UNIBAIL-RODAMCO-WESTFIELD

# FINANCIAL REPORT – FIRST HALF 2023

## Management Discussion & Analysis:



## Other information:

UNIBAIL-RODAMCO-WESTFIELD

**MANAGEMENT DISCUSSION & ANALYSIS[1]:**



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

# 1. BUSINESS REVIEW AND H1-2023 RESULTS

## I. ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

**Accounting principles**

Unibail-Rodamco-Westfield's ("URW" or "the Group") consolidated financial statements as at June 30, 2023, were prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable in the European Union as at that date.

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

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management in the current context, including higher inflation, higher interest rates, higher energy and raw material costs, supply chain disruption resulting from uncertain geopolitical and economic environment and difficulties in assessing their impacts and future prospects. In this context, management has taken into account these uncertainties on the basis of reliable information available at the date of the preparation of the consolidated financial statements, particularly with regards to the fair value of investment properties and financial instruments, the estimation of the provision for doubtful debtors, as well as the testing of goodwill and intangible assets.

Due to inherent uncertainties associated with estimates, the Group reviews those estimates based on regularly updated information. Actual results might eventually differ from estimates made at the date of the preparation of the consolidated financial statements.

97% of URW's property portfolio and intangible assets related to the Shopping Centres, Offices & Others, Convention & Exhibition and Services segments were valued by independent appraisers as at June 30, 2023.

**Scope of consolidation**

The principal changes in the scope of consolidation since December 31, 2022, are:

- The disposal of Westfield North County in February 2023;
- The acquisition of the remaining 50% stake in the Croydon Partnership in April 2023;
- The disposal of Westfield Brandon in May 2023; and
- The disposal of "V" office building in May 2023.

**Operational reporting**

URW operates in 9 regions: France, the United States of America ("US"), Central Europe, Spain, the United Kingdom ("UK"), the Nordics, Austria, Germany and The Netherlands. These regions were operationally grouped in 5 main regions, i.e. Southern Europe (France, Spain, Italy), Northern Europe (Sweden, Denmark, The Netherlands), Central and Eastern Europe (Germany, Austria, Poland, Czech Republic, Slovakia), UK and US.

As Southern Europe (France) has substantial activities in all 3 business lines of the Group, this region is itself divided into 3 segments: Shopping Centres, Offices & Others and Convention & Exhibition ("C&E")[2]. The other regions operate almost exclusively in the Shopping Centres segment. In the US, the Group also operates an airport terminals commercial management business.

[2] C&E includes the Les Boutiques du Palais retail asset.

## II. OPERATING PERFORMANCE

Over the period, the economic situation continued to be impacted by high inflation and further increase in interest rates by Central Banks but a resilient employment market. In this context, URW's assets showed strong activity which goes beyond the post-COVID recovery. Sales and footfall data in the US relate to Flagship assets as these are the core of URW's activities in the US and as Regional assets are being streamlined.

**Footfall[3] and tenant sales[4]**

**European footfall**
In Europe, H1-2023 footfall was up +8.3% compared to H1-2022. The Netherlands, Austria and Germany outperformed due to remaining restrictions in Q1-2022. The UK also saw a significant improvement, up +9.2%.

**US footfall**
In the US, H1-2023 footfall[5] increased compared to H1-2022, up +2.7%, reaching 2019 levels.

**European tenant sales**
H1-2023 sales showed strong performances, outperforming the footfall evolution. In H1-2023, tenant sales were up +10.9% in Europe, with Continental Europe at +11.8% and the UK at +6.8%. Sales in all countries in Continental Europe are above 2019 levels.

In Q2-2023, tenant sales remained strong, with a +7.0% growth, including +7.3% for Continental Europe and +5.8% for the UK.

URW tenant sales growth was well above core inflation of 5.7% in H1-2023 in Europe and national sales indices of +2.6%[6] for Europe, demonstrating that URW centres after catching up are now gaining market share.

H1-2023 saw a strong increase in social and experiential activities, with Fitness +35.7%, Entertainment +22.4%, F&B +17.1%, while Health & Beauty and Fashion continued to perform strongly at respectively +17.7% and +9.7%.

**US tenant sales**
In the US, H1-2023 tenant sales[7] increased by +4.6%. Overall, H1-2023 sales came to +16.4% above 2019 levels[8].

This performance compares with a core inflation of 5.4% in H1-2023 and national sales index of +4.3%[6].

The performances in H1-2023 were driven by the experiential sectors with +91.4% for Entertainment, +20.6% for F&B, +10.9% for Fitness and +9.0% for Health & Beauty, while Fashion was slightly down (-2.0%), but +14.0% above 2019. Luxury saw a -6.8% decline but remained significantly (+87.9%) above 2019 levels.

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[3] Footfall for all centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment (Ursynów, Les Ateliers Gaîté, CNIT, Gropius Passagen and Garbera) or works in the surrounding area (Fisketorvet), excluding Carrousel du Louvre and excluding Zlote Tarasy as this centre is not managed by URW, and excluding in the US, the centres for which no comparable data of the previous year is available. In addition, footfall has been restated from the disposals which occurred during the semester.
[4] Tenant sales for all centres (except The Netherlands) in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment (Ursynów, Les Ateliers Gaîté, CNIT, Gropius Passagen and Garbera) or works in the surrounding area (Fisketorvet), excluding El Corte Inglés sales from Westfield Parquesur and La Vaguada, excluding Zlote Tarasy as this centre is not managed by URW, excluding Carrousel du Louvre and excluding Auto category for Europe and Department Stores for the US. In addition, sales have been restated from the disposals which occurred during the semester.
[5] US Flagships only. US Regionals at -1.0%.
[6] Based on latest national indices available (year-on-year evolution) as at May 2023: France: INSEE (April); Spain: Instituto Nacional de Estadística; Central Europe: Polish Council of Shopping Centres (Poland), Český Statistický Úřad (Czech Republic); Austria: Eurostat; Germany: Destatis-Genesis; Nordics: Statistikdatabasen (Sweden), Statbank (Denmark); UK: Office for National Statistics; US: U.S. Bureau of Labor Statistics.
[7] US Flagships only. US Regionals at +1.3%.
[8] US Flagships only. US Regionals at +0.1% and US CBD assets (Westfield World Trade Center and San Francisco Centre) at -24.8%.

**Group footfall and tenant sales summary**
The table below summarises the Group's tenant sales growth in H1-2023:

| Region | Footfall (%) | Tenant Sales (%) | |
|---|---|---|---|
| | H1-2023 vs. H1-2022 | H1-2023 vs. H1-2022 | National Sales Index[9] |
| France | +6.7% | +9.8% | -2.1% |
| Spain | +4.2% | +9.6% | +12.0% |
| Central Europe | +7.3% | +13.8% | +5.3% |
| Austria | +14.8% | +18.2% | +1.4% |
| Germany | +12.4% | +17.8% | +2.0% |
| Nordics | +3.4% | +5.8% | +4.0% |
| The Netherlands | +22.8% | NA | NA |
| **Total Continental Europe** | **+8.2%** | **+11.8%** | **+2.0%** |
| UK | +9.2% | +6.8% | +5.9% |
| **Total Europe** | **+8.3%** | **+10.9%** | **+2.6%** |
| US Flagships | +2.7% | +4.6% | +4.3% |
| **Total Group[10]** | **+7.3%** | **+9.2%** | **+3.1%** |

**<u>Bankruptcies</u>**

Bankruptcies have increased in H1-2023 after a record low 2022 but are below H1-2019. Overall, tenant insolvency procedures affected 211 stores in the Group's portfolio in H1-2023 (vs. 102 in H1-2022, 137 in Q1-2023 and 250 in H1-2019), representing 2.3% of the stores in URW's portfolio (0.9% for H1-2022 and 1.7% in 2022). France was the most impacted country with 56 units subject to insolvency procedures, representing 2.9% of French units. The increase was mainly due to the end of state support which was mitigated by the strong operating performance. Bankruptcies increased in the US but remained low with 49 units, i.e. 1.6% of US units.

84% of bankrupted units saw their tenant still in place and 5% were relet as end of June, the remainder impacting vacancy, mainly in Europe.

**<u>Inflation</u>**

H1-2023 saw ongoing high inflation, though overall receding, with differences between countries.

URW rents are indexed on a yearly basis in Continental Europe. H1-2023 indexation contribution to like-for-like NRI performance was +6.7%, reflecting 2022 inflation due to the usual time lag between contractual indexation and inflation. In the UK and the US, leases are not tied to actual CPI figures; the Group benefited from inflation through Sales Based Rents.

On a like-for-like basis, SBR[11] increased in total by +8.5% in H1-2023 vs. H1-2022, including +59.6% in Continental Europe (+€10.0 Mn), -6.3% in the UK (-€0.4 Mn) and -23.3% in the US (-€5.7 Mn) due to high SBR settlement in H1-2022 and conversion of SBR to MGR in the UK and in the US.

[9] Based on latest national indices available (year-on-year evolution) as at May 2023: France: INSEE (April); Spain: Instituto Nacional de Estadística; Central Europe: Polish Council of Shopping Centres (Poland), Český Statistický Úřad (Czech Republic); Austria: Eurostat; Germany: Destatis-Genesis; Nordics: Statistikdatabasen (Sweden), Statbank (Denmark); UK: Office for National Statistics; US: U.S. Bureau of Labor Statistics.
[10] Total Group including Europe and US Flagships. Including US Regionals and CBD assets, total URW sales growth was +8.6% compared to H1-2022.
[11] Shopping centres, excluding airports.

**Rent collection**[12]

As at July 21, 2023, 96% of the Group's invoiced H1-2023 rents and service charges has been collected, both in Europe and in the US. Net of bankruptcies, H1-2023 rent collection stands at 97% in Europe and for the Group.

Q1 rents continued to be collected, reaching 97% compared to 95% as at April 21, 2023, while Q2 rent collection reached 96%, above last year.

Overall H1-2023 rent collection by quarter is shown below[13]:

| Region | Rent collection (%) | | |
|---|---|---|---|
| | **Q1-2023** | **Q2-2023** | **H1-2023** |
| Continental Europe | 97% | 96% | 96% |
| UK | 99% | 96% | 98% |
| **Total Europe** | **97%** | **96%** | **96%** |
| US | 96% | 95% | 96% |
| **Total URW** | **97%** | **96%** | **96%** |

Furthermore, during H1-2023 the Group collected €38.9 Mn[14] in rents related to 2022, improving its collection rate, which increased from 97% reported for the full year 2022 results to 98% at June 2023.

[12] Retail only, assets at 100%. MGR + CAM in the US.
[13] Based on cash collection as at July 21, 2023 and assets at 100%.
[14] Rent, SBR and service charges at 100% including VAT.

## III. BUSINESS REVIEW BY SEGMENT

**The Business review by segment presented below has been prepared based on the Group's European perimeter. Section 4 contains the US Business Review. Unless otherwise indicated, all references in Sections 1 to 3 are to URW's European operations and relate to the period ended June 30, 2023.**

## 1. Europe – Shopping Centres

### 1.1. Activity

**Leasing activity**[15]

In H1-2023, URW signed 749 leases (vs. 755[16]) on standing assets for €123.4 Mn of MGR (vs. €138.8 Mn[16]). These 749 leases include 554 leases (74%) with a maturity above 3 years[17], a +7% increase on H1-2022 (vs. 519[16] and 69%[16] of leasing activity). H1-2023 MGR signed on leases above 3 years amounted to €103.1 Mn, i.e. 84% of MGR signed (vs. €110.8 Mn and 80%[16]). The increase in proportion of long-term leases and MGR signed reflects the effectiveness of URW's leasing strategy and the strong appeal for URW assets.

The MGR uplift on renewals and relettings was +4.6% on top of indexed passing rents (+8.4% in H1-2022) in Continental Europe and +6.6% on top of indexed passing rents (+5.3% in H1-2022) in Europe, driven by a strong reversion in the UK, Central Europe, The Netherlands, Spain and France, partially offset by a decrease in Austria which saw a particularly high inflation level in H1. These uplifts are computed on the basis of passing rents impacted by higher H1-2023 indexation, which limits the comparison with previous years.

Deals longer than 36 months had an MGR uplift of +6.5% on top of indexed passing rents (+12.6% in H1-2022) for Continental Europe and +8.5% on top of indexed passing rents (+9.1% in H1-2022) for Europe, while for leases between 12 and 36 months MGR uplifts were -3.3% (-2.7% in H1-2022) for Continental Europe and -2.2% (-6.3% in H1-2022) for Europe.

| Region | Lettings / re-lettings / renewals excluding Pipeline | | | | | | |
|---|---|---|---|---|---|---|---|
| | nb of leases signed | sqm | MGR (€ Mn) | MGR uplift | | MGR uplift on deals above 3 years firm duration | |
| | | | | € Mn | % | € Mn | % |
| France | 126 | 42,293 | 28.4 | 0.9 | 4.5% | 1.0 | 5.0% |
| Spain | 104 | 23,495 | 15.2 | 0.7 | 5.2% | 0.4 | 4.5% |
| **Southern Europe** | **230** | **65,788** | **43.7** | **1.6** | **4.8%** | **1.4** | **4.8%** |
| Central Europe | 156 | 28,374 | 18.8 | 2.2 | 14.2% | 2.1 | 15.7% |
| Austria | 72 | 18,155 | 9.2 | - 0.5 | -5.0% | - 0.2 | -3.0% |
| Germany | 103 | 30,914 | 12.8 | 0.1 | 0.6% | 0.3 | 4.3% |
| **Central and Eastern Europe** | **331** | **77,443** | **40.8** | **1.7** | **5.0%** | **2.2** | **7.9%** |
| Nordics | 77 | 29,156 | 11.6 | 0.2 | 1.6% | 0.4 | 5.6% |
| The Netherlands | 41 | 10,148 | 4.8 | 0.3 | 8.7% | 0.3 | 13.7% |
| **Northern Europe** | **118** | **39,303** | **16.4** | **0.4** | **3.1%** | **0.6** | **7.4%** |
| **Total Continental Europe** | **679** | **182,535** | **100.9** | **3.8** | **4.6%** | **4.3** | **6.5%** |
| UK | 70 | 46,224 | 22.5 | 2.6 | 18.8% | 2.4 | 20.1% |
| **Total Europe** | **749** | **228,759** | **123.4** | **6.4** | **6.6%** | **6.8** | **8.5%** |

Figures may not add up due to rounding.

Leading retailers show confidence in the value of URW's shopping centres and recognise the crucial importance of their physical stores within the Group's assets. The trend remains towards prime stores which can provide a full service offering to customers, while improving retailers' financial performance in the context of their "drive-to-store" and omnichannel strategy.

[15] Leasing activity includes only deals with maturity >= 12 months, consistent with prior periods.
[16] Restated for disposed assets.
[17] Usual 3 / 6 / 9 leases in France are included in the long-term leases.

This was demonstrated again in H1-2023 by notable examples of upsizing of existing stores including Bershka in Westfield Shopping City Süd and Westfield La Part-Dieu, Lacoste in Westfield Parly 2 and Westfield Rosny 2, H&M and Uniqlo in Fisketorvet, becoming the first Uniqlo store in a Danish shopping centre.

URW has also signed leases with retailers entering new markets for them, including IKEA Planning Studio in Westfield Mokotów and Hobbs and Phase Eight in Westfield Hamburg.

The Group continued to sign leases in H1-2023 with Digitally Native Vertical Brands, including Forever New and Freshly Cosmetics and to attract exciting leisure operators such as Elite Experience and Leo's in Germany, and Galaxie Barev in Czech Republic.

The Group saw several key store openings in H1-2023. Sephora selected Westfield London for its UK return, a successful launch in March with c. 5,000 visitors on the opening day, leading to an increase in footfall of +13%[18] on that day. The store became a global top 5 best performing store for the brand within 2 weeks of opening and was 300% above Sephora's expectations. Inspired by their success in Westfield London, Sephora signed a new 692 sqm lease in Westfield Stratford City to be its second store in the UK. In addition, other main openings include JD Sports at Westfield Stratford City, Ikea at Westfield Täby Centrum, Topanga Social at Westfield Topanga and the 1,723 sqm S2 foodhall at Westfield Mall of Scandinavia, which blends experience and food in a new form with 650 seats, 14 food concepts and 7 karaoke rooms.

## Retail Media & other income

Retail Media and other income include both Westfield Rise, the European Retail Media, Brand & Data Partnerships division presented during the Investor Day in March 2022 ("Retail Media"), as well as kiosks, seasonal markets, pop-ups, and car park activations ("other income").

Total Retail Media & other income activity in Europe amounted to €29.6 Mn on a proportionate basis (€34.0 Mn in net margin at 100%), up +17.6% compared to H1-2022. The €34.0 Mn in net margin includes the contribution from Retail Media (€19.6 Mn) and other income (€14.4 Mn).

### Retail Media - Westfield Rise

URW created its own in-house retail media agency "Westfield Rise" in H1-2022. This business division generates increasing revenues from Media Advertising, Brand Experience and Data & Services. Westfield Rise activity net margin in Europe (€19.6 Mn at 100% share) was up +14.4% compared to H1-2022 impacted by higher energy costs.

The average revenue per visit[19], a key performance indicator in retail media growing market, stood at €0.06 in H1-2023, compared to €0.05 in H1-2022 driven by an increase in revenue above the footfall increase.

Media Advertising activity is based on in-mall DOOH[20] media, thanks to URW's massive inventory of more than 1,700 screens including Large Format, Immersive Digital Screens and Digital Totems. This activity represents two-thirds of Westfield Rise revenue in H1-2023, as it offers retailers the opportunity to have multi-country domination and 3D campaigns. Successful campaigns held in H1-2023 include Sephora, Tommy Hilfiger, Victoria's Secret, Maybelline, L'Oréal, Pepsi, Alpro and Volkswagen.

Brand Experience included experiential campaigns and long-term brand partnerships. During H1-2023, more than 500 retailers collaborated with Westfield Rise to host physical activations across URW shopping centres (e.g. L'Oréal, Sephora, Dior, Benefit, Nike, Victoria Secret).

Data & Services: Westfield Rise is launching the first retail media service in the physical world based on an innovative Artificial Intelligence solution. This GDPR-compliant data collection system of mall audiences offers precise audience qualification with more than 700 consumer segments available and will enable retailers to better target consumers and deliver higher conversion rates. This system was tested in H1-2023 with a few retailers in 2 shopping centres (Westfield Parly 2 and Westfield Vélizy 2) and will be rolled-out in additional shopping centres in Europe by the end of 2023.

[18] vs. the asset average Wednesday footfall.
[19] Revenue generated by Westfield Rise divided by the footfall of the same period.
[20] Digital Out-Of-Home.

**Other income**

Other income performance in H1-2023 was slightly down with net margin reaching €14.4 Mn, -3.1% compared to H1-2022, mainly due to the transfer in the UK from short-term kiosk leases to long-term leases.

**Marketing & Communication**

In H1-2023, Westfield continued to build on its dynamic brand advertising campaign "More Extra, Less Ordinary" across the 22 Westfield assets and 9 countries in Europe. The brand positioning and creative direction highlight how Westfield Flagship centres are lifestyle and entertainment destinations bringing opportunities for people to live meaningful and memorable moments. The brand desire to celebrate its visitors was brought to life through the "Love Month" activation where visitors of Westfield malls were photographed with their loved ones.

Throughout April and May 2023, the Westfield Good Festival took place in all 22 of the Westfield malls across Europe. The purpose of the festival was to enable URW's retailers to display their sustainability initiatives and for visitors to access information on sustainability, circularity and solutions for them to consume more sustainably. With the motto "A fun step for you, a good change for all," each Westfield Good Festival offered curated experiences designed to educate, support and inspire consumers to adopt a more sustainable lifestyle and act in support of their communities. Partners were also involved, such as retailers, brands and local community groups.

The Group Customer database counted 15 Mn contacts as at June 2023. This customer audience, out of which 10 Mn are members of the loyalty program, is qualified with socio-demographic data, as well as branch categories' interests, and is reachable via one-to-one communications for URW and brands partners.

On social media, the Group shopping malls' accounts (on Facebook, Instagram, YouTube, TikTok) registered a total of 10.1 Mn followers on June 30, 2023 (with a growth of +200 K new followers since end of last year).

### 1.2. Net Rental Income

Total consolidated Net Rental Income ("NRI") was €715.8 Mn for Continental Europe (+4.8%) and €782.5 Mn for Europe (+5.3%), as a result of positive like-for-like evolution.

In H1-2023, the NRI was positively impacted by the indexation and a positive leasing contribution, as well as higher variable income, partly offset by the 2022 disposals.

| Region | Net Rental Income (€Mn) | | |
|---|---|---|---|
| | H1-2023 | H1-2022 | % |
| France | 277.1 | 260.0 | 6.6% |
| Spain | 84.4 | 83.2 | 1.4% |
| **Southern Europe** | **361.5** | **343.2** | **5.3%** |
| Central Europe | 134.6 | 118.9 | 13.2% |
| Austria | 59.1 | 56.3 | 5.1% |
| Germany | 65.5 | 68.3 | -4.1% |
| **Central and Eastern Europe** | **259.2** | **243.4** | **6.5%** |
| Nordics | 55.7 | 51.5 | 8.0% |
| The Netherlands | 39.3 | 44.9 | -12.3% |
| **Northern Europe** | **95.0** | **96.4** | **-1.4%** |
| **Total NRI - Continental Europe** | **715.8** | **683.1** | **4.8%** |
| UK[(a)] | 66.8 | 60.0 | 11.2% |
| **Total NRI - Europe** | **782.5** | **743.1** | **5.3%** |

Figures may not add up due to rounding.

(a) Published H1-2022 NRI was €61.7 Mn, including €1.7 Mn of NRI that has been reclassified to the office section in H1-2023.

The total net change in NRI amounted to +€39.4 Mn in Europe (including +€32.7 Mn in Continental Europe) and breaks down as follows[21]:

- +€5.1 Mn due to assets in pipeline, primarily in the UK, Spain and Austria;
- +€0.6 Mn due to deliveries of "Rue de la Boucle" at Westfield Forum des Halles and Les Ateliers Gaîté;
- +€0.4 Mn due to exceptional and other items;
- -€6.6 Mn due to negative effect in SEK and in GBP;
- -€9.0 Mn due to projects on standing assets in Spain with the early departure of El Corte Inglés units in Westfield Parquesur and La Vaguada allowing the restructure of these units;
- -€34.2 Mn due to disposals of assets in France with the disposals of Carré Sénart Shopping Parc in July 2022 and Villeneuve 2 in September 2022, The Netherlands with the disposal of Almere Centrum in July 2022, Germany with the sale of Gera Arcaden in July 2022, Central Europe with the disposal of an additional 27% stake in Aupark in August 2022 and the Nordics with the sale of Solna Centrum in February 2022;
- +€83.2 Mn of like-for-like NRI growth in Europe (+12.3%) (+€77.5 Mn in Continental Europe (+12.5%)).

[21] Figures may not add up due to rounding.

| Region | Net Rental Income (€Mn) Like-for-like | | |
|---|---|---|---|
| | **H1-2023** | **H1-2022** | **%** |
| France | 268.6 | 243.3 | 10.4% |
| Spain | 74.7 | 66.5 | 12.3% |
| **Southern Europe** | **343.3** | **309.8** | **10.8%** |
| Central Europe | 132.9 | 113.2 | 17.5% |
| Austria | 56.3 | 51.6 | 9.2% |
| Germany | 64.9 | 63.8 | 1.7% |
| **Central and Eastern Europe** | **254.2** | **228.5** | **11.2%** |
| Nordics | 59.6 | 50.8 | 17.3% |
| The Netherlands | 39.3 | 29.8 | 32.2% |
| **Northern Europe** | **98.9** | **80.5** | **22.8%** |
| **Total NRI Lfl - Continental Europe** | **696.4** | **618.9** | **12.5%** |
| UK | 65.5 | 59.8 | 9.4% |
| **Total NRI Lfl - Europe** | **761.9** | **678.7** | **12.3%** |

Figures may not add up due to rounding.

| Region | Net Rental Income Like-for-like evolution (%) | | | | | |
|---|---|---|---|---|---|---|
| | Indexation | Renewals, relettings net of departures | Sales Based Rent | Doubtful debtors | Other | **Total** |
| France | 3.1% | -0.7% | 1.7% | -0.9% | 7.3% | 10.4% |
| Spain | 7.8% | 3.8% | 0.3% | -2.2% | 2.6% | 12.3% |
| **Southern Europe** | **4.1%** | **0.2%** | **1.4%** | **-1.1%** | **6.2%** | **10.8%** |
| Central Europe | 9.2% | 2.5% | 1.6% | -2.4% | 6.7% | 17.5% |
| Austria | 14.5% | -3.2% | -0.2% | 0.0% | -1.9% | 9.2% |
| Germany | 5.5% | 1.2% | 1.8% | -5.3% | -1.4% | 1.7% |
| **Central and Eastern Europe** | **9.3%** | **0.3%** | **1.2%** | **-2.7%** | **3.0%** | **11.2%** |
| Nordics | 7.8% | 3.2% | 1.0% | -0.3% | 5.7% | 17.3% |
| The Netherlands | 11.5% | 2.9% | 8.1% | 2.9% | 6.8% | 32.2% |
| **Northern Europe** | **9.1%** | **3.1%** | **3.6%** | **0.9%** | **6.1%** | **22.8%** |
| **Total NRI Lfl - Cont. Europe** | **6.7%** | **0.6%** | **1.6%** | **-1.5%** | **5.0%** | **12.5%** |
| UK | 0.0% | 5.4% | -0.6% | 2.1% | 2.5% | 9.4% |
| **Total NRI Lfl - Europe** | **6.1%** | **1.1%** | **1.4%** | **-1.1%** | **4.8%** | **12.3%** |

Figures may not add up due to rounding.

Like-for-like NRI increased by +12.3% (+48.2% in H1-2022[22]) in Europe (including +12.5% in Continental Europe), and includes:

- +6.1% of indexation (+3.4% in H1-2022), driven by a +6.7% indexation effect in Continental Europe;
- +1.1% of "Renewals and relettings net of departures" (-3.5% in H1-2022), as a result of the decrease in vacancy and uplift on relettings/renewals thanks to 2022 and H1-2023 leasing activity and the impact of bankruptcy in France;
- +1.4% due to higher Sales Based Rents (+2.4% in H1-2022) thanks to dynamic tenants' sales performances and inflation impact;
- -1.1% due to the provisions for doubtful debtors (+8.5% in H1-2022), reflecting a higher bankruptcy level this half and the reversal in H1-2022 of bad debt provisioned in 2021;
- +4.8% in "Other" (+37.4% in H1-2022), mainly due to higher variable revenues (in particular Retail Media, Parking income, and utilities revenues in the UK), and settlement of discounts partly offset by higher energy costs.

[22] H1-2022 was positively impacted by end of COVID-19 rent reliefs recorded in H1-2021.

The improvement in vacancy rate or positive MGR uplifts do not simultaneously translate into incremental like-for-like Net Rental Income due to, in particular, the time lag between the signing date and the effective date of the lease and the potential delay between the lease end of a departing tenant and the effective date of the lease with a new tenant. After a negative contribution in 2022, leasing had a positive impact on H1-2023 like-for-like net rental income growth following progress achieved in 2022 and H1-2023 in terms of vacancy reduction, leases signed and MGR uplift on top of indexation. This was partly offset in H1-2023 by bankruptcies.

Sales Based Rents in Europe amounted to €33.0 Mn in H1-2023 (4.2% of NRI), including €27.8 Mn in Continental Europe (3.9% of NRI) and €5.3 Mn in the UK (7.9% of NRI). This corresponded to a growth of +36.9% compared to H1-2022 and +43.1% on a like for like basis thanks to the good sales performances of URW retailers including inflation.

### 1.3. Vacancy and Occupancy Cost Ratio ("OCR")

The Estimated Rental Value ("ERV") of vacant space in operation in the portfolio was €59.0 Mn in Continental Europe (€49.1 Mn as at December 31, 2022) and €82.7 Mn in Europe (€75.5 Mn as at December 31, 2022).

The EPRA vacancy rate[23] in Continental Europe was 3.6% from 3.1% as at December 31, 2022, due to higher bankruptcies in Continental Europe, in particular in France and the Nordics, and expiry of short-term leases in Germany and Austria which relied more on short-term deals during COVID. It is below the 3.8% vacancy level in Q1-2023 impacted by seasonality patterns, thanks to strong leasing activity. Vacancy in the UK decreased from 9.4% to 8.5% as a result of strong leasing activity. Vacancy rate in Westfield London (13.0%) was still high, although decreasing, after the 2018 extension while Westfield Stratford City vacancy continued to trend downwards below 4%. Overall for Europe, the vacancy was 4.3%, compared to 4.1% as at December 31, 2022.

| Region | Vacancy | | |
|---|---|---|---|
| | June 30, 2023 | | % Dec. 31, 2022 |
| | €Mn | % | |
| France | 23.7 | 3.8% | 3.2% |
| Spain | 4.7 | 2.1% | 2.7% |
| **Southern Europe** | **28.5** | **3.3%** | **3.1%** |
| Central Europe | 6.9 | 2.7% | 2.4% |
| Austria | 2.8 | 2.6% | 1.7% |
| Germany | 9.1 | 4.6% | 3.7% |
| **Central and Eastern Europe** | **18.9** | **3.4%** | **2.7%** |
| Nordics | 8.2 | 6.8% | 5.0% |
| The Netherlands | 3.5 | 3.5% | 3.6% |
| **Northern Europe** | **11.7** | **5.3%** | **4.4%** |
| **Total - Continental Europe** | **59.0** | **3.6%** | **3.1%** |
| UK | 23.7 | 8.5% | 9.4% |
| **Total - Europe** | **82.7** | **4.3%** | **4.1%** |

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

The OCR[24] was at 14.8% for Continental Europe, below its H1-2019 level of 15.6% and below the FY-2022 level of 15.0% as a result of strong retailers' sales performance despite rents indexation, rental uplifts and higher service charges. In the UK, the OCR was down at 19.4% vs. 19.9% in H1-2019 and 19.7% in 2022, thanks to tenants' sales performance. The OCR is expected to further benefit from the decrease in business rates in April, in particular in Westfield London.

The OCR does not reflect the increasing role and value of stores for retailers through increased volume of activity and higher EBIT margin generated in store from halo effect, collection (click & collect) or return of products in store supported by retailers.

[23] EPRA vacancy rate: ERV of vacant spaces divided by ERV of total surfaces.
[24] Occupancy Cost Ratio ("OCR"): (rental charges + service charges including marketing costs for tenants, all including VAT) / (tenant sales over last rolling 12 months, including VAT). OCR in The Netherlands mainly relates to Westfield Mall of the Netherlands. Primark sales are estimates.

| Region | OCR | | |
|---|---|---|---|
| | H1-2023 | FY-2022 | H1-2019 |
| France | 15.5% | 15.8% | 15.8% |
| Spain | 14.3% | 14.4% | 13.7% |
| **Southern Europe** | **15.3%** | **15.5%** | **15.3%** |
| Central Europe | 15.2% | 14.9% | 15.4% |
| Austria | 16.8% | 17.5% | 17.4% |
| Germany | 12.3% | 13.2% | 15.7% |
| **Central and Eastern Europe** | **14.3%** | **14.7%** | **15.9%** |
| Nordics | 14.5% | 14.3% | 15.5% |
| The Netherlands[(a)] | 13.6% | 13.2% | - |
| **Northern Europe** | **14.1%** | **13.9%** | **15.5%** |
| **Total OCR - Continental Europe** | **14.8%** | **15.0%** | **15.6%** |
| UK | 19.4% | 19.7% | 19.9% |
| **Total OCR - Europe** | **15.3%** | **15.5%** | **16.1%** |

Figures may not add up due to rounding.
(a) OCR in The Netherlands mainly relates to Westfield Mall of the Netherlands.

## 1.4. Lease Expiry Schedule

| Europe (Shopping Centres) | Lease expiry schedule | | | |
|---|---|---|---|---|
| | MGR (€Mn) at date of next break option | As a % of total | MGR (€Mn) at expiry date | As a % of total |
| Expired | 53.7 | 3.7% | 53.7 | 3.7% |
| 2023 | 183.5 | 12.5% | 90.7 | 6.2% |
| 2024 | 255.1 | 17.4% | 142.0 | 9.7% |
| 2025 | 267.7 | 18.3% | 164.5 | 11.2% |
| 2026 | 226.9 | 15.5% | 142.0 | 9.7% |
| 2027 | 159.5 | 10.9% | 160.5 | 11.0% |
| 2028 | 124.8 | 8.5% | 140.6 | 9.6% |
| 2029 | 39.4 | 2.7% | 87.6 | 6.0% |
| 2030 | 36.7 | 2.5% | 90.8 | 6.2% |
| 2031 | 24.6 | 1.7% | 89.5 | 6.1% |
| 2032 | 34.0 | 2.3% | 88.9 | 6.1% |
| 2033 | 17.6 | 1.2% | 77.4 | 5.3% |
| Beyond | 38.9 | 2.7% | 134.2 | 9.2% |
| **Total** | **1,462.5** | **100%** | **1,462.5** | **100%** |

Figures may not add up due to rounding.

## 2. Europe - Offices & Others

### 2.1. Office property market as at June 30, 2023[25]

**Take-up**

With 816,000 sqm of office space rented at the end of the second quarter, take-up in the Paris Region has decreased by -22% compared to 2022 (1,002,368 sqm) and by -21% compared to 10-year average levels (1,027,371 sqm).

Paris represented 44% of the 2023 take-up to date (including 25% for the CBD), and the La Défense and Western Crescent sectors together represented 26%, as occupiers selected key business districts as strategic locations to bring talent back to the office.

The number of large transactions (> 5,000 sqm), 22 deals at the end of H1-2023, was below the level of last year (28 deals in H1-2022), and on smaller surfaces (-34% compared to H1-2022).

Of the 22 transactions above 5,000 sqm, 90% (in volume) related to new / restructured buildings, showing tenants' growing interest for environmental criteria and asset quality.

**Available area & vacancy rate**

The immediate supply in the Paris Region increased by +10.3% year-on-year to reach 4.5 Mn sqm. As at June 30, 2023, the level of new or refurbished supply reached 1.26 Mn sqm and accounted for 28% of the total immediate supply (30% end of 2022).

The Paris Region vacancy rate slightly increased from 7.9% at the end of 2022 to 8.0% at the end of June 2023, with significant discrepancies between areas (Paris CBD decreased to 2.1%, while La Défense is now at 15.1% and Péri-Défense at 21.5%).

**Rental values**

In this two-tier market, the evolution of rents varied considerably, depending on asset quality, centrality of location and ESG-rating of the assets. Therefore, rents continued to increase in Paris CBD but were under pressure in other areas suffering from the increase of immediate and future supply putting pressure on the level of occupancy and rents that can be achieved.

The highest rent achieved in Paris CBD stood at €1.000/sqm/year and €600/sqm/year in La Défense (Trinity tower).

Rent incentives remained stable in Paris CBD compared to FY-2022 (16%) but increased to 35% in La Défense (32% in 2022), and were overall 23% in the Paris Region.

**Investment market**

The total volume of office transactions in the Paris Region for H1-2023 reached €2.8 Bn, down by -44% compared to H1-2022 (€5.1 Bn) and by -43% compared to the 5-year average.

Investments in H1-2023 were driven by one large transaction (Tower Sequana, c. €494 Mn, only transaction above €200 Mn), accounting for around 17% of total investments, while deals ranging between €100 Mn and €200 Mn represented 19% of total investments. The demand was largely fueled by domestic players which accounted for more than 68% of total investments.

Paris remained the main target and represented around 46% of the transactions in France in H1-2023 (slightly above the 10-year average of 43%).

The largest single-asset transactions were:
- Tower Sequana in Issy-les-Moulineaux (c. €494 Mn);
- Galilée Vernet in Paris 8 (c. €133 Mn).

[25] Sources: Immostat; BNP Paribas Real Estate.

## 2.2. Activity

Consolidated NRI amounted to €39.1 Mn, a +17.0% increase compared to H1-2022.

| Region | Net Rental Income (€Mn) | | |
|---|---|---|---|
| | H1-2023 | H1-2022 | % |
| France | 31.9 | 25.4 | 25.4% |
| Other countries[(a)] | 7.3 | 8.0 | -9.7% |
| **Total NRI** | **39.1** | **33.5** | **17.0%** |

Figures may not add up due to rounding.

(a) Published H1-2022 NRI was €6.3 Mn. €1.7 Mn of NRI has been reclassified from the Shopping Centre to the Office section in H1-2023.

