CHAPTER 4.

Activity review

(1) The Management Discussion & Analysis ("MD&A") is based on the Financial statements prepared on a proportionate basis.

4.1 MANAGEMENT DISCUSSION AND ANALYSIS[1]

4.1.1 BUSINESS REVIEW AND 2021 RESULTS

4.1.1.1 ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

ACCOUNTING PRINCIPLES

Unibail-Rodamco-Westfield's ("URW" or "the Group") consolidated financial statements as at December 31, 2021, were prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable in the European Union as at that date.

The Group also prepares financial statements in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis, instead of being accounted for using the equity method under IFRS. The business review and results are presented based on the financial statements on a proportionate basis, with no impact on the net results.

For rent relief granted to tenants in relation to the COVID-19 pandemic and where such relief qualifies as a lease modification because the tenant agrees concessions (e.g. extension of a lease term or higher Sales Based Rent ("SBR"), IFRS 16 applies. Under IFRS 16, the relief is treated as a lease incentive, which is straight-lined over the expected term of the lease as a reduction of the Gross Rental Income ("GRI").

Rent relief signed or expected to be signed, granted without any counterpart from the tenants is considered as a reduction of the receivables and is charged to the income statement as a reduction of the GRI.

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by the management in the evolving context of the COVID-19 pandemic and of difficulties in assessing its impact and future prospects. In this context, management has taken into account these uncertainties on the basis of reliable information available at the date of the preparation of the consolidated financial statements, particularly with regards to the fair value of investment properties and financial instruments, the estimation of the provision for rent relief and doubtful debtors, as well as the testing of goodwill and intangible assets.

Due to inherent uncertainties associated with estimates, the Group reviews those estimates based on regularly updated information. Actual results might eventually differ from estimates made at the date of the preparation of the consolidated financial statements. In particular, no further lockdowns have been assumed, post December 2021 (beyond the ones known to date).

96% of URW's property portfolio and intangible assets related to the Shopping Centres, Offices & Others, Convention & Exhibition ("C&E") and Services segments were valued by independent appraisers as at December 31, 2021.

SCOPE OF CONSOLIDATION

The principal changes in the scope of consolidation since December 31, 2020, are:

- The foreclosure of Westfield Citrus Park and Westfield Countryside in January 2021;
- The disposal of the SHiFT office building located in Issy-les-Moulineaux in January 2021;
- The foreclosure of Westfield Sarasota in February 2021;
- The disposal of the Les Villages 3, 4 and 6 office buildings in March 2021;
- The disposal of a 60% stake in Aupark in May 2021; this asset is now jointly controlled by URW and WOOD & Company, the acquirer, and therefore accounted for using the equity method under IFRS and at 40% in the consolidated financial statements under proportionate (for the investment property and the financial debt);
- The acquisition of the 47.4% remaining stake in Westfield Trumbull and Westfield Palm Desert in May 2021;
- The foreclosure of Westfield Broward in June 2021;
- The disposal of a 45% stake in Westfield Shopping City Süd in July 2021, still fully consolidated;
- The sale and leaseback of 7 Adenauer office building in September 2021;
- The disposal of Palisade residential building at Westfield UTC in October 2021;
- The disposal of a 51% stake in Aquaboulevard and Le Sextant in October 2021, which URW jointly controls and is now accounted for using the equity method; and
- The disposal of a 70% stake in Triangle development project in October 2021, in which URW has significant influence and which is now accounted for using the equity method; and
- The foreclosure of Westfield Palm Desert in October 2021.

OPERATIONAL REPORTING

URW operates in nine regions: France, the United States of America ("US"), Central Europe, Spain, the United Kingdom ("UK"), the Nordics, Austria, Germany and The Netherlands. These regions were grouped in five main regions, i.e. Southern Europe (France, Spain, Italy), Northern Europe (Sweden, Denmark, The Netherlands), Central and Eastern Europe (Germany, Austria, Poland, Czech Republic, Slovakia), UK and US.

As Southern Europe (France) has substantial activities in all three business lines of the Group, this region is itself divided into three segments: Shopping Centres, Offices & Others and C&E[2]. The other regions operate almost exclusively in the Shopping Centres segment. In the US, the Group also operates an airport terminal commercial management business.

(1) The MD&A is based on the financial statements prepared on a proportionate basis.
(2) C&E includes the Les Boutiques du Palais retail asset.

4.1.1.2 COVID-19 AND THE IMPACT ON URW'S BUSINESS

This section provides a brief overview of the impact of the COVID-19 crisis on URW's operations in FY-2021.

OVERVIEW OF RESTRICTIONS IN FY-2021

The operations in URW shopping centres were particularly impacted by lockdown periods and restrictions in the first half of 2021, while operations were generally able to take place with loosened restrictions in H2-2021, except year-end which was impacted by a resurgence of the pandemic.

During the first half of the year, most of the Group's European centres had to close at various points, except for "essential" retailers and excluding the centres in Sweden and parts of Spain which remained open throughout the period, albeit with certain restrictions on F&B, cinemas and fitness. In the US, all of the centres were open throughout the first half, however restrictions on sectors like Food & Beverage ("F&B"), Entertainment and Fitness were only progressively eased during February and March.

During H2-2021, the Group's centres and all retail sectors were generally allowed to trade including indoor dining and entertainment, albeit with some remaining capacity limits or other sanitary requirements (such as a COVID-19 pass/proof of vaccination being required for dining or entertainment in several markets).

Late November and December saw some tightening of government rules, following the emergence of the "Omicron variant". Most notably, this saw the reintroduction of government guidance to work from home, restrictions for non-vaccinated persons to access shopping centres and the imposition of three further lockdowns: in Austria from November 23 to December 12, after which in Vienna restaurants remained closed and a quasi-lockdown has remained in force for unvaccinated people; in Slovakia from November 25 to December 8, and in The Netherlands, with non-essential stores and restaurants closed from December 18 until January 14, 2022, after which non-essential stores were allowed to reopen, but F&B reopened later on January 26, 2022.

At year-end, restrictions have been limited in particular due to the progress made on vaccination in all the regions the Group operates.

Overall, the Group's shopping centres were closed for an average of 68[(1)] days in H1 (vs. 67 days in H1-2020), including 92 days in Europe (vs. 60 days in 2020) and 69 days for the full year 2021 (vs. 93 days in 2020), including 94 days in Europe (vs. 84 days in 2020).

As at February 10, 2022, all of the Group's centres are able to trade with few local restrictions in place.

FOOTFALL[(2)] AND TENANT SALES[(3)]

Overall, FY-2021 footfall figures were impacted by the lockdowns and the restrictions described above, however they showed a strong recovery when the centres were open, with higher conversion rates driving even stronger tenant sales performance versus 2019 and 2020 levels.

(1) Weighted by shopping centres' Net Rental Income ("NRI") in 2019.
(2) Footfall data does not include Zlote Tarasy as it is not managed by URW. Footfall in URW's shopping centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. Carrousel du Louvre is excluded. For the US, it includes the 19 centres for which at least one year of comparable Springboard or ShopperTrak data is available.
(3) European tenant sales data does not include Zlote Tarasy as it is not managed by URW. Tenant sales performance in URW's shopping centres (except The Netherlands) in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. Primark sales are based on estimates. Carrousel du Louvre is excluded. Excluding Auto branch for Europe and Auto and Department Stores for the US.

European footfall

In Europe, FY-2021 overall footfall compared to 2019 decreased by -34% but increased by +5% compared to 2020 and despite more days of closure in 2021. Sweden and Spain outperformed other countries, with footfall at 77% and 76% of 2019 levels, respectively, due to less severe restrictions.

After the reopening of centres in Q2-2021, a strong recovery was seen. In Q3-2021, when all centres and sectors were able to trade throughout the period, footfall in Europe reached 79% of 2019 levels and increasing further in Q4-2021 to 82% of 2019 levels, and 84% excluding the lockdown periods in Austria, Slovakia and The Netherlands.

In total, H2-2021 footfall was 81% of 2019 levels (+23% compared to H2-2020) and 82% excluding the lockdown periods in Austria, Slovakia and The Netherlands.

US footfall

Due to data limitations, footfall is not available for all centres[1] in the US. For those assets for which reliable data is available, footfall in FY-2021 reached 72% of 2019 levels and 74% by excluding CBD assets which footfall is affected by work from home policies. This reflected an improvement in the second half to 78% of 2019 levels, following 65% in H1-2021, which remained affected by closures and restrictions affecting F&B, Entertainment and Fitness.

European tenant sales

While tenant sales were impacted by the various closures and restrictions (-27% decline compared to FY-2019 but an increase of +9% compared to FY-2020), they again showed very encouraging resilience in periods when the Group's tenants were able to trade, outperforming footfall trends.

In Q3-2021, when all centres were open throughout the period, the Group's Continental European tenant sales achieved 92% of Q3-2019 levels. The UK saw a strong improvement from 72% to 80% of 2019 levels between June and Q3, as work from home had gradually decreased. Sales in Q4-2021 continued to be strong despite the spread of new variants, reaching 91% in Continental Europe (93% excluding the lockdowns periods in Austria, Slovakia and The Netherlands) and 84% in the UK.

In Q4-2021, France, Sweden and Central Europe showed strong resilience at 95%, 96% and 93% of 2019 levels, respectively, while Germany was impacted by specific restrictions on access to shopping centres in December, limited to vaccinated or recovered people at 85%.

In total, H2-2021 sales were 90% of H2-2019 levels, respectively 92% for Continental Europe and 83% for the UK. Sales were up +26% vs. H2-2020, +21% for Continental Europe and +56% for the UK.

Despite an overall improvement across Europe, sales performance in H2-2021 differed by sectors following reopening. In particular, Entertainment was -20%, F&B -13%, Fashion -12%, Health & Beauty -3% and Food Stores & Mass Merchandise -2%, while Sport was +5% above H2-2019 levels.

US tenant sales[2]

All of the Group's US centres were open throughout the year, although tenant sales were still impacted in the first quarter by ongoing closure or limitation of sectors such as F&B, Entertainment and Fitness. These restrictions were generally imposed in California, Maryland area and NY/NJ (the Group's key US markets), for longer than in other parts of the US.

Tenant sales reached 94% of 2019 levels in FY-2021. This includes 87% in H1 and increasing to 100% in H2 after the removal of the restrictions. H2-2021 tenant sales even reached 106% of H2-2019 levels for the non-CBD Flagship assets[3].

While this recovery was initially well supported in highly discretionary categories such as Luxury (+43% in 2021 vs. 2019) and Jewellery (+19% in 2021 vs. 2019), it became more broad-based over the year, with almost all categories near to or above 2019 levels in H2, including the key Fashion category (101% in H2-2021 vs. H2-2019). In the F&B sector, which was one of the most impacted, an improvement was seen from -23% in H1, to -4% in H2, while Entertainment remained impacted (-26%[4] in H2-2021 vs. H2-2019).

(1) Includes the 19 centres for which at least one year of comparable Springboard or ShopperTrak data is available.
(2) On standing assets, excluding extensions (Westfield Valley Fair). Excluding Auto and Department stores branches.
(3) I.e. excluding Westfield World Trade Center and Westfield San Francisco Centre.
(4) Restated for the Westfield UTC and Westfield Montgomery cinema closures (Chapter 7 of Arclight), AMC cinema's signed and about to open in February and March 2022.

Group tenant sales summary

Overall, and as seen in 2020, tenant sales generally outperformed footfall reflecting higher conversion rates and average baskets. The table below summarises the Group's tenant sales growth during FY-2021:

	Tenant Sales Growth (%)			
Region	H1-2021 vs. H1-2019	H2-2021 vs. H2-2019	FY-2021 vs. FY-2019	FY-2021 vs. FY-2020
France	(53%)	(7%)	(28%)	+2%
Spain	(29%)	(10%)	(18%)	+30%
Central Europe	(43%)	(5%)	(22%)	+16%
Austria	(43%)	(19%)	(29%)	(1%)
Germany	(61%)	(12%)	(34%)	(10%)
Nordics	(25%)	(5%)	(14%)	+9%
The Netherlands	N.A.	N.A.	N.A.	N.A.
Total Continental Europe	**(46%)**	**(8%)**	**(25%)**	**+6%**
UK	(60%)	(17%)	(36%)	+28%
Total Europe	**(48%)**	**(10%)**	**(27%)**	**+9%**
US	(13%)	0%	(6%)	+69%
Total Group	**(38%)**	**(7%)**	**(21%)**	**+24%**

RENT RELIEF AND GOVERNMENT SUPPORT

Throughout the crisis, URW recognised the issues the Group's tenants faced due to administrative closures or trading restrictions and the need to provide relief, generally limited to the period of closure and based on the principle of a fair sharing of the burden. These negotiations were focused on providing a one-off rent relief, not on permanently changing lease terms or structures.

In some geographies (including the UK, Germany and certain US municipalities), legal remedies for non-payment of rent have also been temporarily limited during the crisis, while in Austria and Poland, existing and new laws respectively, even prohibited the charging of rents during closure periods. A new law in Poland applicable as from H2-2021 also provided for a 50% discount of rents to be applied over the three months following reopening.

In Sweden, Denmark, Czech Republic, Germany and Slovakia, the government created state subsidy programmes focused specifically on supporting retail tenants. In France, the government announced in November a new scheme to help retailers pay rent during the 2021 closure periods. URW helped its tenants access these subsidies whenever possible.

As a result of the negotiations and measures described above, URW recorded a total cash impact from COVID-19-related rent relief of €301 Mn in FY-2021 (vs. €313 Mn in FY-2020) which equated to 1.6 months (1.7 months for FY-2020). €252 Mn of the rent relief granted in 2020 and 2021 has been charged to the income statement in 2021 (€246 Mn for FY-2020). The balance will be straight-lined in future periods.

BANKRUPTCIES

Tenant insolvency procedures have affected 281 stores in the Group's portfolio in FY-2021 (vs. 652 in FY-2020), representing 2.4% of the stores in URW's portfolio (5.2% for full year 2020). The total leasing revenues (including service charges), which remain exposed to tenants currently in some form of bankruptcy procedure amount to €36 Mn[1] over c. 73,000 sqm of retail space. The significant reduction in the level of bankruptcies was seen consistently across the Group's markets.

RENT COLLECTION AND DEFERRED RENT

As at December 31, 2021, 85% of invoiced FY-2021 rents and service charges[2] had been collected in Europe and 90%[3] in the US, representing 86% overall for the Group. Rent collection was impacted in Europe by the various lockdowns in H1-2021 and recovered in Q3 and Q4. The remainder related to lockdown periods was fully covered by rent relief or doubtful debtor provisions.

(1) Group share. Stores still occupying premises at end of December 2021.
(2) It should be noted that the rent collection rate is calculated compared to 100% of rents and service charges invoiced, reflecting no adjustment for deferred or discounted rent in the denominator.
(3) Rents invoiced net of adjustments.

As at February 3, 2022, the FY-2021 collection rate had increased to 88%.

Overall rent collection by quarter in 2021 is shown below[(1)]:

	Rent collection (%)				
Region	Q1-2021	Q2-2021	Q3-2021	Q4-2021	2021
Continental Europe	80%	80%	94%	91%	86%
UK	80%	94%	93%	93%	90%
Total Europe	**80%**	**82%**	**94%**	**91%**	**87%**
US	91%	93%	93%	87%	91%
Total URW	**83%**	**85%**	**93%**	**90%**	**88%**

The rent collection for the Q4-2021 is below Q3-2021 levels due to technical delays and retailers which continue to optimise their treasury.

The total accounts receivable[(2)] from retail activities decreased by -€62.4 Mn vs. December 31, 2020. The accounts receivable are net of €94.8 Mn provisions booked in the result for the year (vs. €202.7 Mn in FY-2020), including €97.3 Mn for Shopping Centres only.

COVID-19 IMPACT ON EARNINGS FOR FY-2021

The **Adjusted Recurring Earnings per Share ("AREPS)** decreased from €7.28 per share to €6.91 per share, i.e. -€0.37 per share (-5.2%).

The main driver for earnings evolution was the disposal programme completed in 2020 and 2021, as part of the Group's deleveraging plan for a total amount of -€0.68 per share.

Rebased for the disposals, the AREPS would have increased by +€0.31 per share (+4.7%). This increase is mainly due to deliveries +€0.28 per share and C&E result +€0.15 per share, partly offset by increase in financial expenses -€0.11 per share, while retail operating performance was almost stable.

(1) Based on cash collection as at February 3, 2022, and assets at 100%.
(2) On a proportionate basis, including Shopping Centres, Offices & Others and C&E.

4.1.1.3 BUSINESS REVIEW BY SEGMENT

The Business review by segment presented below has been prepared based on the Group's European perimeter. A separate section contains the US Business review. Unless otherwise indicated, all references are to URW's European operations and relate to the period ended December 31, 2021. As described above, all the Group's operations were significantly affected by the outbreak of COVID-19 pandemic.

EUROPE – SHOPPING CENTRES

Activity

Leasing activity

Leasing activity[1] in 2021 showed a sizeable increase in volume compared to 2020, at a level comparable to 2019, despite the ongoing impact of the COVID-19 crisis. In 2021, URW signed 1,437 leases (vs. 971[2] in 2020 and 1,442 in 2019) on standing assets for €240.9 Mn of MGR (vs. €151.0 Mn in 2020 and €250.5 Mn in 2019). These 1,437 leases include 583 leases (41%) with a maturity below or equal to three years to monitor vacancy (vs. 428 in 2020) without impacting long-term asset values. As operating conditions improved in H2-2021, the proportion of short-term deals decreased from 43% in H1-2021 to 39% in H2-2021.

The MGR uplift on renewals and relettings was -0.5% (+1.7% in 2020) in Continental Europe and -2.2% (+1.6% in 2020) in Europe, driven by the decrease in Germany (-19.3%) and the UK (-7.6%). In the context of a challenging market characterised by conditions more favourable for tenants than landlords at the beginning of the year, the Group has selectively undertaken shorter term leases, to speed up negotiations and to mitigate vacancy until economic conditions improve. As a result, deals longer than 36 months have a MGR uplift of +4.6% for Continental Europe and +2.0% for Europe, while for leases between 12 and 36 months[3] MGR uplifts were more affected at -7.4% for Continental Europe and -9.5% for Europe.

	Lettings / relettings / renewals excluding Pipeline						
				MGR uplift		MGR uplift on deals above three years firm duration	
Region	Number of leases signed	sqm	MGR (€ Mn)	€ Mn	%	€ Mn	%
France	261	95,546	58.6	(0.7)	(1.4%)	0.3	1.3%
Spain	195	40,375	26.2	2.0	8.7%	1.2	8.5%
Southern Europe	**456**	**135,921**	**84.8**	**1.3**	**1.8%**	**1.6**	**3.9%**
Central Europe	285	96,523	37.2	2.1	6.7%	2.9	13.6%
Austria	142	41,362	17.6	(0.2)	(1.1%)	0.8	7.8%
Germany	121	129,051	15.7	(3.2)	(19.3%)	(1.1)	(11.0%)
Central and Eastern Europe	**548**	**266,936**	**70.5**	**(1.3)**	**(2.0%)**	**2.5**	**6.0%**
Nordics	171	55,985	22.4	(0.7)	(3.1%)	0.2	2.9%
The Netherlands	90	33,574	8.8	(0.2)	(3.6%)	(0.0)	(0.6%)
Northern Europe	**261**	**89,558**	**31.2**	**(0.9)**	**(3.2%)**	**0.2**	**1.8%**
Total Continental Europe	**1,265**	**492,415**	**186.6**	**(0.9)**	**(0.5%)**	**4.3**	**4.6%**
UK	172	72,908	54.3	(3.9)	(7.6%)	(1.5)	(3.7%)
Total Europe	**1,437**	**565,323**	**240.9**	**(4.8)**	**(2.2%)**	**2.8**	**2.0%**

Figures may not add up due to rounding.

Leading retailers continue to show confidence in the value of URW's shopping centres, and the trend remains towards larger and better flagship stores which can provide a full service offering to customers. This was demonstrated in 2021 by the Group signing 71 leases (38 renewals, 33 lettings) with its existing European top 20 tenants.

Notable examples of this in the second half include the key opening of the new Zara in Westfield Les 4 Temps, which represents the largest Zara store in Western Europe (outside of Spain), and the signing of new flagship stores for Sephora at Westfield Mall of Scandinavia and for Nike at Westfield London.

The Group continued to introduce flagship stores of dynamic brands in growing sectors such as Sports (Nike, JD Sports), Automotive, Experiencing and Gaming. Overall and despite the impact of the COVID-19 pandemic, the number of F&B and Entertainment tenants across the Group's European centres was higher as at December 2021 than at December 2019, consistent with strong consumer demand for experiences. A number of important deals were signed in these sectors, including Gamestate (an arcade gaming concept) in Westfield CentrO, Five Guys in Westfield La Part-Dieu, Popeyes (for their first UK store) in Westfield Stratford City, and a multi-site deal with Lobsta in Westfield Les 4 Temps, Westfield Forum des Halles, and Westfield Vélizy 2.

The Group also signed 47 leases in 2021 with "DNVB" tenants (Digitally Native Vertical Brands). For example, Chiquelle, a well-known Swedish e-commerce brand, opened its first physical store in Westfield Mall of Scandinavia. In addition, Amazon 4-star opened its first store in a Westfield centre outside of the US at Westfield London, while Xiaomi opened its first store in Vienna in Westfield Donau Zentrum.

(1) Leasing activity includes only deals with maturity >= 12 months, consistently with prior periods.
(2) Including 12 deals for the five French assets sold in H1-2020.
(3) Usual 3/6/9 leases in France are included in the short-term leases.

Commercial Partnerships

Despite an ongoing impact from the COVID-19 crisis, the Commercial Partnerships ("CP") activity in Europe amounted to €37.1 Mn, recording a +22% recovery compared to FY-2020, albeit remaining below 2019 levels (-18%).

As a first ever in the industry, URW successfully launched its global livestreaming platform live.westfield.com in partnership with Lady Gaga to premiere her new album, "Love For Sale".

As a result, more than 600,000 fans were connected live, online and in 21 in-mall fanzones over the world, generating 200 million social impressions in the month leading to the event and 1.6 Mn views over two weeks on the concert video replay.

Key developments during FY-2021 include:

Media[(1)]**:** Retail, beauty, tech and FMCG categories continued to be very dynamic and to drive spend. The Group continued the roll-out of programmatic "Drive to Store" technology in the UK, France and Spain, and launched new media products including the market-first 3D ("Deepscreen") technology on large format screens in the UK, Sweden, The Netherlands and France. Trend towards experiential media continues, with brands investing in special builds and interactive DOOH campaigns.

Retail[(2)]**:** The core demand for kiosks remained strong, with a higher quality tenant mix, such as Google which opened a pop-up store in Westfield La Maquinista.

Brand Experience[(3)]**:** Brand Experience saw a strong recovery in H2-2021, in particular thanks to Beauty with pan European activations from Dior (Czech Republic, Poland, UK, Nordics) and Paco Rabanne (France, UK, Poland, Czech Republic) and long-term brand partnerships signed with Afterpay in the US, and Clearpay and Disney in the UK with plans to extend into Europe in 2022.

Marketing & Communication

The Group maintained and further enhanced its online activities throughout the year.

The Group's CRM database at the end of the period stood at 17.9 million (vs. 14.7 million), of which 9.5 million are loyalty members (vs. 10.8 million, as a result of records deleted due to the evolution of the legal framework for data retention). The Group's apps have been downloaded 3.1 million times and URW has 9.8 million followers on social media (vs. 7.6 million).

An additional six assets in four European markets were branded as Westfield destinations in September 2021. The new branded centres are La Part-Dieu in Lyon, La Maquinista and Glories in Barcelona, Donau Zentrum and Shopping City Süd in Vienna and CentrO in Oberhausen. At December 2021, 19 Flagship shopping centres in Europe are branded as Westfield, attracting both established retailers and emerging brands in a rapidly evolving retail, lifestyle and entertainment environment, providing opportunities to leverage significant consumer audiences for multiplatform marketing and commercial activities.

Innovation

In 2021, the Group developed and tested new innovative omnichannel services for visitors and retailers such as La Station@Westfield at Westfield Vélizy 2 in France (an automated delivery hub opened 24/7 developed with FM Logistic) and several initiatives in F&B in the US such as a pilot in Westfield Valley Fair with Kitchen United and an investment in Servy with deployment in the major airports operated by the Group.

URW Link further intensified relationships with promising start-ups:

- Following deployment in Europe in 2020, the partnership with "Too Good to Go" was launched in the US. Overall, more than 242,000 meals were saved in 2021 in URW assets across Europe and the US. URW re-invested twice in "Too Good to Go" in 2021 to contribute to its launch in the US;
- Two solutions to encourage second-hand shopping were tested: "CrushOn" in Westfield Les 4 Temps and "The Second Life" in Westfield Forum des Halles, with promising results.

URW also continued its partnership with blisce/, a tier-1 Venture Capital growth fund backing innovative & mission-driven direct-to-consumer tech companies.

(1) Includes large format Digital Screens, Digital Totems, and Non-digital communication.
(2) Includes temporary Kiosks, Seasonal Markets, Pop-ups, and Car Services.
(3) Includes Experiential, Brand Partnerships, Event Sponsorship.

Net Rental Income

Total consolidated Net Rental Income ("NRI") was €1,052.4 Mn for Continental Europe (-9.1%) and €1,153.5 Mn for Europe (-6.7%), as a result of negative like-for-like evolution, as well as the disposals completed in 2020 and in 2021.

In 2021, the NRI was mainly impacted by vacancy and downlifts on renewals and relettings, in particular on short-term deals while doubtful debtors provisions (+€14.6 Mn) and the rent relief granted or expected to be granted for 2021 (+€4.8 Mn) were slightly lower than in 2020.

	Net Rental Income (€Mn)		
Region	2021	2020	%
France	417.2	491.7	(15.2%)
Spain	126.2	124.8	1.1%
Southern Europe	**543.4**	**616.5**	**(11.9%)**
Central Europe	161.5	191.1	(15.5%)
Austria	88.3	86.1	2.5%
Germany	91.2	114.1	(20.0%)
Central and Eastern Europe	**341.0**	**391.3**	**(12.9%)**
Nordics	107.3	100.8	6.5%
The Netherlands	60.6	49.6	22.2%
Northern Europe	**167.9**	**150.3**	**11.7%**
Total NRI - Continental Europe	**1,052.4**	**1,158.2**	**(9.1%)**
UK	101.1	78.0	29.6%
Total NRI - Europe	**1,153.5**	**1,236.2**	**(6.7%)**

Figures may not add up due to rounding.

