

**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
<b>EPRA Earnings</b>	<b>777</b>	<b>935</b>
– per share (AED)	0.10	0.12
<b>Adjusted EPRA Earnings</b>	<b>1,836</b>	<b>1,917</b>
– per share (AED)	0.23	0.24
<b>EPRA Net Reinstatement Value (EPRA NRV)</b>	<b>28,888</b>	<b>28,231</b>
– per share (AED)	3.67	3.59
<b>EPRA Net Tangible Assets (EPRA NTA)</b>	<b>28,860</b>	<b>28,039</b>
– per share (AED)	3.67	3.57
<b>EPRA Net Disposal Value (EPRA NDV)</b>	<b>28,490</b>	<b>27,990</b>
– per share (AED)	3.62	3.56
<b>EPRA NIY (%)</b>	8.0%	8.7%
<b>EPRA 'topped-up' NIY (%)</b>	8.6%	9.0%
<b>EPRA vacancy rate (%)</b>	14.7%	12.4%
<b>EPRA cost ratio (incl. direct vacancy costs) (%)</b>	24.4%	22.7%
<b>EPRA cost ratio (excl. direct vacancy costs) (%)</b>	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
<b>Earnings per IFRS income statement</b>	<b>1,932,238</b>	<b>1,984,097</b>
Adjustments to calculate EPRA Earnings, <b>exclude:</b>		
(i) Changes in value of investment properties, development properties held for investment and other interests	<b>399,850</b>	<b>374,751</b>
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	<b>495,760</b>	<b>442,028</b>
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	<b>1,059,696</b>	<b>981,965</b>
(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	-	-
<b>EPRA Earnings</b>	<b>776,632</b>	<b>934,855</b>
Basic number of shares	<b>7,862,629,603</b>	<b>7,862,629,603</b>
<b>EPRA Earnings per Share (EPS)</b>	<b>0.10</b>	<b>0.12</b>
<b>Company specific adjustments:</b>		
(a) Profit from development business	<b>1,059,696</b>	<b>981,965</b>
<b>Adjusted EPRA Earnings</b>	<b>1,836,328</b>	<b>1,916,820</b>
<b>Adjusted EPRA EPS (AED)</b>	<b>0.23</b>	<b>0.24</b>

**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
<b>IFRS Equity attributable to shareholders</b>	<b>25,630,793</b>	<b>25,630,793</b>	<b>25,630,793</b>	<b>24,837,506</b>	<b>24,837,506</b>	<b>24,837,506</b>
<b>Include/Exclude:</b>						
(i) Hybrid instruments	-	-	-	-	-	-
<b>Diluted NAV</b>	<b>25,630,793</b>	<b>25,630,793</b>	<b>25,630,793</b>	<b>24,837,506</b>	<b>24,837,506</b>	<b>24,837,506</b>
<b>Include:</b>						
(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
<b>Diluted NAV at Fair Value</b>	<b>28,872,874</b>	<b>28,872,874</b>	<b>28,872,874</b>	<b>28,220,259</b>	<b>28,220,259</b>	<b>28,220,259</b>
<b>Exclude:</b>						
(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
<b>Include:</b>						
(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	-	-	-	-	-	-
<b>NAV</b>	<b>28,888,204</b>	<b>28,860,119</b>	<b>28,490,137</b>	<b>28,231,019</b>	<b>28,038,796</b>	<b>27,990,060</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>3.67</b>	<b>3.67</b>	<b>3.62</b>	<b>3.59</b>	<b>3.57</b>	<b>3.56</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 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	<b>16,462,916</b>	<b>16,782,476</b>
Investment property – share of JVs/Funds	-	-
Trading property (including share of JVs)	-	-
<b>Less: developments</b>	<b>569,193</b>	<b>556,191</b>
Completed property portfolio	<b>15,893,723</b>	<b>16,226,285</b>
Allowance for estimated purchasers' costs	<b>357,608</b>	<b>365,091</b>
<b>Gross up completed property portfolio valuation</b>	<b>B 16,251,331</b>	<b>16,591,376</b>
Annualised cash passing rental income	<b>1,473,409</b>	<b>1,623,192</b>
Property outgoings	<b>174,092</b>	<b>182,835</b>
<b>Annualised net rents</b>	<b>A 1,299,317</b>	<b>1,440,357</b>
<b>Add:</b> notional rent expiration of rent-free periods or other lease incentives	<b>104,378</b>	<b>47,124</b>
<b>Topped-up net annualised rent</b>	<b>C 1,403,695</b>	<b>1,487,481</b>
<b>EPRA NIY</b>	<b>A/B 8.0%</b>	<b>8.7%</b>
<b>EPRA "topped-up" NIY</b>	<b>C/B 8.6%</b>	<b>9.0%</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. 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	<b>A 274,049</b>	<b>246,469</b>
Estimated rental value of the whole portfolio	<b>B 1,863,346</b>	<b>1,993,411</b>
<b>EPRA Vacancy Rate</b>	<b>A/B 14.7%</b>	<b>12.4%</b>

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
<b>Include:</b>		
(i) Administrative/operating expense line per IFRS income statement	<b>401,465</b>	<b>391,595</b>
(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	-	-
<b>Exclude (if part of the above):</b>		
(vi) Investment property depreciation	-	-
(vii) Ground rent costs	-	-
(viii) Service charge costs recovered through rents but not separately invoiced	-	-
<b>EPRA Costs (including direct vacancy costs)</b>	<b>A 401,465</b>	<b>391,595</b>
(ix) Direct vacancy costs	<b>45,402</b>	<b>36,808</b>
<b>EPRA Costs (excluding direct vacancy costs)</b>	<b>B 356,063</b>	<b>354,787</b>
<b>(x) Gross Rental Income less ground rents – per IFRS</b>	<b>1,642,536</b>	<b>1,728,773</b>
(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)	-	-
<b>Gross Rental Income</b>	<b>C 1,642,536</b>	<b>1,728,773</b>
<b>EPRA Cost Ratio (including direct vacancy costs)</b>	<b>A/C 24.4%</b>	<b>22.7%</b>
<b>EPRA Cost Ratio (excluding direct vacancy costs)</b>	<b>B/C 21.7%</b>	<b>20.5%</b>