

## EPRA REPORTING DISCLOSURES AS OF 31 DECEMBER 2021

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 2021 and 31 December 2020:

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

During the year, the basis of allocation of certain expenses to Aldar Development and Aldar Investment segments have been revised. Based on this revision, the calculation for "EPRA Earnings" and "EPRA Cost Ratios" for the year ended 31 December 2020 have been updated to make it comparable to 2021 presentation.

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 EPRA disclosure in this report for the years ended 31 December 2021 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. 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 2021	31 December 2020
<b>EPRA Earnings</b>	<b>884.4</b>	<b>784.9</b>
– per share (AED)	0.11	0.10
<b>Adjusted EPRA Earnings</b>	<b>2,077.7</b>	<b>1,836.3</b>
– per share (AED)	0.26	0.23
<b>EPRA NAV Metrics</b>		
<b>EPRA Net Reinstatement Value (EPRA NRV)</b>	<b>31,517.8</b>	<b>28,888.2</b>
– per share (AED)	4.01	3.67
<b>EPRA Net Tangible Assets (EPRA NTA)</b>	<b>31,224.6</b>	<b>28,860.1</b>
– per share (AED)	3.97	3.67
<b>EPRA Net Disposable Value (EPRA NDV)</b>	<b>31,102.0</b>	<b>28,490.1</b>
– per share (AED)	3.96	3.62
<b>EPRA NIY (%)</b>	7.9%	8.0%
<b>EPRA 'topped up' NIY (%)</b>	8.2%	8.6%
<b>EPRA vacancy rate (%)</b>	9.9%	14.7%
<b>EPRA cost ratio (incl. direct vacancy costs) (%)</b>	24.4%	20.9%
<b>EPRA cost ratio (excl. direct vacancy costs) (%)</b>	23.1%	18.2%

### ADJUSTED EPRA EARNINGS

The EPRA earnings measure represents the performance of recurring activities which relate specifically to the Group's asset management business segment, Aldar Investment. EPRA earnings for the year ended 2021 were AED 884 million versus AED 785 million for the previous year, due to recovery in the hospitality and retail sectors in addition to the growth in education from higher enrolments.

Adjusted EPRA earnings is presented to capture the contribution of Aldar Development business segment, 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, earnings per share and Aldar's share price.

Adjusted EPRA earnings amounted to AED 2,078 million (AED 0.26 per share) for the year ended 31 December 2021 (31 December 2020: 1,836 million, AED 0.23 per share).

EPRA Earnings (AED '000)	31 December 2021	31 December 2020 (Restated)
Earnings per IFRS income statement	<b>2,315,601</b>	1,932,238
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	<b>146,383</b>	(399,850)
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	<b>12,600</b>	495,760
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties.	<b>1,193,360</b>	1,051,474
(iv) Tax on profits or losses on disposals	–	–
(v) Negative goodwill / goodwill impairment	<b>99,469</b>	–
(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	<b>(20,597)</b>	–
(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	–	–
<b>EPRA Earnings</b>	<b>884,385</b>	784,854
Basic number of shares	<b>7,862,629,603</b>	7,862,629,603
<b>EPRA Earnings per Share (EPS)</b>	<b>0.11</b>	0.10
<b>Company specific adjustments:</b>		
(a) Profit from development business (including impairment of development assets)	<b>1,193,360</b>	1,051,474
<b>Adjusted EPRA Earnings</b>	<b>2,077,746</b>	1,836,328
<b>Adjusted EPRA EPS (AED)</b>	<b>0.26</b>	0.23

### EPRA NET ASSET VALUE

EPRA net asset value measures the value of Aldar based on changes in equity and changes in the 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. Aldar's EPRA NRV stood at AED 31,518 million as of December 31, 2021 (AED 4.01 per share), +9.1% on the previous year.

#### EPRA Net Tangible Assets (EPRA NTA)

Reflects the fair value of the Group's tangible assets and liabilities when traded. Aldar's EPRA NTA amounted to AED 31,253 million (AED 3.97 per share), +8.3% on the previous year.

#### EPRA Net Disposable 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 NDV totaled AED 31,130 million (AED 3.96 per share), +9.3% 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. Certain assets are included at their respective book values instead of fair value. (These assets mainly include school properties and intangible assets)
- DWIP and Inventories are recorded at expected selling price (estimated values)

*The assets acquired as part of the investment in Sixth of October for Development and Investment Company (SODIC) are not adjusted as they were already recorded at fair value on acquisition on 16 December 2021.*