The total net change in NRI amounted to -€82.7 Mn in Europe (including -€105.8 Mn in Continental Europe) and breaks down as follows:

- +€13.1 Mn due to deliveries with positive impact of Westfield Mall of the Netherlands and Fashion Pavilion in Westfield La Maquinista, partly offset by Westfield La Part-Dieu;
- +€6.4 Mn due to positive currency effects (GBP and SEK);
- +€3.4 Mn due to exceptional and other items;
- -€2.6 Mn due to assets moved to the pipeline, primarily in France (mainly projects in Westfield Les 4 Temps and Westfield Forum des Halles), the UK, Spain and Austria;
- -€47.8 Mn due to disposals of assets, mainly in France (five shopping centres in H1-2020 and Bobigny 2) and the disposal of a 60% stake in Aupark in May 2021; and
- -€55.2 Mn of like-for-like NRI growth in Europe (-5.1% vs. -22.3% in 2020) (-€75.0 Mn in Continental Europe (-7.5% vs. -19.1% in 2020)).

	Net Rental Income (€Mn) Like-for-like			Net Rental Income Like-for-like without COVID-19 accounting treatment[(a)]
Region	2021	2020	%	%
France	346.8	376.6	(7.9%)	(6.3%)
Spain	112.9	113.8	(0.7%)	8.3%
Southern Europe	**459.8**	**490.4**	**(6.2%)**	**(3.1%)**
Central Europe	146.7	170.3	(13.9%)	(5.9%)
Austria	85.2	86.1	(1.1%)	(1.1%)
Germany	91.2	114.1	(20.0%)	(18.3%)
Central and Eastern Europe	**323.2**	**370.5**	**(12.8%)**	**(8.6%)**
Nordics	103.0	99.6	3.5%	3.5%
The Netherlands	39.6	40.1	(1.2%)	(1.1%)
Northern Europe	**142.7**	**139.7**	**2.1%**	**2.1%**
Total NRI Lfl - Continental Europe	**925.6**	**1,000.6**	**(7.5%)**	**(4.3%)**
UK	95.0	75.2	26.4%	27.0%
Total NRI Lfl - Europe	**1,020.6**	**1,075.8**	**(5.1%)**	**(2.1%)**

Figures may not add up due to rounding.
(a) Excluding reversals, straightlining and write-off accruals related to COVID-19 rent relief.

Like-for-like NRI based on cash rent relief and excluding accounting reversals and straightlining impacts was -4.3% for Continental Europe and -2.1% for Europe.

	Net Rental Income Like-for-like evolution (%)					
Region	Indexation	Renewals, relettings net of departures	COVID-19 rent discounts	Doubtful debtors	Other	Total
France	0.5%	(4.3%)	(1.8%)	3.4%	(5.6%)	(7.9%)
Spain	(0.1%)	(2.9%)	(2.2%)	4.3%	0.2%	(0.7%)
Southern Europe	**0.3%**	**(4.0%)**	**(1.9%)**	**3.6%**	**(4.3%)**	**(6.2%)**
Central Europe	1.2%	(3.3%)	(1.0%)	3.0%	(13.8%)	(13.9%)
Austria	1.8%	(7.4%)	8.0%	(1.0%)	(2.5%)	(1.1%)
Germany	0.8%	(7.9%)	(4.9%)	(8.3%)	0.3%	(20.0%)
Central and Eastern Europe	**1.2%**	**(5.7%)**	**(0.1%)**	**(1.4%)**	**(6.8%)**	**(12.8%)**
Nordics	0.5%	(3.6%)	4.7%	2.6%	(0.8%)	3.5%
The Netherlands	1.3%	(9.2%)	5.4%	(0.9%)	2.1%	(1.2%)
Northern Europe	**0.7%**	**(5.2%)**	**4.9%**	**1.6%**	**0.1%**	**2.1%**
Total NRI Lfl - Continental Europe	**0.7%**	**(4.8%)**	**(0.3%)**	**1.5%**	**(4.6%)**	**(7.5%)**
UK	0.0%	(21.4%)	14.4%	12.7%	20.7%	26.4%
Total NRI Lfl - Europe	**0.7%**	**(5.9%)**	**0.7%**	**2.2%**	**(2.8%)**	**(5.1%)**

Figures may not add up due to rounding.

Like-for-like NRI decreased by -7.5% (-19.1% in 2020) in Continental Europe, and includes:

- +0.7% of indexation (+1.3% in 2020);
- -4.8% of “Renewals and relettings net of departures” (-1.2% in 2020), as a result of increased vacancy and negative reversion on relettings and renewals on short-term deals;
- -0.3% due to rent relief granted to tenants in all regions due to COVID-19 (-11.6% in 2020). The COVID-19 rent discounts impact was overall stable compared to 2020 with differences between countries, depending on local restrictions (positive impact in Austria and Northern Europe, and a remaining negative impact in Germany and Southern Europe). The P&L impact of rent relief in 2021 for the like-for-like perimeter of Continental Europe was -€3.0 Mn (including straightlining impact) vs. -€146.6 Mn in 2020;
- +1.5% due to the provisions for doubtful debtors (vs. -3.5% in 2020), reflecting the improvement of cash collection during 2021 and a decrease in the number of bankruptcies in several countries; and
- -4.6% in “Other” (vs. -4.2% in 2020), mainly due to lower key money in France, Write-off of accruals related to COVID-19 rent relief with counterpart in Poland, lower recharge of service charges due to vacancy, partly offset by higher variable revenues (in particular parking and Commercial Partnerships).

In the UK, like-for-like NRI increased by +26.4% (vs. -49.3% in 2020), mainly driven by lower rent relief agreed or estimated in 2021 (+14.4%), significant reversals in doubtful debtors (+12.7%) with a better collection rate and lower bankruptcies, as well as an initial recovery in parking revenues and SBR, and an insurance claim covering losses of revenues in “Other” (+20.7%, including +5.6% related to SBR and +9.0% related to the insurance claim), partially offset by a negative impact of renewals and relettings (-21.4%) impacted by CVAs, administrations and higher vacancy. Excluding the insurance claim covering loss of revenue, the like-for-like NRI growth in the UK was +17.4%.

Vacancy

The Estimated Rental Value ("ERV") of vacant space in operation in the portfolio was €65.8 Mn in Continental Europe (€79.3 Mn as at December 31, 2020) and €96.4 Mn in Europe (€108.5 Mn as at December 31, 2020), a decrease reflecting the positive impact of leasing actions during 2021.

The EPRA vacancy rate[1] in Continental Europe was 4.0% and 10.6% in the UK (mainly due to Westfield London). These levels are below vacancy as at December 31, 2020, for Continental Europe (4.9%) in all countries and below June 30, 2021 level (5.0%), confirming the positive trend reported as at September 30, 2021. The vacancy rate in the UK increased from 9.7% as at December 31, 2020, to 12.2% as at June 30, 2021, due to the bankruptcies suffered and retailers remaining closed after the various lockdowns in the UK, but decreased to 10.6% as at December 31, 2021, thanks to leasing activity, including short-term deals signed. Overall for Europe, the vacancy was 4.9%, below the December 31, 2020 level of 5.6%.

	Vacancy			
	Dec. 31, 2021		June 30, 2021	Dec. 31, 2020
Region	€Mn	%	%	%
France	23.9	3.6%	3.6%	3.7%
Spain	7.1	3.6%	6.0%	4.4%
Southern Europe	**30.9**	**3.6%**	**4.2%**	**3.9%**
Central Europe	7.3	3.0%	5.6%	5.5%
Austria	0.7	0.7%	1.6%	2.6%
Germany	9.6	4.6%	6.6%	5.2%
Central and Eastern Europe	**17.7**	**3.1%**	**5.2%**	**4.8%**
Nordics	10.3	7.4%	8.0%	9.3%
The Netherlands	6.9	6.7%	8.0%	9.7%
Northern Europe	**17.2**	**7.1%**	**8.0%**	**9.4%**
Total - Continental Europe	**65.8**	**4.0%**	**5.0%**	**4.9%**
UK	30.6	10.6%	12.2%	9.7%
Total - Europe	**96.4**	**4.9%**	**6.1%**	**5.6%**

Excluding pipeline.
Figures may not add up due to rounding.

Lease Expiry Schedule

	Lease expiry schedule			
Europe (Shopping Centres)	MGR (€Mn) at date of next break option	As a % of total	MGR (€Mn) at expiry date	As a % of total
Expired	46.0	3.3%	46.0	3.3%
2022	215.3	15.4%	129.3	9.2%
2023	305.0	21.8%	142.8	10.2%
2024	225.9	16.2%	121.2	8.7%
2025	203.7	14.6%	149.7	10.7%
2026	141.7	10.1%	126.4	9.0%
2027	84.6	6.1%	112.6	8.1%
2028	37.3	2.7%	93.4	6.7%
2029	19.4	1.4%	87.9	6.3%
2030	23.2	1.7%	99.0	7.1%
2031	27.4	2.0%	91.1	6.5%
2032	18.0	1.3%	33.6	2.4%
Beyond	50.4	3.6%	165.1	11.8%
Total	**1,398.0**	**100%**	**1,398.0**	**100%**

Figures may not add up due to rounding.

(1) EPRA vacancy rate: ERV of vacant spaces divided by ERV of total surfaces.

EUROPE - OFFICES & OTHERS

Office property market as at December 31, 2021[1]

Take-up

Take-up in the Paris region in 2021 amounted to 1.85 million sqm, an increase of +32% compared to 2020 (1.40 million sqm), albeit still -18% below the ten-year average (2.27 million sqm).

All sub-regions saw a similar trend, except (i) Peri-Défense and Inner Rim South where the take-up is below 2020 levels; and (ii) Paris CBD and La Défense where the take-up is above the ten-year average. Indeed, in the context of remote working, companies are targeting modern and efficient office space in key business districts, as strategic locations to attract and retain talent, albeit on reduced footprints.

Available area & vacancy rate

The immediate supply in the Paris region increased by +10% year-on-year to almost 4 million sqm. At the end of 2021, the level of new or refurbished supply reached 1,091,000 sqm, which represents 27% of the overall supply (vs. 24% at the end of 2020).

The Paris region vacancy rate increased from 6.7% at the end of 2020 to 7.4% at the end of 2021, with significant discrepancies between areas (e.g. the Paris CBD vacancy rate decreased from 3.6% to 3.1%, while La Défense increased from 11.3% to 14.2% and Peri-Défense from 17.9% to 19.0%).

Rental values

The market showed an increasing differentiation in terms of rental levels based on the quality of location and of the assets. The prime rent in the CBD slightly increased in 2021 and stands at €930/sqm/year. In La Défense, the highest rent reached €600/sqm/year at URW's Trinity tower with tenant incentives in line with market practice, the highest face rent level in 20 years, while the increase of immediate and future supply is putting pressure on rental values for non-prime, second-hand and refurbished buildings.

Rent incentives reached 30% in La Défense (vs. 27% in 2020) and 17% in Paris CBD (vs. 13% in 2020).

Activity

Consolidated NRI amounted to €53.4 Mn, a -28.1% decrease due primarily to the impact of the 2020 and 2021 disposals.

	Net Rental Income (€Mn)		
Region	2021	2020	%
France	34.9	56.0	(37.7%)
Nordics	9.9	10.2	(2.7%)
Other countries	8.6	8.1	5.7%
Total NRI	**53.4**	**74.3**	**(28.1%)**

Figures may not add up due to rounding.

The decrease of -€20.9 Mn breaks down as follows:

- -€23.6 Mn due to the impact of the disposal of SHiFT, Les Villages 3, 4 & 6 and Le Blériot;
- +€0.6 Mn resulting mainly from assets in the pipeline (mostly due to Gaîté Parking);
- +€0.4 Mn mainly due to Pullman Montparnasse;
- +€0.3 Mn due to currency effects of SEK; and
- The like-for-like NRI growth was +€1.4 Mn (+3.3%), mainly thanks to leasing in Versailles Chantiers and CNIT performance.

	Net Rental Income (€Mn) Like-for-like		
Region	2021	2020	%
France	26.3	25.7	2.4%
Nordics	8.9	8.4	5.7%
Other countries	8.5	8.2	3.4%
Total NRI Lfl	**43.7**	**42.3**	**3.3%**

Figures may not add up due to rounding.

In France, 99% of 2021 rents billed were collected.

47,044 weighted square metres ("wsqm") were leased in standing assets, including 35,477 wsqm in France and 8,612 wsqm in the Nordics.

The ERV of vacant office space in operation amounted to €16.9 Mn, representing an EPRA vacancy rate of 19.8% (27.2% as at December 31, 2020), of which €14.6 Mn or 21.7% (30.6% as at December 31, 2020) in France, thanks to Trinity leasing progress. In particular, leases were signed in 2021 with Sopra Steria, Technip, Altitude, Welkin & Meraki (a premium flexible office space player), Mylan, HDI and Mersen on Trinity, which is currently 63.5% let (with an average rent of c. €560/sqm[2]).

(1) Sources: Immostat; BNP Paribas Real Estate.
(2) Lease incentives in line with typical incentives given in La Défense.

Lease Expiry Schedule

	Lease expiry schedule			
Europe (Offices & Others)	MGR (€Mn) at date of next break option	As a % of total	MGR (€Mn) at expiry date	As a % of total
Expired	0.6	0.8%	0.6	0.8%
2022	11.2	15.8%	6.1	8.7%
2023	6.0	8.6%	5.3	7.5%
2024	8.2	11.6%	1.6	2.2%
2025	15.5	21.9%	11.6	16.4%
2026	2.6	3.7%	2.1	3.0%
2027	0.9	1.2%	11.8	16.6%
2028	5.3	7.5%	5.0	7.1%
2029	1.7	2.5%	2.5	3.5%
2030	5.6	7.9%	7.3	10.3%
2031	10.7	15.2%	10.7	15.1%
2032	0.2	0.2%	0.8	1.2%
Beyond	2.2	3.1%	5.3	7.5%
Total	**70.6**	**100%**	**70.6**	**100%**

Figures may not add up due to rounding.

CONVENTION & EXHIBITION

The year 2021 was considerably impacted by COVID-19, with a ban on all events until May 19, 2021 (except for exams and private sales) and capacity restrictions applying until end of June.

From June 30, all events were allowed with no capacity constraints, however a negative COVID-19 test or proof of vaccination remains required for attendees at all events.

In response to the challenges, Viparis maintained strong cost-saving measures in 2021, including instituting "partial activity" for its employees, reducing operating and administrative costs, renegotiating ground rents with its landlords and reducing or delaying all non-essential capital expenditures.

In total, 349 events were held in Viparis venues through December 31, of which 107 exhibitions, 44 congresses and 198 corporate events compared to the 236 and 705 events held respectively in 2020 and 2019. For the second half of 2021, Viparis hosted 278 events (o/w 102 exhibitions, 39 congresses and 137 corporate events) vs. 294 events at the same period in 2019 (o/w 104 exhibitions, 42 congresses and 148 corporate events).

Despite international travel restrictions and after nearly 15 months of closure, the recovery in 2021 showed that large exhibitions and congresses are essential for business (B2B events) and continue to attract customers (B2C events).

In particular, H2-2021 saw the following major events held:

- The "Congrès de la Société de Réanimation de Langue Française" (SRLF) at Palais des Congrès de Paris with 2,500 attendees (vs. 3,120 in 2019);
- SILMO Paris, the international show for optical professionals at Paris Nord Villepinte with 500 exhibitors mainly from Europe (due to Asian travel restrictions) and 19,000 attendees (vs. 36,000 in 2019) (o/w 37% international vs. 56% in 2019);
- The 20th edition of Salon des Maires et Collectivités Locales at Porte de Versailles with 45,300 attendees (vs. 48,000 in 2019) and 945 exhibitors (743 exhibitors in 2019);
- The 14th edition of Foire d'Automne attracted 74,000 visitors (+30% vs. previous edition in 2019); and
- ADF congress, the key European congress for dental surgery with more than 25,000 attendees (27,000 in 2019) and 350 exhibitors (373 in 2019).

As at December 31, 2021, signed and pre-booked events in Viparis venues for 2022 amounted to c. 89% of its expected 2022 rental income, in line with previous years, and 81% of 2018 pre-bookings level for the year.

Viparis' recurring Net Operating Income ("NOI") amounted to €55.2 Mn compared to €12.1 Mn in FY-2020 and €156.9 Mn in FY-2019. The decrease compared to FY-2019 is directly attributable to the impact of COVID-19.

US BUSINESS REVIEW

Leasing activity

In the period ended December 31, 2021, 962 leases were signed on standing assets, representing 4,074,775 sq. ft. and $130.3 Mn of MGR compared to 532 leases in FY-2020.

The uplift on relettings and renewals was -11.0%. In the context of a challenging market characterised by conditions more favourable for tenants than landlords at the beginning of the year, the Group has selectively undertaken shorter term leases including a higher SBR component, to speed up negotiations and to mitigate vacancy until economic conditions improve. As a result, deals longer than 36 months have a MGR uplift of +1.0%, while for leases between 12 and 36 months MGR uplifts were more affected at -17.8%. The Shopping Centres SBR increased from $20.6 Mn in 2019 (2.8% of NRI) to $59.3 Mn in 2021 (10.5% of NRI), of which $15.4 Mn is related to renewals, relettings and full SBR deals signed in 2021. On an annualised basis, these deals are expected to generate $25.7 Mn of SBR, compensating almost fully the $26.1 Mn of MGR reduction on those deals.

As market conditions improved, the proportion of short-term deals decreased in the course of the year, representing 72% of H1 deals vs. 56% of H2 deals, and 65% for the full year.

The letting pipeline on standing assets has a solid level of activity with 228 deals approved[1], broadly consistent with the 2019 level.

The tenant mix continued to evolve with the introduction of new retailers and a number of important deals signed with DNVBs, including Razer, in Westfield Century City, Westfield Garden State Plaza, and Westfield UTC, Peloton in Westfield Garden State Plaza, Westfield Topanga, Westfield Galleria at Roseville, and Westfield Old Orchard, Rhone in Westfield Century City, Allbirds in Westfield Century City and Westfield Garden State Plaza, and Knix in Westfield UTC.

With the US market recovery running ahead of Europe (due to an earlier removal of restrictions), strong demand was seen in Entertainment and F&B. Key signings in these sectors included The Escape Game in Westfield Century City, CAMP in Westfield Century City, Bowlero in Westfield Valley Fair, and a multi-site F&B deal with SBE featuring multiple brands and centres, for seven stores in total, including Krispy Rice in Westfield Santa Anita, Westfield Galleria at Roseville and Westfield UTC.

Reflecting the strong growth in the Luxury sector, the Group also made a number of important signings in this space, including Gucci, in Westfield Garden State Plaza, Westfield Topanga, and Westfield Galleria at Roseville, Marc Jacobs in Westfield Valley Fair, and Louis Vuitton in Westfield UTC. The arrival of Gucci at Westfield Galleria at Roseville in particular anchors this centre as the key luxury destination in Sacramento.

In addition, a number of key stores were opened during this period, including Chanel Fragrance & Beauty in Westfield Valley Fair, Ferragamo in Westfield Topanga, JD Sports in Westfield Valley Fair and Westfield North County, and Sweetgreen in Westfield World Trade Center.

Commercial Partnerships and Marketing

Commercial Partnerships revenue in FY-2021 amounted to $46.2 Mn, an increase of +$6.1 Mn (+15%) from FY-2020 albeit behind 2019 (-$34.7 Mn (-43%)) due to the continuing impact of COVID-19, particularly in New York.

Commercial Partnerships activity resumed in 2021 and was strong in H2, after a beginning of the year still impacted by COVID-19. In H2-2021, a number of prime product launches were organised by prime brands such as cars, fashion, and luxury brands, including Infinity and IWC. Leading brands also organised events in URW centres such as H&M and Heineken, with a beer garden in The Oculus. A Netflix Army of The Dead pop-up experience was also organised in Westfield Century City and Westfield Garden State Plaza.

Airports

Airport activity continued to be impacted by COVID-19 but showed an improvement vs. 2020. Enplanements and sales accelerated in H2 with significantly more strength in Domestic traffic than International. 2021 enplanements were +85% (+104% Domestic, +29% International) vs. 2020 and -35% (-18% Domestic, -68% International) vs. 2019.

(1) Subject to signed LOI or terms agreed.

Net Rental Income and Vacancy

The total net change in NRI amounted to +$33.6 Mn and breaks down as follows:

- +$38.5 Mn related to shopping centres and airports; and
- -$4.9 Mn related to offices and residential.

Excluding airports, the like-for-like NRI increased by +$44.3 Mn, i.e. +12.7%. Like-for-like NRI Shopping Centres was mainly driven by lower doubtful debtors thanks to better collection, higher SBR, parking income and commercial partnerships, partly offset by vacancy and downlifts in particular on short-term deals.

NRI Airports decreased by -$33.0 Mn, impacted by tenants' abatements in H2-2021 recognised in full, while abatements received from the airport authorities were recognised in the financial lease over the firm duration of the concession.

Converted into euros, the +$33.6 Mn, i.e. +6.2% NRI increase in the US represented +€12.2 Mn i.e. +2.6% due to the strengthening of the euro against US Dollar over the period.

As at December 31, 2021, the Financial vacancy(1) was 11.0% ($133.0 Mn), down by -210 bps from December 31, 2020 (13.1%, i.e. $162.1 Mn), of which 10.9% (-160 bps) in Flagships (negatively impacted by Westfield World Trade Center and Westfield San Francisco Centre, 9.3% excluding these two centres) and 11.3% (-300 bps) in Regionals. The decrease in vacancy was driven by the proactive leasing approach of the Group.

Occupancy on a Gross Lettable Area ("GLA")(2) basis was 90.5% as at December 31, 2021 (up by +100 bps from December 31, 2020).

Lease Expiry Schedule

	Lease expiry schedule			
US (Shopping Centres + Offices & Others)	MGR (€Mn) at date of next break option	As a % of total	MGR (€Mn) at expiry date	As a % of total
Expired	3.7	0.7%	3.7	0.7%
2022	14.6	2.8%	14.6	2.8%
2023	69.4	13.2%	69.4	13.2%
2024	54.6	10.4%	54.6	10.4%
2025	57.9	11.0%	57.9	11.0%
2026	54.3	10.4%	54.3	10.4%
2027	53.4	10.2%	53.4	10.2%
2028	50.5	9.6%	50.5	9.6%
2029	60.9	11.6%	60.9	11.6%
2030	33.1	6.3%	33.1	6.3%
2031	25.3	4.8%	25.3	4.8%
2032	23.4	4.5%	23.4	4.5%
Beyond	23.9	4.5%	23.9	4.5%
Total	**524.9**	**100%**	**524.9**	**100%**

Figures may not add up due to rounding.

(1) Financial vacancy in accordance with the EPRA methodology.
(2) GLA occupancy taking into account all areas, consistent with financial vacancy.

4.1.1.4 CORPORATE SOCIAL RESPONSIBILITY ("CSR")

In 2021, the Group delivered another major set of results on its industry-leading CSR commitments – the *Better Places 2030* programme – and reinforces the level of CSR integration in its activities. URW pursues its strong emphasis on its *Better Places 2030* strategy with tangible implementation of projects around each of its three pillars:

- Better Spaces
  - The Group has joined the Net Zero Initiative ("NZI") to develop a framework for collective carbon neutrality, and URW's commitments for biodiversity have been recognised by the Act4nature international multi-stakeholders steering committee;
  - The Group pursued the roll-out of energy management tools across US and European assets to further optimise energy consumption and the delivery of outstanding renewable energy projects such as Westfield Shopping City Süd where the largest photovoltaic system on the roof of a shopping centre in Europe is under construction;
  - The Group's shopping centres have now more than 1,000 parking spaces equipped with electric vehicle chargers, including fast chargers.
- Better Communities
  - In the context of the COVID-19 pandemic, URW pursued its massive effort to support communities by providing space for vaccination centres. As at year-end, 1.5 million vaccinations have been administered at URW assets;
  - Beyond the pandemic, URW actively integrated responsible consumption alternatives during the year by welcoming new second-hand stores (e.g., Beyond Retro in the UK and Sweden), sustainable and/or inclusive brands such as Allbirds, Reformation (US) or the announced opening of Café Joyeux (coffee shops which train and employ learning-disabled people) in Westfield Parly 2;
  - The Group also provided consumers with sustainable solutions through its partnership with Too Good To Go (over 242,000 meals saved during the year) as well as solutions to collect pre-used fashion such as The Second Life in Westfield Forum des Halles in France.
- Better Together
  - The URW Diversity and Inclusion ("D&I") framework of Be You at URW has been further embedded with the signature of the 'Be You at URW Charter' by all MB and EC members, including a commitment for 40% or more of leadership positions occupied by women by 2025 (34% in 2021 from 32% in 2020);
  - To drive change internally, the Group continued to deliver active training programmes covering topics such as climate change (including dedicated training for EC members), forced labour in the supply chain or 'unconscious bias';
  - Wellbeing webinars continued to be delivered and offered to all employees and the Group conducted a new Employee Pulse Survey to help shape effective plans for an even better working culture going forward.

This year again, the Group's ambitious CSR agenda was recognised by equity and debt investors as a value creation driver for its stakeholders. In 2021, URW inclusion in the main ESG indices was confirmed and the Group's CSR achievements were registered in ratings and awards, including:

- **CDP:** the Group renewed its position in the A-list of organisations committed to tackling climate change for the 4th year in a row;
- **MSCI ESG:** confirmed AAA rating;
- **ISS ESG Corporate:** retained B rating (prime status);
- **Sustainalytics:** URW ranked 1st in the RE industry worldwide by Sustainalytics with a "Negligible" risk rating;
- **EPRA sBPR Award:** For the 10th time in a row, URW received the EPRA Gold Award in 2021 for completing its 2020 reporting in accordance with the EPRA Sustainability BPR.

These recognitions are the proof that URW maintained a high engagement level and performance on CSR throughout the COVID-19 crisis.

For more information on Better Places 2030 and detailed 2021 CSR performance, please refer to Chapter 2.

4.1.1.5 2021 RESULTS

The results of the Group presented below are based on the Consolidated income statement in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis instead of being accounted for using the equity method under IFRS. The Group has structured its internal operational and financial reporting according to this proportionate format.

Unless otherwise indicated, all references below relate to the period ended December 31, 2021, and the comparisons relate to the same period in 2020.

Gross Rental Income

The Gross Rental Income ("GRI") amounted to €2,346.3 Mn (€2,451.7 Mn), a decrease of -4.3%. This decrease resulted mainly from rental downlifts and higher vacancy in connection with the COVID-19 crisis and the impact of disposals in the course of 2020 and 2021.

