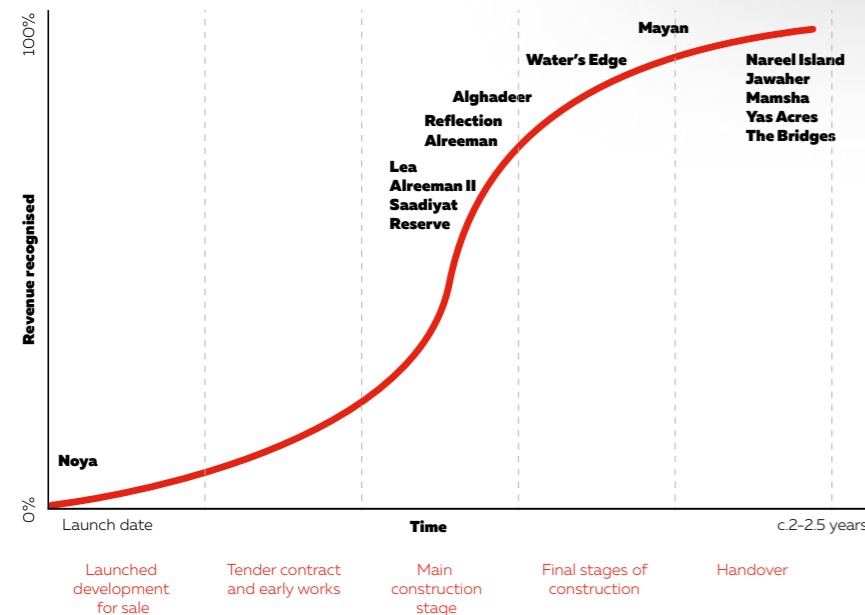


“I am proud to report that a wide range of ESG ratings agencies and index providers have recognised the progress that Aldar is making on our four key pillars: Economy, Environment, People and Community.”

Aldar Development achieved a record year in terms of revenue, which jumped 60% to AED 4.96 billion, while gross profit increased 31% to AED 1.40 billion. This growth was driven by handovers, inventory sales and recurring high-margin income from the third-party development management business. The Company held off on new project launches until the fourth quarter, when the first phase of Noya on Yas Island sold out in four hours.

Aldar Investment demonstrated fortitude amid challenging conditions, drawing on its key strengths: a well-diversified portfolio of recurring income assets with defensive attributes managed by an expert team and supported by a robust governance framework. Net operating income for the business was AED 1.58 billion, a decline of just 7% year-on-year. Encouragingly, in the fourth quarter there were significant improvements in retail footfall and sales as consumer confidence rebounded, and hotel occupancy increased due to the return of sporting events in Abu Dhabi under strict safety criteria.

Development revenue based on progress of completion



Overview of Framework Agreement with the Government of Abu Dhabi (announced January 2021)

Description of projects/Aldar role	<ul style="list-style-type: none"> As part of a new framework agreement with the Government of Abu Dhabi in connection with the delivery of key public housing and associated community infrastructure projects¹, Aldar has been awarded development projects associated with Modon and Musanada (public infrastructure companies owned by the Government of Abu Dhabi). Projects will be transferred to Aldar in Q1 2021 for direct management or oversight. MODON <ul style="list-style-type: none"> Aldar will take on the development management of AED 30bn of social infrastructure projects including Riyadh City, Baniyas North and developments in the Al Ain and Al Dhafra regions. Projects to deliver +40,000 serviced villa plots and +10,000 villas for UAE Nationals and associated infrastructures over the next five years. MUSANADA <ul style="list-style-type: none"> Aldar will take on the management oversight of AED 10bn of ongoing Musanada projects ranging from education, healthcare, infrastructure, social services and facilities management.
Contract terms	<ul style="list-style-type: none"> Fee-only contracts at c. 5% of project value Projects fully funded by government and no liability to Aldar for cost and programme overruns No capital outlay or working capital contribution by Aldar Agreement is renewable at the end of the 5 years' term, subject to the achievement of market standard performance criteria
Sustainability	<ul style="list-style-type: none"> Projects to support Government of Abu Dhabi's vision of promoting liveability and quality of life in local communities Aldar to implement sustainability goal in areas of environmental standards, procurement and welfare Aldar's 'In-Country Value' (ICV) programme aims to deepen local contractor and consultant base

Note:

¹ Announced on 20 January 2021, pursuant to the recommendation of the Abu Dhabi Executive Committee on establishing a public private-partnership framework for the development of capital projects in the Emirate and the subsequent Memorandum of Understanding (MoU) signed between ADQ and Aldar Properties (October 2020).

Transparent Dividends Policy			
		Aldar Investment	Aldar Development
POLICY	PAYOUT FACTOR	Distribute free cash flow	Realised cash profit
	PAYOUT RANGE	65-80%	20-40%
METHODOLOGY/KEY DRIVERS		Net operating income less: Interest expense Maintenance capex Overheads	Upon completion and handover of development
2020 DIVIDEND: 14.5 FILS			

78 Other businesses within Aldar Investment, continued to progress well, with Provis and Khidmah delivering a combined gross profit of AED 50 million, a rise of 22%, and Aldar Education reporting a 25% increase in gross profit to AED 122 million.