The increase of +€5.7 Mn breaks down as follows:

- +€3.3 Mn due to deliveries (mostly due to Gaîté Montparnasse Office);
- -€0.8 Mn due to the impact of the 2022 and H1-2023 disposals (Solna Centrum, Gera Arcaden offices and "V" office building);
- -€1.8 Mn due to assets in pipeline, in the UK (Stratford), France (Les Villages);
- -€0.2 Mn due to currency effects of SEK and GBP;
- The like-for-like NRI growth was +€5.1 Mn (+18.9%), mainly due to leasing activity in Trinity.

| Region | Net Rental Income (€Mn) Like-for-like | | |
|---|---|---|---|
| | H1-2023 | H1-2022 | % |
| France | 24.6 | 19.4 | 26.7% |
| Other countries | 7.9 | 7.9 | -0.4% |
| **Total NRI Lfl** | **32.4** | **27.3** | **18.9%** |

Figures may not add up due to rounding.

In France, 99% of H1-2023 rents invoiced were collected.

6,552 weighted square metres (wsqm) were leased in H1-2023 in standing assets, including 5,734 wsqm in France and 389 wsqm in the Nordics.

In Trinity, 3 new leases were signed in H1-2023 with Teamwill (1,822 wsqm), IRI (1,766 wsqm), and Axway (1,783 wsqm), increasing the letting of this tower to 85% of GLA (with an average rent of c. €568/sqm/year, and lease incentives below the market average).

Regarding projects, 1,400 wsqm were signed in H1-2023 with ADLER Smart solutions in Westfield Hamburg increasing the letting of the office part to be delivered in 2024 to 34% of GLA.

The ERV of vacant office space in operation amounted to €12.2 Mn, representing an EPRA vacancy rate of 15.0% (15.4% as at December 31, 2022), of which €9.7 Mn or 13.7% (15.2% as at December 31, 2022) in France, decreasing due to Trinity leasing progress.

## 2.3. Lease Expiry Schedule

| Europe (Offices & Others) | Lease expiry schedule | | | |
|---|---|---|---|---|
| | MGR (€Mn) at date of next break option | As a % of total | MGR (€Mn) at expiry date | As a % of total |
| Expired | - | 0.0% | - | 0.0% |
| 2023 | 3.0 | 4.1% | 2.5 | 3.3% |
| 2024 | 5.3 | 7.2% | 5.0 | 6.8% |
| 2025 | 15.3 | 20.8% | 15.1 | 20.6% |
| 2026 | 4.1 | 5.6% | 4.1 | 5.6% |
| 2027 | 0.5 | 0.7% | 0.6 | 0.7% |
| 2028 | 2.5 | 3.4% | 2.6 | 3.5% |
| 2029 | 5.5 | 7.5% | 5.5 | 7.5% |
| 2030 | 8.4 | 11.4% | 8.5 | 11.5% |
| 2031 | 12.9 | 17.6% | 12.9 | 17.6% |
| 2032 | 11.8 | 16.0% | 11.8 | 16.0% |
| 2033 | 3.3 | 4.5% | 3.3 | 4.5% |
| Beyond | 1.0 | 1.3% | 1.7 | 2.3% |
| **Total** | **73.6** | **100%** | **73.6** | **100%** |

Figures may not add up due to rounding.

## 3. Convention & Exhibition

H1-2023 confirmed the strong recovery of the C&E activity observed in 2022.

The Convention & Exhibition business has a seasonal results pattern, with annual, biennial and triennial shows, and an uneven distribution of shows during the year. H1-2023 suffered from the shift of certain biennial shows from odd years to even years (including BATIMAT, SIMA, EQUIP AUTO). This shift increased the difference of activity between odd and even years.

In total, 305 events were held in Viparis venues in H1-2023 (of which 91 exhibitions, 41 congresses and 173 corporate events) compared to 69 events in 2021 and 386 events held in 2019.

In the Congress segment, Palais des Congrès de Paris welcomed the 24th IMCAS Annual World Congress with more than 15,000 attendees (vs. 12,000 attendees in 2022), and more than 300 exhibitors. In addition, Palais des Congrès de Paris hosted Euro PCR, the world-leading event in interventional cardiovascular medicine with more than 11,500 attendees (vs. 11,000 attendees in 2022).

The first semester activity is characterised by the following major events held:

**Annual shows:**
- 59th edition of International Agricultural Show (615,000 visitors);
- La Foire de Paris (400,000 visitors);
- Vivatech (150,000 visitors);
- Maison&Objet (2,300 exhibitors).

**Biennial shows:**
- The SIAE " Salon International de l'Aéronautique et de l'Espace" (2,500 exhibitors).

As at June 30, 2023, signed and pre-booked events in Viparis venues for 2023 amounted to c. 95% of its expected 2023 rental income.

Viparis' recurring Net Operating Income ("NOI") amounted to €71.1 Mn, compared to €94.5 Mn in 2022, which was positively impacted by a €25 Mn contribution from the French State, and €87.6 Mn in 2019. Excluding the impact of this contribution and of triennial shows, H1-2023 Viparis NOI was up +5.2% compared to H1-2022.

## 4. US Business Review

**Leasing activity**

In H1-2023, 431 leases were signed on standing assets, representing 1,560,617 sq. ft. and $103.5 Mn of MGR up compared to $63.5 Mn of MGR signed in H1-2022 (up +63%) on 323 leases (up +33%), representing 1,225,918 sq. ft. (up +27%), illustrating the strong dynamic of the activity. As market conditions improved, the number of long-term deals signed also increased from 156 to 269 (up +72%), representing 62% of the H1-2023 deals, compared to 48% in H1-2022. MGR signed on leases above 3 years amounted to 71% vs. 60% in H1-2022.

The overall uplift on relettings and renewals was +22.0% for the US Shopping Centres and +25.9% for Flagships[26]. In H1-2023, the Group focused on long-term lettings and relettings, while relying on short-term deals in a more selective and limited way mainly on renewals. Deals longer than 36 months had an MGR uplift of +38.8%, while for leases between 12 and 36 months, MGR uplifts were almost flat (+0.3%). The strong uplift signed on long-term deals compensated for the downlift on short-term deals signed during the COVID-19 pandemic. This allows the Group to increase the revenues secured through MGR and reduce the portion of SBR attached to the short-term leases previously in place.

In total, the Shopping Centres SBR increased from $20.6 Mn in 2019 (3.1% of NRI) to $34.2 Mn in H1-2022 (10.7% of NRI) and $24.3 Mn in H1-2023 (8.7% of NRI). The decrease of -$9.9 Mn in H1-2023 compared to last year and -$6.2 Mn on a like-for-like basis, is mainly due to high SBR settlement in H1-2022 and conversion of SBR to MGR.

The tenant mix continued to evolve with the introduction of new retailers (Lululemon at Westfield Southcenter, Gorjana at Westfield Old Orchard, Westfield UTC and Westfield Valley Fair and Swatch at Westfield UTC) and DNVBs (Vuori at Westfield Century City).

The F&B offer has also been enriched by new concepts such as Venchi at Westfield UTC and Westfield Valley Fair.

The Luxury sector has also seen a strong growth with a number of important signings such as Celine at Westfield Topanga, Chloé at Westfield Valley Fair and Saint Laurent Paris at Westfield UTC and Westfield Valley Fair.

**Retail Media & other income**

Retail Media & other income revenue in H1-2023 amounted to $28.1 Mn, an increase of +$0.5 Mn (+1.9%) compared to H1-2022, impacted by disposals and +$1.9 Mn, i.e. +8.4% on a like-for-like basis.

Retail Media continued to perform strongly. In H1-2023, a number of product launches were organised by prime brands in the automotive and luxury sectors, including BMW and Jaeger LeCoultre at Westfield Century City.

URW also launched creative campaigns with Disney, Emirates, Dior, Chanel and Cartier.

**Airports**

Enplanements in May 2023 YTD were +28% higher than in the same period last year and -4% below the same period in 2019. The recovery of passenger traffic was stronger in the domestic destinations (-2% vs. 2019) than in the international flights (-7% vs. 2019).

Retail sales in airport terminals operated by URW have almost fully returned to their pre-pandemic levels with May 2023 YTD total sales just -1% below the same period in 2019.

URW was awarded a re-development opportunity with long-time partner American Airlines at JFK Terminal 8. The contract was signed in June 2023. The construction of the terminal is expected to commence in late 2023 and will be phased over the next 18 months. It is targeted to be substantially complete by end of 2024.

[26] Excluding CBD centres.

**Net Rental Income and Vacancy**

The total net change in NRI amounted to -$21.7 Mn and breaks down as follows[27]:
- -$39.2 Mn related to shopping centres (major disposals impact);
- +$17.6 Mn related to airports;
- -$0.2 Mn related to offices and residential.

US shopping centre NRI has been impacted by 2022 and H1-2023 disposals for -$32.5 Mn (Westfield Santa Anita, The Village at Topanga, Westfield Trumbull, Westfield South Shore, Westfield North County and Westfield Brandon).

Like-for-like NRI growth for Flagship assets was +$2.5 Mn i.e. +1.4% driven by net leasing revenue[28] of +5.6%, increase in variable income, partly offset by lower SBR, negative impact of doubtful debtors (release in H1-2022 of moratorium provision booked in 2021) and of reconciliation of property tax from previous years. Overall, US like-for-like shopping centre NRI[29] decreased by -$5.5 Mn i.e. -2.1% due to Regionals (-9.0%) and CBD assets (10.4%).

Airports NRI benefitted from the ongoing growth of airline traffic in H1-2023. The Group also benefited from the end of the rent abatements it had granted to its tenants in H1-2022, which impacted its NRI, while the corresponding ground rent abatements granted to URW by the airport authorities were recognised over the duration of the concession.

Converted into euros, the -$21.7 Mn (-6.7%) NRI decrease in the US represented -€16.7 Mn (-5.7%) due to the strengthening of the USD against the euro on average over the period.

As at June 30, 2023, the EPRA vacancy was 9.9% ($113.0 Mn), down by -50 bps from December 31, 2022. The decrease in vacancy was driven by the proactive leasing approach of the Group. The vacancy decreased by -30 bps to 7.9% in the Flagships after an increase in Q1 due to seasonality patterns and is now close to its pre-COVID level of 2019 (7.7%). It increased by +30 bps to 12.0% in the Regionals but was down by -100 bps compared to Q1, along with the vacancy of the CBD assets that decreased by -50 bps to 23.4%.

Occupancy on a GLA[30] basis was 92.1% as at June 30, 2023.

The OCR on a rolling 12 months basis stood at 10.7% as at June 30, 2023, compared to 10.9%[31] as at June 30, 2022 and 11.8% as at December 31, 2019, reflecting a combination of rental uplifts and strong sales performance.

[27] Figures may not add up due to rounding.
[28] Net MGR and CAM.
[29] Excluding airports.
[30] GLA occupancy taking into account all areas, consistent with financial vacancy.
[31] Based on all stores operating for more than 12 months (excluding atypical activities) and not only Specialty stores.

## Lease Expiry Schedule

| US (Shopping Centres + Offices & Others) | Lease expiry schedule | | | |
|---|---|---|---|---|
| | MGR (€Mn) at date of next break option | As a % of total | MGR (€Mn) at expiry date | As a % of total |
| Expired | 4.6 | 0.9% | 4.6 | 0.9% |
| 2023 | 12.3 | 2.4% | 12.3 | 2.4% |
| 2024 | 67.2 | 13.2% | 67.2 | 13.2% |
| 2025 | 62.1 | 12.2% | 62.1 | 12.2% |
| 2026 | 58.2 | 11.5% | 58.2 | 11.5% |
| 2027 | 68.6 | 13.5% | 68.6 | 13.5% |
| 2028 | 65.2 | 12.8% | 65.2 | 12.8% |
| 2029 | 35.5 | 7.0% | 35.5 | 7.0% |
| 2030 | 25.7 | 5.1% | 25.7 | 5.1% |
| 2031 | 26.2 | 5.2% | 26.2 | 5.2% |
| 2032 | 33.7 | 6.6% | 33.7 | 6.6% |
| 2033 | 25.5 | 5.0% | 25.5 | 5.0% |
| Beyond | 22.7 | 4.5% | 22.7 | 4.5% |
| **Total** | **507.5** | **100%** | **507.5** | **100%** |

Figures may not add up due to rounding.

# IV. ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE ("ESG")

URW continued to deliver high performance on sustainability and its Better Places 2030 programme:

- **Better Spaces**
  - The Group achieved a -41% GHG emissions' reduction including Scope 3, in absolute terms compared to 2015[32], including -71.5% in Scope 1+2;
  - Its structured energy strategy has enabled the Group to maintain 100% electricity from renewable resources, achieve 17 MW of onsite renewable energy installed capacity while reducing by -14% its energy intensity across the portfolio since 2015[32];
  - In April 2023, the installation of a photovoltaic plant on the roof of Centrum Cerny Most in Czech Republic was completed, with a production of 400 MWh / year;
  - URW launched an ambitious renaturation programme of ca. €5.2 Mn on 15 assets in France, aimed at renaturing 2,000 sqm with a positive biodiversity impact and contributing to reducing the heat island effect. As part of this broader initiative, the inauguration of the first botanical path in Westfield Rosny 2 took place in June 2023 with 1,400 sqm of de-artificialised soil. Similarly, the community garden of Centrum Cerny Most opened in June 2023 to teach local communities how to grow vegetables and fruits.
- **Better Communities**
  - URW for Jobs 2023 campaign was launched across the Group. First results show over 530 filled positions in Sweden alone;
  - URW launched the first edition of its annual Westfield Good Festival in 22 assets, aimed at supporting consumers in making informed choices with an emphasis for the first year on the circular economy. This year, key partners such as Douglas, Adidas, Ikea, Primark, Decathlon, Sodastream, Too Good To Go and Innocent supported the initiatives;
  - The Group is actively sourcing new brands with a high sustainability commitment like Circlow in Westfield La Maquinista in Spain, and the circular department store Tomo in Westfield Mall of the Netherlands.
- **Better Together**
  - In May 2023, the Group hosted its annual Community Days with all regions organising initiatives. During a single week, more than 1,100 URW employees volunteered over 8,000 hours of their time, participating in activities focused on promoting social inclusion and preserving biodiversity around the Group's shopping centres;
  - On International Women's Day, 48 shopping centres across Europe and the US, as well as all regional headquarters, participated in the 'Thank You for Being You' campaign to celebrate the women making a difference in communities. In addition, the Group CEO signed the CEO statement of support for the United Nations Women's Empowerment Principles, pledging to continue prioritising and promoting the equal treatment of all genders;
  - Almost 50 managers have participated in Supporting Team Wellbeing training in H1, and both inclusion and well-being have been integrated into the Group's 2023 Senior Leadership Development programme;
  - Further to its very active sustainability training curriculum in 2022, URW launched its Climate School in March 2023, opening access to 6 core topics for all URW employees. To date, over 350 employees have spent over 2,100 hours exploring these digital learning modules. Sustainability is now fully embedded across all core URW Academy programs, including onboarding paths, the URW Fundamentals newcomers experience, leadership development and URW global learning week. The latter included 2 sessions in June focussed on Diversity & Inclusion topics and one on Sustainability.

URW is on track to meet its Better Places 2030 targets, including cutting carbon emissions across its value chain by 50% between 2015 and 2030. The Group is committed to contributing to global carbon neutrality and will present a step-change update to its plan in H2-2023, with a view to establishing new commitments.

The Group's ambitious sustainability agenda and performance was broadly recognised by equity and debt investors as a value creation driver for its stakeholders. URW is included in the main ESG indices and the Group's sustainability achievements are reflected in the ratings and awards, including to date:

- **CDP**: positioned in the A-list of organisations committed to tackling climate change for the 4th year in a row;
- **ISS ESG Corporate**: B rating (prime status);
- **Sustainalytics**: 2nd in the RE industry worldwide with a "Negligible" risk rating;
- **EPRA sBPR Award**: For the 11th time in a row, URW received the EPRA Gold Award in 2022 for completing its 2021 reporting in accordance with the EPRA Sustainability BPR.

For more information on Better Places 2030 and detailed 2022 sustainability performance, please refer to the 2022 Universal Registration Document.

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[32] As at year-end 2022.

## V. H1-2023 RESULTS

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

Unless otherwise indicated, all references below relate to the period ended June 30, 2023, and the comparisons relate to the same period in 2022.

### Gross Rental Income

The Gross Rental Income ("GRI") amounted to €1,452.9 Mn (€1,379.7 Mn), an increase of +5.3%. This increase resulted mainly from the impact of indexation and a positive leasing contribution, as well as higher variable income, partly offset by the 2022 and H1-2023 disposals.

| Region | Gross Rental Income (€Mn) | | |
|---|---|---|---|
| | **H1-2023** | **H1-2022** | **%** |
| France | 313.1 | 285.7 | 9.6% |
| Spain | 95.4 | 90.5 | 5.5% |
| **Southern Europe** | **408.6** | **376.2** | **8.6%** |
| Central Europe | 127.5 | 114.2 | 11.6% |
| Austria | 77.1 | 72.5 | 6.3% |
| Germany | 75.0 | 69.2 | 8.4% |
| **Central and Eastern Europe** | **279.5** | **255.9** | **9.2%** |
| Nordics | 60.5 | 58.6 | 3.4% |
| The Netherlands | 48.4 | 50.8 | -4.7% |
| **Northern Europe** | **108.9** | **109.3** | **-0.4%** |
| **Subtotal Continental Europe-Shopping Centres** | **797.0** | **741.4** | **7.5%** |
| United Kingdom[a] | 113.4 | 96.9 | 17.0% |
| **Subtotal Europe-Shopping Centres** | **910.4** | **838.3** | **8.6%** |
| Offices & Others[b] | 43.5 | 37.0 | 17.4% |
| C&E | 99.5 | 89.5 | 11.1% |
| **Subtotal Europe** | **1,053.3** | **964.8** | **9.2%** |
| United States - Shopping Centres | 395.8 | 410.1 | -3.5% |
| United States - Offices & Others | 3.7 | 4.8 | -22.8% |
| **Subtotal US** | **399.5** | **414.9** | **-3.7%** |
| **Total URW** | **1,452.9** | **1,379.7** | **5.3%** |

Figures may not add up due to rounding.

(a) Published H1-2022 GRI was €98.6 Mn, including GRI that has been reclassified to the Office section in H1-2023.
(b) Published H1-2022 GRI was €35.3 Mn. GRI has been reclassified from the Shopping Centre to the Office section in H1-2023.

## Net Rental Income

Total NRI amounted to €1,152.1 Mn (€1,139.3 Mn), an increase of +1.1%. This lower increase compared to the GRI is mainly due to the €25 Mn contribution from the French State to Viparis and an increase in doubtful debtors and in utilities costs.

| Region | Net Rental Income (€Mn) | | |
|---|---|---|---|
| | H1-2023 | H1-2022 | % |
| France | 277.1 | 260.0 | 6.6% |
| Spain | 84.4 | 83.2 | 1.4% |
| **Southern Europe** | **361.5** | **343.2** | 5.3% |
| Central Europe | 134.6 | 118.9 | 13.2% |
| Austria | 59.1 | 56.3 | 5.1% |
| Germany | 65.5 | 68.3 | -4.1% |
| **Central and Eastern Europe** | **259.2** | **243.4** | 6.5% |
| Nordics | 55.7 | 51.5 | 8.0% |
| The Netherlands | 39.3 | 44.9 | -12.3% |
| **Northern Europe** | **95.0** | **96.4** | -1.4% |
| **Subtotal Continental Europe-Shopping Centres** | **715.8** | **683.1** | **4.8%** |
| United Kingdom[(a)] | 66.8 | 60.0 | 11.2% |
| **Subtotal Europe-Shopping Centres** | **782.5** | **743.1** | **5.3%** |
| Offices & Others[(b)] | 39.1 | 33.5 | 17.0% |
| C&E | 52.3 | 67.9 | -23.0% |
| **Subtotal Europe** | **874.0** | **844.5** | **3.5%** |
| United States - Shopping Centres | 276.1 | 292.6 | -5.7% |
| United States - Offices & Others | 2.1 | 2.2 | -5.8% |
| **Subtotal US** | **278.1** | **294.8** | **-5.7%** |
| **Total URW** | **1,152.1** | **1,139.3** | **1.1%** |

Figures may not add up due to rounding.

(a) Published H1-2022 NRI was €61.7 Mn, including NRI that has been reclassified to the Office section in H1-2023.
(b) Published H1-2022 NRI was €31.8 Mn. NRI has been reclassified from the Shopping Centre to the Office section in H1-2023.

**Net property development and project management income** was €17.7 Mn (€16.3 Mn), as a result of URW's Design, Development & Construction (DD&C) activity in the UK and the US.

**Net property services and other activities income** from Property Management services in France, the US, the UK, Spain and Germany was +€38.2 Mn (+€43.3 Mn), including +€18.8 Mn of on-site property services in Viparis (+€26.6 Mn) and +€19.4 Mn of Property Management services related to shopping centres (+€16.7 Mn). The decrease of -€5.2 Mn is mainly due to the seasonality of the C&E business and subsidies received in H1-2022, partly compensated by an increase in Property Management services related to shopping centres.

**Contribution of companies accounted for using the equity method**[33] amounted to +€34.7 Mn (+€75.4 Mn), of which -€9.4 Mn related to the non-recurring activities, mainly due to negative valuation movements (mainly in France and Germany) and the impact of the mark-to-market of derivatives on the financing of JVs. The recurring Contribution of companies accounted for using the equity method was +€44.1 Mn (+€35.3 Mn), with a positive contribution of France, Central Europe and Germany.

[33] Contribution of companies accounted for using the equity method represents URW's share of the Net recurring result for the period of entities accounted for using the equity method which are not joint-controlled (and therefore not retreated on a proportionate basis) and interest received on loans granted to these entities. This corresponds to 5 shopping centres, a hotel and Triangle in France, Zlote Tarasy in Central Europe and Gropius Passagen in Germany and to the Blum/Centennial and Starwood Ventures entities in the US.

**General expenses**[34] amounted to -€93.3 Mn, a decrease compared to H1-2022 (-€95.0 Mn) despite inflation and thanks to general and administrative costs savings. As a percentage of NRI from shopping centres and offices, general expenses decreased to 8.5%, vs. 8.9% in H1-2022.

The Group pursues its efforts to reduce its expenses, including streamlining, efficient cost control, office consolidation and office moves in various regions such as in the US, Sweden and Germany.

**Development expenses** stood at -€1.7 Mn in H1-2023.

**EBITDA (corresponding to the recurring Net Operating result before depreciation and impairment of assets in the Net result by segment)** increased from €1,139.2 Mn in H1-2022 to €1,157.1 Mn in H1-2023 (i.e. +1.6%) thanks to the good performances of the shopping centres and offices and despite disposals and seasonality in C&E activities as well as 2022 subsidies and negative FX impact. For Europe, EBITDA increased from €870.4 Mn to €901.5 Mn (+3.6%).

Excluding the impact of disposals, pipeline and DD&C on a like-for-like basis, EBITDA was back to pre-COVID level for the Group and +1.6% higher in Europe, supported by positive retail NRI performance above 2019 and ahead of expectations.

**Acquisition and other costs** amounted to a non-recurring amount of -€2.5 Mn (-€2.8 Mn).

**Depreciation and impairment of tangible and intangible assets** amounted to -€16.3 Mn (-€7.9 Mn), including -€22.5 Mn (-€25.9 Mn) for the recurring activities and +€6.3 Mn (+€18.0 Mn) for the non-recurring activities, including +€13.4 Mn of net reversals of impairment for Viparis intangible and tangible assets.

**Results on disposal of investment properties** were -€31.5 Mn (+€56.4 Mn), reflecting mainly the impact of the disposals of Westfield North County and Westfield Brandon as a result of US disposals completed at a limited discount to 2022 book values.

**Valuation movements on assets** amounted to -€1,334.3 Mn (-€383.8 Mn).

Main decreases came from the US shopping centres (-€432.1 Mn, including FX impact), French shopping centres (-€338.7 Mn) and French offices (-€173.6 Mn).

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

**Impairment of goodwill** amounted to -€122.0 Mn vs. no impairment in H1-2022.

**Financing result**

*Net financing costs (recurring)* totalled -€248.2 Mn (after deduction of capitalised financial expenses of €33.7 Mn (€29.2 Mn) allocated to projects under construction) (-€249.9 Mn). This decrease of €1.7 Mn is due to the higher interest received on cash placement and the Group's hedging instruments in place limiting the impact of rates increase on cost of gross debt.

URW's average cost of debt for the period was 1.8% (2.0% in H1-2022). URW's financing policy is described in the section *"Financial resources"*.

*Non-recurring financial result* amounted to +€65.0 Mn (+€179.3 Mn), mainly due to the markt-to-market of derivatives and of preferred shares in the US, partly offset by revaluation of debt issued in foreign currencies.

**Income tax expenses** are due to the Group's activities in countries where specific tax regimes for property companies[35] do not exist or are not used by the Group.

Total income tax expenses for H1-2023 amounted to -€41.6 Mn (-€55.8 Mn). Income tax allocated to the recurring net result amounted to -€27.9 Mn (-€40.1 Mn), mainly due to lower results of taxable activities (in particular C&E services). Non-recurring income tax amounted to -€13.8 Mn (-€15.7 Mn), mainly due to the reversal of deferred tax liabilies as a consequence of negative valuation movements.

[34] Administrative expenses, excluding development expenses and depreciation and amortisation presented separately. Corporate expenses in P&L correspond to General expenses and Development expenses.
[35] For example, in France: SIIC (Société d'Investissements Immobiliers Cotée); and in the US: REITs.

**External non-controlling interests** amounted to +€49.9 Mn (-€98.0 Mn) comprising recurring and non-recurring external non-controlling interests. The recurring external non-controlling interests amounted to -€103.9 Mn (-€114.9 Mn), due to the seasonality in C&E activity impacting its results. They mainly relate to French shopping centres (-€58.6 Mn, including Westfield Les 4 Temps, Westfield Parly 2, Westfield Forum des Halles and Westfield Carré Sénart since February 2022), to the stake of the CCIR in Viparis (-€17.0 Mn), to URW Germany and Ruhr Park (-€15.9 Mn) and to Austria and Spain (-€12.0 Mn). The non-recurring non-controlling interests amounted to +€153.8 Mn (+€16.9 Mn), due primarily to negative valuation movements.

**Net result for the period attributable to the holders of the Stapled Shares** was a loss of -€537.8 Mn (+€601.0 Mn). This figure breaks down as follows:

- +€756.9 Mn of recurring net result (+€710.6 Mn);
- -€1,294.6 Mn of non-recurring net result[36] (-€109.6 Mn) mainly due to negative valuation movements, partially offset by positive mark-to-market of financial instruments.

The Adjusted Recurring Earnings[37] reflect a profit of €733.0 Mn (€686.7 Mn) after taking into account the coupon of hybrid for -€23.9 Mn. The coupon is due to increase in H2 following the Exchange offer on the NC Perp 23 hybrid completed in July 3 (see *"Financial resources"* note for more details).

The average number of shares outstanding was 138,889,152 (138,666,999). The increase is mainly due to the issuance of performance shares in 2022 and H1-2023. The number of shares outstanding as at June 30, 2023 was 139,040,505.

**EPRA Recurring Earnings per Share (REPS) came to €5.45 (€5.12), an increase of +6.3%.**

**Adjusted Recurring Earnings per Share (AREPS)[37] came to €5.28 (€4.95), an increase of +6.6%.**

The main drivers for recurring earnings evolution were the strong operational performance in retail and offices, reduced administrative and financial expenses, partly offset by disposals and lower C&E activity due to seasonality of the business.

## VI. CONSOLIDATED STATEMENT OF CASH FLOW

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

Unless otherwise indicated, all references below relate to the period ended June 30, 2023, and the comparisons relate to the same period in 2022.

**Cash flow from operating activities**
The total cash flow from operating activities decreased to +€923.0 Mn (+€1,127.7 Mn) reflecting a decrease of change in working capital requirement mainly due to H1-2022 one-offs, key moneys, indemnities, taxes and social liabilities and a normalised collection rate, partly offset by an improvement in operating cash flows.

**Cash flow from investment activities**
The total cash flow from investment activities was -€232.5 Mn (+€88.7 Mn) reflecting a decrease in Disposal of shares and Disposal of investment properties (+€292.0 Mn in H1-2023 vs. +€586.5 Mn in H1-2022). This does not include disposals of assets accounted for using the equity method (i.e. Westfield North County), which are included in cash flow from operating activities as per IFRS rules (see above).

**Cash flow from financing activities**
The net cash outflow from financing activities amounted to -€183.9 Mn (-€1,317.4 Mn) reflecting a decrease in Repayment of borrowings and financial liabilities (-€522.1 Mn in H1-2023 vs. -€1,325.6 Mn in H1-2022), as well as an increase in new borrowings (+€723.1 Mn in H1-2023 vs. +€442.3 Mn in H1-2022).

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[36] Includes valuation movements, disposals, mark-to-market and termination costs of financial instruments, including bond tender premiums, impairment of goodwill or reversal of negative goodwill and other non-recurring items.
[37] Under IFRS, the Hybrid Securities are accounted for as shareholders' equity. The AREPS are calculated based on the Recurring net result for the period attributable to the holders of the Stapled Shares minus the coupon on the Hybrid Securities (from June 1, 2018).

## VII. POST-CLOSING EVENTS

The company Rodamco Projekt AB (a Swedish autonomous legal entity) is involved in an arbitration procedure with PEAB regarding claims on the development of Westfield Mall of Scandinavia. The arbitration decision was issued on June 30, 2023 and was not in line with the Group's expectations. The tribunal, by majority decision, accepted a number of PEAB' claims and rejected Rodamco Projekt AB's claims in very large parts. A total of SEK1.5 Bn, including interests and legal costs, was granted to PEAB, while Rodamco Project AB was granted in its turn a very limited amount of SEK0.089 Bn on its disturbance claims. One of the arbitrators dissented with the majority and delivered an extensive opinion to support his view. Based on the two separate arbitral awards which were issued on matters of principle in the case, Rodamco Projekt AB considers that the judgment issued is contrary to these previous separate awards and contains substantial procedural errors in almost every aspect. While arbitration award is not subject to appeal it can be cancelled in whole or in part at the request of one of the parties. In the Press release of July 4, 2023, Rodamco Projekt AB announced that it will challenge the arbitration award at the Svea Court of Appeal. As Group parent company, Unibail-Rodamco-Westfield SE had given in 2011 a guarantee equal to an amount corresponding to five percent of the contractual sum during the warranty period (the "Guarantee"), corresponding to circa SEK185 Mn. Various options regarding the next steps are under consideration. At this stage, the Group considers that its exposure is limited to the Guarantee and has booked a corresponding provision in its consolidated financial statements as at June 30, 2023.

On July 11, 2023, the Group signed an agreement with a hospitality investor for the sale of Novotel Lyon Confluence in France. The Net Disposal Price reflects a +21.2% premium to the last unaffected appraisal. The transaction is expected to complete in September 2023, subject to standard closing conditions.

On July 21, 2023, URW announced it has completed the sale of both of the parcels which make up the Westfield Mission Valley shopping centres in San Diego, California. The transaction amounts to a total consideration of $290 Mn (at 100%, URW share 42%), including the sale of Westfield Mission Valley "East" to Lowe Enterprises and Real Capital Solutions, and Westfield Mission Valley "West" to Sunbelt Holdings. The transaction value reflects a combined initial yield of 8.5% on the in-place NOI and a 12% discount to the last unaffected appraisal. Mission Valley is a mature asset which originally opened in the early 1960s, undergoing its last significant renovation in the 1990s. It is a B-minus-rated, 1.5 Mn sq.ft. property with occupancy at 71%.

## VIII. OUTLOOK

In view of H1-2023 strong operating performance dynamic, the deleveraging progress in line with guidance, the controlled cost of debt, the reduced general expenses and the visibility on the terms of the hybrid, 2023 AREPS will be at the upper end of the Group's guidance of €9.30 to €9.50.

## 2. INVESTMENTS AND DIVESTMENTS

**In the period to June 30, 2023, URW invested €469.8 Mn[38] (Group share) in capital expenditure in assets and on construction, extension and refurbishment projects, compared to €350.3 Mn in H1-2022.**

### 1. Total capital expenditures

The total investments break down as follows:

| in € Mn | Proportionate | | | | | |
|---|---|---|---|---|---|---|
| | H1-2023 | | H1-2022 | | 2022 | |
| | 100% | Group share | 100% | Group share | 100% | Group share |
| Shopping Centres | 356.4 | 326.9 | 264.4 | 248.0 | 616.2 | 579.1 |
| Offices & Others | 130.1 | 130.1 | 96.5 | 96.5 | 231.9 | 231.9 |
| Convention & Exhibition | 25.1 | 12.8 | 11.4 | 5.9 | 31.8 | 17.5 |
| **Total Capital Expenditure** | **511.6** | **469.8** | **372.2** | **350.3** | **879.8** | **828.5** |

Figures may not add up due to rounding.

### 2. Shopping Centres

URW invested €326.9 Mn[39] in its Shopping Centre portfolio:

- Acquisitions amounted to €0.9 Mn;
- €167.5 Mn was invested in construction, extension and refurbishment projects, including mainly: Westfield Hamburg, Westfield Milano, Garbera and CNIT Eole redevelopments and extensions (see *"Development projects"*);
- €75.9 Mn was invested in enhancement and improvement projects on standing assets, including mainly Westfield Shopping City Süd, Westfield Parquesur and La Vaguada; this amount includes the provision booked on Westfield Mall of Scandinavia litigation with PEAB;
- €19.6 Mn of Capex related to leasing was granted to the tenants as Fitting Out Contribution;
- Replacement Capex amounted to €30.9 Mn;
- Financial interest, eviction costs, external letting fees and other costs were capitalised for €20.3 Mn, €1.2 Mn, €6.3 Mn and €4.4 Mn, respectively.

### 3. Offices & Others

URW invested €130.1 Mn in its Offices & Others portfolio:

- €111.7 Mn was invested in construction and refurbishment projects, mainly in Germany (Westfield Hamburg offices and hotels), France (Lightwell) and the UK (Coppermaker Square) (see also section *"Development projects"*);
- €6.2 Mn was invested in enhancement and improvement projects on standing assets, mainly in France;
- Replacement Capex amounted to €0.6 Mn;
- Financial interest and other costs capitalised amounted to €11.6 Mn.

### 4. Convention & Exhibition

URW invested €12.8 Mn in its Convention & Exhibition portfolio:

- €6.4 Mn was invested in construction works at Porte de Versailles;
- €1.0 Mn was invested in enhancement and improvement projects on standing assets, mainly in Paris Le Bourget and Porte de Versailles;
- Replacement Capex amounted to €5.2 Mn;
- Financial interest and other costs capitalised amounted to €0.2 Mn.

This table includes change in Investment properties as reported in the balance sheet and does not include acquisition of shares. Including the acquisition of share investment, principally the acquisition of the remaining 50% stake in the Croydon Partnership, URW investment in H1-2023 Group share would be €549.7 Mn.

[38] On a proportionate basis, Group share.
[39] Amount capitalised in asset value.

## 5. Disposals

In H1-2023, URW completed further disposals of US and European assets.

On February 1, 2023, the Group completed the sale of its ground lease for Westfield North County located in Escondido, California, to Bridge Group Investments and Steerpoint Capital, effectively transferring ownership and management of the asset. The sale price of $57 Mn (at 100%, URW share 55%) for Westfield North County, which has 30 years left on its ground lease, reflects the property's book value as at December 31, 2022. The asset is a B-rated, 1.25 Mn sq. ft. property, which is 89% leased.

On May 25, 2023, the Group announced further progress in its deleveraging programme with the sale of Westfield Brandon, located in Brandon, Florida and the "V" office building located in Versailles, France.

For Westfield Brandon, the sale price of $220 Mn (URW share 100%) reflected a 10.0% net initial yield and a 4.4% discount to the last unaffected appraisal. Westfield Brandon is an A-minus-rated 107,000 sqm (1.15 Mn sq. ft.) property with occupancy at 84.5%.

For "V", the sale price of €95 Mn was in line with the last unaffected appraisal value, delivered a double digit IRR and a net initial yield of 5.7%. Delivered in 2019, "V" is over 15,000 sqm and holds an Excellent BREEAM construction sustainability rating.

In H1-2023, URW completed €328 Mn of net debt reduction through disposals.

In addition to the disposals closed in H1-2023, the Group signed an agreement for the sale of Novotel Lyon Confluence in France and sold Westfield Mission Valley shopping centres in San Diego, California for a sale price of $290 Mn (at 100%, URW share 42%).

The Group has started the process which will lead to the planned sale or foreclosure of 2 of its US assets, respectively Westfield Valencia Town Center, with a debt amount of $195 Mn at 100% ($97.5 Mn URW share) as at June 30, 2023, and San Francisco Centre with a debt amount of $558 Mn at 100% ($340 Mn URW share). The Gross Market Value at URW share of these assets was close to or below their debt amounts as at June 30, 2023 at respectively $106 Mn and $301 Mn on a proportionate basis.

Including those disposals and planned foreclosures, the total amount of net debt reduction stands at €0.5 Bn on an IFRS basis and €0.9 Bn on a proportionate basis. Since 2021, the total US proceeds amount to €1.4 Bn[40] and €4.7 Bn IFRS net debt reduction[41] at Group level.

