Consolidated Report
and Accounts 2021

Sierra
Sonae

Evolving in a changing world

Open mind,
Greater value.

Contents

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a changing world

Consolidated Financial Statements

Consolidated Statements of Financial Position as of 31 December 2021 and 2020

(Translation of the statement of financial position originally issued in Portuguese - Note 49)
(Amounts stated in thousands of Euro)

ASSETS	NOTES	31 DECEMBER 2021	31 DECEMBER 2020
NON-CURRENT ASSETS:			
Investment properties	8	303,894	304,678
Investment properties under development	8	15,974	14,740
Property, plant and equipment	9	2,576	2,056
Right of use	10	8,011	10,058
Goodwill	11	3,586	1,642
Intangible assets	12	2,986	2,576
Investments in joint ventures and associates	4 and 5	602,885	588,938
Loans to joint ventures and associates	21	11,392	11,554
Deferred tax assets	24	3,700	3,628
Derivative financial instruments	19	236	-
Other non current assets	13	4,173	4,186
Total non-current assets		**959,413**	**944,056**
CURRENT ASSETS:			
Trade receivables	14	12,161	12,295
Loans to joint ventures and associates	21	8,342	8,198
Other receivables	15	5,376	4,786
State and other public entities	27	4,757	5,432
Other current assets	16	5,333	7,106
Cash and bank deposits	17	240,625	249,158
Total current assets		**276,594**	**286,975**
Total assets		**1,236,007**	**1,231,031**

EQUITY, NON-CONTROLLING INTERESTS AND LIABILITIES	NOTES	31 DECEMBER 2021	31 DECEMBER 2020
EQUITY:			
Share capital	18	162,245	162,245
Reserves	18	57,329	57,329
Currency translation reserve		(87,787)	(88,841)
Hedging reserve		305	(1,033)
Retained earnings		626,471	668,363
Consolidated net (loss)/profit for the period attributable to the equity holders of Sonae Sierra		15,096	(41,892)
Equity attributable to the equity holders of Sonae Sierra		773,659	756,171
Non-controlling interests	7	65,898	60,025
Total equity		**839,557**	**816,196**
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans - net of current portion	19	143,645	137,497
Bond loans - net of current portion	19	79,867	89,526
Shareholders	21	660	-
State and other public entities	27	2,239	4,031
Accounts payable to suppliers	26	116	130
Lease liabilities		6,528	8,269
Other non current liabilities	23	3,060	2,366
Provisions	30	10,751	8,557
Deferred tax liabilities	24	45,478	44,146
Total non current liabilities		**292,344**	**294,522**
CURRENT LIABILITIES:			
Current portion of long term bank loans	19	39,792	56,197
Current portion of long term bond loans	19	9,831	9,850
Accounts payable to suppliers	26	7,736	6,251
State and other public entities	27	7,039	9,689
Lease liabilities		1,721	1,989
Other payables	28	7,635	5,455
Other current liabilities	29	29,901	30,001
Provisions	30	451	881
Total current liabilities		**104,106**	**120,313**
Total equity, non-controlling interests and liabilities		**1,236,007**	**1,231,031**

The accompanying notes form an integral part of these consolidated statements of financial position.

The Board of Directors

Consolidated Statements of Profit or Loss and Comprehensive Income for the Periods Ended 31 December 2021 and 2020

(Translation of the statement of profit or loss originally issued in Portuguese - Note 49)
(Amounts stated in thousands of Euro)

	NOTES	'21	'20
Services rendered	31	97,945	93,719
Variation in fair value of the investment properties	32	(2,468)	(27,909)
Other operating revenue	33	1,530	995
		97,007	**66,805**
External supplies and services		(33,316)	(31,955)
Personnel expenses		(46,256)	(47,131)
Depreciation and amortisation	9, 10 and 12	(2,774)	(2,764)
Provisions and impairment	30	(1,059)	(24,653)
Impairment losses and write-off	34	(2,300)	(6,886)
Other operating expenses	35	(4,436)	(4,484)
		(90,141)	**(117,873)**
		6,866	(51,068)
Finance income	36	1,745	2,082
Finance expenses	36	(9,385)	(10,199)
Share of results of joint ventures and associates	38	24,256	(48,472)
Gains and losses on investments	37	99	59,010
Profit before income tax		23,581	(48,647)
Income tax	25	(2,185)	2,252
Corporate income tax		(1,148)	(1,579)
Deferred tax		(1,037)	3,831
Profit after income tax		**21,396**	**(46,395)**
Consolidated net (loss)/profit for the period		**21,396**	**(46,395)**
Changes in the currency translation differences		1,054	(73,985)
Changes in the fair value of hedging instruments		1,751	475
Deferred tax related to components of other comprehensive income		(413)	(141)
Others		-	-
Other comprehensive income for the period		**2,392**	**(73,651)**
Total consolidated comprehensive income for the period		**23,788**	**(120,046)**
Consolidated net (loss)/profit for the period is attributable to:			
Equity holders of Sonae Sierra		15,096	(41,892)
Non-controlling interests	7	6,300	(4,503)
		21,396	**(46,395)**
Consolidated comprehensive income for the period is attributable to:			
Equity holders of Sonae Sierra		17,488	(115,543)
Non-controlling interests		6 300	(4,503)
		23,788	**(120,046)**
Consolidated net (loss)/profit per share:			
Basic	44	0,46	(1,29)
Diluted	44	0,46	(1,29)

The accompanying notes form an integral part of these consolidated statements of profit or loss and comprehensive income.

The Board of Directors

Consolidated Statements of Changes in Equity for the Periods Ended 31 December 2021 and 2020

(Translation of the statement of changes in equity originally issued in Portuguese - Note 49)
(Amounts stated in thousands of Euro)

		EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF SONAE SIERRA								
			RESERVES							
	Notes	Share Capital	Legal Reserves	Translation Reserve	Hedging Reserve	Retained Earnings	Net Profit Attributable to the Equity Holders of Sonae Sierra	Total	Non-Controlling Interests (Note 7)	Total
Balance as of 1 January 2020		162,245	57,329	(14,856)	(1,777)	1,025,757	(108,577)	1,120,121	445,923	1,566,044
Appropriation of consolidated net profit for 2019:										
Transfer to legal reserves and retained earnings		-	-		-	(108,577)	108,577	-	-	-
Dividends distributed		-	-		-	(248,407)	-	(248,407)	-	(248,407)
		-	**-**	**-**	**-**	**(356,984)**	**108,577**	**(248,407)**	**-**	**(248,407)**
Currency translation differences	-	-	-	(73,985)	-	-	-	(73,985)	-	(73,985)
Fair value of hedging instruments	19	-	-	-	475	-	-	475	-	475
Deferred tax in fair value of hedging instruments	24	-	-	-	(141)	-	-	(141)	-	(141)
Capital increase/decrease		-	-	-	-	-		-	(25,222)	(25,222)
Changes of ownership in JV and associates		-	-	-	410	(410)		-	(356,173)	(356,173)
Consolidated net profit for the period ended 31 December 2020		-	-	-	-	-	(41,892)	(41,892)	(4,503)	(46,395)
Others		-	-	-	-	-	-	-	-	-
Balance as of 31 December 2020		**162,245**	**57,329**	**(88,841)**	**(1,033)**	**668,363**	**(41,892)**	**756,171**	**60,025**	**816,196**
Balance as of 1 January 2021		162,245	57,329	(88,841)	(1,033)	668,363	(41,892)	756,171	60,025	816,196
Appropriation of consolidated net profit for 2020:										
Transfer to legal reserves and retained earnings		-	-	-	-	(41,892)	41,892	-	-	-
Dividends distributed		-	-	-	-	-	-	-	(427)	(427)
		-	-	-	-	(41,892)	41,892	-	(427)	(427)
Currency translation differences	4 and 5	-	-	1,054	-	-	-	1,054	-	1,054
Fair value of hedging instruments	19	-	-	-	1,751	-	-	1,751	-	1,751
Deferred tax in fair value of hedging instruments	24	-	-	-	(413)	-	-	(413)	-	(413)
Capital increase/decrease		-	-	-	-	-	-	-	-	-
Consolidated net (loss)/profit for the period ended 31 December 2021		-	-	-	-	-	15,096	15,096	6,300	21,396
Others		-	-	-	-	-	-	-	-	-
Balance as of 31 December 2021		**162,245**	**57,329**	**(87,787)**	**305**	**626,471**	**15,096**	**773,659**	**65,898**	**839,557**

The accompanying notes form an integral part of these consolidated statement of changes in equity.

The Board of Directors

Consolidated Statements of Cash Flows for the Periods Ended 31 December 2021 and 2020

(Translation of the statement of cash flow originally issued in Portuguese - Note 49)
(Amounts stated in thousands of Euro)

	NOTES	'21		'20	
OPERATING ACTIVITIES:					
Received from clients		101,752		85,110	
Paid to suppliers		(32,710)		(33,084)	
Paid to personnel		(46,254)		(48,655)	
Flows from operations		22,788		3,371	
(Payments)/receipts of income tax		(3,552)		392	
Other (payments)/receipts relating to operating activities		(5,181)		(5,279)	
Flows from operating activities [1]			**14,055**		**(1,516)**
INVESTING ACTIVITIES:					
Receipts relating to:					
Investments		7,020		285,155	
Tangible fixed assets		1		-	
Interest income		1,152		1,607	
Dividends		5,120		6,148	
Other		-	13,293	-	292,910
Payments relating to:					
Investments		(4,428)		(4,767)	
Tangible fixed assets		(2,428)		(962)	
Intangible fixed assets		(689)		(1,113)	
Other		(47)	(7,592)	(124)	(6,966)
Variation in loans granted			2,944		(1,260)
Flows from investing activities [2]			**8,645**		**284,684**

	NOTES	'21		'20	
FINANCING ACTIVITIES:					
Receipts relating to:					
Capital increase and share premiums		-		19,050	
Bank loans	19	25,000		25,000	
Other		-	25,000	-	44,050
Payments relating to:					
Interest expenses		(8,766)		(8,528)	
Dividends		-		(248,407)	
Decrease of share capital - nominal value and discounts and premiums		(427)		(1,269)	
Bank loans	19	(48,050)		(30,200)	
Leases		(1,994)		(1,984)	
Other		-	(59,237)	-	(290,388)
Variation in loans obtained - others			546		(23)
Flows from financing activities [3]			**(33,691)**		**(246,361)**
Variation in cash and cash equivalents [4]=[1]+[2]+[3]			**(10,991)**		**36,807**
Effect of exchange differences			5		(26)
Effect of the acquisitions and sales of companies:					
Sierra Turkey			-		(132)
SFS, Gestão de Fundos, SGOIC, S.A.			1,725		
Cash and cash equivalents at the beginning of the year	17		**247,263**		**210,614**
Cash and cash equivalents at the end of the year	17		**238,002**		**247,263**

The accompanying notes form an integral part of these consolidated statements of cash flows.

The Board of Directors

Sonae Sierra, SGPS, S.A. and Subsidiaries

Notes to the consolidated financial statements as of 31 December 2021

(Translation of notes originally issued in Portuguese – Note 49)

(Amounts stated in thousands of Euro - kEuro)

1. Introduction

SONAE SIERRA, S.G.P.S., S.A. ("the Company" or "Sonae Sierra"), which has its head office in Lugar do Espido, Via Norte, Apartado 1197, 4471-909 Maia – Portugal, is the parent company of a group of companies, as explained in Notes 3, 4 and 5 ("the Group").

The Group is an integrated real estate player. Its business model allows the Group to be present in the entire real estate value chain through 5 major pillars: Developments, Asset Management, Property Management, Investment Management and Reify..

The Group operates mainly in Portugal, Spain, Greece, Germany, Italy, Romania, Colombia, Brazil, Morocco, Poland, Luxembourg, and Netherlands.

Covid-19

The coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities. The emergence of this pandemic has translated into a wide number of impacts for the commercial real estate industry, not only directly affecting the operations of the properties themselves, but also the wider investment market. It has had a direct impact in the Shopping Centre Income, mostly in Fixed Rents due to specific discounts granted to the tenants. In Portugal, Shopping centres have been affected by a new lockdown in 2021, from mid-January to mid-April, with only essential goods stores open. The Portuguese Government Budget for 2021 (Law n.º 75-B/2020) was approved by late November 2020; in its context, a new rent concessions regime was approved, foreseeing rental discounts in the first semester of 2021 proportional to the tenants' monthly sales decrease when compared to 2019, with a cap of 50%.

The Management of the Company is still closely monitoring the evolution of the valuation of the properties. Although future effects are still uncertain, it is important to emphasise that it is the conviction of Management that the impact of COVID-19 will be temporary and with influence only over short-term profitability.

These financial statements are presented in Euro because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policy set out in Note 2.2.e).

2. Principal Accounting Policies

The principal accounting policies adopted in preparing the accompanying consolidated financial statements are as follows:

2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared according to the International Financial Report Standards ("IFRS") as approved by the European Union, applicable to economic years beginning on 1 January 2021. These correspond to the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting

Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC") and approved by the European Union.

The accompanying consolidated financial statements have been prepared on a going concern basis and in accordance with the accrual basis of accounting from the accounting records of the companies included in the consolidation, maintained according to the generally accepted accounting principles in the countries of each company, adjusted in the consolidation process to International Financial Reporting Standards ("IFRS"), as approved by the European Union.

New accounting standards and their impact in these consolidated financial statements

Up to the date of approval of these consolidated financial statements, the European Union ("EU") endorsed the following standards, interpretations, amendments, and revisions with mandatory application to the economic year beginning on 1 January 2021:

Standards / Interpretations / Amendments / Revisions	Amendment	Applicable in the EU for the annual period beginning on or after
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	Additional amendments related to the second phase of the interest rate benchmark reform project (known as "IBOR reform"), referring to changes in benchmark interest rates and impacts on financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.	1-jan-21
Amendments to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021"	Extends to 30 June 2022 the application of the optional practical expedient whereby lessees are exempted from analysing whether rent concessions until that date, typically suspensions or reductions of rent, related to the "COVID-19" pandemic, correspond to contractual modifications.	1-april-21
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9	Extends the deferral of application of IFRS 9 for initial years on or after 1 January 2023.	1-jan-21

The Group has applied these amendments for the first time in 2021 and there is no significant impact on the accounts resulting from their application.

Up to the date of approval of these financial statements, the following standards, interpretations, amendments, and revisions, with mandatory application in future reporting dates, have been endorsed by the European Union:

Standards / Interpretations / Amendments / Revisions	Amendment	Applicable in the EU for the annual period beginning on or after
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020	These amendments correspond to several updates to these standards, namely - **IFRS 3** - Update to references to the Conceptual Framework and clarification on the registration of provisions and contingent liabilities within the scope of a business combinations; additional requirements to analyse the obligations within the scope of IAS 37 or IFRIC 21 1 at the acquisition date; the amendments also confirm that contingent assets should not be recognised at the acquisition date. - **IAS 16** – prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use. - **IAS 37** – specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. - **Annual Improvements 2018-2020** - include amendments to 4 Standards: IFRS 1, IFRS 9, IFRS 16 and IAS 41	1-jan-22
IFRS 17 Insurance Contract	Establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.	1-jan-23

These standards and amendments, despite being endorsed by the European Union, have not been adopted by the Group in 2021 because their application is not yet mandatory. Nevertheless, no significant impacts are expected from their future adoption.

The following standards, interpretations, amendments, and revisions were issued by the IASB but have not yet been endorsed by the European Union:

Standards / Interpretations / Amendments / Revisions	Amendment	Applicable in the EU for the annual period beginning on or after
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	Clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period.	1-jan-23
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	This amendment published by the IASB in February 2021 require entities to disclose their material accounting policies rather than their significant accounting policies The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material.	1-jan-23
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	This amendment published by the IASB in February 2021 change the definition of an accounting estimates to "monetary amounts in financial statements that are subject to measurement uncertainty".	1-jan-23
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	This amendment published by the IASB in May 2021 clarify that an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.	1-jan-23
Amendments to IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative Information	This amendment published by the IASB in December 2021 introduce changes on what comparative data should be presented when an entity adopts both standards IFRS 17 and IFRS 9, simultaneously.	1-jan-23

None of these standards and amendments have been adopted by the Group as they are not yet endorsed by the European Union. Nevertheless, no significant impacts are expected from their future adoption.

2.2 Basis of Consolidation and investments in joint ventures and associates

The financial statements of the parent company and its subsidiaries, joint ventures and associates, included for the purpose of these consolidated financial statements, have been prepared up to 31 December 2021 and have been adjusted, where applicable, to ensure consistency with the Group's accounting principles, described below.

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company (Sonae Sierra) and the entities controlled by Sonae Sierra (subsidiaries). Control is achieved when the Company has all the following:

- power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- the ability to use its power to affect its returns.

The Group reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than the majority of the voting rights of an entity, it has power over the entity when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the entity unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights in an entity are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

As of 31 December 2021 and 2020, there were no entities to which these conditions applied.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary, by using the full consolidation method.

The purchase method of accounting is used when recording the acquisition of subsidiaries (Note 2.2.d)).

The interests in the net assets of subsidiaries that do not belong to the Group (non-controlling interests) are presented within equity, separately from equity attributable to equity holders of the parent company, under the caption "non-controlling interests". Non-controlling interests consist of the amount of those interests at acquisition date (Note 2.2.d)) and of the proportion in changes in equity of subsidiaries acquired after the purchase date.

The net result and each component of comprehensive income are allocated to the Group and to the non-controlling interests in proportion to their holding (ownership interest), even if this results in a negative balance of non-controlling interests.

All intercompany transactions (including gains/losses obtained in sales within the Group), balances and dividends distributed within the Group are eliminated in the consolidation process.

When the Group loses control of a subsidiary, a gain or loss is recognised in the statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The changes in ownership interest in the Group's subsidiaries that do not result in loss of control are recorded as equity transactions.

The subsidiaries included in the consolidated financial statements by the full consolidation method are listed in Note 3.

b) Joint ventures and associates

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement instead of rights to the assets and obligations for the liabilities of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates are entities where the Group exercises significant influence. Significant influence is the power to participate in the financial and operating decisions of the entity, but do not hold the control or joint control over those decisions.

Investments in joint ventures and associates are measured under the equity method, after initial recognition.

Under the equity method, investments in joint ventures and associates are recognised at cost on acquisition, adjusted after the date of acquisition, by the amount corresponding to the Group's proportion in net profit or loss and other comprehensive income of joint ventures and associates after that date. By applying the equity method, the Group's share in net profit or loss and other comprehensive income of joint ventures and associates is recorded against the statement of profit or loss or other comprehensive income, respectively, and the dividends received are deducted from the value of the investment.

The excess of cost of acquisition over the fair value of identifiable assets and liabilities of each joint venture and associate at the acquisition date is recognised as goodwill (Note 2.2.d)) and is kept under the caption of the investments in joint venture and associates. If the difference between the acquisition cost and fair value of assets and liabilities acquired is negative, it is recognised as a gain for the year in the statement of profit or loss.

The investments in joint ventures and associates including, when applicable, any goodwill (Note 2.2.d)), included as part of the investment in joint venture and associates, are assessed for impairment purposes when there are indicators that the asset may be impaired. Any existing impairment loss is recorded as a loss in the statement of profit or loss.

When the Group's share of accumulated losses of the joint venture or associate exceeds the amount at which the investment is recorded, the investment is reported at nil value and the recognition of losses is discontinued, except in the extent of the Group's commitment towards the joint venture or associate.

Unrealised gains and losses arising from transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the joint venture or associate against the investment in that joint venture or associate.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or an associate or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture or associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between: (i) the carrying amount of the joint venture or associate at the date the equity method was discontinued, and (ii) the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture or associate, is included in the determination of the gain or loss on disposal of the joint venture or associate.

If the investment becomes a subsidiary, the Group applies IFRS 3 – Business Combinations and IFRS 10 - Consolidated financial statements (Notes 2.2.a) and 2.2.d)).

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Investments in joint ventures are listed in Note 4.

Investments in associates are listed in Note 5.

c) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

As of 31 December 2021 and 2020, there are no joint operations within the Group.

d) Goodwill

In the acquisitions of subsidiaries after 1 January 2010, the positive differences between the transferred price (usually acquisition cost) increased by the amount of non-controlling interests at acquisition date and the fair value of identifiable net assets acquired and the assumed liabilities of such companies at the acquisition date, are recorded under caption "Goodwill". If the difference is negative, it is recognised as a gain of the year. The non-controlling interests at acquisition date are measured at fair value or by their share of the fair value of identifiable net assets at the acquisition date.

The positive differences between the acquisition cost of investments in subsidiaries acquired until 31 December 2009, joint ventures and associates and the fair value of identifiable assets and liabilities attributable to the Group of those companies at the acquisition date, are recorded under the caption "Goodwill (in the case of investments in subsidiaries) or in investment in joint ventures and associates (in the case of investments in joint ventures and associates). If the difference is negative, it is recognised as a gain of the year. Non-controlling interests include, in the case of acquisition of subsidiaries, their proportion in the fair value of identifiable assets and liabilities at the acquisition date.

The goodwill is not depreciated and is tested for impairment at each reporting date.

Any impairment loss on goodwill is immediately recognised in the statement of profit or loss of the year under the caption "Impairment losses and write-off" and not subsequently reversed.

The impairment tests of goodwill are based on the Net Asset Value ("NAV") and/or the business plan prepared by the Management of the shares held, at each reporting date.

The NAV corresponds to the fair value, at each reporting date, of the net assets of the subsidiary excluding deferred tax liabilities relating to unrealised gains on investment properties.

e) Translation of financial statements of foreign entities

The entities that operate abroad and are financially, economically, and organisationally autonomous are considered as foreign entities.

The assets and liabilities of the financial statements of foreign entities are translated to Euro at the exchange rate as of the reporting date and, the income and expenses and the cash-flow statement are translated to Euro using the average exchange rate. The amount related to the exchange rate difference is recorded in the equity under the caption "Translation reserve".

Goodwill and fair value adjustments resulting from the acquisition of those foreign entities are considered as assets and liabilities of that foreign entity, being translated to Euro at the exchange rate existing as of each reporting date.

Whenever a foreign entity is sold, the accumulated exchange differences are recognised as a gain or loss in the consolidated statement of profit or loss.

The exchange rates used for the conversion into Euro of the accounts of foreign subsidiaries, joint ventures and associates were the following:

	'21		'20	
	31.12.21	Average	31.12.20	Average
Brazilian Real	0,15848	0,15694	0,1569	0,17198
New Romanian Leu	0,20210	0,20322	0,20536	0,20672
Colombian Peso	0,00022	0,00023	0,00024	0,00024
Algerian Dinar	0,00633	0,00626	0,00616	0,00693
Moroccan Dirham	0,09509	0,09407	0,09145	0,09239
Polish Zloty	0,21754	0,21906	0,21931	0,22511

2.3 Investment Properties

Investment properties consist of investments in buildings and other constructions in shopping centres to earn rentals or capital appreciation or both, rather than for use in the production or supply of goods or services or for administration purposes or for sale in the ordinary course of business.

Investment properties are recorded at their fair value based on appraisals made by independent specialised entities (fair value model). Changes in fair value of investment properties are accounted for in the period in which they occur, under the statement of profit or loss caption "Variation in fair value of investment properties".

The Group's assets which qualify as investment properties are recognised as such when they start being used or, in the case of the investment properties under development, when their development is considered irreversible. By the time the asset qualifies as investment property, it is booked at its historical or production cost under "Investment properties under development" as a tangible fixed asset– Property, Plant and Equipment (Note 2.4). Thereafter, such assets are accounted at their fair value. The difference between fair value and cost (of purchase or production), at that date, is recorded directly in the statement of profit or loss, under caption "Variation in fair value of investment properties".

Costs incurred related to investment properties in use, namely maintenance, repairs, insurance, and property taxes are recognised as an expense in the statement of profit or loss for the year to which they relate. The improvements estimated to generate additional economic benefits are capitalised under the caption "Investment properties".

If an investment property becomes owner-occupied, it is reclassified to the caption "Property, plant and equipment".

Fit out contracts are contracts under which the Group supports part of the expenses incurred with the fit-out expenses and the tenant assumes the responsibility to reimburse the Group by the amount invested over the term of the contract, in terms and conditions specific to each contract.

The amounts paid by the Group on each fit-out contract are initially recorded at cost under the caption "Investment properties", being subsequently adjusted to the corresponding fair value, at each reporting date, as determined by specialised independent entities. The methodology used to determine the fair value of the fit-out contracts is like the one used in determining the fair value of the investment property to which these contracts relates. Variations in fair value of the fit-out contracts are recorded in the consolidated statement of profit or loss under the caption "Variation in fair value of the investment properties".

2.4 Property, Plant and Equipment

Tangible fixed assets (Property, Plant and Equipment) are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line basis, as from the date the assets start being used, over the estimated period of useful life of each group of assets.

The depreciation rates used correspond to the following periods of estimated useful life:

	Years
Buildings and other constructions	50
Machinery and equipment	10
Transport equipment	5
Tools and utensils	4
Administrative equipment	10
Other property, plant and equipment	5

Tangible fixed assets in progress and investment properties under development are recorded at cost of acquisition or production, deducted from eventual impairment losses. As fixed assets in progress relate mainly to tangible fixed assets, that will qualify in the future as investment properties, those are classified separately in the statement of financial position, under the caption "Investment properties under development".

Gains and losses arising from the sale or disposal (write-off) of tangible fixed assets are determined as being the difference between the sale price and the corresponding carrying amount as of the sale/disposal date, being recorded in the statement of profit or loss, under the captions "Other operating income" or "Other operating expenses".

2.5 Intangible assets

Intangible assets are stated at cost less accumulated depreciation and any impairment losses. Intangible assets are only recognised if it is likely to produce future economic benefits to the Group, are controlled by the Group and the cost of the asset can be reliably measured.

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Expenditure on research activities is recorded as expenses in the period they are incurred.

Intangible assets as of 31 December 2021 consist mainly of:

- rights of facilities management, which are depreciated on a straight-line basis over the estimated period of the management right (periods ranging from 10 to 15 years);
- Software, which is depreciated over the estimated period of use (periods ranging from 3 to 5 years).

Depreciation of intangible assets are recorded in the statement of profit or loss under caption "Depreciation and amortisation".

2.6 Non-current assets held for sale

Non-current assets (and all related assets and liabilities to dispose) are classified as held for sale if it is expected that its book value will be recovered through sale rather than through continuing use. This condition is considered fulfilled only when the sale is highly probable and the asset (and all other related assets and liabilities to dispose) is available for immediate sale under current conditions. Additionally, there must be in place measures that make likely the sale will be held within 12 months after the date of the classification under this caption.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria describe above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after sale.