The Group's balance sheet remains robust. At the end of 2020, gross debt was flat year-on-year and leverage remained within our policy range, with 38.7% loan-to-value for the asset management business and 9.3% for the development business. The average cost of debt during 2020 was 2.9%. Aldar remains well funded and has strong liquidity, with AED 3.3 billion in free cash and AED 4.0 billion in undrawn committed facilities as of 31 December 2020.

Given the strong performance, the Board recommended a cash dividend of 14.5 fils per share for 2020. The Company's progressive dividend policy has delivered CAGR of 12% for the 2012-2020 – a clear demonstration of our commitment to shareholder value through market cycles.

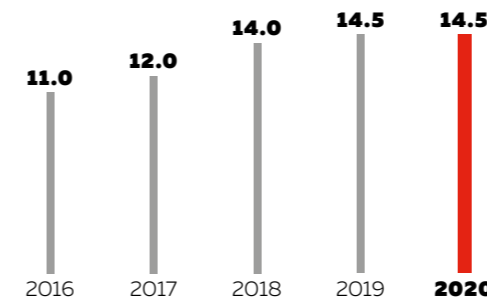
I am proud to report that a wide range of ESG ratings agencies and index providers have recognised the progress that Aldar is making on our four key sustainability pillars: Economy, Environment, People and Community.

Note:
 1. Gross debt.
 2. Excludes Saadiyat Island cooling assets debt repayment (sale proceeds to be received). Pro forma LTV of 37.9% following cooling assets debt repayment.
 3. Two outstanding Islamic bonds: (1) US\$ 500m maturing in 2025; and (2) US\$ 500m maturing in 2029.

“Aldar Investment Properties (AIP) has the highest credit rating for a non-GRE corporate in the region at Baa1 (stable)”

	Investment	Development
Outstanding Debt Breakdown (as at 31 December 2020)	<ul style="list-style-type: none"> Capital markets³: AED 3.7bn Bank debt: AED 3.8bn 	<ul style="list-style-type: none"> Bank debt: AED 0.5bn
Leverage policy (LTV)¹	35-40%	<25%
LTV (as at 31 December 2020)	38.7% ²	9.3%

Dividend policy (fils)



In 2020, we launched our In-Country Value programme to deepen the local contractor and consultant base. We also created a framework for a carbon neutral action plan and invested in the ATMAH programme, the GCC's first social impact bond. Aldar has made a serious commitment in connection with workers welfare audits and the Company has begun to audit its primary contractors against our Worker Welfare Policy.

In line with Aldar's commitment to best practice governance, we are proud to be the first real estate company in the GCC region to adopt the European Property Real Estate Association's (EPRA) Best Practice Recommendations (BPR) guidelines. This enhanced transparency facilitates comparisons with global peers on several performance measures, and we are confident that introducing a wider range of quality disclosures will serve to demonstrate Aldar's regional leadership as a property owner, asset manager and developer.

Looking ahead, the Company is embarking on a new phase of growth, and we envisage significant investment across all our businesses, with approximately AED 2 billion allocated to pursue new opportunities in 2021.

Our guidance for the Aldar Development business is for AED 3.5 billion of sales in 2021, predominantly driven by existing inventory although the Company will look to launch new projects that are consistent with market conditions. Fee income for third-party development will also begin to ramp up in 2021, with capital projects worth an initial AED 40 billion starting to be handed over to Aldar from the first quarter of the year.

For Aldar Investment, our guidance is for net operating income to continue to hold steady in 2021, notwithstanding our strategy of recycling capital into accretive opportunities. Our aim is to significantly expand the portfolio of income-generating properties owned by our flagship platform, Aldar Investment Properties (AIP) – the most efficient platform for real estate ownership in the region.

While Aldar will undoubtedly need to navigate considerable global challenges in 2021, we are confident that our core market of Abu Dhabi will remain resilient in the face of continued global challenges, supported by the Government's ability to invest significantly in our communities and to encourage further private sector growth. In this context, we look forward to taking important strides in building scale across our businesses and making further progress on our sustainability goals.

Greg Fewer
 Chief Financial and Sustainability Officer of Aldar Properties



EPRA REPORTING DISCLOSURES AS OF 31 DECEMBER 2020

Aldar Properties PJSC ("Aldar" or the "Group") presents below the key performance indicators as defined by the European Public Real Estate Association (EPRA) and as calculated in accordance with its recommendations. We have presented the following metrics for the years ended 31 December 2020 and 31 December 2019:

- EPRA earnings
- EPRA net asset value
- EPRA yield
- EPRA vacancy rate
- EPRA cost ratios

The EPRA Best Practice Recommendations (BPR) identify several key performance measures for disclosure by public real estate companies and have been widely adopted in Europe. The EPRA performance measures aim to encourage more consistent and widespread disclosure and are deemed to be of importance for investors in listed property companies (predominantly REITs and companies whose major business activity involves the ownership of income-producing real estate). As a leading regional property owner, asset manager and developer, Aldar deems the EPRA BPR to be a suitable and relevant disclosure framework.

The EPRA measures presented herein, are calculated in accordance with the EPRA BPR Guidelines. Aldar has been a member of EPRA since 2018 and is publishing its debut EPRA disclosure in this report for the years ended 31 December 2019 and 31 December 2020. Aldar is the first real estate company in the GCC region to voluntarily adopt the EPRA BPR disclosure.