The Group is in active discussions in Europe and on US Regional assets.

The Group is highly focused on its deleveraging plan, securing the remaining €0.7 Bn of European disposal programme by the end of the year and further streamlining of US Regional portfolio. Once completed, it will pursue a disciplined asset rotation policy.

The radical reduction of the Group's US financial exposure remains its path forward. URW's operational performance, in particular in the US, its controlled cost of debt, ample liquidity position and capex control give it flexibility on when it executes this plan.

[40] On an IFRS basis. €1.9 Bn on a proportionate basis.
[41] €5.1 Bn on a proportionate basis.

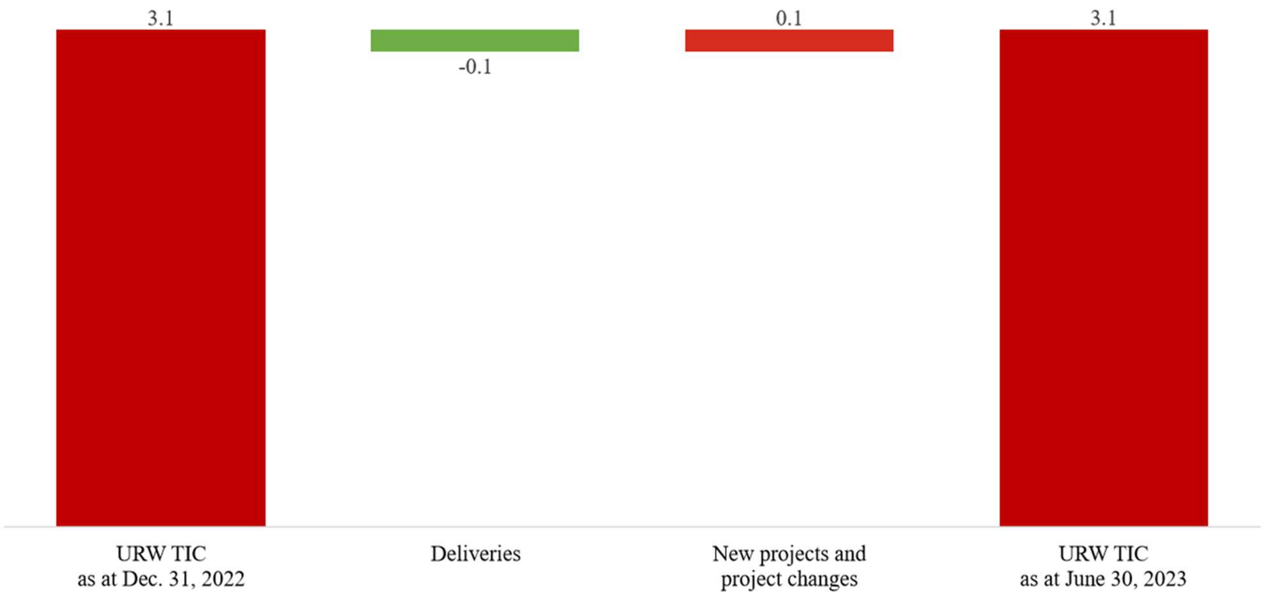
## 3. DEVELOPMENT PROJECTS AS AT JUNE 30, 2023

**As at June 30, 2023, URW's share of the Total Investment Cost ("TIC"[42] and "URW TIC"[43]) of its development project pipeline amounted to €3.1 Bn[44], corresponding to a total of 0.6 million sqm of Gross Lettable Area ("GLA"[45]) to be re-developed or added to the Group's standing assets.**

### 1. Pipeline variations since December 31, 2022

The development pipeline TIC has remained stable at **€3.1 Bn** at June 30, 2023 as a result of project cost evolution on some of the committed projects, offset by deliveries in H1-2023:

In €Bn




### 1.1. Projects delivered in 2023

Since December 31, 2022, the Group has delivered 2 projects representing a URW TIC of €0.1 Bn comprised of:

in H1-2023:
- 19,360 sqm extension to Garbera shopping centre in San Sebastian was delivered in May 2023, taking the total of the site to 59,360 sqm. The last phase of this transformation project included 54 additional stores, while the first phase including a dining & leisure area, 1,200 underground parking spaces and a Primark store opened in 2022;
- The renovation project of the "La Clairière" main plaza at Westfield Les 4 Temps was completed in May 2023. The scheme is led by Zara's largest flagship in France (4,500 sqm) and H&M (3,000 sqm) both of which were extended as part of the first phase respectively in H2-2021 and in H2-2022.

The average letting[46] of these deliveries stands at 88% as at June 30, 2023.

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[42] 100% TIC is expressed in value at completion. It equals the sum of: (i) all capital expenditures from the start of the project to the completion date and includes: land costs, construction costs, study costs, design costs, technical fees, tenant fitting-out costs paid for by the Group, letting fees and related costs, eviction costs and vacancy costs for renovations or redevelopments of standing assets; and (ii) opening marketing expenses. It excludes: (i) step rents and rent-free periods; (ii) capitalised financial interests; (iii) overhead costs; (iv) early or lost Net Rental Income; and (v) IFRS adjustments.
[43] URW TIC: 100% TIC multiplied by URW's percentage stake in the project, adjusted by specific own costs and income, if any.
[44] This includes the Group's share of projects fully consolidated and projects accounted for using the equity method, excluding remaining capex on delivered projects, Viparis capex commitments (€182 Mn) and commitments on the roads for the Westfield Milano project (€89 Mn).
[45] GLA equals Gross Lettable Area of projects at 100%.
[46] GLA signed, all agreed to be signed and financials agreed.

### 1.2. Project changes

Since December 31, 2022, there have been increases in the URW TIC, notably due to increased cost of construction as a consequence of higher inflation driven by the crisis in Ukraine. This significantly impacted the availability and prices of construction materials and works, causing the TIC to increase.

## 2. Pipeline projects as at June 30, 2023

### 2.1 Summary of pipeline projects

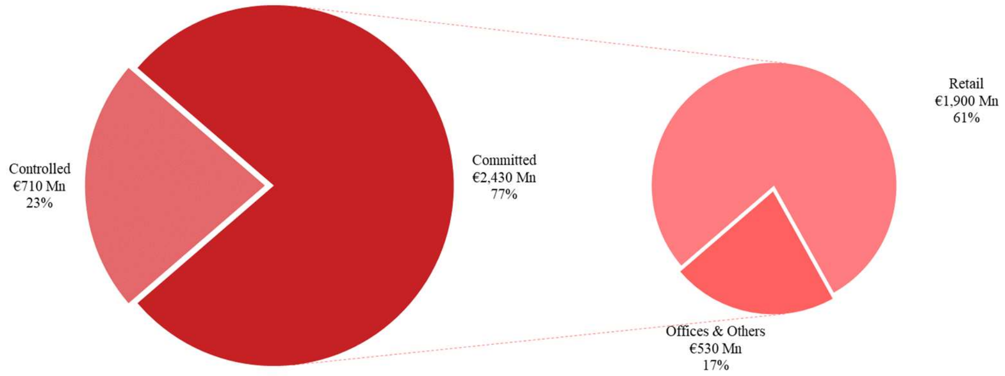
| Development Projects[1] | Business | Country | Type | URW Ownership | 100% GLA (sqm) | 100% TIC (€Mn) | URW TIC (€Mn) | URW Cost to Date (€Mn) | Yield on Cost[2] | Opening Date[3] | Project Valuation |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **WESTFIELD HAMBURG - RETAIL** | Shopping Centres | Germany | Greenfield / Brownfield | 100% | 94,545 | 1,000 | | | | H1-2024 | Fair value |
| **WESTFIELD HAMBURG - OTHERS** | Offices & Others | Germany | Greenfield / Brownfield | 100% | 77,655 | 630 | | | | H1-2024 | Fair value |
| **COPPERMAKER SQUARE[4]** | Offices & Others | UK | Greenfield / Brownfield | 25% | 87,440 | 820 | | | | H2-2024 | Fair value |
| **TRIANGLE** | Offices & Others | France | Greenfield / Brownfield | 30% | 91,179 | 700 | | | | H1-2026 | Fair value |
| **LIGHTWELL** | Offices & Others | France | Redevelopment / Extension | 100% | 31,744 | 140 | | | | H2-2024 | Fair value |
| **Others** | | | | | 127,492 | 330 | | | | | |
| **Total Committed projects** | | | | | | | **2,430** | **1,370** | **4.9%** | | |
| **SISTERS[5]** | Offices & Others | France | Greenfield / Brownfield | 100% | 90,434 | 710 | | | | H2-2029 | At cost |
| **Total Controlled projects** | | | | | | | **710** | **80** | | | |
| **URW TOTAL PIPELINE** | | | | | | | **3,140** | **1,450** | | | |

[1] Figures may not add up due to rounding and are subject to change according to the maturity of projects.
[2] URW share of the expected stabilised Net Rental Income divided by the URW TIC increased by rent incentives (step rents and rent free periods), and for redevelopment projects only, the Gross Market Value of the standing assets at the launch of the project.
[3] In the case of staged phases in a project, the date corresponds to the opening date of the main phase.
[4] Formerly Cherry Park Residential.
[5] TIC in line with FY-2022 as a result of project being on hold.

The URW Yield on Cost has decreased from 5.1% as at December 31, 2022, to 4.9% as at June 30, 2023, mainly due to the cost increase resulting from the inflation on Westfield Hamburg.

### 2.2. Detailed overview

**URW Development pipeline by grouping**
(€3,140 Mn)

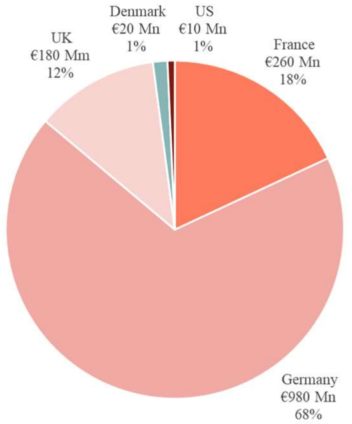



The TIC of the Westfield Hamburg project increased by c. +€100 Mn since December 31, 2022 mainly due to construction tendering and claims. 88% of the costs of construction on this project have been signed to date on the retail and office scope[47] to be delivered by H1-2024. The Westfield Hamburg retail project is now 85%[48] pre-let, an improvement compared to 73%[48] as at December 31, 2022, and 34% of the office buildings to be delivered in H1-2024 are pre-let.

56% of the total Committed pipeline URW TIC was already spent as at June 30, 2023, representing an amount of €1,360 Mn, of which €1,100 Mn was on the Retail pipeline and €260 Mn on Offices and Others. Of the €1,060 Mn still to be invested for Committed projects, €450 Mn has already been contracted.

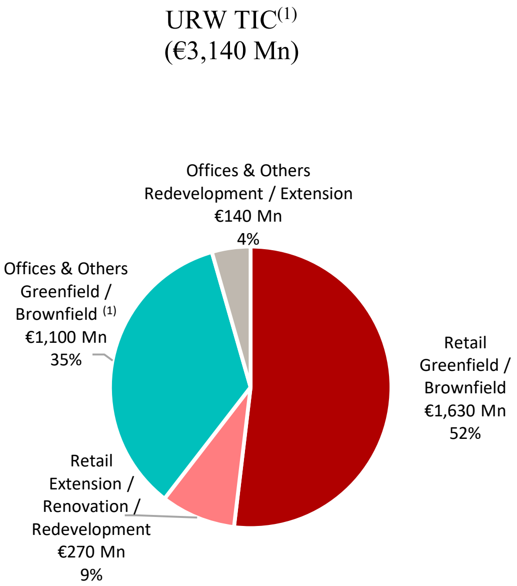
Only 11% of the total Controlled pipeline URW TIC was spent, representing an amount of €80 Mn, including land costs, mainly on Offices and Others projects.

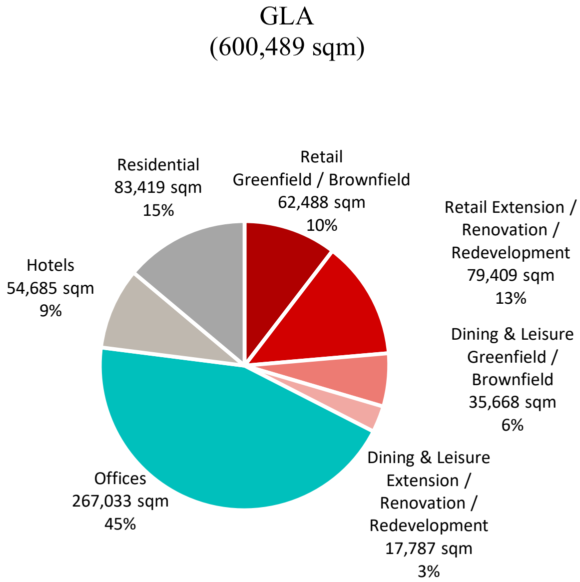
**URW Cost to Date per country**
(€1,450 Mn)




[47] Excluding Tower C for a total amount of €80 Mn.
[48] GLA signed, all agreed to be signed and financials agreed.

**URW Development pipeline per type and business[49]**




(1) Based on main use of site.

The Group has an increasing focus on mixed-use projects (notably including residential, offices & hotels) such as Coppermaker Square next to Westfield Stratford City and Westfield Hamburg. Westfield Hamburg encompasses retail, offices, hotel and residential and now accounts for 52% of URW TIC.

Retail accounts for 32% of pipeline GLA (and 61% of TIC), of which 9% relates to dining and leisure extensions. 45% of the total development pipeline projects GLA relates to offices, 15% to residential, and 9% to hotels.

### 3. Deliveries expected in H2-2023 and H1-2024

Two projects are scheduled to be delivered in H2-2023, representing a URW TIC of €30 Mn, of which 85% has been spent already:

- Coppermaker Square Retail, a 7,437 sqm leisure development adjacent to Westfield Stratford City and delivered as part of the Coppermaker Square residential development is expected to open in H2-2023;
- Restructure of the former El Corte Inglés unit, located in the extension area of Westfield Parquesur, with more than 14,954 sqm to extend Inditex brands.

The average pre-letting[50] on those 2023 deliveries stands at 83%.

H1-2024 key deliveries include:

- Westfield Hamburg-Überseequartier, a 172,200 sqm mixed-use project in Hamburg's seaside with retail, offices, hotels and a cruise ship terminal with the first retail handovers started in Q2-2023 and an opening date in H1-2024;
- CNIT Eole, a redevelopment of the commercial centre that will become the new gateway of Paris La Défense thanks to the new transportation hub that will improve the connectivity to the western part of Greater Paris. The restructuring of an existing area of 29,307 sqm will be delivered including 45 new shops representing 30% of the project, and a new Convention and Exhibition centre for the remainder;
- Fisketorvet Dining, a 5,845 sqm refurbishment of the dining area (including 1,584 additional sqm) of the Fisketorvet Mall in Copenhagen, by creating a destination with attractive and renewed offers.

[49] Figures may not add up due to rounding.
[50] Based on MGR signed, all agreed to be signed and financials agreed.

## 4. PROPERTY PORTFOLIO AND NET ASSET VALUE AS AT JUNE 30, 2023

**URW's NRV amounted to €150.70 per share as at June 30, 2023, a decrease of -€5.00 per share (-3.2%) compared to the NRV as at December 31, 2022 (€155.70 per share).**

**The NRV includes €4.72 per share of goodwill not justified by the fee businesses or tax optimisations, which is mainly related to the Westfield acquisition. Net of this goodwill, the NRV would be €145.98 per share.**

**URW's NDV amounted to €141.60 per share as at June 30, 2023, a decrease of -€6.80 per share (-4.6%) compared to the NDV as at December 31, 2022 (€148.40 per share). URW's NDV includes the mark to market of debt and financial instruments but does not include any goodwill.**

### 1. Property portfolio

**Unless otherwise indicated, the data presented in the property portfolio are on a proportionate[51] basis as at June 30, 2023, and comparisons are with values as at December 31, 2022.**

**The total GMV of URW's portfolio[52] amounted to €51.0 Bn (€52.2 Bn), a decrease of -2.3%. On a like-for-like basis, the GMV decreased by -2.2% (or -€1.0 Bn).**

**Investment market retail and office**

Total real estate investment volumes[53] in Continental Europe stood at around half their 10-year average levels, with €51.1 Bn transacted in H1-2023 (down -61% vs. H1-2022 and down -53% vs. H2-2022). In the UK, total investment volumes[53] amounted to €18.5 Bn in H1-2023, down -62% compared to H1-2022 and down -39% compared to H2-2022.

Total retail investment volumes[53] in Continental Europe were €8.3 Bn (down -61% vs. H1-2022 and down -42% vs. H2-2022), including shopping centre transactions accounting for 20% (€1.6 Bn) of this amount (vs. 40% in H1-2022 and 42% in H2-2022).

Total retail investment volumes[53] in the UK were €4.0 Bn (down -24% vs. H1-2022 and up +43% vs. H2-2022), including shopping centre transactions accounting for 22% (€0.9 Bn) of this amount (vs. 26% in H1-2022 and 20% in H2-2022).

US retail investment volumes saw a -43% year-on-year decrease in May YTD, with total transactions reported by Real Capital Analytics of $23.5 Bn. For shopping centres, the decrease in deal volume year-on-year was -65% at $9.8 Bn.

Total office investment volumes[53] in Continental Europe were €13.9 Bn in H1-2023, down -65% compared to H1-2022 and down -66% compared to H2-2022.

[51] The sum of the GMV for the assets fully consolidated, the ownership at share of the GMV of assets jointly controlled accounted for using the equity method and the equity values for assets not controlled by URW.
[52] Including the Group's services business, the airport activities, the Westfield trademark, transfer taxes and transaction costs. Does not include the goodwill not justified by the fee business nor the impact of the application of IFRS 16.
[53] Source: Cushman & Wakefield, estimates as at July 13, 2023.

## 1.1. URW's portfolio

| Asset portfolio valuation (including transfer taxes) (a) | June 30, 2023 | | Like-for-like change net of investment - H1-2023 (b) | | | Dec. 31, 2022 | |
|---|---|---|---|---|---|---|---|
| | € Mn | % | € Mn | | % | € Mn | % |
| Shopping Centres | 44,203 | 87% | - | 779 | -1.9% | 45,209 | 87% |
| Offices & Others | 3,188 | 6% | - | 127 | -6.0% | 3,346 | 6% |
| Convention & Exhibition | 2,633 | 5% | - | 55 | -2.1% | 2,643 | 5% |
| Services | 1,006 | 2% | - | 58 | -5.5% | 1,052 | 2% |
| **Total URW** | **51,029** | **100%** | **-** | **1,019** | **-2.2%** | **52,250** | **100%** |

Figures may not add up due to rounding.

(a) On a proportionate basis, including transfer taxes and transaction costs (see §1.6 for IFRS and Group share figures).
The portfolio valuation includes:
- The appraised or at cost value of the entire property portfolio, whether fully consolidated or under joint control (for URW's share);
- The fair value of the Westfield trademark;
- The equity value of URW's investments in assets not controlled by URW (Zlote Tarasy, Gropius Passagen, Foncière Crossroads, Triangle and the Blum/Centennial and Starwood Ventures entities). The equity value of URW's share investments in assets not controlled by URW amounted to €1,295 Mn (€1,297 Mn).

The valuations consider the negative cash flows related to rents paid on concessions or leaseholds, which are accounted for as financial debt in the consolidated statement of financial position.
The portfolio neither includes €0.8 Bn of goodwill not justified by the fee business, nor financial assets such as the cash and cash equivalents on the Group's consolidated statement of financial position as at June 30, 2023.

(b) Excluding the currency effect, investment properties under construction, assets not controlled by URW, assets at bid value and changes in scope (including acquisitions, disposals and deliveries of new projects) through June 30, 2023. Changes in scope consist mainly of the:
- Disposal of "V" office building in France;
- Disposal of Westfield North County and Westfield Brandon in the US;
- Acquisition of the remaining 50% stake in the Croydon Partnership; and
- Delivery of Garbera extension in Spain.

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

| **URW Valuation as at Dec. 31, 2022 (€ Mn)** | | **52,250** | |
|---|---|---|---|
| Like-for-like revaluation | - | 1,019 | |
| Revaluation of non like-for-like assets | - | 204 | (a) |
| Revaluation of shares | - | 2 | (b) |
| Capex / Acquisitions / Transfers | | 574 | |
| Disposals | - | 343 | (c) |
| Constant Currency Effect | - | 226 | (d) |
| **URW Valuation as at June 30, 2023 (€ Mn)** | | **51,029** | |

Figures may not add up due to rounding.

(a) Non like-for-like assets include IPUC valued at cost or at fair value, assets delivered in H1-2023, and assets at bid value.
(b) Revaluation of the shares in companies holding the assets not controlled by URW.
(c) Value as at December 31, 2022, of the assets disposed.
(d) Currency impact of -€226 Mn, including -€208 Mn in the US and -€130 Mn in the Nordics, partly offset by +€111 Mn in the UK, before offsets from foreign currency debt and hedging programs.

## Appraisers

In March 2021, as part of the rotation recommended by RICS, URW signed new appraisal mandates with 2 international and qualified appraisal firms, Cushman & Wakefield and Jones Lang LaSalle, to value its Shopping Centre and Offices & Others portfolio. In Continental Europe, URW rotated the assets appraised by these 2 firms: in H1-2021, the appraisers were rotated for Central Europe, Spain, Nordics, France Offices & Others and The Netherlands and in H2-2021, URW rotated appraisers for France Shopping Centres, Germany and Austria.

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

| Appraiser | Regions appraised as at June 30, 2023 | % of total portfolio June 30, 2023 | % of total portfolio Dec. 31, 2022 |
|---|---|---|---|
| Cushman & Wakefield | France / Germany / Austria / Nordics / Spain / UK[(a)] / US | 48% | 47% |
| Jones Lang LaSalle | France / Germany / Central Europe / The Netherlands | 34% | 34% |
| Kroll | US | 7% | 7% |
| PwC[(b)] | France | 6% | 8% |
| Other appraisers | Central Europe / US | 2% | 2% |
| At cost, under sale agreement or internal | | 3% | 2% |
| | | **100%** | **100%** |

Figures may not add up due to rounding.

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

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

## Integration of ESG in URW's valuations

Environmental, Social & Governance (ESG) factors are impacting investment approaches in real estate markets. Driving forces include legislation change, availability of finance, and increasing societal awareness of ESG factors such as climate risk.

A significant amount of information has been made available to the appraisers in relation to several ESG KPIs on an asset-by-asset basis[54]. Amongst others, these KPIs are the Energy Use Intensity on common areas, BREEAM certificate label part II, climate risk studies outcomes, renewable energy on-site production or presence of EV chargers. Appraisers have reviewed and considered the information provided in their valuation process. Capex to be spent in the next 5 years for the Energy Action Plan were integrated as ESG Capex within the valuation model.

This information will be updated on a regular basis so that appraisers can integrate it in their valuations.

[54] For European shopping centres.

## Valuation methodology

Appraisal methods used by appraisers are compliant with international standards and guidelines as defined by RICS, IVSC (“International Valuation Standards Council”) and FEI (“Fédération des Entreprises Immobilières”).

## Valuation scope

**97% of URW’s portfolio was appraised by independent appraisers as at June 30, 2023.**

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

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

The CNIT Eole has been carried at fair value since June 30, 2022, and the Dining project at Fisketorvet since December 31, 2022. Westfield Hamburg was assessed at fair value for the first time as at June 30, 2023.

Since and as a result of the acquisition accounting for the Westfield transaction, the main projects in the US, the UK and Italy were carried at fair value as at June 30, 2023.

Refer to the table in the Section *“Development projects as at June 30, 2023”* for the valuation method used for each development project in the Group’s pipeline.

The remaining assets of the portfolio (3%) were valued as follows:

- At cost, subject to impairment test, for IPUC for which a reliable value could not yet be established. These include assets under development (see Section *“Development projects as at June 30, 2023”* for more details);
- Internal valuations were performed by URW as at June 30, 2023, for the services activities and for a few minor office assets in the US; and
- At bid value for assets subject to an agreement pursuant to which these will be disposed: Westfield Valencia Town Center and Westfield Mission Valley[55].

The total value of the IPUC amounted to €2.2 Bn, of which €1.8 Bn valued at fair value and €0.5 Bn valued at cost (25% of the value at cost was tested with an external valuation as at June 30, 2023).

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

| | | **Valuation including transfer taxes in € Mn** | |
|---|---|---|---|
| **Appraiser** | **Sector** | **June 30, 2023** | **Dec. 31, 2022** |
| Cushman & Wakefield | Shopping Centres/Offices & Others | 17,963 | 17,314 |
| Jones Lang LaSalle | Shopping Centres/Offices & Others | 17,302 | 17,530 |
| PwC | Shopping Centres/C&E | 2,818 | 2,802 |
| Other appraisers | Shopping Centres | 3,087 | 3,068 |
| Impact of the assets valued by two appraisers | Shopping Centres | - 2,279 | - 2,217 |
| Assets valued at cost and/or not appraised | Shopping Centres/Offices & Others | 472 | 1,203 |
| **Total Europe** | | **39,363** | **39,701** |
| Cushman & Wakefield | Shopping Centres/Offices & Others | 6,394 | 6,927 |
| Kroll | Shopping Centres/Offices & Others | 3,497 | 3,894 |
| PwC | Shopping Centres | 176 | 214 |
| Other appraisers | Shopping Centres | 308 | 379 |
| Internal valuation | Offices & Others | 42 | 49 |
| Assets valued at cost and/or not appraised | Shopping Centres/Offices & Others | 244 | 34 |
| **Total US** | | **10,660** | **11,497** |
| **Services** | | **1,006** | **1,052** |
| **Total URW** | | **51,029** | **52,250** |

Figures may not add up due to rounding.

[55] Including Mission Valley West.

## 1.2. Shopping Centre portfolio

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

The Westfield trademark is split by the region in which the Group operates Westfield branded shopping centres and is included within the Flagships category valuation. The airport activity and CBD assets[56] are included within Flagships in the US.

**Evolution of URW's Shopping Centre portfolio valuation**

The value of URW's Shopping Centre portfolio amounted to €44,203 Mn (€45,209 Mn).

| **URW Valuation as at Dec. 31, 2022 (€ Mn)** | **45,209** |
|---|---|
| Like-for-like revaluation | - 779 |
| Revaluation of non like-for-like assets | - 142 |
| Revaluation of shares | - 6 |
| Capex / Acquisitions / Transfers | 415 |
| Disposals | - 246 |
| Constant Currency Effect | - 248 |
| **URW Valuation as at June 30, 2023 (€ Mn)** | **44,203** |

Figures may not add up due to rounding.

Based on an asset value excluding estimated transfer taxes and transaction costs, the Shopping Centre division's NIY stood at 5.1%.

The Potential Yield including the leasing of vacant space at ERV was 5.5%, including 5.4% in Continental Europe, 7.0% in the UK and 5.5% in the US. When compared to the NIY, this metric incorporates the filling in of currently high level of vacancy in the UK and in the US, at 8.5% and 9.9% respectively.

Based on an asset value excluding estimated transfer taxes and transaction costs, the Shopping Centre division's NIY increased by +20 bps and the Potential Yield by +20 bps, as a result of (i) decreasing GMV (-2.7%) and increasing NRI next 12 months (+2.8%), supported by indexation and operating performance.

| **Shopping Centre portfolio by region** | **June 30, 2023** | | | | **Dec. 31, 2022** | | | |
|---|---|---|---|---|---|---|---|---|
| | **Valuation including transfer taxes** | **Valuation excluding estimated transfer taxes** | **Net Initial Yield** | **Potential Yield** | **Valuation including transfer taxes** | **Valuation excluding estimated transfer taxes** | **Net Initial Yield** | **Potential Yield** |
| | **€ Mn** | **€ Mn** | | | **€ Mn** | **€ Mn** | | |
| France | 13,149 | 12,665 | 4.7% | 4.9% | 13,409 | 12,918 | 4.5% | 4.7% |
| Spain | 3,598 | 3,517 | 5.5% | 5.9% | 3,627 | 3,544 | 5.0% | 5.6% |
| **Southern Europe** | **16,747** | **16,182** | **4.9%** | **5.1%** | **17,035** | **16,463** | **4.6%** | **4.9%** |
| Central Europe | 4,959 | 4,914 | 6.0% | 6.2% | 4,837 | 4,793 | 5.7% | 5.9% |
| Austria | 2,206 | 2,195 | 5.1% | 5.3% | 2,254 | 2,243 | 4.9% | 5.2% |
| Germany | 3,169 | 2,986 | 5.5% | 5.8% | 3,104 | 2,950 | 5.4% | 5.7% |
| **Central and Eastern Europe** | **10,333** | **10,095** | **5.6%** | **5.9%** | **10,194** | **9,986** | **5.4%** | **5.6%** |
| Nordics | 2,470 | 2,420 | 4.9% | 5.3% | 2,649 | 2,595 | 4.8% | 5.2% |
| The Netherlands | 1,659 | 1,500 | 5.4% | 5.8% | 1,662 | 1,536 | 5.2% | 5.6% |
| **Northern Europe** | **4,129** | **3,920** | **5.1%** | **5.5%** | **4,311** | **4,131** | **5.0%** | **5.4%** |
| **Subtotal Continental Europe** | **31,210** | **30,197** | **5.1%** | **5.4%** | **31,541** | **30,580** | **4.9%** | **5.2%** |
| UK | 2,480 | 2,350 | 6.1% | 7.0% | 2,359 | 2,236 | 6.1% | 7.0% |
| **Subtotal Europe** | **33,690** | **32,548** | **5.2%** | **5.5%** | **33,899** | **32,816** | **5.0%** | **5.3%** |
| US | 10,513 | 10,314 | 4.8% | 5.5% | 11,310 | 11,217 | 4.6% | 5.2% |
| **Total URW** | **44,203** | **42,862** | **5.1%** | **5.5%** | **45,209** | **44,033** | **4.9%** | **5.3%** |

Figures may not add up due to rounding.

[56] Westfield World Trade Center and San Francisco Centre.

The following table shows the breakdown for the US Shopping Centre portfolio:

| US Shopping Centre portfolio by category | June 30, 2023 | | | | Dec. 31, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Valuation including transfer taxes | Valuation excluding estimated transfer taxes | Net Initial Yield | Potential Yield | Valuation including transfer taxes | Valuation excluding estimated transfer taxes | Net Initial Yield | Potential Yield |
| | € Mn | € Mn | | | € Mn | € Mn | | |
| Flagships US incl. CBD assets (a) | 9,846 | 9,647 | 4.6% | 5.2% | 10,307 | 10,214 | 4.2% | 4.8% |
| Regionals US | 667 | 667 | 8.8% | 10.6% | 1,004 | 1,004 | 8.6% | 9.5% |
| **Total US** | **10,513** | **10,314** | **4.8%** | **5.5%** | **11,310** | **11,217** | **4.6%** | **5.2%** |

Figures may not add up due to rounding.

(a) The airport activities and the Westfield trademark for the US are included in the valuation of the US Flagships for a total amount of €459 Mn as at June 30, 2023, and for a total amount of €568 Mn as at December 31, 2022. However, these activities are not part of the NIY computation.

For Flagship assets, excluding CBD assets, the Net Initial Yield stands at 4.7% as at June 30, 2023 vs. 4.4% as at December 31, 2022, and the Potential Yield stands at 5.2% as June 30, 2023 vs. 4.7% as at December 31, 2022.

The valuation including transfer taxes of the US Shopping Centre portfolio expressed in EUR decreased by -7.0% over the semester and by -5.3% in USD, from $12,065 Mn to $11,426 Mn.

The following table shows the bridge of the US Shopping Centre portfolio in USD from December 31, 2022, to June 30, 2023, with the split by category:

| | Total US | Flagships US incl. CBD assets (a) | Regionals US |
|---|---|---|---|
| **URW Valuation as at Dec. 31, 2022 ($ Mn)** | **12,065** | **10,993** | **1,072** |
| Like-for-like revaluation | - 279 | - 190 | - 89 |
| Revaluation of non like-for-like assets | - 137 | - 139 | 3 |
| Revaluation of shares | 1 | - | 1 |
| Capex / Acquisitions / Transfers | 37 | 35 | 2 |
| Disposals | - 261 | - | - 261 |
| **URW Valuation as at June 30, 2023 ($ Mn)** | **11,426** | **10,699** | **727** |

Figures may not add up due to rounding.

(a) The airport activities and the Westfield trademark for the US are included in the valuation of the US Flagships for a total amount of $498 Mn as at June 30, 2023, and for a total amount of $606 Mn as at December 31, 2022.

## Sensitivity

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

| Sensitivity | Impact in € Mn | Impact in % |
|---|---|---|
| +25 bps in NIY | - 1,919 | -4.7% |
| +25 bps in DR | - 681 | -1.7% |
| +10 bps in ECR | - 522 | -1.3% |
| -5% in appraisers' ERV | - 1,635 | -4.0% |

## Like-for-like analysis

On a like-for-like basis, the value of URW's Shopping Centre portfolio, after accounting for works, capitalised financial expenses and eviction costs, decreased by -€779 Mn (-1.9%). This decrease was the result of a yield impact of -4.8% and a rent impact of +2.9%.

The like-for-like change was negative in Continental Europe at -1.7% after a decrease of -12.6% in the last 4 years, including -0.6% in 2022 (-1.4% in H2-2022). It was -0.8% in the UK after a decrease of -45.1% in the last 4 years, including -5.4% in 2022 (-4.2% in H2-2022). It was negative (-2.5%) in the US after a decrease of -26.9% in the last 4 years, including -7.4% in 2022 (-4.0% in H2-2022).

| Shopping Centres - Like-for-like (LfL) change | | | | |
|---|---|---|---|---|
| **H1-2023** | **LfL change in € Mn** | **LfL change in %** | **LfL change - Rent impact** | **LfL change - Yield impact** |
| France | - 315 | -2.5% | 1.4% | -3.9% |
| Spain | - 62 | -1.9% | 3.9% | -5.9% |
| **Southern Europe** | **- 377** | **-2.4%** | **2.0%** | **-4.4%** |
| Central Europe | 106 | 2.7% | 7.3% | -4.7% |
| Austria | - 77 | -3.5% | 0.4% | -3.8% |
| Germany | - 73 | -2.7% | -0.2% | -2.6% |
| **Central and Eastern Europe** | **- 44** | **-0.5%** | **3.5%** | **-4.0%** |
| Nordics | - 74 | -2.9% | -0.4% | -2.5% |
| The Netherlands | - 7 | -0.4% | 1.2% | -1.6% |
| **Northern Europe** | **- 82** | **-1.9%** | **0.2%** | **-2.1%** |
| **Subtotal Continental Europe** | **- 503** | **-1.7%** | **2.3%** | **-4.0%** |
| UK | - 18 | -0.8% | 0.6% | -1.4% |
| **Subtotal Europe** | **- 521** | **-1.7%** | **2.1%** | **-3.8%** |
| US | - 258 | -2.5% | 5.4% | -7.9% |
| **Total URW** | **- 779** | **-1.9%** | **2.9%** | **-4.8%** |

Figures may not add up due to rounding.

The 52 Flagship shopping centres represent 93% of URW's retail exposure (excluding assets under development, the airport activities and the Westfield trademark).

| Shopping Centres - Like- for-like (LfL) change by category | | | | |
|---|---|---|---|---|
| **H1-2023** | **LfL change in € Mn** | **LfL change in %** | **LfL change - Rent impact** | **LfL change - Yield impact** |
| Flagships Continental Europe | - 425 | -1.6% | 2.5% | -4.1% |
| Flagships UK | - 18 | -0.8% | 0.6% | -1.4% |
| **Subtotal European Flagships** | **- 443** | **-1.5%** | **2.3%** | **-3.8%** |
| Flagships US incl. CBD assets | - 176 | -1.8% | 5.0% | -6.8% |
| **Subtotal Flagships** | **- 619** | **-1.6%** | **3.0%** | **-4.6%** |
| Regionals Europe | - 78 | -3.9% | -0.2% | -3.7% |
| Regionals US | - 82 | -13.0% | 7.6% | -20.6% |
| **Subtotal Regionals** | **- 160** | **-6.0%** | **2.4%** | **-8.4%** |
| **Total URW** | **- 779** | **-1.9%** | **2.9%** | **-4.8%** |

Figures may not add up due to rounding.

## Non like-for-like analysis

The value of URW's non like-for-like Shopping Centre portfolio (projects, the Airport business and the Westfield trademark) decreased by -€142 Mn, after accounting for works, capitalised financial expenses and eviction costs.

### 1.3. Offices & Others portfolio

**Evolution of URW's Offices & Others portfolio valuation**

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

The total value of URW's Offices & Others portfolio amounted to €3,188 Mn (€3,346 Mn).

| **URW Valuation as at Dec. 31, 2022 (€ Mn)** | **3,346** |
|---|---|
| Like-for-like revaluation | - 127 |
| Revaluation of non like-for-like assets | - 76 |
| Revaluation of shares | 5 |
| Capex / Acquisitions / Transfers | 128 |
| Disposals | - 97 |
| Constant Currency Effect | 10 |
| **URW Valuation as at June 30, 2023 (€ Mn)** | **3,188** |

Figures may not add up due to rounding.