Non-current assets (and all related assets and liabilities to dispose) classified as held for sale are measured at the lower of book value or fair value, less costs related to the sale. In return, these assets are not amortised.

2.7 Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are classified into the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (FVTOCI) or through profit or loss (FVTPL), and
- those to be measured at amortised cost.

Financial assets measured subsequently at fair value include mainly derivative financial instruments. The subsequent measurement of these financial assets is carried at fair value and recorded in the statement of changes in equity if they qualify for hedge accounting purposes (Note 2.8). If they do not qualify for hedge accounting purposes, the fair value of these financial assets is recorded in the statement of profit or loss.

Financial assets subsequently measured at amortised cost are those generated during normal operations of the Group, for which there is no intention to negotiate. Classified in this category are the accounts receivable and other receivables, loans to third parties and bank deposits. The subsequent measurement of these financial assets is carried at amortised cost in accordance with the effective interest method.

Financial liabilities are classified into the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL), and
- those to be measured at amortised cost.

Financial liabilities measured at fair value include mainly derivative financial instruments. The subsequent measurement of these financial liabilities is carried at fair value and recorded in the statement of changes in equity if they qualify for hedge accounting purposes (Note 2.8). If they do not qualify for hedge accounting purposes, the fair value of these financial liabilities is recorded in the statement of profit or loss.

Financial liabilities measured at amortised cost correspond to the other financial liabilities that are not classified in the former category. In this category are classified bank loans and loans from other entities, including shareholders and accounts payable and other payables. The subsequent measurement of these financial liabilities is carried at amortised cost, in accordance with the effective interest method.

a) Trade and Other Receivables

Accounts receivable and other receivables are recorded at amortised cost less any eventual impairment losses.

Impairment losses are recorded based on the valuation of estimated losses from non-collection of accounts receivable at the statement of financial position date. Impairment losses are recognised in the income statement, and can be reversed if the estimated losses decrease, in a later period.

b) Borrowings

Loans are stated as liabilities and measured at amortised cost.

Any expenses incurred in obtaining such financing, usually paid in advance on issue, namely the bank fees and stamp duty as well as interest and similar expenses, are recognised using the effective interest method in the results of the year, over the lifetime of such financing. These prepaid expenses are deducted from the caption "Bank loans".

Financial expenses including interest expenses and similar expenses (namely stamp duty), are recorded in the statement of profit or loss on an accrual basis of accounting. The amounts due and not paid at the reporting date are recorded under the caption "Other current liabilities".

c) Trade and Other Payables

Accounts payable and other payables are stated at amortised cost. Usually, the amortised cost of these liabilities does not differ from its nominal value.

d) Cash and cash equivalents

The amounts under caption "Cash and cash equivalents" includes cash on hand, bank deposits on demand and other treasury applications which mature in less than three months that are subject to insignificant risk of change in value.

These assets are measured at amortised cost. Usually, the amortised cost of these financial assets does not differ from its nominal value.

For purposes of the statement of cash flows, “Cash and cash equivalents” also include bank overdrafts, which are included in the statement of financial position under caption “Other loans”.

e) Derivative financial instruments
The Group uses derivative financial instruments in managing their financial risks associated with fluctuating interest rate, only as a way to hedge those risks. Derivatives are not used for trading purposes (speculation).

Derivative financial instruments used by the Group relate mainly to instruments for hedging interest rate on bank loans obtained, usually corresponding to "swap" or "zero cost collars" of interest rate.

Derivative financial instruments are initially recorded at fair value on the date of their contract. At each reporting date, they are remeasured at fair value, with the corresponding gain or loss on the remeasurement recorded immediately in the statement of profit or loss, unless such instruments are designated as hedging instruments. When they are designated as a hedging instrument (Note 2.8), the corresponding gain or loss in the remeasurement is recorded against the caption "Hedging reserve" in equity and transferred to results when the covered position affects the statement of profit or loss.

A derivative with a positive fair value is recognised under caption "Derivative financial instruments" as a financial asset. A derivative financial instrument with a negative fair value is recognised under the same caption but as a financial liability.

A derivative is presented as non-current if the remaining maturity exceeds 12 months and is not expected that it will be executed or settled within that period.

In situations where there are derivatives embedded in other financial instruments or other host contracts, they are treated as separate derivatives in situations where the risks and characteristics are not closely related to the host contracts and in situations where the host contracts are not presented at fair value with unrealised gains or losses recorded in the statement of profit or loss.

f) Impairment of financial assets
The Group recognises a loss allowance for expected credit losses “ECL” on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, considering legal advice, when appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

2.8 Hedge accounting

As mentioned above, the Group uses derivative financial instruments (usually swaps and zero cost collars) to cover the risk of changing interest rate on Group’s bank loans (cash flow hedge). The amount of loans, maturities, interest rates and reimbursement plan of loans underlying such financial instruments to hedge interest rate are usually identical in all conditions established for the correspondent contracted loans, which usually sets the perfect relationship coverage.

The criteria for classifying financial derivatives for hedging interest rate as cash flow hedges are as follows:

- The hedge transaction is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk;
- the effectiveness of the hedge can be reliably measured;
- there is adequate documentation of the hedging relationships at the inception of the hedge;
- the forecast transaction that is hedged is highly probable.

Derivative financial instruments used by the Group to hedge the exposure to changes in the interest rate of its loans are initially recorded at cost, if any, and subsequently adjusted to the corresponding fair value. Changes in fair value of these hedging instruments are recorded in equity under the caption “Hedging reserve”, and then recognised in the statement of profit or loss over the period the hedged instrument affects results, when those meet the conditions to hedge accounting, otherwise the changes in fair value are recognised through the statement of profit or loss.

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded in equity under the caption "Hedging reserve" are transferred to profit or loss of the year or to the book value of the hedged asset; subsequent variations in fair value are recorded in the statement of profit or loss.

2.9 Accounting for leases

Accounting for leases where the Group is the lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right of use asset, the costs are included in the related right of use asset, unless those costs are incurred to produce inventories.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that the Group expects to exercise a purchase option, the related right of use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right of use assets are presented as a separate line in the consolidated statement of financial position.

Accounting for leases where the Group is the lessor

The existing situations where the Group is the lessor relate to the contracts with the tenants of the shopping centres. These contracts are usually for a period of six years and establish the payment by the tenant of a monthly fixed rent (invoiced in advance), a turnover rent (invoiced if the monthly sales of the tenant are higher than the limit established in the contract) and the payment of tenant's share in the shopping centre operating expenses (common charges). The contract with the tenant may also establish the payment of an entrance fee in the shopping centre (key money income) and some discounts (usually in the first three years of the contract) to the fixed rent. These contracts can be renewed or cancelled by any of the parties involved (the company or the tenant). If the cancellation is proposed by the lessor, it must pay a cancellation fee (buy-out cost) to the tenant.

In accordance with the conditions of these contracts, they are classified as operating leases, being the rents (fixed and turnover rents) and the common charges recorded as revenue in the statement of profit or loss in the year to which they relate. The expenses (namely discounts on fixed rents, extra contractual discounts related to due rents and buy-out costs) as well as the key income and the cancellation fee related with the operating leases are recorded as expenses or income in the statement of profit or loss in the year to which they incurred or are received. This procedure is consistent with the one followed by the independent specialised entity which determines the fair value of the investment property to which the lease contracts are related (Note 2.3).

2.10 Borrowing costs

Financial costs related to borrowings are generally recognised as expense as incurred.

Borrowing costs related directly to the acquisition, construction, or production of tangible assets (usually investment properties under development) are capitalised as part of the cost of the qualified asset. Borrowing costs are capitalised from the time of preparation of the activities to construct or develop the asset to the time the production or construction is completed or when the development is suspended. Any eventual financial income derived from a loan obtained earlier and allocable to a qualifying account, is deducted from the financial expenses that qualify for capitalisation.

2.11 Provisions

Provisions are recognised when, and only when, the Group has an obligation (legal or implicit) resulting from a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed and adjusted at the reporting date to reflect the best estimate as of that date.

The Group recognises provisions for restructuring expenses when there is a formal and detailed restructuring plan and that such plan has been communicated to the parties involved.

2.12 Income tax

The income tax for the period comprises current and deferred tax.

The current income tax is determined based on the taxable results of the companies included in the consolidation in accordance with the tax laws enacted or substantively enacted at the reporting date in the countries where their head offices are located.

Deferred taxes are calculated using the financial position liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are not recognised when the corresponding temporary differences arise from goodwill or from the initial recognition of assets and liabilities other than in a business combination.

Deferred tax assets and liabilities are calculated and evaluated annually at the tax rates expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially issued at the reporting date.

Deferred tax assets are recognised only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilised. At the reporting date, a review is made of the deferred tax assets, and they are reduced whenever their future use is no longer probable.

Deferred tax assets and liabilities are recorded in the statement of profit or loss, except if they relate to items directly recorded in equity captions. In these situations, the corresponding deferred tax is also recorded under the same caption.

2.13 Revenue

The Group's revenue is basically due to income from investment properties via the operating lease contracts and services related to management services regarding the condominium and car parking of shopping centres, management services regarding the management of the shopping centres held by third parties and development fees regarding the consulting services on the development of new projects.

The revenue related to income from investment properties via the operating lease contracts with the tenants (Note 2.9) is recognised in the year to which it relates, as follows:

- **Fixed rent:**
This income is invoiced in the previous month to which it relates and is recognised in the statement of profit or loss in the period to which it relates.

- **Turnover rent:**
This income is contingent and payable when the sales exceed the limit specified in the lease contract. As such, this income is recorded on an accrual basis.

- **Other income and expenses:**
Revenue arising from key money is recognised when received from the tenants and the revenue arising from contract transfer fees is recognised when charged to tenants, in the statement of profit or loss under captions "Other operating revenue" and "Services rendered", respectively. The discounts on fixed rents and extracontractual discounts on due rents, and the buy-out costs are recognised in the statement of profit or loss when granted to tenants, under captions "Services rendered" (as a deduction) and "Other operating expenses", respectively.

This procedure is consistent with the methodology used by the independent specialised entity that determines the fair value of the investment property to which the lease contracts are related.

In the year ended 31 December 2021 and 2020, due to the pandemic caused by COVID-19, and following the successive states of emergency declared by the various European States, which led to the partial closure of shopping centres, the Group proceeded to register all the effects that impacted the recognition of revenue related to tenants, under the caption "Services rendered"" (as a deduction).

Revenue relating the services provided is recognised when the Group transfers the control of the service to the customer. Such services are recognised as a performance obligation satisfied over time, being recognised in the period in which the services are rendered.

The dividends are recognised as gains in the year they are assigned to the shareholders.

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2.14 Accrual basis of accounting

The income and expenses are recognised in the year to which they relate, regardless of the date of payment or receipt (accrual basis of accounting). The income and expenses for which actual amounts are not known are estimated.

Under the captions "Other current assets" and "Other current liabilities" are recorded income and expenses attributable to the current year, which settlement or receipt will only occur in future years, as well as amounts paid and received that have occurred on the reporting date, but which relate to future periods, and that will be charged to the statement of profit or loss of the corresponding year.

2.15 Impairment of assets

a) Non-financial assets, excluding goodwill

With the exception of investment properties (Note 2.3) and deferred tax assets (Note 2.12), non-financial assets are assessed for impairment at each reporting date and whenever events or changes in circumstances indicate that the amount by which the asset is recorded may not be recovered.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised under the statement of profit or loss caption "Impairment losses and write-off".

The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the asset belongs.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exists or has decreased. The reversal is recorded in the statement of profit or loss as operating result. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciations) in case no impairment loss had been recognised for that asset in prior years.

b) Financial assets (usually accounts receivable, in the case of Group)

Whenever there are objective indicators that the Group will not receive the amounts, it is entitled to, in accordance with the arrangements agreed between the parties, an impairment loss is recorded in the statement of profit or loss. The indicators used by the Group to identify the signs of impairment are:

- Failure on the maturity and/or other terms agreed between the parties;
- Financial constraints of the debtor;
- Probability of insolvency of the debtor.

Whenever there is such evidence, the existence of impairment losses is assessed, which is determined by the difference between the asset's carrying amount and its corresponding recoverable amount.

Impairment losses are recorded in the statement of profit or loss under the caption "Write-off and impairment losses" in the period they are determined.

Subsequently, if the amount of the impairment loss reduces, it is reversed by results and recorded under the caption "Other operating revenue".

2.16 Balances and transactions expressed in foreign currency

Transactions in currencies other than Euro are recorded at the exchange rates prevailing on the transaction date.

At each reporting date, all monetary assets and liabilities expressed in foreign currencies are translated to Euro using the closing exchange rates as of that date (Note 2.2.e)).

Exchange gains or losses, arising from differences between exchange rates effective at the date of transaction and those prevailing at the date of collection, payment or at the reporting date, are recorded as income or expenses in the statement of profit or loss.

2.17 Current/non-current classification on the statement of financial position

Assets and liabilities due in more than one year from the reporting date are classified as non-current assets and liabilities, respectively.

2.18 Contingent assets and liabilities

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed in the notes unless the possibility of an outflow of resources incorporating economic benefits is remote.

A contingent asset is not recognised in the consolidated financial statements but disclosed in the notes when an inflow of economic benefits is probable.

2.19 Risk management policies

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department of the Group Sonae Sierra, under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk.

a) Foreign exchange risk

The main operating activity of each company is developed inside its country and consequently much of the company transactions are maintained in the same currency of its country. The policy to cover this specific risk is to avoid, whenever possible, the contracting of services in foreign currency.

As the operational activity of the Company is maintained in Euros, the Company policy is to obtain its borrowings also in Euros, in order to eliminate the foreign currency risk.

b) Credit risk

The group's credit risk results essentially from the credit risk of the tenants of the shopping centres managed by the Group.

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The control of this risk is made by an evaluation of the credit of the tenants before their acceptance in the shopping centre as well as a control over the credit limits attributed to each tenant.

c) Liquidity risk

The needs of treasury are managed by the financial department of the Sonae Sierra Group, which monitors the surplus and deficits of liquidity of each one of the companies included in the consolidation. The occasional needs for liquidity are covered by an adequate control of the accounts receivables and by the maintenance of adequate limits of credit arranged by the Group with its banks.

d) Interest rate risk

The Group's income and operating cash-flows are influenced by changes in market interest rates, since its cash and cash equivalents and intragroup financing granted are dependent on the evolution of the interest rates in Euro which, historically, have had little volatility.

On long-term financing, and as a way to mitigate the changes in the long-term interest rates, the Group contracts cash flow hedge instruments ("swaps", "zero cost collars" or "caps"). Additionally, the Group also chose to fix the interest rate of some financings.

Interest rate sensitivity analysis:

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments in place during the reporting period. For floating rate assets and liabilities, the analysis is prepared based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of floating rate interest financial instruments and, in the case of fixed rates that were contracted during the period of analysis, changes in the interest rates also affect this component;

- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortised cost are not subject to interest rate risk, as defined in IFRS 7;

- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;

- Changes in market interest rates affect the fair value of derivatives designated as hedging instruments;

- The fair value of derivative financial instruments ("swaps", "zero cost collars" or "caps") and other financial assets and liabilities is estimated by discounting the future cash flows to their net present values, using appropriate market rates prevailing at yearend and assuming a parallel shift in yield curves;

- For the purposes of this sensitivity analysis, such analysis is performed based on all financial instruments outstanding at the end of the relevant year.

Sensitivity analyses are performed by changing one variable while holding all other variables constant. Nonetheless, this is a restrictive and highly unlikely assumption, since variables tend to be correlated.

If interest rates had been 50 basis points (Year 2020: 75 basis points) higher and all other variables were held constant, assumptions unlikely to occur due to interest rates correlation with other variables, the impact in the Group net profit and equity would be the following:

	'21	'20
	+50 b.p.	+75 b.p.
Net Profit (1)	(870)	(1 504)
Reserves (2)	120	-

(1) This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings;

(2) This is mainly a result of the changes in the fair value of derivatives entered as cash flow hedges that are efficient.

As of 31 December 2021 and 2020, the interest rate sensitive analysis if the interest rates had been 25 basis points lower was not done because Euribor in 2021 and 2020 was below 0%.

In Management's opinion, the sensitivity analysis is representative of the inherent interest rate risk of the year and expenses may not reflect the exposures during the year, due to any repayments made.

2.20 Financial instruments by category

The financial instruments according to the policies described in Note 2.7. were classified as follows:

FINANCIAL ASSETS	Financial assets at amortised cost	Assets at fair value through other comprehensive income	Total
As of 31 December 2021			
Non current assets			
Derivative financial instruments		236	236
Loans to joint ventures and associates	11,392		11,392
Other non-current assets	4,173		4,173
	15,565	**236**	**15,801**
Current assets			
Trade receivables	12,161		12,161
Loans to joint ventures and associates	8,342		8,342
Other receivables	5,376		5,376
Cash and cash equivalents	240,625		240,625
	266,504		266,504
	282,069	**236**	**282,305**
As of 31 December 2020			
Non current assets			
Derivative financial instruments		-	-
Loans to joint ventures and associates	11,554		11,554
Other non-current assets	4,186		4,186
	15,740	**-**	**15,740**
Current assets			
Trade receivables	12,295		12,295
Loans to joint ventures and associates	8,198		8,198
Other receivables	4,786		4,786
Cash and cash equivalents	249,158		249,158
	274,437	-	274,437
	290,177	**-**	**290,177**

Financial Liabilities	Carrying amount	Fair value
	Liabilities at amortised cost	Level 2
As of 31 December 2021		
Non current liabilities:		
Bank loans	143,645	144,806
Debentures loans	79,867	80,183
Lease liabilities	6,528	
Shareholders	660	
Trade payables	116	
Other non-current liabilities	3,060	
	233,876	
Current liabilities:		
Current portion of long term bank loans	39,792	41,127
Debentures loans	9,831	9,281
Lease liabilities	1,721	
Accounts payable to suppliers	7,736	
Other payables	7,635	
	66,715	
	300,591	
As of 31 December 2020		
Non current liabilities:		
Bank loans	137,497	139,311
Debentures loans	89,526	89,399
Lease liabilities	8,269	
Trade payables	130	
Other non-current liabilities	2,366	
	237,788	
Current liabilities:		
Current portion of long term bank loans	56,197	57,672
Debentures loans	9,850	10,169
Lease liabilities	1,989	
Accounts payable to suppliers	6,251	
Other payables	5,455	
	79,742	
	317,530	

2.21 Judgments and estimates

In the preparation of the accompanying consolidated financial statements estimates were used which affected the assets and liabilities and the amounts recognised as income and expenses during the reporting period.

The estimates were calculated using the best information available, at the date of approval of the financial statements, of the events and transactions in course and of the experience from current and/or past events. However, events may occur in subsequent periods that were not anticipated as of the date of these statements and consequently were not included in those estimates. Changes in the estimates after the closing of the consolidated financial statements will be booked in the subsequent year, as required in IAS 8.

The main estimates of the Group are related to fair value, namely the fair value of the investment properties, the goodwill, the derivatives and deferred tax assets, as follows:

a) Investment properties
The investment properties in operation are recorded at their fair value based on annual appraisals by independent specialised entities. Those valuations assume several assumptions, including the estimate of future income and expense of each property and the use of an appropriate discount rate.

The investment properties under development are measured at cost; the Group follows the procedure of evaluating, at least once a year, their performance through assessments carried out by independent specialized agencies and/or testing carried out internally, in which the net cash flows expected of those properties are considered.

b) Derivative financial instruments
The derivative financial instruments are usually used by the Group to hedge the cash flow in the form of swaps ("interest rate swap") or zero cost collars. The fair value of those derivatives is, at each reporting date, calculated by external entities (usually the financial institution with which the derivative was contracted). The fair value calculated by them is internally tested in order to validate the calculation performed by the third parties.

c) Goodwill
The impairment tests on Goodwill are based on the "Net Asset Value" ("NAV") and/or the business plan prepared by the Management at the reporting date of the financial investment.

d) Deferred tax assets
The deferred tax assets are recognised only if it is expected that future fiscal profits will be enough to use the deferred tax assets. At each reporting date, the deferred tax assets are assessed, and they are reduced if future recoverability is not anticipated. This revision is based on projections of the future activity of each company where it is applicable.

e) Other assets and liabilities
Concerning the other assets and liabilities, such as VAT to be reimbursed by tax authorities and the legal and fiscal processes that are reflected in the financial statements of the companies, the Legal and Fiscal departments are consulted by the Management to assess the probability of receiving and/or paying such amounts. With that information, the Management will estimate which adjustments will be made in the financial statements.

The main assumptions used in the Group estimates are disclosed in each related note.

2.22 Operating segments

Operating segments are reported in accordance with the information used internally by the Management of the Group.

2.23 Subsequent events

Events occurred after the reporting date that provide additional information about conditions that existed at the reporting date (adjusting events) are reflected in the financial statements. Events occurred after the reporting date that provide information on conditions that occur after the reporting date (non-adjusting events) are disclosed in the consolidated financial statements, if materially significant.

3. Subsidiaries

The subsidiaries of the Group, their head offices, and the percentage of interests held by the Group as of 31 December 2021 and 2020, are as follows:

			Ownership interests and voting rights held	
	COMPANY	Head office	31.12.21	31.12.20
	Parent company			
	Sonae Sierra, SGPS, S.A.	Maia (Portugal)	-	-
	Subsidiaries			
	Investment+Colombia+Brazil			
	Axnae Spain Holdings, S.L.	Madrid (Spain)	100,00%	100,00%
	Coimbrashopping- Centro Comercial, S.A.	Maia (Portugal)	50,10%	50,10%
1)	Dos Mares - Shopping Centre B.V.	Amsterdam (Netherlands)	-	50,10%
	Gli Orsi Shopping Centre 1 Srl	Milan (Italy)	100,00%	100,00%
	Iberian Holdings Spain, S.L.	Madrid (Spain)	50,10%	50,10%
	Parklake Shopping, S.A.	Bucharest (Romania)	100,00%	100,00%
	Parque D. Pedro 1 S.à r.l.	Luxembourg	100,00%	100,00%
	Plenerg Srl	Bucharest (Romania)	100,00%	100,00%
	Project Sierra 10 B.V.	Amsterdam (Netherlands)	100,00%	100,00%
	Project Sierra 11 B.V.	Amsterdam (Netherlands)	100,00%	100,00%
	Project Sierra Cúcuta B.V.	Amsterdam (Netherlands)	100,00%	100,00%
1)	Project Sierra Spain 2- Centro Comercial S.A.	Madrid (Spain)	-	100,00%
	River Plaza B.V.	Amsterdam (Netherlands)	100,00%	100,00%
	Sierra Brazil 1 S.à r.l.	Luxembourg	100,00%	100,00%
	Sierra GP Limited	Guernsey	100,00%	100,00%
2)	Sierra Colombia Investments, S.A.S.	Bogotá (Colombia)	100,00%	-
	Sierra Iberian Assets Holding, S.A.U.	Madrid (Spain)	100,00%	100,00%

	COMPANY	Head office	Ownership interests and voting rights held 31.12.21	31.12.20
	Sierra Investments (Holland) 1 B.V.	Amsterdam (Netherlands)	100,00%	100,00%
	Sierra Investments (Holland) 2 B.V.	Amsterdam (Netherlands)	100,00%	100,00%
	Sierra Investments Holdings B.V.	Amsterdam (Netherlands)	100,00%	100,00%
	Sierra Investments SGPS, S.A.	Maia (Portugal)	100,00%	100,00%
	Sierra Retail Ventures BV	Amsterdam (Netherlands)	50,10%	50,10%
	Sierra Solingen Holding GmbH	Dusseldorf (Germany)	100,00%	100,00%
	Sonae Sierra Brazil Holdings S.à r.l.	Luxembourg	100,00%	100,00%
	SPF - Sierra Portugal	Luxembourg	100,00%	100,00%
	Weiterstadt Shopping B.V.	Amsterdam (Netherlands)	100,00%	100,00%
	Services			
	BrightCity, S.A.	Maia (Portugal)	100,00%	100,00%
	Ioannina Development of Shopping Centres, S.A.	Athens (Greece)	100,00%	100,00%
3)	La Galleria Srl	Milan (Italy)	80,00%	-
	Living Markets I, S.A.	Oporto (Portugal)	100,00%	100,00%
	Paracentro - Gestão de Galerias Comerciais, S.A.	Maia (Portugal)	100,00%	100,00%
4)	SFS- Gestão de Fundos, SGOIC, S.A.	Maia (Portugal)	100,00%	20,00%
	Sierra Germany GmbH	Dusseldorf (Germany)	100,00%	100,00%
2)	Sierra IG, SGOIC, S.A.	Maia (Portugal)	100,00%	-
	Sierra Italy Agency Srl	Milan (Italy)	100,00%	100,00%
	Sierra Italy Srl	Milan (Italy)	100,00%	100,00%
	Sierra Management, SGPS, S.A.	Maia (Portugal)	100,00%	100,00%
	Sierra Maroc Services SARL	Casablanca (Morocco)	100,00%	100,00%
	Sierra Portugal, S.A.	Lisbon (Portugal)	100,00%	100,00%
	Sierra Romania Shopping Centers Services, SRL	Bucharest (Romania)	100,00%	100,00%
	Sierra Services Holland B.V.	Amsterdam (Netherlands)	100,00%	100,00%
	Sierra Spain, Shopping Centers Services, S.A.	Madrid (Spain)	100,00%	100,00%

COMPANY	Head office	Ownership interests and voting rights held 31.12.21	31.12.20
Developments			
ARP Alverca Retail Park, S.A.	Maia (Portugal)	100,00%	100,00%
CCCB Caldas da Rainha - Centro Comercial, S.A.	Maia (Portugal)	100,00%	100,00%
Microcom Doi, Srl	Bucharest (Romania)	100,00%	100,00%
Parklake Business Centre Srl	Bucharest (Romania)	100,00%	100,00%
Parque de Famalicão - Empreendimentos Imobiliários, S.A.	Maia (Portugal)	100,00%	100,00%
Project Sierra 12 B.V.	Amsterdam (Netherlands)	100,00%	100,00%
Project Sierra Four, Srl	Bucharest (Romania)	100,00%	100,00%
Project Sierra Germany 4 (four) - Shopping Centre, GmbH	Dusseldorf (Germany)	100,00%	100,00%
Sierra Developments Holding B.V.	Amsterdam (Netherlands)	100,00%	100,00%
Sierra Developments, SGPS, S.A.	Maia (Portugal)	100,00%	100,00%
Sierra Maroc, S.à r.l.	Casablanca (Morocco)	100,00%	100,00%
Sierra Parma Project B.V.	Amsterdam (Netherlands)	100,00%	100,00%
Sierra Real Estate Greece B.V.	Amsterdam (Netherlands)	100,00%	100,00%
Sierra Zenata Project B.V.	Amsterdam (Netherlands)	100,00%	100,00%

1) Companies liquidated in 2021.
2) Companies incorporated in 2021.
3) Company acquired in 2021.
4) In December 2021, the remaining 80% of the share capital of this entity was acquired by the Group, starting from that date to be consolidated in the Group (Note 6).