The following category of indicators are presented in the next pages – the first metric which is "EPRA earnings" indicates the underlying recurring earnings from Aldar Investment, the asset management business of the Group. The next two metrics which are "adjusted EPRA earnings" and "EPRA net asset value" indicate the overall Group financial position and performance. The remaining three metrics "EPRA yield", "EPRA vacancy rate" and "EPRA cost ratio" indicate the financial performance of the Investment Properties sub-segment of the Group.

(AED millions)	31 December 2020	31 December 2019
EPRA Earnings	777	935
– per share (AED)	0.10	0.12
Adjusted EPRA Earnings	1,836	1,917
– per share (AED)	0.23	0.24
EPRA Net Reinstatement Value (EPRA NRV)	28,888	28,231
– per share (AED)	3.67	3.59
EPRA Net Tangible Assets (EPRA NTA)	28,860	28,039
– per share (AED)	3.67	3.57
EPRA Net Disposal Value (EPRA NDV)	28,490	27,990
– per share (AED)	3.62	3.56
EPRA NIY (%)	8.0%	8.7%
EPRA 'topped-up' NIY (%)	8.6%	9.0%
EPRA vacancy rate (%)	14.7%	12.4%
EPRA cost ratio (incl. direct vacancy costs) (%)	24.4%	22.7%
EPRA cost ratio (excl. direct vacancy costs) (%)	21.7%	20.5%

ADJUSTED EPRA EARNINGS

The EPRA earnings measure represents the performance of recurring activities which relate specifically to the Group's asset management business, Aldar Investment. For purposes of calculating the EPRA earnings, previously unallocated overheads and expenses have been apportioned between the two businesses on a best estimates basis in accordance with the Group's internal practice. EPRA earnings for the year ended 2020 were AED 777 million versus AED 935 million for the previous year, owing mainly to challenging conditions experienced by the retail and hospitality segments of the asset management business.

An adjusted EPRA earnings is presented to capture the contribution of Aldar Development, which represents a significant portion of Aldar's overall activities. We believe the adjusted EPRA earnings is an appropriate indicator as it represents the full business and is therefore comparable with Aldar's reported IFRS earnings (and earnings per share) figures and Aldar's share price.

Aldar's adjusted EPRA earnings were AED 1,836 million (AED 0.23 per share) for the year ended 2020.

EPRA Earnings (AED '000)	31 December 2020	31 December 2019
Earnings per IFRS income statement	1,932,238	1,984,097
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	399,850	374,751
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	495,760	442,028
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	1,059,696	981,965
(iv) Tax on profits or losses on disposals	-	-
(v) Negative goodwill/goodwill impairment	-	-
(vi) Changes in fair value of financial instruments and associated close-out costs	-	-
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-
(viii) Deferred tax in respect of EPRA adjustments	-	-
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	-	-
(x) Non-controlling interests in respect of the above	-	-
EPRA Earnings	776,632	934,855
Basic number of shares	7,862,629,603	7,862,629,603
EPRA Earnings per Share (EPS)	0.10	0.12
Company specific adjustments:		
(a) Profit from development business	1,059,696	981,965
Adjusted EPRA Earnings	1,836,328	1,916,820
Adjusted EPRA EPS (AED)	0.23	0.24

EPRA NET ASSET VALUE

EPRA net asset value measures the value of Aldar based on changes in equity and changes in value of asset portfolios, liabilities, and property development. Aldar's EPRA net asset value figures are based on the fair value of the Group's assets (including the fair value of certain land which is historically carried at nominal value on the consolidated statement of financial position).

The three EPRA net asset value metrics are listed below:

- EPRA Net Reinstatement Value (EPRA NRV) assumes that entities never sell assets and aims to represent the value required to rebuild the entity
- EPRA Net Tangible Assets (EPRA NTA) reflects the fair value of the Group's tangible assets and liabilities when traded
- EPRA Net Disposal Value (EPRA NDV) represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability

Aldar's EPRA NRV stood at AED 28,888 million as of December 31, 2020 (AED 3.67 per share), +2.3% on the previous year.

Aldar's EPRA NTA amounted to AED 28,860 million (AED 3.67 per share), +2.9% on the previous year.

Aldar's EPRA NDV totalled AED 28,490 million (AED 3.62 per share), +1.8% on the previous year.

We would note that the net asset values presented here are conservative estimates of the EPRA net asset values as they exclude certain key value elements as follows:

- Certain assets are not included at fair value (such as school properties and intangible assets)
- DWIP and Inventories are recorded at expected selling price (conservatively estimated values as at year end 31 December 2020 and 2019)

As we build and progress our EPRA disclosure history, we will strive to incorporate these and other important elements of incremental value into the net asset value metrics on an ongoing basis.