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Region	Gross Rental Income (€Mn) 2021	2020	%
France	481.9	566.5	(14.9%)
Spain	145.3	146.6	(0.9%)
Southern Europe	**627.2**	**713.0**	**(12.0%)**
Central Europe	191.2	203.9	(6.2%)
Austria	112.3	97.0	15.8%
Germany	116.0	131.6	(11.9%)
Central and Eastern Europe	**419.5**	**432.5**	**(3.0%)**
Nordics	121.2	115.8	4.6%
The Netherlands	79.9	63.6	25.7%
Northern Europe	**201.1**	**179.4**	**12.1%**
Subtotal Continental Europe - Shopping Centres	**1,247.8**	**1,325.0**	**(5.8%)**
UK	169.2	141.7	19.4%
Subtotal Europe - Shopping Centres	**1,417.0**	**1,466.7**	**(3.4%)**
Offices & Others	59.5	83.7	(29.0%)
C&E	96.8	81.0	19.5%
Subtotal Europe	**1,573.3**	**1,631.4**	**(3.6%)**
US - Shopping Centres	759.0	801.6	(5.3%)
US - Offices & Others	14.0	18.8	(25.6%)
Subtotal US	**773.0**	**820.4**	**(5.8%)**
Total URW	**2,346.3**	**2,451.7**	**(4.3%)**

Figures may not add up due to rounding.

Net Rental Income

Total NRI amounted to €1,724.2 Mn (€1,790.2 Mn), a decrease of -3.7%.

Region	Net Rental Income (€Mn) 2021	2020	%
France	417.2	491.7	(15.2%)
Spain	126.2	124.8	1.1%
Southern Europe	**543.4**	**616.5**	**(11.9%)**
Central Europe	161.5	191.1	(15.5%)
Austria	88.3	86.1	2.5%
Germany	91.2	114.1	(20.0%)
Central and Eastern Europe	**341.0**	**391.3**	**(12.9%)**
Nordics	107.3	100.8	6.5%
The Netherlands	60.6	49.6	22.2%
Northern Europe	**167.9**	**150.3**	**11.7%**
Subtotal Continental Europe - Shopping Centres	**1,052.4**	**1,158.2**	**(9.1%)**
UK	101.1	78.0	29.6%
Subtotal Europe - Shopping Centres	**1,153.5**	**1,236.2**	**(6.7%)**
Offices & Others	53.4	74.3	(28.1%)
C&E	31.5	6.1	420.3%
Subtotal Europe	**1,238.4**	**1,316.6**	**(5.9%)**
US - Shopping Centres	479.0	462.5	3.6%
US - Offices & Others	6.7	11.2	(40.1%)
Subtotal US	**485.7**	**473.6**	**2.6%**
Total URW	**1,724.2**	**1,790.2**	**(3.7%)**

Figures may not add up due to rounding.

Net property development and project management income was €36.8 Mn (€34.8 Mn), as a result of URW's Design, Development & Construction ("DD&C") activity in the US and the UK. The increase is mainly attributable to projects progress and deliveries.

Net property services and other activities income from Property Management services in France, the US, the UK, Spain and Germany was +€27.7 Mn (+€3.6 Mn), including +€23.7 Mn of on-site property services in Viparis and +€22.7 Mn of Property Management services related to shopping centres, partly offset by the amortisation of Viparis assets for -€18.7 Mn. The increase of +€24.1 Mn resulted mainly from Viparis and Property Management services in 2021 vs. 2020. However, these activities continued to be impacted by COVID-19.

Contribution of companies accounted for using the equity method[1] amounted to +€18.9 Mn (-€178.9 Mn), of which -€49.0 Mn for the non-recurring activities, mainly impacted by negative valuation movements (mainly in the US, France and Central Europe). The recurring Contribution of companies accounted for using the equity method was €67.9 Mn (€50.2 Mn), with a positive impact of the contribution of the 45.8% stake in the five shopping centres disposed in May 2020, and a decrease of the contribution of Central Europe due to Zlote Tarasy (impacted by rent relief).

Administrative expenses (including Development expenses) amounted to -€215.9 Mn (-€218.5 Mn), a decrease of +€2.6 Mn due to cost savings and a decrease of expenses, offset by the negative impact of currency and 7 Adenauer sale and leaseback. As a percentage of NRI from shopping centres and offices, administrative expenses were 12.8%, vs. 12.2% in 2020, as a result of the lower NRI partly compensated by cost savings.

The Group launched a number of cost-saving initiatives to generate both short and long-term savings. In addition to the gross administrative expense savings of c. €80 Mn achieved in 2020 (vs. 2019), the Group further reduced in 2021 its gross administrative expenses by €28 Mn, in line with its target. This amount was not reflected in the net administrative expenses due to lower capitalisation of development costs.

Acquisition and other costs amounted to a non-recurring amount of -€8.9 Mn (-€83.4 Mn), mainly due to the re-branding of shopping centres in Continental Europe.

Results on disposal of investment properties were +€210.6 Mn (-€85.7 Mn), reflecting the impact of the disposals of SHiFT, Les Villages 3, 4 and 6, Le Blériot and 7 Adenauer in France (valued at historical cost as at December 2020), Q-Huset office building in Täby and a land plot in Solna in Sweden, a land plot in Osnabrück in Germany, the disposal of a 60% stake in Aupark in Slovakia and the disposal of Palisade residential building at Westfield UTC. The disposal of a 45% stake in Westfield Shopping City Süd in Austria is not reflected in the income statement but directly in the shareholders equity as there is no change of control for this asset.

The gain in the US is due to the sale of Palisade residential and to the foreclosures of Westfield Sarasota, Westfield Citrus Park, Westfield Countryside, Westfield Broward and Westfield Palm Desert net of the derecognition of the mortgage debt financing these assets, generating in total an accounting capital gain.

Valuation movements on assets amounted to -€2,065.8 Mn (-€6,552.4 Mn), of which -€2,003.7 Mn (-€6,493.2 Mn) for investment properties and -€62.0 Mn (-€59.2 Mn) for services.

Main decreases come from the US shopping centres (-€1,049.0 Mn) and the UK (-€364.9 Mn).

For more information, please refer to the section "*Property portfolio and Net Asset Value*".

The -€62.0 Mn of valuation movements in services include the amortisation for the US and UK related to DD&C and property management and airport contracts recognised as intangible assets in the Consolidated statement of financial position. These are amortised over the duration of these contracts.

Impairment of goodwill amounted to -€156.4 Mn[2] in 2021 vs. -€1,620.0 Mn[3] in 2020, including -€145.2 Mn for Central Europe and -€11.2 Mn for Germany.

The value of the goodwill allocated to France Retail and Austria was found justified as at December 31, 2021.

(1) Contribution of companies accounted for using the equity method represents URW's share of the Net recurring result for the period of entities accounted for using the equity method which are not joint-controlled (and therefore not retreated on a proportionate basis) and interest received on loans granted to these entities. This corresponds to five shopping centres and a hotel in France (as of May 30, 2020), Triangle in France, Zlote Tarasy and Gropius Passagen in Europe and to the Blum/Centennial and Starwood Ventures entities in the US.
(2) On a proportionate basis. Under IFRS, the impairment of the goodwill amounted to -€145.9 Mn in 2021. The difference is due to a partial impairment of goodwill of Westfield CentrO.
(3) On a proportionate basis. Under IFRS, the impairment of the goodwill amounted to -€1,596.1 Mn in 2020. The difference is due to a partial impairment of goodwill of Westfield CentrO.

Financing result

Net financing costs (recurring) totalled -€512.3 Mn (after deduction of capitalised financial expenses of €58.4 Mn allocated to projects under construction) (-€486.5 Mn). This increase of -€25.8 Mn includes the impact of measures taken to preserve liquidity during COVID-19 crisis and increased financial costs following the downgrades of URW's rating in 2020 and 2021, as well as the increase in financial leases and in shareholders loans.

URW's average cost of debt for the period was 2.0% (1.7% in 2020). URW's financing policy is described in section "*Financial resources*".

Non-recurring financial result amounted to -€96.9 Mn, mainly due to the mark-to-market of derivatives and exchange rate losses resulting from the revaluation of bank accounts and revaluation of debt issued in foreign currencies, partially offset by the revaluation of preferred shares. URW recognises the change in value of its derivatives directly in the income statement.

Income tax expenses are due to the Group's activities in countries where specific tax regimes for property companies[1] do not exist or are not used by the Group.

The total income tax expenses for 2021 amounted to a credit of +€44.3 Mn. Income tax allocated to the recurring net result amounted to -€14.6 Mn (-€19.7 Mn), mainly due to a tax credit in the US and the continuous impact of COVID-19 resulting in a decrease of taxes due by companies in a regular tax regime. Non-recurring income tax amounted to a credit of +€59.0 Mn (+€313.1 Mn) mainly due to the reversal of deferred tax liabilities as a consequence of the negative valuation movements.

External non-controlling interests amounted to +€19.2 Mn comprising recurring and non-recurring external non-controlling interests. The recurring external non-controlling interests amounted to -€111.0 Mn (-€98.7 Mn) and mainly relate to French shopping centres (-€81.6 Mn, mainly Westfield Les 4 Temps, Westfield Parly 2 and Westfield Forum des Halles), to the stake of the CCIR in Viparis (+€6.0 Mn) and to URW Germany and Ruhr Park (-€20.4 Mn). The non-recurring non-controlling interests amounted to +€130.2 Mn (+€560.8 Mn), due primarily to the impact of negative valuation movements.

Net result for the period attributable to the holders of the Stapled Shares was a loss of -€972.1 Mn (-€7,212.6 Mn). This figure breaks down as follows:

- €1,005.3 Mn of recurring net result (€1,056.6 Mn) (as a result of COVID-19 crisis, increase in vacancy, disposals in 2020 and 2021 and the increase of net financing costs); and
- -€1,977.4 Mn of non-recurring net result[2] (-€8,269.2 Mn) mainly because of negative valuation movements and negative mark-to-market of financial instruments, partially offset by capital gains on disposals.

The Adjusted Recurring Earnings[3] reflect a profit of €957.2 Mn.

The average number of shares outstanding was 138,545,360 (138,437,274). The increase is mainly due to the issuance of performance shares in 2020 and 2021. The number of shares outstanding as at December 31, 2021 was 138,594,416.

EPRA Recurring Earnings per Share ("REPS") came to €7.26 (€7.63), a decrease of -4.9%.

Adjusted Recurring Earnings per Share (AREPS)[3] came to €6.91 (€7.28), a decrease of -5.2% due mainly to the disposals made in 2020 and 2021, as well as the increased cost of debt, partly compensated by deliveries and C&E performance, while the retail operating performance was almost stable. Rebased for the disposals made in 2020 and 2021, the AREPS would have increased by +4.7%.

4.1.1.6 CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows was prepared only in IFRS, not on a proportionate basis.

Unless otherwise indicated, all references below relate to the period ended December 31, 2021, and the comparisons relate to the same period in 2020.

CASH FLOW FROM OPERATING ACTIVITIES

The total cash flow from operating activities increased to +€1,720.6 Mn (+€1,423.1 Mn), reflecting the decrease of NRI due in part to disposals, more than compensated by a positive Change in working capital requirement at +€215.2 Mn (+€1.1 Mn) due to improving cash collection from tenants and higher Dividend income and result from companies accounted for using the equity method or non-consolidated (+€271.2 Mn vs. +€138.5 Mn).

(1) For example, in France: SIIC (Société d'Investissements Immobiliers Cotée); and in the US: REITs.
(2) Include valuation movements, disposals, mark-to-market and termination costs of financial instruments, including bond tender premiums, impairment of goodwill or reversal of negative goodwill and other non-recurring items.
(3) Under IFRS, the Hybrid Securities are accounted for as shareholders' equity. The AREPS are calculated based on the Recurring net result for the period attributable to the holders of the Stapled Shares minus the coupon on the Hybrid Securities (from June 1, 2018).

CASH FLOW FROM INVESTMENT ACTIVITIES

The cash flow from investment activities was +€620.8 Mn (+€81.8 Mn), reflecting a decrease in Amounts paid for works and acquisition of property assets to -€888.9 Mn (-€1,164.3 Mn) and cash flow surplus generated by the Disposal of shares or Disposal of investment properties (+€1,778.3 Mn in total in 2021 vs. +€1,520.0 Mn in 2020).

CASH FLOW FROM FINANCING ACTIVITIES

The net cash outflow from financing activities during the year amounted to -€2,243.2 Mn (+€116.5 Mn) reflecting debt repayment, including early repayment, in excess of new funds raised, due to positive cash flow generation from operating and investment activities while slightly increasing the cash on hand from €2,127.8 Mn to €2,239.7 Mn (including overdrafts).

4.1.1.7 POST-CLOSING EVENTS

Further to the agreement entered into on December 20, 2021, URW completed on February 1, 2022, the sale of Solna Centrum to Alecta Fastigheter for an agreed Total Acquisition Cost of €272 Mn.

On February 7, 2022, the Group also agreed the sale of a 45% stake in Westfield Carré Sénart to Société Générale Assurances and BNP Paribas Cardif for an implied offer price of c. €1.0 Bn (at 100%), in line with the last appraisal value. URW has granted the buyers a rental guarantee of up to €13.5 Mn (at 45%) for a duration of up to three years from closing of the transaction. As part of the transaction, a consortium of banks has underwritten a secured financing package of up to €310 Mn for the joint venture. The IFRS net debt reduction for URW is expected to amount to €280 Mn[1]. URW will continue to control and manage the asset, which will remain fully consolidated. This deal was completed and cashed-in on February 16, 2022.

Upon closing of these transactions, URW has completed €2.5 Bn, i.e. 62% of the previously announced €4.0 Bn European disposal programme, which is expected to be completed by year-end 2022.

4.1.1.8 DIVIDEND

Following last year decision and the confirmed impact of the pandemic on the Group's 2021 results as well as the Group's commitment to deleverage, the Group suspends the payment of a dividend for its fiscal years 2021 and 2022.

Once the Group has completed its deleveraging programme, it will resume paying a dividend (at a significant and sustainable payout ratio), which will grow in line with the performance of its reshaped portfolio.

Given the statutory results of URW SE in 2021, the Group has no obligation to pay a dividend in 2022 for the fiscal year 2021 under the SIIC regime and other REIT regimes it benefits from. It anticipates not to have such an obligation for the fiscal year 2022 as well. Consequently, URW SE's SIIC distribution obligation, standing at €1,020.8 Mn as at December 31, 2021 (relating to fiscal years 2020 and 2021), will be delayed until URW SE has sufficient statutory results to meet this obligation.

4.1.1.9 OUTLOOK

The positive sales performance upon reopening of the centres, the sustained leasing activity for shopping centres and offices, the vacancy reduction, and the recovery of the C&E activity, demonstrate the appeal of the Group's assets.

Thanks to the improvement in operating environment during the second half of the year and the Group's proactive leasing strategy, URW is well-positioned to capitalise on the continued growth in 2022.

In this context, the Group forecasts its 2022 AREPS to be in the range of €8.20 to €8.40.

The main drivers of this guidance are:

- The impact of project deliveries in 2021 and 2022;
- The impact of like-for-like operations, with, in particular, reduced rent relief, improved rent collection and higher variable income streams;
- Partly offset by the impact of disposals closed in 2021 and 2022;
- The related increase in income tax amount and non-controlling interests; and
- Remaining impact of the crisis on financial expenses due to higher cash position.

In 2022, the rental income will be influenced by the level of tenant sales, due to the proactive short-term leasing strategy the Group has adopted, and the time lag in vacancy reduction. The C&E NOI is not expected to reach pre-COVID levels in 2022.

This guidance is premised on the Group's current expectation of no reintroduction of major COVID-19 related restrictions impacting the Group's operations during the year.

As operating conditions are expected to continue to improve as of 2022 and beyond, and subject to no substantial deterioration of the macro-economic and geo-strategic environment, URW is well positioned to resume its growth trajectory.

For information purposes, at this stage, with regard to the armed conflict in Ukraine, URW would like to point out that it operates neither in Ukraine nor in the Russian Federation, and that the direct effects of the current international sanctions applicable against Russian entities or nationals are not considered to have a significant impact. In parallel, the Group remains attentive to the indirect effects of the conflict and sanctions, among others, on its retailers and their supply chains, on the increased inflation and consumption impact, on the financial and investment markets environment as well as on the countries close to Ukraine where URW operates.

(1) Subject to closing adjustments. Computed as net proceeds less debt raised to finance the JV and fully consolidated.

4.1.2 INVESTMENTS AND DIVESTMENTS

Through December 31, 2021, URW invested €946.8 Mn[(1)], Group share, in capital expenditures in assets and on construction, extension and refurbishment projects, compared to €1,092.1 Mn in 2020, a slowdown mainly due to the measures taken to reduce capital expenditures in the context of COVID-19.

4.1.2.1 TOTAL CAPITAL EXPENDITURES

The total investments break down as follows:

	Proportionate			
	2021		2020	
(€Mn)	100%	Group share	100%	Group share
Shopping Centres	738.0	698.9	917.5	850.6
Offices & Others	230.8	230.8	229.7	229.7
Convention & Exhibition	27.4	17.1	22.9	11.8
Total Capital Expenditure	**996.2**	**946.8**	**1,170.1**	**1,092.1**

Figures may not add up due to rounding.

4.1.2.2 SHOPPING CENTRES

URW invested €698.9 Mn[(2)] in its Shopping Centre portfolio:

- Acquisitions amounted to €36.8 Mn, mainly in France;
- €261.6 Mn was invested in construction, extension and refurbishment projects, including mainly: Les Ateliers Gaîté, Westfield Topanga and Garbera redevelopments and extensions and Westfield Hamburg (see "*Development projects*");
- €256.8 Mn was invested in enhancement and improvement projects on standing assets, including mainly Westfield Mall of the Netherlands, Westfield La Part-Dieu, Westfield Les 4 Temps and Westfield London;
- Replacement Capex amounted to €67.8 Mn; and
- Financial interest, eviction costs, external letting fees and other costs were capitalised for €34.8 Mn, €21.6 Mn, €7.0 Mn and €12.5 Mn, respectively.

This does not include the increase in the Group's stake from 10% to 50% in a project in Poland (Centrum Ursynów) for a total amount of €36.4 Mn, and the acquisition of the 47.4% stake in Westfield Trumbull and Westfield Palm Desert for a total amount of €7.3 Mn.

4.1.2.3 OFFICES & OTHERS

URW invested €230.8 Mn in its Offices & Others portfolio:

- Acquisitions amounted to €0.2 Mn;
- €191.4 Mn was invested in construction and refurbishment projects, mainly in France (the Triangle office building, the Pullman Montparnasse hotel and Gaîté office), the UK (Westfield Stratford City and Westfield London) and Germany (Westfield Hamburg offices, residential and hotels) (see also section "*Development projects*");
- €10.4 Mn was invested in enhancement and improvement projects on standing assets, mainly in France and the US;
- Replacement Capex amounted to €1.6 Mn; and
- Financial interest and other costs capitalised amounted to €27.2 Mn.

4.1.2.4 CONVENTION & EXHIBITION

URW invested €17.1 Mn in its Convention & Exhibition portfolio:

- €0.8 Mn was invested for construction works at Porte de Versailles;
- €11.9 Mn was invested in enhancement and improvement projects on standing assets, mainly in CNIT, Porte de Versailles and Les Boutiques du Palais;
- Replacement Capex amounted to €3.8 Mn; and
- Financial interest and other costs capitalised amounted to €0.6 Mn.

4.1.2.5 DISPOSALS

In 2021, URW made significant progress with its deleveraging and portfolio streamlining objectives.

The European disposals that were closed during the period include:

- The SHiFT office building in Paris for a Net Disposal Price ("NDP") of €620 Mn;
- The Les Villages 3, 4 and 6 office buildings in Paris for a NDP of €215 Mn;
- A 60% interest in Aupark in Bratislava for an agreed TAC of €450 Mn[(3)] (at 100%), while the remaining 40% will be disposed through pre-agreed stakes in 2022, 2023 and 2024;
- A 45% interest in Westfield Shopping City Süd in Vienna for an implied offer price of €1,065 Mn[(4)] (at 100%);
- The sale and leaseback of 7 Adenauer office building in Paris for a NDP of €249 Mn;
- A 51% interest Aquaboulevard and Le Sextant in Paris with proceeds equating €88 Mn;
- A 70% interest in the Triangle Tower development project; and
- Several minor assets: the Le Blériot office building in Paris, the Q-Huset office building in Täby, and land plots in Osnabrück and Solna for a total NDP of €92 Mn.

(1) On a proportionate basis, Group share.
(2) Amount capitalised in asset value.
(3) In light of the impact of the ongoing COVID-19 pandemic, URW has provided a three-year rent guarantee equal to a maximum circa 2% of the Gross Market Value ("GMV") and a participative loan including an earn-out mechanism, with a maximum amount at risk equal to circa 2% of the GMV, and a potential earn-out to URW, which applies should the returns to the purchasers be lower than or exceed the agreed levels.
(4) In light of the impact of the ongoing COVID-19 pandemic, URW has granted the joint venture a two-year rental guarantee capped at circa 2% of the implied offer price (at 100%).

In total, disposals completed for European assets in 2021 amounted to €1.9 Bn, with an average premium to last unaffected book value of +6.7%.

In addition, the Group signed agreements for the disposal of:

- Solna Centrum in Stockholm, which was completed and cashed-in on February 1, 2022; and
- A 45% stake in Westfield Carré Sénart to Société Générale Assurances and BNP Paribas Cardif on February 7, 2022. This deal was completed and cashed-in on February 16, 2022.

Upon the closing of these transactions, URW has completed €2.5 Bn (including €1.1 Bn for the retail and €1.4 Bn for the Offices & Others) of its €4.0 Bn European disposal programme, representing 62%, at an average NIY of 4.4% (including 4.8% for the Retail and 3.9% for the Offices & Others), a premium to the last unaffected appraisal of +6.2% (including +1.6% for the retail and +12.3% for the Offices & Others).

In line with its strategy, the Group will continue the asset and property management for several of those assets, including Westfield Shopping City Süd, Aupark and Westfield Carré Sénart and development management for the Triangle project, allowing URW to charge management fees to its JV partners and with that increase the return on investment for those assets.

A number of disposal processes are ongoing across Europe and for US Regional assets as part of the Group deleveraging programme.

The Group also continued efforts to streamline its US portfolio. In this context, URW completed the disposal of its 50% stake in the Palisade residential building at Westfield UTC for a purchase price of $238 Mn (at 100%), which reflected a +15% premium to the latest appraisal.

In addition, URW voluntarily foreclosed on five regional malls (Westfield Citrus Park, Westfield Countryside, Westfield Sarasota[1], Westfield Broward and Westfield Palm Desert) in the US and asked the servicer of its loans for the appointment of a receiver. After appointment of the receiver, URW was no longer the owner of these assets, not liable for the debt and could not recognise the revenues generated by these assets anymore. This resulted in the derecognition of $411 Mn (in IFRS and $477 Mn on a proportionate basis) of non-recourse debt from URW's balance sheet and a positive net capital gain of +€44 Mn.

In total, disposals and foreclosures completed in Europe and in the US in 2021 amounted to €2.3 Bn and €2.9 Bn including Solna Centrum and Westfield Carré Sénart.

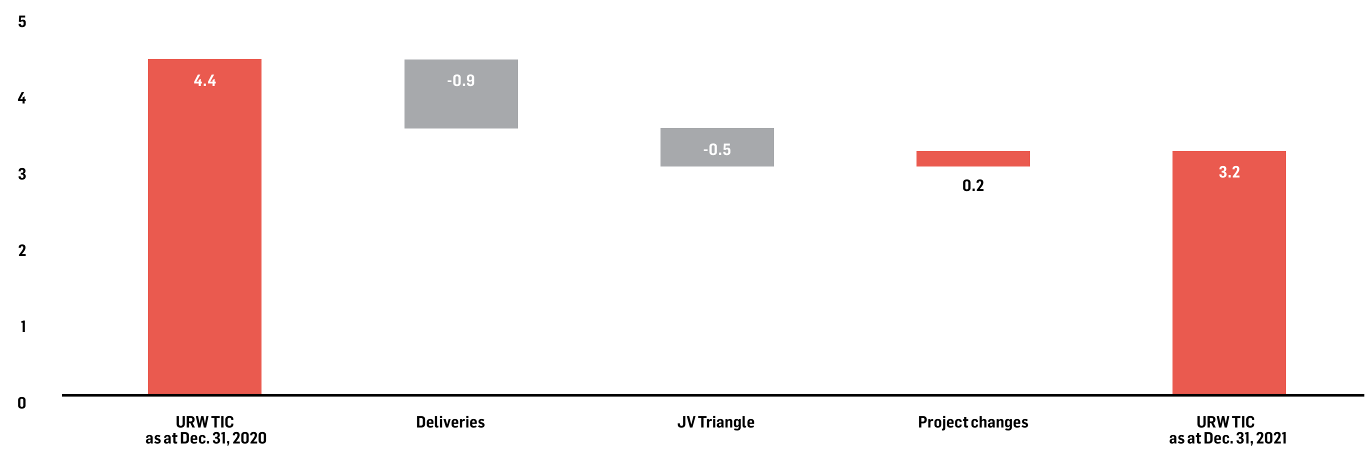
4.1.3 DEVELOPMENT PROJECTS AS AT DECEMBER 31, 2021

As at December 31, 2021, URW's share of the Total Investment Cost ("TIC"[2] and "URW TIC"[3]) of its development project pipeline amounted to €3.2 Bn[4], corresponding to a total of 0.6 million sqm of Gross Lettable Area ("GLA"[5]) to be re-developed or added to the Group's standing assets.

4.1.3.1 PIPELINE VARIATIONS SINCE DECEMBER 31, 2020

The development pipeline decreased by **-€1.2 Bn**, down from **€4.4 Bn** as at December 31, 2020:

In €Bn



(1) The special servicers agreed to release URW from all obligations under the Westfield Sarasota loan and any associated guarantees, in return for a one-off payment of $10.9 Mn.
(2) 100% TIC is expressed in value at completion. It equals the sum of: (i) all capital expenditures from the start of the project to the completion date and includes: land costs, construction costs, study costs, design costs, technical fees, tenant fitting-out costs paid for by the Group, letting fees and related costs, eviction costs and vacancy costs for renovations or redevelopments of standing assets; and (ii) opening marketing expenses. It excludes: (i) step rents and rent-free periods; (ii) capitalised financial interests; (iii) overhead costs; (iv) early or lost NRI; and (v) IFRS adjustments.
(3) URW TIC: 100% TIC multiplied by URW's percentage stake in the project, adjusted by specific own costs and income, if any.
(4) This includes the Group's share of projects fully consolidated, and projects accounted for using the equity method, excluding Viparis projects and commitments on the roads for the Westfield Milano project.
(5) GLA equals Gross Lettable Area of projects at 100%.