4. Joint Ventures

The joint ventures of the Group, their head offices, and the percentage of interests held by the Group as of 31 December 2021 and 2020, are as follows:

		Ownership interests and voting rights held	
COMPANY	Head office	31.12.21	31.12.20
Investment+Colombia			
Companies owned by Sierra Retail Ventures ("SRV")			
Arrábidashopping- Centro Comercial, S.A.	Maia (Portugal)	25,05%	25,05%
Gaiashopping I- Centro Comercial, S.A.	Maia (Portugal)	25,05%	25,05%
Gaiashopping II- Centro Comercial, S.A.	Maia (Portugal)	25,05%	25,05%
Madeirashopping- Centro Comercial, S.A.	Funchal (Portugal)	25,05%	25,05%
North Tower B.V.	Amsterdam (Netherlands)	25,05%	25,05%
Torre Norte, S.A.	Maia (Portugal)	25,05%	25,05%
Parque Atlântico Shopping - Centro Comercial, S.A.	Ponta Delgada (Portugal)	25,05%	25,05%
Via Catarina- Centro Comercial, S.A.	Maia (Portugal)	25,05%	25,05%
Other investment companies			
Larissa Development of Shopping Centres, S.A.	Athens (Greece)	50,00%	50,00%
Pantheon Plaza B.V.	Amsterdam (Netherlands)	50,00%	50,00%
Colombia			
Proyecto Cúcuta S.A.S.	Cucuta (Colombia)	50,00%	50,00%
Sierra Central S.A.S.	Santiago de Cali (Colombia)	50,00%	50,00%

	COMPANY	Head office	Ownership interests and voting rights held 31.12.21	31.12.20
	Services			
	Sierra Balmain Asset Management Sp. z o. o.	Varsow (Poland)	50,00%	50,00%
	Sierra Balmain Property Managment Spółka z o. o.	Varsow (Poland)	50,00%	50,00%
	SIERRA LM, SGPS, S.A.	Lisbon (Portugal)	50,00%	50,00%
	LMSA - Engenharia de Edifícios, S.A.	Lisbon (Portugal)	50,00%	50,00%
	LMGE - Gestão de Edifícios LDA	Lisbon (Portugal)	50,00%	50,00%
	LMIT - Innovation & Technology, LDA	Lisbon (Portugal)	50,00%	50,00%
	Developments			
	Aegean Park Constructions Real Estate and Development, S.A.	Athens (Greece)	50,00%	50,00%
	Park Avenue Developement of Shopping Centers S.A.	Athens (Greece)	50,00%	50,00%
1)	PUD Srl	Parma (Italy)	-	50,00%
	SC Aegean B.V.	Amsterdam (Netherlands)	50,00%	50,00%

1) Company sold in May 2021.

The details of joint ventures of the Group as of 31 December 2021 and 2020 is as follows:

		31 DECEMBER 2021						
	COMPANY	Equity	Net Profit	% own (*)	Carrying amount	Proportion in P/L	Adjusted net profit (**)	Dividends received
	Investment+Colombia+Brazil							
	Companies owned by SRV							
	Arrábidashopping- Centro Comercial, S.A.	55,112	5,698	50,00%	27,556	2,849	1,569	-
a)	Gaiashopping I- Centro Comercial, S.A.	57,709	5,529	50,00%	28,855	2,765	1,897	-
b)	North Tower B.V.	5,321	(59)	50,00%	2,661	(29)	(29)	-
	Madeirashopping- Centro Comercial, S.A.	38,341	6,880	50,00%	19,170	3,440	1,563	-
	Parque Atlântico Shopping - Centro Comercial, S.A.	35,688	5,856	50,00%	17,844	2,928	1,218	-
	Via Catarina- Centro Comercial, S.A.	19,408	1,175	50,00%	9,705	588	523	
	Other investment companies							
c)	Pantheon Plaza B.V.	5,691	(415)	50,00%	2,847	(207)	69	-
	Colombia							
	Proyecto Cúcuta S.A.S.	4,861	(2,413)	50,00%	2,431	(1,207)	(739)	-
	Goodwill Cúcuta							
	Sierra Central S.A.S.	60	(408)	50,00%	29	(204)	(204)	-
	Goodwill Sierra Central					(190)	(190)	
	Services							
d)	Sierra Balmain Asset Management sp. zo.o.	(204)	(184)	50,00%	(102)	(92)	(92)	-
e)	SIERRA LM, SGPS, S.A.	2,308	535	50,00%	1,154	267	247	-
	Goodwill Luis Malheiro				2,098			
	Developments							
	Park Avenue Development of Shopping Centres S.A.	(845)	(13)	50,00%	(423)	(6)	(6)	-
f)	SC Aegean B.V.	6,867	(1,168)	50,00%	3,434	(584)	(584)	-
	Pud Srl	-	-	50,00%	-	-	-	-
					117,259	10,318	5,242	

(*) The ownership interests are similar to voting rights.
(**) This adjusted net profit is calculated by deducting to the net profit the variation of the fair value of the investment properties net of the respective deferred taxes.

31 DECEMBER 2020

	COMPANY	Equity	Net Profit	% own (*)	Carrying amount	Proportion in P/L	Adjusted net profit (**)	Dividends received
	Investment							
	Companies owned by SRV							
	Arrábidashopping- Centro Comercial, S.A.	49,414	(8,137)	50,00%	24,707	(4,068)	897	1 216
a)	Gaiashopping I- Centro Comercial, S.A.	52,180	(7,826)	50,00%	26,090	(3,913)	1,073	5,356
b)	North Tower B.V.	5,379	(63)	50,00%	2,690	(31)	(31)	-
	Madeirashopping- Centro Comercial, S.A.	31,461	3,035	50,00%	15,730	1,517	831	1,457
	Parque Atlântico Shopping - Centro Comercial, S.A.	29,832	(3,177)	50,00%	14,916	(1,589)	719	1,250
	Via Catarina- Centro Comercial, S.A.	18,233	(2,203)	50,00%	9,117	(1,101)	264	-
	Other investment companies							
c)	Pantheon Plaza B.V.	6,061	(4,187)	50,00%	3,031	(2,093)	(299)	-
	Colombia							
	Proyecto Cúcuta S.A.S.	7,821	(6,471)	50,00%	3,910	(3,237)	(3,237)	-
	Goodwill Cúcuta							-
	Sierra Central S.A.S.	102	(283)	50,00%	50	(141)	(141)	-
	Goodwill Sierra Central					(141)	(141)	-
	Services							
d)	Sierra Balmain Asset Management sp. zo.o.	(692)	(170)	50,00%	(347)	(86)	(86)	-
	Goodwill Sierra Balmain				-	(1,987)	(1,987)	
e)	SIERRA LM, SGPS, S.A.	1,774	785	50,00%	887	393	384	-
	Goodwill Luis Malheiro				2,098			
	Developments							
	Park Avenue Development of Shopping Centres S.A.	(881)	28	50,00%	(441)	13	14	-
f)	SC Aegean B.V.	7,859	(2,084)	50,00%	3,930	(1,042)	(42)	-
	Pud Srl	9,737	(120)	50,00%	4,869	(60)	(60)	-
	Goodwill Pud				875			
					112,112	**(17,566)**	**(1,842)**	**9,279**

(*) The ownership interests are identical to voting rights.
(**) This adjusted net profit is calculated by deducting to the net profit the variation of the fair value of the investment properties net of the respective deferred taxes.

a) Amounts related to the consolidated accounts of Gaiashopping I- Centro Comercial, S.A. that owns 100% of Gaiashopping II- Centro Comercial, S.A..
b) Amounts related to the consolidated accounts of North Tower B.V. that owns 100% of Torre Norte, S.A..
c) Amounts related to the consolidated accounts of Pantheon Plaza B.V. that owns 100% of Larissa Development of Shopping Centres, S.A..
d) Amounts related to the consolidated accounts of Sierra Balmain Asset Management sp. zo.o. that owns 100% of Sierra Balmain Property Managment Spółka z o. o.
e) Amounts related to the consolidated accounts of SIERRA LM, SGPS, S.A. ("LM Group") that owns directly or indirectly 100% of LMSA
- Engenharia de Edifícios, S.A., LMGE - Gestão de Edifícios LDA and LMIT - Innovation & Technology, LDA.
f) Amounts related to the consolidated accounts of SC Aegean BV that owns 100% of Aegean Park Constructions Real Estate and Development, S.A..

As mentioned in Note 2.2.b), joint ventures are measured by using the equity method.

During the years ended 31 December 2021 and 2020, the movement of investments in joint ventures was as follows:

2021

COMPANY	Investment+Colombia: Companies owned by SRV	Investment+Colombia: Other investment companies	Colombia	Services	Developments	Total
Opening balance	93,250	3,031	3,960	2,638	9,233	112,112
Sales	-	-	-	-	(5,744)	(5,744)
Capital increase	-	23	377	334	112	846
Effect of the application of the equity method:						
Translation reserve	-	-	(276)	3	-	(273)
Net profit (Note 38)	12,541	(207)	(1,601)	175	(590)	10,318
	105,791	**2,847**	**2,460**	**3,150**	**3,011**	**117,259**

2020

COMPANY	Investment+Colombia: Companies owned by SRV	Investment+Colombia: Companies owned by Sierra BV	Investment+Colombia: Other investment companies	Colombia	Services	Developments	Total
Opening balance	-	234,802	4,994	8,525	4,301	10,143	262,765
Acquisition of Balmain e LM:							
- Equity at acquisition date	-	-	-	-	(7)	-	(7)
- Goodwill	-	-	-	-	7	-	7
Transfer to SRV	108,818	(108,818)	-	-	-	-	-
Sierra BV restructuring:							
- transfer to associates	-	(125,984)	-	-	-	-	(125,984)
Capital increase	2,896	-	130	282	-	71	3,379
Effect of the application of the equity method:							
Hedging reserve (hedge accounting)	-	-	-	-	-	108	108
Translation reserve	-	-	-	(1,328)	17	-	(1,311)
Net profit (Note 38)	(9,185)	-	(2,093)	(3,519)	(1,680)	(1,089)	(17,566)
Dividends	(9,279)	-	-	-	-	-	(9,279)
	93,250	**-**	**3,031**	**3,960**	**2,638**	**9,233**	**112,112**

The amount of kEuro -273 (kEuro -1,311 in 2020) was recognized under the caption "Currency translation differences" in the consolidated statement of changes in equity.

The main acquisitions and sales of companies occurred during the year ended 31 December 2021 and 2020 were as follows:

Transactions in 2021:
In May 2021, the subsidiary Sierra Parma Project B.V. sold the entire share capital owned (50%) and the shareholder loans granted (including interest) of the joint venture PUD, Srl ("PUD") for kEuro 9,111. This transaction generated a gain of kEuro 146 (net of the provision made in 2020 of kEuro 9,411) (Note 21 and 37).

Transactions in 2020:
On the 29 February 2020, the Group signed and completed an agreement with APG, Allianz and Elo to create a leading retail real estate joint-venture in Iberia (Sierra BV – "Sierra Prime"). The companies included in this transaction were classified as held for sale in 2019 (Note 6). After the transaction, these companies, in the amount of kEuro 125,984, started to be classified as associates (Note 5).

As of 31 December 2021 and 2020 the summarised financial information (adjusted when applicable to comply with the Group accounting policies mentioned in Note 2) of the Group's joint ventures, is as follows:

31 DECEMBER 2021

	Investment+Colombia+Brazil					
COMPANY	**Companies owned by SRV**	**Other investment companies**	**Colombia**	**Services**	**Developments**	**Total**
Investment properties	443,724	12,439	154	-	6,996	463,313
Other non-current assets	106	3	13,771	757	118	14,755
Total non-current assets	443,830	12,442	13,925	757	7,114	478,068
Other current assets	11,028	942	538	3,562	39	16,109
Cash and cash equivalents	37,027	1,012	1,281	2,679	37	42,036
Total current assets	48,055	1,954	1,819	6,241	76	58,145
Non current bank loans and other facilities	160,378	6,634	888	80	-	167,980
Other non-current liabilities	78,224	165	-	694	1,095	80,178
Total non-current liabilities	238,602	6,799	888	774	1,095	248,158
Current bank loans and other facilities	22,330	389	-	(18)	-	22,701
Other current liabilities	19,374	1,517	9,935	4,138	73	35,037
Total current liabilities	41,704	1,906	9,935	4,120	73	57,738
Equity	211,579	5,691	4,921	2,104	6,022	230,317
Equity attributable to the equity holders of the parent company	**211,579**	**5,691**	**4,921**	**2,104**	**6,022**	**230,317**

	31 DECEMBER 2020					
	Investment+Colombia+Brazil					
COMPANY	Companies owned by SRV	Other investment companies	Colombia	Services	Developments	Total
Investment properties	430,674	13,009	-	-	93,579	537,262
Other non-current assets	183	3	16,226	646	605	17,663
Total non-current assets	430,857	13,012	16,226	646	94,184	554,925
Other current assets	15,973	799	737	4,093	1,176	22,778
Cash and cash equivalents	12,591	1,206	2,669	1,868	719	19,053
Total current assets	28,564	2,005	3,406	5,961	1,895	41,831
Non current bank loans and other facilities	151,655	6,952	960	95	36,667	196,329
Other non-current liabilities	75,067	142	472	963	28,628	105,272
Total non-current liabilities	226,722	7,094	1,432	1,058	65,295	301,601
Current bank loans and other facilities	31,397	229	-	(14)	148	31,760
Other current liabilities	14,803	1,633	10,277	4,481	13,921	45,115
Total current liabilities	46,200	1,862	10,277	4,467	14,069	76,875
Equity	186,499	6,061	7,923	1,082	16,715	218,280
Equity attributable to the equity holders of the parent company	**186,499**	**6,061**	**7,923**	**1,082**	**16,715**	**218,280**

	2021					
	Investment+Colombia+Brazil					
COMPANY	Companies owned by SRV	Other investment companies	Colombia	Services	Developments	Total
Services rendered	41,735	2,249	43	14,468	-	58,495
Variation in fair value of the investment properties	13,880	(551)	(27)	-	-	13,302
Other revenue	180	433	-	594	3	1,210
External supplies and services	(19,814)	(1,866)	(232)	(6,404)	(78)	(28,394)
Depreciation and amortisation	(4)	-	-	(131)	-	(135)
Other expenses	(1,166)	(328)	(980)	(7,724)	(1 106)	(11,304)
Interest income and similar	0	-	32	-	6	38
Interest expense and similar	(4,496)	(345)	(1,021)	(14)	(6)	(5,882)
Share of results of associates	-	-	(1,089)	-	-	(1,089)
Income tax	(5,236)	(6)	452	(438)	-	(5,228)
Net profit / (loss)	**25,079**	**(415)**	**(2,821)**	**351**	**(1,181)**	**21,013**
Attributable to:						
Equity holders of parent company	25,079	(415)	(2,821)	351	(1,181)	21,013
	25,079	**(415)**	**(2,821)**	**351**	**(1,181)**	**21,013**
Other comprehensive income for the period	-	-	-			
Total comprehensive income for the period	**25,079**	**(415)**	**(2,821)**	**351**	**(1,181)**	**21,013**
Attributable to:						
Equity holders of parent company	25,079	(415)	(2,821)	351	(1,181)	21,013
	25,079	**(415)**	**(2,821)**	**351**	**(1,181)**	**21,013**

						2020
	Investment+Colombia+Brazil					
COMPANY	Companies owned by SRV	Other investment companies	Colombia	Services	Developments	Total
Services rendered	31,318	2,049	27	11,858	-	45,252
Variation in fair value of the investment properties	(34,534)	(3,588)	-	-	-	(38,122)
Other revenue	11	197	57	440	92	797
External supplies and services	(17,973)	(2,079)	(172)	(4,645)	(187)	(25,056)
Depreciation and amortisation	(4)	-	(9)	(146)	-	(159)
Other expenses	(814)	(375)	(4,321)	(6,483)	(2 110)	(14,103)
Interest income and similar	-	-	46	2	40	88
Interest expense and similar	(4,709)	(385)	(990)	(63)	(11)	(6,158)
Share of results of associates	-	-	(1,392)	-	-	(1,392)
Income tax	8,334	(6)	-	(347)	-	7,981
Net profit / (loss)	**(18,371)**	**(4,187)**	**(6,754)**	**615**	**(2,176)**	**(30,873)**
Attributable to:						
Equity holders of parent company	(18,371)	(4,187)	(6,754)	615	(2,176)	(30,873)
	(18,371)	**(4,187)**	**(6,754)**	**615**	**(2,176)**	**(30,873)**
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	**(18,371)**	**(4,187)**	**(6,754)**	**615**	**(2,176)**	**(30,873)**
Attributable to:						
Equity holders of parent company	(18,371)	(4,187)	(6,754)	615	(2,176)	(30,873)
	(18,371)	**(4,187)**	**(6,754)**	**615**	**(2,176)**	**(30,873)**

5. Associates

The details of associates of the Group as of 31 December 2021 and 2020 is as follows:

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		Head office	Equity	Net profit / (loss)	% own (*)	Carrying amount	Proportion in P/L	Adjusted net profit (**)	Dividends received
	Investment+Brazil								
	Companies owned by Sierra BV								
a)	Sierra European Retail Real Estate Assets Holdings, BV ("Sierra BV")	Amsterdam (Netherlands)	762,578	40,813	25,10%	191,407	10,244	9,146	-
	Other investment companies								
b)	3shoppings - Holding, SGPS, S.A.	Maia (Portugal)	64,558	5,724	20,00%	12,912	1,145	676	
	Area Sur Shopping, S.L.	Madrid (Spain)	50,729	4,029	15,00%	7,609	604	531	-
	Le Terrazze - Shopping Centre 1 Srl	Milan (Italy)	59,002	920	10,00%	5,900	92	353	-
	Goodwill Le Terrazze					544			
c)	Iberia Shop.C. Venture Coöperatief U.A. ("Iberia Coop")	Amsterdam (Netherlands)	140,066	8,042	10,00%	14,006	804	947	
	Goodwill Iberia Coop					403			
d)	Sierra Portugal Real Estate S.C.A. ("SPF")	Luxembourg	76,530	5,366	22,50%	17,218	1,207	724	-
	Goodwill SPF					3,731	-	-	
e)	SPF - Sierra Potugal Feeder 1, S.C.A. ("Feeder1")	Luxembourg	29,084	1,542	7,45%	2,168	115	115	
f)	Olimpo Real Estate Portugal, SIGI, S.A.	Maia (Portugal)	53,572	4,287	5,13%	2,749	220	69	-
	Goodwill SIGI						-		
g)	Olimpo Real Estate SOCIMI, S.A.	Madrid (Spain)	208,231	16,845	3,75%	7,808	631	463	185
	Serra Shopping- Centro Comercial, S.A.	Lisbon (Portugal)	21,260	1,628	5,00%	1,063	81	69	-
h)	Trivium Real Estate Socimi, S.A.	Madrid (Spain)	209,131	17,391	12,40%	25,935	2,156	1,716	-
3) 4)	SFS -Gestão de Fundos, SGOIC, S.A.	Maia (Portugal)	-	177	20,00%	-	36	36	46
	Brazil								
	Aliansce Sonae Shopping Centers, S.A. ("ALSO")	Brazil	1,303,879	34,445	6,30%	82,144	2,170	3,957	591
i)	Fundo Investimento Imobiliário Parque Dom Pedro Shopping Center ("FIIPDPSH")	Brazil	126,080	(4,561)	7,97%	10,044	(363)	436	345
j)	Fundo Investimento Imobiliário Shop. Parque Dom Pedro ("FIISHPDP")	Brazil	305,423	(16,577)	31,52%	96,257	(5 224)	4,507	3,954
	Services								
	Mercado Urbano – Gestão Imobiliária, S.A.	Oporto (Portugal)	6,127	71	20,00%	1,225	14	7	-
	Developments								
1)	Signal Alpha Republica I, S.A.	Lisbon (Portugal)	6,508	(43)	5,00%	325	(2)	(2)	-
	Goodwill Signal Alpha I						(10)	(10)	
1)	Signal Alpha Republica II, Lda.	Lisbon (Portugal)	1,233	(6)	5,00%	62	-	-	-
	Goodwill Signal Alpha II						(3)	(3)	
	Zenata Commercial Project	Morocco	19,246	190	11,00%	2,116	21	21	-
						485,626	**13,938**	**23,758**	**5,121**

(*) The ownership interests are similar to voting rights.
(**) This adjusted net profit is calculated by deducting to the net profit the variation of the fair value of the investment properties net of the respective deferred taxes.

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		Head office	Equity	Net profit / (loss)	% own (*)	Carrying amount	Proportion in P/L	Adjusted net profit (**)	Dividends received
	Investment+Brazil								
	Companies owned by Sierra BV								
a)	Sierra European Retail Real Estate Assets Holdings, BV ("Sierra BV")	Amsterdam (Netherlands)	719,891	(58,482)	25,10%	180,693	(14,679)	3,370	-
	Other investment companies								
b)	3shoppings - Holding, SGPS, S.A.	Maia (Portugal)	58,833	(4,913)	20,00%	11,767	(982)	423	
	Area Sur Shopping, S.L.	Madrid (Spain)	44,055	(4,384)	15,00%	6,609	(658)	288	-
	Le Terrazze - Shopping Centre 1 Srl	Milan (Italy)	58,082	(4,088)	10,00%	5,808	(409)	241	436
	Goodwill Le Terrazze					544			
c)	Iberia Shop.C. Venture Coöperatief U.A. ("Iberia Coop")	Amsterdam (Netherlands)	147,624	(3,473)	10,00%	14,762	(348)	663	-
	Goodwill Iberia Coop					403			
d)	Sierra Portugal Real Estate S.C.A. ("SPF")	Luxembourg	71,164	(7,964)	22,50%	16,011	(1,792)	447	-
	Goodwill SPF					3,731	(121)	(121)	
e)	SPF - Sierra Potugal Feeder 1, S.C.A. ("Feeder1")	Luxembourg	27,542	(3,655)	7,45%	2,053	(272)	(272)	
	Goodwill SPF - Sierra Potugal Feeder 1						-		
	Mercado Urbano – Gestão Imobiliária, S.A.	Oporto (Portugal)	6,056	(228)	20,00%	1,211	(46)	(55)	-
	Olimpo Real Estate Portugal, SIGI, S.A.	Maia (Portugal)	49,080	(179)	5,13%	2,518	(9)	17	-
	Goodwill SIGI						-		
g)	Olimpo Real Estate SOCIMI, S.A. ("ORES")	Madrid (Spain)	207,142	5,565	3,75%	7,768	208	434	231
	Serra Shopping- Centro Comercial, S.A.	Lisboa (Portugal)	19,632	(1,368)	5,00%	982	(68)	43	-
	Goodwill Serra Shopping						-		
h)	Trivium Real Estate Socimi, S.A.	Madrid (Espanha)	205,739	(34,754)	12,40%	25,514	(4,312)	1,098	510
	SFS - Gestão de Fundos, SGFI, S.A.	Maia (Portugal)	1,479	228	20,00%	296	47	47	24
	Brazil								
i)	Aliansce Sonae Shopping Centers, S.A. ("ALSO")	Brazil	1,265,983	(71,352)	6,30%	79,758	(4,494)	2,269	
j)	Fundo Investimento Imobiliário Parque Dom Pedro Shopping Center ("FIIPDPSH")	Brazil	133,761	(3,740)	7,97%	10,656	(298)	(15)	295
	Fundo Investimento Imobiliário Shop. Parque Dom Pedro ("FIISHPDP")	Brazil	329,127	(8,505)	31,52%	103,727	(2,680)	2,879	2,932
	Services								
	Sierra Cevital Shopping Center, Spa	Algeria	-	-	49,00%	-	-	-	-
	Developments								
	Zenata Commercial Project	Morocco	18,324	52	11,00%	2 015	7	7	
						476,826	**(30,906)**	**11,763**	**4,428**

(*) The ownership interests are identical to voting rights.
(**) This adjusted net profit is calculated by deducting to the net profit the variation of the fair value of the investment properties net of the respective deferred taxes.