EPRA NET ASSET VALUE continued

EPRA Net Asset Value Metrics (AED '000)	31 December 2020			31 December 2019		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	25,630,793	25,630,793	25,630,793	24,837,506	24,837,506	24,837,506
Include/Exclude:						
(i) Hybrid instruments	-	-	-	-	-	-
Diluted NAV	25,630,793	25,630,793	25,630,793	24,837,506	24,837,506	24,837,506
Include:						
(ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	-	-	-	-	-
(ii.b) Revaluation of IPUC (if IAS 40 cost option is used)	-	-	-	-	-	-
(ii.c) Revaluation of other non-current investments	526,884	526,884	526,884	497,296	497,296	497,296
(iii) Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
(iv) Revaluation of trading properties	2,715,197	2,715,197	2,715,197	2,885,457	2,885,457	2,885,457
Diluted NAV at Fair Value	28,872,874	28,872,874	28,872,874	28,220,259	28,220,259	28,220,259
Exclude:						
(v) Deferred tax in relation to fair value gains of IP	-	-	-	-	-	-
(vi) Fair value of financial instruments	15,330	15,330	N/A	10,760	10,760	N/A
(vii) Goodwill as a result of deferred tax	-	-	-	-	-	-
(viii.a) Goodwill as per the IFRS balance sheet	N/A	(3,259)	(3,259)	N/A	(17,860)	(17,860)
(viii.b) Intangibles as per the IFRS balance sheet	N/A	(24,826)	N/A	N/A	(174,363)	N/A
Include:						
(ix) Fair value of fixed interest rate debt	N/A	N/A	(379,478)	N/A	N/A	(212,339)
(x) Revaluation of intangibles to fair value	-	N/A	N/A	-	N/A	N/A
(xi) Real estate transfer tax	-	-	-	-	-	-
NAV	28,888,204	28,860,119	28,490,137	28,231,019	28,038,796	27,990,060
Fully diluted number of shares	7,862,629,603	7,862,629,603	7,862,629,603	7,862,629,603	7,862,629,603	7,862,629,603
NAV per share	3.67	3.67	3.62	3.59	3.57	3.56

EPRA NET INITIAL YIELD (NIY) AND 'TOPPED-UP' NIY

The table below represents the adjustments to Aldar's net yields that are required to obtain EPRA yields. The calculation is applied to Aldar's Investment Properties segment that includes retail, residential and commercial use properties.

Aldar's EPRA NIY for 2020 is 8.0%, down from 8.7% in the previous year, due to lower rents from the retail segment most impacted by Covid-19. Aldar's 'topped-up' NIY, which captures notional rent expiration of rent-free periods or other lease incentives stands at 8.6% down from 9.0% in the previous year.

EPRA NIY and 'topped-up' NIY (AED '000)	31 December 2020	31 December 2019
Investment property – wholly owned	16,462,916	16,782,476
Investment property – share of JVs/Funds	-	-
Trading property (including share of JVs)	-	-
Less: developments	569,193	556,191
Completed property portfolio	15,893,723	16,226,285
Allowance for estimated purchasers' costs	357,608	365,091
Gross up completed property portfolio valuation	B 16,251,331	16,591,376
Annualised cash passing rental income	1,473,409	1,623,192
Property outgoings	174,092	182,835
Annualised net rents	A 1,299,317	1,440,357
Add: notional rent expiration of rent-free periods or other lease incentives	104,378	47,124
Topped-up net annualised rent	C 1,403,695	1,487,481
EPRA NIY	A/B 8.0%	8.7%
EPRA "topped-up" NIY	C/B 8.6%	9.0%

EPRA VACANCY RATE

EPRA vacancy rate is defined as the ratio between the estimated rental value of vacant space and the estimated rental value of the entire Investment Properties portfolio. Properties under development are not included in the calculation of this ratio.

EPRA Vacancy Rate (AED '000)	31 December 2020	31 December 2019
Estimated rental value of vacant space	A 274,049	246,469
Estimated rental value of the whole portfolio	B 1,863,346	1,993,411
EPRA Vacancy Rate	A/B 14.7%	12.4%

Across the Investment Properties segment, which includes residential, retail and commercial office, the EPRA vacancy rate has increased to 14.7% from 12.4% in 2019. This drop in the vacancy rate is largely attributable to the retail segment.

EPRA COST RATIOS

Aldar's EPRA cost ratios are based solely on its Investment Properties segment, which includes retail, residential and commercial use assets. Aldar's cost ratios increased during the year due to higher operating expenses in 2020 due to vacancy and additional costs from Covid-19 related measures.

EPRA Vacancy Rate (AED '000)	31 December 2020	31 December 2019
Include:		
(i) Administrative/operating expense line per IFRS income statement	401,465	391,595
(ii) Net service charge costs/fees	-	-
(iii) Management fees less actual/estimated profit element	-	-
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits	-	-
(v) Share of Joint Ventures expenses	-	-
Exclude (if part of the above):		
(vi) Investment property depreciation	-	-
(vii) Ground rent costs	-	-
(viii) Service charge costs recovered through rents but not separately invoiced	-	-
EPRA Costs (including direct vacancy costs)	A 401,465	391,595
(ix) Direct vacancy costs	45,402	36,808
EPRA Costs (excluding direct vacancy costs)	B 356,063	354,787
(x) Gross Rental Income less ground rents – per IFRS	1,642,536	1,728,773
(xi) Less: service fee and service charge costs components of Gross Rental Income (if relevant)	-	-
(xii) Add: share of Joint Ventures (Gross Rental Income less ground rents)	-	-
Gross Rental Income	C 1,642,536	1,728,773
EPRA Cost Ratio (including direct vacancy costs)	A/C 24.4%	22.7%
EPRA Cost Ratio (excluding direct vacancy costs)	B/C 21.7%	20.5%

Historical Financial Performance

The following section presents the historical financial performance of the Group split into real estate and non-real estate operations for the past five fiscal years (including the year ended 31 December 2020).