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

| Valuation of Offices & Others portfolio (including transfer taxes) | June 30, 2023 | | Dec. 31, 2022 | |
|---|---|---|---|---|
| | € Mn | % | € Mn | % |
| France | 1,937 | 61% | 2,136 | 64% |
| Other countries | 581 | 18% | 531 | 16% |
| **Subtotal Continental Europe** | **2,518** | **79%** | **2,667** | **80%** |
| UK | 522 | 16% | 492 | 15% |
| **Subtotal Europe** | **3,040** | **95%** | **3,159** | **94%** |
| US | 148 | 5% | 186 | 6% |
| **Total URW** | **3,188** | **100%** | **3,346** | **100%** |

Figures may not add up due to rounding.

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the Offices & Others division's NIY increased by +40 bps to 5.3%.

| Valuation of occupied office space | June 30, 2023 | | | Dec. 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Valuation including transfer taxes | Valuation excluding estimated transfer taxes | Net Initial Yield | Valuation including transfer taxes | Valuation excluding estimated transfer taxes | Net Initial Yield |
| | € Mn | € Mn | | € Mn | € Mn | |
| France | 1,509 | 1,470 | 5.1% | 1,646 | 1,600 | 4.7% |
| Other countries | 199 | 193 | 6.4% | 205 | 199 | 6.2% |
| **Subtotal Continental Europe** | **1,708** | **1,662** | **5.2%** | **1,850** | **1,798** | **4.9%** |
| UK | 76 | 72 | n.m. | 75 | 71 | n.m. |
| **Subtotal Europe** | **1,785** | **1,735** | **5.2%** | **1,926** | **1,870** | **4.9%** |
| US | 53 | 52 | 9.0% | 67 | 64 | 6.8% |
| **Total URW** | **1,838** | **1,786** | **5.3%** | **1,992** | **1,934** | **4.9%** |

Figures may not add up due to rounding.

## Sensitivity

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

| Sensitivity | Impact in € Mn | Impact in % |
|---|---|---|
| +25 bps in NIY | - 104 | -5.1% |

## Like-for-like analysis

The value of URW's Offices & Others portfolio, after accounting for the impact of works and capitalised financial expenses, decreased by -€127 Mn (-6.0%) on a like-for-like basis, due to a yield impact of -10.9% and a rent impact of +4.9%.

| Offices & Others - Like-for-like (LfL) change | | | | |
|---|---|---|---|---|
| **H1-2023** | **LfL change in € Mn** | **LfL change in %** | **LfL change - Rent impact** | **LfL change - Yield impact** |
| France | -80 | -4.9% | 2.9% | -7.8% |
| Other countries | -9 | -3.8% | 0.6% | -4.5% |
| **Subtotal Continental Europe** | **-89** | **-4.7%** | **2.6%** | **-7.3%** |
| UK | -1 | -1.7% | 0.0% | -1.7% |
| **Subtotal Europe** | **-90** | **-4.6%** | **2.5%** | **-7.1%** |
| US | -37 | -22.2% | 17.2% | -39.3% |
| **Total URW** | **-127** | **-6.0%** | **4.9%** | **-10.9%** |

Figures may not add up due to rounding.

### 1.4. Convention & Exhibition portfolio

**Valuation methodology**

The valuation methodology adopted by PwC for the venues is mainly based on a discounted cash flow model applied to the total net income projected over the life of the concession or leasehold (net of the amounts paid for the concession or leasehold) if it exists, or otherwise over a 10-year period, with an estimate of the asset value at the end of the given time period, based either on the residual contractual value for concessions or on capitalised cash flows over the last year, including the remaining capital expenditures to be spent on Porte de Versailles (€182 Mn).

**Evolution of the Convention & Exhibition valuation**

The value of URW's Convention & Exhibition venues, including transfer taxes and transaction costs, amounted to €2,633 Mn (€2,643 Mn).

| **URW Valuation as at Dec. 31, 2022 (€ Mn)** | **2,643** | (a) |
|---|---|---|
| Like-for-like revaluation | - 55 | |
| Revaluation of non like-for-like assets | 14 | |
| Capex / Acquisitions / Transfers | 31 | |
| **URW Valuation as at June 30, 2023 (€ Mn)** | **2,633** | (a) |

Figures may not add up due to rounding.

(a) Excluding the Convention & Exhibition space in Carrousel du Louvre and CNIT, 100%-owned by URW, the valuation for Viparis (including Palais des Sports, Les Boutiques du Palais and the hotels at Porte de Versailles) was €2,542 Mn as at December 31, 2022, and €2,533 Mn as at June 30, 2023.

On a like-for-like basis, net of investments, the value of Convention & Exhibition venues decreased by -€55 Mn (-2.1%). This decrease was mainly driven by the increase in Weighted Average Cost of Capital (WACC).

### 1.5. Services

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

URW's Services portfolio is appraised annually by PwC as at each year-end to include all significant fee business activities in the portfolio at their market value for the calculation of URW's NAV. In URW's Consolidated statement of financial position, intangible assets are not revalued but recognised at cost less amortisation charges and/or impairment losses booked. As at June 30, 2023, URW's services portfolio was appraised internally by URW to take into account the impact of the current economic context.

The value of the Services portfolio decreased by -€58 Mn (-5.5%) on a like-for-like basis. The negative like-for-like revaluation was mainly impacted by the increase in WACC and the decrease of the Design, Development & Construction ("DD&C") business in the UK following the postponement of projects.

| **URW Valuation as at Dec. 31, 2022 (€ Mn)** | **1,052** |
|---|---|
| Like-for-like revaluation | - 58 |
| Constant Currency Effect | 12 |
| **URW Valuation as at June 30, 2023 (€ Mn)** | **1,006** |

Figures may not add up due to rounding.

## 1.6. Proportionate, IFRS and Group share figures for the property portfolio

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

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

| | Proportionate | | IFRS | | Group share | |
|---|---|---|---|---|---|---|
| **URW Asset portfolio valuation - June 30, 2023** | € Mn | % | € Mn | % | € Mn | % |
| Shopping Centres | 44,203 | 87% | 42,405 | 87% | 37,573 | 88% |
| Offices & Others | 3,188 | 6% | 2,921 | 6% | 2,893 | 7% |
| Convention & Exhibition | 2,633 | 5% | 2,634 | 5% | 1,366 | 3% |
| Services | 1,006 | 2% | 1,006 | 2% | 943 | 2% |
| **Total URW** | **51,029** | **100%** | **48,966** | **100%** | **42,774** | **100%** |
| **URW Asset portfolio valuation - Dec. 31, 2022** | € Mn | % | € Mn | % | € Mn | % |
| Shopping Centres | 45,209 | 87% | 43,430 | 86% | 38,510 | 88% |
| Offices & Others | 3,346 | 6% | 3,125 | 6% | 3,094 | 7% |
| Convention & Exhibition | 2,643 | 5% | 2,644 | 5% | 1,372 | 3% |
| Services | 1,052 | 2% | 1,052 | 2% | 990 | 2% |
| **Total URW** | **52,250** | **100%** | **50,251** | **100%** | **43,967** | **100%** |
| **URW Like-for-like change - net of Investments - H1-2023** | € Mn | % | € Mn | % | € Mn | % |
| Shopping Centres | - 779 | -1.9% | - 497 | -1.5% | - 389 | -1.4% |
| Offices & Others | - 127 | -6.0% | - 109 | -5.3% | - 107 | -5.3% |
| Convention & Exhibition | - 55 | -2.1% | - 54 | -2.1% | - 29 | -2.1% |
| Services | - 58 | -5.5% | - 58 | -5.5% | - 59 | -6.0% |
| **Total URW** | **- 1,019** | **-2.2%** | **- 718** | **-1.8%** | **- 584** | **-1.8%** |
| **URW Like-for-like change - net of Investments - H1-2023 - Split rent/yield impact** | Rent impact % | Yield impact % | Rent impact % | Yield impact % | Rent impact % | Yield impact % |
| Shopping Centres | 2.9% | -4.8% | 2.4% | -3.9% | 2.4% | -3.8% |
| Offices & Others | 4.9% | -10.9% | 2.0% | -7.4% | 2.0% | -7.3% |
| **URW Net Initial Yield** | June 30, 2023 | Dec. 31, 2022 | June 30, 2023 | Dec. 31, 2022 | June 30, 2023 | Dec. 31, 2022 |
| Shopping Centres (a) | 5.1% | 4.9% | 5.0% | 4.8% | 5.1% | 4.9% |
| Offices & Others - occupied space (b) | 5.3% | 4.9% | 5.3% | 4.9% | 5.3% | 5.0% |

Figures may not add up due to rounding.

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

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

| **Bridge between Proportionate and IFRS as at June 30, 2023 €Mn** | **Asset portfolio valuation (including transfer taxes)** |
|---|---|
| **Total URW on a proportionate basis** | **51,029** |
| (-) Assets joint-controlled on a proportionate basis | - 8,217 |
| (+) Share investments in assets joint-controlled | 6,153 |
| **Total URW under IFRS** | **48,966** |

Figures may not add up due to rounding.

### 1.7. Additional Valuation parameters - IFRS 13

URW complies with the IFRS 13 fair value measurement and the position paper[57] on IFRS 13 established by EPRA.

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

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

**Shopping Centres**

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

| Shopping Centres - June 30, 2023 | | Net Initial Yield | Rent in € per sqm (a) | Discount Rate (b) | Exit Capitalisation Rate (c) | CAGR of NRI (d) |
|---|---|---|---|---|---|---|
| France | Max | 7.1% | 952 | 9.5% | 14.6% | 15.6% |
| | Min | 3.1% | 164 | 6.5% | 4.4% | 3.1% |
| | Weighted average | 4.7% | 597 | 6.8% | 4.7% | 4.8% |
| Spain | Max | 10.5% | 597 | 13.5% | 9.0% | 4.3% |
| | Min | 4.6% | 137 | 7.6% | 5.0% | 2.4% |
| | Weighted average | 5.5% | 396 | 8.1% | 5.3% | 3.1% |
| Central Europe | Max | 8.6% | 718 | 9.5% | 9.2% | 2.8% |
| | Min | 5.7% | 144 | 7.4% | 5.3% | 1.2% |
| | Weighted average | 6.0% | 458 | 7.8% | 5.7% | 1.9% |
| Austria | Max | 5.2% | 450 | 6.9% | 4.8% | 3.8% |
| | Min | 5.0% | 349 | 6.9% | 4.8% | 2.9% |
| | Weighted average | 5.1% | 398 | 6.9% | 4.8% | 3.3% |
| Germany | Max | 7.5% | 510 | 9.1% | 7.0% | 4.2% |
| | Min | 4.6% | 164 | 6.5% | 4.6% | 1.4% |
| | Weighted average | 5.5% | 302 | 7.1% | 5.1% | 3.1% |
| Nordics | Max | 6.3% | 422 | 7.7% | 5.6% | 4.6% |
| | Min | 4.6% | 276 | 6.9% | 4.7% | 3.5% |
| | Weighted average | 4.9% | 366 | 7.1% | 4.9% | 3.8% |
| The Netherlands | Max | 7.5% | 403 | 8.1% | 6.9% | 3.3% |
| | Min | 4.9% | 278 | 6.2% | 4.8% | 2.3% |
| | Weighted average | 5.4% | 365 | 6.4% | 5.2% | 2.8% |
| UK | Max | 6.5% | 632 | 11.0% | 10.1% | 11.6% |
| | Min | 2.8% | 55 | 7.7% | 6.6% | 2.0% |
| | Weighted average | 6.1% | 348 | 8.0% | 6.9% | 2.8% |
| US | Max | 11.3% | 1,394 | 13.3% | 11.3% | 23.3% |
| | Min | 3.4% | 353 | 6.8% | 4.8% | 1.3% |
| | Weighted average | 4.8% | 747 | 7.4% | 5.4% | 6.1% |

NIY, DR and ECR weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled by URW, the Westfield trademark and the airport activities are not included in this table.
(a) Average annual rent (MGR + SBR) per asset per sqm.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) CAGR of NRI determined by the appraiser (duration of the DCF model used either 6 or 10 years).

[57] EPRA Position Paper on IFRS 13 - Fair value measurement and illustrative disclosures, February 2013.

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

| Shopping Centres - June 30, 2023 | | Net Initial Yield | Rent in € per sqm (a) | Discount Rate (b) | Exit Capitalisation Rate (c) | CAGR of NRI (d) |
|---|---|---|---|---|---|---|
| US Flagships | Max | 6.1% | 1,394 | 7.5% | 6.0% | 23.3% |
| | Min | 3.4% | 451 | 6.8% | 4.8% | 2.0% |
| | Weighted average | 4.6% | 835 | 7.1% | 5.2% | 6.5% |
| US Regionals | Max | 11.3% | 618 | 13.3% | 11.3% | 3.6% |
| | Min | 7.6% | 353 | 9.8% | 8.0% | 1.3% |
| | Weighted average | 8.8% | 431 | 10.6% | 8.9% | 2.6% |

NIY, DR and ECR weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled by URW, the Westfield trademark and the airport activities are not included in this table.
(a) Average annual rent (MGR + SBR) per asset per sqm.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) CAGR of NRI determined by the appraiser (10 years).

The Exit Capitalisation Rate[58] used by appraisers in June 2023 valuations increased by +25 bps on average compared to the ones in December 2022 valuations, including:

- In Continental Europe from 4.8% to 5.0%;
- In the UK from 6.7% to 6.9%; and
- In the US from 5.1% to 5.4% (from 4.9% to 5.2% for the US Flagships and from 8.0% to 8.9% for the US Regionals).

The Discount Rate[58] used by appraisers in June 2023 valuations increased by +25 bps on average compared to the ones in December 2022 valuations, including:

- In Continental Europe from 6.9% to 7.1%;
- In the UK from 7.9% to 8.0%; and
- In the US from 7.0% to 7.4% (from 6.9% to 7.1% for the US Flagships and from 9.6% to 10.6% for the US Regionals).

This increase in ECR and DR in H1-2023 took place at a time when 10-year risk-free rates decreased on average by -14 bps in the countries where the Group operates, including -24 bps in Continental Europe[59], -4 bps in the US and +72 bps in the UK.

This increase in ECR and DR is partly compensated by higher cash flow with a CAGR of NRI of 4.1% (vs. 4.0% for valuations as at December 31, 2022) as a result of the strong operating performance seen in H1-2023. It includes a CAGR of indexation of 2.5% in Continental Europe.

| | **CAGR of NRI determined by the appraisers in the DCF** | **CAGR of NRI - Starting from Dec. 31, 2022** | |
|---|---|---|---|
| **Shopping Centres** | **Valuations as at June 30, 2023** | **Valuations as at June 30, 2023** | **Valuations as at Dec. 31, 2022** |
| France | 4.8% | 4.9% | 4.9% |
| Spain | 3.1% | 4.8% | 4.3% |
| Central Europe | 1.9% | 3.4% | 2.9% |
| Austria | 3.3% | 3.3% | 3.1% |
| Germany | 3.1% | 3.2% | 3.3% |
| Nordics | 3.8% | 3.2% | 3.5% |
| The Netherlands | 2.8% | 3.7% | 3.9% |
| UK | 2.8% | 3.3% | 2.5% |
| US Flagships | 6.5% | 4.6% | 5.0% |
| US Regionals | 2.6% | 2.0% | 2.3% |
| **Average URW** | **4.1%** | **4.1%** | **4.0%** |

As a consequence, the NRI of the exit year used by appraisers in June 2023 valuations increased in Continental Europe (+3.5%), in the US (+2.0%) and in the UK (+1.9%) compared to those reflected in December 2022 valuations.

[58] Restated from 2022 and H1-2023 disposals.
[59] Weighted by GMV.

## 2. EPRA Net Asset Value metrics calculation

The EPRA measures[60] are calculated by adjusting the equity attributable to the holders of the Stapled Shares, as shown in the Consolidated statement of financial position (under IFRS), for the items as described below. These apply differently to each metric.

### 2.1. Equity attributable to the holders of the Stapled Shares

As at June 30, 2023, the Equity attributable to the holders of the Stapled Shares (which excludes both the Hybrid securities and the External non-controlling interests) came to €16,419 Mn.

The Equity attributable to the holders of the Stapled Shares incorporated the net recurring profit in the period of €757 Mn and the net negative impact in the period of -€1,295 Mn as a result of negative valuation movements, partially offset by the positive mark-to-market of financial instruments.

### 2.2. Revaluation to fair value of investment properties, development properties held for investment and other non-current investments

No adjustment was made for the purpose of the EPRA NRV, EPRA NTA and EPRA NDV calculation.

### 2.3. Deferred tax in relation to fair value movements in investment property

In the Group's IFRS consolidated accounts, deferred tax on property assets was calculated in accordance with accounting standards as at June 30, 2023.

As a result, and consistent with the EPRA methodology, for the purpose of the EPRA NRV calculation, deferred taxes (€1,785 Mn) were added back for the calculation of EPRA NRV, and for the calculation of the EPRA NTA. For the EPRA NTA calculation, -€892 Mn of effective deferred taxes were then deducted. The EPRA NDV was not adjusted.

### 2.4. Fair value of financial instruments

The fair value adjustment of financial instruments recorded in the IFRS consolidated statement of financial position was added back by URW for the EPRA NRV and EPRA NTA calculation for a total amount of €309 Mn (excluding exchange rate hedging) and remained at the IFRS value for the EPRA NDV.

Fair value movements of foreign currency hedging instruments (fair value hedges or net investment hedges) recorded in the balance sheet and associated with foreign exchange retranslation remains in all 3 NAV metrics (NRV, NTA, and NDV) to offset the movement in the underlying investment being hedged.

### 2.5. Goodwill as a result of deferred taxes

Goodwill booked on the balance sheet as a result of deferred taxes of -€177 Mn as at June 30, 2023, was excluded from the EPRA NRV, EPRA NTA and EPRA NDV.

### 2.6. Other Goodwill as per the IFRS Balance Sheet

Goodwill booked on the balance sheet (which is mainly related to the Westfield acquisition) of -€781 Mn was deducted from the EPRA NTA and EPRA NDV (net of the goodwill resulting from deferred taxes already deducted).

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[60] Refer to the EPRA website for more detail:
https://www.epra.com/application/files/3115/7287/4349/EPRA_BPR_Guidelines_241019.pdf.

### 2.7. Intangibles as per the IFRS Balance Sheet

Intangible assets of -€839 Mn have been deducted from the EPRA NTA.

### 2.8. Fair value of fixed interest rate debt

The value of the fixed rate debt on the balance sheet of the Group is equal to the nominal value of the UR debt and the fair value of the Westfield debt at the accounting combination date (May 31, 2018). Taking fixed rate debt at its fair value would have a positive impact of +€4,365 Mn as at June 30, 2023. This impact was taken into account in the EPRA NDV calculation.

### 2.9. Revaluation of intangibles to fair value

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

The appraisal of property services companies in France, the US, the UK and Germany, the airport activities (excluding LAX and Chicago), the Westfield trademark and of the operations ("fonds de commerce") of Viparis Porte de Versailles, Paris Nord Villepinte, Palais des Congrès de Paris and Palais des Congrès d'Issy-les-Moulineaux, meet the criteria of this adjustment and have been so valued. This gave rise to an unrealised capital gain of +€912 Mn, which was added only for the purpose of the EPRA NRV calculation.

### 2.10. Real estate transfer tax

As at June 30, 2023, the transfer taxes and costs deducted from asset values in the statement of financial position (in accordance with IFRS) amounted to €1,850 Mn. This amount is taken into account in the EPRA NDV. For the purpose of the EPRA NRV calculation, this amount was added back.

For the purpose of the EPRA NTA calculation, the Group used the optimised net property value. Transfer taxes and transaction costs are estimated after taking into account the likely disposal scenario: sale of the asset or of the company that owns it. As at June 30, 2023, these estimated transfer taxes and other transaction costs compared to transfer taxes and costs already deducted from asset values on the statement of financial position (in accordance with IFRS) came to a positive net adjustment of +€464 Mn.

### 2.11. Fully diluted number of shares

Dilution from securities giving access to share capital as at June 30, 2023 was computed for such instruments "in the money" and having fulfilled the performance conditions.

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

The exercise of "in the money" stock options and performance shares with the performance conditions fulfilled as at June 30, 2023 would have led to a rise in the number of shares by +945,133, without any impact on the equity attributable to the holders of the Stapled Shares as they relate only to performance shares.

As at June 30, 2023, the fully-diluted number of shares taken into account for the EPRA measures calculations was 139,985,638.

### 2.12. URW's EPRA NRV

URW's EPRA NRV stood at €21,098 Mn or €150.70 per share (fully-diluted) as at June 30, 2023. The EPRA NRV per share decreased by -€5.00 (or -3.2%) compared to December 31, 2022.

The decrease of -€5.00 compared to December 31, 2022 was the sum of: (i) -€5.92 per share of changes in Equity attributable to the holders of the Stapled Shares including mainly the Recurring Net Result, the Revaluation of Investment Properties, the Capital gains on disposals and the Mark-to-market of debt and financial instruments; and (ii) +€0.92 per share of changes due to NAV adjustments, including mainly the impacts of fair value of financial instruments adjustment, of real estate transfer taxes, of intangible assets and of deferred taxes on Balance sheet.

### 2.13. URW's EPRA NTA

URW's EPRA NTA stood at €16,288 Mn or €116.40 per share (fully-diluted) as at June 30, 2023. The EPRA NTA per share decreased by -€4.60 (or -3.8%) compared to December 31, 2022.

The decrease of -€4.60 compared to December 31, 2022 was the sum of: (i) -€5.92 per share of changes in Equity attributable to the holders of the Stapled Shares including mainly the Recurring Net Result, the Revaluation of Investment Properties, the Capital gains on disposals and the Mark-to-market of debt and financial instruments; and (ii) +€1.32 per share of changes due to NAV adjustments, including mainly the impacts of fair value of financial instruments adjustment, of goodwill, of intangible assets and of deferred taxes.

### 2.14. URW's EPRA NDV

URW's EPRA NDV stood at €19,827 Mn or €141.60 per share (fully-diluted) as at June 30, 2023. The EPRA NDV per share decreased by -€6.80 (or -4.6%) compared to December 31, 2022.

The decrease of -€6.80 compared to December 31, 2022 was the sum of: (i) -€5.92 per share of changes in Equity attributable to the holders of the Stapled Shares including mainly the Recurring Net Result, the Revaluation of Investment Properties, Capital the gains on disposals and the Mark-to-market of debt and financial instruments; and (ii) -€0.88 per share of changes due to NAV adjustments corresponding to the impact of fair value adjustment of fixed interest rate debt a,d of goodwill.

See details in table "Evolution of EPRA NRV, EPRA NTA and EPRA NDV - per share (fully diluted)".

## 3. EPRA Net Asset Value metrics table

| | June 30, 2023 | | |
|---|---|---|---|
| | **EPRA NRV** | **EPRA NTA** | **EPRA NDV** |
| **Equity attributable to the holders of the Stapled Shares (IFRS)** | **16,419** | **16,419** | **16,419** |
| *Include / Exclude*:* | | | |
| i) Hybrid instruments | - | - | - |
| **Diluted NAV** | **16,419** | **16,419** | **16,419** |
| *Include*:* | | | |
| ii.a) Revaluation of IP (if IAS 40 cost option is used) | 0 | 0 | 0 |
| ii.b) Revaluation of IPUC(1) (if IAS 40 cost option is used) | 0 | 0 | 0 |
| ii.c) Revaluation of other non-current investments(2) | 0 | 0 | 0 |
| iii) Revaluation of tenant leases held as finance leases(3) | 0 | 0 | 0 |
| iv) Revaluation of trading properties(4) | 0 | 0 | 0 |
| **Diluted NAV at Fair Value** | **16,419** | **16,419** | **16,419** |
| *Exclude*:* | | | |
| v) Deferred tax in relation to fair value gains of IP(5) detailled below: | | | |
| v.a) Reversal of deferred taxes on Balance sheet | 1,785 | 1,785 | - |
| v.b) Effective deferred taxes on capital gains | - | -892 | - |
| vi) Fair value of financial instruments | 309 | 309 | - |
| vii) Goodwill as a result of deferred tax | -177 | -177 | -177 |
| viii.a) Goodwill as per the IFRS balance sheet (net of vii)) | - | -781 | -781 |
| viii.b) Intangibles as per the IFRS balance sheet | - | -839 | - |
| *Include*:* | | | |
| ix) Fair value of fixed interest rate debt | - | - | 4,365 |
| x) Revaluation of intangibles to fair value | 912 | - | - |
| xi) Real estate transfer tax(6) | 1,850 | 464 | - |
| **NAV** | **21,098** | **16,288** | **19,827** |
| Fully diluted number of shares | 139,985,638 | 139,985,638 | 139,985,638 |
| **NAV per share** | **€150.70** | **€116.40** | **€141.60** |

Figures may not add up due to rounding.

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

| | Dec. 31, 2022 | | |
|---|---|---|---|
| | **EPRA NRV** | **EPRA NTA** | **EPRA NDV** |
| | | | |
| **Equity attributable to the holders of the Stapled Shares (IFRS)** | **17,189** | **17,189** | **17,189** |
| *Include / Exclude*:* | | | |
| i) Hybrid instruments | - | - | - |
| **Diluted NAV** | **17,189** | **17,189** | **17,189** |
| *Include*:* | | | |
| ii.a) Revaluation of IP (if IAS 40 cost option is used) | 0 | 0 | 0 |
| ii.b) Revaluation of IPUC[1] (if IAS 40 cost option is used) | 0 | 0 | 0 |
| ii.c) Revaluation of other non-current investments[2] | 0 | 0 | 0 |
| iii) Revaluation of tenant leases held as finance leases[3] | 0 | 0 | 0 |
| iv) Revaluation of trading properties[4] | 0 | 0 | 0 |
| **Diluted NAV at Fair Value** | **17,189** | **17,189** | **17,189** |
| *Exclude*:* | | | |
| v) Deferred tax in relation to fair value gains of IP[5] detailled below: | | | |
| v.a) Reversal of deferred taxes on Balance sheet | 1,788 | 1,788 | - |
| v.b) Effective deferred taxes on capital gains | - | -894 | - |
| vi) Fair value of financial instruments | 265 | 265 | - |
| vii) Goodwill as a result of deferred tax | -177 | -177 | -177 |
| viii.a) Goodwill as per the IFRS balance sheet (net of vii)) | - | -903 | -903 |
| viii.b) Intangibles as per the IFRS balance sheet | - | -821 | - |
| *Include*:* | | | |
| ix) Fair value of fixed interest rate debt | - | - | 4,596 |
| x) Revaluation of intangibles to fair value | 1,018 | - | - |
| xi) Real estate transfer tax[6] | 1,642 | 436 | - |
| **NAV** | **21,725** | **16,884** | **20,706** |
| Fully diluted number of shares | 139,500,420 | 139,500,420 | 139,500,420 |
| **NAV per share** | **€155.70** | **€121.00** | **€148.40** |

Figures may not add up due to rounding.

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

| | EPRA NRV | | |
|---|---|---|---|
| | **June 30, 2023** | **Dec. 31, 2022** | **June 30, 2022** |
| **Equity attributable to the holders of the Stapled Shares (IFRS)** | **16,419** | **17,189** | **17,929** |
| *Include / Exclude*:* | | | |
| i) Hybrid instruments | - | - | - |
| **Diluted NAV** | **16,419** | **17,189** | **17,929** |
| *Include*:* | | | |
| ii.a) Revaluation of IP (if IAS 40 cost option is used) | 0 | 0 | 0 |
| ii.b) Revaluation of IPUC(1) (if IAS 40 cost option is used) | 0 | 0 | 0 |
| ii.c) Revaluation of other non-current investments(2) | 0 | 0 | 0 |
| iii) Revaluation of tenant leases held as finance leases(3) | 0 | 0 | 0 |
| iv) Revaluation of trading properties(4) | 0 | 0 | 0 |
| **Diluted NAV at Fair Value** | **16,419** | **17,189** | **17,929** |
| *Exclude*:* | | | |
| v) Deferred tax in relation to fair value gains of IP(5) detailled below: | | | |
| v.a) Reversal of deferred taxes on Balance sheet | 1,785 | 1,788 | 1,844 |
| v.b) Effective deferred taxes on capital gains | - | - | - |
| vi) Fair value of financial instruments | 309 | 265 | 424 |
| vii) Goodwill as a result of deferred tax | - 177 | - 177 | - 177 |
| viii.a) Goodwill as per the IFRS balance sheet (net of vii)) | - | - | - |
| viii.b) Intangibles as per the IFRS balance sheet | - | - | - |
| *Include*:* | | | |
| ix) Fair value of fixed interest rate debt | - | - | - |
| x) Revaluation of intangibles to fair value | 912 | 1,018 | 1,046 |
| xi) Real estate transfer tax(6) | 1,850 | 1,642 | 1,728 |
| **EPRA NRV** | **21,098** | **21,725** | **22,794** |
| Fully diluted number of shares | 139,985,638 | 139,500,420 | 139,511,827 |
| **EPRA NRV per share** | **€150.70** | **€155.70** | **€163.40** |

| | | | |
|---|---|---|---|
| **% of change over six months** | **-3.2%** | **-4.7%** | **2.4%** |
| **% of change over one year** | **-7.8%** | **-2.4%** | **0.6%** |

Figures may not add up due to rounding.

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

| Evolution of EPRA NRV, EPRA NTA and EPRA NDV - per share (fully diluted) | EPRA NRV | EPRA NTA | EPRA NDV |
|---|---|---|---|
| **As at Dec. 31, 2022, per share** | **€155.70** | **€121.00** | **€148.40** |
| **Recurring Net Result** | **5.45** | **5.45** | **5.45** |
| Revaluation of Investment Properties * | - 8.61 | - 8.61 | - 8.61 |
| Shopping Centres - 6.81 | | | |
| Offices & Others - 1.68 | | | |
| Convention & Exhibition - 0.13 | | | |
| Depreciation or impairment of intangibles | - 0.05 | - 0.05 | - 0.05 |
| Impairment of goodwill | - 0.74 | - 0.74 | - 0.74 |
| Capital gain on disposals | - 0.20 | - 0.20 | - 0.20 |
| **Subtotal revaluations, impairments and capital gain on disposals** | **- 9.60** | **- 9.60** | **- 9.60** |
| Mark-to-market of debt and financial instruments | 0.51 | 0.51 | 0.51 |
| Taxes on non-recurring result | - 0.13 | - 0.13 | - 0.13 |
| Other non-recurring result | - 0.02 | - 0.02 | - 0.02 |
| **Subtotal non-recurring financial expenses, taxes and other** | **0.35** | **0.35** | **0.35** |
| **Distribution** | **-** | **-** | **-** |
| **Other changes in Equity attributable to the holders of the Stapled Shares** | **- 2.12** | **- 2.12** | **- 2.12** |
| **Total changes in Equity attributable to the holders of the Stapled Shares** | **- 5.92** | **- 5.92** | **- 5.92** |
| Impact of potential issuance of Stock Options and number of shares | - | - | - |
| Revaluation of Investment Properties (operating assets) | - | - | - |
| Impact of deferred taxes on Balance sheet and effective deferred taxes | - 0.02 | - 0.01 | - |
| Impact of fair value of financial instruments adjustment | 0.31 | 0.31 | - |
| Impact of impairment or changes in goodwill as per the IFRS balance sheet | - | 0.87 | 0.87 |
| Impact of real estate transfer tax | 1.48 | 0.20 | - |
| Impact from intangible assets | - 0.75 | - 0.14 | - |
| Impact of fair value adjustment of fixed interest rate debt | - | - | - 1.65 |
| Impact of change in the number of fully diluted Stapled Shares | - 0.10 | 0.08 | - 0.10 |
| **Total changes due to NAV adjustments** | **0.92** | **1.32** | **- 0.88** |
| | | | |
| **As at June 30, 2023, per share (fully diluted)** | **€150.70** | **€116.40** | **€141.60** |

Figures may not add up due to rounding.

(*) Revaluation of property assets is -€6.93 per share on a like-for-like basis, of which -€17.22 due to the yield effect and +€10.29 due to the rent effect.

## 5. FINANCIAL RESOURCES [61]

H1-2023 saw persistent inflation leading Central Banks to pursue rates hikes. The first half also saw higher market volatility with US regional banks crisis, uncertainties around the banking system including the Credit Suisse situation and a potential recession looming.

During this period, URW raised €653 Mn (€721 Mn on a proportionate basis) of medium to long-term funds in the mortgage and bank markets (including credit facility renewals), further strengthening its liquidity position.

In addition, on June 20, 2023, the Group launched an any-and-all par-for-par Exchange Offer on its €1.25 Bn hybrid Perp-NC23 notes ("Old Notes") into a combination of (i) new Euro denominated Perp-NC28 hybrid notes with a coupon of 7.25% ("New Notes") and (ii) a cash amount when applicable.

The first of its kind by a corporate issuer, the Exchange Offer was successfully completed on June 26, 2023[62] with a participation rate of 92%, corresponding to:

- €1.15 Bn of Old Notes validly submitted for exchange and cancelled at the Settlement Date on July 3, 2023;
- €995 Mn of New Notes issued at the Settlement Date; and
- €155 Mn of cash paid out at the Settlement Date (the Cash Amount).

Accordingly, the Group's overall hybrid portfolio will decrease to €1,845 Mn (corresponding to a reduction of 7.76%).

As at June 30, 2023, the Group had €11.9 Bn of cash on hand and undrawn credit lines (€12.0 Bn on a proportionate basis) including €3.8 Bn of cash on hand (€4.0 Bn on a proportionate basis).

As at June 30, 2023:
- The Interest Coverage Ratio ("ICR") was 4.4x (4.2x);
- The Funds From Operations (FFO) to Net Financial Debt Ratio ("FFO/NFD") was 8.3% (7.6%);
- The Loan-to-Value ("LTV") ratio[63] was 41.9%[64] (41.2%);
- The Net debt/EBITDA ratio[65] was 9.4x (9.6x).

The average cost of debt for the period was 1.8% (2.0%), representing the blended average cost of 1.3% for Euro denominated debt and 3.9% for USD and GBP denominated debt as a result of improved cash remuneration on an increasing cash position and a stable cost of gross debt thanks to hedges in place.

[61] As the Group's financial covenants are calculated in accordance with IFRS, unless otherwise indicated, the financial information in this section is presented in accordance with IFRS. The Group also provides such information on a proportionate basis (see comparative table in section 4). For definitions, refer to the Glossary.
Unless otherwise indicated, comparisons to ratios, debt outstanding, average cost of debt, the amount of undrawn credit lines and cash on hand relate to December 31, 2022.
[62] With a Settlement Date on July 3, 2023.
[63] Net financial debt (or "net debt") as shown on the Group's balance sheet, after the impact of derivative instruments on debt raised in foreign currencies / total assets, including transfer taxes (43.5% excluding transfer taxes).
[64] Excluding €838 Mn of goodwill not justified by fee business as per the Group's European bank debt leverage covenants (€899 Mn on a proportionate basis).
[65] On last 12-month basis.

## 1. Debt structure as at June 30, 2023[66]

The Group's net debt[67] both on an IFRS basis (€20,503 Mn) and on a proportionate basis[68] (€22,233 Mn) continued to decrease in H1-2023, primarily as a result of:

- the completion of €328 Mn of disposals;
- retained cash flow over the period;
- foreign exchange evolution on the debt raised in USD and GBP (impact of €33 Mn)[69] [70].

partly offset by:

- capital expenditure spent over the period;
- the €155 Mn Cash Amount accounted for as financial debt in H1-2023 accounts and cashed out by the PERP-NC23 hybrid holders on July 3, 2023.

The medium to long-term corporate debt issued by the various URW entities is cross guaranteed.
No loans are subject to prepayment clauses linked to the Group's credit ratings[71].

In line with the Group's efforts to deleverage in the US, the Group (along with its JV partner) made the decision not to repay the $195 Mn at 100% ($97.5 Mn at URW share) secured debt on Westfield Valencia Town Center, which matured on January 1, 2023. The value of the asset in URW's books stands at $106 Mn as at June 30, 2023 on a proportionate basis.

With regard to San Francisco Centre, given the challenging operating conditions in downtown San Francisco, which have led to declines in sales, occupancy and footfall, the Group have made the difficult decision to begin the process to transfer management of the shopping centre to the lender to allow them to appoint a receiver to operate the property going forward.
The secured debt on San Francisco Centre amounts to $558 Mn at 100% ($340 Mn at URW share[72]) and matures in August 2026. The value of the asset in URW's books stands at $301 Mn[73] on a proportionate basis as at June 30, 2023 ($352 Mn as at December 31, 2022).