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a) Amounts related to the consolidated accounts of "Sierra BV". This company owns the following investments:

2)

		Percentage of interests and voting rights held	
	Head office	31.12.21	31.12.20
Cascaishopping, Centro Comercial, S.A.	Maia (Portugal)	100%	100%
Land Retail B.V.	Amsterdam (Netherlands)	100%	100%
Plaza Mayor B.V.	Amsterdam (Netherlands)	100%	100%
Plaza Mayor Shopping, S.A.	Madrid (Spain)	100%	100%
Sierra Spain Malaga Holdings, S.L.	Madrid (Spain)	100%	100%
DOC Malaga Holdings S.L	Madrid (Spain)	50%	50%
DOC Malaga Siteco, S.L.U.	Madrid (Spain)	50%	50%
DOC Malaga Siteco Phase 2, S.L.	Madrid (Spain)	50%	50%
Norte Shopping Retail and Leisure Centre B.V.	Amsterdam (Netherlands)	50%	50%
Norteshopping- Centro Comercial, S.A.	Maia (Portugal)	50%	50%
Shopping Centre Colombo Holding B.V.	Amsterdam (Netherlands)	50%	50%
Centro Colombo- Centro Comercial, S.A.	Maia (Portugal)	50%	50%
VdG Holding BV	Amsterdam (Netherlands)	50%	50%
Centro Vasco da Gama - Centro Comercial, S.A.	Maia (Portugal)	50%	50%

b) Amounts related to the consolidated accounts of 3shoppings-Holding, SGPS, S.A. that owns 100% of Guimarãeshopping-Centro Comercial, S.A. and Maiashopping-Centro Comercial, S.A..

c) Amounts related to the consolidated accounts of "Iberia Coop". This company owns the following investments:

		Percentage of interests and voting rights held	
	Head office	31.12.21	31.12.20
Candotal Spain S.L.U	Madrid (Spain)	100%	100%
Estação Viana Centro Comercial, SA	Viana do Castelo (Portugal)	100%	100%
Luz del Tajo Centro Comercial, SA	Madrid (Spain)	100%	100%

d) Amounts related to the consolidated accounts of "SPF". This company owns the following investments:

		Percentage of interests and voting rights held	
	Head office	31.12.21	31.12.20
Arrábidashopping- Centro Comercial, S.A.	Maia (Portugal)	50%	50%
Gaiashopping I- Centro Comercial, S.A.	Maia (Portugal)	50%	50%
Gaiashopping II- Centro Comercial, S.A.	Maia (Portugal)	50%	50%

e) Amounts related to the consolidated accounts of "Feeder1". This company owns the following investments:

		Percentage of interests and voting rights held	
	Head office	31.12.21	31.12.20
SPF - Sierra Potugal Feeder 2, Sarl	Luxembourg	100%	100%
"SPF"	Luxembourg	39%	39%

f) Amounts related to the consolidated accounts of Olimpo Real Estate Portugal, SIGI, S.A. that owns 100% of Olimpo SIGI España, S.A..

g) Amounts related to the consolidated accounts of "ORES". This company owns the following investments:

		Percentage of interests and voting rights held	
	Head office	31.12.21	31.12.20
Olimpo Asset 1, S.A.	Maia (Portugal)	100%	100%
Olimpo Asset 2, S.A.	Maia (Portugal)	100%	100%
Olimpo Asset 3, S.A.	Maia (Portugal)	100%	100%
Olimpo Asset 4, S.A.	Maia (Portugal)	100%	100%
Olimpo Asset 5, S.A.	Maia (Portugal)	100%	100%
Olimpo Asset 6, S.A.	Maia (Portugal)	100%	100%
Olimpo Asset 7, S.A.	Maia (Portugal)	100%	100%
Olimpo Asset 8, S.A.	Maia (Portugal)	100%	100%

h) Amounts related to the consolidated accounts of Trivium Real Estate Socimi, S.A. that owns 100% of Iberian Assets, S.A..
i) Amounts related to the consolidated accounts of ALSO (company listed on the Brazilian stock exchange, that was created from the merger between Aliansce Shopping Centers and Sonae Sierra Brasil, in August 2019) .
j) Amounts related to the consolidated accounts of FIIPDPSH that owns 20.2231% of FIISHPDP.

1) Companies acquired in 2021.

2) Ex-Plaza Mayor Parque de Ócio B.V.

3) Ex-SFS - Gestão de Fundos, SGFI, S.A.

4) In December 2021, the remaining 80% of the share capital of this entity was acquired by the Group, starting from that date to be consolidated in the Group (Note 6).

As mentioned in Note 2.2.b), associates are measured by using the equity method.

During the years ended 31 December 2021 and 2020, the movement of investments in associates was as follows:

	Investment+Brazil					2021
	Companies owned by Sierra BV	Other investment companies	Brazil	Services	Developments	Total
Opening balance	180,693	98,766	194,141	1,211	2,015	476,826
Sales	-	(1)	-	-	-	(1)
Acquisition of 80% of SFS:						
Transfer to subsidiaries (Note 6)	-	(286)	-	-	-	(286)
Acquisitions:						
- Equity held		-	-	-	389	389
- Goodwill		-	-	-	13	13
Capital decrease	-	(3,700)	-	-	-	(3,700)
Capital increase	-	375	817	-	-	1,192
Effect of the application of the equity method:						
Hedging reserve (hedge accounting)	470	32	-	-	-	502
Translation reserve	-	-	1,794	-	80	1,874
Net profit (Note 38)	10,244	7,091	(3,417)	14	6	13,938
Dividends	-	(231)	(4,890)	-	-	(5,121)
	191,407	102,046	188,445	1,225	2,503	485,626

						2020
	Investment+Brazil					
	Companies owned by Sierra BV	Other investment companies	Brazil	Services	Developments	Total
Opening balance	-	111,168	287,757	39	2,042	401,006
Sales	-	(2)	-	-	-	(2)
Partial sale of Sierra BV:						
Transfer from subsidiaries (Note 6)	69,592	-	-	-	-	69,592
Transfer from joint ventures	125,984	-	-	-	-	125,984
Acquisitions:						
- Equity held	-	1,257	-	-	-	1,257
Liquidated	-	-	-	(39)	-	(39)
Capital decrease	-	(2,504)	-	-	-	(2,504)
Effect of the application of the equity method:						
Hedging reserve (hedge accounting)	(204)	21	-	-	-	(183)
Translation reserve	-	-	(82,917)	-	(34)	(82,951)
Net profit (Note 38)	(14,679)	(8,641)	(7,472)	-	7	(30,785)
Dividends	-	(1,201)	(3,227)	-	-	(4,428)
Impairment losses of Goodwill (Note 36)	-	(121)	-	-	-	(121)
	180,693	**99,977**	**194,141**	**-**	**2,015**	**476,826**

The amount of kEuro 1,874 (kEuro -82,951 in 2020) was recognized under the caption "Currency translation differences" in the consolidated statement of changes in equity.

The main acquisitions and sales of companies occurred during 2021 and 2020 were as follows:

Transactions in 2021

In December 2021, the subsidiary Sierra Investments, SGPS, SA acquired the remaining 80% of the share capital of the associate SFS - Gestão de Fundos, SGOIC,S.A. ("SFS") for kEuro 2,698, starting from that date to be consolidated in the Group (Note 6).

Transactions in 2020

On the 29 February 2020, Sonae Sierra SGPS, SA signed and completed an agreement with APG, Allianz and Elo to create a leading retail real estate joint-venture in Iberia (Sierra Prime). The companies included in this transaction were classified as held for sale in 2019 (Note 6).

As of 31 December 2021 and 2020 the summarised financial information (adjusted when applicable to comply with the Group accounting policies mentioned in Note 2) of the Group's associates, is as follows:

	31 December 2021				
	Investment+Brazil				
	Companies owned by Sierra BV	Other investment companies	Brazil	Services	Developments
Total non-current assets	1,760,510	1,579,413	2,074,202	14,387	47,154
Total current assets	116,650	137,265	347,042	923	39,118
Total non-current liabilities	1,044,018	700,547	633,702	8,104	50,914
Total current liabilities	70,564	103,968	52,160	1,079	8,371
Equity	**762,578**	**912,163**	**1,735,382**	**6,127**	**26,987**

	31 December 2020			
	Investment+Brazil			
	Companies owned by Sierra BV	Other investment companies	Brazil	Developments
Total non-current assets	1,749,140	1,547,068	2,071,122	44,818
Total current assets	68,405	126,979	317,655	6,383
Total non-current liabilities	1,043,914	753,549	595,459	27,384
Total current liabilities	53,740	24,070	64,447	5,493
Equity	**719,891**	**896,428**	**1,728,871**	**18,324**

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	2021				
	Investment+Brazil				
	Companies owned by Sierra BV	Other investment companies	Brazil	Services	Developments
Services Rendered	103,017	106,214	159,750	1,414	3,687
Variation in fair value of the investment properties	9,779	15,195	(71,264)	-	-
Other revenue	647	6,646	11,570	43	2,503
External supplies and services	(41,959)	(42,937)	(20,611)	(817)	(1,739)
Depreciation	(3)	(18)	-	(363)	(2,177)
Other expenses	1,892	(2,537)	(45,640)	(60)	(4)
Financial Results	(14,233)	(14,907)	(18,227)	(126)	(1,879)
Share of results of associates	(5,764)	5,614	-	-	-
Income Tax	(12,563)	(7,319)	(2,271)	(20)	(250)
Net profit / (loss)	**40,813**	**65,951**	**13,307**	**71**	**141**
Other comprehensive income for the period	1,873	352	16,872	-	(16)
Total comprehensive income for the period	**42,686**	**66,303**	**30,179**	**71**	**125**
Attributable to:					
Equity holders of parent company	**42,686**	**66,303**	**30,179**	**71**	**125**

				2020
	Investment+Brazil			
	Companies owned by Sierra BV	Other investment companies	Brazil	Developments
Services Rendered	70,437	97,072	117,736	2,907
Variation in fair value of the investment properties	(90,320)	(88,968)	(164,231)	-
Other revenue	71	246	2,206	-
External supplies and services	(41,107)	(40,402)	(33,679)	(333)
Depreciation	(3)	(367)	-	(2,083)
Other expenses	(24,041)	(8,260)	(28,407)	1
Financial Results	(13,263)	(15,733)	(15,510)	(294)
Share of results of associates	20,313	(7,982)	-	-
Income Tax	19,431	5,181	38,288	(146)
Net profit / (loss)	**(58,482)**	**(59,213)**	**(83,597)**	**52**
Other comprehensive income for the period	(813)	110	(741,011)	7
Total comprehensive income for the period	**(59,295)**	**(59,103)**	**(824,608)**	**59**
Attributable to:				
Equity holders of parent company	**(59,295)**	**(59,103)**	**(824,608)**	**59**

6. Acquisition and Sale of Companies

The main sales and acquisitions of companies occurring during the year 2021 and 2020 were as follows:

Acquisitions of subsidiaries in 2021

In November 2021, the subsidiary Sierra Developments Holding B.V. acquired 80% of the share capital of the subsidiary La Galleria, S.r.l ("La Galleria") for Euro 1.

In December 2021, the subsidiary Sierra Investments, SGPS, SA acquired the remaining 80% of the share capital of the associate SFS -Gestão de Fundos, SGOIC,S.A. ("SFS") for kEuro 2,698. At the time of the acquisition the previously held interest (20%) was revalued. As such the goodwill for the 100% interest was kEuro 1,944 (Note 11).

Sales of subsidiaries in 2020

In February 2020, consequence of the restructuring in Sierra BV Group the following transactions occurred:

- the interests held by Sierra Investments Holding BV and by Sierra LP in Land BV were sold to Sierra BV; after this transaction Sierra BV holds 100% of Land BV (owner of Cascaishopping),

- the interests held by Sierra BV in Sierra Retail Ventures BV (owner of the non-core assets of Sierra BV) were sold to Sierra Investments Holding BV and to Sierra LP (50.1% and 49.9%, respectively), and

- the interests held by Sierra Investments Holding BV in Sierra BV was partially sold to two new investors, Allianz Finance IX Luxembourg, S.A. and Elo Mutual Pension Insurance Company for kEuro 262,178; the interests in Sierra BV was reduced to 25.1%.

These transactions generated a net gain of kEuro 58,992 (net of expenses incurred in these transactions of kEuro 14,080) (Note 37). These companies were classified as held for sale in 2019.

Effect of the acquisitions and sales

The effect of the acquisitions of the companies during the period ended on 31 December 2021 was as follows:

		2021		
		Acquisitions		
		La Galleria	SFS	Total
Cash and cash equivalents	(I)	8	1,717	1,725
Investment properties under development (Note 8)		3,451	-	3,451
Property, plant and equipment		-	2	2
Deferred tax assets (Note 24)		-	20	20
Other non current assets		-	1	1
Trade receivables		2	4	6
Other current assets		177	74	251
Accounts payable and other liabilities - non-current		(3,259)	-	(3,259)
Other non current liabilities		-	(55)	(55)
Accounts payable and other liabilities - current		(379)	(334)	(713)
Identifiable assets and liabilities at acquisition date		-	1,429	1,429
Carrying amount of the previous investment at acquisition date (Note 5)		-	(286)	(286)
Revaluation of the previously held interest (Note 33)		-	(389)	(389)
Goodwill:				
Recorded as asset (Note 11)		-	1,944	1,944
Purchase amount	(II)	-	2,698	2,698
Net cash flow	**(II-I)**	**(8)**	**981**	**973**

The effect of the sales of the companies sold during the period ended on 31 December 2020 classified as held for sale at the end of 2019 was as follows:

		Sales Classified as held for sale in 2019
Assets classified as held for sale		1,058,598
Other assets/liabilities movements after 31 December 2019		(18,911)
Capital decrease after 31 December 2019		(47,288)
Dividends distributed after 31 December 2019		8,063
Transfer to Joint ventures and associates		(69,592)
Non-controlling interests		(356,173)
Liabilities directly associated with assets classified as held for sale		(385,592)
Identifiable assets and liabilities at sales date		**189,105**
Transaction result:		
- Profit / (loss) on sale		73,073
Sale amount	(I)	262,178
Expenses incurred with the sale	(II)	14,081
Net cash flow	**(I-II)**	**248,097**

7. Non-Controlling Interests

As of 31 December 2021 and 2020, the details are as follows:

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	Head office	Equity	Net profit / (loss)	% (*)	Carrying amount	Proportion in P/L
Investment						
Sierra Retail Ventures BV	Amsterdam (Netherlands)	132,070	12,634	49,90%	65,902	6,304
La Galleria Srl	Amsterdam (Netherlands)	(22)	(22)	20,00%	(4)	(4)
					65,898	**6,300**

(*) The ownership interests are similar to voting rights.

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	Head office	Equity	Net profit / (loss)	% (*)	Carrying amount	Proportion in P/L
Investment						
Sierra Retail Ventures BV	Amsterdam (Netherlands)	120,290	(9,024)	49,90%	60,025	(4,503)
					60,025	**(4,503)**

(*) The ownership interests are similar to voting rights.

During the years ended 31 December 2021 and 2020 the movement in non-controlling interests was as follows:

	31 DECEMBER 2021			31 DECEMBER 2020			
	Sierra Retail Ventures BV	La Galleria Srl	Total	Sierra Retail Ventures BV	Sierra BV	Land Retail BV	Total
Opening balance	60,025	-	60,025	-	414,006	31,917	445,923
Transfer of investments	-	-	-	65,797	(65,797)	-	-
Sale	-	-	-	-	(324,612)	(31,561)	(356,173)
Capital decrease	(427)	-	(427)	(1,269)	(23,597)	(356)	(25,222)
Net profit	6,304	(4)	6,300	(4,503)	-	-	(4,503)
	65,902	**(4)**	**65,898**	**60,025**	**-**	**-**	**60,025**

As of 31 December 2021 and 2020 the summarised financial information of the subsidiaries within non-controlling interests, before the elimination of intragroup balances and transactions, is as follows:

	31 DECEMBER 2021		31 DECEMBER 2020
	Sierra Retail Ventures BV	La Galleria Srl	Sierra Retail Ventures BV
Total non-current assets	115,366	3,451	102,821
Total current assets	17,111	187	17,849
Total non-current liabilities	-	3,259	-
Total current liabilities	407	401	380
Equity	**132,070**	**(22)**	**120,290**
Equity attributable to the equity holders of the parent company	**132,070**	**(22)**	**120,290**

	31 DECEMBER 2021		31 DECEMBER 2020
	Sierra Retail Ventures BV	La Galleria Srl	Sierra Retail Ventures BV
Variation in fair value of the investment properties	-	-	-
Services rendered and other revenue	306	-	1
Other revenue/(expenses)	12,328	(22)	(9,025)
Net profit / (loss)	**12,634**	**(22)**	**(9,024)**
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	**12,634**	**(22)**	**(9,024)**

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8. Investment Properties

The movement in investment properties, during the years ended 31 December 2021 and 2020 was as follows:

	2021			
	Investment properties			
		Under Development		
	In operation	At cost	Advances	Total
Opening balance	304,678	13,015	1,725	319,418
Increases	1,684	83	-	1,767
Impairments and write-off (Note 34)	-	(2,300)	-	(2,300)
Variation in fair value of the investment properties				
between years (Note 32):				
- Gains	1,882	-	-	1,882
- Losses	(4,350)	-	-	(4,350)
Increases through business combination (Note 6)	-	3,451	-	3,451
Closing balance	**303,894**	**14,249**	**1,725**	**319,868**

	2020			
	Investment properties			
		Under Development		
	In operation	At cost	Advances	Total
Opening balance	332,268	13,866	1,725	347,859
Increases	319	370	-	689
Impairments and write-off (Note 34)	-	(1,202)	-	(1,202)
Transfers	-	(19)	-	(19)
Variation in fair value of the investment properties				
between years (Note 32):				
- Losses	(27,909)	-	-	(27,909)
Closing balance	**304,678**	**13,015**	**1,725**	**319,418**

At 31 December 2021 and 2020 investment properties in operation and the information about the fair value assessment are as follows:

	31.12.21	31.12.20
10 yr discount rate		
Floor	8,90%	8,95%
Weighted average	9,04%	9,00%
Cap	9,40%	9,15%
10 yr cap rate		
Floor	6,90%	7,15%
Weighted average	7,02%	7,20%
Cap	7,35%	7,35%
Annual rent per sqm (€)		
Floor	15	14
Weighted average	17	15
Cap	19	16
Fair Value (Level 3)	**303,894**	**304,678**

The fair value of each investment property in operation was determined by means of a valuation as of the reporting date made by independent specialised entities (Cushman & Wakefield).

The valuation of these investment properties was made in accordance with the Practice Statements of the RICS Appraisal and Valuation Manual published by The Royal Institution of Chartered Surveyors ("Red Book"), located in England.

The methodology used to compute the market value of the investment properties consists in preparing 10 years' projections of income and expenses of each shopping centre added to the residual value, corresponding to a projected net income at year 11 and a return market rate ("Exit yield" or "cap rate"). These projections are then discounted to the valuation date using a discount market rate. Projections are intended to reflect the actual valuer best estimate regarding future revenues and costs of each shopping centre. Both the return rate and discount rate are defined in accordance with the local real estate and institutional market conditions, being the reasonableness of the market value obtained in accordance to the methodology referred above, tested also in terms of initial return using the estimated net income for the first year of projections.

In the valuation of investment properties, some assumptions, that in accordance with the Red Book are considered to be special, were in addition considered, namely in the case of recently inaugurated shopping centres, in which the possible costs still to be incurred were not considered, as the accompanying financial statements already include a provision for them.

IFRS 13 (Fair value measurement) requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable.
- **Level 3:** Inputs that are not based on observable market data (that is, unobservable inputs).

Considering the above hierarchy investments properties of the Group are all within Level 3.

The relationship of unobservable inputs to fair value can be described as follows:

- A decrease in the estimated annual rent will decrease the fair value;
- An increase in the discount rates and the capitalization rates will decrease the fair value.

As mentioned in the valuation reports of the investment properties prepared by independent specialised entities, the assessment of their fair value considered the definition of fair value in IFRS 13, which is consistent with the definition of market value defined by the investment properties valuation international standards.

During the years ended on 31 December 2021 and 2020, the income (fixed rents net of discounts, turnover rents, mall income, key income and transfer fees) and the corresponding direct operating expenses (property tax, insurance expense, maintenance expense, management fee and asset management fee and other direct operating expenses), relating to the investment properties of the Group, was as follows:

	Income		Direct operating expenses	
	31.12.21	31.12.20	31.12.21	31.12.20
Other European Countries	17,699	16,607	2,255	2,464
	17,699	**16,607**	**2,255**	**2,464**

At 31 December 2021 and 2020 the following investment properties had been given in guarantee of bank loans:

Gli Orsi	Parklake

At 31 December 2021 and 2020 there were no material contractual obligations to purchase, construct or develop investment properties or for repairs or maintenance, other than those referred to above, except for the obligations mentioned in notes 41 and 42.

Investment properties under development at 31 December 2021 and 2020 are made up as follows:

	31.12.21	31.12.20
Investment properties at cost:		
Portugal / Spain	12,858	12,858
Other european countries	72,840	69,306
	85,698	**82,164**
Impairment for investment properties at cost	(69,724)	(67,424)
	15,974	**14,740**

The amounts of kEuro 69,724 and kEuro 67,424 at 31 December 2021 and 2020, respectively, recorded under caption "Impairment for assets at risk", relates to the provision made to anticipate losses due to the delays on the development pipeline consequence of the market uncertainty.

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9. Property, Plant and Equipment

The movement in property, plant and equipment and corresponding accumulated depreciation during the years ended 31 December 2021 and 2020 was as follows:

	Buildings and other constructions	Machinery Equipment	Transport Equipment	Administrative equipment	Tools and utensils	Other	Tangible fixed assets in progress	31.12.21 Total	31.12.20 Total
Assets:									
Opening balance	2 441	1 112	36	3 180	337	984	41	8 132	7 836
Increases	59	96	-	95	29	444	178	901	360
Sales	-	(1)	-	(1)	(1)	-	-	(3)	-
Transfers and write-off	-	-	(26)	(103)	(45)	-	5	(169)	(62)
Currency translation differences	-	-	-	(1)	-	-	-	(1)	(2)
Change in consolidation perimeter	-	-	-	51	-	-	-	51	-
Closing balance	**2 500**	**1 207**	**10**	**3 221**	**320**	**1 428**	**224**	**8 911**	**8 132**
Accumulated depreciation and impairment losses:									
Opening balance	1 298	971	33	2 891	322	561	-	6 076	5 717
Depreciation for the year	162	67	4	88	32	38	-	391	367
Sales	-	(1)	-	(1)	(1)	-	-	(3)	(6)
Transfers and write-off	-	-	(26)	(106)	(45)	-	-	(177)	(1)
Currency translation differences	-	-	-	(1)	-	-	-	(1)	(1)
Change in consolidation perimeter	-	-	-	49	-	-	-	49	-
Closing balance	**1,460**	**1,037**	**11**	**2,920**	**308**	**599**	**-**	**6,335**	**6,076**
Net assets	**1,040**	**170**	**(1)**	**301**	**12**	**829**	**224**	**2,576**	**2,056**

10. Right of Use

The movement in right of use and corresponding accumulated depreciation during the years ended 31 December 2021 and 2020 was as follows:

	31.12.21	31.12.20
Assets:		
Opening balance	14,174	14,404
Changes in the consolidation perimeter	66	-
Exchange rate conversion effect	1	-
Increases	60	-
Sales	-	(67)
Write-off	-	(163)
Others	(76)	-
Closing balance	14,225	14,174
Accumulated depreciation and impairment losses:		
Opening balance	4,116	2,136
Changes in the consolidation perimeter	66	-
Depreciation of the period	2,032	2,062
Sales	-	(21)
Write -off	-	(61)
Closing balance	6,214	4,116
Net Right of Use	**8,011**	**10,058**

	31.12.21	31.12.20
Depreciation expense on right of use assets	2,032	2,062
Interest expense on lease liabilities	191	232
	2,223	**2,294**

11. Goodwill

At 31 December 2021 and 2020 goodwill was made up as follows:

	31 DECEMBER 2021		31 DECEMBER 2020
	Year of aquisition	Carrying Amount	Carrying Amount
SFS - Gestão de Fundos, SGOIC,S.A.	2021	1,944	-
Gli Orsi	2008	1,642	1,642
		3,586	**1,642**

The impairment tests made to the goodwill are based on the “Net Asset Value” (“NAV”) and/or the business plan prepared by the Management at the reporting date.

The movement in the Goodwill during the years ended 31 December 2021 and 2020 was as follows:

	31 DECEMBER 2021	31 DECEMBER 2020
Opening balance	1,642	7,326
Increases (Note 6)	1,944	-
Impairment losses of the year (Note 34)	-	(5,684)
Closing balance	**3,586**	**1,642**

12. Intangible Assets

The movement in intangible assets and corresponding accumulated depreciation during the years ended 31 December 2021 and 2020 was as follows:

	31.12.21			31.12.20
	Software	Other intangible assets	Total	Total
Assets:				
Opening balance	5,846	13,336	19,182	18,069
Increases	-	764	764	1,113
Sales, disposals and regularisations	683	(691)	(8)	-
Closing balance	**6,529**	**13,409**	**19,938**	**19,182**
Accumulated depreciation and impairment losses:				
Opening balance	4,850	11,756	16,606	16,271
Depreciation for the year	348	3	351	335
Sales, disposals and regularisations	(1)	(4)	(5)	-
Closing balance	**5,197**	**11,755**	**16,952**	**16,606**
Net assets	**1,332**	**1,654**	**2,986**	**2,576**

13. Other Non-Current Assets

At 31 December 2021 and 2020 other non-current assets were made up as follows:

	31.12.21	31.12.20
Receivable from sale of Dos Mares	3,000	3,000
Sale of shares of Trivium	246	246
Rent deposits from tenants	-	328
Bank and other guarantees	682	373
Other non current assets	245	239
	4,173	**4,186**

14. Trade Receivables

At 31 December 2021 and 2020 trade receivables were made up as follows:

	31.12.21	31.12.20
	Total	Total
Accounts receivable from customers:		
Portugal	10,207	10,634
Spain	2,990	2,786
Italy	1,091	2,128
Germany	916	1,133
Romania	5,138	5,892
Morocco	388	383
Greece	164	490
Other	3	14
	20,897	**23,460**
Accumulated impairment losses on accounts receivable from customers (Note 30)	(8,736)	(11,165)
	12,161	**12,295**

The Group's exposure to credit risk is attributed to accounts receivables relating to the operating activity of the Group. The amounts shown in the statement of financial position are net of the corresponding impairment losses on accounts receivable, which were estimated by the Group, based on the experience of the Group and assessment of the economic environment. The Board of Directors believes that the carrying amount of its trade receivables is similar to the corresponding fair value. The Group does not have a significant concentration of credit risk, as that risk is diluted over a variety of different tenants.

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Per the information included in the statement of financial position, the ageing of the trade receivables is as follows:

	31.12.21	31.12.20
0-90 days	9,953	10,584
90-180 days	3,075	5,131
180-360 days	928	569
+ 360 days	6,941	7,176
	20,897	23,460

15. Other Receivables

At 31 December 2021 and 2020 other receivables were made up as follows:

	31.12.21	31.12.20
Tax notification paid	3,730	3,730
Escrow account	2,224	2,224
Advances to suppliers	1,143	1,499
Other	3,514	3,158
	10,611	10,611
Accumulated impairment losses on other receivables (Note 30)	(5,235)	(5,825)
	5,376	4,786

The amount of kEuro 3,730 includes the amount of kEuro 3,707 regarding the payment made in 2013 by Sonae Sierra SGPS, S.A. within the Special Tax Debts Payment Regime (RERD) established by the Portuguese government in the law approved in October 2013 (Law 151-A/2013) by which the entities that pay the tax notification will be exempt of the payment of interest and penalties; this amount relates to corrections of the 2005 CIT due to: (i) non-deductible interest expenses amounting to kEuro 378; and (ii) corrections concerning the price adjustment related with the sale of shares of Cascaishopping in 1996 amounting to kEuro 3,329. The company contested the tax notifications received and did not record any impairment loss to face eventual losses on those amounts, as the Board of Directors believes that the result will be favourable to the company.

The amount of kEuro 2,224 under "Escrow Account" is related to an escrow account from 2005 relating to a lawsuit from a tenant, on which the court requested that the Group made a deposit of kEuro 2,224, in the event of the case being won by the tenant. Although the case was won by the Group, the amount was incorrectly paid to the tenant.
The Group sued the State, to recover the amount mislaid, but the initial decision on this was not favorable to the Group. Independently of continuing to pursue the matter in court, the Group decided to provision the amount in full.