Real estate operations include investment properties; hospitality (only room-related); property development and sales; and construction. Non-real estate operations include fee-based development management; hospitality (non-room); and adjacent businesses (excluding construction). Non-real estate operations also include the disposal of subsidiaries and businesses that are one-off transactions.

The last five-year average annual EBITDA percentage contribution from real estate operations to overall Aldar Group EBITDA (including the fiscal year 2020) is approximately 90%. In 2020, mainly due to a one-off sale of district cooling assets (refer to Note 46 of the consolidated financial statements), the EBITDA contribution from real estate operations was below the last five-year average.

	31 December 2020			31 December 2019			31 December 2018			31 December 2017			31 December 2016		
	Real estate operations AED '000	Non real estate operations AED '000	Total AED '000	Real estate operations AED '000	Non real estate operations AED '000	Total AED '000	Real estate operations AED '000	Non real estate operations AED '000	Total AED '000	Real estate operations AED '000	Non real estate operations AED '000	Total AED '000	Real estate operations AED '000	Non real estate operations AED '000	Total AED '000
Revenue	5,959,482	2,432,996	8,392,478	5,428,669	1,719,212	7,147,881	5,053,374	1,233,159	6,286,533	5,172,299	1,008,377	6,180,676	5,276,945	960,551	6,237,496
Direct costs	(3,330,793)	(2,071,563)	(5,402,356)	(2,859,564)	(1,518,673)	(4,378,237)	(2,480,870)	(1,173,976)	(3,654,846)	(2,602,772)	(922,399)	(3,525,171)	(2,681,286)	(916,957)	(3,598,243)
Gross profit	2,628,689	361,433	2,990,122	2,569,105	200,539	2,769,644	2,572,504	59,183	2,631,687	2,569,527	85,978	2,655,505	2,595,659	43,594	2,639,253
Selling and marketing expenses	(125,449)	-	(125,449)	(109,522)	-	(109,522)	(85,440)	-	(85,440)	(74,978)	-	(74,978)	(61,418)	-	(61,418)
General and administrative expenses	(614,128)	(75,641)	(689,769)	(566,167)	49,662	(516,505)	(436,874)	28,643	(408,231)	(288,358)	(35,131)	(323,489)	(333,430)	(37,377)	(370,807)
<i>Staff costs</i>	<i>(253,853)</i>	<i>-</i>	<i>(253,853)</i>	<i>(237,423)</i>	<i>-</i>	<i>(237,423)</i>	<i>(218,948)</i>	<i>-</i>	<i>(218,948)</i>	<i>(227,767)</i>	<i>-</i>	<i>(227,767)</i>	<i>(233,329)</i>	<i>-</i>	<i>(233,329)</i>
<i>Provisions, impairments and write-downs, net</i>	<i>(272,437)</i>	<i>(23,365)</i>	<i>(295,802)</i>	<i>(203,981)</i>	<i>51,306</i>	<i>(152,675)</i>	<i>(78,691)</i>	<i>28,643</i>	<i>(50,048)</i>	<i>43,952</i>	<i>(35,131)</i>	<i>8,821</i>	<i>9,755</i>	<i>(37,377)</i>	<i>(27,622)</i>
<i>Others</i>	<i>(87,838)</i>	<i>(52,276)</i>	<i>(140,114)</i>	<i>(124,763)</i>	<i>(1,644)</i>	<i>(126,407)</i>	<i>(139,235)</i>	<i>-</i>	<i>(139,235)</i>	<i>(104,543)</i>	<i>-</i>	<i>(104,543)</i>	<i>(109,856)</i>	<i>-</i>	<i>(109,856)</i>
Gain/(loss) on disposal of property, plant and equipment	-	54	54	23,014	(50)	22,964	-	-	-	-	-	-	-	-	-
Fair value loss on investment properties, net	(399,850)	-	(399,850)	(374,751)	-	(374,751)	(671,046)	-	(671,046)	(613,107)	-	(613,107)	(169,680)	-	(169,680)
Gain on transfer from DWIP to IP	3,343	-	3,343	-	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of investment properties	4,396	-	4,396	23,856	-	23,856	-	-	-	3,835	-	3,835	14,409	-	14,409
Share of results of associates and joint ventures	(9,875)	-	(9,875)	(3,096)	-	(3,096)	49,863	-	49,863	41,544	-	41,544	66,636	-	66,636
Gain on disposal of subsidiaries	-	429,535	429,535	-	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of businesses	-	58,432	58,432	-	-	-	-	-	-	-	-	-	-	-	-
Gain on exchange of properties, net of write-downs	-	-	-	388,384	-	388,384	-	-	-	-	-	-	-	-	-
Gain on disposal of joint venture	-	-	-	-	-	-	30,319	-	30,319	-	-	-	-	-	-
Other income	188,013	1,524	189,537	256,067	2,320	258,387	635,077	132,791	767,868	627,049	5,163	632,212	954,280	-	954,280
EBITDA	1,675,139	775,337	2,450,476	2,206,890	252,471	2,459,361	2,094,402	220,618	2,315,020	2,265,512	56,010	2,321,522	3,066,456	6,217	3,072,673
Depreciation and amortisation	-	-	(274,791)	-	-	(268,550)	-	-	(230,142)	-	-	(185,976)	-	-	(199,050)
Finance income	-	-	67,240	-	-	84,087	-	-	79,735	-	-	124,642	-	-	119,972
Finance costs	-	-	(310,697)	-	-	(349,719)	-	-	(309,749)	-	-	(254,253)	-	-	(241,189)
Profit for the year			1,932,228			1,925,179			1,854,864			2,005,935			2,752,406

RISK MANAGEMENT

Aldar has an established Enterprise Risk Management (ERM) function to ensure effective management of all risks that have the potential to hinder the Company from achieving its strategic objectives.