Westfield Valencia Town Center and San Francisco Centre, are expected to be sold or foreclosed. The debt attached to each of these assets is non-recourse and its non-repayment has no impact on the rest of the Group's debt.

In addition to the disposals closed in H1-2023, the Group signed an agreement for the sale of Novotel Lyon Confluence in France and sold Westfield Mission Valley shopping centres in San Diego, California for a sale price of $290 Mn (at 100%, URW share 42%).

The additional net debt reduction from these assets sale or foreclosure would amount in total to €0.2 Bn in an IFRS basis and €0.5 Bn on a proportionate basis.

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[66] Hybrid securities are accounted for as equity. The hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option and are required to be classified as equity under IFRS. Details on the outstanding hybrid securities are available at: https://www.urw.com/en/investors/financing-activity/bond-issues

[67] After impact of derivative instruments on debt raised in foreign currencies. Excluding financial leases accounted as debt under IFRS 16 and partners' current account.

[68] The sum of: (i) IFRS debt, and (ii) the Group's share of debt at joint ventures in joint control accounted for using the equity method under IFRS, most of which is secured by assets held in joint ventures.

[69] Based on following exchange rates as at June 30, 2023: EUR/USD 1.0866 and EUR/GBP 0.8583 vs. exchange rates as at December 31, 2022: EUR/USD 1.0666 and EUR/GBP 0.8869.

[70] On a proportionate basis: €38 Mn.

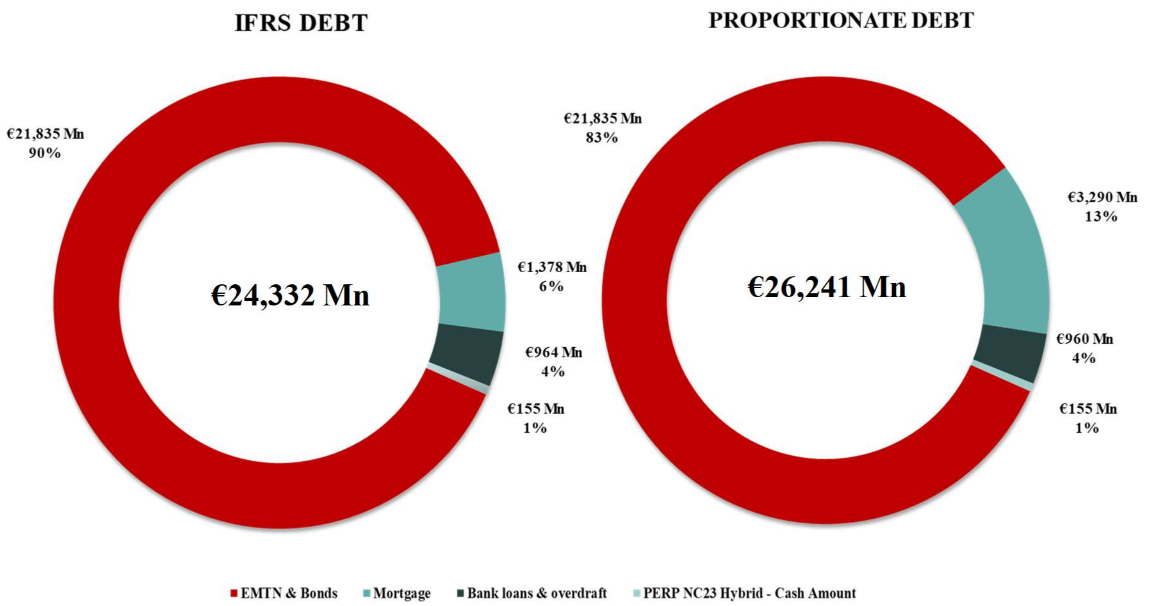
[71] Barring exceptional circumstances (change of control).

[72] $121 Mn on an IFRS basis.

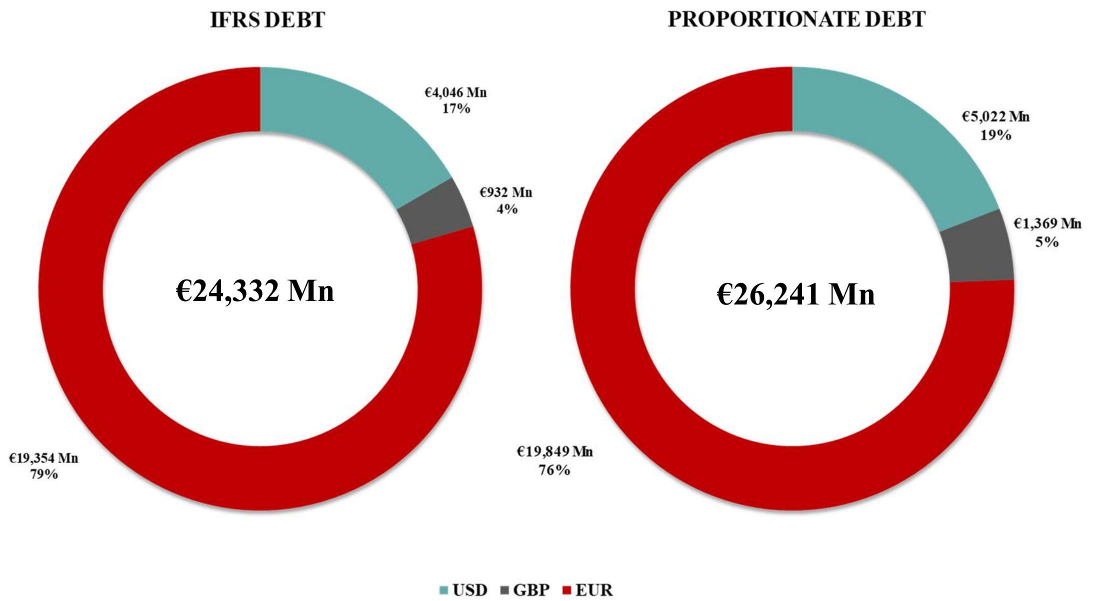
[73] $112 Mn on an IFRS basis.

### 1.1. Gross debt breakdown as at June 30, 2023[74]

- **Breakdown by financing sources**




- **Breakdown by currency**




[74] Figures may not add up due to rounding.

### 1.2. Funds Raised

**Bank debt**:

During H1-2023, the Group signed €789 Mn[75] of bank debt including mainly:

- €300 Mn sustainability-linked loans with an average maturity of 2.8 years;
- €100 Mn new bilateral credit facilities with a 2-year maturity;
- A non-recourse mortgage loan backed by Westfield Galeria at Roseville for an amount of $275 Mn with a 5-year[76] maturity. This debt has been consolidated at 100% in the Group's proportionate accounts;
- A non-recourse mortgage loan to refinance a maturing mortgage loan on Paunsdorf Center for total amount of €120 Mn with a 5-year maturity. This debt has been consolidated at share in the Group's proportionate accounts[77].

The Group also fully drew, at the end of its availability period, the €150 Mn 5y sustainability-linked term loan signed in October 2022.

Furthermore, the Group extended by one year the maturity of €3,250 Mn existing European credit facilities (including €3,100 Mn of sustainability-linked credit facility).

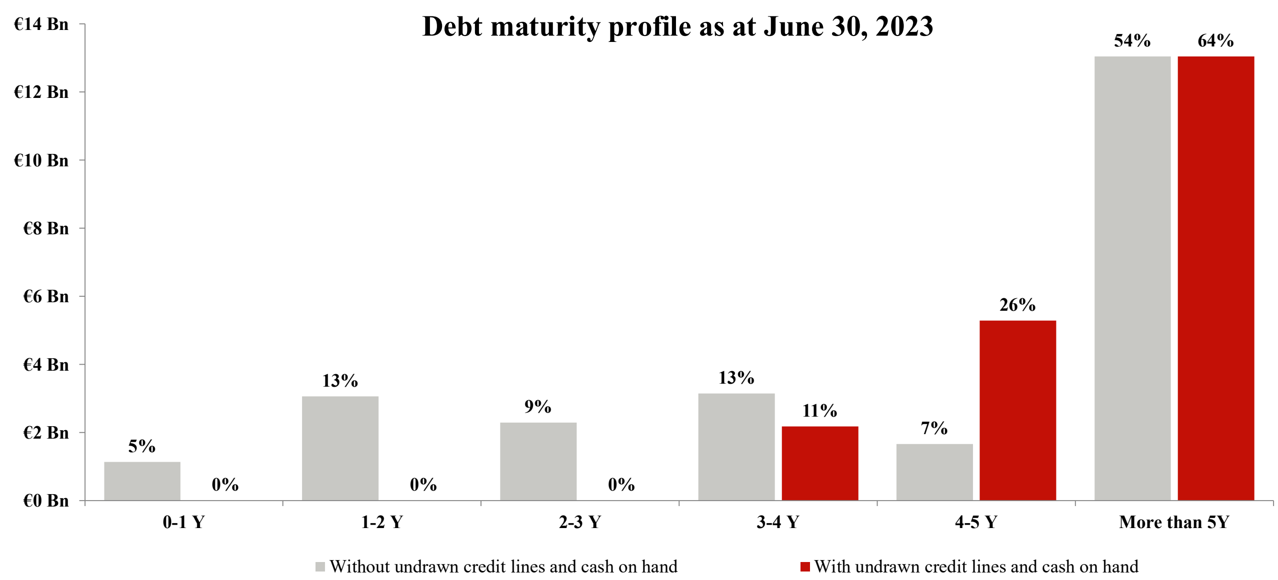
**Short to medium term paper**:

URW did not issue any short-term paper, due to the Group's high liquidity position in H1-2023.

### 1.3. Debt maturity as at June 30, 2023

The average maturity of the Group's debt, considering the undrawn credit lines[78] and cash on hand stood at 8.0 years and at 6.6 years without taking into account the undrawn credit lines and cash on hand.

The following chart illustrates the split by maturity date of URW's net financial debt as at June 30, 2023.




75 At 100%.
76 Subject to covenants.
77 As Paunsdorf Center is consolidated at 50.00% (at share) in URW's proportionate accounts, only €60 Mn (URW share) of the non-recourse debt raised by the asset-owning JV, will be consolidated in URW's proportionate debt. No debt consolidated under IFRS.
78 Subject to covenants.

### 1.4. Liquidity needs

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

| Debt repayment needs over next 12 months | IFRS | Proportionate[79] |
|---|---|---|
| Bonds | €753 Mn | €753 Mn |
| Bank loans, Mortgage & overdraft | €227 Mn | €524 Mn |
| PERP NC23 Hybrid Cash Amount[80] | €155 Mn | €155 Mn |
| **Total** | **€1,135 Mn** | **€1,432 Mn** |
| ***Cash on hand*** | ***€3,829 Mn*** | ***€4,008 Mn*** |

Figures may not add up due to rounding.

In addition, as at June 30, 2023:

- The total amount of undrawn credit lines[81] was €8,032 Mn (€9,655 Mn), including a $1.5 Bn (c. €1.4 Bn) multi-currency revolving credit facility.
- The average residual maturity of these undrawn credit lines stands at 2.9 years.
- The credit facilities maturing over the next 12 months amount to €2.9 Bn including the current $1.5 Bn (c. €1.4 Bn) multi-currency revolving credit facility. URW is considering opportunities to extend or renew part of these lines.

The Group's liquidity (including cash on hand and undrawn credit facilities) covers its debt maturities for more than the next 36 months.

### 1.5. Average cost of debt

The average cost of debt as at June 30, 2023, was 1.8% (2.0%), representing the blended average cost of 1.3% for EUR denominated debt and 3.9% for USD and GBP denominated debt.

The Group's cost of debt decreased over H1-2023 as a result of improved cash remuneration on its increasing cash position and a stable cost of gross debt thanks to hedges in place.

## 2. Ratings

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

- On April 14th, 2023, S&P published a research update confirming the "BBB+" long-term rating of the Group with "stable" outlook.
- On June 2nd, 2023, Moody's published a credit opinion with no action on the Group's Baa2 long-term rating with "stable" outlook.

The Group's ratings remain unchanged as a result of the completion of the Exchange Offer, as announced by rating agencies in their respective press releases published on June 20, 2023.

## 3. Market risk management

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

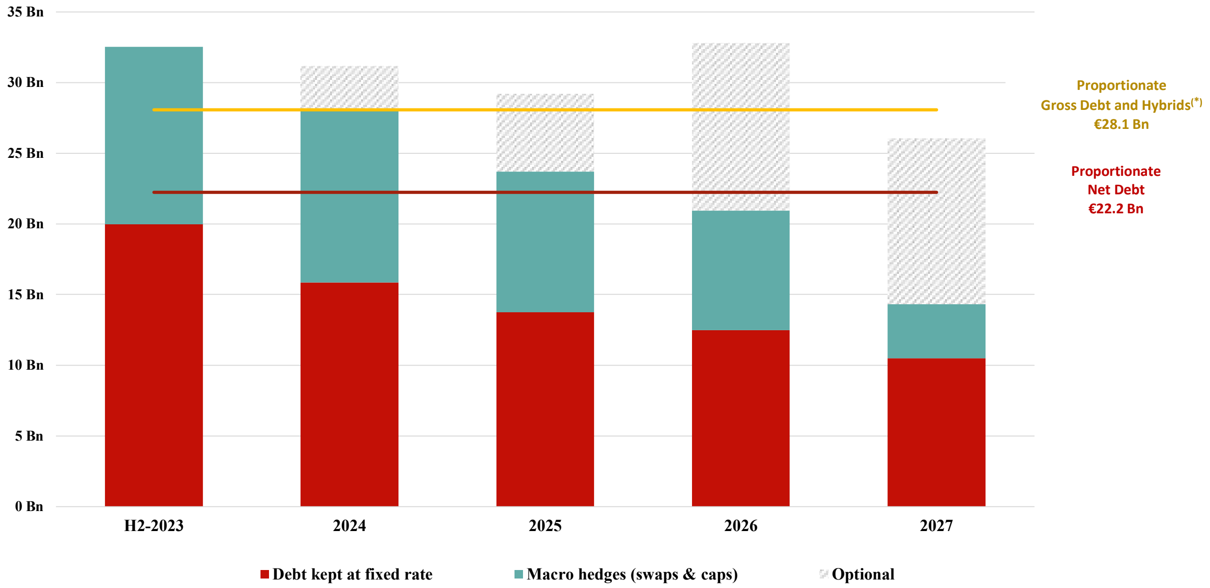
[79] Excluding Westfield Valencia Town Center $195 Mn mortgage loan ($97.5 Mn on a proportionate basis). See section 4.
[80] Reimbursed on July 3rd, 2023 following the completion of the Exchange Offer.
[81] Subject to covenants.

### 3.1. Interest rate risk management

Over the H1-2023, the Group adjusted its hedging position in view of its current disposal and investment plans, its existing hedging programme and debt[82] as well as the debt the Group expects to raise in the coming years. The cost of these adjustments including new instruments implemented in H1-2023 net of their mark-to-market in URW books at end of June 2023 was positive at €114 Mn.

The Group's net interest rate position[83] is fully hedged for H2-2023 and the following years.

**Annual projection of average hedging amounts and fixed rate debt up to 2027**
*(€ Bn- as at Jun, 2023)*




(*) Including a total of €1,845 Mn hybrid instruments.

**<u>Measuring interest rate exposure</u>**

Over H1-2023, short-term interest rates increased across currencies by: +145 bps for 3M Euribor, +67 bps for 3M SOFR and +153 bps for 3M Sonia, while long-term treasury rates decreased in Continental Europe (-24 bps) and the US (-4 bps) and increased in the UK (+72 bps).

Based on the Group's budgeted net debt in H2-2023, if interest rates[84] (Euribor, Libor, Sonia) were to increase/decrease, the Group's recurring result in 2023 would be impacted by:

| | Euros | USD | GBP | Total eq. EUR |
|---|---|---|---|---|
| -25 bps interest rate | -€2.6 Mn | $0.0 Mn | £0.0 Mn | -€2.6 Mn |
| +25 bps interest rate | +€5.3 Mn | $0.0 Mn | £0.0 Mn | +€5.3 Mn |
| +100 bps interest rate | +€21.1 Mn | $0.0 Mn | £0.0 Mn | +€21.1 Mn |
| +200 bps interest rate | +€42.3 Mn | $0.0 Mn | £0.0 Mn | +€42.3 Mn |

As shown in the table above, the impact of a rate increase on the recurring financial expenses would be positive as the hedging instruments in place in H2-2023 are expected to be above budgeted debt.

[82] On a proportionate basis.
[83] The hedging instruments are used to hedge (i) the variable rate debt and (ii) the fixed rate debt immediately converted into variable rate debt, through the Group's macro hedging.
[84] The impact on exchange rates due to this theoretical increase/decrease in interest rates is not taken into account. The theoretical impact of an increase/decrease in interest rates is calculated relative to the applicable rates as at June 30, 2023: 3M Euribor (3.5770%), 3M SOFR (5.2635%) and 3M Sonia (5.2745%).

### 3.2. Foreign exchange risk management

The Group is active in countries outside the Eurozone. When converted into euros, the income and value of the Group's investments may be impacted by fluctuations in exchange rates against the euro. The Group's policy objective is to apply a broadly consistent[85] LTV by currency allowing it to match part of the foreign currency asset value and income with debt and financial expenses in the same currency, thus reducing the exchange rate effects on the Group's balance sheet and earnings. Foreign exchange risk can be hedged by either matching investments in a specific currency with debt in the same currency or using derivatives to achieve the same risk management goal.

| **IFRS** - *In millions** | **Euros[86]** | **USD** | **GBP** | **Total eq. EUR** |
|---|---|---|---|---|
| **Assets[87]** | **36,201** | **10,646** | **2,547** | **48,966** |
| **Net Financial Debt** | **16,597** | **3,383** | **680** | **20,503** |
| **IFRS LTV** | **45.8%** | **31.8%** | **26.7%** | **41.9%** |

| **Proportionate** - *In millions** | **Euros[86]** | **USD** | **GBP** | **Total eq. EUR** |
|---|---|---|---|---|
| **Assets[88]** | **36,757** | **11,765** | **2,957** | **51,029** |
| **Net Financial Debt** | **17,019** | **4,393** | **1,005** | **22,233** |
| **Proportionate LTV[89]** | **46.3%** | **37.3%** | **34.0%** | **43.6%** |

**In local currencies, figures may not add up due to rounding.*

The Group's FX main exposures are in USD, GBP and SEK. A change of 10% of EUR/USD, EUR/GBP or EUR/SEK (i.e. a +10% increase of EUR against the USD, GBP or SEK in H2-2023) would have an impact on shareholders' equity and on the recurring net result as follows:

| | **Impact on** | |
|---|---|---|
| **in € Mn** | **Shareholder's Equity** | **Recurring Net Result** |
| +10% in EUR/USD | -444.0 | -8.8 |
| +10% in EUR/GBP | -130.3 | -5.5 |
| +10% in EUR/SEK | -157.9 | -3.6 |

The impact on the recurring net result would be offset by the FX hedging that the Group has put in place against EUR/USD, EUR/GBP, EUR/SEK fluctuations.

[85] On a proportionate basis.
[86] Including SEK.
[87] Including transfer taxes and excluding €838 Mn of goodwill not justified by fee business.
[88] Including transfer taxes and excluding €899 Mn of goodwill not justified by fee business.
[89] 45.5% excluding transfer taxes.

## 4. Financial structure

| Financial ratios – IFRS | H1-2023 | 2022 | H1-2022 |
|---|---|---|---|
| Net debt | €20,503 Mn | €20,696 Mn | €22,125 Mn |
| GMV | €48,966 Mn | €50,251 Mn | €52,714 Mn |
| LTV | 41.9% | 41.2% | 42.0% |
| ICR | 4.4x | 4.2x | 4.5x |
| Net debt/EBITDA[90] | 9.4x | 9.6x | 11.0x |
| FFO/Net debt | 8.3% | 7.6% | 7.5% |

| Financial ratios - Proportionate | H1-2023 | 2022 | H1-2022 |
|---|---|---|---|
| Net debt | €22,233 Mn | €22,425 Mn | €24,054 Mn |
| GMV | €51,029 Mn | €52,250 Mn | €54,981 Mn |
| LTV | 43.6% | 42.9% | 43.8% |
| ICR | 4.1x | 3.8x | 4.1x |
| Net debt/EBITDA[90] | 10.0x | 10.2x | 11.6x |
| FFO/Net debt | 7.6% | 7.0% | 6.8% |

The LTV ratio[91] increase was mainly due to the lower valuations while net debt decreased despite the Cash Amount (€155Mn) for the partial repayment of the PERP NC23 hybrid treated as gross debt on June 30, 2023. The impact of the Cash Amount on URW's LTV was +0.3%.

Including the remaining hybrids, the LTV would be 45.6% (and 47.2% on a proportionate basis) as at June 30, 2023.

Pro-forma for the receipt of the proceeds from the additional disposal secured and planned foreclosures[92], the LTV would stand at 41.7% and 43.0% on a proportionate basis, close to December 2022 level. Including the hybrid, the pro-forma LTV would be respectively 45.4% (45.2% as at December 31, 2022), and 46.6% on a proportionate basis (46.7% as at December 31, 2022).

As a reminder, the Group discloses its LTV ratio (i) on an IFRS basis in accordance with its European financial covenants requirements and (ii) on a proportionate basis as followed by some credit rating agencies.

In compliance with the EPRA[93] Best Practices Recommendations guidelines[94], the Group also calculated the EPRA LTV, which stood at 54.6% as at June 30, 2023, as a result of the inclusion of hybrid and minority interests treatment. For more details please see the EPRA section.

ICR stood at 4.4x (4.1x on a proportionate basis), above its 2022 level of 4.2x (3.8x on a proportionate basis). This was due to increasing EBITDA and decreasing cost of debt thanks to the Group's hedges despite the increase in rates since H2-2022.

Although it is not part of URW's corporate debt covenants, the Group has set itself a Net debt/EBITDA[95] target of 9x.

The H1-2023 Net debt/EBITDA of 9.4x, takes into account the net debt reduction and the ongoing operating performance of the Group in H1-2023. It would be 10.3x including the hybrids.

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[90] On a last 12-month basis.
[91] Excluding €838 Mn of goodwill not justified by fee businesses as per the Group's European leverage covenants (€899 Mn on a proportionate basis).
[92] i.e. the disposal of Novotel Lyon Confluence and Westfield Mission Valley as well as the sale or foreclosure of Westfield Valencia Town Center and San Francisco Centre.
[93] EPRA: European Public Real estate Association.
[94] See www.epra.com
[95] On an IFRS basis and on a last 12-month basis.

**Financial covenants - summary**

**Corporate debt and credit facilities**:

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

| | June 30, 2023 | Europe Credit facility covenants level | US Credit facility covenants level | Rule 144A and Reg S Bonds covenants level |
|---|---|---|---|---|
| **LTV**[96] | **41.9%** | **< 60%** | **< 65%** | **< 65%** |
| **ICR** | **4.4x** | **> 2x** | **> 1.5x** | **> 1.5x** |
| **FFO/NFD** | **8.3%** | **> 4%** | **na.** | **na.** |
| **Secured debt ratio** | **2.6%** | **na.** | **< 50%** | **< 45%** |
| **Unencumbered leverage ratio** | **1.9x** | **na.** | **> 1.5x** | **> 1.25x** |

These covenants are tested twice a year based on the Group's IFRS financial statements. As at June 30, 2023:

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

**Secured debt non-recourse**:

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

| | Covenant level range | % of non-recourse mortgage incl. this feature in such covenant |
|---|---|---|
| **Debt Yield covenants** | **5%-13%** | **35%** |
| **Debt to Rent** | **8.9x** | **2%** |
| **ICR covenants** | **1.3x – 3.5x** | **31%** |
| **LTV covenants** | **55% - 125%** | **58%** |

- Any breach under these covenants would not lead to a cross-default on the Group's borrowings;
- In the US, the financial covenants of some mortgage loans were not met leading to a funding of cash reserves. This situation does not generate a default of these loans;
- In any case, defaults under these loans are not expected to have a material adverse effect on the Group's finances;
- Sale or foreclosure processes are expected to be launched on Westfield Valencia Town Center and San Francisco Centre, with no impact on the rest of URW's debt.

**Short-term debt**:

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

[96] Ratio calculated based on European bank debt covenant.

## 5. LTV reconciliation with the Balance Sheet (B/S)

### a) Under IFRS:

| (€Mn) | June 30, 2023 IFRS | Dec. 31, 2022 IFRS | June 30, 2022 IFRS |
|---|---|---|---|
| **Amounts accounted for in B/S** | **47,625.3** | **48,957.5** | **51,298.9** |
| Investment properties at fair value | 37,698.6 | 37,830.8 | 38,767.0 |
| Investment properties at cost | 418.3 | 1,162.6 | 1,132.9 |
| Shares and investments in companies accounted for using the equity method | 7,387.8 | 7,927.1 | 8,626.1 |
| Other tangible assets | 124.4 | 137.3 | 139.5 |
| Goodwill | 957.2 | 1,079.2 | 1,079.2 |
| Intangible assets | 839.4 | 820.5 | 862.9 |
| Properties or shares held for sale | 199.7 | 0.0 | 691.3 |
| **Adjustments** | **1,340.4** | **1,293.5** | **1,414.7** |
| Transfer taxes | 1,864.8 | 1,696.6 | 1,779.4 |
| Goodwill not justified by fee business (1) | -837.9 | -959.9 | -959.9 |
| Revaluation intangible and operating assets | 1,175.3 | 1,301.5 | 1,340.3 |
| IFRS adjustments, including | -861.8 | -744.6 | -745.1 |
| *Financial leases* | *-990.7* | *-898.9* | *-906.8* |
| *Other* | *128.9* | *154.3* | *161.7* |
| **Total assets, including Transfer Taxes (=A)** | **48,965.7** | **50,251.0** | **52,713.5** |
| **Total assets, excluding Transfer Taxes (=B)** | **47,100.9** | **48,554.4** | **50,934.2** |
| **Amounts accounted for in B/S** | | | |
| Net share settled bonds convertible into new and/or existing shares (ORNANE) | 0.0 | 0.0 | 0.0 |
| Non-current bonds and borrowings | 24,510.3 | 24,778.2 | 24,835.3 |
| Current borrowings and amounts due to credit institutions | 1,143.6 | 725.7 | 884.3 |
| Liabilities directly associated with properties or shares classified as held for sale (2) | 108.6 | 0.0 | 0.0 |
| **Total financial liabilities** | **25,762.5** | **25,503.9** | **25,719.6** |
| **Adjustments** | | | |
| Mark-to-market of debt | 3.0 | 4.5 | 10.4 |
| Current accounts with non-controlling interests | -1,393.8 | -1,363.4 | -1,440.3 |
| Impact of derivative instruments on debt raised in foreign currency | -57.9 | -65.3 | -71.0 |
| Accrued interest / issue fees | 18.1 | -54.2 | 57.9 |
| **Total financial liabilities (nominal value)** | **24,332.0** | **24,025.4** | **24,276.5** |
| Cash & cash equivalents | -3,828.8 | -3,329.1 | -2,151.9 |
| **Net financial debt (=C)** | **20,503.3** | **20,696.3** | **22,124.6** |

| | | | |
|---|---|---|---|
| **LTV ratio including Transfer Taxes (=C/A)** | **41.9%** | **41.2%** | **42.0%** |
| **LTV ratio excluding Transfer Taxes (=C/B)** | **43.5%** | **42.6%** | **43.4%** |

Figures may not add up due to rounding.

(1) Adjustment of goodwill according to bank covenants.
(2) Only include the financial debt classified as held for sale.

## b) On a proportionate basis:

| (€Mn) | June 30, 2023 Proportionate | Dec. 31, 2022 Proportionate | June 30, 2022 Proportionate |
|---|---|---|---|
| **Amounts accounted for in B/S** | **49,443.2** | **50,756.5** | **53,332.4** |
| Investment properties at fair value | 45,196.2 | 46,153.0 | 47,957.0 |
| Investment properties at cost | 460.6 | 1,206.0 | 1,199.3 |
| Shares and investments in companies accounted for using the equity method | 1,294.9 | 1,296.5 | 1,255.1 |
| Other tangible assets | 127.3 | 140.3 | 142.6 |
| Goodwill | 1,018.2 | 1,140.2 | 1,140.2 |
| Intangible assets | 839.4 | 820.5 | 862.9 |
| Properties or shares held for sale | 506.6 | 0.0 | 775.3 |
| **Adjustments** | **1,585.9** | **1,493.1** | **1,649.1** |
| Transfer taxes | 2,112.9 | 1,908.4 | 2,004.1 |
| Goodwill not justified by fee business (1) | -898.9 | -1,020.9 | -1,031.1 |
| Revaluation intangible and operating assets | 1,172.4 | 1,298.5 | 1,337.2 |
| IFRS adjustments, including | -800.4 | -692.9 | -661.3 |
| *Financial leases* | *-992.9* | *-908.7* | *-916.9* |
| *Other* | *192.5* | *215.8* | *255.6* |
| **Total assets, including Transfer Taxes (=A)** | **51,029.1** | **52,249.6** | **54,981.5** |
| **Total assets, excluding Transfer Taxes (=B)** | **48,916.2** | **50,341.1** | **52,977.3** |
| **Amounts accounted for in B/S** | | | |
| Net share settled bonds convertible into new and/or existing shares (ORNANE) | 0.0 | 0.0 | 0.0 |
| Non current bonds and borrowings | 25,831.5 | 26,470.5 | 26,624.1 |
| Current borrowings and amounts due to credit institutions | 1,380.0 | 939.1 | 1,181.7 |
| Liabilities directly associated with properties or shares classified as held for sale (2) | 456.9 | 0.0 | 62.0 |
| **Total financial liabilities** | **27,668.4** | **27,409.7** | **27,867.8** |
| **Adjustments** | | | |
| Mark-to-market of debt | 10.1 | 13.6 | 22.2 |
| Current accounts with non-controlling interests | -1,393.7 | -1,363.4 | -1,440.3 |
| Impact of derivative instruments on debt raised in foreign currency | -57.9 | -65.3 | -71.0 |
| Accrued interest / issue fees | 14.1 | -55.2 | 53.2 |
| **Total financial liabilities (nominal value)** | **26,241.1** | **25,939.4** | **26,431.8** |
| Cash & cash equivalents | -4,008.0 | -3,514.4 | -2,377.3 |
| **Net financial debt (=C)** | **22,233.3** | **22,425.1** | **24,054.5** |

| | | | |
|---|---|---|---|
| **LTV ratio including Transfer Taxes (=C/A)** | **43.6%** | **42.9%** | **43.8%** |
| **LTV ratio excluding Transfer Taxes (=C/B)** | **45.5%** | **44.5%** | **45.4%** |

Figures may not add up due to rounding.

(1) Adjustment of goodwill according to bank covenants.
(2) Only include the financial debt classified as held for sale.

## 6. EPRA PERFORMANCE MEASURES

In compliance with the EPRA[97] Best Practices Recommendations[98], URW summarises the Key Performance measures of H1-2023, H1-2022 and 2022 below.

### 1. EPRA earnings

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

#### a) Synthesis

| | | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|---|
| EPRA Earnings | € Mn | 756.9 | 710.6 | 1,339.3 |
| EPRA Earnings / share | € / share | 5.45 | 5.12 | 9.66 |
| Growth EPRA Earnings / share | % | 6.3% | 50.4% | 33.1% |

#### b) Bridge between Earnings per IFRS Statement of income and EPRA Recurring Earnings

| Recurring Earnings per share | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| **Net Result of the period attributable to the holders of the Stapled Shares (€Mn)** | **(537.8)** | **601.0** | **178.2** |
| ***Adjustments to calculate EPRA Recurring Earnings, exclude:*** | | | |
| (i) Changes in value of investment properties, development properties held for investment and other interests | (996.4) | (187.2) | (1,110.6) |
| (ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests | (28.7) | 36.1 | 30.9 |
| (iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties | - | - | - |
| (iv) Tax on profits or losses on disposals | - | - | (3.6) |
| (v) Impairment of goodwill | (122.0) | - | - |
| (vi) Changes in fair value of financial instruments and associated close-out costs | 69.0 | 172.8 | 275.9 |
| (vii) Acquisition and other costs on share deals and non-controlling joint venture interests | (2.5) | (2.8) | 2.6 |
| (viii) Deferred tax in respect of EPRA adjustments | (15.4) | (12.8) | 0.5 |
| (ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation) | (352.4) | (132.6) | (472.4) |
| (x) External non-controlling interests in respect of the above | 153.8 | 16.9 | 115.7 |
| **EPRA Recurring Earnings** | **756.9** | **710.6** | **1,339.3** |
| | | | |
| Average number of shares | 138,889,152 | 138,666,999 | 138,717,455 |
| **EPRA Recurring Earnings per Share (REPS)** | **€5.45** | **€5.12** | **€9.66** |
| **EPRA Recurring Earnings per Share growth** | **6.3%** | **50.4%** | **33.1%** |

Figures may not add up due to rounding.

[97] EPRA: European Public Real estate Association.
[98] Best Practices Recommendations. See www.epra.com

## 2. EPRA NRV, NTA and NDV:

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

### a) Synthesis

| | | June 30, 2023 | Dec. 31, 2022 | Change June 30, 2023 vs. Dec. 31, 2022 | June 30, 2022 | Change June 30, 2023 vs. June 30, 2022 |
|---|---|---|---|---|---|---|
| EPRA NRV | € / share | 150.70 | 155.70 | -3.2% | 163.40 | -7.8% |
| EPRA NTA | € / share | 116.40 | 121.00 | -3.8% | 127.50 | -8.7% |
| EPRA NDV | € / share | 141.60 | 148.40 | -4.6% | 152.90 | -7.4% |

### b) Detailed calculation as at June 30, 2023

| | June 30, 2023 | | |
|---|---|---|---|
| | **EPRA NRV** | **EPRA NTA** | **EPRA NDV** |
| **Equity attributable to the holders of the Stapled Shares (IFRS)** | **16,419** | **16,419** | **16,419** |
| *Include / Exclude*:* | | | |
| i) Hybrid instruments | - | - | - |
| **Diluted NAV** | **16,419** | **16,419** | **16,419** |
| *Include*:* | | | |
| ii.a) Revaluation of IP (if IAS 40 cost option is used) | 0 | 0 | 0 |
| ii.b) Revaluation of IPUC(1) (if IAS 40 cost option is used) | 0 | 0 | 0 |
| ii.c) Revaluation of other non-current investments(2) | 0 | 0 | 0 |
| iii) Revaluation of tenant leases held as finance leases(3) | 0 | 0 | 0 |
| iv) Revaluation of trading properties(4) | 0 | 0 | 0 |
| **Diluted NAV at Fair Value** | **16,419** | **16,419** | **16,419** |
| *Exclude*:* | | | |
| v) Deferred tax in relation to fair value gains of IP(5) detailled below: | | | |
| v.a) Reversal of deferred taxes on Balance sheet | 1,785 | 1,785 | - |
| v.b) Effective deferred taxes on capital gains | - | - 892 | - |
| vi) Fair value of financial instruments | 309 | 309 | - |
| vii) Goodwill as a result of deferred tax | - 177 | - 177 | - 177 |
| viii.a) Goodwill as per the IFRS balance sheet (net of vii)) | - | - 781 | - 781 |
| viii.b) Intangibles as per the IFRS balance sheet | - | - 839 | - |
| *Include*:* | | | |
| ix) Fair value of fixed interest rate debt | - | - | 4,365 |
| x) Revaluation of intangibles to fair value | 912 | - | - |
| xi) Real estate transfer tax(6) | 1,850 | 464 | - |
| **NAV** | **21,098** | **16,288** | **19,827** |
| Fully diluted number of shares | 139,985,638 | 139,985,638 | 139,985,638 |
| **NAV per share** | **€150.70** | **€116.40** | **€141.60** |

Figures may not add up due to rounding.

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

## c) Detailed calculation as at December 31, 2022

| | Dec. 31, 2022 | | |
|---|---|---|---|
| | **EPRA NRV** | **EPRA NTA** | **EPRA NDV** |
| **Equity attributable to the holders of the Stapled Shares (IFRS)** | **17,189** | **17,189** | **17,189** |
| *Include / Exclude*:* | | | |
| i) Hybrid instruments | - | - | - |
| **Diluted NAV** | **17,189** | **17,189** | **17,189** |
| *Include*:* | | | |
| ii.a) Revaluation of IP (if IAS 40 cost option is used) | 0 | 0 | 0 |
| ii.b) Revaluation of IPUC(1) (if IAS 40 cost option is used) | 0 | 0 | 0 |
| ii.c) Revaluation of other non-current investments(2) | 0 | 0 | 0 |
| iii) Revaluation of tenant leases held as finance leases(3) | 0 | 0 | 0 |
| iv) Revaluation of trading properties(4) | 0 | 0 | 0 |
| **Diluted NAV at Fair Value** | **17,189** | **17,189** | **17,189** |
| *Exclude*:* | | | |
| v) Deferred tax in relation to fair value gains of IP(5) detailled below: | | | |
| v.a) Reversal of deferred taxes on Balance sheet | 1,788 | 1,788 | - |
| v.b) Effective deferred taxes on capital gains | - | - 894 | - |
| vi) Fair value of financial instruments | 265 | 265 | - |
| vii) Goodwill as a result of deferred tax | - 177 | - 177 | - 177 |
| viii.a) Goodwill as per the IFRS balance sheet (net of vii)) | - | - 903 | - 903 |
| viii.b) Intangibles as per the IFRS balance sheet | - | - 821 | - |
| *Include*:* | | | |
| ix) Fair value of fixed interest rate debt | - | - | 4,596 |
| x) Revaluation of intangibles to fair value | 1,018 | - | - |
| xi) Real estate transfer tax(6) | 1,642 | 436 | - |
| **NAV** | **21,725** | **16,884** | **20,706** |
| Fully diluted number of shares | 139,500,420 | 139,500,420 | 139,500,420 |
| **NAV per share** | **€155.70** | **€121.00** | **€148.40** |

Figures may not add up due to rounding.