The Group's exposure to credit risk is attributed to accounts receivable relating the operating activity of the Group.
The amounts shown in the statement of financial position are net of the corresponding impairment losses on accounts receivable, which were estimated by the Group, based on the experience of the Group and assessment of the economic environment. The Board of Directors believes that the carrying amount of its other receivables is similar to the corresponding fair value. The Group has not a significant concentration of credit risk, as that risk is diluted over a variety of different debtors.

16. Other Current Assets

At 31 December 2021 and 2020 other current assets were made up as follows:

	31.12.21	31.12.20
Interest income receivable	825	1,063
Rents to be invoiced	643	3,035
Recovered costs receivable	265	395
Insurance	518	442
Deferred costs with financing	148	32
Management and administrative services receivable	1,338	1,057
Others	1,596	1,082
	5,333	7,106

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17. Cash and Cash Equivalents

At 31 December 2021 and 2020 cash and cash equivalents were made up as follows:

	31.12.21	31.12.20
Cash	58	54
Bank deposits	237,944	247,209
Cash and cash equivalents	238,002	247,263
Bank deposits-tenants retentions	2,623	1,895
Cash and bank deposits	**240,625**	**249,158**

The amounts of kEuro 2,623 and kEuro 1,895 at 31 December 2021 and 2020, respectively, relates to the guarantees made by the tenants. These amounts received from tenants are classified under "Other non-current liabilities" (Note 23) and "Other payables" (Note 28).

The bank deposits include deposits made by several companies included in the consolidation, repayable in less than three months of inception and that bear interest at market interest rates.

18. Share Capital and Legal Reserves

At 31 December 2021 the share capital was made up of 32,514,000 fully subscribed and paid up ordinary shares of Euro 4.99 each.

The following entities own the share capital at 31 December 2021 and 2020:

Entity	31.12.21	31.12.20
Sonae, SGPS, S.A.	80,00%	70,00%
Grosvenor Investments, (Portugal), Sarl	20,00%	30,00%

Following the announcement made on the 5 March 2021 by Sonae, SGPS, SA that Grosvenor Investments (Portugal) S. à r. l. has given notice of its intent of exercising a put option over 10% of the shares held in Sonae Sierra, SGPS, SA, the transaction was concluded on the 17 March 2021.

After the completion of this transaction, Sonae holds 80% of the share capital and voting rights in Sonae Sierra.

At 31 December 2021 and 2020 the legal reserves were as follows:

	31.12.21	31.12.20
Legal reserve	32,449	32,449
Special reserve	24,880	24,880
	57,329	**57,329**

Legal reserve: According to the company law, at least 5% of the annual net profit, if positive, should be used in the reinforcement of the legal reserve until it represents 20% of the capital. This reserve can only be distributed in case of liquidation of the company but can be used to cover losses after the other reserves have been used or can be incorporated in the share capital.

As mentioned in the Portuguese commercial code, and in consequence of the capital reduction in 2003, Sonae Sierra recorded a special reserve, to which the rules of the legal reserve apply, by an amount equivalent to the nominal amount of the shares extinguished (kEuro 24,880).

19. Bank Loans

At 31 December 2021 and 2020 bank loans obtained were made up as follows:

	31.12.21			31.12.20		
		Used amount			Used amount	
	Limit	Current	Non current	Limit	Current	Non current
Bond loans:						
Sonae Sierra SGPS - Caixa BI	40,000	10,000	30,000	50,000	10,000	40,000
Sonae Sierra SGPS - Banco BPI	25,000	-	25,000	25,000		25,000
Sonae Sierra SGPS - Novo Banco	25,000	-	25,000	25,000		25,000
	90,000	10,000	80,000	100,000	10,000	90,000
Deferred bank expenses incurred on the issuance of bond loans		(169)	(133)		(150)	(474)
Total bond loans	**90,000**	**9,831**	**79,867**	**100,000**	**9,850**	**89,526**
Bank loans:						
Portugal/Spain						
n.a.	35,000	35,000	-	35,000	10,000	25,000
Other European Countries						
a),b)	149,400	5,200	144,200	159,600	46,500	113,100
Deferred bank expenses incurred on the issuance of bank loan		(408)	(555)		(303)	(603)
Total bank loans	184,400	39,792	143,645	194,600	56,197	137,497
Fair value of the financial hedging instruments - asset		(236)	-		-	-
		49,387	**223,512**		**66,047**	**227,023**

(a) To guarantee the repayment of these loans, the Group pledged the real estate properties owned by these companies.
(b) To guarantee the repayment of this loan, the Group pledged the shares of the subsidiary.

Bank loans bear interest at market interest rates and were all contracted in Euro.

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At 31 December 2021 and 2020, financial covenants related with the loans above can be detailed as follows:

		31.12.21			31.12.20		
			Used amount			Used amount	
		Limit	Current	Non current	Limit	Current	Non current
"Covenants":							
"Loan to Value", "Debt Service Cover Ratio"	(1),(2)	113 100	5 200	107 900	118 300	5 200	113 100
"Loan to Value", "Interest Cover Ratio", "Occupancy ratio"	(1),(3),(6)	36 300	-	36 300	41 300	41 300	-
"Debt/(Investment Properties + Investment in Joint ventures and associates)"	(4)	10 000	10 000	-	10 000	-	10 000
"Debt/(Investment Properties + Investment in Joint ventures and associates)", "Net Debt/Adjusted EBIT"	(4),(5)	25 000	25 000	-	25 000	10 000	15 000

(1) "Loan to Value": Financial liabilities / Fair value of the investment property
(2) "Debt Service Cover Ratio": Cash flow / (Paid interests plus capital amortization)
(3) "Interest Cover Ratio": Cash flow / Paid interests
(4) Debt/(Investment Properties + Investment in Joint ventures and associates)
(5) Net Debt/Adjusted EBIT
(6) "Occupancy ratio": vacant GLA / total GLA

Bank loans with covenants were analysed by the Group at the reporting date and, whenever breaches to these covenants occurred or, for which waivers were not obtained, the classification of the current portion was made accordingly.

At 31 December 2021 and 2020, loans and the respective interest are repayable as follows:

	31.12.21		31.12.20	
	Repayment	Interest	Repayment	Interest
Year N+1	50,200	6,309	66,500	6,353
Year N+2	167,900	4,450	40,200	5,379
Year N+3	10,000	1,138	167,900	3,679
Year N+4	10,000	893	10,000	359
Year N+5	36,300	383	10,000	120
	274,400	13,173	294,600	15,890

At 31 December 2021 and 2020, the Group's financial instruments related to interest rate swaps, caps and zero cost collars were as follows:

	31.12.21	
		Fair value of the financial hedging instrument
	Loan	Asset
"Covenants":		
"Options":		
Gli Orsi / ING (*)	36,300	236
		236

(*) These hedging instruments are Caps.

The fair value of the effective financial hedging instruments was recorded under hedging reserves of the Group (kEuro 71 and kEuro 0 in 31 December 2021 and 2020, respectively).

The interest rate swaps, caps and zero cost collars are stated at their fair value at the reporting date, determined by the valuation made by the bank entities, with which the derivatives were contracted. The computation of the fair value of these financial instruments was made taking into consideration the reporting date, the update of the future cash-flows relating to the difference between the interest rate to be paid by the company to the bank entity, with which the swap or collar was negotiated, and the variable interest rate to be received by the company from the bank entity that granted the loan. In addition, tests to the fair value of those derivative financial instruments were made by the treasury department of the Group, to validate the fair value determined by those entities.

The main hedging principles used by the Group when negotiating these hedging financial instruments are as follows:

- Matching between the cash-flows paid and received: the dates of interest payments of the loans obtained and their date of the derivatives flows with the bank are the same;

- Matching in the index interest rate used: the reference index interest rate used in the derivatives and in the loan are the same;

- In a scenario of increase or decrease in interest rates, the maximum amount of interest payable is perfectly calculated.

20. Other Bank Loans

At 31 December 2021 and 2020, there are undrawn loan commitments related with short term facilities and bank overdrafts, as follows:

	31.12.21		31.12.20	
	Limit	Current	Limit	Current
Short term facilities:				
Sierra Portugal, S.A.	249	-	249	-
Sonae Sierra, SGPS, S.A.	10,000	-	10,000	-
	10,249	-	10,249	-
Bank overdrafts	44,720	-	44,720	-
	54,969	-	54,969	-

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21. Shareholders Loans

At 31 December 2021 and 2020 shareholder loans were made up as follows:

	31.12.21		31.12.20	
	Current	Non-Current	Current	Non-Current
Loans receivable:				
Axnae Spain Holdings, S.L.:				
Area Sur Shopping, S.L.	-	1,950	-	1,950
	-	1,950	-	1,950
Project Sierra Cúcuta BV:				
Central Control II, SAS	2,235	-	2,227	-
Proyecto Cúcuta, S.A.S.	4,484	-	4,426	-
	6,719	-	6,653	-
Sierra Developments Holding BV				
Signal Alpha República I, SA	-	991	-	-
	-	991	-	-
Sierra Developments Holding BV				
Signal Alpha República II, SA	-	187	-	-
	-	187	-	-
Sierra Developments Holding BV				
Park Avenue Development of Shopping Centres S.A.	-	489	-	489
	-	489	-	489
Sierra Investment Holding BV:				
North Tower BV	6	1,006	-	-
	6	1,006	-	-
Sierra Services Holland BV:				
Mercado Urbano - Gestão Imibiliária, SA	-	64	-	64
	-	64	-	64
Sierra Services Holland BV:				
Sierra Balmain Asset Management sp. Z o.o	-	133	-	350
	-	133	-	350

	31.12.21		31.12.20	
	Current	Non-Current	Current	Non-Current
Sierra Maroc Sarl:				
Zenata Commercial Project	1,617	-	1,495	-
	1,617	-	1,495	-
Sierra Retail Ventures BV:				
Arrábidashopping - Centro Comercial, S.A.	-	6,572	50	6,572
	-	6,572	50	6,572
Sierra Parma Project BV:				
PUD S.r.l.	-	-	-	11,540
	-	-	-	11,540
	8,342	**11,392**	**8,198**	**20,965**
Accumulated impairment losses on other receivables (Note 30)	-	-	-	(9,411)
	8,342	**11,392**	**8,198**	**11,554**

	31.12.21	
Liability	Current	Non-Current
Loans payable to:		
REI S.r.l.:		
La Galleria S.r.l.	-	660
	-	660

These loans bear interest at market interest rates and were contracted in Euro.

22. Reconciliation of Liabilities Arising from Financing Activities

The table below details the changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			NON-CASH CHANGES		
	01.01.21	Financing cash flows	Acquisition of subsidiaries	New leases	31.12.21
Debentures loans	100,000	(10,000)	-	-	90,000
Bank loans	194,600	(13,050)	2,850	-	184,400
Loans from related parties	-	488	172	-	660
Lease liabilities	10,258	(1,994)	-	(15)	8,249
	304,858	**(24,556)**	**3,022**	**(15)**	**283,309**

			NON-CASH CHANGES		
	01.01.20	Financing cash flows	Disposals	Write-off	31.12.20
Debentures loans	100,000	-	-	-	100,000
Bank loans	199,800	(5,200)	-	-	194,600
Lease liabilities	12,389	(1,984)	(45)	(102)	10,258
	312,189	**(7,184)**	**(45)**	**(102)**	**304,858**

23. Other Non-Current Liabilities

At 31 December 2021 and 2020 other non-current liabilities were made up as follows:

	31.12.21	31.12.20
Rents deposits from tenants (Note 17)	2,297	1,733
Guarantees	308	313
Payable for the acquisition of Balmain	206	206
Other non current accounts payable	249	114
	3,060	**2,366**

24. Deferred Taxes

Deferred income tax assets and liabilities at 31 December 2021 and 2020, in accordance with the temporary differences that generate them, are made up as follows:

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	31.12.21	31.12.20	31.12.21	31.12.20
Difference between the fair value and tax cost of tangible fixed assets and intangible assets	116	96	45,520	44,438
Write-off of deferred income relating entrance fees (key money) and expenses relating the opening of shopping centres	-	-	(59)	(292)
Fair value of hedging financial instruments	-	-	17	-
Fair value of hedging financial instruments (CAP)	1	-	-	-
Tax losses carried forward	2,925	2,712	-	-
Impairment losses on accounts receivable from customers	471	660	-	-
Impairment losses on other assets and write-off of deferred costs	187	160	-	-
	3,700	**3,628**	**45,478**	**44,146**

The movement in deferred income tax assets and liabilities during the years ended 31 December 2021 and 2020 was as follows:

	31.12.21		31.12.20	
	Asset	Liability	Asset	Liability
Opening balance	3,628	44,146	3,047	58,451
Effect in net result:				
Difference between fair value and tax cost of tangible fixed assets and intangible assets	28	1,068	28	(3,363)
Write-off of movements ocurred in the year in deferred income relating key money and expenses related to the opening of shopping centers	-	21	-	5
Increase / (Decrease) of impairment losses not accepted for tax purposes	(189)	-	444	-
Increase / (Decrease) of tax losses carried forward	213	-	2	-
Sub-total (Note 24)	52	1,089	474	(3,358)
Effect in equity:				
Valuation of hedging financial instruments	-	17	-	-
Currency translation differences	-	226	-	(11,054)
Changes in perimeter:				
Acquisitions (Note 6)	20	-	-	-
Others	-	-	107	107
Closing balance	**3,700**	**45,478**	**3,628**	**44,146**

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The deferred income tax assets related to tax losses carried forward as of 31 December 2021 and 2020 are made up as follows:

	31.12.21			31.12.20		
	Tax loss	Deferred tax asset	Limit expire date	Tax loss	Deferred tax asset	Limit expire date
Portugal:						
Generated in 2020	14	3	2032	10	2	2032
Generated in 2021	61	13	2033	-	-	
	75	16		10	2	
Spain:						
Without limit of use	11,600	2,900		10,800	2,700	
Italy:						
Without limit of use	41	9		41	10	
	11,716	**2,925**		**10,851**	**2,712**	

At the end of 2021 a revision of the tax losses likely to be recovered in the future was carried out and only deferred tax assets related to tax losses which future recovery is probable to occur, were recognised.

At the reporting date the tax losses carried forward for which no deferred taxes were recognised are as follows:

	31.12.21			31.12.20		
	Tax loss	Deferred tax credit	Limit expire date	Tax loss	Deferred tax credit	Limit expire date
Portugal:						
Generated in 2014	4,667	980	2028	4 688	984	2028
Generated in 2015	255	53	2029	255	53	2029
Generated in 2019	101	21	2026	101	21	2026
Generated in 2020	8,548	1,795	2032	40	8	2032
Generated in 2021	4,630	972	2033	-	-	
	18,201	**3,821**		**5,084**	**1,066**	
Spain:						
Without limit of use	**27,995**	**6,999**		**33,615**	**8,404**	
Italy:						
Without limit of use	**5,581**	**1,340**		**3,934**	**944**	

	31.12.21			31.12.20		
	Tax loss	Deferred tax credit	Limit expire date	Tax loss	Deferred tax credit	Limit expire date
Germany:						
Without limit of use	13,380	4,177		32,435	10,127	
Greece:						
Generated in 2015	-	-		119	29	2020
Generated in 2016	216	47	2021	216	52	2021
Generated in 2017	700	154	2022	700	168	2022
Generated in 2018	162	36	2023	162	39	2023
Generated in 2019	101	22	2024	101	24	2024
Generated in 2020	75	16	2025	147	35	2025
Generated in 2021	630	139	2026	-	-	
	1,884	**414**		**1,445**	**347**	
Netherlands:						
Generated in 2011	-	-		27	6	2020
Generated in 2012	394	82	2021	394	82	2021
Generated in 2013	5,798	1,203	2022	5,798	1,203	2022
Generated in 2014	1,146	238	2023	1,146	238	2023
Generated in 2015	13,690	2,841	2024	13,690	2,841	2024
Generated in 2016	31	6	2025	31	7	2025
Generated in 2017	15	3	2026	15	3	2026
Generated in 2018	2,046	424	2027	2,046	424	2027
Generated in 2019	7,454	1,547	2025	7,454	1,547	2025
Generated in 2020	4,411	915	2026	4,411	915	2026
Generated in 2021	438	91	2027	-	-	
	35,423	**7,350**		**35,012**	**7,266**	
Romania:						
Generated in 2013	-	-		1,037	166	2020
Generated in 2014	-	-	2021	-	-	2021
Generated in 2015	64	10	2022	65	10	2022
Generated in 2016	2,571	411	2023	2,615	418	2023
Generated in 2017	5,071	811	2023	5,157	825	2023
Generated in 2018	3,723	596	2024	3,786	606	2024

	31.12.21			31.12.20		
	Tax loss	Deferred tax credit	Limit expire date	Tax loss	Deferred tax credit	Limit expire date
Generated in 2019	12,487	1,998	2025	12,703	2,032	2025
Generated in 2020	11,817	1,891	2026	10,399	1,664	2026
Generated in 2021	9,164	1,466	2027	-	-	
Without limit of use	23,220	3,715		28,471	4,555	
	68,117	**10,898**		**64,233**	**10,276**	
Others:						
Generated in 2017	52	14	2023	52	14	2023
Generated in 2018	59	16	2024	59	16	2024
Generated in 2019	176	48	2025	176	48	2025
Generated in 2020	283	77	2026	579	108	2026
Generated in 2021	185	50	2027	-	-	
Without limit of use	2,987	809		2,987	809	
	3,742	**1,014**		**3,853**	**995**	
	174,323	**36,013**		**179,611**	**39,425**	

25. Income Tax

Income tax for the years ended 31 December 2021 and 2020 is made up as follows:

	2021	2020
Current tax	1,148	1,580
Deferred tax (Note 24)	1,037	(3,832)
	2,185	**(2,252)**

The numerical reconciliation between tax expense and the accounting profit multiplied by the applicable tax rate, during the years ended 31 December 2021 and 2020 is as follows:

	2021	2020
Profit before income tax	23,581	(48,647)
Gains/losses related to the sale of companies (Note 37)	(99)	(59,010)
Net result of joint ventures and associates (Note 38)	(24,256)	48,472
Impairment of goodwill	-	5,684
Impairment losses in the investments under development	2,300	1,202
Impairment losses and other provisions not accepted as a fiscal cost	(186)	23,419
Other permanent differences and tax losses for which the recoverability is not probable	5,839	12,741
Taxable profit	7,179	(16 139)
Effect of different income tax rates in other countries	3,226	5 412
	10,405	(10,727)
Income tax rate in Portugal	21,0%	21,0%
	2,185	(2,252)

The amount of kEuro 5,839 under “Other permanent differences and tax losses for which the recoverability is not probable” (kEuro 12,741 in 2020) includes the effect of the non-recognition of the deferred tax assets related to the tax losses carried forward of the companies for which the Group was not certain about its future recovery (Sierra Investments Holding, BV, Ioannina, Sierra Italy, Sierra Germany and Parklake in 2021 and Sierra Investments Holding, BV, Sierra Retail Ventures, BV, Sierra Italy, Sierra Germany and Parklake in 2020).

26. Accounts Payable to Suppliers

At 31 December 2021 and 2020 accounts payable to suppliers were made up as follows:

	31.12.21		31.12.20	
	Current	Non-Current	Current	Non-Current
Trade payables	7,123	-	5,995	-
Fixed assets suppliers	613	116	256	130
	7,736	116	6,251	130

As of 31 December 2021 and 2020, this caption relates to amounts payable resulting from purchases made in the normal course of the Group’s activities. As of 31 December 2021, the Board of Directors believes that the carrying amount of these accounts payable is similar to its corresponding fair value.

The amounts reported above have the following periods for payment:

	31.12.21	31.12.20
Current:		
0-90 days	6,601	5,076
90-180 days	243	352
+ 180 days	892	823
	7,736	6,251
Non-current:		
n+1	22	-
n+3	94	100
n+4	-	30
	116	130

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27. State and other Public Entities

At 31 December 2021 and 2020 state and other public entities were made up as follows:

	31.12.21			31.12.20		
	Asset	Liability		Asset	Liability	
	Current	Current	Non-Current	Current	Current	Non-Current
Income tax	3,535	2,029	-	3,864	4,682	-
VAT	979	2,207	-	1,227	2,104	-
Social security contributions	243	918	-	341	973	-
Real Estate Transfer Tax	-	1,792	2,239	-	1,792	4,031
Other taxes	-	93	-	-	138	-
	4,757	**7,039**	**2,239**	**5,432**	**9,689**	**4,031**

According to the current tax legislation, the tax returns of Portuguese companies included in the consolidation are subject to revision and correction by the fiscal authorities within a period of four years; the exceptions are when fiscal losses have occurred, fiscal incentives have been granted or auditing or claims are in course, in which case, depending on circumstances, the final dates can be extended or suspended. So, the tax returns of the Portuguese companies of the years 2018 until 2021 are still subject to review and possible adjustment.

The Board of Directors believes that any possible adjustments that may be made by the tax authorities as a result of their reviews will not have a significant effect on the financial statements as of 31 December 2021.

As of 31 December 2021, the Board of Directors believes that the carrying amount of these accounts receivable and payable is similar to its fair value.

As of 31 December 2021 and 2020, there are no overdue debts to state and other public entities.

The amounts of kEuro 1,792 and kEuro 2,239 refers to the amount to be paid by Gli Orsi to the tax authorities.

28. Other Payables

At 31 December 2021 and 2020 other payables were made up as follows:

	31.12.21	31.12.20
Gift cards	5,129	4,229
Advances from customers	741	525
Rent deposits from tenants (Note 17)	183	61
Payable for the acquisition of Balmain	-	100
Payable for the acquisition of SFS -Gestão de Fundos, SGOIC,S.A.	510	-
Other payables	1,072	540
	7,635	**5,455**

The amount of kEuro 5,129 of gift cards relates to deposits received until 31 December 2021 on the sale of those gift cards, net of gift cards expired or settled until that date. The Group recognises in an account payable all gift cards sold, being this account settled when the gift cards are compensated by the tenants (in this case the fee charged is recognised on the statement of profit or loss) or when the gift cards expire (in this case the income corresponds to the amount of the expired gift cards).

As of 31 December 2021 and 2020, this caption relates to amounts payable resulting from acquisitions made in the normal course of the Group's activities. As of 31 December 2021, the Board of Directors believes that the carrying amounts of these accounts payable is similar to its fair value.

The above balance for other creditors shows an average payment period below 90 days.

29. Other Current Liabilities

At 31 December 2021 and 2020 other current liabilities were made up as follows:

	31.12.21	31.12.20
Accrued services payable	5,369	6,610
Accrual for vacations and vacations bonus and other bonuses	15,210	13,915
Accrued fixed assets payable	401	227
Accrued interest expense	1,187	1,484
Accrued discounts on rents	2,202	3,009
Deferred rental income	1,679	1,797
Condominium margin	570	551
Accrued property tax	37	24
Key money invoiced in advance	52	92
Others	3,194	2,292
	29,901	30,001

The accrual for vacations and vacation bonus and other bonuses as of 31 December 2021 and 2020, includes the amounts of kEuro 3,373 and kEuro 3,551, respectively, related to the remuneration bonus attributed to some employees of the Group, which will be paid in the future, as long as the employees involved are still employees of the Group as of the payment date. These remuneration bonus will be adjusted, in each of the following periods, until the corresponding payment date, by the annual variation of the Net Asset Value (NAV) and adjusted also according to ROIC (Return on Invested Capital). These remuneration bonuses are expensed linearly over the deferred period and recorded as expense, on the basis of the gross amount that was attributed to those employees, and any subsequent adjustment, derived from the variation of the Group's NAV or other, recorded in the statements of profit or loss of the year in which the variation occurs.

As of 31 December 2021 and 2020, the amounts of kEuro 401 and kEuro 227, respectively, relate to the estimate, made by the Board of Directors for liabilities associated with the investments made in the investment properties, for which the corresponding invoices have not yet been received.

30. Variations on Provisions and Impairment Losses

The movement in provisions and impairment losses, current and non-current, during the years ended 31 December 2021 and 2020 is made up as follows:

2021

	Balance as of 31.12.20	Increase/ decrease	Utilization and transfers	Balance as of 31.12.21
Impairment losses on accounts receivable:				
Trade receivables (Note 14)	11,165	(1,549)	(880)	8,736
Other receivables (Note 15 and 21)	15,236	(564)	(9,437)	5,235
	26,401	(2,113)	(10,317)	13,971
Provisions for risks and expenses:				
Other risks and expenses	9,438	3,172	(1,408)	11,202
	35,839	**1,059**	**(11,725)**	**25,173**

The amount of kEuro 3,172 includes the following:

- kEuro 969 related to the provision made to cover costs with the Company's restructuring process (consulting, early retirements and other costs) and,
- kEuro 2,309 related to the provision made to cover the remaining 50% of open risk on withholding tax on the distributions of dividends in Brazil.

2020

	Balance as of 31.12.20	Increase/ decrease	Utilization and transfers	Balance as of 31.12.21
Impairment losses on accounts receivable:				
Trade receivables (Note 14)	7,635	4,251	(721)	11,165
Other receivables (Note 15 and 21)	2,698	12,222	316	15,236
	10,333	16,473	(405)	26,401
Provisions for risks and expenses:				
Other risks and expenses	3,277	8,180	(2,019)	9,438
	13,610	**24,653**	**(2,424)**	**35,839**

Impairment losses on accounts receivable are deducted from the amount of the corresponding asset.

31. Services Rendered

Services rendered for the years ended 31 December 2021 and 2020 are made up as follows:

	2021	2020
Services rendered:		
Fixed rents	18,482	17,287
Turnover rents	823	402
Mall income	1,721	1,824
Common charges	13,335	12,597
Service fees	62,775	60,320
Parking income	44	315
Other	765	974
	97,945	**93,719**

32. Variation in Fair Value of Investment Properties

The variation in fair value of the investment properties in 2021 and 2020 is made up as follows:

	2021	2020
Variation in fair value between years (Note 8):		
- Gains	1,882	-
- Losses	(4,350)	(27,909)
	(2,468)	**(27,909)**

33. Other Operating Revenue

Other operating revenue for the years ended 31 December 2021 and 2020 is made up as follows:

	31.12.21	31.12.20
Cogeneration	117	55
Development fees	118	57
Revaluation of the previously held interest in SFS - Gestão de Fundos, SGOIC,S.A. (Note 6)	389	-
Other	906	883
	1,530	**995**

34. Impairment Losses and Write-off

The impairment losses and write-offs for the years ended 31 December 2021 and 2020 are the following:

	2021	2020
Impairment losses goodwill (Note 11)	-	5,684
Write-off and Impairment losses in the investment		
properties under development (Note 8)	2,300	1,202
	2,300	**6,886**

The "Write-off and Impairment losses in the investment properties under development" relate to the provision made to anticipate losses due to the delays on the development pipeline consequence of the market uncertainty.