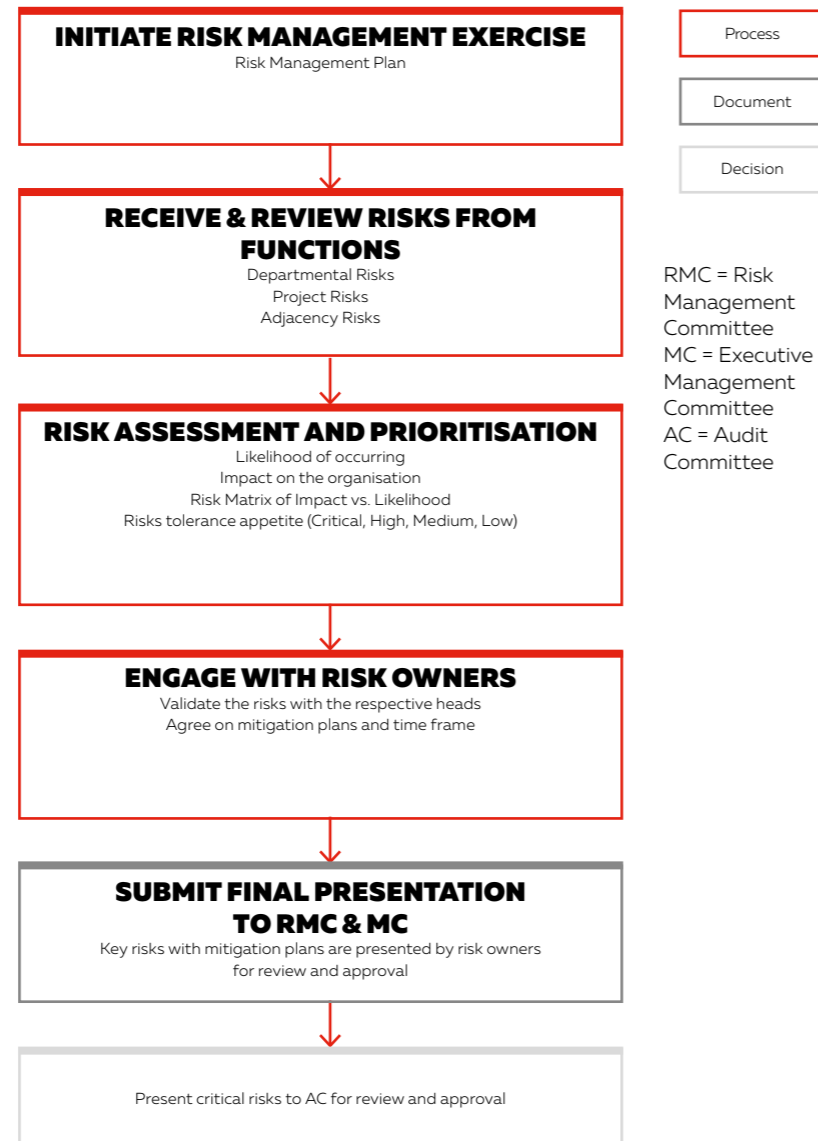
A dedicated ERM team is responsible for helping the Company's business units to identify, assess and put in place control plans for existing and emerging risks. It regularly conducts comprehensive reviews of best practices and benchmarks against other companies in the market with robust ERM activities.

Primarily, a bottom-up approach is used for business unit-specific risks, while enterprise-wide risks rely on a top-down approach.

Each risk is identified and assessed through an impact and likelihood matrix to prioritise its importance. The identified risks with their relevant mitigation plans are escalated to different hierarchical committees according to pre-defined criteria and mandates. The ERM team continuously monitors, liaises and follows up with risk owners for updates and progress on mitigation plans until the risk matches the agreed risk appetite.

Aldar has a Board-approved ERM Charter and Policy & Procedure documents in place, which are periodically reviewed and updated. The meetings of the various mandated committees are convened periodically, which has helped to improve the function across the Company. Aldar's Board and management firmly believe in continuous improvement and will persist to build on this solid foundation to strengthen risk management.

Risk management procedure



Aldar's Risk Management Framework is highly linked and adapted to its business model, using the widely-accepted COSO enterprise risk management framework as its foundation.

Risks are classified into the following four categories:

- **Strategic:** High-level risks that can have a direct impact on the Company's strategic objectives.
- **Operational:** Risks related to performance, customers, and the effective and efficient use of resources.
- **Financial:** Risks that can have a direct impact on the Company's earnings and cash flow.
- **Reporting & Compliance:** Risks related to the reliability of reporting and compliance with applicable real estate-related laws and regulations.