PROJECTS DELIVERED IN 2021

Since December 31, 2020, the Group has delivered five projects representing a URW TIC of €0.9 Bn and a total GLA of 162,289 sqm:

in H1-2021:

- The 87,053 sqm Westfield Mall of the Netherlands retail extension and renovation;
- The Fashion Pavilion project in Westfield La Maquinista in Spain; and
- Two restructuring projects in the US: the Lord & Taylor box at Westfield Annapolis and the reconfiguration of the previous JC Penney box at Westfield Garden State Plaza.

in H2-2021:

- The 51,835 sqm and 957-room Pullman Paris Montparnasse hotel, operated by Accor, which includes a 4,000 sqm conference centre in the heart of Paris opened on December 27, 2021. This project is part of the Gaîté Montparnasse project, one of the most ambitious and largest urban development projects in Paris, which includes a shopping centre, one of the largest food halls in Europe with 20 restaurants and bars (operated by Food Society), 13,000 sqm of co-working space (operated by Wojo), 62 housing units built in wood, a 40-child daycare centre, a library and an urban logistics centre.

The average letting[1] of these deliveries stands at 94% as at December 31, 2021.

JV PARTNERSHIP

As part of the Group's strategy to join with strategic partners on select development projects, URW signed a co-investment partnership with AXA IM Alts to dispose of 70% of the Triangle project while keeping a 30% stake and providing property, asset and project management services to the JV owning the project. Triangle is an environmental-friendly 180-metre-high tower designed by world-renowned architects Herzog & de Meuron. It will combine office space with a conference centre with an auditorium, a cultural centre, a new shopping gallery, and a four-star hotel. A wide range of services will be available on-site, including a nursery and health centre.

PROJECT CHANGES

Since December 31, 2020, there have been changes in the delivery dates of various projects and related URW TIC, notably due to disruptions as a consequence of COVID-19 restrictions and the overheated construction market causing the TIC of Lightwell, Les Ateliers Gaîté and Westfield Hamburg - Überseequartier to increase.

(1) GLA signed, all agreed to be signed and financials agreed.

4.1.3.2 PIPELINE PROJECTS AS AT DECEMBER 31, 2021

SUMMARY OF PIPELINE PROJECTS

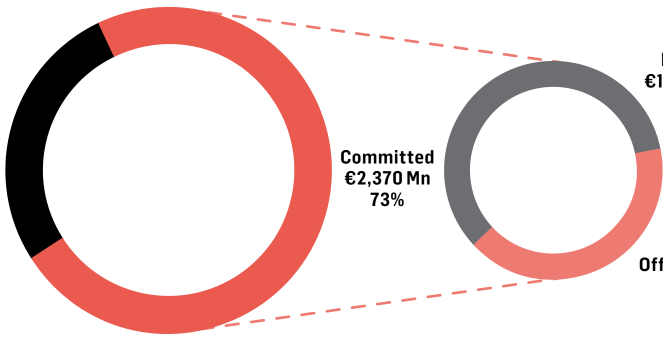
Development Projects[1]	Business	Country	Type	URW Ownership	100% GLA (sqm)	100% TIC (€Mn)	URW TIC (€Mn)	URW Cost to Date (€Mn)	Yield on Cost[2]	Opening date[3]	Project Valuation
WESTFIELD TOPANGA RESTRUCTURING (*)	Shopping Centres	US	Extension/ Renovation	55%	16,654 sqm	240				H1-2022	Fair Value
LES ATELIERS GAÎTÉ[4]	Shopping Centres	France	Redevelopment/ Extension	100%	33,254 sqm	220				H1-2022	Fair Value
GAÎTÉ MONTPARNASSE OTHERS	Offices & Others	France	Redevelopment/ Extension	100%	13,101 sqm	80				H1-2022	Fair Value
GARBERA EXTENSION[5]	Shopping Centres	Spain	Extension/ Renovation	100%	19,594 sqm	130				H1-2023	Fair Value
WESTFIELD HAMBURG - ÜBERSEEQUARTIER RETAIL	Shopping Centres	Germany	Greenfield/ Brownfield	100%	95,401 sqm	790				H2-2023	At Cost
WESTFIELD HAMBURG - ÜBERSEEQUARTIER OTHERS	Offices & Others	Germany	Greenfield/ Brownfield	100%	76,249 sqm	510				H2-2023	At Cost
CHERRY PARK RESIDENTIAL	Offices & Others	UK	Greenfield/ Brownfield	25%	87,440 sqm	800				H2-2024	Fair Value
TRIANGLE	Offices & Others	France	Greenfield/ Brownfield	30%	91,440 sqm	660				H1-2026	At Cost
Others					33,677 sqm	160					
Total Committed Projects							**2,370**	**1,300**	**5.5%**		
LIGHTWELL	Offices & Others	France	Redevelopment/ Extension	100%	35,029 sqm	140				H2-2024	Fair Value
SISTERS	Offices & Others	France	Greenfield/ Brownfield	100%	90,434 sqm	710				Post-2026	At Cost
Others					2,323 sqm	40					
Total Controlled Projects							**880**	**100**			
URW TOTAL PIPELINE							**3,250**	**1,400**			

(1) Figures subject to change according to the maturity of projects.
(2) URW share of the expected stabilised NRI divided by the URW TIC increased by rent incentives (step rents and rent-free periods), and for redevelopment projects only, the Gross Market Value of the standing assets at the launch of the project.
(3) In the case of staged phases in a project, the date corresponds to the opening date of the main phase.
(4) Formerly named Gaîté Montparnasse Retail.
(5) Including Extension Phase 1 opened on November 24, 2021.

(*) Units acquired for the project are included in the TIC at their acquisition cost.

DETAILED OVERVIEW

URW DEVELOPMENT PIPELINE BY GROUPING
(€3,250 Mn)



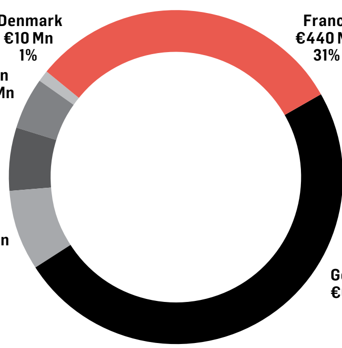
Compared to December 31, 2020, the Committed pipeline now includes the 8,454 sqm second phase of the Garbera extension project following the successful delivery of first phase (11,182 sqm, 95% pre-let(1)), a restructuring project at Westfield Forum des Halles and the Triangle project (at 30%) following the start of construction works at year-end.

55% of the total Committed pipeline URW TIC was already spent as at December 31, 2021, representing an amount of €1,300 Mn, of which €865 Mn was on the Retail pipeline and €435 Mn on Offices & Others(2).

Of the €1,070 Mn still to be invested for Committed projects, €400 Mn has already been contracted.

Only 11% of the total Controlled pipeline URW TIC was spent, representing an amount of €100 Mn, including land costs, mainly on Offices & Others projects.

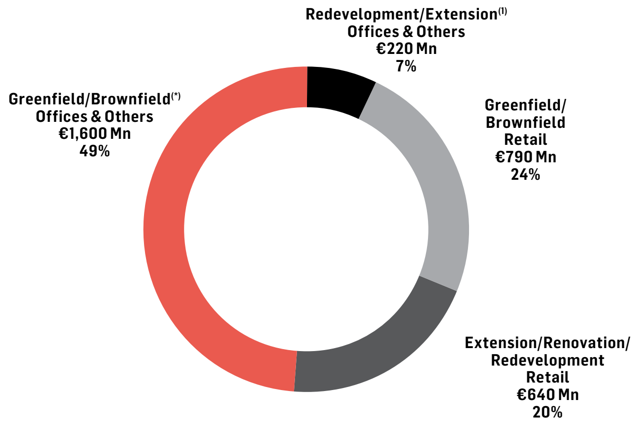
URW COST TO DATE PER COUNTRY
(€1,400 Mn)



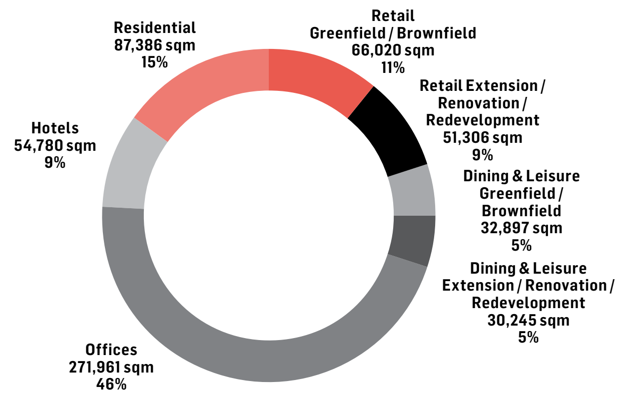
(1) Excluding one large unit reletting in restructuring of standing part of the asset.
(2) Figures may not add up due to rounding.

URW DEVELOPMENT PIPELINE PER TYPE AND BUSINESS[1]

URW TIC
(€3,250 Mn)



GLA
(594,596 Sqm)



(1) Including Residential and Hotel units.

The Group has an increasing focus on mixed-use projects (notably including offices & hotels), such as Gaîté Montparnasse or Westfield Hamburg - Überseequartier projects. The latter encompasses retail, office and residential, and now accounts for 44% of URW TIC. Its retail part is 47% pre-let. In terms of GLA, the Retail sector now accounts for only 30% of pipeline GLA (and 44% of TIC), of which 10% relates to dining and leisure extensions, while offices account for 46%, residential for 15% and hotels for 9%. The Group's presence in areas with substantial interest from other investors and developers for urban regeneration is expected to reinforce the respective catchment areas and the position of URW's destinations.

As evidenced by the Triangle transaction, the Group's strategy, particularly for the Offices & Others controlled projects, is to join with strategic capital partners prior to launching these projects, in order to reduce the capital allocation on the balance sheet of the Group, whilst leveraging on existing projects and generating development and management fees.

4.1.3.3 DELIVERIES EXPECTED IN 2022 AND PRE-LETTING PROGRESS

Five projects representing a URW TIC of c. €0.5 Bn, of which €0.4 Bn has been spent already, are scheduled to be delivered in 2022:

- Les Ateliers Gaîté;
- "Rue de la Boucle" project at Westfield Forum des Halles;
- Gaîté Montparnasse Office project;
- Westfield Topanga extension on former Sears box; and
- Westfield Les 4 Temps Porte de Paris.

The average pre-letting[2] on those 2022 deliveries stands at:

- 72% for Retail; and
- 100% for Offices & Others.

4.1.3.4 INVESTMENTS IN 2021

See section "*Investments and divestments*".

4.1.4 PROPERTY PORTFOLIO AND NET ASSET VALUE AS AT DECEMBER 31, 2021

URW's NRV amounted to €159.60 per share as at December 31, 2021, a decrease of -€7.20 per share (-4.3%) compared to the NRV as at December 31, 2020 (€166.80 per share).

The NRV includes €5.64 per share of goodwill not justified by the fee businesses or tax optimisations and which is mainly related to the Westfield acquisition. Net of this goodwill, the NRV would be €153.96 per share.

URW's NDV amounted to €110.30 per share as at December 31, 2021, a decrease of -€0.20 per share (-0.2%) compared to the NDV as at December 31, 2020 (€110.50 per share). URW's NDV does not include any goodwill.

MATERIAL VALUATION UNCERTAINTY DUE TO COVID-19

For hotels, as from the December 31, 2020 valuation, the appraisers in Europe and in the US included a material valuation uncertainty statement in the appraisal reports. Since the valuation as at June 30, 2021, this statement was withdrawn.

(1) Figures may not add up due to rounding.
(2) GLA signed, all agreed to be signed and financials agreed.

4.1.4.1 PROPERTY PORTFOLIO

Unless otherwise indicated, the data presented in the property portfolio are on a proportionate[1] basis as at December 31, 2021, and comparisons are with values as at December 31, 2020.

The total GMV of URW's portfolio[2] amounted to €54.5 Bn (€56.3 Bn), a decrease of -3.3%, of which -2.4% in H1-2021 and -0.9% in H2-2021. On a like-for-like basis, the GMV decreased by -4.1% (or -€1,956 Mn), of which -2.3%[3] (or -€1,104 Mn) in H1-2021 and -1.8% (or -€852 Mn) in H2-2021.

INVESTMENT MARKET RETAIL AND OFFICE

Total real estate investment volumes in Continental Europe[4] were well above the ten-year average levels with €261.3 Bn transacted in 2021, 16% above the €224.8 Bn in 2020. In the UK, total investment volumes[4] amounted to €77.9 Bn in 2021, up +42% from €55.0 Bn in 2020.

Total retail investment volumes[4] in Continental Europe were €23.0 Bn (down -22%), including shopping centre transactions accounting for 31% of this amount (vs. 32% in 2020).

Total retail investment volumes[4] in the UK were €10.3 Bn (up +35%), including shopping centre transactions accounting for 15% of this amount (vs. 22% in 2020).

US retail investment volumes saw a +95% year-on-year increase in November YTD, with total transactions reported by Real Capital Analytics of $64.3 Bn. For shopping centres, the increase in deal volume was +127%.

Total office investment volumes[4] in Continental Europe were €76.5 Bn in 2021, -8% lower than in 2020.

URW's portfolio

Asset portfolio valuation (including transfer taxes)[a]	Dec. 31, 2021		Like-for-like change net of investment – 2021[b]		Dec. 31, 2020	
	€Mn	%	€Mn	%	€Mn	%
Shopping Centres	47,109	86%	(1,841)	(4.4%)	47,905	85%
Offices & Others	3,510	6%	93	6.3%	4,409	8%
Convention & Exhibition	2,655	5%	(50)	(1.9%)	2,701	5%
Services	1,199	2%	(158)	(12.2%)	1,299	2%
Total URW	**54,473**	**100%**	**(1,956)**	**(4.1%)**	**56,314**	**100%**

Figures may not add up due to rounding.

(a) On a proportionate basis, including transfer taxes and transaction costs (see Section "Proportionate, IFRS and Group share figures for the property portfolio" for IFRS and Group share figures).
The portfolio valuation includes:
- The appraised or at cost value of the entire property portfolio, whether fully consolidated or under joint control (for URW's share);
- The fair value of the Westfield trademark; and
- The equity value of URW's investments in assets not controlled by URW (Zlote Tarasy, Gropius Passagen, Foncière Crossroads, Triangle and the Blum/Centennial and Starwood Ventures entities). The equity value of URW's share investments in assets not controlled by URW amounted to €1,195 Mn (€1,189 Mn).

The valuations consider the negative cash flows related to rents paid on concessions or leaseholds, which are accounted for as financial debt in the consolidated statement of financial position.
The portfolio neither includes €1.0 Bn of goodwill not justified by the fee business, nor financial assets such as the cash and cash equivalents on the Group's consolidated statement of financial position as at December 31, 2021.

(b) Excluding the currency effect, investment properties under construction, assets not controlled by URW, assets at bid value and changes in scope (including acquisitions, disposals and deliveries of new projects) through December 31, 2021. Changes in scope consist mainly of the:
- Acquisition of the 47.4% remaining stake in the JVs holding two assets in the US: Westfield Palm Desert and Westfield Trumbull;
- Disposal of a 60% stake in Aupark in Slovakia;
- Disposal of the SHiFT, Village 3, Village 4, Village 6, Le Blériot and 7 Adenauer office buildings in France;
- Disposal of an office building in Täby Centrum in Sweden;
- Disposal of a 51% stake in Aquaboulevard and Le Sextant in Paris;
- Disposal of a 70% stake in the development project of Triangle Tower in Paris;
- Foreclosure of five assets in the US: Westfield Broward, Westfield Citrus Park, Westfield Countryside, Westfield Palm Desert and Westfield Sarasota; and
- Delivery of Westfield Mall of the Netherlands, Westfield Annapolis restructuring, Westfield Garden State Plaza restructuring, Westfield La Maquinista Fashion Pavilion and the hotel project at Gaîté Montparnasse.

The like-for-like change in the portfolio valuation is calculated excluding the changes described above.

(1) The sum of the GMV for the assets fully consolidated, the ownership at share of the GMV of assets jointly controlled accounted for using the equity method and the equity values for assets not controlled by URW.
(2) Including the Group's services business, the airport activities, the Westfield trademark, transfer taxes and transaction costs. Does not include the goodwill not justified by the fee business nor the impact of the application of IFRS 16.
(3) The change compared to the -2.3% (or -€1,094 Mn) communicated in H1-2021 is due to changes in the like-for-like perimeter, which consists mainly of the removal of Solna Centrum, Garbera, 7 Adenauer, Le Sextant, Westfield North County, Westfield South Shore and Palisade at Westfield UTC.
(4) Source: Cushman & Wakefield, estimates as at January 24, 2022.

URW Valuation as at Dec. 31, 2020 (€Mn)	**56,314**	
Like-for-like revaluation	(1,956)	
Revaluation of non like-for-like assets	(182)	(a)
Revaluation of shares	(14)	(b)
Capex/Acquisitions/Transfers	1,063	(c)
Disposals	(1,939)	(d)
Constant Currency Effect	1,187	(e)
URW Valuation as at Dec. 31, 2021 (€Mn)	**54,473**	

Figures may not add up due to rounding.

(a) Non like-for-like assets include IPUC valued at cost or at fair value, assets delivered in 2021 and assets at bid value.
(b) Revaluation of the shares in companies holding the assets not controlled by URW.
(c) Includes the acquisition of the 47.4% remaining stake in the JVs holding Westfield Palm Desert and Westfield Trumbull.
(d) Value as at December 31, 2020, of the assets disposed or foreclosed.
(e) Currency impact of +€1,187 Mn, including +€987 Mn in the US and +€257 Mn in the UK, partly offset by -€58 Mn in the Nordics, before offsets from foreign currency debt and hedging programmes.

Appraisers

In March 2021, as part of the rotation recommended by RICS, URW signed new appraisal mandates with two international and qualified appraisal firms, Cushman & Wakefield and Jones Lang LaSalle, to value its Shopping Centre and Offices & Others portfolio. In Continental Europe, URW rotated the assets appraised by these two firms: in H1-2021, the appraisers were rotated for Central Europe, Spain, Nordics, France Offices & Others and The Netherlands and in H2-2021, URW rotated appraisers for France Shopping Centres, Germany and Austria.

URW has allocated properties across independent appraisers by region for comparison and benchmarking purposes. The valuation process has a centralised approach, intended to ensure that capital market views on the Group's portfolio are taken into account. Assets are appraised twice a year (in June and December), except services companies, which are externally appraised once a year.

Appraiser	Regions appraised as at Dec. 31, 2021	**% of total portfolio Dec. 31, 2021**	% of total portfolio Dec. 31, 2020
Cushman & Wakefield	France/Germany/Austria/Nordics/Spain/UK[(a)]/US	46%	49%
Jones Lang LaSalle	France/Germany/Central Europe/The Netherlands/Italy	33%	29%
Duff & Phelps	US	8%	8%
PwC[(b)]	France/Germany/UK/US	8%	8%
Other appraisers	Central Europe/US	2%	1%
At cost, under sale agreement or internal		4%	4%
		100%	100%

Figures may not add up due to rounding.

(a) The Group's UK Shopping Centre portfolio was valued by Cushman & Wakefield and Avison Young.
(b) PwC assesses the Convention & Exhibition venues as well as all of the Group's services activities and the Westfield trademark.

Fees paid to appraisers are determined prior to the valuation process and are independent from the value of properties appraised. A detailed report, dated and signed, is produced for each appraised property. None of the appraisers have received fees from URW representing more than 10% of their turnover.

Valuation methodology

Appraisal methods used by appraisers are compliant with international standards and guidelines as defined by RICS, IVSC (International Valuation Standards Council) and FSIF (Fédération des Sociétés Immobilières et Foncières).

Valuation scope

96% of URW's portfolio was appraised by independent appraisers as at December 31, 2021.

Investment Properties Under Construction ("IPUC") for which a value could be reliably determined are required to be accounted for at fair value and were assessed by external appraisers.

IPUC are taken at fair value once management considers that a substantial part of the project's uncertainty has been eliminated, such that a reliable fair value can be established.

The Gaîté offices have been carried at fair value since June 30, 2019, Les Ateliers Gaîté since December 31, 2019, and the "Rue de la Boucle" project at Westfield Forum des Halles since June 30, 2021. The Garbera extension was assessed at fair value for the first time as at December 31, 2021.

Since and as a result of the acquisition accounting for the Westfield transaction, the main projects in the US, the UK and Italy were carried at fair value as at December 31, 2021.

Refer to the table in the Section "*Development projects as at December 31, 2021*" for the valuation method used for each development project in the Group's pipeline.

The remaining assets of the portfolio (4%) were valued as follows:

- At cost for IPUC for which a reliable value could not yet be established. These include assets under development: Westfield Hamburg - Überseequartier, as well as most development projects included in the "Controlled" category (see Section "*Development projects as at December 31, 2021*" for more details);
- Internal valuations were performed by URW as at December 31, 2021, for a few minor office assets in the US; and
- At bid value for assets subject to an agreement pursuant to which these will be disposed: mainly Solna Centrum.

The total value of the IPUC amounted to €3.1 Bn, of which €1.6 Bn valued at fair value and €1.5 Bn valued at cost (73% of the value at cost was tested with an external valuation as at December 31, 2021).

Unless otherwise indicated, valuation changes and references to asset values include transfer taxes and transaction costs.

		Valuation including transfer taxes in (€Mn)		
Appraiser	Sector	Dec. 31, 2021	June 30, 2021	Dec. 31, 2020
Cushman & Wakefield	Shopping Centres/Offices & Others	18,021	19,071	20,408
Jones Lang LaSalle	Shopping Centres/Offices & Others	17,727	17,097	16,202
PwC	Shopping Centres/C&E	2,795	2,815	2,812
Other appraisers	Shopping Centres	3,187	3,210	3,363
Impact of the assets valued by two appraisers	Shopping Centres	(2,339)	(2,389)	(2,512)
Assets valued at cost and/or not appraised	Shopping Centres/Offices & Others	1,685	1,496	2,254
Total Europe		**41,076**	**41,302**	**42,527**
Cushman & Wakefield	Shopping Centres/Offices & Others	6,955	6,929	7,168
Duff & Phelps	Shopping Centres/Offices & Others	4,246	4,545	4,612
PwC	Shopping Centres	263	250	580
Other appraisers	Shopping Centres	390	351	60
Internal valuation	Shopping Centres/Offices & Others	46	195	-
Assets valued at cost and/or not appraised	Shopping Centres/Offices & Others	297	120	68
Total US		**12,198**	**12,390**	**12,487**
Services		**1,199**	**1,274**	**1,299**
Total URW		**54,473**	**54,966**	**56,314**

Figures may not add up due to rounding.

Shopping Centre portfolio

The value of URW's Shopping Centre portfolio is the value of each individual asset as determined by the Group's appraisers, except as noted above.

The Westfield trademark is split by the region in which the Group operates Westfield branded shopping centres and is included within the Flagships category valuation. The airport activity is included within Flagships in the US.

Evolution of URW's Shopping Centre portfolio valuation

The value of URW's Shopping Centre portfolio amounted to €47,109 Mn (€47,905 Mn).

URW Valuation as at Dec. 31, 2020 (€Mn)	**47,905**
Like-for-like revaluation	(1,841)
Revaluation of non like-for-like assets	(218)
Revaluation of shares	(14)
Capex/Acquisitions/Transfers	833
Disposals	(638)
Constant Currency Effect	1,083
URW Valuation as at Dec. 31, 2021 (€Mn)	**47,109**

Figures may not add up due to rounding.

Based on an asset value excluding estimated transfer taxes and transaction costs, the Shopping Centre division's Net Initial Yield ("NIY") increased from 4.5% to 4.6% yoy.

The Potential Yield including the leasing of vacant space at ERV increased from 5.0% to 5.1%.

For the US, the NIY and the Potential Yield were impacted by the foreclosure of the five assets in 2021 which had higher NIY and Potential Yield than the average US shopping centres. The NIY as at December 31, 2020, restated for these five assets would have been at 4.0% (vs. 4.2%) for the US and 4.5% for the Group. The Potential Yield as at December 31, 2020, restated for these five assets would have been at 4.7% (vs. 4.9%) for the US and 4.9% (vs. 5.0%) for the Group.

	Dec. 31, 2021				Dec. 31, 2020			
Shopping Centre portfolio by region	Valuation including transfer taxes (€Mn)	Valuation excluding estimated transfer taxes (€Mn)	Net Initial Yield	Potential Yield	Valuation including transfer taxes (€Mn)	Valuation excluding estimated transfer taxes (€Mn)	Net Initial Yield	Potential Yield
France	13,673	13,178	4.4%	4.7%	13,781	13,281	4.4%	4.6%
Spain	3,585	3,504	4.9%	5.2%	3,596	3,514	4.6%	4.9%
Southern Europe	**17,258**	**16,682**	**4.5%**	**4.8%**	**17,376**	**16,796**	**4.5%**	**4.7%**
Central Europe	4,798	4,755	5.3%	5.5%	5,059	5,014	5.1%	5.4%
Austria	2,277	2,266	4.7%	4.9%	2,290	2,279	4.6%	4.8%
Germany	3,319	3,153	5.0%	5.3%	3,447	3,269	4.7%	5.0%
Central and Eastern Europe	**10,393**	**10,174**	**5.0%**	**5.3%**	**10,795**	**10,562**	**4.8%**	**5.1%**
Nordics	3,031	2,972	4.3%	4.7%	3,095	3,034	4.1%	4.5%
The Netherlands[(a)]	1,820	1,682	5.1%	5.5%	1,658	1,560	5.3%	6.2%
Northern Europe	**4,851**	**4,653**	**4.5%**	**5.0%**	**4,753**	**4,594**	**4.4%**	**5.0%**
Subtotal Continental Europe	**32,503**	**31,509**	**4.7%**	**5.0%**	**32,924**	**31,951**	**4.6%**	**4.9%**
UK	2,594	2,462	5.3%	6.2%	2,776	2,633	5.2%	6.1%
Subtotal Europe	**35,097**	**33,970**	**4.7%**	**5.1%**	**35,700**	**34,585**	**4.6%**	**5.0%**
US	12,012	11,909	4.2%	5.1%	12,205	12,099	4.2%	4.9%
Total URW	**47,109**	**45,879**	**4.6%**	**5.1%**	**47,905**	**46,683**	**4.5%**	**5.0%**

Figures may not add up due to rounding.

(a) Restated from Westfield Mall of the Netherlands delivered in 2021, the NIY for the Netherlands as at December 31, 2021 would have been 5.7% and the Potential Yield as at December 31, 2021 would have been 6.2%.