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

## 3. EPRA Net Initial Yields

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

### a) Synthesis

| | June 30, 2023 | | Dec. 31, 2022 | |
|---|---|---|---|---|
| | **Shopping Centres (3)** | **Offices & Others (3)** | **Shopping Centres (3)** | **Offices & Others (3)** |
| **Unibail-Rodamco-Westfield yields** | **5.1%** | **5.3%** | **4.9%** | **4.9%** |
| Effect of vacant units | | -0.6% | | -0.7% |
| Effect of EPRA adjustments on NRI | 0.1% | 0.0% | 0.1% | 0.0% |
| Effect of estimated transfer taxes and transaction costs | -0.2% | -0.1% | -0.1% | -0.1% |
| **EPRA topped-up yields (1)** | **5.1%** | **4.5%** | **4.9%** | **4.2%** |
| Effect of lease incentives | -0.3% | -1.3% | -0.3% | -1.4% |
| **EPRA Net Initial Yields (2)** | **4.8%** | **3.3%** | **4.6%** | **2.7%** |

Figures may not add up due to rounding.

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

### b) Detailed calculation

| | | June 30, 2023 | | Dec. 31, 2022 | |
|---|---|---|---|---|---|
| | | **Shopping Centres (1)** | **Offices & Others (1)** | **Shopping Centres (1)** | **Offices & Others (1)** |
| EPRA topped-up NRI (A) | € Mn | 2,079 | 93 | 2,062 | 95 |
| Valuation including transfer taxes (B) | € Mn | 41,135 | 2,048 | 42,027 | 2,276 |
| **EPRA topped-up yields (A/B)** | **%** | **5.1%** | **4.5%** | **4.9%** | **4.2%** |
| EPRA NRI (C) | € Mn | 1,971 | 67 | 1,942 | 62 |
| Valuation including transfer taxes (B) | € Mn | 41,135 | 2,048 | 42,027 | 2,276 |
| **EPRA Net Initial Yields (C/B)** | **%** | **4.8%** | **3.3%** | **4.6%** | **2.7%** |

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

## 4. EPRA LTV

### a) Detailed calculation as at June 30, 2023

| *As at June 30, 2023*<br>*EPRA LTV Metric in €Mn* | Group IFRS as reported | Proportionate Consolidation<br>Share of JV | Proportionate Consolidation<br>Share of material associates[1] | Proportionate Consolidation<br>Non-controlling Interest[2] | Combined |
|---|---|---|---|---|---|
| **Include:** | | | | | |
| Bonds | 21,835 | 0 | 0 | 0 | 21,835 |
| Hybrids | 1,845 | 0 | 0 | 0 | 1,845 |
| Borrowings from financial institutions | 2,497 | 1,909 | 510 | -502 | 4,414 |
| Commercial paper | 0 | 0 | 0 | 0 | 0 |
| Net payables | 84 | 45 | 0 | 0 | 129 |
| **Gross debt** | **26,261** | **1,954** | **510** | **-502** | **28,223** |
| **Exclude:** | | | | | |
| Cash and cash equivalent | 3,829 | 179 | 102 | -183 | 3,927 |
| **Net debt (=A)** | **22,432** | **1,775** | **408** | **-319** | **24,295** |
| **Include:** | | | | | |
| Investment properties at fair value | 37,699 | 7,498 | 1,769 | -5,743 | 41,222 |
| Properties under development | 418 | 42 | 0 | -87 | 373 |
| Shares and investments in companies accounted for using the equity method | 7,388 | -6,093 | -1,254 | 0 | 41 |
| Properties held for sale/Inventories | 252 | 355 | 0 | 0 | 607 |
| Intangibles | 2,075 | 0 | 0 | -305 | 1,770 |
| Goodwill | 119 | 0 | 0 | 0 | 119 |
| Financial assets | 220 | 0 | 0 | 167 | 387 |
| **Total property Value (=B)** | **48,171** | **1,802** | **516** | **-5,969** | **44,520** |
| **LTV ratio (=A/B)** | **46.6%** | | | | **54.6%** |
| Transfer taxes (=C) | 1,865 | 248 | 73 | 0 | 2,186 |
| **LTV ratio including Transfer Taxes (=A/(B+C))** | **44.8%** | | | | **52.0%** |

Figures may not add up due to rounding.
(1) Corresponds to the share of Crossroads, Zlote Tarasy and Triangle project.
(2) Corresponds to the minority stake into the fully consolidated entities.

### b) Detailed calculation as at December 31, 2022

| *As at Dec. 31, 2022*<br>*EPRA LTV Metric in €Mn* | Group IFRS as reported | Proportionate Consolidation<br>Share of JV | Proportionate Consolidation<br>Share of material associates[1] | Proportionate Consolidation<br>Non-controlling Interest[2] | Combined |
|---|---|---|---|---|---|
| **Include:** | | | | | |
| Bonds | 22,341 | 0 | 0 | 0 | 22,341 |
| Hybrids | 2,000 | 0 | 0 | 0 | 2,000 |
| Borrowings from financial institutions | 1,685 | 1,914 | 491 | -522 | 3,567 |
| Commercial paper | 0 | 0 | 0 | 0 | 0 |
| Net payables | 276 | -4 | 0 | 0 | 272 |
| **Gross debt** | **26,302** | **1,910** | **491** | **-522** | **28,181** |
| **Exclude:** | | | | | |
| Cash and cash equivalent | 3,329 | 185 | 107 | -153 | 3,468 |
| **Net debt (=A)** | **22,972** | **1,725** | **384** | **-370** | **24,712** |
| **Include:** | | | | | |
| Investment properties at fair value | 37,831 | 8,322 | 1,747 | -5,834 | 42,066 |
| Properties under development | 1,163 | 43 | 0 | -92 | 1,114 |
| Shares and investments in companies accounted for using the equity method | 7,927 | -6,631 | -1,251 | 0 | 46 |
| Properties held for sale/Inventories | 44 | 36 | 0 | 0 | 81 |
| Intangibles | 2,182 | 0 | 0 | -295 | 1,887 |
| Goodwill | 119 | 0 | 0 | 0 | 119 |
| Financial assets | 251 | 0 | 0 | 176 | 427 |
| **Total property Value (=B)** | **49,517** | **1,771** | **496** | **-6,044** | **45,740** |
| **LTV ratio (=A/B)** | **46.4%** | | | | **54.0%** |
| Transfer taxes (=C) | 1,697 | 211 | 73 | 0 | 1,981 |
| **LTV ratio including Transfer Taxes (=A/(B+C))** | **44.9%** | | | | **51.8%** |

Figures may not add up due to rounding.
(1) Corresponds to the share of Crossroads, Zlote Tarasy and Triangle project.
(2) Corresponds to the minority stake into the fully consolidated entities.

## 5. EPRA Vacancy rate

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

### a) Synthesis

| EPRA Vacancy Rate - Total URW | June 30, 2023 | Dec. 31, 2022 | June 30, 2022 |
|---|---|---|---|
| Estimated Rental Value of vacant space (A) | 216.8 | 221.5 | 247.2 |
| Estimated Rental Value of the whole portfolio (B) | 3,076.3 | 3,073.5 | 3,217.2 |
| **EPRA Vacancy rate (A/B)** | **7.0%** | **7.2%** | **7.7%** |

### b) Detail per region

| | EPRA Vacancy Rate - per region | June 30, 2023 | Dec. 31, 2022 | June 30, 2022 |
|---|---|---|---|---|
| **Shopping Centres** | France | 3.8% | 3.2% | 3.9% |
| | Spain | 2.1% | 2.7% | 3.6% |
| | **Southern Europe** | **3.3%** | **3.1%** | **3.9%** |
| | Central Europe | 2.7% | 2.4% | 3.4% |
| | Austria | 2.6% | 1.7% | 1.6% |
| | Germany | 4.6% | 3.7% | 4.7% |
| | **Central and Eastern Europe** | **3.4%** | **2.7%** | **3.5%** |
| | Nordics | 6.8% | 5.0% | 6.3% |
| | The Netherlands | 3.5% | 3.6% | 5.1% |
| | **Northern Europe** | **5.3%** | **4.4%** | **5.8%** |
| | **Subtotal Shopping Centres - Continental Europe** | **3.6%** | **3.1%** | **4.0%** |
| | United Kingdom | 8.5% | 9.4% | 9.7% |
| | **Subtotal Shopping Centres - Europe** | **4.3%** | **4.1%** | **4.9%** |
| | US Flagships | 7.9% | 8.2% | 8.3% |
| | US Regionals | 12.0% | 11.7% | 11.9% |
| | US CBD | 23.4% | 23.9% | 22.1% |
| | **Subtotal Shopping Centres - US** | **9.9%** | **10.4%** | **10.4%** |
| | **Total Shopping Centres** | **6.3%** | **6.5%** | **6.9%** |
| **Offices & Others** | France | 13.7% | 15.2% | 17.6% |
| | Other Countries | 24.0% | 16.2% | 15.5% |
| | **Subtotal Offices & Others - Continental Europe** | **15.0%** | **15.4%** | **17.2%** |
| | US | 60.4% | 57.2% | 57.3% |
| | **Total Offices & Others** | **26.9%** | **25.7%** | **27.1%** |
| **Total URW** | | **7.0%** | **7.2%** | **7.7%** |

## 6. EPRA Cost ratios

| EPRA references | | Proportionate | | |
|---|---|---|---|---|
| | | H1-2023 | H1-2022 | 2022 |
| | **Include:** | | | |
| (i-1) | Administrative expenses | -106.7 | -109.9 | -243.2 |
| (i-2) | Development expenses | -1.7 | 0.0 | -3.7 |
| (i-3) | Operating expenses | -194.1 | -163.6 | -414.5 |
| (ii) | Net service charge costs/fees | -39.2 | -31.9 | -83.1 |
| (iii) | Management fees less actual/estimated profit element | 0.0 | 0.0 | 0.0 |
| (iv) | Other operating income/recharges intended to cover overhead expenses | 0.0 | 0.0 | 0.0 |
| (v) | Share of Joint Ventures expenses | -4.6 | -4.4 | -13.3 |
| | **Exclude (if part of the above):** | | | |
| (vi) | Investment Property Depreciation | 0.0 | 0.0 | 0.0 |
| (vii) | Ground rents costs | 0.0 | 0.0 | 0.0 |
| (viii) | Service charge costs recovered through rents but not separately invoiced | 129.0 | 121.6 | 250.4 |
| | **EPRA Costs (including direct vacancy costs) (A)** | **-217.3** | **-188.2** | **-507.4** |
| (ix) | Direct vacancy costs | -39.2 | -31.9 | -83.1 |
| | **EPRA Costs (excluding direct vacancy costs) (B)** | **-178.1** | **-156.3** | **-424.3** |
| (x) | Gross Rental Income (GRI) less ground rents | 1,333.3 | 1,270.9 | 2,591.8 |
| (xi) | Less: service fee and service charge costs component of GRI (if relevant) | -129.0 | -121.6 | -250.4 |
| (xii) | Add Share of Joint Ventures (Gross Rental Income less ground rents) | 54.3 | 50.8 | 97.6 |
| | **Gross Rental Income (C)** | **1,258.6** | **1,200.1** | **2,439.0** |
| | | | | |
| | **EPRA Cost Ratio (including direct vacancy costs) (A/C)** | **17.3%** | **15.7%** | **20.8%** |
| | **EPRA Cost Ratio (excluding direct vacancy costs) (B/C)** | **14.2%** | **13.0%** | **17.4%** |

Figures may not add up due to rounding.

**Note:** The calculation is based on the EPRA recommendations and is applied on Shopping Centres and Offices & Others sectors.

## 7. Capital Expenditure

| in € Mn | Proportionate | | | | | |
|---|---|---|---|---|---|---|
| | H1-2023 | | H1-2022 | | 2022 | |
| | 100% | Group share | 100% | Group share | 100% | Group share |
| Acquisitions(1) | 0.8 | 0.9 | 0.7 | 0.7 | 25.7 | 25.6 |
| Development(2) | 298.6 | 285.6 | 208.1 | 203.6 | 444.4 | 433.6 |
| Like-for-like portfolio(3) | 164.0 | 139.5 | 115.8 | 102.5 | 319.0 | 284.5 |
| Other(4) | 48.2 | 43.9 | 47.5 | 43.5 | 90.7 | 84.8 |
| **Total Capital Expenditure** | **511.6** | **469.8** | **372.2** | **350.3** | **879.8** | **828.5** |
| Conversion from accruals to cash basis | -55.1 | -48.8 | 100.1 | 85.9 | 147.6 | 128.4 |
| **Total Capital Expenditure on cash basis** | **456.5** | **421.0** | **472.3** | **436.2** | **1,027.4** | **956.9** |

Figures may not add up due to rounding.

1) In H1-2023, includes mainly acquisitions in France.
2) In H1-2023, includes mainly the capital expenditures related to investments in Garbera, CNIT Eole and Lightwell redevelopments and extensions projects as well as to the Coppermaker Square and Westfield Hamburg new development projects.
3) In H1-2023, includes mainly the capital expenditures related to Westfield Shopping City Süd, Westfield Parquesur and La Vaguada. Capital expenditure on the like-for-like portfolio includes capital expenditure spent on extension and works on standing assets or refurbishments recently delivered. In H1-2023, URW spent €36.7 Mn on replacement capex, Group share.
4) In H1-2023, includes eviction costs and tenant incentives, external letting fees, capitalised interest relating to projects and other capitalised expenses of €1.2 Mn, €6.9 Mn, €30.7 Mn and €5.2 Mn, respectively (amounts in Group share).

## 7. EPRA AND AJUSTED RECURRING EARNINGS PER SHARE

| Recurring Earnings per share | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| **Net Result of the period attributable to the holders of the Stapled Shares (€Mn)** | **(537.8)** | **601.0** | **178.2** |
| ***Adjustments to calculate EPRA Recurring Earnings, exclude:*** | | | |
| (i) Changes in value of investment properties, development properties held for investment and other interests | (996.4) | (187.2) | (1,110.6) |
| (ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests | (28.7) | 36.1 | 30.9 |
| (iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties | - | - | - |
| (iv) Tax on profits or losses on disposals | - | - | (3.6) |
| (v) Impairment of goodwill | (122.0) | - | - |
| (vi) Changes in fair value of financial instruments and associated close-out costs | 69.0 | 172.8 | 275.9 |
| (vii) Acquisition and other costs on share deals and non-controlling joint venture interests | (2.5) | (2.8) | 2.6 |
| (viii) Deferred tax in respect of EPRA adjustments | (15.4) | (12.8) | 0.5 |
| (ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation) | (352.4) | (132.6) | (472.4) |
| (x) External non-controlling interests in respect of the above | 153.8 | 16.9 | 115.7 |
| **EPRA Recurring Earnings** | **756.9** | **710.6** | **1,339.3** |
| Coupon on the Hybrid Securities | (23.9) | (23.9) | (48.1) |
| **Adjusted Recurring Earnings** | **733.0** | **686.7** | **1,291.2** |
| Average number of shares | 138,889,152 | 138,666,999 | 138,717,455 |
| **EPRA Recurring Earnings per Share (REPS)** | **€5.45** | **€5.12** | **€9.66** |
| **EPRA Recurring Earnings per Share growth** | **6.3%** | **50.4%** | **33.1%** |
| **Adjusted Recurring Earnings per Share (AREPS)** | **€5.28** | **€4.95** | **€9.31** |
| **Adjusted Recurring Earnings per Share growth** | **6.6%** | **53.1%** | **34.7%** |

## OTHER INFORMATION:

## 1. GROUP CONSOLIDATED DATA

### Leasing activity - Shopping Centres

| Region | Lettings / re-lettings / renewals excluding Pipeline | | | | | | |
|---|---|---|---|---|---|---|---|
| | nb of leases signed | sqm | MGR (€ Mn) | MGR uplift | | MGR uplift on deals above 3 years firm duration | |
| | | | | € Mn | % | € Mn | % |
| Continental Europe | 679 | 182,535 | 100.9 | 3.8 | 4.6% | 4.3 | 6.5% |
| UK | 70 | 46,224 | 22.5 | 2.6 | 18.8% | 2.4 | 20.1% |
| **Total Europe** | **749** | **228,759** | **123.4** | **6.4** | **6.6%** | **6.8** | **8.5%** |
| US | 431 | 144,986 | 95.8 | 13.2 | 22.0% | 13.1 | 38.8% |
| **Total URW** | **1,180** | **373,745** | **219.2** | **19.6** | **12.5%** | **19.9** | **17.6%** |

Figures may not add up due to rounding.

| Region | Lettings / re-lettings / renewals excluding Pipeline | | | |
|---|---|---|---|---|
| | Number of deals above 3 years firm duration | | Number of deals below or equal 3 years firm duration | |
| | H1-2023 | H1-2022 | H1-2023 | H1-2022 |
| Continental Europe | 507 | 465 | 172 | 202 |
| UK | 47 | 54 | 23 | 34 |
| **Total Europe** | **554** | **519** | **195** | **236** |
| US | 269 | 156 | 162 | 167 |
| **Total URW** | **823** | **675** | **357** | **403** |

| Region | Lettings / re-lettings / renewals excluding Pipeline | | | |
|---|---|---|---|---|
| | MGR Signed on deals above 3 years firm duration (€ Mn) | | MGR Signed on deals below or equal 3 years firm duration (€ Mn) | |
| | H1-2023 | H1-2022 | H1-2023 | H1-2022 |
| Continental Europe | 83.3 | 83.2 | 17.6 | 23.3 |
| UK | 19.8 | 27.7 | 2.7 | 4.7 |
| **Total Europe** | **103.1** | **110.8** | **20.3** | **28.0** |
| US | 67.7 | 34.8 | 28.1 | 23.3 |
| **Total URW** | **170.8** | **145.7** | **48.5** | **51.3** |

Figures may not add up due to rounding.

## Net Rental Income (“NRI”) by segment

| Segment | Net Rental Income (€Mn) | | | |
|---|---|---|---|---|
| | H1-2023 | H1-2022 | Change (%) | Like-for like change (%) |
| Shopping Centres | 1,058.6 | 1,035.8 | 2.2% | 8.5%[(a)] |
| Offices & Others | 41.2 | 35.7 | 15.6% | 17.1% |
| Convention & Exhibition | 52.3 | 67.9 | -23.0% | n.m. |
| **Total URW** | **1,152.1** | **1,139.3** | **1.1%** | **8.2%[(b)]** |

Figures may not add up due to rounding.
(a) Excluding Airports.
(b) Including Airports.

## Net Rental Income (“NRI”) - Shopping Centres

| Region | Net Rental Income (€Mn) | | |
|---|---|---|---|
| | H1-2023 | H1-2022 | % |
| NRI - Continental Europe | 715.8 | 683.1 | 4.8% |
| NRI UK[(a)] | 66.8 | 60.0 | 11.2% |
| **Total NRI - Europe** | **782.5** | **743.1** | **5.3%** |
| NRI US including Airports | 276.1 | 292.6 | -5.7% |
| **Total NRI - URW including Airports** | **1,058.6** | **1,035.8** | **2.2%** |

Figures may not add up due to rounding.

(a) Published H1-2022 NRI was €61.7 Mn, including NRI from offices that has been reclassified to the office section in H1-2023.

| Region | Net Rental Income (€Mn) Like-for-like | | |
|---|---|---|---|
| | H1-2023 | H1-2022 | % |
| Lfl NRI - Continental Europe | 696.4 | 618.9 | 12.5% |
| Lfl NRI UK | 65.5 | 59.8 | 9.4% |
| **Total Lfl NRI - Europe** | **761.9** | **678.7** | **12.3%** |
| Lfl NRI US excluding Airports | 239.2 | 244.3 | -2.1% |
| **Total Lfl NRI - URW excluding Airports** | **1,001.1** | **923.0** | **8.5%** |

Figures may not add up due to rounding.

| Region | Net Rental Income Like-for-like evolution (%) | | | | | |
|---|---|---|---|---|---|---|
| | Indexation | Renewals, relettings net of departures | Sales Based Rent | Doubtful debtors | Other | **Total** |
| Lfl NRI - Continental Europe | 6.7% | 0.6% | 1.6% | -1.5% | 5.0% | 12.5% |
| Lfl NRI UK | 0.0% | 5.4% | -0.6% | 2.1% | 2.5% | 9.4% |
| **Total Lfl NRI - Europe** | **6.1%** | **1.1%** | **1.4%** | **-1.1%** | **4.8%** | **12.3%** |
| Lfl NRI US excluding Airports | 0.0% | 7.6% | -2.3% | -2.3% | -5.1% | -2.1% |
| **Total Lfl NRI - URW excluding Airports** | **4.5%** | **2.8%** | **0.4%** | **-1.4%** | **2.2%** | **8.5%** |

Figures may not add up due to rounding.

## Sales Based Rents

| Region | Sales Based Rents (€Mn) | | |
|---|---|---|---|
| | H1-2023 | H1-2022 | % |
| Continental Europe | 27.8 | 18.1 | 53.5% |
| UK | 5.3 | 6.0 | -12.8% |
| **Total - Europe** | **33.0** | **24.1** | **36.9%** |
| US excluding Airports | 22.5 | 31.3 | -28.2% |
| **URW excluding Airports** | **55.5** | **55.5** | **0.1%** |

Figures may not add up due to rounding.

## Retail Media & other income

| Region | Retail Media & other income (€Mn) | | |
|---|---|---|---|
| | H1-2023 | H1-2022 | % |
| Continental Europe | 24.7 | 18.9 | 30.7% |
| UK | 4.9 | 6.3 | -21.8% |
| **Total Europe** | **29.6** | **25.2** | **17.6%** |
| US | 26.0 | 25.3 | 3.0% |
| **Total URW** | **55.6** | **50.4** | **10.3%** |

Figures may not add up due to rounding.

## Net Rental Income ("NRI") – Offices & Others

| Region | Net Rental Income (€Mn) | | | |
|---|---|---|---|---|
| | H1-2023 | H1-2022 | Change (%) | Like-for like change (%) |
| France | 31.9 | 25.4 | 25.4% | 26.7% |
| Other countries | 7.3 | 8.0 | -9.7% | -0.4% |
| **Total NRI - Europe** | **39.1** | **33.5** | **17.0%** | **18.9%** |
| US | 2.1 | 2.2 | -5.8% | -5.0% |
| **Total NRI - URW** | **41.2** | **35.7** | **15.6%** | **17.1%** |

Figures may not add up due to rounding.

## Vacancy - Shopping Centres

| Region | Vacancy | | |
|---|---|---|---|
| | June 30, 2023 | | % Dec. 31, 2022 |
| | €Mn | % | |
| Continental Europe | 59.0 | 3.6% | 3.1% |
| UK | 23.7 | 8.5% | 9.4% |
| **Total Europe** | **82.7** | **4.3%** | **4.1%** |
| US | 104.6 | 9.9% | 10.4% |
| **Total URW** | **187.3** | **6.3%** | **6.5%** |

Figures may not add up due to rounding.

## Lease expiry schedule

| Total URW (Shopping Centres + Offices & Others) | Lease expiry schedule | | | |
|---|---|---|---|---|
| | MGR (€Mn) at date of next break option | As a % of total | MGR (€Mn) at expiry date | As a % of total |
| Expired | 58.3 | 2.9% | 58.3 | 2.9% |
| 2023 | 198.8 | 9.7% | 105.5 | 5.2% |
| 2024 | 327.5 | 16.0% | 214.2 | 10.5% |
| 2025 | 345.1 | 16.9% | 241.7 | 11.8% |
| 2026 | 289.3 | 14.2% | 204.4 | 10.0% |
| 2027 | 228.6 | 11.2% | 229.6 | 11.2% |
| 2028 | 192.5 | 9.4% | 208.3 | 10.2% |
| 2029 | 80.4 | 3.9% | 128.6 | 6.3% |
| 2030 | 70.8 | 3.5% | 125.0 | 6.1% |
| 2031 | 63.8 | 3.1% | 128.6 | 6.3% |
| 2032 | 79.4 | 3.9% | 134.4 | 6.6% |
| 2033 | 46.5 | 2.3% | 106.2 | 5.2% |
| Beyond | 62.5 | 3.1% | 158.5 | 7.8% |
| **Total** | **2,043.5** | **100%** | **2,043.5** | **100%** |

Figures may not add up due to rounding.

# 2. CONSOLIDATED INCOME STATEMENT BY SEGMENT AND REGION

| Net result by segment on a proportionate basis (€Mn) | | | H1-2023 | | | H1-2022 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Recurring activities | Non-recurring activities (1) | Result | Recurring activities | Non-recurring activities (1) | Result | Recurring activities | Non-recurring activities (1) | Result |
| SHOPPING CENTRES | SOUTHERN EUROPE | Gross rental income | 408.6 | - | 408.6 | 376.2 | - | 376.2 | 776.4 | - | 776.4 |
| | | Operating expenses and net service charges | (47.1) | - | (47.1) | (33.0) | - | (33.0) | (81.0) | - | (81.0) |
| | | **Net rental income** | **361.5** | - | **361.5** | **343.2** | - | **343.2** | **695.4** | - | **695.4** |
| | | Contribution of companies accounted for using the equity method | 18.9 | (13.3) | 5.6 | 14.1 | 39.5 | 53.6 | 29.1 | 65.8 | 94.8 |
| | | Gains/losses on sales of properties | - | (0.3) | (0.3) | - | (0.9) | (0.9) | - | (4.3) | (4.3) |
| | | Valuation movements on assets | - | (426.9) | (426.9) | - | 40.4 | 40.4 | - | (144.4) | (144.4) |
| | | Impairment of goodwill | - | (84.8) | (84.8) | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres Southern Europe** | **380.4** | **(525.3)** | **(144.9)** | **357.3** | **79.0** | **436.3** | **724.4** | **(82.9)** | **641.5** |
| | UNITED STATES | Gross rental income | 395.8 | - | 395.8 | 410.1 | - | 410.1 | 860.4 | - | 860.4 |
| | | Operating expenses and net service charges | (119.7) | - | (119.7) | (117.5) | - | (117.5) | (281.6) | - | (281.6) |
| | | **Net rental income** | **276.1** | - | **276.1** | **292.6** | - | **292.6** | **578.8** | - | **578.8** |
| | | Contribution of companies accounted for using the equity method | - | - | - | 1.5 | (21.5) | (20.0) | 0.6 | (30.6) | (30.1) |
| | | Gains/losses on sales of properties | - | (24.3) | (24.3) | - | 30.4 | 30.4 | - | (23.0) | (23.0) |
| | | Valuation movements on assets | - | (432.1) | (432.1) | - | (375.2) | (375.2) | - | (711.9) | (711.9) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres United States** | **276.1** | **(456.4)** | **(180.3)** | **294.1** | **(366.4)** | **(72.2)** | **579.4** | **(765.5)** | **(186.2)** |
| | CENTRAL AND EASTERN EUROPE | Gross rental income | 279.5 | - | 279.5 | 255.9 | - | 255.9 | 495.5 | - | 495.5 |
| | | Operating expenses and net service charges | (20.3) | - | (20.3) | (12.4) | - | (12.4) | (40.7) | - | (40.7) |
| | | **Net rental income** | **259.2** | - | **259.2** | **243.4** | - | **243.4** | **454.8** | - | **454.8** |
| | | Contribution of companies accounted for using the equity method | 25.1 | 4.3 | 29.4 | 19.7 | 17.9 | 37.6 | 32.8 | 22.5 | 55.4 |
| | | Gains/losses on sales of properties | - | (0.5) | (0.5) | - | (0.8) | (0.8) | - | 7.6 | 7.6 |
| | | Valuation movements on assets | - | (44.5) | (44.5) | - | (68.7) | (68.7) | - | (260.9) | (260.9) |
| | | Impairment of goodwill | - | (37.2) | (37.2) | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres Central and Eastern Europe** | **284.4** | **(78.0)** | **206.4** | **263.2** | **(51.7)** | **211.5** | **487.7** | **(230.7)** | **256.9** |
| | NORTHERN EUROPE | Gross rental income | 108.9 | - | 108.9 | 109.3 | - | 109.3 | 212.2 | - | 212.2 |
| | | Operating expenses and net service charges | (13.9) | - | (13.9) | (12.9) | - | (12.9) | (36.7) | - | (36.7) |
| | | **Net rental income** | **95.0** | - | **95.0** | **96.4** | - | **96.4** | **175.6** | - | **175.6** |
| | | Contribution of companies accounted for using the equity method | - | - | - | - | - | - | - | - | - |
| | | Gains/losses on sales of properties | - | 0.0 | 0.0 | - | 23.5 | 23.5 | - | 12.9 | 12.9 |
| | | Valuation movements on assets | - | (123.9) | (123.9) | - | 24.9 | 24.9 | - | (53.0) | (53.0) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres Northern Europe** | **95.0** | **(123.9)** | **(28.9)** | **96.4** | **48.3** | **144.8** | **175.6** | **(40.1)** | **135.5** |
| | UNITED KINGDOM | Gross rental income | 113.4 | - | 113.4 | 96.9 | - | 96.9 | 198.4 | - | 198.4 |
| | | Operating expenses and net service charges | (46.7) | - | (46.7) | (36.8) | - | (36.8) | (82.2) | - | (82.2) |
| | | **Net rental income (2)** | **66.8** | - | **66.8** | **60.0** | - | **60.0** | **116.3** | - | **116.3** |
| | | Contribution of companies accounted for using the equity method | - | - | - | - | - | - | - | - | - |
| | | Gains/losses on sales of properties | - | - | - | - | - | - | - | - | - |
| | | Valuation movements on assets | - | (30.1) | (30.1) | - | (53.2) | (53.2) | - | (145.7) | (145.7) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres United Kingdom** | **66.8** | **(30.1)** | **36.6** | **60.0** | **(53.2)** | **6.9** | **116.3** | **(145.7)** | **(29.4)** |
| | | **TOTAL RESULT FROM OPERATIONS SHOPPING CENTRES** | **1,102.6** | **(1,213.7)** | **(111.1)** | **1,071.1** | **(343.9)** | **727.2** | **2,083.3** | **(1,265.1)** | **818.3** |
| OFFICES & OTHERS | FRANCE | Gross rental income | 34.0 | - | 34.0 | 27.3 | - | 27.3 | 58.7 | - | 58.7 |
| | | Operating expenses and net service charges | (2.1) | - | (2.1) | (1.9) | - | (1.9) | (5.2) | - | (5.2) |
| | | **Net rental income** | **31.9** | - | **31.9** | **25.4** | - | **25.4** | **53.5** | - | **53.5** |
| | | Contribution of companies accounted for using the equity method | 0.1 | (0.3) | (0.3) | (0.0) | 4.2 | 4.2 | (0.2) | 7.2 | 7.1 |
| | | Gains/losses on sales of properties | - | (6.0) | (6.0) | - | (0.2) | (0.2) | - | (0.3) | (0.3) |
| | | Valuation movements on assets | - | (173.6) | (173.6) | - | 49.1 | 49.1 | - | (123.7) | (123.7) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Offices & Others France** | **32.0** | **(179.9)** | **(147.9)** | **25.4** | **53.1** | **78.5** | **53.3** | **(116.8)** | **(63.5)** |
| | OTHER COUNTRIES | Gross rental income | 13.1 | - | 13.1 | 14.5 | - | 14.5 | 28.1 | - | 28.1 |
| | | Operating expenses and net service charges | (3.8) | - | (3.8) | (4.3) | - | (4.3) | (8.4) | - | (8.4) |
| | | **Net rental income (2)** | **9.3** | - | **9.3** | **10.2** | - | **10.2** | **19.7** | - | **19.7** |
| | | Contribution of companies accounted for using the equity method | 0.0 | - | 0.0 | - | - | - | - | - | - |
| | | Gains/losses on sales of properties | - | (0.5) | (0.5) | - | 4.5 | 4.5 | - | 0.3 | 0.3 |
| | | Valuation movements on assets | - | (63.0) | (63.0) | - | 4.0 | 4.0 | - | (96.0) | (96.0) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Offices & Others Other countries** | **9.3** | **(63.5)** | **(54.2)** | **10.2** | **8.5** | **18.7** | **19.7** | **(95.7)** | **(76.1)** |
| | | **TOTAL RESULT FROM OPERATIONS OFFICES & OTHERS** | **41.3** | **(243.4)** | **(202.1)** | **35.6** | **61.6** | **97.2** | **73.0** | **(212.5)** | **(139.5)** |
| CONVENTION & EXHIBITION | FRANCE | Gross rental income | 99.5 | - | 99.5 | 89.5 | - | 89.5 | 202.6 | - | 202.6 |
| | | Operating expenses and net service charges | (47.2) | - | (47.2) | (21.6) | - | (21.6) | (70.3) | - | (70.3) |
| | | **Net rental income** | **52.3** | - | **52.3** | **67.9** | - | **67.9** | **132.3** | - | **132.3** |
| | | **On-site property services net income** | **18.8** | - | **18.8** | **26.6** | - | **26.6** | **57.9** | - | **57.9** |
| | | Contribution of companies accounted for using the equity method | - | - | - | - | - | - | - | - | - |
| | | Valuation movements, depreciation, capital gains | - | (46.3) | (46.3) | - | (23.0) | (23.0) | - | (69.7) | (69.7) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **TOTAL RESULT FROM OPERATIONS C&E** | **71.1** | **(46.3)** | **24.8** | **94.5** | **(23.0)** | **71.5** | **190.2** | **(69.7)** | **120.5** |
| | | Net property development and project management income | 17.7 | - | 17.7 | 16.3 | - | 16.3 | 32.1 | - | 32.1 |
| | | Other property services net income | 19.4 | 0.0 | 19.4 | 16.7 | - | 16.7 | 44.8 | (0.0) | 44.8 |
| | | Impairment of goodwill related to the property services | - | - | - | - | - | - | - | - | - |
| | | Corporate expenses | (95.0) | - | (95.0) | (95.0) | - | (95.0) | (214.4) | - | (214.4) |
| | | Acquisition and other costs | - | (2.5) | (2.5) | - | (2.8) | (2.8) | - | 2.6 | 2.6 |
| **NET OPERATING RESULT BEFORE DEPRECIATION AND IMPAIRMENT OF ASSETS** | | | **1,157.1** | **(1,506.0)** | **(348.9)** | **1,139.2** | **(308.1)** | **831.1** | **2,209.0** | **(1,544.7)** | **664.2** |
| | | Depreciation and impairment of tangible and intangible assets | (22.5) | 6.3 | (16.3) | (25.9) | 18.0 | (7.9) | (57.2) | (14.9) | (72.1) |
| **NET OPERATING RESULT** | | | **1,134.5** | **(1,499.7)** | **(365.2)** | **1,113.3** | **(290.1)** | **823.2** | **2,151.8** | **(1,559.7)** | **592.1** |
| | | Result from non consolidated companies | 2.2 | - | 2.2 | 2.2 | - | 2.2 | 4.3 | - | 4.3 |
| | | Financing result | (248.2) | 65.0 | (183.1) | (249.9) | 179.3 | (70.6) | (524.1) | 283.1 | (241.0) |
| **RESULT BEFORE TAX** | | | **888.6** | **(1,434.7)** | **(546.1)** | **865.6** | **(110.8)** | **754.8** | **1,632.0** | **(1,276.6)** | **355.4** |
| | | Income tax expenses | (27.9) | (13.8) | (41.6) | (40.1) | (15.7) | (55.8) | (66.6) | (0.3) | (66.9) |
| **NET RESULT FOR THE PERIOD** | | | **860.7** | **(1,448.4)** | **(587.7)** | **825.5** | **(126.5)** | **699.0** | **1,565.4** | **(1,276.9)** | **288.5** |
| | | External non-controlling interests | (103.9) | 153.8 | 49.9 | (114.9) | 16.9 | (98.0) | (226.0) | 115.7 | (110.3) |
| **NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES** | | | **756.9** | **(1,294.6)** | **(537.8)** | **710.6** | **(109.6)** | **601.0** | **1,339.3** | **(1,161.1)** | **178.2** |

## 3. GLOSSARY

**Average cost of debt**: recurring financial expenses (excluding the ones on financial leases and the ones related to partners' current accounts) + capitalised financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact) / average net debt over the period.