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

B. EPRA Net Asset Value Metrics	31 December 2021			31 December 2020		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
<b>IFRS Equity attributable to shareholders</b>	<b>26,921,570</b>	<b>2,921,570</b>	<b>26,921,570</b>	<b>25,630,793</b>	<b>25,630,793</b>	<b>25,630,793</b>
<b>Include / Exclude:</b>						
Hybrid instruments	-	-	-	-	-	-
<b>Diluted NAV</b>	<b>26,921,570</b>	<b>26,921,570</b>	<b>26,921,570</b>	<b>25,630,793</b>	<b>25,630,793</b>	<b>25,630,793</b>
<b>Include:</b>						
Revaluation of IP (if IAS 40 cost option is used)	-	-	-	-	-	-
Revaluation of IPUC (if IAS 40 cost option is used)	-	-	-	-	-	-
Revaluation of other non-current investments	494,572	494,572	494,572	526,884	526,884	526,884
Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
Revaluation of trading properties	4,143,404	4,143,404	4,143,404	2,715,197	2,715,197	2,715,197
<b>Diluted NAV at Fair Value</b>	<b>31,559,546</b>	<b>31,559,546</b>	<b>31,559,546</b>	<b>28,872,874</b>	<b>28,872,874</b>	<b>28,872,874</b>
<b>Exclude:</b>						
Deferred tax in relation to fair value gains of IP	-	-	-	-	-	-
Fair value of financial instruments	(13,651)	(13,651)	-	15,330	15,330	-
Goodwill as a result of deferred tax	(28,073)	(28,073)	(28,073)	-	-	-
Goodwill as per the IFRS balance sheet	-	(107,287)	(107,287)	-	(3,259)	(3,259)
Intangibles as per the IFRS balance sheet	-	(185,908)	-	-	(24,826)	-
<b>Include:</b>						
Fair value of fixed interest rate debt	-	-	(322,205)	-	-	(379,478)
Revaluation of intangibles to fair value	-	-	-	-	-	-
Real estate transfer tax	-	-	-	-	-	-
<b>NAV</b>	<b>31,517,822</b>	<b>31,224,627</b>	<b>31,101,981</b>	<b>28,888,204</b>	<b>28,860,119</b>	<b>28,490,137</b>
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
<b>NAV per share</b>	<b>4.01</b>	<b>3.97</b>	<b>3.96</b>	<b>3.67</b>	<b>3.67</b>	<b>3.62</b>

**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 2021 is 7.9%, broadly flat compared to 8.0% in the previous year. This is mainly due to the fair value gains and timing delay in income recognition.

Aldar's 'topped-up' NIY, which captures notional rent expiration of rent-free periods or other lease incentives stands at 8.2%, down from 8.6% in the previous year. Lease incentives decreased in 2021 as the COVID-19 related stimulus provided in 2020 completed.

EPRA NIY and 'topped-up' NIY	31 Dec 2021	31 Dec 2020
Investment property – wholly owned	<b>18,025,935</b>	<b>16,462,916</b>
Investment property – share of JVs/Funds	-	-
Trading property (including share of JVs)	-	-
Less: developments	<b>1,408,257</b>	<b>569,193</b>
Completed property portfolio	<b>16,617,678</b>	<b>15,893,723</b>
Allowance for estimated purchasers' costs	<b>373,898</b>	<b>357,609</b>
<b>Gross up completed property portfolio valuation</b>	<b>B 16,991,576</b>	<b>16,251,332</b>
Annualised cash passing rental income	<b>1,585,721</b>	<b>1,473,409</b>
Property outgoings	<b>246,201</b>	<b>174,092</b>
<b>Annualised net rents</b>	<b>A 1,339,520</b>	<b>1,299,317</b>
<b>Add:</b> notional rent expiration of rent free periods or other lease incentives	<b>51,152</b>	<b>104,378</b>
<b>Topped-up net annualised rent</b>	<b>C 1,390,671</b>	<b>1,403,695</b>
<b>EPRA NIY</b>	<b>A/B 7.9%</b>	<b>8.0%</b>
<b>EPRA "topped-up" NIY</b>	<b>C/B 8.2%</b>	<b>8.6%</b>

**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 including the portfolio in Egypt. Properties under development are not included in the calculation of this ratio.

EPRA Vacancy Rate	31 December 2021	31 December 2020
Estimated Rental Value of vacant space (AED '000)	<b>A 186,979</b>	<b>274,049</b>
Estimated rental value of the whole portfolio (AED '000)	<b>B 1,882,202</b>	<b>1,863,346</b>
<b>EPRA Vacancy Rate</b>	<b>A/B 9.9%</b>	<b>14.7%</b>

Across the Investment Properties portfolio, which includes residential, retail and commercial office, the EPRA vacancy rate has decreased to 9.9% from 14.7% in 2020. 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 2021 due to additional assets coming into the portfolio during the year and due to the increase in revenue and additional costs relating to COVID-19 safety precautions such as security.

EPRA Cost Ratios	31 December 2021	31 December 2020
<b>Include:</b>		
Administrative/operating expense line per IFRS income statement	<b>413,004</b>	<b>343,696</b>
Net service charge costs/fees		
Management fees less actual/estimated profit element		
Other operating income/recharges intended to cover overhead expenses less any related profits		
Share of Joint Ventures expenses		
<b>Exclude (if part of the above):</b>		
Investment property depreciation		
Ground rent costs		
Service charge costs recovered through rents but not separately invoiced		
<b>EPRA Costs (including direct vacancy costs)</b>	<b>A 413,004</b>	<b>343,696</b>
Direct vacancy costs	<b>21,841</b>	<b>45,402</b>
<b>EPRA Costs (excluding direct vacancy costs)</b>	<b>B 391,163</b>	<b>298,294</b>
<b>Gross Rental Income less ground rents – per IFRS</b>	<b>1,690,043</b>	<b>1,642,536</b>
Less: service fee and service charge costs components of Gross Rental Income (if relevant)		
Add: share of Joint Ventures (Gross Rental Income less ground rents)		
<b>Gross Rental Income</b>	<b>C 1,690,043</b>	<b>1,642,536</b>
<b>EPRA Cost Ratio (including direct vacancy costs)</b>	<b>A/C 24.4%</b>	<b>20.9%</b>
<b>EPRA Cost Ratio (excluding direct vacancy costs)</b>	<b>B/C 23.1%</b>	<b>18.2%</b>