The following table shows the breakdown for the US Shopping Centre portfolio, which was significantly impacted by a positive currency impact of +€952 Mn:

	Dec. 31, 2021				Dec. 31, 2020			
US Shopping Centre portfolio by category	Valuation including transfer taxes (€Mn)	Valuation excluding estimated transfer taxes (€Mn)	Net Initial Yield	Potential Yield	Valuation including transfer taxes (€Mn)	Valuation excluding estimated transfer taxes (€Mn)	Net Initial Yield	Potential Yield
Flagships US[(a)]	10,392	10,291	3.7%	4.6%	10,066	9,962	3.7%	4.3%
Regionals US	1,620	1,618	6.7%	8.0%	2,139	2,137	6.1%	7.7%
Total US	**12,012**	**11,909**	**4.2%**	**5.1%**	**12,205**	**12,099**	**4.2%**	**4.9%**

Figures may not add up due to rounding.

(a) The airport activities and the Westfield trademark for the US are included in the valuation of the US Flagships for a total amount of €601 Mn as at December 31, 2021, and for a total amount of €580 Mn as at December 31, 2020.

In USD, the valuation including transfer taxes of the US Shopping Centre portfolio decreased by -9.2% from $14,993 Mn to $13,612 Mn.

The following table shows the bridge of the US Shopping Centre portfolio in USD from December 31, 2020, to December 31, 2021, with the split by category:

	Total US	Flagships US[(a)]	Regionals US
URW Valuation as at Dec. 31, 2020 ($Mn)	**14,993**	**12,352**	**2,641**
Like-for-like revaluation	(1,053)	(624)	(429)
Revaluation of non like-for-like assets	(215)	(87)	(128)
Revaluation of shares	(23)	-	(23)
Capex/Acquisitions/Transfers	261	129	133
Disposals	(351)	-	(351)
URW Valuation as at Dec. 31, 2021 ($Mn)	**13,612**	**11,770**	**1,843**

Figures may not add up due to rounding.

(a) The airport activities and the Westfield trademark for the US are included in the valuation of the US Flagships for a total amount of $681 Mn as at December 31, 2021, and for a total amount of $711 Mn as at December 31, 2020.

Sensitivity

The table below shows the sensitivity on URW's Shopping Centre portfolio value for assets fully consolidated or under joint control, excluding assets under development, the Westfield trademark and the airport activities.

Sensitivity	Impact in €Mn	Impact in %
+25 bps in NIY	(2,255)	(5.2%)
+25 bps in DR	(748)	(1.7%)
+10 bps in ECR	(639)	(1.5%)
-5% in appraisers' ERV	(1,740)	(4.0%)

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Like-for-like analysis

On a like-for-like basis, the value of URW's Shopping Centre portfolio, after accounting for works, capitalised financial expenses and eviction costs, decreased by -€1,841 Mn (-4.4%), of which -€1,036 Mn (-2.5%[1]) in H1-2021 and -€805 Mn (-1.9%) in H2-2021. This decrease was the result of a yield impact of -3.4% and a rent impact of -1.0%.

The valuations are supported by the achieved or agreed disposal prices of stakes in Aupark, Westfield Shopping City Süd and Westfield Carré Sénart, as well as the disposal of Solna Centrum.

	Shopping Centres – Like-for-like ("LfL") change				Shopping Centres - Like-for-like ("LfL") change by semester			
2021	LfL change 2021 (€Mn)	LfL change 2021 (%)	LfL change 2021 - Rent impact	LfL change 2021 - Yield impact	LfL change H1-2021 (€Mn)	LfL change H1-2021 (%)	LfL change H2-2021 (€Mn)	LfL change H2-2021 (%)
France	(144)	(1.1%)	0.1%	(1.2%)	(112)	(0.9%)	(32)	(0.3%)
Spain	(66)	(2.1%)	3.6%	(5.7%)	(48)	(1.5%)	(18)	(0.6%)
Southern Europe	**(210)**	**(1.3%)**	**0.9%**	**(2.2%)**	**(159)**	**(1.0%)**	**(50)**	**(0.3%)**
Central Europe	(38)	(1.0%)	2.5%	(3.5%)	(93)	(2.4%)	56	1.5%
Austria	(50)	(2.2%)	0.9%	(3.1%)	(59)	(2.6%)	8	0.4%
Germany	(231)	(7.5%)	(0.6%)	(6.8%)	(142)	(4.6%)	(89)	(3.0%)
Central and Eastern Europe	**(319)**	**(3.4%)**	**1.1%**	**(4.6%)**	**(294)**	**(3.2%)**	**(25)**	**(0.3%)**
Nordics	(48)	(1.6%)	3.4%	(5.0%)	(47)	(1.6%)	(1)	0.0%
The Netherlands	(1)	(0.1%)	(4.9%)	4.9%	(1)	(0.1%)	0	0.0%
Northern Europe	**(49)**	**(1.3%)**	**1.0%**	**(2.3%)**	**(48)**	**(1.2%)**	**(1)**	**0.0%**
Subtotal Continental Europe	**(577)**	**(2.0%)**	**1.0%**	**(3.0%)**	**(501)**	**(1.7%)**	**(76)**	**(0.3%)**
UK	(374)	(14.0%)	(11.2%)	(2.8%)	(242)	(9.1%)	(132)	(5.2%)
Subtotal Europe	**(951)**	**(3.0%)**	**(0.3%)**	**(2.7%)**	**(743)**	**(2.4%)**	**(208)**	**(0.7%)**
US	(890)	(8.2%)	(3.1%)	(5.2%)	(293)	(2.7%)	(597)	(5.5%)
Total URW	**(1,841)**	**(4.4%)**	**(1.0%)**	**(3.4%)**	**(1,036)**	**(2.5%)**	**(805)**	**(1.9%)**

Figures may not add up due to rounding.

The 53 Flagship shopping centres represent 91% of URW's retail exposure (excluding assets under development, the airport activities and the Westfield trademark).

	Shopping Centres - Like- for-like ("LfL") change by category				Shopping Centres - Like-for-like ("LfL") change by semester			
2021	LfL change 2021 (€Mn)	LfL change 2021 (%)	LfL change 2021 - Rent impact	LfL change 2021 - Yield impact	LfL change H1-2021 (€Mn)	LfL change H1-2021 (%)	LfL change H2-2021 (€Mn)	LfL change H2-2021 (%)
Flagships Continental Europe	(500)	(1.9%)	1.1%	(3.0%)	(472)	(1.8%)	(28)	(0.1%)
Flagships UK	(371)	(14.1%)	(11.4%)	(2.7%)	(240)	(9.1%)	(131)	(5.2%)
Subtotal European Flagships	**(870)**	**(3.0%)**	**(0.3%)**	**(2.7%)**	**(712)**	**(2.4%)**	**(159)**	**(0.6%)**
Flagships US	(527)	(5.7%)	(2.2%)	(3.6%)	(143)	(1.6%)	(384)	(4.1%)
Subtotal Flagships	**(1,398)**	**(3.6%)**	**(0.7%)**	**(2.9%)**	**(855)**	**(2.2%)**	**(543)**	**(1.4%)**
Regionals (Europe and US)	(443)	(11.7%)	(2.6%)	(9.1%)	(181)	(4.8%)	(262)	(7.1%)
Total URW	**(1,841)**	**(4.4%)**	**(1.0%)**	**(3.4%)**	**(1,036)**	**(2.5%)**	**(805)**	**(1.9%)**

Figures may not add up due to rounding.

Non like-for-like analysis

The value of URW's non like-for-like Shopping Centre portfolio, after accounting for works, capitalised financial expenses and eviction costs, decreased by -€218 Mn (-4.8%), mainly due to the shopping centre projects at fair value (including a negative impact on Westfield Milano), the depreciation on projects valued at cost and the Airport business and the Westfield trademark, partly compensated by the standing shopping centres delivered in 2021 (including Westfield Mall of the Netherlands). The latter benefitted from a positive revaluation of +€91 Mn in 2021 following its successful delivery.

(1) The change compared to the -€1,068 Mn (-2.5%) communicated in H1-2021 is due to changes in the like-for-like perimeter, which consists mainly of the removal of Solna Centrum, Garbera, Westfield North County and Westfield South Shore.

Offices & Others portfolio

Evolution of URW's Offices & Others portfolio valuation

The Offices & Others portfolio includes the offices, the hotels (except the hotels at Porte de Versailles) and the residential projects.

The total value of URW's Offices & Others portfolio amounted to €3,510 Mn (€4,409 Mn).

URW Valuation as at Dec. 31, 2020 (€Mn)	**4,409**
Like-for-like revaluation	93
Revaluation of non like-for-like assets	64
Revaluation of shares	0
Capex/Acquisitions/Transfers	199
Disposals	(1,301)
Constant Currency Effect	46
URW Valuation as at Dec. 31, 2021 (€Mn)	**3,510**

Figures may not add up due to rounding.

The split by region of the total Offices & Others portfolio was the following:

	Dec. 31, 2021		Dec. 31, 2020	
Valuation of Offices & Others portfolio (including transfer taxes)	**€Mn**	**%**	€Mn	%
France	2,097	60%	3,025	69%
Nordics	174	5%	179	4%
Other countries	495	14%	462	10%
Subtotal Continental Europe	**2,765**	**79%**	**3,666**	**83%**
UK	559	16%	460	10%
Subtotal Europe	**3,324**	**95%**	**4,126**	**94%**
US	186	5%	283	6%
Total URW	**3,510**	**100%**	**4,409**	**100%**

Figures may not add up due to rounding.

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the Offices & Others division's NIY was stable at 4.9%.

	Dec. 31, 2021			Dec. 31, 2020		
Valuation of occupied office space	**Valuation including transfer taxes (€Mn)**	**Valuation excluding estimated transfer taxes (€Mn)**	**Net Initial Yield**	Valuation including transfer taxes (€Mn)	Valuation excluding estimated transfer taxes (€Mn)	Net Initial Yield
France	1,416	1,370	4.7%	1,744	1,683	4.5%
Nordics	141	138	6.6%	143	139	8.0%
Other countries	154	151	5.5%	131	129	6.6%
Subtotal Continental Europe	**1,711**	**1,659**	**5.0%**	**2,018**	**1,950**	**4.9%**
UK	81	76	n.m.	74	70	n.m.
Subtotal Europe	**1,792**	**1,735**	**5.0%**	**2,092**	**2,020**	**4.9%**
US	66	63	3.8%	193	187	5.1%
Total URW	**1,858**	**1,799**	**4.9%**	**2,285**	**2,208**	**4.9%**

Figures may not add up due to rounding.

Sensitivity

The table below shows the sensitivity on URW's Offices & Others portfolio value occupied and vacant spaces for assets fully consolidated or under joint control, excluding assets under development.

Sensitivity	Impact in €Mn	Impact in %
+25 bps in NIY	(140)	(6.5%)

Like-for-like analysis

The value of URW's Offices & Others portfolio, after accounting for the impact of works and capitalised financial expenses, increased by +€93 Mn (+6.3%) on a like-for-like basis, of which +€28 Mn (+1.9%[(1)]) in H1-2021 and +€65 Mn (+4.3%) in H2-2021, due to a rent impact of +6.6% and a yield impact of -0.3%. This increase was mainly due to the increase in value of the Trinity office building in France which is currently 63.5% let, the increase in value of the Nordics portfolio, supported by the disposal price of an office building in Täby, and the increase in value of the German and Austrian portfolios. The increase in France was supported by the disposal price of 7 Adenauer.

	Offices & Others - Like-for-like ("LfL") change				Offices & Others - Like-for-like ("LfL") change by semester			
2021	LfL change 2021 (€Mn)	LfL change 2021 (%)	LfL change 2021 - Rent impact	LfL change 2021 - Yield impact	LfL change H1-2021 (€Mn)	LfL change H1-2021 (%)	LfL change H2-2021 (€Mn)	LfL change H2-2021 (%)
France	94	9.1%	14.4%	(5.3%)	31	3.0%	63	5.9%
Nordics	5	15.9%	6.7%	9.2%	4	14.6%	0	1.1%
Other countries	25	16.1%	2.0%	14.2%	2	1.5%	23	14.4%
Subtotal Continental Europe	**124**	**10.2%**	**12.7%**	**(2.5%)**	**38**	**3.1%**	**86**	**6.8%**
UK	1	1.9%	1.0%	0.9%	(0)	(0.0%)	1	1.8%
Subtotal Europe	**125**	**9.7%**	**12.2%**	**(2.5%)**	**38**	**2.9%**	**87**	**6.5%**
US	(32)	(17.6%)	(30.2%)	12.6%	(10)	(5.2%)	(23)	(12.6%)
Total URW	**93**	**6.3%**	**6.6%**	**(0.3%)**	**28**	**1.9%**	**65**	**4.3%**

Figures may not add up due to rounding.

(1) The change compared to the +€71 Mn (+3.6%) communicated in H1-2021 is due to changes in the like-for-like perimeter, which consists mainly of the removal of Solna Centrum offices, 7 Adenauer, Le Sextant and Palisade at Westfield UTC.

Convention & Exhibition portfolio

Valuation methodology

The valuation methodology adopted by PwC for the venues is mainly based on a discounted cash flow model applied to the total net income projected over the life of the concession or leasehold (net of the amounts paid for the concession or leasehold) if it exists, or otherwise over a ten-year period, with an estimate of the asset value at the end of the given time period, based either on the residual contractual value for concessions or on capitalised cash flows over the last year, including the remaining capital expenditures to be spent on Porte de Versailles (€198 Mn).

Evolution of the Convention & Exhibition valuation

The value of URW's Convention & Exhibition venues, including transfer taxes and transaction costs, amounted to €2,655 Mn (€2,701 Mn).

URW Valuation as at Dec. 31, 2020 (€Mn)	**2,701**	(a)
Like-for-like revaluation	(50)	
Revaluation of non like-for-like assets	(27)	
Capex/Acquisitions/Transfers	31	
URW Valuation as at Dec. 31, 2021 (€Mn)	**2,655**	(a)

Figures may not add up due to rounding.

(a) Excluding the Convention & Exhibition space in Carrousel du Louvre and CNIT, 100%-owned by URW, the valuation for Viparis (including Palais des Sports, Les Boutiques du Palais and the hotels at Porte de Versailles) was €2,584 Mn as at December 31, 2020, and €2,549 Mn as at December 31, 2021.

On a like-for-like basis, net of investments, the value of Convention & Exhibition venues decreased by -€50 Mn (-1.9%), of which -€37 Mn (-1.4%) in H1-2021 and -€14 Mn (-0.5%) in H2-2021. This decrease was mainly driven by the increase in Weighted Average Cost of Capital to reflect the uncertainty of the current environment.

Services

The Services portfolio is composed of URW's French, German, UK and US property services companies.

URW's Services portfolio is appraised annually by PwC as at each year-end to include all significant fee business activities in the portfolio at their market value for the calculation of URW's NAV. In URW's Consolidated statement of financial position, intangible assets are not revalued but recognised at cost less amortisation charges and/or impairment losses booked.

The value of the Services portfolio decreased by -€158 Mn (-12.2%) on a like-for-like basis, of which -€60 Mn (-4.7%) in H1-2021 and -€98 Mn (-7.7%) in H2-2021. The negative like-for-like revaluation was mainly impacted by the decrease of the DD&C business in the US following the delivery of various projects and the Property Management Fee business in the US and the UK.

URW Valuation as at Dec. 31, 2020 (€Mn)	**1,299**
Like-for-like revaluation	(158)
Constant Currency Effect	58
URW Valuation as at Dec. 31, 2021 (€Mn)	**1,199**

Figures may not add up due to rounding.

Proportionate, IFRS and Group share figures for the property portfolio

The figures presented previously in the chapter are on a proportionate basis.

The following tables also provide the IFRS GMV and the Group share level (in GMV) for URW's assets:

	Proportionate		IFRS		Group share	
URW Asset portfolio valuation – Dec. 31, 2021	€Mn	%	€Mn	%	€Mn	%
Shopping Centres	47,109	86%	45,099	86%	40,519	88%
Offices & Others	3,510	6%	3,269	6%	3,236	7%
Convention & Exhibition	2,655	5%	2,656	5%	1,381	3%
Services	1,199	2%	1,199	2%	1,124	2%
Total URW	**54,473**	**100%**	**52,223**	**100%**	**46,259**	**100%**
URW Asset portfolio valuation – Dec. 31, 2020	€Mn	%	€Mn	%	€Mn	%
Shopping Centres	47,905	85%	45,948	85%	41,799	86%
Offices & Others	4,409	8%	4,241	8%	4,223	9%
Convention & Exhibition	2,701	5%	2,703	5%	1,410	3%
Services	1,299	2%	1,299	2%	1,218	3%
Total URW	**56,314**	**100%**	**54,192**	**100%**	**48,649**	**100%**
URW Like-for-like change – net of Investments - 2021	€Mn	%	€Mn	%	€Mn	%
Shopping Centres	(1,841)	(4.4%)	(1,077)	(3.2%)	(1,009)	(3.5%)
Offices & Others	93	6.3%	102	7.4%	93	6.9%
Convention & Exhibition	(50)	(1.9%)	(50)	(1.9%)	(34)	(2.4%)
Services	(158)	(12.2%)	(158)	(12.2%)	(153)	(12.5%)
Total URW	**(1,956)**	**(4.1%)**	**(1,184)**	**(3.0%)**	**(1,102)**	**(3.3%)**
URW Like-for-like change – net of Investments - 2021 – Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping Centres	(1.0%)	(3.4%)	0.0%	(3.2%)	(0.2%)	(3.2%)
Offices & Others	6.6%	(0.3%)	10.8%	(3.4%)	10.9%	(4.0%)
URW Net Initial Yield	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Shopping Centres(a)	4.6%	4.5%	4.6%	4.5%	4.6%	4.5%
Offices & Others - occupied space(b)	4.9%	4.9%	4.9%	4.9%	5.0%	4.9%

Figures may not add up due to rounding.

(a) Shopping centres under development and shopping centres not controlled by URW are not included in the calculation. Shopping centres held by companies accounted for using the equity method are not included in the calculation of IFRS and Group share but are included in the proportionate for the ones under joint control.
(b) Offices under development and offices not controlled by URW are not included in the calculation. Offices held by companies accounted for using the equity method are not included in the calculation of IFRS and Group share but are included in the proportionate for those in joint control.

Bridge between Proportionate and IFRS as at Dec. 31, 2021 €Mn	Asset portfolio valuation (including transfer taxes)
Total URW on a proportionate basis	**54,473**
(-) Assets joint-controlled on a proportionate basis	(9,342)
(+) Share investments in assets joint-controlled	7,092
Total URW under IFRS	**52,223**

Figures may not add up due to rounding.

Additional valuation parameters – IFRS 13

URW complies with the IFRS 13 fair value measurement and the position paper[1] on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe.

Considering the limited public data available, the complexity of real estate asset valuations, as well as the fact that appraisers use in their valuations the non-public rent rolls of the Group's assets, URW believes it is appropriate to classify its assets under Level 3. In addition, unobservable inputs, including appraisers' assumptions on growth rates and ECR, are used by appraisers to determine the fair value of URW's assets.

In addition to the disclosures provided above, the following tables provide quantitative data in order to assess the fair valuation of the Group's assets.

Shopping Centres

All shopping centres are valued using the discounted cash flow and/or yield methodologies using compound annual growth rates as determined by the appraisers.

Shopping Centres – Dec. 31, 2021		Net Initial Yield	Rent in € per sqm[a]	Discount Rate[b]	Exit Capitalisation Rate[c]	CAGR of NRI[d]
France	Max	6.9%	855	9.5%	10.7%	16.5%
	Min	3.8%	158	5.8%	4.0%	-0.5%
	Weighted average	4.4%	555	6.1%	4.3%	4.4%
Central Europe	Max	7.6%	604	8.5%	8.6%	3.9%
	Min	4.8%	127	6.7%	5.0%	2.1%
	Weighted average	5.3%	386	7.2%	5.3%	3.0%
Spain	Max	8.7%	545	11.8%	8.0%	3.8%
	Min	4.4%	126	7.0%	4.5%	2.6%
	Weighted average	4.9%	356	7.4%	4.8%	3.3%
Nordics	Max	5.0%	428	7.3%	5.2%	5.7%
	Min	3.8%	270	6.4%	4.3%	3.9%
	Weighted average	4.3%	370	6.7%	4.6%	4.4%
Germany	Max	8.1%	468	8.9%	7.0%	3.8%
	Min	4.3%	153	6.2%	4.4%	2.2%
	Weighted average	5.0%	282	6.7%	4.8%	3.3%
Austria	Max	4.9%	404	6.4%	4.4%	2.9%
	Min	4.6%	328	6.3%	4.4%	2.3%
	Weighted average	4.7%	364	6.4%	4.4%	2.6%
The Netherlands	Max	8.1%	365	8.4%	7.6%	5.3%
	Min	4.4%	151	5.5%	4.6%	1.9%
	Weighted average	5.1%	279	6.1%	5.2%	4.3%
US	Max	8.1%	1,736	9.5%	8.0%	13.1%
	Min	3.1%	288	5.8%	4.3%	1.8%
	Weighted average	4.2%	617	6.7%	5.0%	6.4%
UK	Max	5.8%	614	7.8%	6.5%	3.0%
	Min	4.9%	561	7.5%	6.3%	2.5%
	Weighted average	5.3%	584	7.6%	6.4%	2.8%

NIY, DR and ECR weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled by URW, the Westfield trademark and the airport activities are not included in this table.

(a) Average annual rent (MGR + SBR) per asset per sqm.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) CAGR of NRI determined by the appraiser (between six and ten years depending on duration of DCF model used).

(1) EPRA Position Paper on IFRS 13 - Fair value measurement and illustrative disclosures, February 2013.

The data for The Netherlands are positively impacted by the delivery of Westfield Mall of the Netherlands which was included in the computations as from 2021.

The data for the US are positively impacted by the foreclosure of the five assets. In addition, the currency effect had a positive impact on the rent in € per sqm of +8.6% for the US and of +6.4% for the UK.

For the US, the split between Flagships and Regionals was as follows:

Shopping Centres – Dec. 31, 2021		Net Initial Yield	Rent in € per sqm[a]	Discount Rate[b]	Exit Capitalisation Rate[c]	CAGR of NRI[d]
US Flagships	Max	6.2%	1,736	8.0%	6.5%	13.1%
	Min	3.1%	315	5.8%	4.3%	2.3%
	Weighted average	3.7%	732	6.3%	4.7%	6.8%
US Regionals	Max	8.1%	636	9.5%	8.0%	10.3%
	Min	5.0%	288	7.0%	5.8%	1.8%
	Weighted average	6.7%	389	8.6%	6.7%	4.8%

NIY, DR and ECR weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled by URW, the Westfield trademark and the airport activities are not included in this table.

(a) Average annual rent (MGR + SBR) per asset per sqm.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) CAGR of NRI determined by the appraiser (ten years).

The CAGR of NRI in tables above is based on 2021 NRI, which was impacted by the COVID-19 crisis. Compared to 2019, the average CAGR of NRI assumed by appraisers has decreased from 3.4% in the December 2019 valuations to 2.5% in the December 2020 valuations, 2.3% in the June 2021 valuations, and 2.2% in the December 2021 valuations including reductions in all regions in particular in the US and the UK, partly compensated by a slight NRI growth in The Netherlands following the Westfield Mall of the Netherlands delivery.

	CAGR of NRI - Starting from Dec. 31, 2019				CAGR of NRI determined by the appraisers in the DCF			
Shopping Centres	Valuations as at Dec. 31, 2021	Valuations as at June 30, 2021	Valuations as at Dec. 31, 2020	Valuations as at Dec. 31, 2019	Valuations as at Dec. 31, 2021	Valuations as at June 30, 2021	Valuations as at Dec. 31, 2020	Valuations as at Dec. 31, 2019
France	2.8%	3.0%	3.0%	3.7%	4.4%	4.3%	3.8%	3.7%
Central Europe	1.8%	1.8%	1.9%	2.5%	3.0%	3.2%	2.7%	2.5%
Spain	1.9%	2.1%	2.2%	3.1%	3.3%	3.6%	5.1%	3.1%
Nordics	2.6%	2.7%	3.0%	3.4%	4.4%	4.8%	4.7%	3.4%
Germany	2.0%	2.1%	2.3%	2.8%	3.3%	3.4%	3.2%	2.8%
Austria	1.7%	1.6%	1.7%	2.5%	2.6%	2.6%	2.5%	2.5%
The Netherlands[a]	4.1%	4.3%	2.2%	3.2%	4.3%	4.2%	2.6%	3.2%
US Flagships	2.6%	2.9%	3.1%	4.2%	6.8%	5.8%	4.4%	4.2%
US Regionals	1.0%	1.9%	2.2%	3.6%	4.8%	6.5%	3.8%	3.6%
UK	0.8%	0.9%	1.6%	3.0%	2.8%	1.8%	4.2%	3.0%
Average URW	**2.2%**	**2.3%**	**2.5%**	**3.4%**	**4.3%**	**4.2%**	**3.8%**	**3.4%**

(a) Impacted by the delivery of Westfield Mall of the Netherlands. Restated from Westfield Mall of the Netherlands, the 2021 CAGR of NRI starting from 2019 for The Netherlands would be 2.0% and 2.2% for the Group.

The NRI of the exit year used by appraisers in December 2021 valuations slightly increased in Continental Europe (+0.5%) compared to the exit year NRI of the December 2020 valuations and decreased in the US (-5.0%) and in the UK (-7.7%).

4.1.4.2 EPRA NET ASSET VALUE METRICS CALCULATION

The EPRA measures[1] are calculated by adjusting the equity attributable to the holders of the Stapled Shares, as shown in the Consolidated statement of financial position (under IFRS), for the items as described below. These apply differently to each metric.

EQUITY ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES

As at December 31, 2021, the Equity attributable to the holders of the Stapled Shares (which excludes both the Hybrid securities and the External non-controlling interests) came to €16,927 Mn.

The Equity attributable to the holders of the Stapled Shares incorporated the net recurring profit in the period of €1,005 Mn and the net negative impact in the period of -€1,977 Mn as a result of negative valuation movements and the negative mark-to-market of financial instruments.

REVALUATION TO FAIR VALUE OF INVESTMENT PROPERTIES, DEVELOPMENT PROPERTIES HELD FOR INVESTMENT AND OTHER NON-CURRENT INVESTMENTS

No adjustment was made for the purpose of the EPRA NRV, EPRA NTA and EPRA NDV calculation. The operating asset of URW (7 Adenauer, Paris 16th), previously held at cost under IAS 16, was sold on September 2021.