THREE LEVEL COMMITTEE STRUCTURE

Aldar's ERM Charter specifies three levels of reporting. The business units, through the ERM team, raise the risks and updates to be considered by the Risk Management Committee according to certain defined thresholds. These risks are presented to the Executive Management Committee and thereafter to the Audit Committee in line with risk level hierarchy. The ERM team continuously liaise with the risk owners and periodically report to relevant committees.

The periodic reporting mechanism as per risk level hierarchy is as follows:

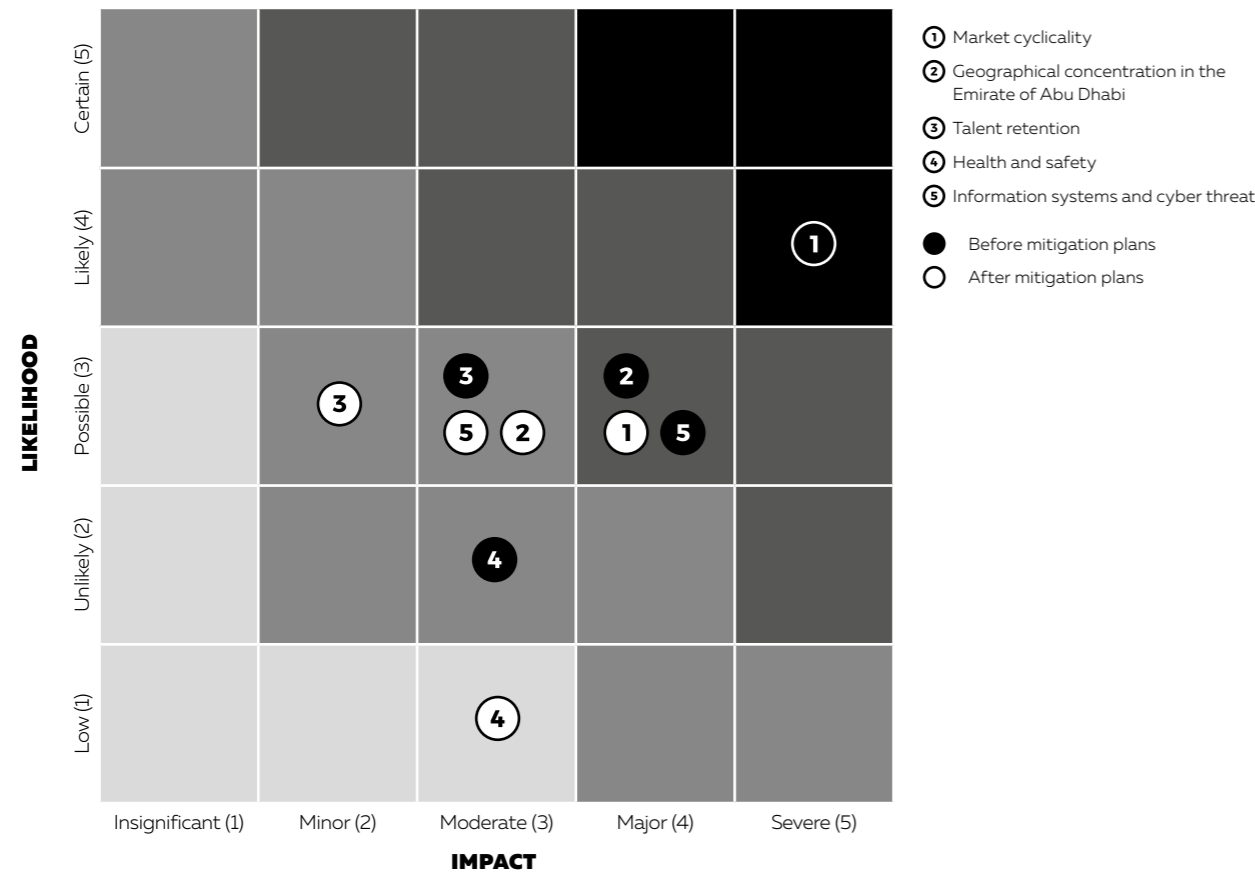
- Level C Critical Risks**
Report to Audit Committee
- Level B High & Critical Risks**
Report to Executive Management Committee
- Level A All Levels of Risks**
Report to Risk Management Committee

Risk Management Framework



PRINCIPAL RISKS

PRINCIPAL RISKS HEAT MAP



Risk Level	Score	Mitigation Plan Requirement	Recommended Actions
Critical	20 to 25	<ul style="list-style-type: none"> Mandatory for all risks 	<ul style="list-style-type: none"> Treat (Reduce) Transfer Terminate
High	10 to 16		
Medium	4 to 9	<ul style="list-style-type: none"> Risks rated >8 are assessed on a case-by-case basis Not mandatory for risks rated <6 as risks can be tolerated 	<ul style="list-style-type: none"> Tolerate (Accept)
Low	1 to 3	<ul style="list-style-type: none"> Not mandatory as risks can be tolerated 	

The Risk	Risk Analysis	Treatment Plan
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Strategic: High-level risks that can have a direct impact on the Company's strategic objectives.

1. Market cyclicality

NO CHANGE

- Ability for Aldar to effectively respond to local and regional changing market conditions.