35. Other Operating Expenses

Other operating expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	2021	2020
Property tax	2,017	2,020
Payment of the withholding tax re dividends	645	484
Exchange rate losses	385	864
Fines and penalties	183	61
Other	1,206	1,055
	4,436	**4,484**

36. Net Financial Results

Net financial results are made up as follows:

	2021	2020
Expenses:		
Interest expense	7,277	7,664
Stamp duty related to financing	47	38
Foreign currency exchange losses	935	1,061
Loss on fair value of ineffective hedging derivatives	-	2
Other	1,126	1,434
	9,385	10,199
Net financial expenses	(7,640)	(8,117)
	1,745	**2,082**
Income:		
Interest income	1,242	1,695
Foreign currency exchange gains	502	351
Other	1	36
	1,745	**2,082**

37. Gains and losses on investments

Gains and losses on investments are made up as follows:

	2021	2020
Adjustment of Gain/(Loss) on sale of PUD Srl	146	-
Gain/(Loss) on sale of Alexa KG	-	285
Loss on sale of Dos Mares	-	(59)
Loss on sale of Reval	-	(185)
Gain on partial sale of Sierra BV (Note 6)	-	58,992
Price adjustment of Le Terrazze	-	140
Sierra Cevital - excluded from consolidation	-	(39)
Other	(47)	(124)
	99	**59,010**

38. Share of Results of Joint Ventures and Associates

Share of results of joint ventures and associates during the years ended 31 December 2021 and 2020, is detailed as follows:

	2021	2020
Share of profit of joint ventures (Note 4)	10,318	(17,566)
Share of profit of associates (Note 5)	13,938	(30,906)
	24,256	**(48,472)**

39. Operating Leases

In the operating leases where the Group is the lessor, the minimal lease payments (fixed rents) recorded during the years ended 31 December 2021 and 2020 amounted to kEuro 23,370 and kEuro 22,456 respectively (Note 31).

In addition, as of 31 December 2021 and 2020, the Group had, as lessor, operating lease contracts for which the minimal lease payments (fixed rent) are due as follows:

	31.12.21	31.12.20
Due in N+1	19,776	19,140
Due in N+2	14,783	13,017
Due in N+3	11,440	9,847
Due in N+4	8,508	7,897
Due in N+5	6,004	5,855
Due after N+5	7,693	9,547
Contracts automatically renewed	37	50
	68,241	**65,353**

40. Related Parties

Balances and transactions with related parties, during the years ended 31 December 2021 and 2020, in addition to the loans obtained from and payable to the shareholders mentioned in Note 21, are detailed as follows:

	Balances					
	Accounts receivable		Accounts payable		Other liabilities	
	31.12.21	31.12.20	31.12.21	31.12.20	31.12.21	31.12.20
Contimobe - Imobil. Castelo Paiva, S.A.	27	-	-	4	-	-
Digitmarket - Sistemas de Informação, S.A.	-	-	-	41	-	(158)
Elergone Energias, Lda	-	-	44	47	38	32
Inovretail, S.A.	-	-	-	18	-	-
MCCARE - Serviços de Saúde, S.A.	1	-	-	-	3	(8)
MDS - Corretor de Seguros, S.A.	65	33	1	96	(637)	(804)
Modalfa - Comércio e Serviços, S.A.	-	-	-	1	(3)	-
Modelo Continente Hipermercados, S.A.	(24)	32	7,039	7,915	(16)	4
Pharmacontinente - Saúde e Higiene, S.A.	-	-	-	-	3	-
RACE-Refrigeration & Air Condit.Engen.SA	-	-	-	25	-	7
Raso- Viagens e Turismo, S.A	-	5	-	-	-	2
S21SEC Portug-Cyber Security Services,SA	(11)	-	5	14	-	-
SDSR - Sports Division SR, S.A.	12	-	3	4	(9)	(17)
Sonae Arauco Portugal, S.A.	-	-	-	-	-	8
Sonae Holdings, SA	-	-	8	25	64	-
Sonae MC - Serviços Partilhados, SA	(60)	-	8	264	218	-
Sonaerp - Retail Properties, S.A.	-	-	-	26	-	-
Torre Ocidente Imobiliária, S.A.	-	59	-	-	-	262
Troiaresort-Investimentos Turísticos, S.A.	29	17	2	2	14	19
Viajens y Turismo de Geotur España, S.L.	-	-	-	-	-	-
Worten – Equipamentos para o Lar, S.A.	28	-	5	7	3	3
Zippy - Comércio e Distribuição, S.A.	-	-	-	-	2	(1)
Joint ventures and associates of Sonae Sierra	5,624	5,549	1,828	1,438	(858)	(921)
Sonae SGPS, S.A.	38	-	956	418	-	-
	5,729	**5,695**	**9,899**	**10,345**	**(1,178)**	**(1,572)**

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Transactions

	Sales and services rendered		Purchases and services obtained		Interest income		Interest expense	
	2021	2020	2021	2020	2021	2020	2021	2020
Bom Momento - Restauração, S.A.	41	38	-	-	-	-	-	-
Digitmarket - Sistemas de Informação, S.A.	-	-	-	367	-	-	-	-
Elergone Energias, Lda	-	-	192	220	-	-	-	-
MCCARE - Serviços de Saúde, SA	231	134	(5)	(6)	-	-	-	-
MDS - Corretor de Seguros, S.A.	-	-	123	95	-	-	-	-
Modalfa - Comércio e Serviços, S.A.	-	-	-	14	-	-	-	-
Modelo Continente Hipermercados, S.A.	337	346	834	991	-	-	137	151
Pharmacontinente - Saúde e Higiene, S.A.	16	17	-	-	-	-	-	-
RACE-Refrigeration & Air Condit.Engen.SA	-	-	-	11	-	-	-	-
Raso- Viagens e Turismo, S.A	-	48	-	23	-	-	-	-
S21SEC Portug-Cyber Security Services,SA	-	-	70	60	-	-	-	-
Salsa Consolidated	-	7	-	-	-	-	-	-
Saphety Level - Trusted Services, SA	-	-	-	38	-	-	-	-
SDSR - Sports Division SR, S.A.	112	119	-	1	-	-	-	-
Sonae Holdings, SA	-	-	105	42	-	-	-	-
Sonae MC - Serviços Partilhados, SA	-	-	285	215	-	-	-	-
Torre Ocidente Imobiliária, S.A.	-	-	-	168	-	-	-	-
Troiaresort-Investimentos Turísticos, S.A.	167	167	10	71	-	-	-	-
Viajens y Turismo de Geotur España, S.L.	-	-	-	1	-	-	-	-
Worten – Equipamentos para o Lar, S.A.	70	80	5	(49)	-	-	-	-
Zippy - Comércio e Distribuição, S.A.	78	28	-	-	-	-	-	-
Joint ventures and associates of Sonae Sierra	40,224	36,929	1,642	802	987	975	-	-
Sonae SGPS, S.A.	-	-	381	386	26	-	-	-
	41,276	**37,913**	**3,642**	**3,450**	**1,013**	**975**	**137**	**151**

The remuneration of the Board of Directors, during the years ended 31 December 2021 and 2020, was as follows:

	2021	2020
Fixed remuneration	1,059	1,039
Variable remuneration	756	811
	1,815	1,850

The total fees invoiced by the statutory auditor, amounted to kEuro 403, which include the amount of kEuro 320 relating to review of accounts and the amount of kEuro 83 relating to reliability assurance and other services.

Additionally, the total fees invoiced by other companies from Deloitte, amounted to kEuro 198, which include the amount of kEuro 165 relating to review of accounts and the amount kEuro 33, relating to tax consulting.

41. Contingent Liabilities and Bank Guarantees

As of 31 December 2021 and 2020, the main contingent liabilities relate to the following situations:

- In 2020 the Group provided a comfort letter to the bank that granted the loan to Mercado Urbano – Gestão Imobiliária, S.A. ("Mercado Urbano") by which the Group guarantees in the proportion of its stake of 20% the fulfilment of certain obligations arising from the financing agreement signed on 31.01.2020.

- In 2020 the Group provided a comfort letter in favour of a bank, by which the Group guarantees in the proportion of its stake of 20%, the fulfilment of certain obligations of Mercado Urbano arising from the contract between Mercado Urbano and the bank whereby the bank issued a bank guarantee of kEuro 685 in benefit of City Council of Porto ("CCP") in order to secure the obligations assumed towards CCP under the surface right contract in force between the Mercado Urbano and CCP related to the surface right over Mercado do Bom Sucesso.

- In 2020 the Group agreed with the bank that granted the loan to Proyecto Cúcuta S.A.S., for the construction of the shopping centre Jardín Plaza Cúcuta, the payment of any amount requested by the bank in the maximum amount kEuro 3,400 in case the company is not able to comply with its obligations.

- Sonae Sierra, as the Mother Company of the Fiscal Unit was, in previous years, notified by the tax authorities regarding the deductibility of the interest incurred in several years; however, considering several judicial favourable decisions and following the judicial decision of the Administrative Supreme Court, according to which, it is only possible to use the "indirect method", foreseen in Order Nr. 7/2004 of 30 March, if the Tax Authority demonstrates that it is not possible to value the non-deductible interest by the "direct method", the Tax Authority has issued favourable rulings, resulting in cancellations of the additional amounts previously settled. However, for the years 2005, 2008 and 2009, the Company still waits for the court decisions, and for the year 2016 is pending the cancellation of the additional amount previously settled. No provision was recorded because the Board of Directors understands that the risk of this contingency is unlikely.

- In what concerns the year 2005, Sonae Sierra applied to the Tax Debts Exceptional Payment Regime (RERD) and paid the corresponding tax (kEuro 3,707) (Note 15), which is expected to be reimbursed as the company expects a favourable decision from the court regarding the related judicial claim.

At 31 December 2021 and 2020 the bank guarantees granted to third parties were as follows:

	31.12.21	31.12.20
Bank guarantees:		
relating to tax processes in course	2,654	2,721
to secure any liability that may arise as a result of breach of commitments contained in the sale and purchase agreement of Loureshopping.	-	500
Others	332	202
	2,986	3,423

During the year ended December 31, 2012, the subsidiary Sierra Investments SGPS, SA provided a guarantee in the amount of kEuro 8,316, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC process for the year 2008, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS".

During the year ended December 31, 2013, the subsidiary Sierra Investments SGPS, SA provided three guarantees in the amount of kEuro 3,192, kEuro 943 and kEuro 163, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC processes for the years 2009, 2010 and 2012, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS".

During the year ended December 31, 2014, the subsidiary Sierra Investments SGPS, SA provided a guarantee in the amount of kEuro 182, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC process for the year 2013, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS".

During the year ended December 31, 2015, the subsidiary Sierra Investments SGPS, SA provided a guarantee in the amount of kEuro 201, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC process for the year 2014, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS".

During the year ended December 31, 2020, the subsidiary Sierra Investments SGPS, SA provided a guarantee in the amount of kEuro 754, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC process for the year 2015, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS". In 2021, and as a result of a favourable decision in the court at first instance, the withdraw of this guarantee was ordered.

During the year ended December 31, 2021, the subsidiary Sierra Investments SGPS, SA provided a guarantee in the amount of kEuro 1,257, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC process for the year 2016, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS".

No provision has been made for any liability arising from the tax and legal processes mentioned above, as the Board of Directors believes that the corresponding risk is not probable.

42.Commitments not Reflected on the Financial Statements

As part of the restructuring of the Sierra BV portfolio, which occurred in 2020, the ownership in the non-core assets was transferred to Sierra Retail Ventures BV (“SRV”) (which shareholders are the same that owned Sierra BV, before the restructuring). The commitments agreed in 2003 at the time of the sale of 49.9% of Sierra BV share capital to a group of Investors, were transferred to SRV. According to this agreement, Sonae Sierra has agreed to revise the sale price of such shares in the event of a sale, to third parties, of some of the shopping centres owned by subsidiaries of Sierra BV (now SRV) (subject to some conditions).

The price revision can occur both with a sale of the asset (investment property in the case) or with a sale of the shares of the company that is, directly or indirectly, the owner of such asset.

The price revision will be made by Sonae Sierra to the Investors in Sierra Fund or to SRV if, in a relevant sale, discounts related to deferred taxes on capital gains have been made.

The price revision will be dependent on the percentage of ownership in the company that owns the asset, the Investors’ ownership percentage in SRV (and in case of a sale of shares adjusted by a 50% discount) and is limited to:

(i) in the case of the asset sale, a maximum amount of kEuro 16,497;

(ii) in the case of a sale of shares of the company that directly or indirectly owns the asset, a maximum amount of kEuro 8,248;

(iii) in the case of a sale of shares of the company that directly or indirectly owns the asset, the price revision plus the selling price, cannot result in a revised price that is greater than the proportion of the Net Asset Value.

These commitments are valid while the current agreements with the other stockholders of SRV are maintained.

Furthermore, Sonae Sierra has the right to make a proposal for the acquisition of the asset or the shares at stake before they are offered for sale to a third party.

The agreements signed between the shareholders of Sierra BV, at the time of its incorporation in 2003, were replicated within SRV BV, with the agreements applying, mutatis mutandis, to SRV BV; in these it was agreed that the structure should exist for an initial period of 10 years, which was subsequently extended; on the 15 September 2021 the shareholders of SRV BV agreed that the long-stop date should be extended to 10 October 2022 for the purpose of agreeing and advancing with the implementation of the exit strategy for the Non-Core Assets.

In accordance with the agreements made between the shareholders of SPF at the time of its incorporation in 2008, it was agreed that SPF should exist for a period of 10 years (that ended in 2018), with the shareholders having the option to redeem its shares after 2014, provided that some conditions are met. Upon a prospective redemption notice received from shareholders, the Manager (Sonae Sierra) shall carry out its best endeavours to redeem the respective interests, in a period of 12 months. Additionally, in 2015 the shareholders agreed to extend the term of the fund until 2020. On 18 September 2020 the shareholders agreed to extend the term of the fund until 31 December 2021. On 6 June 2021 the shareholders agreed to extend the term of the fund until 31 December 2022.

The Group believes that the direct sale of the asset is a less attractive solution as it is subject to certain liabilities that are not crystalized in the event of a sale of the shares.

43. Dividends

Regarding the net Result of 2021 of Sonae Sierra, the Board of Directors proposes to distribute a dividend in the amount of Euro 0.47 per share and transfer the remaining amount to retained earnings.

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44. Earnings per Share

As of 31 December 2021 and 2020, basic earnings per share correspond to the net profit divided by the weighted average number of ordinary shares of Sonae Sierra during the year, and was computed as follows:

	2021	2020
Profit considered to compute the basic earnings per share (net profit of the year)	15,096	(41,892)
Number of shares	32,514,000	32,514,000
Earning per share (Euro)	**0,46**	**(1,29)**

Sonae Sierra has no potential diluted shares and, for that reason, the diluted earnings per share is similar to the basic earnings per share.

45. Segment Information

In accordance to the Management Report, the segments used by the Management of the Group are as follows:

- Properties (Investment + Colombia + Brazil)
- Developments
- Services

The Sonae Sierra's reportable segment information for the years ended 31 December 2021 and 2020, regarding the statement of profit or loss, can be detailed as follows:

	2021	2020
Net Operating Result		
Investment+Colombia+Brazil	49,556	31,986
Developments	(5,270)	(6,322)
Services	9,488	5,102
Consolidated[1]	**53,775**	**30,766**
Net financial costs	16,673	17,755
Direct profit before taxes	36,133	4,799
Indirect income before taxes	(11,993)	(58,496)
Corporate tax + Deferred tax	(9,044)	11,805
Net profit	**15,096**	**(41,892)**

(1) The reconciliation with the statutory accounts is presented on the following tables.

The reportable segment information can be reconciled with the enclosed financial statements as follows:

STATEMENT OF PROFIT OR LOSS	2021	2020
Net Operating Margin - segments	53,775	30,766
Equity method adjustment[1]	(38,700)	(26,122)
Proportional method adjustment[2]	(50)	(17)
Indirect Income:		
Variation in fair value of the investment properties	(2,468)	(27,909)
Other indirect income / costs	(2,868)	(20,478)
Depreciations, write-off and impairments losses	(2,300)	(6,887)
Withholding taxes related to Interests and dividends	(645)	(484)
Negative goodwill recognised in "Share of results of joint ventures and associates"	138	141
Other operating expenses	(250)	(356)
Others	234	278
"Net Profit before interest and results from associated undertakings, as per Financial Statements"	**6,866**	**(51,068)**
Net financial costs - segments	16,673	17,755
Equity method adjustment[1]	(8,629)	(9,108)
Proportional method adjustment[2]	(91)	(159)
Other operating expenses	(250)	(356)
Others	(63)	(15)
(-) Finance income (-) Finance expenses as per Financial Statements	**7,640**	**8,117**
Corporate tax + Deferred Tax - segments	(9,044)	11,805
Equity method adjustment[1]	5,892	(10,037)
Proportional method adjustment[2]	2	-
Fines related to taxes	320	-
Withholding taxes related to Interests and dividends	645	484
Income tax as per Financial Statements	**(2,185)**	**2,252**

(1) Joint ventures and associates are included in the statutory consolidated accounts by the equity method and in the management accounts by the proportionate method.
(2) The companies owned by the group by less than 100% and more that 50% are included in the management accounts by the proportionate method and in the statutory consolidated accounts are included by the full consolidation method.

STATEMENT OF FINANCIAL POSITION	31.12.21	31.12.20
Investment properties - segments	1,264,609	1,261,289
Equity method adjustment(1)	(948,771)	(944,667)
Goodwill(3)	(11,944)	(11,944)
Investment properties as per Financial Statements	**303,894**	**304,678**
Properties under development - segments	28,689	60,237
Equity method adjustment (1)	(13,405)	(56,477)
Proportional method adjustment (2)	692	-
Provisions	-	10,980
Others	(2)	-
Investment properties under development as per Financial Statements	**15,974**	**14,740**
Cash and cash equivalents - segments	302,932	282,725
Equity method adjustment(1)	(70,609)	(41,965)
Proportional method adjustment(2)	8,302	8,398
Cash and cash equivalents as per Financial Statements	**240,625**	**249,158**
Bank loans - segments	586,762	620,246
Equity method adjustment(1)	(312,362)	(325,647)
Financing costs	(1,265)	(1,529)
Debt - current and non-current as per Financial Statements	**273,135**	**293,070**

(1) Joint ventures and associates are included in the statutory consolidated accounts by the equity method and in the management accounts by the proportionate method.
(2) The companies owned by the group by less than 100% and more that 50% are included in the management accounts by the proportionate method and in the statutory consolidated accounts are included by the full consolidation method.
(3) The Investment segment consider the Goowdill under the caption "Investment Properties" and "Properties under development".

The average number of employees in 2021 and 2020, by business segment is detailed as follows:

	2021	2020
Developments	13	20
Services	649	638
Non allocated	240	239
	902	**898**

46. Indicators Reconciliation

In addition to the financial information prepared in accordance with the International Financial Reporting Standards (IFRS) the Group uses a number of indicators in the analysis of the performance and financial position, which are classified as Alternative Performance Indicators (APM) in accordance with the guidelines set by the European Securities and Markets Authority (ESMA).

These indicators, together with a reconciliation between the management accounts and the enclosed financial statements are presented below:

	2021	2020
Interest cover ratio(*)	2,9	1,6

(*) Interest cover ratio = (EBIT total - Current tax) / Net financial costs

Description in the Management Accounts	Amount in the Management Accounts		Statutory Accounts Description (Consolidated Statements of Profit or Loss and Note 45 - Segment Information(*))	Reconciliation with Statutory Accounts	
	2021	2020		2021	2020
			Consolidated statements of profit or loss:		
			(+) Services rendered	97,945	93,719
			(+) Other operating revenue	1,530	995
			(-) External supplies and services	-33,316	-31,955
			(-) Personnel expenses	-46,256	-47,131
			(-) Depreciation and amortisation	-2,774	-2,764
			(-) Provisions and impairment	-1,059	-24,653
			(-) Other operating expenses	-4,436	-4,484
			Note 45(*):		
			(+) Equity method adjustment(1)	38,700	26,122
			(-) Proportional method adjustment(2)	50	17
			(+) Other indirect income / costs(4)	2,868	20,478
			(+) Withholding taxes related to Interests and dividends(4)	645	484
			(-) Negative goodwill recognised in "Share of results of joint ventures and associates" in the Consolidated statements of profit or loss	-138	-141
			(+) Other operating expenses(4)	16	79
EBIT Total	53,775	30,766		53,775	30,766
			Consolidated statements of profit or loss:		
			(+) Income tax	2,185	-2,252
			Note 45(*):		
Current tax (3)	5,779	2,242	(+) Equity method adjustment(1)	5,892	-10,037
Deferred tax	3,264	-14,048	(-) Proportional method adjustment(2)	2	0
			(+) Withholding taxes related to Interests and dividends(4)	645	484
			(+) Others	319	0
Current tax + Deferred tax	9,043	-11,805		9,043	-11,805
			Consolidated statements of profit or loss:		
			(-) Finance income	-1,745	-2,082
			(+) Finance expenses	9,385	10,199
			Adjustments:		
			(+) Equity method adjustment(1)	8,629	9,108
			(-) Proportional method adjustment(2)	91	159
			(+) Other operating expenses(4)	313	371
Net financial costs	16,673	17,755		16,673	17,755

(*) Adjustaments presented in Note 45.
(1) Joint ventures and associates are included in the statutory consolidated accounts by the equity method and in the management accounts by the proportionate method.
(2) The companies owned by the group by less than 100% and more that 50% are included in the management accounts by the proportionate method and in the statutory consolidated accounts are included by the full consolidation method.
(3) In the statutory accounts the item "Income tax" includes the deferred tax.
(4) Amount included in item "Other operating expenses" in the Consolidated statements of profit or loss.

	31.12.21	31.12.20
Debt to assets ratio(*)	22,2%	25,8%

(*) Debt to assets ratio = (Bank loans-Cash & Equivalents) /(Investment properties+Properties under development - Goodwill)

Description in the management accounts	Amount in the Management Accounts		Statutory accounts description (Consolidated statements of financial position and Note 45-Segment information(*))	Reconciliation with Statutory Accounts	
	31.12.21	31.12.20		31.12.21	31.12.20
			Consolidated statements of financial position :		
			(+) Bank loans - net of current portion	143,645	137,497
			(+) Debentures loans - net of current portion	79,867	89,526
			(+) Current portion of long term bank loans	39,792	56,197
			(+) Current portion of long term debentures loans	9,831	9,850
			Note 45(*):		
			(+) Equity method adjustment (1)	312,362	325,647
			(-) Proportional method adjustment (2)	0	0
			(+) Financing costs (4)	1,265	1,529
Bank loans	586,762	620,246		586,762	620,246
			Consolidated statements of financial position:		
			(-) Cash and bank deposits	240,625	249,158
			Note 45(*):		
			(+) Equity method adjustment(1)	70,609	41,965
			(-) Proportional method adjustment(2)	-8,302	-8,398
Cash & Equivalents	302,932	282,725		302,932	282,725
			Consolidated statements of financial position:		
			(+) Investment properties	303,894	304,678
			Note 45(*):		
			(+) Equity method adjustment(1)	948,771	944,667
			(-) Proportional method adjustment(2)	0	0
			(+) Goodwil(3)	11,944	11,944
Investment properties	1,264,609	1,261,289		1,264,609	1 261,289

Description in the management accounts	Amount in the Management Accounts		Statutory accounts description (Consolidated statements of financial position and Note 45-Segment information(*))	Reconciliation with Statutory Accounts	
	31.12.21	31.12.20		31.12.21	31.12.20
			Consolidated statements of financial position:		
			(+) Investment properties under development	15,974	14,740
			Note 45(*):		
			(+) Equity method adjustment(1)	13,405	56,477
			(-) Proportional method adjustment(2)	-692	0
			(+) Provisions	0	-10,980
			(+) Goodwil(3)	0	0
Properties under development	28,689	60,237		28,687	60,237

(*) Adjustaments presented in Note 45.
(1) Joint ventures and associates are included in the statutory consolidated accounts by the equity method and in the management accounts by the proportionate method.
(2) The companies owned by the group by less than 100% and more that 50% are included in the management accounts by the proportionate method and in the statutory consolidated accounts are included by the full consolidation method.
(3) In the management accounts the Goodwill is included in the lines "Investment properties" and "Properties under development". In the Consolidated statements of financial position the amount of kEuro 1,642 is presented in the line "Goodwill" (2020: kEuro 1,642) an the amount of kEuro 10,424 in "Investments in joint ventures and associates" (2020: kEuro 10,424).
(4) Amount inluded in the lines "Bank loans - net of current portion", "Debentures loans - net of current portion", "Current portion of long term bank loans" and "Current portion of long term debentures loans" of the Consolidated stetatements of financial position.

47. Subsequent Events

On 25 of January 2022, the Company issued a bond loan in a total of kEuro 50,000, and on the same date, the previous bond loan “SONAE SIERRA 2018-2025” issued in 2018 was liquidated.

The principal conditions associated to these bond loans are as follows:

“Sonae Sierra - Sustainability-Linked Bonds 2022-2029”

- 500 bonds: Nominal value: Euro 100,000;
- Maximum term: 7 (seven) years;
- Interest Payment: Semi-annually in arrears, on 25 January and 25 July of each year;
- Reimbursement: Reimbursement will be made in three equal and successive annual reimbursements, from the 10th interest payment date (inclusive), i.e., 25 January 2027, always on a date that coincides with the interest payment date.

On the 16 February 2022, Sonae Sierra and Grupo Ferreira announced the creation of a 50/50 partnership to develop a state-of-the-art office complex in the Business Zone of Porto in Portugal.

The Management of the Company is following the recent developments resulting from the conflict between Ukraine and Russia. As of this date, no significant direct effects on the Group are expected.

48. Approval of the Financial Statements

The accompanying financial statements were approved by the Board of Directors and authorised for issuance on the 9 March of 2022. However, these financial statements are still depending on the approval by the Shareholders General Meeting, in accordance with business legislation prevailing in Portugal.

49. Note Added for Translation

This is a translation of financial statements originally issued in Portuguese in accordance with Portuguese Statutory requirements, some of which may not conform to or be required in other countries. In the event of discrepancies, the Portuguese language version prevails.