DEFERRED TAX IN RELATION TO FAIR VALUE MOVEMENTS IN INVESTMENT PROPERTY

In the Group's IFRS consolidated accounts, deferred tax on property assets was calculated in accordance with accounting standards as at December 31, 2021.

As a result, and consistent with the EPRA methodology, for the purpose of the EPRA NRV calculation, deferred taxes (€1,866 Mn) were added back for the calculation of EPRA NRV, and for the calculation of the EPRA NTA. For the EPRA NTA calculation, -€933 Mn of effective deferred taxes were then deducted. The EPRA NDV was not adjusted.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value adjustment of financial instruments recorded in the IFRS consolidated statement of financial position was added back by URW for the EPRA NRV and EPRA NTA calculation for a total amount of €711 Mn (excluding exchange rate hedging) and remained at the IFRS value for the EPRA NDV.

Fair value movements of foreign currency hedging instruments (fair value hedges or net investment hedges) recorded in the balance sheet and associated with foreign exchange retranslation remains in all three NAV metrics (NRV, NTA and NDV) to offset the movement in the underlying investment being hedged.

GOODWILL AS A RESULT OF DEFERRED TAXES

Goodwill booked on the balance sheet as a result of deferred taxes as at December 31, 2021, was excluded for an amount of -€177 Mn from the EPRA NRV, EPRA NTA and EPRA NDV.

OTHER GOODWILL AS PER THE IFRS BALANCE SHEET

Goodwill booked on the balance sheet (which is mainly related to the Westfield acquisition) was deducted for an amount of -€903 Mn from the EPRA NTA and EPRA NDV (net of the goodwill resulting from deferred taxes already deducted).

INTANGIBLES AS PER THE IFRS BALANCE SHEET

Intangible assets have been deducted for an amount of –€845 Mn from the EPRA NTA.

FAIR VALUE OF FIXED INTEREST RATE DEBT

The value of the fixed rate debt on the balance sheet of the Group is equal to the nominal value of the UR debt and the fair value of the Westfield debt at the accounting combination date (May 31, 2018). Taking fixed rate debt at its fair value would have a negative impact of -€513 Mn as at December 31, 2021. This impact was taken into account in the EPRA NDV calculation.

REVALUATION OF INTANGIBLES TO FAIR VALUE

When the fair value of an intangible asset can reliably be determined and is not already included within goodwill or otherwise recorded on the balance sheet, it is added to the EPRA NRV. The basis of valuation is disclosed. URW uses an external valuer at least annually to determine the valuation of such intangible assets and discloses the name of the firms undertaking the valuations. Care is taken that no double counting takes place with the goodwill on the balance sheet.

The appraisal of property services companies in France, the US, the UK and Germany, the airport activities (excluding LAX and Chicago), the Westfield trademark and of the operations ("fonds de commerce") of Viparis Porte de Versailles, Paris Nord Villepinte, Palais des Congrès de Paris and Palais des Congrès d'Issy-les-Moulineaux, meet the criteria of this adjustment and have been so valued. This gave rise to an unrealised capital gain of +€1,105 Mn, which was added only for the purpose of the EPRA NRV calculation.

REAL ESTATE TRANSFER TAX

As at December 31, 2021, the transfer taxes and costs deducted from asset values in the statement of financial position (in accordance with IFRS) amounted to €1,753 Mn. This amount is taken into account in the EPRA NDV. For the purpose of the EPRA NRV calculation, this amount was added back.

For the purpose of the EPRA NTA calculation, the Group used the optimised net property value. Transfer taxes and transaction costs are estimated after taking into account the likely disposal scenario: sale of the asset or of the company that owns it. As at December 31, 2021, these estimated transfer taxes and other transaction costs compared to transfer taxes and costs already deducted from asset values on the statement of financial position (in accordance with IFRS) came to a positive net adjustment of +€475 Mn.

FULLY DILUTED NUMBER OF SHARES

Dilution from securities giving access to share capital as at December 31, 2021, was computed for such instruments "in the money" and having fulfilled the performance conditions.

In accordance with IFRS, financial instruments and the ORNANEs were recorded on URW's statement of financial position at their fair value with the impact of the change in fair value included in the income statement and thus in the equity attributable to the holders of the Stapled Shares.

The ORNANEs issued in 2015 were not restated for the EPRA measures calculation as they were "out of the money" as at December 31, 2021, and therefore had no impact on the number of shares.

(1) Refer to the EPRA website for more detail: https://www.epra.com/application/files/3115/7287/4349/EPRA_BPR_Guidelines_241019.pdf.

The exercise of "in the money" stock options and performance shares with the performance conditions fulfilled as at December 31, 2021, would have led to a rise in the number of shares by +418,750, without any impact on the equity attributable to the holders of the Stapled Shares as they relate only to performance shares.

As at December 31, 2021, the fully-diluted number of shares taken into account for the EPRA measures calculations was 139,013,166.

URW'S EPRA NRV

URW's EPRA NRV stood at €22,186 Mn or €159.60 per share (fully diluted) as at December 31, 2021. The EPRA NRV per share decreased by -€7.20 (or -4.3%) compared to December 31, 2020.

The decrease of -€7.20 compared to December 31, 2020, was the sum of: (i) -€3.56 per share of changes in Equity attributable to the holders of the Stapled Shares representing the sum of: (a) -€13.81 per share representing the revaluation of investment properties, the impairment of goodwill and intangible assets and the capital gains on disposals, (b) the Recurring Earnings Per Share of +€7.26, and (c) other effects of +€2.99 per share (mainly related to a positive FX impact of +€4.03 per share); and (ii) -€3.64 per share of changes due to NAV adjustments representing the sum of: (a) -€1.57 per share of impact of fair value of financial instruments adjustment, (b) -€1.12 per share of impact of deferred taxes on Balance sheet, (c) the loss of the revaluation of the operating asset (7 Adenauer) of URW for -€0.39 per share, and (d) -€0.56 per share of other effects.

URW'S EPRA NTA

URW's EPRA NTA stood at €17,122 Mn or €123.20 per share (fully diluted) as at December 31, 2021. The EPRA NTA per share decreased by -€4.90 (or -3.8%) compared to December 31, 2020.

The decrease of -€4.90 compared to December 31, 2020, was the sum of: (i) -€3.56 per share of changes in Equity attributable to the holders of the Stapled Shares representing the sum of: (a) -€13.81 per share representing the revaluation of investment properties, the impairment of goodwill and intangible assets and the capital gains on disposals, (b) the Recurring Earnings Per Share of +€7.26, and (c) other effects of +€2.99 per share (mainly related to a positive FX impact of +€4.03 per share); and (ii) -€1.34 per share of changes due to NAV adjustments representing the sum of: (a) -€1.57 per share of impact of fair value of financial instruments adjustment, (b) -€0.56 per share of impact of deferred taxes on Balance sheet and effective deferred taxes, (c) the loss of the revaluation of the operating asset (7 Adenauer) of URW for -€0.39 per share, and (d) +€1.18 per share of other effects.

URW'S EPRA NDV

URW's EPRA NDV stood at €15,335 Mn or €110.30 per share (fully diluted) as at December 31, 2021. The EPRA NDV per share decreased by -€0.20 (or -0.2%) compared to December 31, 2020.

The decrease of -€0.20 compared to December 31, 2020 was the sum of: (i) -€3.56 per share of changes in Equity attributable to the holders of the Stapled Shares representing the sum of: (a) -€13.81 per share representing the revaluation of investment properties, the impairment of goodwill and intangible assets and the capital gains on disposals, (b) the Recurring Earnings Per Share of +€7.26, and (c) other effects of +€2.99 per share (mainly related to a positive FX impact of +€4.03 per share); and (ii) +€3.36 per share of changes due to NAV adjustments representing the sum of: (a) +€2.53 per share of impact of fair value adjustment of fixed interest rate debt, (b) the loss of the revaluation of the operating asset (7 Adenauer) of URW for -€0.39 per share, and (c) +€1.21 per share of impact of impairment or changes in goodwill.

4.1.4.3 EPRA NET ASSET VALUE METRICS TABLE

	Dec. 31, 2021		
(€Mn)	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to the holders of the Stapled Shares (IFRS)	**16,927**	**16,927**	**16,927**
Include/Exclude:*			
i) Hybrid instruments	-	-	-
Diluted NAV	**16,927**	**16,927**	**16,927**
Include:*			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	-	-
ii.b) Revaluation of IPUC(1) (if IAS 40 cost option is used)	0	0	0
ii.c) Revaluation of other non-current investments(2)	0	0	0
iii) Revaluation of tenant leases held as finance leases(3)	0	0	0
iv) Revaluation of trading properties(4)	0	0	0
Diluted NAV at Fair Value	**16,927**	**16,927**	**16,927**
Exclude:*			
v) Deferred tax in relation to fair value gains of IP(5) detailed below:			
v.a) Reversal of deferred taxes on Balance sheet	1,866	1,866	-
v.b) Effective deferred taxes on capital gains	-	(933)	-
vi) Fair value of financial instruments	711	711	-
vii) Goodwill as a result of deferred tax	(177)	(177)	(177)
viii.a) Goodwill as per the IFRS balance sheet (net of vii)	-	(903)	(903)
viii.b) Intangibles as per the IFRS balance sheet	-	(845)	-
Include:*			
ix) Fair value of fixed interest rate debt	-	-	(513)
x) Revaluation of intangibles to fair value	1,105	-	-
xi) Real estate transfer tax(6)	1,753	475	-
NAV	**22,186**	**17,122**	**15,335**
Fully diluted number of shares	139,013,166	139,013,166	139,013,166
NAV per share	**€159.60**	**€123.20**	**€110.30**

Figures may not add up due to rounding.

(1) Difference between development property held on the balance sheet at cost and fair value of that development property.
(2) Revaluation of intangibles are presented under adjustment (x). Revaluation of Intangibles to fair value is not under this line item.
(3) Difference between finance lease receivables held on the balance sheet at amortised cost and the fair value of those finance lease receivables.
(4) Difference between trading properties held on the balance sheet at cost (IAS 2) and the fair value of those trading properties.
(5) Deferred tax adjustment for NTA calculated in line with the EPRA guidelines.
(6) Real estate transfer taxes were adjusted in accordance with the EPRA guidelines.
* "Include" indicates that an asset (whether on or off balance sheet) should be added to the shareholders' equity, whereas a liability should be deducted.
* "Exclude" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back.

	Dec. 31, 2020		
(€Mn)	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to the holders of the Stapled Shares (IFRS)	**17,394**	**17,394**	**17,394**
Include/Exclude:*			
i) Hybrid instruments	-	-	-
Diluted NAV	**17,394**	**17,394**	**17,394**
Include:*			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	54	54	54
ii.b) Revaluation of IPUC(1) (if IAS 40 cost option is used)	0	0	0
ii.c) Revaluation of other non-current investments(2)	0	0	0
iii) Revaluation of tenant leases held as finance leases(3)	0	0	0
iv) Revaluation of trading properties(4)	0	0	0
Diluted NAV at Fair Value	**17,447**	**17,447**	**17,447**
Exclude:*			
v) Deferred tax in relation to fair value gains of IP(5) detailed below:			
v.a) Reversal of deferred taxes on Balance sheet	2,023	2,023	-
v.b) Effective deferred taxes on capital gains	-	(1,011)	-
vi) Fair value of financial instruments	929	929	-
vii) Goodwill as a result of deferred tax	(200)	(200)	(200)
viii.a) Goodwill as per the IFRS balance sheet (net of vii)	-	(1,049)	(1,049)
viii.b) Intangibles as per the IFRS balance sheet	-	(876)	-
Include*:			
ix) Fair value of fixed interest rate debt	-	-	(865)
x) Revaluation of intangibles to fair value	1,113	-	-
xi) Real estate transfer tax(6)	1,836	522	-
NAV	**23,148**	**17,785**	**15,334**
Fully diluted number of shares	138,786,602	138,786,602	138,786,602
NAV per share	**€166.80**	**€128.10**	**€110.50**

Figures may not add up due to rounding.

(1) Difference between development property held on the balance sheet at cost and fair value of that development property.
(2) Revaluation of intangibles are presented under adjustment (x). Revaluation of Intangibles to fair value is not under this line item.
(3) Difference between finance lease receivables held on the balance sheet at amortised cost and the fair value of those finance lease receivables.
(4) Difference between trading properties held on the balance sheet at cost (IAS 2) and the fair value of those trading properties.
(5) Deferred tax adjustment for NTA calculated in line with the EPRA guidelines.
(6) Real estate transfer taxes were adjusted in accordance with the EPRA guidelines.
* "Include" indicates that an asset (whether on or off balance sheet) should be added to the shareholders' equity, whereas a liability should be deducted.
* "Exclude" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back.

	EPRA NRV		
(€Mn)	Dec. 31, 2021	June 30, 2021	Dec. 31, 2020
Equity attributable to the holders of the Stapled Shares (IFRS)	**16,927**	**17,223**	**17,394**
Include/Exclude:*			
i) Hybrid instruments	-	36	-
Diluted NAV	**16,927**	**17,259**	**17,394**
Include:*			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	86	54
ii.b) Revaluation of IPUC(1) (if IAS 40 cost option is used)	0	0	0
ii.c) Revaluation of other non-current investments(2)	0	0	0
iii) Revaluation of tenant leases held as finance leases(3)	0	0	0
iv) Revaluation of trading properties(4)	0	0	0
Diluted NAV at Fair Value	**16,927**	**17,345**	**17,447**
Exclude:*			
v) Deferred tax in relation to fair value gains of IP(5) detailed below:			
v.a) Reversal of deferred taxes on Balance sheet	1,866	1,900	2,023
v.b) Effective deferred taxes on capital gains	-	-	-
vi) Fair value of financial instruments	711	692	929
vii) Goodwill as a result of deferred tax	(177)	(177)	(200)
viii.a) Goodwill as per the IFRS balance sheet (net of vii)	-	-	-
viii.b) Intangibles as per the IFRS balance sheet	-	-	-
Include:*			
ix) Fair value of fixed interest rate debt	-	-	-
x) Revaluation of intangibles to fair value	1,105	1,106	1,113
xi) Real estate transfer tax(6)	1,753	1,800	1,836
EPRA NRV	**22,186**	**22,667**	**23,148**
Fully diluted number of shares	139,013,166	139,559,639	138,786,602
EPRA NRV per share	**€159.60**	**€162.40**	**€166.80**
% of change over six months	**(1.7%)**	**(2.6%)**	**(15.3%)**
% of change over one year	**(4.3%)**	**(17.6%)**	**(27.1%)**

Figures may not add up due to rounding.

(1) Difference between development property held on the balance sheet at cost and fair value of that development property.
(2) Revaluation of intangibles are presented under adjustment (x). Revaluation of Intangibles to fair value is not under this line item.
(3) Difference between finance lease receivables held on the balance sheet at amortised cost and the fair value of those finance lease receivables.
(4) Difference between trading properties held on the balance sheet at cost (IAS 2) and the fair value of those trading properties.
(5) Deferred tax adjustment for NTA calculated in line with the EPRA guidelines.
(6) Real estate transfer taxes were adjusted in accordance with the EPRA guidelines.
* "Include" indicates that an asset (whether on or off balance sheet) should be added to the shareholders' equity, whereas a liability should be deducted.
* "Exclude" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back.

Evolution of EPRA NRV, EPRA NTA and EPRA NDV – per share (fully diluted)		EPRA NRV	EPRA NTA	EPRA NDV
As at Dec. 31, 2020, per share		**€166.80**	**€128.10**	**€110.50**
Recurring Net Result		**7.26**	**7.26**	**7.26**
Revaluation of Investment Properties[a]		(13.83)	(13.83)	(13.83)
Shopping Centres	(14.54)			
Offices & Others	1.07			
Convention & Exhibition	(0.37)			
Depreciation or impairment of intangibles		(0.44)	(0.44)	(0.44)
Impairment of goodwill		(1.05)	(1.05)	(1.05)
Capital gain on disposals[b]		1.51	1.51	1.51
Subtotal revaluations, impairments and capital gain on disposals		**(13.81)**	**(13.81)**	**(13.81)**
Mark-to-market of debt and financial instruments		(0.68)	(0.68)	(0.68)
Taxes on non-recurring result		0.33	0.33	0.33
Other non-recurring result		(0.06)	(0.06)	(0.06)
Subtotal non-recurring financial expenses, taxes and other		**(0.41)**	**(0.41)**	**(0.41)**
Distribution		**-**	**-**	**-**
Other changes in Equity attributable to the holders of the Stapled Shares		**3.40**	**3.40**	**3.40**
Total changes in Equity attributable to the holders of the Stapled Shares		**(3.56)**	**(3.56)**	**(3.56)**
Impact of potential issuance of Stock Options and number of shares		-	-	-
Revaluation of Investment Properties (operating assets)[b]		(0.39)	(0.39)	(0.39)
Impact of deferred taxes on Balance sheet and effective deferred taxes		(1.12)	(0.56)	-
Impact of fair value of financial instruments adjustment		(1.57)	(1.57)	-
Impact of impairment or changes in goodwill as per the IFRS balance sheet		0.17	1.21	1.21
Impact of real estate transfer tax		(0.60)	(0.34)	-
Impact from intangibles assets		(0.06)	0.23	-
Impact of fair value adjustment of fixed interest rate debt		-	-	2.53
Impact of change in the number of fully-diluted Stapled Shares		(0.07)	0.07	-
Total changes due to NAV adjustments		**(3.64)**	**(1.34)**	**3.36**
As at Dec. 31, 2021, per share (fully diluted)		**€159.60**	**€123.20**	**€110.30**

Figures may not add up due to rounding.

(a) Revaluation of property assets is -€12.69 per share on a like-for-like basis, of which -€11.05 due to the yield effect and -€1.64 due to the rent effect.
(b) Capital gain on disposals includes the sale and leaseback of 7 Adenauer. It should be netted from the revaluation of Investment Properties (operating assets), which was included in the NAV calculation as at December 31, 2020.

4.1.5 FINANCIAL RESOURCES[1]

In 2021, the rates and credit markets were characterised by volatility driven by macroeconomic factors, the evolution of the COVID-19 pandemic globally and Central Banks' announcements.

In the first half-year, accelerated vaccine rollout, positive signs towards global economic recovery and Central Banks easing policy supported the credit markets despite the surge of the COVID-19 delta variant. In this context, URW took advantage of the favourable market conditions to launch a €1.25 Bn dual tranche bond (long seven-year and 12-year maturities).

In the second half, volatility increased with new variants concerns and Central Banks adopting a more hawkish position in view of increasing inflation. Specifically:

- The ECB announced its plan to discontinue PEPP net purchases in March 2022;
- The Fed started its tapering in November 2021, while indicating plans for rates hike starting in 2022;
- The Bank of England increased, in mid-December 2021, its Bank Rate for the first time since the beginning of the pandemic.

Overall, in 2021, URW raised €5,551 Mn of medium to long-term funds in the bond and bank markets including credit facility renewals. As at December 31, 2021, the Group had €12.1 Bn of cash on hand and undrawn credit lines (€12.3 Bn on a proportionate basis).

To optimise the use of its cash, the Group proactively reimbursed in anticipation €1,099 Mn of debt in 2021 including:

- €400 Mn of two Euro mortgage loans maturing in December 2021 and in December 2023;
- €257 Mn of the EMTN bond maturing in October 2022; and
- $500 Mn of the 144A bond maturing in April 2022.

As at December 31, 2021:

- The Interest Coverage Ratio ("ICR") was 3.3x (3.5x);
- The Funds From Operations ("FFO") to Net Financial Debt Ratio ("FFO/NFD") was 5.0% (4.8%);
- The Loan-to-Value ("LTV") ratio[2] was 43.3%[3] (44.7%).

The average cost of debt for the period was 2.0% (1.7%), representing the blended average cost of 1.5% for Euro and SEK denominated debt and 3.9% for USD and GBP denominated debt.

4.1.5.1 DEBT STRUCTURE AS AT DECEMBER 31, 2021[4]

	IFRS		Proportionate[5]	
	Dec. 31, 2021	Dec. 31, 2020	**Dec. 31, 2021**	Dec. 31, 2020
Gross debt[6][7]	€24,856 Mn	€26,385 Mn	€26,926 Mn	€28,324 Mn
Cash on hand	€2,256 Mn	€2,138 Mn	€2,442 Mn	€2,270 Mn
Net debt[8]	**€22,600 Mn**	**€24,248 Mn**	**€24,484 Mn**	**€26,054 Mn**

In 2021, the decrease in net debt is primarily a result of:

- The completion of disposals mainly SHiFT, the Les Villages 3, 4 and 6 office buildings, the 60% stake in Aupark, 7 Adenauer, the 45% stake in Westfield Shopping City Süd, and the 51% stake in Aquaboulevard and Le Sextant;
- The foreclosure of five US assets (Westfield Sarasota, Westfield Citrus Park, Westfield Broward, Westfield Countryside and Westfield Palm Desert), following which URW will not own the assets and will not be liable for the $411 Mn[9] non-recourse mortgage debt secured by these assets;
- Retained cashflow over the period;

Partly offset by:

- The full consolidation of Westfield Trumbull (US) non-recourse mortgage debt following the acquisition of the JV partners' 47% stake in this asset. As at December 31, 2021, a corresponding debt amount of $152 Mn was accounted for on an IFRS and proportionate basis (vs. $0 Mn on a IFRS and $80 Mn on proportionate basis as at December 31, 2020);
- Capital expenditures spent over the period; and
- Foreign exchange evolution on the debt raised in USD, GBP and SEK (impact of €359 Mn)[10][11].

Pro-forma for the receipt of the proceeds from the disposal of Solna Centrum and a 45% stake in Westfield Carré Sénart, the net financial debt would decrease to €22,063 Mn (and €23,947 Mn on a proportionate basis).

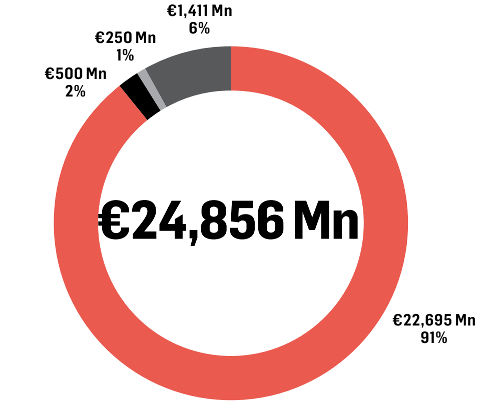
The medium to long-term corporate debt issued by the various URW entities is cross guaranteed. No loans are subject to prepayment clauses linked to the Group's credit ratings.[12]

(1) As the Group's financial covenants are calculated in accordance with IFRS, unless otherwise indicated, the financial information in this section is presented in accordance with IFRS. The Group also provides such information on a proportionate basis (see comparative tables). For definitions, refer to the Glossary. Unless otherwise indicated, comparisons to ratios, debt outstanding, average cost of debt, the amount of undrawn credit lines and cash on hand relate to December 31, 2020.
(2) Net financial debt as shown on the Group's balance sheet, after the impact of derivative instruments on debt raised in foreign currencies/total assets, including transfer taxes (44.8% excluding transfer taxes).
(3) Excluding €960 Mn of goodwill not justified by fee business as per the Group's European bank debt leverage covenants (€1,031 Mn on a proportionate basis).
(4) Hybrid securities are accounted for as equity. The hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option and are required to be classified as equity under IFRS. Details on the hybrid securities are available at: https://images-urw.azureedge.net/-/media/Corporate~o~Sites/Unibail-Rodamco-Corporate/Files/Homepage/INVESTORS/Financing-Activity/Bond-Issues/Prospectuses-Hybrid/20180423-2018-Prospectus-Hybrid_onlyEN.ashx?revision=035329ae-9e2d-4980-a5c7-97b97e3f2fd1
(5) The sum of: (i) IFRS debt, and (ii) the Group's share of debt at joint ventures in joint control accounted for using the equity method under IFRS, most of which is secured by assets held in joint ventures.
(6) After impact of derivative instruments on debt raised in foreign currencies. Excluding financial leases accounted as debt under IFRS 16.
(7) The gross financial debt includes €500 Mn of net share settled bonds convertible into new and/or existing URW Stapled Shares (ORNANE) issued in April 2015 and maturing on January 1, 2022.
(8) Excluding partners' current accounts.
(9) $477 Mn on proportionate basis as at December 31, 2020.
(10) Based on following exchange rates as at December 31, 2021: EUR/USD 1.1326, EUR/GBP 0.8403 and EUR/SEK 10.2503 vs. exchange rates as at December 31, 2020: EUR/USD 1.2271, EUR/GBP 0.8990 and EUR/SEK 10.0343.
(11) On a proportionate basis: €470 Mn.
(12) Barring exceptional circumstances (change of control).

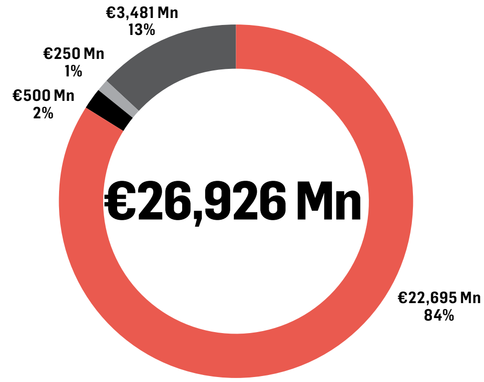
GROSS DEBT BREAKDOWN AS AT DECEMBER 31, 2021[1]

Breakdown by financing sources

IFRS DEBT



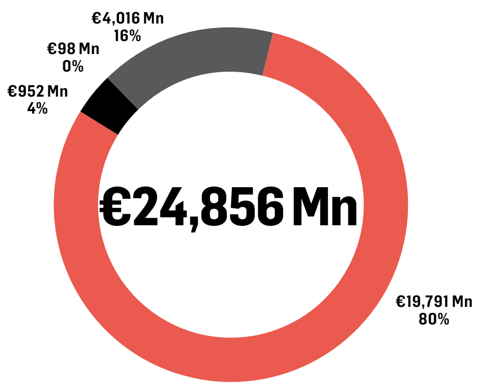
PROPORTIONATE DEBT



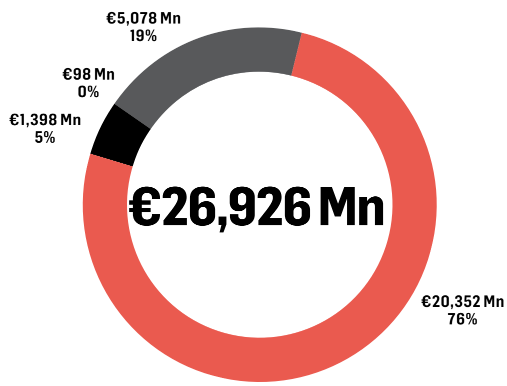
EMTN & Bonds | Convertible Bonds | Short-term paper | Bank loans, mortgages and overdrafts

Breakdown by currency

IFRS DEBT



PROPORTIONATE DEBT



EUR | GBP | SEK | USD

FUNDS RAISED

Bond market

Despite the challenging market conditions, the Group secured additional liquidity and increased its debt maturity, through the following public EMTN Bonds issued on May 25, 2021:

- €650 Mn with a 0.75% coupon and seven-year and five-month maturity; and
- €600 Mn with a 1.375% coupon and 12-year maturity.