Consequences

- Potential negative impact on launching of new developments and performance of asset portfolio.
- Potential negative impact on sales revenue, cash flows, asset valuations, debt/capital and credit rating.

The Board mitigates market risk through the review of the Group's strategy on a regular basis and discussions are held to ensure the strategy is still appropriate or if it needs updating. The Company is also actively implementing the risk treatment plan:

Development Projects

- Ensure accurate and appropriate business plans are in place to anticipate customer preferences.
- Launch projects in phases to reduce cashflow exposure.
- Product diversification.
- Enhanced market readiness to capitalise on any opportunity via infrastructure enabled lands.
- Expanding fee-based projects portfolio.

Asset Portfolio

- Combined focus on tenant selection and improving their trading performance through proactive leasing, targeted marketing initiatives and asset upgrading.
- Full merchandising strategy in retail assets; zoning and category optimisation, sustainable pricing and innovative re-purposing.
- Continued focus on corporate deals to provide long-term revenue visibility and de-risk residential portfolio revenue streams.
- Sustainability initiatives leading to cost saving through energy audit and energy saving initiatives.
- Enhancing customer experience through cross-selling across asset classes and introduction of loyalty programmes.

2. Geographical concentration in the Emirates of Abu Dhabi

↓
REDUCED

- Geographical concentration from only operating in Abu Dhabi.

Consequences

- Exposure to Abu Dhabi as a single market will potentially constrain Aldar's ability to grow and achieve its strategic objectives to deliver sustainable returns for shareholders.

The Company realises the inherent risk of geographical concentration of operations and is steadily mitigating it by:

- By entering joint ventures within the wider UAE and in GCC markets.
- Developing regional and international sales and marketing capability to expand investor pool.

PRINCIPAL RISKS continued

The Risk	Risk Analysis	Treatment Plan
Operational: Risks related to performance, customers, and the effective and efficient use of resources.		
3. Talent retention NO CHANGE	<ul style="list-style-type: none"> Ability to attract and retain talented pool of employees with the right skills and experience. <p>Consequences</p> <ul style="list-style-type: none"> Potential negative impact on the Company's ability to deliver the business plan. 	People and Performance strategy and treatment plan encompasses: <ul style="list-style-type: none"> Long term incentive programme to assist retention of critical personnel. Succession planning and career path programmes for high potential personnel. Organisation-wide Employee Satisfaction Survey conducted annually to identify areas for improvements. Exit interviews to identify critical areas of improvement for People and Performance policy and practices. Proactively identifying employee's satisfaction parameter by conducting annual survey "Great place to work" to identify potential gaps – accredited Great Place to Work for 2020-2021.
4. Health and safety NO CHANGE	<ul style="list-style-type: none"> Serious OSH (Occupational Safety and Health) incident. <p>Consequences</p> <ul style="list-style-type: none"> Potential material impact on the Company's vision and brand locally and internationally with consequential financial implication due to project delays, civil suit and fines. 	The Company has a comprehensive and integrated health and safety strategy and implementation plan: <ul style="list-style-type: none"> All PMCs, consultants and principal contractors must register with OSHAD (Abu Dhabi Occupational Safety and Health Centre), comply with Aldar OSH Policy and abide by their standards. Produce monthly OSH statistic to monitor performance across the projects and the portfolio of assets, develop lesson learnt and analyse trends to ensure and promote safest practices. Proactive integration between QHSE (Quality, Health, Safety & Environment) and project teams for an effective implementation of the OSH monitoring programme, i.e. internal and external OSH audit, committee meeting, OSH meeting and periodic inspections. Raising staff awareness by conducting trainings and OSH campaigns, updating and communicating the Company's OSH/EHS Management System and regulatory requirements. Publishing Occupational Safety and Health alert to prevent incident.

The Risk	Risk Analysis	Treatment Plan
Operational: Risks related to performance, customers, and the effective and efficient use of resources.		
5. Information Systems and Cyber Threat NO CHANGE	<ul style="list-style-type: none"> System vulnerabilities and control weaknesses are exploited by malicious actors over the internet. <p>Consequences</p> <ul style="list-style-type: none"> If digital assets are not adequately protected from cyberthreats, it can lead to disruption of business operations, financial losses and loss of reputation. 	Information Security & Compliance function continues to assess and strengthen security & compliance readiness of its IT function. The unit undertakes but not limited to below: <ul style="list-style-type: none"> DT achieved ISO 27001 certification in 2017 in Q4 2020. ISO 27001 surveillance audit is conducted by the Lead Auditors annually. Advanced Threat Protection based on artificial intelligence (AI) and machine learning (ML) deployed to detect and mitigate cyber threats. Email security controls enhanced further by introduction of security controls based on AI & ML. User authentication framework strengthened further by implementing multi-factor authentication and tightly mapped to user's device. Security Baseline controls implemented and regularly reviewed to mitigate threats from known vulnerabilities. DNS Security controls in place to proactively identify, block, and mitigate targeted threats such as malware, ransomware, phishing, and data exfiltration. Security monitoring system, including Data Loss Prevention control, in place to correlate security events and trigger alerts. 24x7 Security Operation Centre to monitor the security alerts. Organisation-wide mandatory security awareness training programme in place. Vulnerability management programme in place to identify and mitigate system weakness. Disaster recovery strategy and plan in place, reviewed and tested on regular basis.