**Average revenue per visit**: Revenue generated by Westfield Rise divided by the footfall of the same period.

**Buyer's Net Initial Yield**: annualised contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the TAC.

**CAM**: Common Area Maintenance.

**Committed projects**: projects for which URW owns the land or building rights and has obtained all necessary administrative authorisations and permits, approvals of JV partners (if applicable), approvals of URW's internal governing bodies to start superstructure construction works and on which such works have started.

**Controlled projects**: projects in an advanced stage of studies, for which URW controls the land or building rights, and all required administrative authorisations have been filed or are expected to be filed shortly. There can be no assurance these will become "Committed" projects, as this will be subject to having obtained all required administrative approvals, as well as those of JV partners (if applicable), and of URW's internal governing bodies to start superstructure works.

**Debt Yield**: Ratio of the net operating income to the outstanding loan amount, net of certain cash as defined in the relevant mortgage loan documentation.

**Discount Rate (DR)**: the Discount Rate is the rate used in a Discounted Cash Flow model to calculate the present value of future cash flows (positive or negative) that is to say converting such future cash-flows in today's monetary value.

**EBITDA**: Recurring Net Operating result before depreciation and impairment of assets.

**EPRA Net Reinstatement Value ("NRV")**: assumes that entities never sell assets and aims to represent the value required to rebuild the entity.

**EPRA Net Tangible Assets ("NTA")**: assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

**EPRA Net Disposal Value ("NDV")**: represents the shareholder's value under a disposal scenario, where deferred tax, financial instruments and other certain adjustments are calculated to the full extent of their liability, net of any resulting tax.

**EPRA NIY**: annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the Gross Market Value of the portfolio. For a reconciliation of URW's NIY with the EPRA Net Initial Yield definitions, refer to the EPRA Performance Measures.

**EPRA topped-up yield**: EPRA Net Initial Yield adjusted in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

**EPRA vacancy rate**: Estimated Rental Value (ERV) of vacant spaces divided by ERV of total space (let + vacant).

**Exit Cap Rate (ECR)**: the rate used to estimate the resale value of a property at the end of the holding period. The expected Net Rental Income (NRI) per year is divided by the ECR (expressed as a percentage) to get the terminal value.

**Flagships**: assets of a certain size and / or with footfall in excess of 10 million per year, substantial growth potential for the Group based on their appeal to both retailers and visitors, iconic architecture or design and a strong footprint in their area.

**Financial statements under IFRS**: the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union as at closing date.

**Financial statements on a proportionate basis**: they are prepared based on the financial statements under IFRS, except for the joint-controlled entities, which are consolidated on a proportionate basis, instead of being accounted for using the equity method (as applicable under IFRS). Unibail-Rodamco-Westfield believes that these financial statements on a proportionate basis give to stakeholders a better understanding of the underlying operations of URW and the joint-controlled entities, as they represent a significant part of the Group's operations in the US and the UK.

**Foreclosure**: the action of a lender seeking to take the collateral on a loan when loan payments are not made, leading to a transfer of the asset and the extinction of the corresponding mortgage debt.

**Funds From Operations (FFO)**: on an annualised basis, the recurring EBITDA minus (i) recurring net financial expenses and (ii) tax on recurring operating result.

**Group Share**: the part that is attributable to the Group after deduction of the parts attributable to the minority interests.

**Interest Cover Ratio (ICR)**: Recurring EBITDA / Recurring Net Financial Expenses (including capitalised interest). Recurring EBITDA is calculated as total recurring operating results and other income minus general expenses, excluding depreciation and amortisation.

**Like-for-like Net Rental Income (Lfl NRI)**: Net Rental Income excluding acquisitions, divestments, transfers to and from pipeline (extensions, brownfields or redevelopment of an asset when operations are stopped to enable works), all other changes resulting in any change to the square meters and currency exchange rate differences in the periods analysed.

**Loan-to-Value (LTV)**: net financial debt, excluding current accounts with non-controlling interests / total assets (whether under IFRS or on a proportionate basis), including or excluding transfer taxes and excluding goodwill not justified by fee business.

**Minimum Guaranteed Rent uplift (MGR uplift)**: difference between new MGR and indexed old MGR. Indicator calculated on renewals and relettings only.

**Net Disposal Price (NDP)**: Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs.

**Net Initial Yield (NIY)**: annualised contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or not controlled by URW, the Westfield trademark and the airport activities are not included in the calculation of NIY.

**Net Initial Yield on occupied space**: annualised contracted rent (including latest indexation) and other incomes for the next 12 months, net of operating expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs. Assets under development are not included in this calculation.

**Non-recurring activities**: non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, amortisation of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.

**Occupancy Cost Ratio (OCR)**: (rental charges + service charges including marketing costs for tenants, all including VAT) / (tenants' sales, including VAT). Primark sales are estimates.

**ORNANE (Obligations Convertibles ou Échangeables en Actions Nouvelles ou Existantes)**: net share settled bonds convertible into new and/or existing shares.

**Potential Yield**: annualised contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses + the ERV of vacant space, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or not controlled by URW, the Westfield trademark and the airport activities are not included in the calculation of Potential Yield.

**Replacement capital expenditure (Replacement Capex)**: replacement Capex relates to works either on equipment or the structure of a standing asset. The primary purpose of Replacement Capex is to ensure that the asset is in good working order and / or to make minor improvements. These investments can be triggered by obsolescence, maintaining technical performance at market levels or compliance with regulatory requirements. These amounts do not include Replacement Capex spent as part of the TIC of extension and / or renovation projects on which the Group's standard Return On Investment (ROI) is expected.

**Rotation rate**: (number of re-lettings and number of assignments and renewals with new concepts) / number of stores. Short term leases are excluded.

**SBR**: Sales Based Rent.

**Secured debt ratio**: Secured debt / Total assets.

**SIIC**: Société d'Investissement Immobilier Cotée (in France).

**Tenant sales**: performance in URW's shopping centres (excluding The Netherlands) in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, acquisition of new assets and assets under heavy refurbishment.

**Total Acquisition Cost (TAC)**: the total amount a buyer shall pay to acquire an asset or a company. TAC equals the price agreed between the seller and the buyer plus all transfer taxes and transaction costs.

**Total Investment Cost (TIC)**: Total Investment Cost equals the sum of: (i) all capital expenditures from the start of the project to the completion date and includes: land costs, construction costs, study costs, design costs, technical fees, tenant fitting-out costs paid for by the Group, letting fees and related costs, eviction costs and vacancy costs for renovations or redevelopments of standing assets; and (ii) opening marketing expenses. It excludes: (i) step rents and rent-free periods; (ii) capitalised financial interests; (iii) overhead costs; (iv) early or lost Net Rental Income; and (v) IFRS adjustments.

**Unencumbered leverage ratio**: Unencumbered assets / unsecured debt.

**Valuation of occupied office space**: valuation based on the appraiser's allocation of value between occupied and vacant spaces.

**Viparis' recurring Net Operating Income ("NOI")**: "Net rental income" and "On-site property services operating result" + "Recurring contribution of affiliates" of Viparis venues.

**Yield impact**: the change in potential yields (to neutralise changes in vacancy rates) and taking into account key money.

**Yield on cost**: URW share of the expected stabilised Net Rental Income divided by the URW Total Investment Cost increased by rent incentives (step rents and rent free periods), and for redevelopment project only, the Gross Market Value of the standing asset at the launch of the project.

# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT JUNE 30, 2023

# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT JUNE 30, 2023

## I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

On July 24, 2023, the Management Board approved the condensed consolidated interim financial statements of Unibail-Rodamco-Westfield SE for the half-year ended June 30, 2023, and the Supervisory Board authorised their publication on July 27, 2023.

The interim financial statements are presented in millions of euros, rounded to the nearest hundred thousand and, as a result, slight differences between rounded figures may exist.

# Condensed consolidated interim statement of comprehensive income

| Condensed consolidated statement of comprehensive income (€Mn) | Notes | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|---|
| Gross rental income | 4.1/4.3.1 | 1,178.4 | 1,091.1 | 2,231.3 |
| *Ground rents paid* | | *(20.7)* | *(23.2)* | *(38.3)* |
| *Service charge income* | | *211.7* | *190.4* | *320.5* |
| *Service charge expenses* | | *(238.0)* | *(215.8)* | *(384.6)* |
| *Property operating expenses* | | *(190.5)* | *(130.4)* | *(353.3)* |
| Operating expenses and net service charges | | (237.4) | (179.0) | (455.7) |
| **Net rental income** | | **941.0** | **912.1** | **1,775.6** |
| Property development and project management revenue | | 66.0 | 91.1 | 162.1 |
| Property development and project management costs | | (48.3) | (74.8) | (130.0) |
| **Net property development and project management income** | **4.1** | **17.7** | **16.3** | **32.1** |
| Property services and other activities revenues | | 134.7 | 116.4 | 289.9 |
| Property services and other activities expenses | | (105.6) | (83.6) | (211.8) |
| **Net property services and other activities income** | **4.3.2** | **29.2** | **32.8** | **78.0** |
| Share of the result of companies accounted for using the equity method | | (146.9) | 84.8 | (51.8) |
| Income on financial assets | | 22.7 | 13.6 | 31.0 |
| **Contribution of companies accounted for using the equity method** | 6.1 | **(124.2)** | **98.4** | **(20.8)** |
| Corporate expenses | | (92.7) | (93.1) | (210.4) |
| Depreciation of other tangible and intangible assets | | (13.4) | (14.8) | (32.4) |
| **Administrative expenses** | | **(106.2)** | **(107.9)** | **(242.8)** |
| **Acquisition and other costs** | | **(2.5)** | **(2.8)** | **2.6** |
| Proceeds from disposal of investment properties | | 281.7 | 191.2 | 1,046.4 |
| Carrying value of investment properties sold | | (310.4) | (155.0) | (1,015.5) |
| **Result on disposal of investment properties and loss of control [(1)]** | **3.2** | **(28.7)** | **36.1** | **30.9** |
| Valuation gains on assets | | 287.0 | 507.8 | 403.6 |
| Valuation losses on assets | | (1,283.4) | (695.0) | (1,514.2) |
| **Valuation movements on assets** | **5.5** | **(996.4)** | **(187.2)** | **(1,110.6)** |
| **Impairment of goodwill** | **5.4** | **(122.0)** | **-** | **-** |
| **NET OPERATING RESULT** | | **(392.2)** | **797.8** | **545.0** |
| **Result from non-consolidated companies** | | **2.2** | **2.2** | **4.3** |
| *Financial income* | | *218.7* | *109.7* | *245.3* |
| *Financial expenses* | | *(443.7)* | *(334.7)* | *(719.3)* |
| Net financing costs | 7.1.1 | (224.9) | (225.0) | (474.0) |
| Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE) | 7.1.2 | - | 0.3 | 0.3 |
| Fair value adjustments of derivatives, debt and currency effect | 7.1.2 | 68.9 | 172.1 | 275.0 |
| Debt discounting | 7.1.2 | 0.1 | 0.3 | 0.6 |
| **RESULT BEFORE TAX** | | **(545.9)** | **747.8** | **351.2** |
| Income tax expenses | 8.1 | (41.8) | (48.8) | (62.7) |
| **NET RESULT FOR THE PERIOD** | | **(587.7)** | **699.0** | **288.5** |
| **Net result for the period attributable to:** | | | | |
| - The holders of the Stapled Shares | | (537.8) | 601.0 | 178.2 |
| - External non-controlling interests | 3.3 | (49.9) | 98.0 | 110.3 |
| **NET RESULT FOR THE PERIOD** | | **(587.7)** | **699.0** | **288.5** |
| **Net result for the period attributable to the holders of the Stapled Shares analysed by amount attributable to:** | | | | |
| - Unibail-Rodamco-Westfield SE members [(2)] | | (315.6) | 557.0 | 269.2 |
| - Unibail-Rodamco-Westfield N.V. members [(2)] | | (222.2) | 44.0 | (91.0) |
| **NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES** | | **(537.8)** | **601.0** | **178.2** |

| | | | | |
|---|---|---|---|---|
| Average number of shares (undiluted) | 12.1 | 138,889,152 | 138,666,999 | 138,717,455 |
| Net result for the period (Holders of the Stapled Shares) | | (537.8) | 601.0 | 178.2 |
| **Net result for the period per share (Holders of the Stapled Shares) (€)** | | **(3.87)** | **4.33** | **1.28** |
| Net result for the period restated (Holders of the Stapled Shares) [(3)] | | (537.8) | 600.7 | 177.9 |
| Average number of shares (diluted) | 12.1 | 139,834,285 | 139,411,737 | 139,450,787 |
| **Diluted net result per share (Holders of the Stapled Shares) (€) [(4)]** | | **(3.87)** | **4.31** | **1.28** |

| **NET COMPREHENSIVE INCOME** (€Mn) | **Notes** | **H1-2023** | **H1-2022** | **2022** |
|---|---|---|---|---|
| **NET RESULT FOR THE PERIOD** | | **(587.7)** | **699.0** | **288.5** |
| Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries | | (214.1) | 417.9 | 125.2 |
| **Other comprehensive income that may be subsequently recycled to profit or loss** | | **(214.1)** | **417.9** | **125.2** |
| Employee benefits | | - | - | 2.0 |
| Fair Value of Financial assets | | (0.5) | 0.2 | (9.3) |
| **Other comprehensive income not subsequently recyclable to profit or loss** | | **(0.5)** | **0.2** | **(7.3)** |
| **OTHER COMPREHENSIVE INCOME** | | **(214.6)** | **418.2** | **117.9** |
| **NET COMPREHENSIVE INCOME** | | **(802.3)** | **1,117.2** | **406.4** |
| - External non-controlling interests | | (49.9) | 98.0 | 109.9 |
| **NET COMPREHENSIVE INCOME (HOLDERS OF THE STAPLED SHARES)** | | **(752.4)** | **1,019.2** | **296.5** |

(1) *The result on disposal of investment properties and loss of control includes both the result on disposal of assets and the result on disposal of shares.*
(2) *The allocation between URW SE and URW NV members of the Net Result for the period attributable to the holders of the Stapled Shares was restated in H1-2022 following a reclassification between URW SE (Non-controlling interests) and Owners of URW NV shares in the URW NV consolidated accounts.*
(3) *The impact of the fair value of the ORNANE and the related financial expenses are restated from the net result of the period if it has a dilutive impact.*
(4) *In case of a negative net result for the period, the diluted net result per share is equal to the net result for the period per share.*

## Condensed consolidated interim statement of financial position

| Condensed consolidated Statement of financial position (€Mn) | Notes | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | **48,572.0** | **50,177.5** |
| **Investment properties** | **5.1** | **38,116.9** | **38,993.4** |
| *Investment properties at fair value* | | *37,698.6* | *37,830.8* |
| *Investment properties at cost* | | *418.3* | *1,162.6* |
| Shares and investments in companies accounted for using the equity method | 6.1 | 7,387.8 | 7,927.1 |
| Other tangible assets | 5.2 | 124.4 | 137.3 |
| Goodwill | 5.4 | 957.2 | 1,079.2 |
| Intangible assets | 5.3 | 839.4 | 820.5 |
| Investments in financial assets | | 327.2 | 365.2 |
| Deferred tax assets | 8.2 | 22.8 | 23.8 |
| Derivatives at fair value | 7.5 | 796.4 | 831.0 |
| **CURRENT ASSETS** | | **5,379.3** | **4,458.5** |
| Properties or shares held for sale | 5.1/6.1 | 199.7 | - |
| Inventories | | 52.5 | 44.4 |
| Trade receivables from activity | 7.3.3 | 562.0 | 463.9 |
| Tax receivables | | 163.5 | 174.9 |
| Other receivables | | 572.8 | 446.2 |
| Cash and cash equivalents | 7.2.7 | 3,828.8 | 3,329.1 |
| **TOTAL ASSETS** | | **53,951.3** | **54,636.0** |
| **Equity attributable to the holders of the Stapled Shares** | | **16,419.3** | **17,188.7** |
| Share capital | | 695.2 | 693.8 |
| Additional paid-in capital | | 13,491.1 | 13,487.3 |
| Consolidated reserves | | 2,847.4 | 2,692.0 |
| Hedging and foreign currency translation reserves | | (76.7) | 137.4 |
| Consolidated result | | (537.8) | 178.2 |
| ***- Equity attributable to Unibail-Rodamco-Westfield SE members*** | | ***16,947.4*** | ***17,478.4*** |
| ***- Equity attributable to Unibail-Rodamco-Westfield N.V. members*** | | ***(528.1)*** | ***(289.7)*** |
| Hybrid securities | | 1,833.3 | 1,988.5 |
| External non-controlling interests | | 3,654.4 | 3,771.1 |
| **TOTAL SHAREHOLDERS' EQUITY** | | **21,907.0** | **22,948.2** |
| **NON-CURRENT LIABILITIES** | | **28,744.4** | **29,002.7** |
| Non-current commitment to external non-controlling interests | | 29.7 | 39.4 |
| Non-current bonds and borrowings | 7.2.7 | 24,510.3 | 24,778.2 |
| Non-current lease liabilities | 7.2.2 | 930.9 | 843.3 |
| Derivatives at fair value | 7.5 | 1,035.4 | 1,097.4 |
| Deferred tax liabilities | 8.2 | 1,817.7 | 1,828.8 |
| Non-current provisions | 9 | 68.3 | 67.7 |
| Guarantee deposits | | 221.4 | 218.2 |
| Amounts due on investments | | 33.5 | 39.1 |
| Other non-current liabilities | | 97.2 | 90.6 |
| **CURRENT LIABILITIES** | | **3,299.9** | **2,685.1** |
| Liabilities directly associated with properties or shares classified as held for sale | | 178.9 | - |
| Current commitment to external non-controlling interests | | 4.5 | 5.4 |
| **Amounts due to suppliers and other creditors** | | **1,185.5** | **1,147.2** |
| *Amounts due to suppliers* | | *252.9* | *240.5* |
| *Amounts due on investments* | | *483.9* | *411.3* |
| *Sundry creditors* | | *448.7* | *495.4* |
| Other current liabilities | 10 | 698.4 | 718.2 |
| Current borrowings and amounts due to credit institutions | 7.2.7 | 1,143.6 | 725.7 |
| Current lease liabilities | 7.2.2 | 59.7 | 55.6 |
| Current provisions | 9 | 29.3 | 33.0 |
| **TOTAL LIABILITIES AND EQUITY** | | **53,951.3** | **54,636.0** |

# Condensed consolidated interim statement of cash flows

| Consolidated statement of cash flows (€Mn) | Notes | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | |
| **Net result** | | **(587.7)** | **699.0** | **288.5** |
| Depreciation & provisions [(1)] | | 7.4 | (15.4) | 15.1 |
| Impairment of goodwill | | 122.0 | - | - |
| Changes in value of property assets | | 996.4 | 187.2 | 1,110.6 |
| Changes in value of financial instruments | | (69.0) | (172.7) | (275.9) |
| Charges and income relating to stock options and similar items | | 9.2 | 9.8 | 17.8 |
| Net capital gains/losses on disposal of investment properties [(2)] | | 28.7 | (36.1) | (30.9) |
| Share of the result of companies accounted for using the equity method | 6.1 | 146.9 | (84.8) | 51.8 |
| Income on financial assets | | (22.7) | (13.6) | (31.0) |
| Dividend income from non-consolidated companies | | (2.2) | (2.2) | (4.3) |
| Net financing costs | 7.1.1 | 224.9 | 225.0 | 474.0 |
| Income tax charge (income) | | 41.8 | 48.8 | 62.7 |
| **Cash flow before net financing costs and tax** | | **895.7** | **845.0** | **1,678.4** |
| Income on financial assets | | 22.7 | 13.6 | 31.0 |
| Dividend income and result from companies accounted for using the equity method or non-consolidated [(3)] | | 198.7 | 211.7 | 662.1 |
| Income tax paid | | (33.6) | (33.0) | (64.7) |
| Change in working capital requirement | | (160.5) | 90.4 | 129.4 |
| **TOTAL CASH FLOW FROM OPERATING ACTIVITIES** | | **923.0** | **1,127.7** | **2,436.2** |
| **INVESTMENT ACTIVITIES** | | | | |
| **Property activities** | | **(229.9)** | **99.5** | **297.0** |
| Acquisition of subsidiaries, net of cash acquired | 3.1 | (72.9) | - | - |
| Amounts paid for works and acquisition of property assets | 5.6 | (438.2) | (411.9) | (904.8) |
| Repayment of property financing | | 44.3 | 5.6 | 25.5 |
| Increase of property financing | | (55.1) | (80.7) | (143.3) |
| Disposal of shares | 3.2 | (2.0) | 522.3 | 734.1 |
| Disposal of investment properties | 3.2 | 294.0 | 64.2 | 585.5 |
| **Financial activities** | | **(2.6)** | **(10.8)** | **(16.2)** |
| Acquisition of financial assets | | (3.6) | (11.4) | (17.2) |
| Repayment of financial assets | | 1.0 | 0.6 | 1.0 |
| Change in financial assets | | - | - | - |
| **TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES** | | **(232.5)** | **88.7** | **280.8** |
| **FINANCING ACTIVITIES** | | | | |
| Capital increase of parent company | | 5.1 | 4.6 | 4.6 |
| Change in capital from companies with non-controlling shareholders | | 7.0 | - | - |
| Dividends paid to non-controlling shareholders of consolidated companies | | (71.1) | (57.3) | (76.2) |
| Coupon on the Hybrid Securities | | (21.6) | (21.6) | (48.1) |
| New borrowings and financial liabilities | | 723.1 | 442.3 | 908.8 |
| Repayment of borrowings and financial liabilities | | (522.1) | (1,325.6) | (1,879.0) |
| Financial income | 7.1.1 | 213.3 | 146.9 | 261.5 |
| Financial expenses | 7.1.1 | (532.4) | (438.4) | (690.0) |
| Other financing activities | 7.2.5 | 14.8 | (68.3) | (124.4) |
| **TOTAL CASH FLOW FROM FINANCING ACTIVITIES** | | **(183.9)** | **(1,317.4)** | **(1,642.8)** |
| **Change in cash and cash equivalents during the period** | | **506.6** | **(101.0)** | **1,074.2** |
| **Net cash and cash equivalents at the beginning of the year** | | **3,321.2** | **2,239.7** | **2,239.7** |
| **Effect of exchange rate fluctuations on cash held** | | **(13.2)** | **(5.1)** | **7.3** |
| **Net cash and cash equivalents at period-end** | **7.2.7** | **3,814.6** | **2,133.6** | **3,321.2** |

*(1) Includes straightlining of key money and lease incentives.*
*(2) Includes capital gains/losses on property sales, disposals of short-term investment and disposals of operating assets.*
*(3) In H1-2023, includes €29 Mn of distributions made by US companies accounted for using the equity method, following the disposal of their assets.*

## Condensed consolidated interim statement of changes in equity

| Condensed consolidated statement of changes in equity (€Mn) | Share capital | Additional paid-in capital | Consolidated reserves | Hedging & foreign currency translation reserves (1) | Consolidated net result | Equity attributable to the holders of the Stapled Shares | Hybrid Securities (2) | External non-controlling interests | Total Shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|
| **Equity as at Dec. 31, 2021** | **693.0** | **13,483.6** | **3,710.4** | **12.2** | **(972.1)** | **16,927.1** | **1,988.5** | **3,458.1** | **22,373.7** |
| Profit or loss of the period | - | - | - | - | 601.0 | **601.0** | - | 98.0 | **699.1** |
| Other comprehensive income | - | - | 0.2 | 417.9 | - | **418.2** | - | - | **418.2** |
| **Net comprehensive income** | **-** | **-** | **0.2** | **417.9** | **601.0** | **1,019.1** | **-** | **98.0** | **1,117.2** |
| Earnings appropriation | - | - | (972.1) | - | 972.1 | **-** | - | - | **-** |
| Dividends related to 2021 | - | - | - | - | - | **-** | - | (57.3) | **(57.3)** |
| Stock options, Performance shares and Company Savings Plan | 0.8 | 3.7 | - | - | - | **4.5** | - | - | **4.5** |
| Share based payment | - | - | 9.9 | - | - | **9.9** | - | - | **9.9** |
| Coupon on the Hybrid Securities | - | - | (21.6) | - | - | **(21.6)** | - | - | **(21.6)** |
| Transactions with non-controlling interests | - | - | (10.9) | - | - | **(10.9)** | - | 282.3 | **271.4** |
| Changes in scope of consolidation and other movements | - | - | 1.0 | - | - | **1.0** | - | 0.2 | **1.2** |
| **Equity as at June 30, 2022** | **693.8** | **13,487.3** | **2,716.9** | **430.1** | **601.0** | **17,929.0** | **1,988.5** | **3,781.3** | **23,698.8** |
| Profit or loss of the period | - | - | - | - | (422.8) | **(422.8)** | - | 12.3 | **(410.5)** |
| Other comprehensive income | - | - | (7.1) | (292.7) | - | **(299.8)** | - | (0.4) | **(300.2)** |
| **Net comprehensive income** | **-** | **-** | **(7.1)** | **(292.7)** | **(422.8)** | **(722.6)** | **-** | **11.9** | **(710.7)** |
| Earnings appropriation | - | - | - | - | - | **-** | - | - | **-** |
| Dividends related to 2021 | - | - | - | - | - | **-** | - | (18.9) | **(18.9)** |
| Stock options, Performance shares and Company Savings Plan | - | - | - | - | - | **-** | - | - | **-** |
| Share based payment | - | - | 8.1 | - | - | **8.1** | - | - | **8.1** |
| Treasury shares | - | - | - | - | - | **-** | - | - | **-** |
| Coupon on the Hybrid Securities | - | - | (26.5) | - | - | **(26.5)** | - | - | **(26.5)** |
| Transactions with non-controlling interests | - | - | 0.3 | - | - | **0.3** | - | (3.0) | **(2.7)** |
| Changes in scope of consolidation and other movements | - | - | 0.3 | - | - | **0.3** | - | (0.2) | **0.1** |
| **Equity as at Dec. 31, 2022** | **693.8** | **13,487.3** | **2,692.0** | **137.4** | **178.2** | **17,188.7** | **1,988.5** | **3,771.1** | **22,948.2** |
| Profit or loss of the period | - | - | - | - | (537.8) | **(537.8)** | - | (49.9) | **(587.7)** |
| Other comprehensive income | - | - | (0.5) | (214.1) | - | **(214.6)** | - | - | **(214.6)** |
| **Net comprehensive income** | **-** | **-** | **(0.5)** | **(214.1)** | **(537.8)** | **(752.4)** | **-** | **(49.9)** | **(802.3)** |
| Earnings appropriation | - | - | 178.2 | - | (178.2) | **-** | - | - | **-** |
| Dividends related to 2022 | - | - | - | - | - | **-** | - | (71.1) | **(71.1)** |
| Stock options, Performance shares and Company Savings Plan | 1.4 | 3.8 | 9.2 | - | - | **14.4** | - | - | **14.4** |
| Share based payment | - | - | - | - | - | **-** | - | - | **-** |
| Hybrid Securities | - | - | - | - | - | **-** | (155.2) | - | **(155.2)** |
| Coupon on the Hybrid Securities | - | - | (38.4) | - | - | **(38.4)** | - | - | **(38.4)** |
| Transactions with non-controlling interests | - | - | 1.5 | - | - | **1.5** | - | 4.0 | **5.5** |
| Changes in scope of consolidation and other movements | - | - | 5.4 | - | - | **5.4** | - | 0.3 | **5.7** |
| **Equity as at June 30, 2023** | **695.2** | **13,491.1** | **2,847.4** | **(76.7)** | **(537.8)** | **16,419.3** | **1,833.3** | **3,654.4** | **21,907.0** |

*(1) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. The hedging reserve is used to record the effect of hedging net investments in foreign operations.*

*(2) In 2018, URW issued €2,000 Mn of hybrid securities. These hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option and are accounted for in equity. This issuance was made in two tranches:*

- *€1,250 Mn with a 2.125% coupon and callable after 5.5 years;*
- *€750 Mn with a 2.875% coupon and callable after 8 years.*

*In 2023, the Group completed an exchange offer on the Perp-NC 2023 hybrid (cf note 1.5). The amount of €155.2 Mn to be paid out at the Settlement Date (July 3, 2023) has been reclassified from Shareholder's Equity (Hybrid securities) to Current borrowings and amounts due to credit institutions as at June 30, 2023.*

# II. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## NOTE 1. SIGNIFICANT EVENTS OF THE FIRST HALF OF 2023

The activity of the Group is not significantly affected by seasonality.

### 1.1. Disposals in the first half of 2023

***Disposal of Westfield North County***

On February 1, 2023, the Group completed the sale of the Westfield North County ground lease located in Escondido, California, to Bridge Group Investments and Steerpoint Capital, transferring ownership and management of the asset. The sale price of $57 Mn (at 100%, URW share 55%) for the asset, which has 30 years left on its ground lease, reflects the property's book value as at December 31, 2022.

As the Company is accounted for using the equity method, the URW's stake in the net disposal result of -€1.4 Mn is recorded within the Share of the result of companies accounted for using the equity method.

***Disposal of Westfield Brandon***

On May 25, 2023, URW disposed Westfield Brandon Shopping Centre in the USA. The sale price of $220 Mn (URW share 100%) reflects a 10.0% net initial yield and a 4.4% discount to the latest unaffected appraisal. The disposal result amounted to -€10.9 Mn and was recorded in the Result on disposal of investment properties and loss of control in the consolidated statement of comprehensive income.

***Disposal of "V" office building***

On May 25, 2023, the Group announced the disposal of "V" office building in France. The sale price of €95 Mn is in line with the last unaffected appraisal value, delivers a double digit IRR and a net initial yield of 5.7%. The disposal result, including rental guarantees, amounted to -€6.0 Mn and was recorded in the Result on disposal of investment properties and loss of control in the consolidated statement of comprehensive income.

### 1.2. Foreclosure of US assets

The Group intends to proceed with the disposal or foreclosure of 2 of its US assets, respectively Westfield Valencia Town Center and San Francisco Centre. The assets and liabilities of the corresponding companies are presented as held for sale as at June 30, 2023.

### 1.3. Acquisitions in the first half of 2023

On April 21, 2023, URW completed the acquisition of the remaining 50% stake in the Croydon Partnership at a price in line with the last unaffected appraisal value and for a site which comprises a 10-hectare parcel which includes the Whitgift and Centrale shopping centres as well as high street retail frontage, office blocks and multi-storey car parks in the heart of the designated GLA Opportunity Area in South London.

Thus, the consolidation method used for Croydon Partnership was changed from equity method (before the acquisition) to full consolidation.

The purchase price accounting was based on 100% of the asset corresponding to the stake of 50% acquired and the revalued stake of 50% previously held, and led to a positive impact of €3.3 Mn (£2.9 Mn) recorded in the valuation movements on assets in the consolidated statement of comprehensive income.

## 1.4. Euronext listing

Following the request filed by Unibail-Rodamco-Westfield Group (URW) with Euronext as announced on February 9, 2023, the Group has obtained the approval of the Euronext Listing Board on February 28, 2023 to change its market of reference from Euronext Amsterdam to Euronext Paris and delist the URW stapled shares from Euronext Amsterdam, while maintaining their listing on Euronext Paris.

Pursuant to the timing validated by Euronext:

- The change of its market of reference from Euronext Amsterdam to Euronext Paris was effective on April 14, 2023;
- The last day of trading on Euronext Amsterdam was April 27, 2023; and
- The delisting from Euronext Amsterdam was effective on April 28, 2023.

## 1.5. Exchange offer on the Perp-NC 2023 hybrid

On June 20, 2023, the Group launched an any-and-all par-for-par Exchange Offer on its €1.25 Bn hybrid Perp-NC23 notes ("Old Notes") into a combination of (i) new Euro denominated Perp-NC28 hybrid notes with a coupon of 7.25% ("New Notes") and (ii) a cash amount when applicable. The term and conditions of the New Notes provide the issuer with a call option in 2028.

The first of its kind by a corporate issuer, the Exchange Offer was successfully completed on June 26, 2023[1] with a participation rate of 92%, corresponding to:

- €1.15 Bn of Old Notes validly submitted for exchange and cancelled at the Settlement Date on July 3, 2023;
- €995 Mn of New Notes issued at the Settlement Date; and
- €155 Mn of cash paid out at the Settlement Date (the Cash Amount).

The new issued perpetual Hybrid is an equity instrument as per IAS 32. Accordingly, the Group's overall hybrid portfolio will decrease to €1,845 Mn (corresponding to a reduction of 7.76%).

The amount of €155 Mn, as well as the accrued interests of €17 Mn to be paid out at the Settlement Date (July 3, 2023) was reclassified from Shareholder's Equity (Hybrid securities) to Current borrowings and amounts due to credit institutions as at June 30, 2023.

[1] With a Settlement Date on July 3, 2023.

## NOTE 2. ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". As these are consolidated interim financial statements, they do not include all of the information required by IFRS and must be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2022.

The accounting principles applied for the preparation of these half-yearly consolidated financial statements are in accordance with IFRS and interpretations as adopted by the European Union as at June 30, 2023. These can be consulted on the website http://ec.europa.eu/finance/company-reporting/ifrs-financialstatements/index_en.htm.

### 2.1. IFRS basis adopted

The accounting principles and methods used are the same as those applied for the preparation of the annual consolidated financial statements as at December 31, 2022, except for the application of the new mandatory standards and interpretations described below.

#### *Standards, amendments and interpretations effective as of January 1, 2023*

- IFRS 17 Insurance Contracts, including Amendments to IFRS 17; and
- Amendments to:
  - IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies;
  - IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;
  - IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction; and
  - IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information.

These standards, amendments and interpretations do not have a significant impact on the Group's accounts as at June 30, 2023.

#### *Standards, amendments and interpretations not mandatorily applicable as of January 1, 2023*

The following text has been adopted by the EU as at June 30, 2023, but not applied in advance by the Group:

- None.

The following texts were published by the International Accounting Standards Board ("IASB") but have not yet been adopted by the EU:

- Amendments to IAS 1: Presentation of Financial Statements:
  - Classification of Liabilities as Current or Non-current;
  - Classification of Liabilities as Current or Non-current - Deferral of Effective Date; and
  - Non-current Liabilities with Covenants.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements; and
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules.

The measurement of the potential impacts of these texts on the consolidated accounts of URW is ongoing; no significant impacts are expected.

The pension reform voted in France in H1-2023 will not have a significant impact on the consolidated accounts of URW.

## 2.2. Estimates and assumptions

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management in the current context, including higher inflation, higher interest rates, higher energy and raw material costs, supply chain disruption resulting from uncertain geopolitical and economic environment and difficulties in assessing their impacts and future prospects. In this context, management has taken into account these uncertainties on the basis of reliable information available at the date of the preparation of the consolidated financial statements, particularly with regards to the fair value of investment properties and financial instruments, the estimation of the provision for doubtful debtors, as well as the testing of goodwill and intangible assets.

Due to inherent uncertainties associated with estimates, the Group reviews those estimates based on regularly updated information. Actual results might eventually differ from estimates made at the date of the preparation of the consolidated financial statements.

The most significant judgements and estimates are set out in the following notes to the consolidated financial statements as at December 31, 2022: for the valuation of investment properties, in note 5.1 “Investment properties”, for the intangible assets and goodwill, in notes 5.3 “Intangible assets” and 5.4 “Goodwill”, for provision for doubtful debtors in note 7.5.3 “Credit risk”, for rent relief in note 4.4.1 “Gross Rental Income”, and for fair value of financial instruments in note 7.4 “Hedging instruments” respectively. Actual future results or outcomes may differ from these estimates. The property portfolio and intangible assets related to the Shopping Centres, Offices & Others, and C&E segments are valued by independent appraisers. Appraisers make their independent assessments of current and forward-looking cash flow profiles and usually reflect risk either in the cash flow forecasts (e.g. future rental levels, growth, investment requirements, void periods and incentives), in the applied required returns or discount rates or in the yield applied to capitalise the exit rent to determine an exit value.