In total, €1,250 Mn of bonds were issued with a weighted average maturity of 9.6 years and a weighted average coupon of 1.05%.

Short to medium-term paper

URW also accessed the money markets by issuing short-term paper. The average outstanding amount of short-term paper[2] in 2021 was €682 Mn below 2020 (€1,364 Mn on average in 2020) due to higher liquidity position in 2021.

Credit facility and cash

The signing of €3,950 Mn of credit facilities were completed in 2021, including:

- The largest sustainability-linked revolving credit facility for a REIT in Europe, for an amount of €3,100 Mn, with a five-year maturity. The credit facility replaces €1,600 Mn of credit lines that were scheduled to mature in 2021 and €800 Mn due to mature in 2022, 2023 and 2024. It includes new funding for an amount of €700 Mn either from new banks or existing banks increasing their exposure to URW;
- A €850 Mn of bilateral credit facilities with an average maturity of four years.

(1) Figures may not add up due to rounding.
(2) Neu CP.

Mortgage debt

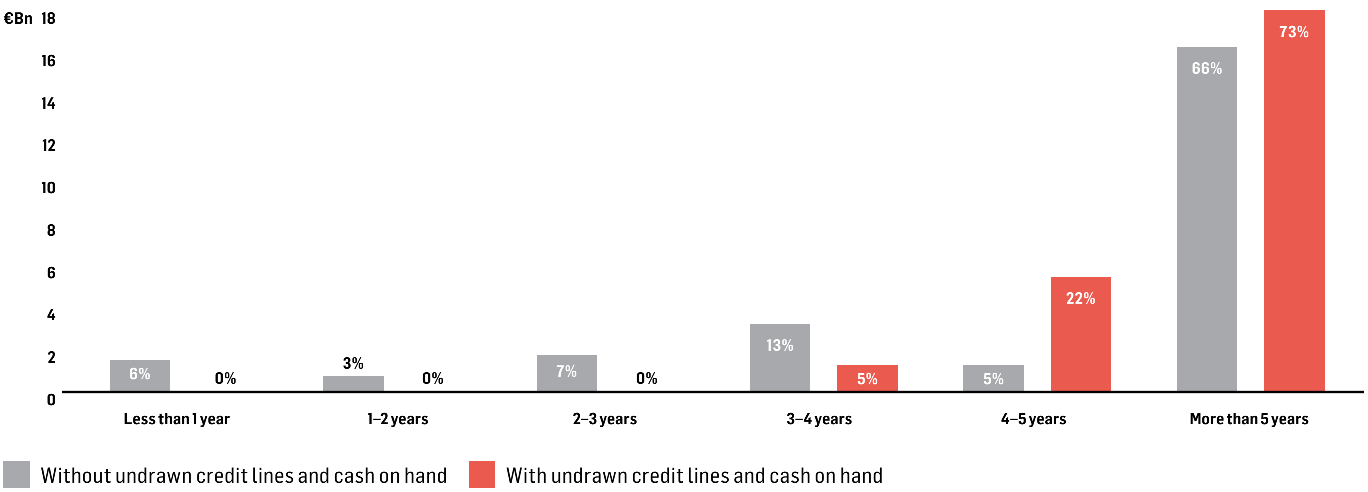
- In the context of the disposal of a 45% stake in Westfield Shopping City Süd, a non-recourse mortgage loan was put in place on July 21, 2021, for a total amount of €351 Mn with a seven-year maturity at a current cost of 1.39%. This debt will be fully consolidated in URW's accounts[1].
- Mortgage debt was also raised by JV's consolidated under the equity method, in which URW has joint control:
  - €229.5 Mn in the Aupark JV in which URW has a 40% stake, (€92 Mn in URW's proportionate debt); and
  - €103.8 Mn in the Aquaboulevard and Le Sextant JV in which URW has a 49% stake, (€51 Mn in URW's proportionate debt).

DEBT MATURITY AS AT DECEMBER 31, 2021

The average maturity of the Group's debt, taking into account the undrawn credit lines[2] and cash on hand, stood at 8.6 years and at 7.6 years without taking into account the undrawn credit lines and cash on hand.

The following chart illustrates the split by maturity date of URW's net financial debt as at December 31, 2021.

DEBT MATURITY PROFILE AS AT DECEMBER 31, 2021



LIQUIDITY NEEDS

Overall, URW's debt repayment needs for the next 12 months are fully covered by the cash on hand as shown in the table below:

Liquidity needs over next 12 months	IFRS	Proportionate
Bonds	€523 Mn	€523 Mn
Convertible bonds	€500 Mn	€500 Mn
Short-term paper	€250 Mn	€250 Mn
Bank loans, Mortgage & overdraft	€259 Mn	€610 Mn
Total liquidity needs	**€1,532 Mn**	**€1,882 Mn**
Cash on hand	***€2,256 Mn***	***€2,442 Mn***

As at December 31, 2021, the total amount of undrawn credit lines[3] was €9,859 Mn (€9,240 Mn), including a $3.2 Bn (c. €2.8 Bn) multi-currency revolving credit facility.

The average residual maturity of these undrawn credit lines stands at 2.8 years.

The credit facilities maturing over the next 12 months amount to €704 Mn. URW is contemplating opportunities to extend or renew part of these lines.

AVERAGE COST OF DEBT

The average cost of debt as at December 31, 2021, was 2.0% (1.7%), representing the blended average cost of 1.5% for Euro and SEK denominated debt and 3.9% for USD and GBP denominated debt.

This average cost of debt was in particular impacted by:

- The cost of carry of the undrawn credit lines and of the cash kept on its balance sheet;
- The cost of the mortgage debt put in place in the context of partial disposals;
- The impact of rating downgrades in 2020 and 2021 on the cost of the Group's credit lines and financing;
- The coupons of bonds raised in 2020 and 2021 to increase the Group's liquidity position; and
- Lower use of the Group's short-term paper programme.

(1) As Westfield Shopping City Süd will remain fully consolidated, the €351 Mn non-recourse debt raised by the JV, held at 55% by URW and owning the asset, is fully consolidated at 100% in URW's IFRS and proportionate debt.
(2) Subject to covenants.
(3) Subject to covenants.

4.1.5.2 RATINGS

URW has a solicited rating from both Standard & Poor's ("S&P") and Moody's.

On March 4, 2021, Moody's downgraded URW's long-term rating from "Baa1" to "Baa2" and changed the outlook from "rating under review for downgrade" to "stable".

On May 14, 2021, S&P published a credit update confirming the "BBB+" long-term rating of the Group and its "Negative" outlook.

On November 18, 2021, S&P published a bulletin with no action on the long-term rating of the Group.

4.1.5.3 MARKET RISK MANAGEMENT

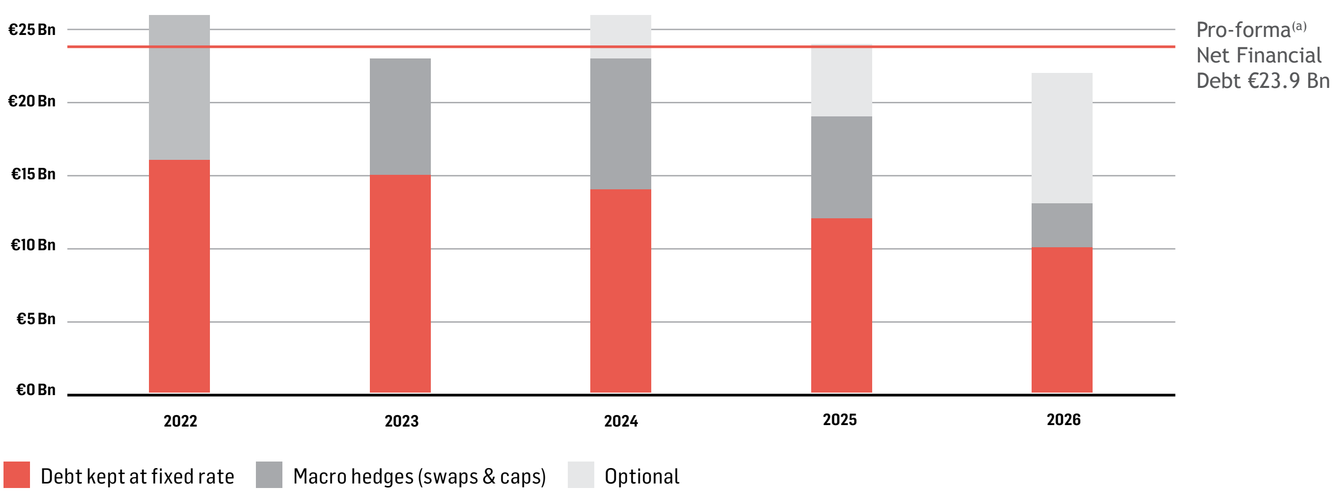
Market risks can generate losses resulting from fluctuations in interest rates, exchange rates, raw material prices and share prices. URW's risk mainly relates to interest rate fluctuations on the debt it has taken out to finance its investments and maintain the cash position it requires and exchange rate fluctuations due to the Group's activities in countries outside the Eurozone, in particular in the US and the UK. URW risk management policy is described in the notes to the consolidated financial statements.

INTEREST RATE RISK MANAGEMENT

In 2021, the Group swapped to floating rate €1.25 Bn of bonds issued and adjusted its hedging position for a cost of €86.6 Mn in view of its current disposal and investment plans, the existing debt[(1)] and hedging programme as well as the debt the Group expects to raise in the coming years.

As a consequence, the Group's net interest rate position is fully hedged for 2021 and the following years.

ANNUAL PROJECTION OF AVERAGE HEDGING AMOUNTS AND FIXED RATE DEBT UP TO 2026 (AS AT DECEMBER 31, 2021)



(a) Pro-forma for the receipt of the proceeds from disposal of Solna Centrum and a 45% stake in Westfield Carré Sénart.

N.B.: *The hedging instruments used to hedge the variable rate debt and the fixed rate debt immediately converted into variable rate debt, through the Group's macro hedging.*

Measuring interest rate exposure

Based on the estimated average proportionate net debt position of URW in 2022, if interest rates[(2)] (Euribor, Libor, Stibor) were to rise/decrease, the recurring result would be impacted by:

	Euros[(3)]	USD	GBP	Total eq. EUR
-25 bps interest rate	+€21.4 Mn	+$0.3 Mn	£0.0 Mn	+€21.7 Mn
+25 bps interest rate	(€21.4 Mn)	($0.3 Mn)	£0.0 Mn	(€21.7 Mn)
+100 bps interest rate	(€32.1 Mn)	($1.4 Mn)	£0.0 Mn	(€33.4 Mn)
+200 bps interest rate	(€32.7 Mn)	($2.8 Mn)	£0.0 Mn	(€35.1 Mn)

The impact of rate increase on the recurring financial expenses would remain limited in case of an increase of +100 bps or +200 bps thanks to hedging instruments in place.

(1) On a proportionate basis.
(2) The impact on exchange rates due to this theoretical increase or decrease of 25 bps in interest rates is not taken into account. The theoretical impact of a rise or decrease in interest rates is calculated relative to the applicable rates as at December 31, 2021: 3m Euribor (-0.572%), 3m USD Libor (0.209%) and 3m GBP Libor (0.262%).
(3) Including SEK.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group is active in countries outside the Eurozone. When converted into euros, the income and value of the Group's investments may be influenced by fluctuations in exchange rates against the euro. The Group's policy objective is to apply a broadly consistent(1) LTV by currency allowing it to match part of the foreign currency asset value and income with debt and financial expenses in the same currency, thus reducing the exchange rate effects on the Group's balance sheet and earnings. Foreign exchange risk can be hedged by either matching investments in a specific currency with debt in the same currency or using derivatives to achieve the same risk management goal.

IFRS - *In millions**	Euros(2)	USD	GBP	Total eq. EUR
Assets(3)	37,701	12,792	2,713	**52,223**
Net Financial Debt	17,716	4,470	788	**22,600**
IFRS LTV	**47.0%**	**34.9%**	**29.0%**	**43.3%**

Proportionate - *In millions**	Euros(2)	USD	GBP	Total eq. EUR
Assets(4)	38,357	14,081	3,096	**54,473**
Net Financial Debt	18,215	5,625	1,095	**24,484**
Proportionate LTV(5)	**47.5%**	**39.9%**	**35.4%**	**44.9%**

* *In local currencies.*

The Group's FX main exposures are in USD, GBP and SEK. A change of 10% of EUR/USD, EUR/GBP or EUR/SEK (i.e. a +10% increase of EUR against the USD, GBP or SEK in 2022) would have an impact on shareholders' equity and on the recurring net result as follows:

	Impact on	
in € Mn	Shareholder's Equity	Net Recurring Result
+10% in EUR/USD	(552.3)	(17.5)
+10% in EUR/GBP	(134.3)	(9.9)
+10% in EUR/SEK	(186.6)	(7.4)

The impact on the recurring net result (or conversely a positive impact in case of a decrease of EUR vs. these currencies) would be offset by the FX hedging that the Group has put in place against EUR/USD, EUR/GBP, EUR/SEK fluctuations.

4.1.5.4 FINANCIAL STRUCTURE

Financial ratios - IFRS	2021	H1-2021	2020
Net debt	€22,600 Mn	€23,467 Mn	€24,248 Mn
GMV	€52,223 Mn	€52,798 Mn	€54,192 Mn
LTV	43.3%	44.4%	44.7%
ICR	3.3x	2.9x	3.5x
Net debt/EBITDA	13.7x	16.6x	14.6x
FFO/Net debt	5.0%	4.3%	4.8%

Financial ratios - Proportionate	2021	H1-2021	2020
Net debt	€24,484 Mn	€25,306 Mn	€26,054 Mn
GMV	€54,473 Mn	€54,966 Mn	€56,314 Mn
LTV	44.9%	46.0%	46.3%
ICR	3.0x	2.7x	3.1x
Net debt/EBITDA	14.4x	17.3x	15.2x
FFO/Net debt	4.5%	3.9%	4.4%

The LTV ratio(6) decrease is mainly due to the net debt reduction partly offset by lower valuations.

Pro-forma for the receipt of the proceeds from the disposal of Solna Centrum and a 45% stake in Westfield Carré Sénart, the LTV would stand at 42.5% (and 44.2% on a proportionate basis).

Although it is not part of URW's corporate debt covenants, the Group has set itself a Net debt/EBITDA(7) target of 9x. The 2021 Net debt/EBITDA of 13.7x takes into account the COVID-19 impact on EBITDA.

(1) On a proportionate basis.
(2) Including SEK.
(3) Including transfer taxes and excluding €960 Mn of goodwill not justified by fee businesses.
(4) Including transfer taxes and excluding €1,031 Mn of goodwill not justified by fee businesses.
(5) 46.7% excluding transfer taxes.
(6) Excluding €960 Mn of goodwill not justified by fee businesses as per the Group's European leverage covenants (€1,031 Mn on a proportionate basis).
(7) On last 12-month basis.

FINANCIAL COVENANTS - SUMMARY

Corporate debt and credit facilities

The Group's corporate debt covenants levels and corresponding current ratios are set at:

	Dec. 31, 2021	Europe Credit facility covenants level	US Credit facility covenants level	Rule 144A and Reg S Bonds covenants level
LTV[1]	43.3%	< 60%	< 65%	< 65%
ICR	3.3x	> 2x	> 1.5x	> 1.5x
FFO/NFD	5.0%	> 4%	N.A.	N.A.
Secured debt ratio	2.2%	N.A.	< 50%	< 45%
Unencumbered leverage ratio	1.9x	N.A.	> 1.5x	> 1.25x

These covenants are tested twice a year based on the Group's IFRS financial statements. As at December 31, 2021:

- 100% of the Group's credit facilities and loans allow a LTV of up to 60% for the Group or the borrowing entity, as the case may be;
- 100% of the Group's credit facilities and loans require an ICR > 2x for the Group or the borrowing entity, as the case may be;
- 71% of the Group's credit facilities and loans include an FFO/NFD covenant. These require an FFO/NFD above 4% for the Group or the borrowing entity, as the case may be.

Due to the exceptional circumstances linked to the COVID-19 pandemic with the significant closure of URW shopping centres and C&E in H1-2021 and its impact on the Group's operations, a waiver of the FFO/Net financial debt ratio test in H1 and FY-2021 has been granted by URW's lending banks for its corporate bank debt. This ratio remained above the minimum level required under the credit facilities' covenants.

Secured debt non-recourse

The non-recourse mortgage debt raised by certain entities of the Group includes financial covenants:

	Covenant level range	% of non-recourse mortgage incl. this feature in such covenant
Debt Yield covenants	7%-7.5%	21%
ICR covenants	1.25x-3.5x	46%
LTV covenants	55%-125%	58%

- Any breach under these covenants would not lead to a cross-default on the Group's borrowings.
- In any case in Europe, due to the exceptional circumstances linked to COVID-19 pandemic, waivers on cashflow related financial covenants have been granted on various secured mortgage loans on European assets for periods ranging between six months and 18 months.
- In the US, as a result of the COVID-19 pandemic, the financial covenants of some mortgage loans were not met leading to a funding of cash reserves. This situation does not generate a default of these loans. In any case, defaults under these loans are not expected to have a material adverse effect on the Group's finances.

Short-term debt

There are no financial covenants (such as loan-to-value or interest coverage ratios) in the Neu MTN, the Neu CP and the ECP programmes of URW.

(1) Ratio calculated based on European bank debt covenant.

4.1.5.5 LTV RECONCILIATION WITH THE BALANCE SHEET (B/S)

A) UNDER IFRS:

(€Mn)	Dec. 31, 2021 IFRS	June 30, 2021 IFRS	Dec. 31, 2020 IFRS
Amounts accounted for in B/S	**50,665.3**	**51,507.5**	**52,759.8**
Investment properties at fair value	38,642.1	39,054.7	39,623.6
Investment properties at cost	1,355.8	1,367.9	1,324.1
Shares and investments in companies accounted for using the equity method	8,286.2	8,404.2	8,370.3
Other tangible assets	145.9	128.9	279.2
Goodwill	1,079.2	1,225.1	1,248.1
Intangible assets	844.8	871.8	876.3
Properties or shares held for sale	311.3	454.9	1,038.2
Adjustments	**1,557.8**	**1,290.6**	**1,431.7**
Transfer taxes	1,782.7	1,807.3	1,842.7
Goodwill not justified by fee business(1)	(959.9)	(1,105.9)	(1,128.8)
Revaluation intangible and operating assets	1,421.2	1,495.0	1,454.2
IFRS adjustments, including	(686.1)	(905.8)	(736.4)
Financial leases	*(784.9)*	*(994.1)*	*(828.8)*
Other	*98.8*	*88.3*	*92.4*
Total assets, including Transfer Taxes (=A)	**52,223.1**	**52,798.1**	**54,191.5**
Total assets, excluding Transfer Taxes (=B)	**50,440.4**	**50,990.8**	**52,348.8**
Amounts accounted for in B/S			
Net share settled bonds convertible into new and/or existing shares (ORNANE)	500.3	602.4	600.3
Non-current bonds and borrowings	24,774.6	24,688.3	24,310.5
Current borrowings and amounts due to credit institutions	1,073.7	2,140.6	2,584.1
Liabilities directly associated with properties or shares classified as held for sale	0.0	0.0	203.5
Total financial liabilities	**26,348.6**	**27,431.4**	**27,698.4**
Adjustments			
Mark-to-market of debt	11.5	20.4	47.3
Current accounts with non-controlling interests	(1,420.3)	(1,318.7)	(1,269.2)
Impact of derivative instruments on debt raised in foreign currency	(38.2)	(16.2)	(8.7)
Accrued interest issue fees	(45.3)	45.2	(82.5)
Total financial liabilities (nominal value)	**24,856.3**	**26,162.1**	**26,385.1**
Cash & cash equivalents	(2,256.1)	(2,695.4)	(2,137.6)
Net financial debt (=C)	**22,600.2**	**23,466.6**	**24,247.5**
LTV ratio including Transfer Taxes (=C/A)	**43.3%**	**44.4%**	**44.7%**
LTV ratio excluding Transfer Taxes (=C/B)	**44.8%**	**46.0%**	**46.3%**

Figures may not add up due to rounding.

(1) Adjustment of goodwill according to bank covenants.

B) ON A PROPORTIONATE BASIS:

(€Mn)	Dec. 31, 2021 Proportionate	June 30, 2021 Proportionate	Dec. 31, 2020 Proportionate
Amounts accounted for in B/S	**52,684.3**	**53,458.1**	**54,659.5**
Investment properties at fair value	47,611.3	48,095.2	48,579.4
Investment properties at cost	1,423.1	1,431.7	1,382.0
Shares and investments in companies accounted for using the equity method	1,194.6	1,172.3	1,188.7
Other tangible assets	148.9	131.8	280.0
Goodwill	1,150.3	1,300.7	1,314.7
Intangible assets	844.8	871.5	876.5
Properties or shares held for sale	311.3	454.9	1,038.2
Adjustments	**1,788.9**	**1,507.5**	**1,654.4**
Transfer taxes	2,007.5	2,030.0	2,069.9
Goodwill not justified by fee business(1)	(1,031.1)	(1,181.4)	(1,195.4)
Revaluation intangible and operating assets	1,418.2	1,492.4	1,453.2
IFRS adjustments, including	(605.8)	(833.4)	(673.2)
Financial leases	*(794.1)*	*(1,002.9)*	*(837.3)*
Other	*188.3*	*169.5*	*164.1*
Total assets, including Transfer Taxes (=A)	**54,473.2**	**54,965.6**	**56,314.0**
Total assets, excluding Transfer Taxes (=B)	**52,465.6**	**52,935.7**	**54,244.1**
Amounts accounted for in B/S			
Net share settled bonds convertible into new and/or existing shares (ORNANE)	500.3	602.4	600.3
Non-current bonds and borrowings	26,485.7	26,641.5	26,211.0
Current borrowings and amounts due to credit institutions	1,427.0	2,158.8	2,614.2
Liabilities directly associated with properties or shares classified as held for sale	0.0	0.0	203.5
Total financial liabilities	**28,413.0**	**29,402.7**	**29,629.0**
Adjustments			
Mark-to-market of debt	22.0	31.1	61.3
Current accounts with non-controlling interests	(1,420.3)	(1,318.7)	(1,269.2)
Impact of derivative instruments on debt raised in foreign currency	(38.2)	(16.2)	(8.7)
Accrued interest issue fees	(50.1)	42.1	(88.0)
Total financial liabilities (nominal value)	**26,926.3**	**28,140.9**	**28,324.2**
Cash & cash equivalents	(2,442.4)	(2,835.2)	(2,270.3)
Net financial debt (=C)	**24,483.8**	**25,305.7**	**26,053.9**
LTV ratio including Transfer Taxes (=C/A)	**44.9%**	**46.0%**	**46.3%**
LTV ratio excluding Transfer Taxes (=C/B)	**46.7%**	**47.8%**	**48.0%**

Figures may not add up due to rounding.

(1) Adjustment of goodwill according to bank covenants.

4.1.6 EPRA PERFORMANCE MEASURES

In compliance with the EPRA[1] Best Practices Recommendations[2], URW summarises the Key Performance measures of 2021 and 2020 below.

4.1.6.1 EPRA EARNINGS

EPRA earnings are defined as "recurring earnings from core operational activities" and are equal to the Group's definition of recurring earnings.

A) SYNTHESIS

		2021	2020
EPRA Earnings	€Mn	1,005.3	1,056.6
EPRA Earnings/share	€/share	7.26	7.63
Growth EPRA Earnings/share	%	(4.9%)	(40.0%)

B) BRIDGE BETWEEN EARNINGS PER IFRS STATEMENT OF INCOME AND EPRA RECURRING EARNINGS

Recurring Earnings per Share	2021	2020
Net Result of the period attributable to the holders of the Stapled Shares (€Mn)	**(972.1)**	**(7,212.6)**
Adjustments to calculate EPRA Recurring Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(1,197.3)	(4,837.2)
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	208.3	(86.3)
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-	-
(iv) Tax on profits or losses on disposals	(7.6)	0.0
(v) Impairment of goodwill	(145.9)	(1,596.1)
(vi) Changes in fair value of financial instruments and associated close-out costs	(95.1)	(569.1)
(vii) Acquisition and other costs on share deals and non-controlling joint venture interests	(8.9)	(83.4)
(viii) Deferred tax in respect of EPRA adjustments	55.7	301.0
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(916.8)	(1,958.9)
(x) External non-controlling interests in respect of the above	130.2	560.8
EPRA Recurring Earnings	**1,005.3**	**1,056.6**
Average number of shares	**138,545,360**	**138,437,274**
EPRA Recurring Earnings per Share (REPS)	**€7.26**	**€7.63**
EPRA Recurring Earnings per Share growth	**(4.9%)**	**(40.0%)**

Figures may not add up due to rounding.

(1) EPRA: European Public Real estate Association.
(2) Best Practices Recommendations. See www.epra.com.

4.1.6.2 EPRA NRV, NTA AND NDV

For a more detailed description of the EPRA NRV, NTA and NDV new metrics, please see the "*Property portfolio and Net Asset Value*", included in this chapter.