The Board of Directors

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Separate Financial Statements

Statements of Financial Position as of 31 December 2021 and 2020

(Translation of the statement of financial position originally issued in Portuguese - Note 26)
(Amounts stated in thousands of Euros)

ASSETS	NOTES	31 DECEMBER 2021	31 DECEMBER 2020
NON-CURRENT ASSETS:			
Investments in group companies and associated companies	3	1,148,979	1,148,979
Total non current assets		**1,148,979**	**1,148,979**
CURRENT ASSETS:			
Loans to group companies	4	2,000	-
Other debtors	5	7,350	7,509
State and other public entities	6	601	931
Other current assets	7	526	287
Cash and cash equivalents	8	173,146	193,433
Total current assets		**183,623**	**202,160**
Total assets		**1,332,602**	**1,351,139**

EQUITY AND LIABILITIES	NOTES	31 DECEMBER 2021	31 DECEMBER 2020
EQUITY:			
Share capital	9	162,245	162,245
Legal reserve		57,329	57,329
Other reserves		52,926	52,926
Retained earnings		240,376	255,389
Net profit for the period		126,897	(15,012)
Total equity		**639,773**	**512,877**
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans - net of current portion	10	-	24,980
Debentures loans - net of current portion	11	79,867	89,698
Total non current liabilities		**79,867**	**114,678**
CURRENT LIABILITIES:			
Current portion of long term bank loans	10	34,980	9,981
Current portion of long term debentures loans	11	9,831	9,814
Loans from Group companies	12	555,182	689,220
State and other public entities	6	15	15
Other payables	14	1,011	1,315
Other current liabilities	15	11,943	13,239
Total current liabilities		**612,962**	**723,584**
Total liabilities		**692,829**	**838,262**
Total equity and liabilities		**1,332,602**	**1 351,139**

The accompanying notes form an integral part of these statements of financial position as of 31 December2021.

The Board of Directors

Statement of Profit and Loss for the Periods Ended 31 December 2021 and 2020

(Translation of the statement of profit and loss originally issued in Portuguese - Note 26)
(Amounts stated in thousands of Euros)

INCOME AND EXPENSES	NOTES	'21	'20
External supplies and services		(765)	(483)
Personnel expenses		(26)	(26)
Other operating income	16	10	22
Other operating expense	17	(31)	(27)
Net operating profit (before net financial expenses and income tax)		**(812)**	**(514)**
Financial income	18	57	6
Financial expenses	18	(17,087)	(18,235)
Gains and losses on investments	18	142,670	2,042
Profit before income tax		**124,828**	**(16,701)**
Income tax	19	2,069	1,689
Profit after income tax		**126,897**	**(15,012)**
Net profit for the period		**126,897**	**(15,012)**

The accompanying notes form an integral part of this statement of profit and loss for the period ended 31 December 2021.

Consolidated Statements of Changes in Equity for the Periods Ended 31 December 2021 and 2020

(Translation of the statement of changes in equity originally issued in Portuguese - Note 49)
(Amounts stated in thousands of Euro)

		ATTRIBUTABLE TO EQUITY HOLDERS OF SONAE SIERRA					
			RESERVES				
	Notes	Share Capital	Legal Reserves	Other reserves	Retained Earnings	Net profit/loss	Total
Balance as of 1 January 2020	9	**162,245**	**57,329**	**52,926**	**513,082**	**(9,286)**	**776,296**
Appropriation of net profit/loss for 2019		-	-	-	(9,286)	9,286	-
Net profit/Loss for the year	9					(15,012)	(15,012)
Comprehensive Income		-	-	-	-	(15,012)	(15,012)
Transactions with owners							
Dividends paid	9	-	-	-	(248,407)	-	(248,407)
Balance as of 31 December 2020		**162,245**	**57,329**	**52,926**	**255,389**	**(15,012)**	**512,877**
Balance as of 1 january 2021	**9**	**162,245**	**57,329**	**52,926**	**255,389**	**(15,012)**	**512,877**
Appropriation of net profit/loss for 2020	9	-	-	-	(15,012)	15,012	
Net profit/Loss for the year			-	-		126,897	126,897
Comprehensive Income		-	-	-	-	126,897	126,897
Balance as of 31 December 2021		**162,245**	**57,329**	**52,926**	**240,376**	**126,897**	**639,773**

The accompanying notes form an integral part of this statement of changes in equity for the period ended 31 December 2021.

The Board of Directors

Statement of Comprehensive Income for the Periods Ended 31 December 2021 and 2020

(Translation of the statement of comprehensive income originally issued in Portuguese - Note 26)
(Amounts stated in thousands of Euros)

INCOME AND EXPENSES	NOTES	'21	'20
Net profit for the period		126,897	(15,012)
Other comprehensive income of the period		-	-
Total comprehensive income for the period		**126,897**	**(15,012)**

The accompanying notes form an integral part of this statement of changes in equity for the period ended 31 December 2021.

The Board of Directors

Statements of Cash Flows for the Periods Ended 31 December 2021 and 2020

(Translation of the statement of cash flow originally issued in Portuguese - Note 26)
(Amounts stated in thousands of Euros)

	NOTES	'21		'20	
CASH FLOW FROM OPERATING ACTIVITIES					
Payments to suppliers		(867)		(637)	
Payments to personel		(27)		(27)	
Cash flows generated from operations		(893)		(664)	
Payments/Receipts of income tax		2,191		2,245	
Other receipts/payments		22		(2)	
Cash flow from operating activities [1]			1,320		1,579
CASH FLOW FROM INVESTING ACTIVITIES					
Payments relating to:					
Loans granted to group companies	4	(2,000)		-	
Receips relating to:					
Interest and similar income		27		8	
Dividends	18	142,670		2,042	
Cash flow from investing activities [2]			140,697		2,050
CASH FLOW FROM FINANCING ACTIVITIES					
Receips relating to:					
Loans obtained from group companies		-		278,420	
Payments relating to:					
Loans obtained from group companies		(134,038)		-	
Loans obtained from other entities		(10,000)		-	
Interest and similar expenses		(18,266)		(11,650)	
Dividends		-		(248,407)	
Cash flow from financing activities [3]			(162,304)		18,363
Variation in cash and cash equivalents [4]=[1]+[2]+[3]			(20,286)		21,992
Effect of exchange differences					
Cash and Cash equivalents at the beginning of the year	8		193,433		171,441
Cash and Cash equivalents at the end of the year	8		173,146		193,433

The accompanying notes form an integral part of this statement of cash flows for the period ended 31 December 2021.

The Board of Directors

Sonae Sierra, SGPS, S.A.

Notes to the financial statements as of 31 December 2021

(Translation of notes originally issued in Portuguese – Note 26)

(Amounts stated in thousands of Euro - kEuro)

1. Introduction

SONAE SIERRA, S.G.P.S., S.A. ("the Company" or "Sonae Sierra"), has its head office in Lugar do Espido, Via Norte, Apartado 1197, 4471-909 Maia – Portugal, and its activity is holding and finance, group of companies operating in the management, development and investment of shopping centres business.

The financial statements are presented in Euro, the functional currency of the Company, as this is the currency of the primary economic environment in which the Company operates.

The Company has also prepared consolidated financial statements, which are separately presented and properly show the financial position, the results and comprehensive income of its operations, changes in equity and cash flows of the Sonae Sierra Group.

The coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities. The emergence of this pandemic has translated into a wide number of impacts for the commercial real estate industry, not only directly affecting the operations of the properties themselves, but also the wider investment market. It has had a direct impact in the Shopping Centre Income, mostly in Net Fixed Rental. Shopping centres in Portugal have been affected by a new lockdown in 2021, from mid-January to mid-April, with only essential goods stores open. Reopening occurred only on 19 April 2021. The Portuguese Government Budget for 2021 was approved by late November 2020; in its context, a new rental regime was approved, foreseeing rental discounts in the first quarter of 2021 proportional to the tenants' monthly sales decrease when compared to 2019, with a cap of 50%; the law was later extended to June 2021 following the decision of the Government.

The Management of the Company will therefore be closely monitoring the evolution of the valuation of the properties. Although future effects are still uncertain, it is important to emphasise that it is the conviction of Management that the impact of COVID-19 will be temporary and with influence only over short-term profitability.

2. Principal Accounting Policies

The principal accounting policies adopted in preparing the accompanying financial statements are as follows:

2.1 Basis of preparation

The Board of Directors evaluated the Company's ability to operate on a continuous basis, based on all relevant information, facts and circumstances of a financial, commercial or other nature, including events subsequent to the future. As a result of the evaluation, the Board of Directors concluded that the Company has adequate resources to maintain its activities, with no intention of ceasing activities in the short term, and considered it appropriate to use the assumption of continuity of operations preparation of the financial statements.

The accompanying financial statements have been prepared according to the International Financial Report Standards ("IFRS") and approved by the European Union, applicable to economic years beginning on 1 January 2020. These correspond to the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC") and approved by the European Union.

The accompanying financial statements have been prepared on a going concern basis and in accordance with the accrual basis of accounting, maintained according to International Financial Reporting Standards, as approved by the European Union.

New accounting standards and their impact in these financial statements

Up to the date of approval of these consolidated financial statements, the European Union ("EU") endorsed the following standards, interpretations, amendments, and revisions with mandatory application to the economic year beginning on 1 January 2021:

Standards / Interpretations / Amendments / Revisions	Amendment	Applicable in the EU for the annual period beginning on or after
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	Additional amendments related to the second phase of the interest rate benchmark reform project (known as "IBOR reform"), referring to changes in benchmark interest rates and impacts on financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.	1-jan-21
Amendments to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021"	Extends to 30 June 2022 the application of the optional practical expedient whereby lessees are exempted from analysing whether rent concessions until that date, typically suspensions or reductions of rent, related to the "COVID-19" pandemic, correspond to contractual modifications.	1-april-21
Amendments to IFRS 14 Insurance Contracts – deferral of IFRS 9	Extends the deferral of application of IFRS 9 for initial years on or after 1 January 2023.	1-jan-21

The Company has applied these amendments for the first time in 2021 and there is no significant impact on the accounts resulting from their application.

Up to the date of approval of these financial statements, the following standards, interpretations, amendments, and revisions, with mandatory application in future reporting dates, have been endorsed by the European Union:

Standards / Interpretations / Amendments / Revisions	Amendment	Applicable in the EU for the annual period beginning on or after
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020	These amendments correspond to several updates to these standards, namely - **IFRS 3** - Update to references to the Conceptual Framework and clarification on the registration of provisions and contingent liabilities within the scope of a business combinations; additional requirements to analyse the obligations within the scope of IAS 37 or IFRIC 21 1 at the acquisition date; the amendments also confirm that contingent assets should not be recognised at the acquisition date. - **IAS 16** – prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use. - **IAS 37** – specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. - **Annual Improvements 2018-2020** - include amendments to 4 Standards: IFRS 1, IFRS 9, IFRS 16 and IAS 41	1-jan-22
IFRS 17 Insurance Contract	Establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.	01-Jan-23

These standards and amendments, despite being endorsed by the European Union, have not been adopted by the Company in 2021 because their application is not yet mandatory. Nevertheless, no significant impacts are expected from their future adoption.

The following standards, interpretations, amendments, and revisions were issued by the IASB but have not yet been endorsed by the European Union:

Standards / Interpretations / Amendments / Revisions	Amendment	Applicable in the EU for the annual period beginning on or after
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	Clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period.	1-jan-23
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	This amendment published by the IASB in February 2021 require entities to disclose their material accounting policies rather than their significant accounting policies The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material.	01-Jan-23
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	This amendment published by the IASB in February 2021 change the definition of an accounting estimates to "monetary amounts in financial statements that are subject to measurement uncertainty".	01-Jan-23
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	This amendment published by the IASB in May 2021 clarify that an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.	01-Jan-23
Amendments to IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative Information	This amendment published by the IASB in December 2021 introduce changes on what comparative data should be presented when an entity adopts both standards IFRS 17 and IFRS 9, simultaneously.	01-Jan-23

These standards have not yet been adopted ("endorsed") by the European Union and, as such, were not applied by the Company in the year ended 31 December 2021.

Regarding these standards and interpretations, issued by the IASB but not yet approved ("endorsed") by the European Union, it is not estimated that their future adoption will have significant impacts on the attached financial statements.

2.2 Financial Investments

Financial investments in subsidiaries are recorded at acquisition cost less impairment losses. Impairment is assessed by comparing the cost of the investments with the corresponding Net Asset Value of the subsidiary company.

2.3 Financial assets and liabilities

Assets and liabilities are recognised in the statement of financial position when the Company becomes part of the corresponding contract.

Financial assets are initially recorded at their acquisition value, which is the fair value, including transaction costs, except for financial assets measured at fair value through profit and loss, where the transaction costs are immediately recorded in the profit and loss statement.

The Company derecognises financial assets when: (i) the contractual rights to cash flows expire; (ii) it transfers to another entity the significant risks and benefits associated with ownership of the property or; (iii) despite having retained some, but not substantially the significant risks and benefits, has transferred the control over them.

The Company derecognises financial liabilities only when the corresponding obligation is settled, cancelled or expires.

Financial assets are classified into the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income (FVTOCI) or through profit or loss (FVTPL), and
- those to be measured at amortised cost.

Financial assets measured subsequently at fair value include mainly derivative financial instruments. The subsequent measurement of these financial assets is carried at fair value and recorded in the statement of changes in equity, if they qualify for hedge accounting purposes. If they do not qualify for hedge accounting purposes, the fair value of these financial assets is recorded in the statement of profit or loss.

Financial assets subsequently measured at amortised cost are those generated during normal operations of the Company, for which there is no intention to negotiate. Classified in this category are the accounts receivable and other receivables, loans to third parties and bank deposits. The subsequent measurement of these financial assets is carried at amortised cost in accordance with the effective interest method.

Financial liabilities are classified into the following categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL), and
- those to be measured at amortised cost.

Financial liabilities measured at fair value include mainly derivative financial instruments. The subsequent measurement of these financial liabilities is carried at fair value and recorded in the statement of changes in equity if they qualify for hedge accounting purposes. If they do not qualify for hedge accounting purposes, the fair value of these financial liabilities is recorded in the statement of profit and loss.

Other financial liabilities correspond to other financial liabilities which are not classified in the former category. In this category are classified bank loans and other current liabilities, including shareholders and accounts payable and other payables. The subsequent measurement of these financial liabilities is carried at amortised cost, in accordance with the effective interest method.

a) Loans granted to Group companies
Loans granted to Group companies are recorded as assets at amortised cost which usually do not differ from the nominal value.

Financial income with interest received is recorded in the profit and loss statement on an accrual's basis. The amounts due and not received at the statement of financial position date are recorded under the caption "Other current assets".

b) Trade and other receivables
Accounts receivable and other receivables are recorded at amortised cost less any eventual impairment losses. Usually, the amortised cost of these financial assets does not usually differ from its nominal value.

c) Loans
Loans are stated as liabilities at amortised cost.

Any expenses incurred in obtaining such financing, usually paid in advance on issue, namely the bank fees and stamp duty as well as interest expenses and similar expenses, are recognised using the effective interest method in the results of the year, over lifetime of such financing. These expenses incurred are deducted from the caption “Bank loans”.

Financial expenses with interest expenses and similar expenses (namely stamp tax), are recorded in the statement of profit and loss on an accrual basis of accounting. The amounts due and not paid at the statement of financial position date are recorded under the caption “Other current liabilities”.

d) Trade and other payables
Accounts payable and other payables are stated at amortised cost. Usually, the amortised cost of these liabilities does not differ from its nominal value.

e) Cash and cash equivalents
The amounts under caption "Cash and cash equivalents" includes cash on hand, cash at banks on demand and other treasury applications which mature in less than three months that are subject to insignificant risk of change in value.

These assets are measured at amortised cost. Usually, the amortised cost of these financial assets does not differ from its nominal value.

For purposes of the statement of cash flows, “Cash and cash equivalents” also include bank overdrafts, which are included in the statement of financial position under caption “Other loans”.

2.4 Provisions

Provisions are recognised when, and only when, the Company has an obligation (legal or implicit) resulting from a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed and adjusted at the reporting date in order to reflect the best estimate as of that date.

Provisions for restructuring expenses are recognised by the Company when there is a formal and detailed restructuring plan and that such plan has been communicated to the involved parties.

2.5 Contingent assets and liabilities

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes (Note 21), unless the possibility of an outflow of resources affecting economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed in the notes when an inflow of economic benefits is probable.

2.6 Income tax

Income tax represents the sum of the tax based on the taxable results of the Company and the deferred taxes.

Current income tax is determined based on the taxable result of the Company (which are different from accounting results), in accordance with the tax rules in force where its head office is located.

Deferred taxes are calculated using the financial position liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Deferred tax assets and liabilities are not recognised when the corresponding temporary differences arise from goodwill or from the initial recognition of assets and liabilities other than in a business combination.

Deferred tax assets and liabilities are calculated and evaluated annually at the tax rates expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially issued at the statement of financial position date.

Deferred tax assets are recognised only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilised. At the statement of financial position date, a review is made of the deferred tax assets and they are reduced whenever their future use is no longer probable.

Deferred tax assets and liabilities are recorded in the statement of profit and loss, except if they relate to items directly recorded in equity captions. In these situations, the corresponding deferred tax is also recorded under the same caption.

2.7 Statement of financial position classification

Assets and liabilities due in more than one year from the date of the statement of financial position are classified as non-current assets and liabilities, respectively.

2.8 Revenue recognition and accrual basis

The dividends are recognised as gains in the year they are assigned by the shareholders.

The income and expenses are recognised in the year to which they relate, regardless of the date of payment or receipt (accrual basis of accounting). The income and expenses for which actual amounts are not known are estimated.

Under the captions "Other current assets" and "Other current liabilities" are recorded in-come and expenses attributable to the current year, which settlement or receipt will only occur in future years, as well as amounts paid and received that have occurred on the date of the statement of financial position, but which relate to future periods, and that will be charged to the profit and loss of the corresponding year.

2.9 Balances and transactions expressed in foreign currency

Transactions in currencies other than Euro are recorded at the exchange rates prevailing on the transaction date.

At each reporting date, all monetary assets and liabilities expressed in foreign currencies are translated to Euro using the closing exchange rates as of that date.

Exchange gains or losses, arising from differences between exchange rates effective at the date of transaction and those prevailing at the date of collection, payment or at the reporting date, are recorded as income or expenses in the statement of profit and loss.

2.10 Risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department of the Group Sonae Sierra, under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk.

In the context of the COVID-19 pandemic, the Company and its subsidiaries have taken additional measures in risk management, namely as a response to the increase in liquidity risk, due to the pressure on short-term cash flow, as well as credit risk, given the difficulties that many tenants of the shopping centers owned by the subsidiaries of the Company crossed. It was assumed a more conservative perspective regarding customer debt, on the one hand, with a stricter control of current accounts, guarantees provided by customers and their execution and renewal, on the other hand, with the definition of a policy of provisions and constitution impairments with an additional degree of prudence. In line with the expectation of an increase in non-performing or bad debt, the Company's cash flow management followed a conservative approach, adapting payment terms to suppliers to the extension of payment terms for customers. This impact was felt mainly in the last months of 2020 and during 2021, given the constraints to the normal operation of the activity of the customers of the Company's subsidiaries. In 2022, the Company will assess the need to maintain the same conservative approach, such as regarding amounts in amount overdue and payment terms to suppliers.

a) Foreign exchange risk

The activity of the Company is developed inside Portugal and consequently the majority of the company's transactions are maintained in the same currency of the country. The policy to cover this specific risk is to avoid if possible, the contracting of services in foreign currency.

b) Liquidity risk
The needs of treasury are managed by the financial department of Sonae Sierra which with an opportune and adequate form manages the surplus and deficits of liquidity of each company of the Group. The occasional needs of liquidity are covered by an adequate control of the accounts receivables and by the maintenance of adequate limits of credit settled by the Company with banking entities.

c) Interest rate risk
The Company's income and operating cash-flows are influenced by changes in market interest rates, since its cash and cash equivalents and intragroup financing granted are dependent on the evolution of the interest rates in Euro which, historically, have little volatility.

On long-term financing, and as a way to mitigate the changes in the long-term interest rates, the Company's contracts, in some cases, hedge instruments ("swaps", "zero cost collars" or "caps").

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments in place during the reporting period. For floating rate assets and liabilities, the analysis is prepared based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of floating rate interest financial instruments and, in the case of fixed rates that were contracted during the period of analysis, changes in the interest rates also affect the latter;
- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interests rates if these are recognize at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortised cost are not subject to interest rate risk, as defined in IFRS 7;
- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;
- Changes in market interest rates affect the fair value of derivatives designated as hedging instruments;
- The fair value of derivative financial instruments ("swaps", "zero cost collars" or "caps") and other financial assets and liabilities is estimated by discounting the future cash flows to their net present values, using appropriate market rates prevailing at yearend and assuming a parallel shift in yield curves;
- For the purposes of this sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the relevant year.

Sensitivity analyses are performed by changing one variable while maintaining all other variables unchanged. Nonetheless, this is a restrictive and highly unlikely assumption, since variables tend to be correlated.

If the interest rate changed by +50 basis points (with reference to 2021 values) and +75 basis points (with reference to 2020 values) and all variables remained constant, assumptions unlikely occur due to interest rates correlation with other variables, the impact on the Company's financial statements would be as follows. In the current context, impacts of negative changes in the interest rate are not calculated.

	31.12.21		31.12.20	
	+ 50 b.p.	- 25 b.p.	+ 75 b.p.	- 25 b.p.
Net Profit[(1)]	(2,776)	n.a.	(4,337)	n.a.

(1) This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

As of 31 December 2021, and 2020 the interest rate sensitive analysis was not prepared considering a decrease of 25 basis points, since the Euribor is lower than 0.25%, so the Company believes it is not relevant to analyse the impact of a negative change in the interest rate.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk and the year-end exposure may not reflect the exposure during the year, due to the repayments made.

2.11 Judgments and estimates

In the preparation of the accompanying financial statements estimates were used which affecting the assets and liabilities and also the amounts booked as income and expenses during the reporting period.

The estimates were calculated using the best information available, at the date of approval of the financial statements, of the events and transactions in course and of the experience from current and/or past events. However, events may occur in subsequent periods that were not anticipated as of the date of these statements and, consequently were not included in those estimates. Changes in the estimates after the closing of the consolidated financial statements will be booked on the subsequent year, as defined in IAS 8.

The main assumptions used by the Company on its estimates are disclosed on the corresponding note.

2.12 Subsequent Events

Events occurred after the reporting date that provide additional information about conditions that existed at these statements of financial position date (adjusting events) are reflected in financial statements. Events occurred after the reporting date that provide information on conditions that occur after the reporting date (non-adjusting events) are disclosed in the financial statements, if materially significant.

3. Investments in Group Companies

As of 31 December 2021 and 2020 the Company held the following participations in group companies:

COMPANY	Percentage of share capital held	Equity	Net profit	Book value	Book value
				31.12.21	31.12.20
Sierra Developments, S.G.P.S., S.A.	100,00%	1,418,679	249,831	1,142,429	1,142,429
Sierra Management, S.G.P.S., S.A.	100,00%	9,683	1,954	6,550	6,550
				1,148,979	1,148,979

4. Loans to Group Companies

As of 31 December 2021 and 2020 other receivables was made up as follows:

	31.12.21	31.12.20	Maturity
Current			
Sierra Portugal, S.A.	2,000	-	April 2022
	2,000	-	

The amount recorded under the caption as current, relates to a loan granted, in Euros, to Sierra Portugal, S.A. for a period less than one year, and bears interest at market interest rates.

5. Other Receivables

As of 31 December 2021 and 2020 other receivables was made up as follows:

	31.12.21	31.12.20
Tax Consolidation Regime (Note 6 and 20):		
Sierra Investments, S.G.P.S., S.A.	1,097	1,891
Sierra Developments, S.G.P.S., S.A.	2,042	1,542
Sierra Portugal, S.A.	374	285
Sierra Management, S.G.P.S., S.A.	43	44
ARP Alverca Reatil Park, S.A.	10	12
Paracentro - Gestão de Galerias Comerciais, S.A.	47	1
Other debtors:	7	4
Tax to recovered (amount paid under tax debts exceptional payment regime - "RERD")	3,707	3,707
Others claimed taxes	23	23
	7,350	7,509

The ageing of the other receivables is as follows:

	31.12.21	31.12.20
Short term:		
Not due	3,613	3,775
0-90 days	3	4
+ 360 days	3,734	3,730
	7,350	7,509

The amount of kEuro 3,707 relates to the payment made in 2013 by the Company within the Special Tax Debts Payment Regime ("RERD") established by the Portuguese government in the law approved in October 2013 (Law 151-A/2013) by which the entities that pay the tax notifications will be exempt of the payment of interests and penalties; this amount relates to corrections of the 2005 CIT due to: (i) non-deductible interest expenses amounting kEuro 378; and (ii) corrections concerning the price adjustment related with the sale of shares of Cascaishopping in 1996 amounting to kEuro 3,329. The Company contested the tax notifications received and did not record any impairment loss to face eventual losses on those amounts, as the Board of Directors believes that the result will be favourable to the Company (Note 22).

6. State and other Public Entities

According to current legislation, the fiscal declarations of Portuguese companies are subject to a revision and correction by the tax authorities within the period of four years (five years for the Social Security), exception made when fiscal losses have occurred, fiscal incentives have been conceded or tax auditing or claims are in course. In those cases, depending on circumstances, the due dates can be extended or suspended. Therefore, the Company's tax returns for the years 2018 to 2021 may still be subject to review.

The Board of Directors considers that any eventual modification to the fiscal declarations will not have a significant impact on the financial statements as of 31 December 2021.

Under the terms of Article 88 of the Corporate Income Tax Code, the companies are subject to autonomous taxes on a series of charges of the rates established in this article.

The Company is taxed for income tax purposes under the tax consolidation regime ("Regime Especial de Tributação dos Grupos de Sociedades" - RETGS), being the consolidated taxable income of the companies included in it, calculated at the level of Sonae Sierra as "mother company" of the group. Anyway, each company included in RETGS computes and records at its individual level its separate estimate of current income tax by credit or debit of an account receivable from or payable to Sonae Sierra.

The companies included in the RETGS are the following:

- ARP Alverca Retail Park, S.A.,
- CCCB Caldas da Rainha - Centro Comercial, S.A.,
- Paracentro - Gestão de Galerias Comerciais, S.A.,
- Parque de Famalicão, Empreendimentos Imobiliários, S.A.,
- Sierra Developments S.G.P.S., S.A.,
- Sierra Investments S.G.P.S., S.A.,
- Sierra Management S.G.P.S., S.A.,
- Sierra Portugal, S.A.,
- BrightCity, S.A. and
- Living Markets I, S.A..

As of 31 December 2021 and 2020 state and other public entities was made up as follows:

	31.12.21		31.12.20	
	Asset	Liability	Asset	Liability
Income tax				
Payments on account	-	-	182	-
Special payments on account	8	-	8	-
Additional payments on account	287	-	193	-
Estimate of current income tax	(498)	-	(361)	-
Withholding tax	6	-	2	-
Adjustment to income tax of previous years	798	-	907	-
	601	-	931	-
Income taxes retained - wages	-	8	-	8
Social security contributions	-	7	-	7
	-	15	-	15
	601	15	931	15

Income tax as of 31 December 2021 is detailed as follows:

	31.12.21
Estimate of current income tax - Company (Note 19)	(2,483)
Estimate of current income tax - RETGS (Notes 5 and 14)	2,687
Withholding taxes / Payments on account	8
	212

7. Other Current Assets

As of 31 December 2021 and 2020 other current assets was made up as follows:

	31.12.21	31.12.20
Interest receivable:		
Sierra Portugal, S.A.	30	-
Financing costs prepayment	116	-
Insurance prepayment	380	287
	526	**287**

The amount of kEuro 30 corresponds to interest on financial operations granted to Sierra Portugal, S.A..

8. Cash and Cash Equivalents

As of 31 December 2021 and 2020 cash and cash equivalents was made up as follows:

	31.12.21	31.12.20
Petty cash	1	1
Bank deposits payable on demand	173,145	193,432
Total cash and bank deposits	**173,146**	**193,433**

9. Capital

As of 31 December 2021 the share capital was made up of 32,514,000 fully subscribed and paid up ordinary shares of Euro 4.99 each.

The following entities own the share capital at 31 December 2021 and 2020:

ENTITY	31.12.21	31.12.20
Sonae, SGPS, S.A.	80%	70%
Grosvenor Investments, (Portugal), Sarl	20%	30%
	100%	**100%**

On 17 March 2021, Sonae S.G.P.S., S.A. acquired from Grosvenor Investments, (Portugal), Sarl, an additional 10% of Sonae Sierra S.G.P.S., S.A..

Following the Shareholders General Meeting deliberation, dated 31 March 2021, the net result of 2020 had the following application:

Retained earnings	(15,012)
	(15,012)

In accordance with current legislation in Portugal, income and other positive changes in equity recognized as a result of the change in the equity method are only relevant to be distributed to shareholders when they are realized. As of 31 December 2021, the Company did not recognize any amount of this nature, so there is no amount that qualifies as non-distributable.

10. Bank Loans

As of 31 December 2021 and 2020 bank loans was made up as follows:

		31.12.21			31.12.20			
			Used amount			Used amount		
	Financing Entity	Limit	Current	Non current	Limit	Current	Non current	Reimbursement plan
Bank loans:								
	Caixa de Crédito Agrícola	10,000	10,000	-	10,000	-	10,000	November 2022
	Sanatnder Totta	25,000	25,000	-	25,000	10,000	15,000	June 2022
Facilities	BPI	12,470	-	-	12,470	-	-	
	CGD	26,750	-	-	26,750	-	-	
	Novo Banco	5,500	-	-	5,500	-	-	
	Santander Totta	10,000	-	-	10,000	-	-	
Total bank loans			35,000	-		10,000	25,000	
Deferred financing expenses incurred on the issuance of the bank loans			(20)	-		(19)	(20)	
			34,980	-		9,981	24,980	

Bank loans bear interests at market interest rates and were contracted in Euro.

11. Bond Loan

As of 31 December 2021 and 2020, bond loan was made up as follows:

	31.12.21			31.12.20			
		Used amount			Used amount		
	Limit	Current	Non current	Limit	Current	Non current	Reimbursement plan
Bond loan:							
	40,000	10,000	30,000	50,000	10,000	40,000	January 2025
	25,000	-	25,000	25,000	-	25,000	January 2023
	25,000	-	25,000	25,000	-	25,000	January 2023
Total Bond Loan		10,000	80,000		10,000	90,000	
Defered financing cost incurred on the issuance of the bond loan		(169)	(133)		(186)	(302)	
		9,831	79,867		9,814	89,698	

On the 25th of January 2018, the Company issued three bond loans in a total of kEuro 100,000 and, on the same date, the previous bond loan on the amount of kEuro 75,000 was liquidated.

The principal conditions associated to these bond loans are as follows:

"SONAE SIERRA 2018-2025"

- 500 bonds: Nominal value: Euro 100,000;
- Maximum term: 7 (seven) years;
- Interest Payment: Semi-annually in arrears, on 25 January and 25 July of each year;
- Reimbursement: Reimbursement to be made in five equal and successive annual reimbursements, as of the 6th interest payment date (inclusive), always on a date that coincides with the interest payment date. The first refund was made on 25 January 2021.

"SONAE SIERRA 2018-2023"

- 250 bonds: Nominal value: Euro 100,000;
- Maximum term: 5 (five) years;
- Interest Payment: Semi-annually in arrears, on 25 January and 25 July of each year, with the first interest payment on 25 July 2018;
- Reimbursement: Reimbursement will be made at par, on the date of payment of the last coupon, i.e., on 25 January 2023.

"€25,000,000 SONAE SIERRA JANEIRO 2023"

- 250 bonds: Nominal value: Euro 100,000;
- Maximum term: 5 (five) years;
- Interest Payment: Semi-annually in arrears, on 25 January and 25 July of each;
- Reimbursement: Reimbursement will be made at par, on the date of payment of the last coupon, i.e., on 25 January 2023.

At 31 December December 2021 and 2020, loans and the respective interests are repayable as follows:

	31.12.21		31.12.20	
	Repayment	Interest	Repayment	Interest
N+1	10,000	2,048	10,000	2,282
N+2	60,000	1,108	10,000	2,048
N+3	10,000	359	60,000	1,108
N+4	10,000	120	10,000	359
N+5	-	-	10,000	120
	90,000	3,635	100,000	5,917

12. Loans from Group Companies

As of 31 December 2021 and 2020 loans from group companies was made up as follows:

	31.12.21	31.12.20
Current		
Sierra Investments, S.G.P.S., S.A.	100,124	340,090
Sierra Management, S.G.P.S., S.A.	9,420	9,500
Sierra Spain Shopping Centers Services, S.A.	26,400	22,500
Sierra Portugal, S.A.	-	3,050
Sierra Developments, S.G.P.S., S.A.	419,239	314,080
	555,182	689,220

The amounts payable refers to loans obtained from group companies, 100% held directly or indirectly, for less than one-year, with annual renewal option. These loans bear interests at market interest rates.

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13. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	01.01.21	Financing cash flows	31.12.21	01.01.20	Financing cash flows	31.12.20
Debentures loans	100,000	(10,000)	90,000	100,000	-	100,000
Bank loans	35,000	-	35,000	35,000	-	35,000
Loans from related parties	689,220	(134,038)	555,182	410,800	278,420	689,220
	824,220	**(144,038)**	**680,182**	**545,800**	**278,420**	**824,220**

14. Other Payables

As of 31 December 2021 and 2020 other payables was made up as follows:

	31.12.21	31.12.20
Tax consolidation regime (Note 6 and 20):		
Sierra Portugal, S.A.	601	1,129
CCCB Caldas da Rainha - Centro Comercial, S.A.	6	2
Paracentro - Gestão de Galerias Comerciais, S.A.	-	58
Sierra Developments, S.G.P.S., S.A.	125	27
Parque de Famalicão - Empreendimentos Imobiliários, S.A.	6	4
Sierra Investments, S.G.P.S., S.A.	163	74
ARP Alverca Retail Park, S.A.	2	2
BrightCity, S.A.	4	-
Living Markets I, S.A.	19	-
Services rendered by third parties:		
Sierra Investments, S.G.P.S., S.A.	-	5
Paracentro - Gestão de Galerias Comerciais, S.A.	57	-
Other	28	14
	1,011	**1,315**

The amounts reported above have the following repayment plan:

	31.12.21	31.12.20
Current		
0-90 days	28	19
90-180 days	983	1,296
	1,011	**1,315**

15. Other Current Liabilities

As of 31 December 2021 and 2020 other current liabilities was made up as follows:

	31.12.21	31.12.20
Interest payable (Note 20):		
Sierra Investments, S.G.P.S., S.A.	2 015	5 557
Sierra Portugal, S.A.	-	16
Sierra Spain Shopping Centers Services, S.A.	328	258
Sierra Management, S.G.P.S., S.A.	45	45
Sierra Developments, S.G.P.S., S.A.	8 357	5 851
Interest bond loans	857	924
Interest bank loans	191	237
Financing cost payable	121	309
Services rendered by third parties	17	39
Committees of guarantees	12	3
	11,943	13,239

16. Other Operating Revenue

Other operating income for the years ended 31 December 2021 and 2020 is made up as follows:

	2021	2020
Recovery of costs	10	22
	10	22

17. Other Operating Expenses

Other operating expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	2021	2020
VAT	17	14
Stamp duty	10	5
Membership fees	4	8
	31	27

18. Net Financial Results and Net Income from Investments

Net financial results are made up as follows:

	2021	2020
Expenses:		
Interests on loans obtained from group companies (Note 20)	13,535	14,241
Interests on bond loans	2,013	2,181
Interests on overdrafts	433	435
Interests on bank loans	203	203
Stamp duty rekated to financing	47	38
Bank charges	663	966
Guarantees	193	171
	17,087	18,235
Net financial expenses	(17,030)	(18,229)
	57	6
Income:		
Interest income (Note 20)	57	6
	57	6

Gains and losses on investments are made up as follows:

	2021	2020
Dividends (Note 20)	142,670	2,042
	142,670	**2,042**

The amount recorded under the caption "Dividends" refers to dividends attributed and received from its subsidiary Sierra Management, S.G.P.S., S.A..

19. Income Tax

Income tax for the years ended 31 December 2021 and 2020 is made up as follows:

	2021	2020
Current income tax (Note 6)	(2,483)	(2,318)
Correction of current income tax estimate of previous year	414	629
	(2,069)	**(1,689)**

The reconciliation between tax expense and the accounting profit multiplied by the applicable tax rate is as follows:

	2021	2020
Result before income tax	124,828	(16,701)
Expenses not accepted for income tax purposes:		
Other	51	41
Non taxable income:		
Dividends (Note 18)	(142,670)	(2,042)
Other	(1)	-
Taxable profit/loss	(17,792)	(18,702)
Effect of different income tax rates in other countries	-	-
	(17,792)	(18,702)
Income tax rate in Portugal	21,00%	21,00%
	(3,736)	(3,927)
Deferred income tax not recognized	3,736	3,927
Regularization of the consolidated tax estimate	(2,483)	(2,318)
Insuficiency of tax estimate	414	629
	(2,069)	**(1,689)**

20. Related Parties

Balances and transactions that existed with related parties, during the years ended 31 December 2021 and 2020, in addition to the loans obtained from the shareholders mentioned in Note 11, are detailed as follows:

Balances

	Other receivables (Note 5)		Other payables (Note 14)		Other current assets/liabilities (Notes 7 and 15)	
	31.12.21	31.12.20	31.12.21	31.12.20	31.12.21	31.12.20
Sierra Portugal, S.A.	374	285	601	1,129	30	(16)
Parque de Famalicão - Empreendimentos Imobiliários, S.A.	-	-	6	4	-	-
Paracentro - Gestão de Galerias Comerciais, S.A.	47	1	57	58	-	-
Sierra Investments, S.G.P.S., S.A.	1,097	1,891	108	79	(2,026)	(5,557)
Sierra Developments, S.G.P.S., S.A.	2,042	1,542	83	27	(8,357)	(5,851)
Sierra Management, S.G.P.S., S.A.	43	44	-	-	(45)	(45)
ARP Alverca Retail Park, S.A.	10	12	2	2	-	-
CCCB Caldas da Rainha - Centro Comercial, S.A.	-	-	6	2	-	-
Sierra Spain Shopping Centers Services, S.A.	-	-	-	-	(328)	(258)
BrightCity, S.A.	-	-	4	-	-	-
Living Markets I, S.A.	-	-	19	-	-	-
	3,613	3,775	886	1,301	(10,726)	(11,727)

Transactions

	Gains and losses on investments (Note 18)		Interest income (Note 18)		Interest expense (Note 18)	
	31.12.21	31.12.20	31.12.21	31.12.20	31.12.21	31.12.20
Sierra Portugal, S.A.	-	-	30	-	17	214
Paracentro - Gestão de Galerias Comerciais, S.A.	-	-	-	-	-	-
SFS - Gestão de Fundos, SGOIC, S.A.	-	-	-	-	-	-
Sonae SGPS, SA	-	-	26	-	-	-
Sierra Investments, S.G.P.S., S.A.	-	-	-	-	4,469	7,468
Sierra Developments, S.G.P.S., S.A.	140,618	-	-	-	8,491	5,915
Sierra Management, S.G.P.S., S.A.	2,052	2,042	-	-	205	205
Sierra Spain Shopping Centers Services, S.A.	-	-	-	-	546	439
	142,670	2,042	56	-	13,728	14,241

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21. Earnings/Losses Per Share

As of 31 December 2021 and 2020, basic earnings per share correspond to the net profit divided by the weighted average number of ordinary shares of Sonae Sierra during the year, and was computed as follows:

	2021	2020
Profit/Losses:		
Net profit of the year	126,897	(15,012)
Number of shares		
Average number of shares	32,514,000	32,514,000
Earning/Losses per share (Euro)	**3,90**	**(0,46)**

22. Contingent Liabilities and Bank Guarantees

Sonae Sierra, as the Mother Company of the Fiscal Unit was, in previous years, notified by the tax authorities regarding the deductibility of the interest incurred in several years; however, considering several judicial favourable decisions and following the judicial decision of the Administrative Supreme Court, according to which, it is only possible to use the "indirect method", foreseen in Order Nr. 7/2004 of 30 March, if the Tax Authority demonstrates that it is not possible to value the non-deductible interest by the "direct method", the Tax Authority has issued favourable rulings, resulting in cancellations of the additional amounts previously settled. However, for the years 2005, 2008 and 2009, the Company still waits for the court decisions, and for the year 2016 is pending the cancellation of the additional amount previously settled, following the favourable judicial decision. No provision was recorded because the Board of Directors understands that the risk of this contingency is unlikely.

In what concerns the year 2005, Sonae Sierra applied to the Tax Debts Exceptional Payment Regime (RERD) and paid the corresponding tax (kEuro 3,707) (Note 5), which is expected to be reimbursed as the company expects a favourable decision from the court regarding the related judicial claim.

Additionally, as of 31 December 2021 and 2020 the following bank guarantees were granted:

	31.12.21	31.12.20
Bank guarantees:		
Tax processes in course	1,517	1,517
To avoid price retention on the purchase of Loureshopping	-	500
	1,517	**2,017**

As of 31 December 2021, the amounts recorded under the caption "Tax processes in course", refer to guarantees issued in favour of “Direcção Geral dos Impostos”, related to the suspension of income tax notifications for the years 1996 (kEuro 1,493) and of 2013 (kEuro 24).

During the year ended December 31, 2012, the subsidiary Sierra Investments SGPS, SA provided a guarantee in the amount of kEuro 8,316, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC process for the year 2008, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS".

During the year ended December 31, 2013, the subsidiary Sierra Investments SGPS, SA provided three guarantees in the amount of kEuro 3,192, kEuro 943 and kEuro 163, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC processes for the years 2009, 2010 and 2012, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS".

During the year ended December 31, 2014, the subsidiary Sierra Investments SGPS, SA provided a guarantee in the amount of kEuro 182, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC process for the year 2013, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS".

During the year ended December 31, 2015, the subsidiary Sierra Investments SGPS, SA provided a guarantee in the amount of kEuro 201, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC process for the year 2014, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS".

During the year ended December 31, 2020, the subsidiary Sierra Investments SGPS, SA provided a guarantee in the amount of kEuro 754, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC process for the year 2015, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS". In 2021, and as a result of a favourable decision in the court at first instance, the withdraw of this guarantee was ordered.

During the year ended December 31, 2021, the subsidiary Sierra Investments SGPS, SA provided a guarantee in the amount of kEuro 1,257, to the Portuguese tax administration on behalf of Sonae Sierra SGPS, SA, in order to suspend the effects of IRC process for the year 2016, in the Fiscal Unit, under the Special Taxation Regime for groups of Society "RETGS".

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No provision has been made for any liability arising from the tax and legal processes mentioned above, as the Board of Directors believes that the corresponding risk is not probable.

23. Disclosures Required by Legislation

The information on fees charged by the statutory auditor is included in the information disclosed on the consolidated financial statements.

24. Subsequent Events

On 25 of January 2022, the Company issued a bond loan in a total of kEuro 50,000, and on the same date, the previous bond loan "SONAE SIERRA 2018-2025" issued in 2018 was liquidated.

The principal conditions associated to these bond loans are as follows:

"SONAE SIERRA - SUSTAINABILITY-LINKED BONDS 2022-2029"

- 500 bonds: Nominal value: Euro 100,000;
- Maximum term: 7 (seven) years;
- Interest Payment: Semi-annually in arrears, on 25 January and 25 July of each year;
- Reimbursement: Reimbursement will be made in three equal and successive annual reimbursements, from the 10th interest payment date (inclusive), i.e., 25 January 2027, always on a date that coincides with the interest payment date.

25. Approval of the Financial Statements

The accompanying financial statements were approved by the Board of Directors and authorised for issuance on the 09 of March 2022. However, these financial statements are still depending on the approval by the Shareholders General Meeting, in accordance with business legislation prevailing in Portugal.

26. Note Added For Translation

This is a translation of financial statements originally issued in Portuguese in accordance with Portuguese Statutory requirements, some of which may not conform to or be required in other countries. In the event of discrepancies, the Portuguese language version prevails.

Statutory Auditor's Report And Audit Report

(Free translation of a report originally issued in Portuguese language:
In case of doubt the Portuguese version prevails)

Report on the Audit of Consolidated and Separate Financial Statements

Opinion

We have audited the accompanying consolidated and separate financial statements of Sonae Sierra, S.G.P.S., S.A. ("the Entity" or "Sonae Sierra") and its subsidiaries ("the Group"), which comprise the consolidated and separate statement of financial position as of 31 December 2021 (that presents a total of 1,236,007 thousand Euros and 1,332,602 thousand Euros, respectively, and total equity of 839,557 thousand Euros and 639,773 thousand Euros, respectively, including a consolidated net result attributable to the shareholders of the parent-company of 15,096 thousand Euros and a separate net result of 126,897 thousand Euros), the consolidated and separate statement of profit and loss by nature, the consolidated and separate statement of comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and the accompanying notes to the consolidated and separate financial statements that include a summary of the significant accounting principles.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view, in all material respects, of the consolidated and separate financial position of Sonae Sierra, S.G.P.S., S.A. as of 31 December 2021 and of its consolidated and separate financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated and separate financial statements" section below. We are independent from the entities that are part of the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Applicable to the consolidated financial statements:

Description of the most significant risks of material misstatement identified

Fair value of investment properties

As of 31 December 2021, the Group owns a significant portfolio of investment properties and investments in joint ventures and associates, related to interests on entities that directly or indirectly own investment properties, amounting 303,894 thousand euros (Note 8) and 602,885 thousand euros (Notes 4 and 5), respectively.

As mentioned in Note 2.3 of the notes to the consolidated financial statements, investment properties (including those owned by joint ventures and associates), which correspond mainly to shopping centres, are measured at fair value, determined by external independent specialized entities or internally by Sonae Sierra's finance department in the case of the investment properties located in Brazil, held by the participated company Aliansce Sonae Shopping Centers, S.A. ("Aliansce Sonae"), which contribution to the consolidated financial statements as of 31 December 2021 amounts to 82,144 thousand euros (Note 5).

The determination of fair value is performed through the application of valuation methodologies based on several assumptions, amongst which the future cash flow projections of the investment properties operations and the discount rate, involving therefore significant use of judgement and high complexity.

Additionally, as mentioned in Note 1 of the notes to the consolidated financial statements as of 31 December 2021, the World Health Organization declared on 11 March 2020 during this period the new coronavirus (COVID-19) as a pandemic, which outbreak has caused extensive disruptions in the economic environment and on entities activities, influencing also the valuation of investment properties.

Given the abovementioned and the significance of the measurement of these investment properties on the consolidated financial statements as of 31 December 2021, we considered this issue to be a key audit matter.

Summary of the auditor's responses to the assessed risks of material misstatement

Amongst others, our audit procedures included:

- Obtaining valuation reports of investment properties of the Groups' main components, with reference to the reporting date and verified that the amount of fair value recognized in the consolidated financial statements is the amount determined by the valuators, as included in the corresponding valuation reports;
- Identifying control activities related to the review of the valuation reports by the Group responsibles;
- Analysis of the objectivity, competence, independence and professional experience of the valuators engaged in determining the fair value of the investment properties;
- Reading the valuation reports, having met with the valuators with the objective of analysing the adequacy of the methodology, assumptions and the base information used. Specifically, we analysed the effects of the assumptions used in relation to the pandemic caused by COVID-19;
- Performance of validation tests on the base information included in the valuation reports; and
- Analysis of the reasonableness of disclosures included in the notes of the consolidated financial statements.

Applicable to the consolidated financial statements:

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Revenue recognition and measurement criteria (COVID-19 pandemic impact)	
The revenue recognition of the Group, from its investments on investment properties and, indirectly, in joint ventures and associates, related to interests held directly and indirectly through participations in entities, recorded based on the equity method, is, usually related to fixed rents charged monthly to tenants. As mentioned in Note 1 in the notes to the consolidated financial statements as of 31 December 2021, the World Health Organization declared on 11 March 2020 the new coronavirus (COVID-19) as a pandemic. Following this situation, the Portuguese Government and of other countries, adopted, since the beginning of the pandemic, extraordinary and temporary measures in order to sustain the spread of the illness, which influenced negatively the activity of the entities held directly and indirectly by the Group. In this sense, during the year of 2021, the Group conceded significant discounts to tenants, attending those measures and/or management decision. In particular, the Portuguese entities, held directly or indirectly by the Group, experienced a decrease of their revenues from fixed rents, following the specific legislation approved by the Portuguese Parliament, which imposed a discount up to 50% of the fixed rent up to the first semester of 2021 (Note 1). Considering the relevance of the adverse effects from the abovementioned circumstances in respect of revenue measurement and on the Group's results of the year 2021, we concluded this subject to be a key audit matter.	Amongst others, our audit procedures included: • Analysis of revenue recognition and measurement criteria adopted by the Group; • Evaluation of relevant internal control procedures related to revenue recognition and measurement criteria; • Performing substantive audit procedures related to revenue recognition and measurement, namely in respect to rent discounts conceded to tenants and the effects imposed by law occurred during the year in 2021, in particular in Portugal; and • Analysis of the reasonableness of disclosures included in the notes of the consolidated financial statements.

Applicable to the separate financial statements:

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment on financial investments in subsidiaries and associates	
As referred in Note 2.2 of the notes to the separate financial statements, investments in subsidiaries joint ventures and associates are measured at cost, deducted by impairment losses, when applicable. Impairment is determined taking into consideration the measurement of these interest in accordance to NAV (Net Asset Value) methodology, specified by INREV (European Association for Investors in Non-Listed Real Estate Vehicles), which is based on the fair value of investment properties held directly or indirectly by the Entity's interests in those entities. The determination of fair value of the investment properties, as referred above, is performed by specialized and independent entities (or internally by Sonae Sierra's finance department in the case of the investment properties located in Brazil, held by Aliansce Sonae), and is determined with the application of property valuation methodologies, based on several assumptions, amongst which, future cash flow projections of the shopping centers operations and the discounts rates, involving therefore significant use of judgement and high complexity. Additionally, as mentioned in Note 1 in the notes to the separate financial statements as of 31 December 2021, the World Health Organization declared the new coronavirus (COVID-19) which outbreak has caused extensive disruptions to the entities activities, influencing, also the valuation of investment properties. Considering the abovementioned, we concluded this subject to be a key audit matter.	Amongst others, our audit procedures included: • Obtaining the detail of NAV (Net Asset Value) calculation prepared by the Entity, which is based on the investment properties fair value held directly or indirectly by the Entity. • Being fair value of the investment properties the most significant component of the NAV calculation, in order to analyse its reasonableness, we performed the procedures referred to above regarding the key audit matter of the consolidated financial statements "Fair value of investment properties"; and • Analysis of the reasonableness of disclosures included in the notes of the consolidated financial statements.

Responsibilities of management and supervisory body for the consolidated and separate financial statements

Management is responsible for:

- the preparation of consolidated and separate financial statements that give a true and fair view of the Group's and the Entity's financial position, financial performance and cash flows in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report and non-financial information in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's and Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about its ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity and Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity or the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been adopted to eliminate the threats or which safeguards where applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated and separate financial statements.

Report on other Legal and Regulatory Requirements

On the management report

Pursuant to item e) of number 3 of article 451 of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated and separate financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatements. As mentioned in number 7 of article 451 of the Portuguese Companies' Code, this report is not applicable to the disclosure of non-financial information included in the management report.

On the non-financial information

Pursuant to number 6 of article 451 of the Portuguese Companies' Code, we hereby inform that the consolidated non-financial information as provided in article 508-G of the Portuguese Companies' Code, will be included in the "Economic and Social Report" ("Relatório Económico e Social"), which should be published on its internet site attending the defined legal deadline.

On the additional matters provided in article 10 of Regulation (UE) 537/2014

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of 16 April 2014, in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed as auditors of Sonae Sierra, S.G.P.S., S.A. for the mandate between 2017 and 2020, and for the actual mandate, between 2021 and 2024, on the shareholders' general assembly held on 31 March 2021. Sonae Sierra, S.G.P.S., S.A. became a public interest entity in 2018.

- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs, we maintained professional scepticism and we designed audit procedures to respond to the risk of material misstatements in the consolidated and separate financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the consolidated and separate financial statements due to fraud.

- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Group's supervisory body on 9 March 2022.

- We declare that we have not provided any prohibited services as described in the previous number 8 of article 77, of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors) and on the number 1 of article 5 of the European Regulation (RE) nº 537/2014, we have remained independent from the Group in conducting the audit.

Lisboa, 9 March 2022

Deloitte & Associados, SROC S.A.
Represented by Pedro Miguel Gonçalves Carreira Mendes, ROC
Registred in OROC n.º 1207
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