A) SYNTHESIS

		Dec. 31, 2021	Dec. 31, 2020	Change
EPRA NRV	€/share	159.60	166.80	(4.3%)
EPRA NTA	€/share	123.20	128.10	(3.8%)
EPRA NDV	€/share	110.30	110.50	(0.2%)

B) DETAILED CALCULATIONS AS AT DECEMBER 31, 2021

	Dec. 31, 2021		
	EPRA NRV	**EPRA NTA**	**EPRA NDV**
Equity attributable to the holders of the Stapled Shares (IFRS)	**16,927**	**16,927**	**16,927**
Include/Exclude:*			
(i) Hybrid instruments	-	-	-
Diluted NAV	**16,927**	**16,927**	**16,927**
Include:*			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	-	-
ii.b) Revaluation of IPUC[1] (if IAS 40 cost option is used)	0	0	0
ii.c) Revaluation of other non-current investments[2]	0	0	0
iii) Revaluation of tenant leases held as finance leases[3]	0	0	0
iv) Revaluation of trading properties[4]	0	0	0
Diluted NAV at Fair Value	**16,927**	**16,927**	**16,927**
Exclude:*			
v) Deferred tax in relation to fair value gains of IP[5] detailed below:			
v.a) Reversal of deferred taxes on Balance sheet	1,866	1,866	-
v.b) Effective deferred taxes on capital gains	-	(933)	-
vi) Fair value of financial instruments	711	711	-
vii) Goodwill as a result of deferred tax	(177)	(177)	(177)
viii.a) Goodwill as per the IFRS balance sheet (net of vii))	-	(903)	(903)
viii.b) Intangibles as per the IFRS balance sheet	-	(845)	-
Include:*			
ix) Fair value of fixed interest rate debt	-	-	(513)
x) Revaluation of intangibles to fair value	1,105	-	-
xi) Real estate transfer tax[6]	1,753	475	-
NAV	**22,186**	**17,122**	**15,335**
Fully diluted number of shares	139,013,166	139,013,166	139,013,166
NAV per share	**€159.60**	**€123.20**	**€110.30**

Figures may not add up due to rounding.

(1) Difference between development property held on the balance sheet at cost and fair value of that development property.
(2) Revaluation of intangibles are presented under adjustment (x). Revaluation of Intangibles to fair value is not under this line item.
(3) Difference between finance lease receivables held on the balance sheet at amortised cost and the fair value of those finance lease receivables.
(4) Difference between trading properties held on the balance sheet at cost (IAS 2) and the fair value of those trading properties.
(5) Deferred tax adjustment for NTA calculated in line with the EPRA guidelines.
(6) Real estate transfer taxes were adjusted in accordance with the EPRA guidelines.
* "Include" indicates that an asset (whether on or off balance sheet) should be added to the shareholders' equity, whereas a liability should be deducted.
* "Exclude" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back.

C) DETAILED CALCULATIONS AS AT DECEMBER 31, 2020

	Dec. 31, 2020		
	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to the holders of the Stapled Shares (IFRS)	**17,394**	**17,394**	**17,394**
Include/Exclude:*			
i) Hybrid instruments	-	-	-
Diluted NAV	**17,394**	**17,394**	**17,394**
Include:*			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	54	54	54
ii.b) Revaluation of IPUC(1) (if IAS 40 cost option is used)	0	0	0
ii.c) Revaluation of other non-current investments(2)	0	0	0
iii) Revaluation of tenant leases held as finance leases(3)	0	0	0
iv) Revaluation of trading properties(4)	0	0	0
Diluted NAV at Fair Value	**17,447**	**17,447**	**17,447**
Exclude:*			
v) Deferred tax in relation to fair value gains of IP(5) detailed below:			
v.a) Reversal of deferred taxes on Balance sheet	2,023	2,023	-
v.b) Effective deferred taxes on capital gains	-	(1,011)	-
vi) Fair value of financial instruments	929	929	-
vii) Goodwill as a result of deferred tax	(200)	(200)	(200)
viii.a) Goodwill as per the IFRS balance sheet (net of vii))	-	(1,049)	(1,049)
viii.b) Intangibles as per the IFRS balance sheet	-	(876)	-
Include:*			
ix) Fair value of fixed interest rate debt	-	-	(865)
x) Revaluation of intangibles to fair value	1,113	-	-
xi) Real estate transfer tax(6)	1,836	522	-
NAV	**23,148**	**17,785**	**15,334**
Fully diluted number of shares	138,786,602	138,786,602	138,786,602
NAV per share	**€166.80**	**€128.10**	**€110.50**

Figures may not add up due to rounding.

(1) Difference between development property held on the balance sheet at cost and fair value of that development property.
(2) Revaluation of intangibles are presented under adjustment (x). Revaluation of Intangibles to fair value is not under this line item.
(3) Difference between finance lease receivables held on the balance sheet at amortised cost and the fair value of those finance lease receivables.
(4) Difference between trading properties held on the balance sheet at cost (IAS 2) and the fair value of those trading properties.
(5) Deferred tax adjustment for NTA calculated in line with the EPRA guidelines.
(6) Real estate transfer taxes were adjusted in accordance with the EPRA guidelines.
* "Include" indicates that an asset (whether on or off balance sheet) should be added to the shareholders' equity, whereas a liability should be deducted.
* "Exclude" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back.

1. 2. 3. 4. 5. 6. 7. 8.

4.1.6.3 EPRA NET INITIAL YIELDS

The following table provides the Group yields according to the EPRA Net Initial Yield definitions per segment for URW's Net Initial Yields (on a proportionate basis):

A) SYNTHESIS

	Dec. 31, 2021		Dec. 31, 2020	
	Shopping Centres[(3)]	Offices & Others[(3)]	Shopping Centres[(3)]	Offices & Others[(3)]
URW yields	**4.6%**	**4.9%**	**4.5%**	**4.9%**
Effect of vacant units		**(1.3%)**		(1.1%)
Effect of EPRA adjustments on NRI	0.1%	0.0%	0.1%	0.0%
Effect of estimated transfer taxes and transaction costs	(0.1%)	(0.1%)	(0.1%)	(0.1%)
EPRA topped-up yields[(1)]	**4.6%**	**3.5%**	**4.5%**	**3.7%**
Effect of lease incentives	(0.2%)	(0.7%)	(0.2%)	(0.9%)
EPRA Net Initial Yields[(2)]	**4.3%**	**2.8%**	**4.4%**	**2.8%**

Figures may not add up due to rounding.

(1) EPRA topped-up yield: EPRA Net Initial Yield adjusted in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).
(2) EPRA Net Initial Yield: annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the Gross Market Value of the portfolio.
(3) Assets under development or not controlled by URW, the trademark and the airport activities are not included in the calculation.

B) DETAILED CALCULATION

		Dec. 31, 2021		Dec. 31, 2020	
		Shopping Centres[(1)]	Offices & Others[(1)]	Shopping Centres[(1)]	Offices & Others[(1)]
EPRA topped-up NRI (A)	€Mn	1,979	74	1,983	107
Valuation including transfer taxes (B)	€Mn	43,426	2,137	43,843	2,876
EPRA topped-up yields (A/B)	%	**4.6%**	**3.5%**	**4.5%**	**3.7%**
EPRA NRI (C)	€Mn	1,877	59	1,914	81
Valuation including transfer taxes (B)	€Mn	43,426	2,137	43,843	2,876
EPRA Net Initial Yields (C/B)	%	**4.3%**	**2.8%**	**4.4%**	**2.8%**

(1) Assets under development or not controlled by URW, the trademark and the airport activities are not included in the calculation.

4.1.6.4 EPRA VACANCY RATE

The EPRA vacancy rate is defined as the ERV of vacant spaces divided by the ERV of total space (let plus vacant).

A) SYNTHESIS

EPRA vacancy rate – total URW		Dec. 31, 2021	Dec. 31, 2020
ERV of vacant space (A)	€Mn	236.8	295.5
ERV of the whole portfolio (B)	€Mn	3,079.5	3,170.0
EPRA vacancy rate (A/B)	%	**7.7%**	**9.3%**

B) DETAIL PER REGION

EPRA vacancy rate – per region	Dec. 31, 2021	Dec. 31, 2020
Shopping Centres - Continental Europe		
France	3.6%	3.7%
Central Europe	3.0%	5.5%
Spain	3.6%	4.4%
Nordics	7.4%	9.3%
Austria	0.7%	2.6%
Germany	4.6%	5.2%
The Netherlands	6.7%	9.7%
Total Shopping Centres - Continental Europe	**4.0%**	**4.9%**
UK	10.6%	9.7%
Total Shopping Centres - Europe	**4.9%**	**5.6%**
Offices & Others		
France	21.7%	30.6%
Total Offices & Others - Continental Europe	**19.8%**	**27.2%**
US - Shopping Centres	**11.0%**	**13.1%**
US Flagships	10.9%	12.5%
US Regionals	11.3%	14.3%
US - Offices & Others	**43.6%**	**28.4%**
Total US	**11.8%**	**13.6%**
Total Shopping Centres	**7.0%**	**8.3%**
Total Offices & Others	**25.2%**	**27.4%**
Total URW	**7.7%**	**9.3%**

4.1.6.5 EPRA COST RATIOS

EPRA references (€Mn)		Proportionate 2021	2020
	Include:		
(i-1)	General expenses	**(215.8)**	(215.8)
(i-2)	Development expenses	(0.1)	(2.6)
(i-3)	Operating expenses	(442.2)	(514.1)
(ii)	Net service charge costs/fees	(76.2)	(66.4)
(iii)	Management fees less actual/estimated profit element	-	-
(iv)	Other operating income/recharges intended to cover overhead expenses	-	-
(v)	Share of Joint Ventures expenses	(7.9)	(28.8)
	Exclude (if part of the above):		
(vi)	Investment Property Depreciation	-	-
(vii)	Ground rents costs	-	-
(viii)	Service charge costs recovered through rents but not separately invoiced	216.4	206.1
	EPRA Costs (including direct vacancy costs) (A)	**(525.9)**	**(621.6)**
(ix)	Direct vacancy costs	(76.2)	(66.4)
	EPRA Costs (excluding direct vacancy costs) (B)	**(449.6)**	**(555.2)**
(x)	GRI less ground rents	2,216.6	2,368.4
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	(216.4)	(206.1)
(xii)	Add Share of Joint Ventures (GRI less ground rents)	96.2	102.3
	GRI (C)	**2,096.5**	**2,264.6**
	EPRA Cost Ratio (including direct vacancy costs) (A/C)	**25.1%**	**27.5%**
	EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**21.4%**	**24.5%**

Figures may not add up due to rounding.

(1) The calculation is based on the EPRA recommendations and is applied on Shopping Centres and Offices & Others sectors.

4.1.6.6 CAPITAL EXPENDITURE

	Proportionate			
	2021		2020	
(€Mn)	100%	Group share	100%	Group share
Acquisitions[1]	37.1	37.1	16.0	15.7
Development[2]	456.6	453.9	704.2	681.1
Like-for-like portfolio[3]	386.9	352.3	328.4	283.9
Other[4]	115.6	103.6	121.4	111.3
Total Capital Expenditures	**996.2**	**946.8**	**1,170.1**	**1,092.1**
Conversion from accruals to cash basis	81.5	36.1	124.6	111.8
Total Capital Expenditures on cash basis	**1,077.7**	**982.9**	**1,294.7**	**1,203.9**

Figures may not add up due to rounding.

(1) In 2021, includes mainly acquisitions in France.
(2) In 2021, includes mainly the capital expenditures related to investments in the Les Ateliers Gaîté, Pullman Montparnasse hotel, Gaîté office, Westfield Topanga and Garbera redevelopments and extensions projects and to the Westfield Hamburg - Überseequartier and Triangle new development projects.
(3) In 2021, includes mainly the capital expenditures related to Westfield Mall of the Netherlands, Westfield La Part-Dieu, Westfield Les 4 Temps and Westfield London. Capital expenditure on the like-for-like portfolio includes capital expenditure spent on extension and works on standing assets or refurbishments recently delivered. In 2021, URW spent €84.7 Mn on replacement capex, Group share.
(4) In 2021, includes eviction costs and tenant incentives, external letting fees (internal letting fees are included in Administrative expenses), capitalised interest relating to projects and other capitalised expenses of €22.0 Mn, €9.3 Mn, €55.4 Mn and €16.9 Mn, respectively (amounts in Group share).

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4.2 OTHER INFORMATION

4.2.1 GROUP CONSOLIDATED DATA

LEASING ACTIVITY – SHOPPING CENTRES

	Lettings/relettings/renewals excluding Pipeline						
				MGR uplift		MGR uplift on deals above three-year firm duration	
Region	Number of leases signed[(a)]	sqm	MGR (€Mn)	€Mn	%	€Mn	%
Continental Europe	1,265	492,415	186.6	(0.9)	(0.5%)	4.3	4.6%
UK	172	72,908	54.3	(3.9)	(7.6%)	(1.5)	(3.7%)
Total Europe	**1,437**	**565,323**	**240.9**	**(4.8)**	**(2.2%)**	**2.8**	**2.0%**
US	962	378,559	110.1	(11.9)	(11.0%)	0.4	1.0%
Total URW	**2,399**	**943,882**	**351.0**	**(16.7)**	**(5.2%)**	**3.2**	**1.8%**

Figures may not add up due to rounding.

(a) Excluding leases below one year. The number of leases signed for the Group was 1,503 in 2020 and 2,359 in 2019.

	Lettings/re-lettings/renewals excluding Pipeline					
	Number of deals above three-year firm duration			Number of deals below or equal to three-year firm duration		
Region	H1-2021	H2-2021	FY-2021	H1-2021	H2-2021	FY-2021
Continental Europe	326	406	732	263	270	533
UK	54	68	122	20	30	50
Total Europe	**380**	**474**	**854**	**283**	**300**	**583**
US	155	178	333	400	229	629
Total URW	**535**	**652**	**1,187**	**683**	**529**	**1,212**

Figures may not add up due to rounding.

NET RENTAL INCOME BY SEGMENT

	Net Rental Income (€Mn)			
Segment	2021	2020	Change (%)	Like-for like change (%)
Shopping Centres	1,632.5	1,698.7	(3.9%)	(1.2%[(a)])
Offices & Others	60.2	85.5	(29.7%)	(6.6%)
Convention & Exhibition	31.5	6.1	n.m	n.m
Total URW	**1,724.2**	**1,790.2**	**(3.7%)**	**(1.6%[(b)])**

Figures may not add up due to rounding.

(a) Excluding Airports.
(b) Including Airports.

NET RENTAL INCOME – SHOPPING CENTRES

Region	Net Rental Income (€Mn) 2021	2020	%
NRI - Continental Europe	1,052.4	1,158.2	(9.1%)
NRI UK	101.1	78.0	29.6%
Total NRI - Europe	**1,153.5**	**1,236.2**	**(6.7%)**
NRI US including Airports	479.0	462.5	3.6%
Total NRI - URW including Airports	**1,632.5**	**1,698.7**	**(3.9%)**

Figures may not add up due to rounding.

Region	Net Rental Income (€Mn) Like-for-like 2021	2020	%
Lfl NRI - Continental Europe	925.6	1,000.6	(7.5%)
Lfl NRI UK	95.0	75.2	26.4%
Total Lfl NRI - Europe	**1,020.6**	**1,075.8**	**(5.1%)**
Lfl NRI US excluding Airports	345.1	306.3	12.7%
Total Lfl NRI - URW excluding Airports	**1,365.7**	**1,382.1**	**(1.2%)**

Figures may not add up due to rounding.

	Net Rental Income Like-for-like evolution (%)					
Region	Renewals, relettings net of departures & indexation	COVID-19 rent discounts	Sales Based Rent	Other	Total	Total excl. Straight lining[(a)]
Lfl NRI - Continental Europe	(4.0%)	(0.3%)	0.0%	(3.2%)	(7.5%)	(4.3%)
Lfl NRI UK	(21.4%)	14.4%	5.6%	27.8%	26.4%	27.0%
Total Lfl NRI - Europe	**(5.3%)**	**0.7%**	**0.4%**	**(1.0%)**	**(5.1%)**	**(2.1%)**
Lfl NRI US excluding Airports	(13.8%)	1.7%	7.7%	17.1%	12.7%	9.5%
Total Lfl NRI - URW excluding Airports	**(7.2%)**	**0.9%**	**2.0%**	**3.0%**	**(1.2%)**	**0.5%**

Figures may not add up due to rounding.

(a) Excluding reversals, straightlining and write-off accruals related to COVID-19 rent relief.

NET RENTAL INCOME – OFFICES & OTHERS

	Net Rental Income (€Mn)			
Region	2021	2020	Change (%)	Like-for like change (%)
France	34.9	56.0	(37.7%)	2.4%
Nordics	9.9	10.2	(2.7%)	5.7%
Other countries	8.6	8.1	5.7%	3.4%
Total NRI - Europe	**53.4**	**74.3**	**(28.1%)**	**3.3%**
US	6.7	11.2	(40.1%)	(47.4%)
Total NRI - URW	**60.2**	**85.5**	**(29.7%)**	**(6.6%)**

Figures may not add up due to rounding.

VACANCY – SHOPPING CENTRES

	Vacancy			
	Dec. 31, 2021		June 30, 2021	Dec. 31, 2020
Region	€Mn	%	%	%
Continental Europe	65.8	4.0%	5.0%	4.9%
UK	30.6	10.6%	12.2%	9.7%
Total Europe	**96.4**	**4.9%**	**6.1%**	**5.6%**
US	112.5	11.0%	14.0%	13.1%
Total URW	**208.9**	**7.0%**	**8.9%**	**8.3%**

Figures may not add up due to rounding.

LEASE EXPIRY SCHEDULE

	Lease expiry schedule			
Total URW (Shopping Centres + Offices & Others)	MGR (€Mn) at date of next break option	As a % of total	MGR (€Mn) at expiry date	As a % of total
Expired	50.2	2.5%	50.2	2.5%
2022	241.0	12.1%	150.0	7.5%
2023	380.5	19.1%	217.4	10.9%
2024	288.6	14.5%	177.3	8.9%
2025	277.2	13.9%	219.2	11.0%
2026	198.7	10.0%	182.9	9.2%
2027	138.9	7.0%	177.7	8.9%
2028	93.1	4.7%	148.9	7.5%
2029	82.0	4.1%	151.3	7.6%
2030	61.9	3.1%	139.3	7.0%
2031	63.5	3.2%	127.1	6.4%
2032	41.6	2.1%	57.9	2.9%
Beyond	76.4	3.8%	194.3	9.7%
Total	**1,993.5**	**100%**	**1,993.5**	**100%**

Figures may not add up due to rounding.

4.2.2 CONSOLIDATED INCOME STATEMENT BY SEGMENT AND REGION

Net result by segment on a proportionate basis (€Mn)		2021 Recurring activities	2021 Non-recurring activities	2021 Result	2020 restated[2] Recurring activities	2020 restated[2] Non-recurring activities	2020 restated[2] Result
SHOPPING CENTRES							
SOUTHERN EUROPE	Gross rental income	627.2	-	627.2	713.0	-	713.0
	Operating expenses and net service charges	(83.8)	-	(83.8)	(96.5)	-	(96.5)
	Net rental income	**543.4**	**-**	**543.4**	**616.5**	**-**	**616.5**
	Contribution of companies accounted for using the equity method	37.3	(8.6)	28.7	20.7	(72.5)	(51.8)
	Gains/losses on sales of properties	-	(11.5)	(11.5)	-	(54.9)	(54.9)
	Valuation movements on assets[2]	-	(364.5)	(364.5)	-	(1,930.9)	(1,930.9)
	Impairment of goodwill	-	-	-	-	(104.6)	(104.6)
	Result from operations Shopping Centres Southern Europe	**580.7**	**(384.5)**	**196.2**	**637.3**	**(2,162.9)**	**(1,525.6)**
US	Gross rental income	759.0	-	759.0	801.6	-	801.6
	Operating expenses and net service charges	(280.0)	-	(280.0)	(339.1)	-	(339.1)
	Net rental income	**479.0**	**-**	**479.0**	**462.5**	**-**	**462.5**
	Contribution of companies accounted for using the equity method	5.2	(17.2)	(12.0)	(1.2)	(99.4)	(100.6)
	Gains/losses on sales of properties	-	57.7	57.7	-	(28.5)	(28.5)
	Valuation movements on assets	-	(1,049.0)	(1,049.0)	-	(2,046.0)	(2,046.0)
	Impairment of goodwill	-	-	-	-	(710.4)	(710.4)
	Result from operations Shopping Centres US	**484.2**	**(1,008.5)**	**(524.3)**	**461.3**	**(2,884.3)**	**(2,423.0)**
CENTRAL AND EASTERN EUROPE	Gross rental income	419.5	-	419.5	432.5	-	432.5
	Operating expenses and net service charges	(78.5)	-	(78.5)	(41.2)	-	(41.2)
	Net rental income	**341.0**	**-**	**341.0**	**391.3**	**-**	**391.3**
	Contribution of companies accounted for using the equity method	25.5	(23.4)	2.1	30.6	(57.2)	(26.6)
	Gains/losses on sales of properties	-	4.6	4.6	-	(0.2)	(0.2)
	Valuation movements on assets	-	(311.5)	(311.5)	-	(754.0)	(754.0)
	Impairment of goodwill	-	(156.4)	(156.4)	-	(102.3)	(102.3)
	Result from operations Shopping Centres Central and Eastern Europe	**366.5**	**(486.7)**	**(120.2)**	**422.0**	**(913.7)**	**(491.8)**
NORTHERN EUROPE	Gross rental income	201.1	-	201.1	179.4	-	179.4
	Operating expenses and net service charges	(33.1)	-	(33.1)	(29.1)	-	(29.1)
	Net rental income	**167.9**	**-**	**167.9**	**150.3**	**-**	**150.3**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Gains/losses on sales of properties	-	56.9	56.9	-	(0.4)	(0.4)
	Valuation movements on assets	-	14.5	14.5	-	(456.8)	(456.8)
	Impairment of goodwill	-	-	-	-	(132.2)	(132.2)
	Result from operations Shopping Centres Northern Europe	**167.9**	**71.4**	**239.4**	**150.3**	**(589.4)**	**(439.1)**
UK	Gross rental income	169.2	-	169.2	141.7	-	141.7
	Operating expenses and net service charges	(68.1)	-	(68.1)	(63.7)	-	(63.7)
	Net rental income	**101.1**	**-**	**101.1**	**78.0**	**-**	**78.0**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Gains/losses on sales of properties	-	-	-	-	-	-
	Valuation movements on assets[2]	-	(364.9)	(364.9)	-	(1,002.8)	(1,002.8)
	Impairment of goodwill	-	-	-	-	(320.5)	(320.5)
	Result from operations Shopping Centres UK	**101.1**	**(364.9)**	**(263.8)**	**78.0**	**(1,323.2)**	**(1,245.2)**
TOTAL RESULT FROM OPERATIONS SHOPPING CENTRES		**1,700.5**	**(2,173.2)**	**(472.8)**	**1,748.9**	**(7,873.6)**	**(6,124.7)**

(1) Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, amortisation of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.
(2) Following the transfer of one asset from UK region to France region in 2021, 2020 figures were accordingly restated.

Net result by segment on a proportionate basis (€Mn)		2021 Recurring activities	2021 Non-recurring activities	2021 Result	2020 restated[(2)] Recurring activities	2020 restated[(2)] Non-recurring activities	2020 restated[(2)] Result
OFFICES & OTHERS							
FRANCE	Gross rental income	37.2	-	37.2	62.0	-	62.0
	Operating expenses and net service charges	(2.3)	-	(2.3)	(6.0)	-	(6.0)
	Net rental income	**34.9**	**-**	**34.9**	**56.0**	**-**	**56.0**
	Contribution of companies accounted for using the equity method	(0.0)	0.2	0.1	-	-	-
	Gains/losses on sales of properties	-	74.3	74.3	-	(0.3)	(0.3)
	Valuation movements on assets	-	135.7	135.7	-	26.9	26.9
	Impairment of goodwill	-	-	-	-	-	-
	Result from operations Offices & Others France	**34.9**	**210.1**	**245.0**	**56.0**	**26.7**	**82.7**
OTHER COUNTRIES	Gross rental income	36.3	-	36.3	40.6	-	40.6
	Operating expenses and net service charges	(11.0)	-	(11.0)	(11.1)	-	(11.1)
	Net rental income	**25.3**	**-**	**25.3**	**29.4**	**-**	**29.4**
	Contribution of companies accounted for using the equity method	-	-	-	0.0	-	0.0
	Gains/losses on sales of properties	-	28.5	28.5	-	(1.4)	(1.4)
	Valuation movements on assets	-	21.5	21.5	-	(56.6)	(56.6)
	Impairment of goodwill	-	-	-	-	-	-
	Result from operations Offices & Others Other countries	**25.3**	**50.0**	**75.3**	**29.4**	**(58.1)**	**(28.6)**
TOTAL RESULT FROM OPERATIONS OFFICES & OTHERS		**60.1**	**260.2**	**320.3**	**85.4**	**(31.4)**	**54.1**
CONVENTION & EXHIBITION							
FRANCE	Gross rental income	96.8	-	96.8	81.0	-	81.0
	Operating expenses and net service charges	(65.3)	-	(65.3)	(74.9)	-	(74.9)
	Net rental income	**31.5**	**-**	**31.5**	**6.1**	**-**	**6.1**
	On-site property services net income	**23.7**	**-**	**23.7**	**6.0**	**-**	**6.0**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Valuation movements, depreciation, capital gains	(18.7)	(85.6)	(104.3)	(18.2)	(272.9)	(291.1)
	Impairment of goodwill	-	-	-	-	(8.2)	(8.2)
TOTAL RESULT FROM OPERATIONS C&E		**36.5**	**(85.6)**	**(49.1)**	**(6.1)**	**(281.1)**	**(287.2)**
Net property development and project management income		36.8	(17.7)	19.1	34.8	(36.1)	(1.3)
Other property services net income		22.7	(44.3)	(21.6)	15.8	(23.1)	(7.4)
Impairment of goodwill related to the property services		-	-	-	-	(241.8)	(241.8)
Corporate expenses		(214.4)	-	(214.4)	(213.7)	-	(213.7)
Depreciation of other tangible assets		(1.4)	-	(1.4)	(2.1)	-	(2.1)
Development expenses		(0.1)	-	(0.1)	(2.6)	-	(2.6)
Acquisition and other costs		-	(8.9)	(8.9)	-	(83.4)	(83.4)
NET OPERATING RESULT		**1,640.7**	**(2,069.6)**	**(428.9)**	**1,660.4**	**(8,570.6)**	**(6,910.3)**
Result from non-consolidated companies		2.5	-	2.5	1.0	-	1.0
Financing result		(512.3)	(96.9)	(609.2)	(486.5)	(572.5)	(1,059.0)
RESULT BEFORE TAX		**1,130.9**	**(2,166.5)**	**(1,035.6)**	**1,174.9**	**(9,143.1)**	**(7,968.2)**
Income tax expenses		(14.6)	59.0	44.3	(19.7)	313.1	293.4
NET RESULT FOR THE PERIOD		**1,116.3**	**(2,107.5)**	**(991.3)**	**1,155.3**	**(8,830.0)**	**(7,674.8)**
External non-controlling interests		(111.0)	130.2	19.2	(98.7)	560.8	462.2
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES		**1,005.3**	**(1,977.4)**	**(972.1)**	**1,056.6**	**(8,269.2)**	**(7,212.6)**

(1) Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, amortisation of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.
(2) Following the transfer of one asset from UK region to France region in 2021, 2020 figures were accordingly restated.