# NOTE 3. SCOPE OF CONSOLIDATION

## 3.1. Acquisitions of subsidiaries, net of cash acquired (Condensed consolidated interim statement of cash flows)

| (€Mn) | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| Acquisition price of shares | (50.1) | - | - |
| Cash and current accounts | (22.8) | - | - |
| **Acquisition of subsidiaries net of cash acquired** | **(72.9)** | **-** | **-** |

## 3.2. Result on disposal of investment properties and loss of control

The result on disposal of investment properties includes both the result on disposal of assets and the result on disposal of shares.

| (€Mn) | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| **Net capital gains/losses on disposal of assets** | **(27.9)** | **13.9** | **18.6** |
| *Proceeds from disposal of assets* | *281.0* | *62.6* | *737.4* |
| *Carrying values of disposed assets* | *(308.9)* | *(48.7)* | *(718.8)* |
| **Net capital gains/losses on disposal of shares** | **(0.8)** | **22.2** | **12.2** |
| *Proceeds from disposal of shares* | *0.7* | *128.5* | *309.0* |
| *Carrying values of disposed shares* | *(1.5)* | *(106.3)* | *(296.7)* |
| **Net capital gains/losses on disposal of investment properties and loss of control** | **(28.7)** | **36.1** | **30.9** |

### *Disposal of shares/consolidated subsidiaries, investment properties in the consolidated statement of cash flows*

| (€Mn) | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| Net price of shares sold | (2.0)[(2)] | 405.2[(4)] | 597.5[(4)] |
| Cash and current accounts | - | 117.1 | 136.6 |
| **Disposal of shares/consolidated subsidiaries** | **(2.0)** | **522.3** | **734.1** |
| **Disposal of investment properties** [(1)] | **294.0**[(3)] | **64.2** | **585.5**[(5)] |

(1) *In H1-2023, refers mainly to the disposals of Westfield Brandon in the USA and "V" office building in France (cf Note 1.1 Disposals in the first half of 2023).*

(2) *In H1-2023, corresponds mainly to the rental guarantees cash impact.*

(3) *The difference between the proceeds from disposal of investment properties in the consolidated statement of comprehensive income and the disposal of investment properties in the consolidated statement of cash flows corresponds in H1-2023 to some non-cash items mainly in the USA.*

(4) *The disposal result of Westfield Carré Sénart is booked within the Equity attributable to the holders of the Stapled Shares and as a result is not shown in the proceeds from disposal of shares in the Consolidated statement of comprehensive income.*

(5) *The difference between the proceeds from disposal of investment properties in the consolidated statement of comprehensive income and the disposal of investment properties in the consolidated statement of cash flows corresponds in 2022 to the disposal of Westfield Trumbull for which the financial debt is assumed by the buyer and is deducted from the disposal price of asset.*

## 3.3. External non-controlling interests

For H1-2023, this item comprised mainly non-controlling interests in the following entities:

- Convention & Exhibition entities (€0.8 Mn);
- Several shopping centres in France (€0.4 Mn, mainly Westfield Les 4 Temps, Westfield Parly 2,Westfield Forum des Halles and Westfield Carré Sénart); and
- Several shopping centres in Germany, Spain and Austria (-€48.2 Mn).

# NOTE 4. NET RECURRING RESULT AND SEGMENT REPORTING

## 4.1. Consolidated interim statement of comprehensive income on a proportionate basis

| **Consolidated income statement** (€Mn) | **H1-2023 IFRS** | **Proportionate** | **Total H1-2023 Proportionate** | **H1-2022 IFRS** | **Proportionate** | **Total H1-2022 Proportionate** | **2022 IFRS** | **Proportionate** | **Total 2022 Proportionate** |
|---|---|---|---|---|---|---|---|---|---|
| Gross rental income | 1,178.4 | 274.5 | 1,452.9 | 1,091.1 | 288.6 | 1,379.7 | 2,231.3 | 601.1 | 2,832.4 |
| *Ground rents paid* | *(20.7)* | *(0.5)* | *(21.1)* | *(23.2)* | *(0.6)* | *(23.8)* | *(38.3)* | *(1.4)* | *(39.7)* |
| *Service charge income* | *211.7* | *30.1* | *241.8* | *190.4* | *35.6* | *226.0* | *320.5* | *68.1* | *388.6* |
| *Service charge expenses* | *(238.0)* | *(43.0)* | *(281.0)* | *(215.8)* | *(42.0)* | *(257.8)* | *(384.6)* | *(87.1)* | *(471.7)* |
| *Property operating expenses* | *(190.5)* | *(49.9)* | *(240.4)* | *(130.4)* | *(54.3)* | *(184.8)* | *(353.3)* | *(129.9)* | *(483.1)* |
| Operating expenses and net service charges | (237.4) | (63.3) | (300.7) | (179.0) | (61.3) | (240.4) | (455.7) | (150.4) | (606.0) |
| **Net rental income** | **941.0** | **211.2** | **1,152.1** | **912.1** | **227.3** | **1,139.3** | **1,775.6** | **450.7** | **2,226.3** |
| | | | | | | | | | |
| Property development and project management revenue | 66.0 | - | 66.0 | 91.1 | - | 91.1 | 162.1 | - | 162.1 |
| Property development and project management costs | (48.3) | - | (48.3) | (74.8) | - | (74.8) | (130.0) | - | (130.0) |
| **Net property development and project management income** | **17.7** | **-** | **17.7** | **16.3** | **-** | **16.3** | **32.1** | **-** | **32.1** |
| | | | | | | | | | |
| Property services and other activities revenues | 134.7 | (0.0) | 134.7 | 116.4 | (0.4) | 116.0 | 289.9 | 0.0 | 289.9 |
| Property services and other activities expenses | (105.6) | (0.0) | (105.6) | (83.6) | (0.1) | (83.6) | (211.8) | (0.1) | (212.0) |
| **Net property services and other activities income** | **29.2** | **(0.1)** | **29.1** | **32.8** | **(0.5)** | **32.3** | **78.0** | **(0.1)** | **77.9** |
| | | | | | | | | | |
| Share of the result of companies accounted for using the equity method | (146.9) | 167.4 | 20.5 | 84.8 | (17.4) | 67.4 | (51.8) | 161.0 | 109.2 |
| Income on financial assets | 22.7 | (8.5) | 14.2 | 13.6 | (5.6) | 8.0 | 31.0 | (13.1) | 18.0 |
| **Contribution of companies accounted for using the equity method** | **(124.2)** | **158.9** | **34.7** | **98.4** | **(23.0)** | **75.4** | **(20.8)** | **147.9** | **127.2** |
| | | | | | | | | | |
| Corporate expenses | (92.7) | (2.2) | (95.0) | (93.1) | (2.0) | (95.0) | (210.4) | (4.0) | (214.4) |
| Depreciation of other tangible and intangible assets | (13.4) | - | (13.4) | (14.8) | - | (14.8) | (32.4) | - | (32.4) |
| **Administrative expenses** | **(106.2)** | **(2.2)** | **(108.4)** | **(107.9)** | **(2.0)** | **(109.9)** | **(242.8)** | **(4.0)** | **(246.8)** |
| | | | | | | | | | |
| **Acquisition and other costs** | **(2.5)** | **(0.0)** | **(2.5)** | **(2.8)** | **(0.0)** | **(2.8)** | **2.6** | **-** | **2.6** |
| | | | | | | | | | |
| Proceeds from disposal of investment properties | 281.7 | 27.9 | 309.6 | 191.2 | 65.9 | 257.1 | 1,046.4 | 497.4 | 1,543.8 |
| Carrying value of investment properties sold | (310.4) | (30.7) | (341.2) | (155.0) | (45.6) | (200.7) | (1,015.5) | (535.1) | (1,550.6) |
| **Result on disposal of investment properties and loss of control** [(1)] | **(28.7)** | **(2.8)** | **(31.5)** | **36.1** | **20.3** | **56.4** | **30.9** | **(37.7)** | **(6.8)** |
| | | | | | | | | | |
| Valuation gains on assets | 287.0 | 58.8 | 345.8 | 507.8 | 36.2 | 544.0 | 403.6 | 78.4 | 482.0 |
| Valuation losses on assets | (1,283.4) | (396.7) | (1,680.1) | (695.0) | (232.9) | (927.8) | (1,514.2) | (588.1) | (2,102.3) |
| **Valuation movements on assets** | **(996.4)** | **(337.9)** | **(1,334.3)** | **(187.2)** | **(196.6)** | **(383.8)** | **(1,110.6)** | **(509.7)** | **(1,620.3)** |
| | | | | | | | | | |
| **Impairment of goodwill** | **(122.0)** | **-** | **(122.0)** | **-** | **-** | **-** | **-** | **-** | **-** |
| **NET OPERATING RESULT** | **(392.2)** | **27.0** | **(365.2)** | **797.8** | **25.4** | **823.2** | **545.0** | **47.1** | **592.1** |
| **Result from non-consolidated companies** | **2.2** | **0.0** | **2.2** | **2.2** | **(0.0)** | **2.2** | **4.3** | **(0.0)** | **4.3** |
| *Financial income* | *218.7* | *3.4* | *222.2* | *109.7* | *0.4* | *110.1* | *245.3* | *(0.1)* | *245.2* |
| *Financial expenses* | *(443.7)* | *(26.6)* | *(470.3)* | *(334.7)* | *(25.3)* | *(360.0)* | *(719.3)* | *(50.0)* | *(769.3)* |
| Net financing costs | (224.9) | (23.2) | (248.2) | (225.0) | (24.9) | (249.9) | (474.0) | (50.1) | (524.1) |
| Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE) | - | - | - | 0.3 | - | 0.3 | 0.3 | - | 0.3 |
| Fair value adjustments of derivatives, debt and currency effect | 68.9 | (4.0) | 64.9 | 172.1 | 6.5 | 178.7 | 275.0 | 7.2 | 282.2 |
| Debt discounting | 0.1 | - | 0.1 | 0.3 | - | 0.3 | 0.6 | - | 0.6 |
| **RESULT BEFORE TAX** | **(545.9)** | **(0.2)** | **(546.1)** | **747.8** | **7.0** | **754.8** | **351.2** | **4.2** | **355.4** |
| Income tax expenses | (41.8) | 0.2 | (41.6) | (48.8) | (7.0) | (55.8) | (62.7) | (4.2) | (66.9) |
| **NET RESULT FOR THE PERIOD** | **(587.7)** | **0.0** | **(587.7)** | **699.0** | **(0.0)** | **699.0** | **288.5** | **0.0** | **288.5** |
| **Net result for the period attributable to:** | | | | | | | | | |
| - The holders of the Stapled Shares | (537.8) | - | (537.8) | 601.0 | - | 601.0 | 178.2 | - | 178.2 |
| - External non-controlling interests | (49.9) | - | (49.9) | 98.0 | - | 98.0 | 110.3 | - | 110.3 |
| **NET RESULT FOR THE PERIOD** | **(587.7)** | **-** | **(587.7)** | **699.0** | **-** | **699.0** | **288.5** | **-** | **288.5** |

[(1)] *The result on disposal of investment properties and loss of control includes both the result on disposal of assets and the result on disposal of shares.*

## 4.2. Consolidated interim statement of financial position on a proportionate basis

| Consolidated statement of financial position (€Mn) | June 30, 2023 IFRS | Proportionate | June 30, 2023 Proportionate | Dec. 31, 2022 IFRS | Proportionate | Dec. 31, 2022 Proportionate |
|---|---|---|---|---|---|---|
| **NON-CURRENT ASSETS** | **48,572.0** | **1,525.9** | **50,097.9** | **50,177.5** | **1,823.2** | **52,000.7** |
| **Investment properties** | **38,116.9** | **7,539.9** | **45,656.8** | **38,993.4** | **8,365.6** | **47,359.0** |
| *Investment properties at fair value* | *37,698.6* | *7,497.6* | *45,196.2* | *37,830.8* | *8,322.2* | *46,153.0* |
| *Investment properties at cost* | *418.3* | *42.3* | *460.6* | *1,162.6* | *43.4* | *1,206.0* |
| Shares and investments in companies accounted for using the equity method | 7,387.8 | (6,092.9) | *1,294.9* | 7,927.1 | (6,630.6) | 1,296.5 |
| Other tangible assets | 124.4 | 2.9 | *127.3* | 137.3 | 3.0 | 140.3 |
| Goodwill | 957.2 | 61.0 | *1,018.2* | 1,079.2 | 61.0 | 1,140.2 |
| Intangible assets | 839.4 | - | *839.4* | 820.5 | - | 820.5 |
| Investments in financial assets | 327.2 | 8.4 | *335.6* | 365.2 | 17.2 | 382.4 |
| Deferred tax assets | 22.8 | - | *22.8* | 23.8 | - | 23.8 |
| Derivatives at fair value | 796.4 | 6.5 | *802.9* | 831.0 | 7.0 | 838.0 |
| **CURRENT ASSETS** | **5,379.3** | **649.6** | **6,028.9** | **4,458.5** | **402.6** | **4,861.1** |
| Properties or shares held for sale | 199.7 | 306.9 | *506.6* | - | - | - |
| Inventories | 52.5 | 48.2 | *100.7* | 44.4 | 36.3 | 80.7 |
| Trade receivables from activity | 562.0 | 102.1 | 664.1 | 463.9 | 132.4 | 596.3 |
| Tax receivables | 163.5 | 7.7 | 171.2 | 174.9 | 16.9 | 191.8 |
| Other receivables | 572.8 | 5.5 | 578.3 | 446.2 | 31.7 | 477.9 |
| Cash and cash equivalents | 3,828.8 | 179.2 | 4,008.0 | 3,329.1 | 185.3 | 3,514.4 |
| **TOTAL ASSETS** | **53,951.3** | **2,175.5** | **56,126.8** | **54,636.0** | **2,225.8** | **56,861.8** |
| **Equity attributable to the holders of the Stapled Shares** | **16,419.3** | **-** | **16,419.3** | **17,188.7** | **-** | **17,188.7** |
| Share capital | 695.2 | - | 695.2 | 693.8 | - | 693.8 |
| Additional paid-in capital | 13,491.1 | - | 13,491.1 | 13,487.3 | - | 13,487.3 |
| Consolidated reserves | 2,847.4 | - | 2,847.4 | 2,692.0 | - | 2,692.0 |
| Hedging and foreign currency translation reserves | (76.7) | - | (76.7) | 137.4 | - | 137.4 |
| Consolidated result | (537.8) | - | (537.8) | 178.2 | - | 178.2 |
| ***- Equity attributable to Unibail-Rodamco-Westfield SE members*** | ***16,947.4*** | **-** | ***16,947.4*** | ***17,478.4*** | **-** | ***17,478.4*** |
| ***- Equity attributable to Unibail-Rodamco-Westfield N.V. members*** | ***(528.1)*** | **-** | ***(528.1)*** | ***(289.7)*** | **-** | ***(289.7)*** |
| Hybrid securities | 1,833.3 | - | 1,833.3 | 1,988.5 | - | 1,988.5 |
| External non-controlling interests | 3,654.4 | - | 3,654.4 | 3,771.1 | - | 3,771.1 |
| **TOTAL SHAREHOLDERS' EQUITY** | **21,907.0** | **-** | **21,907.0** | **22,948.2** | **-** | **22,948.2** |
| **NON-CURRENT LIABILITIES** | **28,744.4** | **1,436.1** | **30,180.5** | **29,002.7** | **1,820.7** | **30,823.4** |
| Non-current commitment to external non-controlling interests | 29.7 | 1.3 | 31.0 | 39.4 | 1.5 | 40.9 |
| Non-current bonds and borrowings | 24,510.3 | 1,321.2 | 25,831.5 | 24,778.2 | 1,692.3 | 26,470.5 |
| Non-current lease liabilities | 930.9 | 2.1 | 933.0 | 843.3 | 9.1 | 852.4 |
| Derivatives at fair value | 1,035.4 | - | 1,035.4 | 1,097.4 | - | 1,097.4 |
| Deferred tax liabilities | 1,817.7 | 95.0 | 1,912.7 | 1,828.8 | 97.1 | 1,925.9 |
| Non-current provisions | 68.3 | 2.6 | 70.9 | 67.7 | 2.7 | 70.4 |
| Guarantee deposits | 221.4 | 13.8 | 235.2 | 218.2 | 17.9 | 236.1 |
| Amounts due on investments | 33.5 | 0.1 | 33.6 | 39.1 | 0.1 | 39.2 |
| Other non-current liabilities | 97.2 | - | 97.2 | 90.6 | - | 90.6 |
| **CURRENT LIABILITIES** | **3,299.9** | **739.4** | **4,039.3** | **2,685.1** | **405.1** | **3,090.2** |
| Liabilities directly associated with properties or shares classified as held for sale | 178.9 | 306.9 | 485.8 | - | - | - |
| Current commitment to external non-controlling interests | 4.5 | 1.3 | 5.8 | 5.4 | 0.2 | 5.6 |
| **Amounts due to suppliers and other creditors** | **1,185.5** | **152.2** | **1,337.7** | **1,147.2** | **160.2** | **1,307.4** |
| *Amounts due to suppliers* | *252.9* | *39.8* | *292.7* | *240.5* | *34.4* | *274.9* |
| *Amounts due on investments* | *483.9* | *37.2* | *521.1* | *411.3* | *42.2* | *453.5* |
| *Sundry creditors* | *448.7* | *75.2* | *523.9* | *495.4* | *83.6* | *579.0* |
| Other current liabilities | 698.4 | 42.4 | 740.8 | 718.2 | 30.5 | 748.7 |
| Net share settled bonds convertible into new and/or existing shares (ORNANE) | - | - | - | - | - | - |
| Current borrowings and amounts due to credit institutions | 1,143.6 | 236.4 | 1,380.0 | 725.7 | 213.4 | 939.1 |
| Current lease liabilities | 59.7 | 0.2 | 59.9 | 55.6 | 0.7 | 56.3 |
| Current provisions | 29.3 | - | 29.3 | 33.0 | 0.1 | 33.1 |
| **TOTAL LIABILITIES AND EQUITY** | **53,951.3** | **2,175.5** | **56,126.8** | **54,636.0** | **2,225.8** | **56,861.8** |

## 4.3. Net result by segment on a proportionate basis

| | | Net result by segment on a proportionate basis (€Mn) | H1-2023 | | | H1-2022 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Recurring activities | Non-recurring activities [1] | Result | Recurring activities | Non-recurring activities [1] | Result | Recurring activities | Non-recurring activities [1] | Result |
| SHOPPING CENTRES | FRANCE | Gross rental income | 313.1 | - | 313.1 | 285.7 | - | 285.7 | 569.7 | - | 569.7 |
| | | Operating expenses and net service charges | (36.0) | - | (36.0) | (25.7) | - | (25.7) | (62.6) | - | (62.6) |
| | | **Net rental income** | **277.1** | **-** | **277.1** | **260.0** | **-** | **260.0** | **507.0** | **-** | **507.0** |
| | | Contribution of companies accounted for using the equity method | 18.9 | (13.3) | 5.6 | 14.1 | 39.5 | 53.6 | 29.1 | 65.8 | 94.8 |
| | | Gains/losses on sales of properties | - | (0.3) | (0.3) | - | (0.9) | (0.9) | - | (4.3) | (4.3) |
| | | Valuation movements on assets | - | (338.7) | (338.7) | - | 6.2 | 6.2 | - | (125.4) | (125.4) |
| | | Impairment of goodwill | - | (84.8) | (84.8) | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres France** | **296.0** | **(437.0)** | **(141.0)** | **274.1** | **44.8** | **319.0** | **536.1** | **(64.0)** | **472.1** |
| | SPAIN | Gross rental income | 95.4 | - | 95.4 | 90.5 | - | 90.5 | 206.7 | - | 206.7 |
| | | Operating expenses and net service charges | (11.0) | - | (11.0) | (7.3) | - | (7.3) | (18.4) | - | (18.4) |
| | | **Net rental income** | **84.4** | **-** | **84.4** | **83.2** | **-** | **83.2** | **188.3** | **-** | **188.3** |
| | | Contribution of companies accounted for using the equity method | - | - | - | - | - | - | - | - | - |
| | | Gains/losses on sales of properties | - | (0.0) | (0.0) | - | (0.0) | (0.0) | - | (0.0) | (0.0) |
| | | Valuation movements on assets | - | (88.2) | (88.2) | - | 34.2 | 34.2 | - | (19.0) | (19.0) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres Spain** | **84.4** | **(88.3)** | **(3.9)** | **83.2** | **34.2** | **117.4** | **188.3** | **(19.0)** | **169.4** |
| | UNITED STATES | Gross rental income | 395.8 | - | 395.8 | 410.1 | - | 410.1 | 860.4 | - | 860.4 |
| | | Operating expenses and net service charges | (119.7) | - | (119.7) | (117.5) | - | (117.5) | (281.6) | - | (281.6) |
| | | **Net rental income** | **276.1** | **-** | **276.1** | **292.6** | **-** | **292.6** | **578.8** | **-** | **578.8** |
| | | Contribution of companies accounted for using the equity method | - | - | - | 1.5 | (21.5) | (20.0) | 0.6 | (30.6) | (30.1) |
| | | Gains/losses on sales of properties | - | (24.3) | (24.3) | - | 30.4 | 30.4 | - | (23.0) | (23.0) |
| | | Valuation movements on assets | - | (432.1) | (432.1) | - | (375.2) | (375.2) | - | (711.9) | (711.9) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres United States** | **276.1** | **(456.4)** | **(180.3)** | **294.1** | **(366.4)** | **(72.2)** | **579.4** | **(765.5)** | **(186.2)** |
| | CENTRAL EUROPE | Gross rental income | 127.5 | - | 127.5 | 114.2 | - | 114.2 | 221.3 | - | 221.3 |
| | | Operating expenses and net service charges | 7.2 | - | 7.2 | 4.7 | - | 4.7 | (4.1) | - | (4.1) |
| | | **Net rental income** | **134.6** | **-** | **134.6** | **118.9** | **-** | **118.9** | **217.2** | **-** | **217.2** |
| | | Contribution of companies accounted for using the equity method | 23.8 | 9.8 | 33.6 | 18.3 | 15.6 | 33.9 | 30.4 | 26.0 | 56.4 |
| | | Gains/losses on sales of properties | - | 1.0 | 1.0 | - | (0.3) | (0.3) | - | (3.5) | (3.5) |
| | | Valuation movements on assets | - | 104.2 | 104.2 | - | 116.0 | 116.0 | - | 72.8 | 72.8 |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres Central Europe** | **158.4** | **114.9** | **273.4** | **137.2** | **131.3** | **268.5** | **247.6** | **95.4** | **343.0** |
| | AUSTRIA | Gross rental income | 77.1 | - | 77.1 | 72.5 | - | 72.5 | 137.3 | - | 137.3 |
| | | Operating expenses and net service charges | (17.9) | - | (17.9) | (16.2) | - | (16.2) | (27.8) | - | (27.8) |
| | | **Net rental income** | **59.1** | **-** | **59.1** | **56.3** | **-** | **56.3** | **109.5** | **-** | **109.5** |
| | | Contribution of companies accounted for using the equity method | - | - | - | - | - | - | - | - | - |
| | | Gains/losses on sales of properties | - | - | - | - | - | - | - | - | - |
| | | Valuation movements on assets | - | (75.5) | (75.5) | - | 16.3 | 16.3 | - | (51.6) | (51.6) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres Austria** | **59.1** | **(75.5)** | **(16.3)** | **56.3** | **16.3** | **72.5** | **109.5** | **(51.6)** | **57.9** |
| | GERMANY | Gross rental income | 75.0 | - | 75.0 | 69.2 | - | 69.2 | 136.9 | - | 136.9 |
| | | Operating expenses and net service charges | (9.5) | - | (9.5) | (0.9) | - | (0.9) | (8.8) | - | (8.8) |
| | | **Net rental income** | **65.5** | **-** | **65.5** | **68.3** | **-** | **68.3** | **128.1** | **-** | **128.1** |
| | | Contribution of companies accounted for using the equity method | 1.4 | (5.5) | (4.2) | 1.4 | 2.3 | 3.7 | 2.5 | (3.5) | (1.1) |
| | | Gains/losses on sales of properties | - | (1.5) | (1.5) | - | (0.5) | (0.5) | - | 11.1 | 11.1 |
| | | Valuation movements on assets | - | (73.2) | (73.2) | - | (201.0) | (201.0) | - | (282.1) | (282.1) |
| | | Impairment of goodwill | - | (37.2) | (37.2) | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres Germany** | **66.8** | **(117.5)** | **(50.6)** | **69.7** | **(199.2)** | **(129.6)** | **130.6** | **(274.5)** | **(143.9)** |
| | NORDICS | Gross rental income | 60.5 | - | 60.5 | 58.6 | - | 58.6 | 118.5 | - | 118.5 |
| | | Operating expenses and net service charges | (4.8) | - | (4.8) | (7.0) | - | (7.0) | (19.7) | - | (19.7) |
| | | **Net rental income** | **55.7** | **-** | **55.7** | **51.5** | **-** | **51.5** | **98.8** | **-** | **98.8** |
| | | Contribution of companies accounted for using the equity method | - | - | - | - | - | - | - | - | - |
| | | Gains/losses on sales of properties | - | (0.1) | (0.1) | - | 23.4 | 23.4 | - | 22.9 | 22.9 |
| | | Valuation movements on assets | - | (84.4) | (84.4) | - | 5.3 | 5.3 | - | (49.1) | (49.1) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres Nordics** | **55.7** | **(84.5)** | **(28.9)** | **51.5** | **28.7** | **80.2** | **98.8** | **(26.3)** | **72.6** |
| | THE NETHERLANDS | Gross rental income | 48.4 | - | 48.4 | 50.8 | - | 50.8 | 93.7 | - | 93.7 |
| | | Operating expenses and net service charges | (9.0) | - | (9.0) | (5.9) | - | (5.9) | (17.0) | - | (17.0) |
| | | **Net rental income** | **39.3** | **-** | **39.3** | **44.9** | **-** | **44.9** | **76.8** | **-** | **76.8** |
| | | Contribution of companies accounted for using the equity method | - | - | - | - | - | - | - | - | - |
| | | Gains/losses on sales of properties | - | 0.1 | 0.1 | - | 0.0 | 0.0 | - | (10.0) | (10.0) |
| | | Valuation movements on assets | - | (39.5) | (39.5) | - | 19.6 | 19.6 | - | (3.9) | (3.9) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres The Netherlands** | **39.3** | **(39.4)** | **(0.0)** | **44.9** | **19.6** | **64.5** | **76.8** | **(13.9)** | **62.9** |
| | UNITED KINGDOM | Gross rental income | 113.4 | - | 113.4 | 96.9 | - | 96.9 | 198.4 | - | 198.4 |
| | | Operating expenses and net service charges | (46.7) | - | (46.7) | (36.8) | - | (36.8) | (82.2) | - | (82.2) |
| | | **Net rental income [2]** | **66.8** | **-** | **66.8** | **60.0** | **-** | **60.0** | **116.3** | **-** | **116.3** |
| | | Contribution of companies accounted for using the equity method | - | - | - | - | - | - | - | - | - |
| | | Gains/losses on sales of properties | - | - | - | - | - | - | - | - | - |
| | | Valuation movements on assets | - | (30.1) | (30.1) | - | (53.2) | (53.2) | - | (145.7) | (145.7) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Shopping Centres United Kingdom** | **66.8** | **(30.1)** | **36.6** | **60.0** | **(53.2)** | **6.9** | **116.3** | **(145.7)** | **(29.4)** |
| | | **TOTAL RESULT FROM OPERATIONS SHOPPING CENTRES** | **1,102.6** | **(1,213.7)** | **(111.1)** | **1,071.1** | **(343.9)** | **727.2** | **2,083.3** | **(1,265.1)** | **818.3** |

*[1] Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, amortisation of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.*
*[2] Following a change in classification of one building from retail to office, H1-2022 and 2022 figures have been restated.*

| Net result by segment on a proportionate basis (€Mn) | | | H1-2023 | | | H1-2022 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Recurring activities | Non-recurring activities (1) | Result | Recurring activities | Non-recurring activities (1) | Result | Recurring activities | Non-recurring activities (1) | Result |
| OFFICES & OTHERS | FRANCE | Gross rental income | 34.0 | - | 34.0 | 27.3 | - | 27.3 | 58.7 | - | 58.7 |
| | | Operating expenses and net service charges | (2.1) | - | (2.1) | (1.9) | - | (1.9) | (5.2) | - | (5.2) |
| | | **Net rental income** | **31.9** | - | **31.9** | **25.4** | - | **25.4** | **53.5** | - | **53.5** |
| | | Contribution of companies accounted for using the equity method | 0.1 | (0.3) | (0.3) | (0.0) | 4.2 | 4.2 | (0.2) | 7.2 | 7.1 |
| | | Gains/losses on sales of properties | - | (6.0) | (6.0) | - | (0.2) | (0.2) | - | (0.3) | (0.3) |
| | | Valuation movements on assets | - | (173.6) | (173.6) | - | 49.1 | 49.1 | - | (123.7) | (123.7) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Offices & Others France** | **32.0** | **(179.9)** | **(147.9)** | **25.4** | **53.1** | **78.5** | **53.3** | **(116.8)** | **(63.5)** |
| | OTHER COUNTRIES | Gross rental income | 13.1 | - | 13.1 | 14.5 | - | 14.5 | 28.1 | - | 28.1 |
| | | Operating expenses and net service charges | (3.8) | - | (3.8) | (4.3) | - | (4.3) | (8.4) | - | (8.4) |
| | | **Net rental income** (2) | **9.3** | - | **9.3** | **10.2** | - | **10.2** | **19.7** | - | **19.7** |
| | | Contribution of companies accounted for using the equity method | 0.0 | - | 0.0 | - | - | - | - | - | - |
| | | Gains/losses on sales of properties | - | (0.5) | (0.5) | - | 4.5 | 4.5 | - | 0.3 | 0.3 |
| | | Valuation movements on assets | - | (63.0) | (63.0) | - | 4.0 | 4.0 | - | (96.0) | (96.0) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **Result from operations Offices & Others Other countries** | **9.3** | **(63.5)** | **(54.2)** | **10.2** | **8.5** | **18.7** | **19.7** | **(95.7)** | **(76.1)** |
| | | **TOTAL RESULT FROM OPERATIONS OFFICES & OTHERS** | **41.3** | **(243.4)** | **(202.1)** | **35.6** | **61.6** | **97.2** | **73.0** | **(212.5)** | **(139.5)** |
| CONVENTION & EXHIBITION | FRANCE | Gross rental income | 99.5 | - | 99.5 | 89.5 | - | 89.5 | 202.6 | - | 202.6 |
| | | Operating expenses and net service charges | (47.2) | - | (47.2) | (21.6) | - | (21.6) | (70.3) | - | (70.3) |
| | | **Net rental income** | **52.3** | - | **52.3** | **67.9** | - | **67.9** | **132.3** | - | **132.3** |
| | | **On-site property services net income** | **18.8** | - | **18.8** | **26.6** | - | **26.6** | **57.9** | - | **57.9** |
| | | Contribution of companies accounted for using the equity method | - | - | - | - | - | - | - | - | - |
| | | Valuation movements, depreciation, capital gains | - | (46.3) | (46.3) | - | (23.0) | (23.0) | - | (69.7) | (69.7) |
| | | Impairment of goodwill | - | - | - | - | - | - | - | - | - |
| | | **TOTAL RESULT FROM OPERATIONS C&E** | **71.1** | **(46.3)** | **24.8** | **94.5** | **(23.0)** | **71.5** | **190.2** | **(69.7)** | **120.5** |
| | | Net property development and project management income | 17.7 | - | 17.7 | 16.3 | - | 16.3 | 32.1 | - | 32.1 |
| | | Other property services net income | 19.4 | 0.0 | 19.4 | 16.7 | - | 16.7 | 44.8 | (0.0) | 44.8 |
| | | Impairment of goodwill related to the property services | - | - | - | - | - | - | - | - | - |
| | | Corporate expenses | (95.0) | - | (95.0) | (95.0) | - | (95.0) | (214.4) | - | (214.4) |
| | | Acquisition and other costs | - | (2.5) | (2.5) | - | (2.8) | (2.8) | - | 2.6 | 2.6 |
| | | | - | - | | | | | | | |
| **NET OPERATING RESULT BEFORE DEPRECIATION AND IMPAIRMENT OF ASSETS** | | | **1,157.1** | **(1,506.0)** | **(348.9)** | **1,139.2** | **(308.1)** | **831.1** | **2,209.0** | **(1,544.7)** | **664.2** |
| | | Depreciation and impairment of tangible and intangible assets | (22.5) | 6.3 | (16.3) | (25.9) | 18.0 | (7.9) | (57.2) | (14.9) | (72.1) |
| **NET OPERATING RESULT** | | | **1,134.5** | **(1,499.7)** | **(365.2)** | **1,113.3** | **(290.1)** | **823.2** | **2,151.8** | **(1,559.7)** | **592.1** |
| | | Result from non consolidated companies | 2.2 | - | 2.2 | 2.2 | - | 2.2 | 4.3 | - | 4.3 |
| | | Financing result | (248.2) | 65.0 | (183.1) | (249.9) | 179.3 | (70.6) | (524.1) | 283.1 | (241.0) |
| **RESULT BEFORE TAX** | | | **888.6** | **(1,434.7)** | **(546.1)** | **865.6** | **(110.8)** | **754.8** | **1,632.0** | **(1,276.6)** | **355.4** |
| | | Income tax expenses | (27.9) | (13.8) | (41.6) | (40.1) | (15.7) | (55.8) | (66.6) | (0.3) | (66.9) |
| **NET RESULT FOR THE PERIOD** | | | **860.7** | **(1,448.4)** | **(587.7)** | **825.5** | **(126.5)** | **699.0** | **1,565.4** | **(1,276.9)** | **288.5** |
| | | External non-controlling interests | (103.9) | 153.8 | 49.9 | (114.9) | 16.9 | (98.0) | (226.0) | 115.7 | (110.3) |
| **NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES** | | | **756.9** | **(1,294.6)** | **(537.8)** | **710.6** | **(109.6)** | **601.0** | **1,339.3** | **(1,161.1)** | **178.2** |

*(1) Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, amortisation of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.*
*(2) Following a change in classification of one building from retail to office, H1-2022 and 2022 figures have been restated.*

### 4.3.1. Gross rental income

## *Gross rental income by segment on a proportionate basis*

| €Mn excluding taxes | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| **Shopping Centres** | **1,306.2** | **1,248.4** | **2,543.0** |
| France | 313.1 | 285.7 | 569.7 |
| Spain | 95.4 | 90.5 | 206.7 |
| United States | 395.8 | 410.1 | 860.4 |
| Central Europe | 127.5 | 114.2 | 221.3 |
| Austria | 77.1 | 72.5 | 137.3 |
| Germany | 75.0 | 69.2 | 136.9 |
| Nordics | 60.5 | 58.6 | 118.5 |
| The Netherlands | 48.4 | 50.8 | 93.7 |
| United Kingdom (1) | 113.4 | 96.9 | 198.4 |
| **Offices & Others** | **47.1** | **41.8** | **86.8** |
| France | 34.0 | 27.3 | 58.7 |
| Other countries (1) | 13.1 | 14.5 | 28.1 |
| **Convention & Exhibition** | **99.5** | **89.5** | **202.6** |
| **Total** | **1,452.9** | **1,379.7** | **2,832.4** |

*(1) Following a change in classification of one building from retail to office, H1-2022 and 2022 figures have been restated.*

### *4.3.2. Net property services and other activities income*

The Net property services and other activities income consists of on-site property service and other property services net operating result.

| €Mn | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| **Net property services and other activities income** | **29.1** | **32.3** | **77.9** |
| On-site property services net income - Convention & Exhibition | 18.8 | 26.6 | 57.9 |
| Depreciation of tangible and intangible assets - Convention & Exhibition | (6.9) | (8.7) | (17.6) |
| Other property services net income | 19.4 | 16.7 | 44.8 |
| Depreciation of tangible and intangible assets – other property services | (2.2) | (2.4) | (7.1) |

## 4.4. Other information by segment

### *4.4.1. Reconciliation between the Results by segment and the income statement of the period on a proportionate basis*

***For H1-2023***

| (€Mn) | | Net rental income | Net property development and project management income, net property services and other activities income | Contribution of companies accounted for using the equity method | Administrative expenses | Result on disposal of investment properties and shares | Valuation movements on assets | Acquisition and other costs | Impairment of goodwill | Total net operating result H1-2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Shopping Centres | France | 277.1 | - | 5.6 | - | (0.3) | (338.7) | - | (84.8) | **(141.0)** |
| Shopping Centres | Spain | 84.4 | - | - | - | (0.0) | (88.2) | - | - | **(3.9)** |
| Shopping Centres | United States | 276.1 | - | - | - | (24.3) | (432.1) | - | - | **(180.3)** |
| Shopping Centres | Central Europe | 134.6 | - | 33.6 | - | 1.0 | 104.2 | - | - | **273.4** |
| Shopping Centres | Austria | 59.1 | - | - | - | - | (75.5) | - | - | **(16.3)** |
| Shopping Centres | Germany | 65.5 | - | (4.2) | - | (1.5) | (73.2) | - | (37.2) | **(50.6)** |
| Shopping Centres | Nordics | 55.7 | - | - | - | (0.1) | (84.4) | - | - | **(28.9)** |
| Shopping Centres | The Netherlands | 39.3 | - | - | - | 0.1 | (39.5) | - | - | **(0.0)** |
| Shopping Centres | United Kingdom | 66.8 | - | - | - | - | (30.1) | - | - | **36.6** |
| Shopping Centres | **Total Shopping Centres** | **1,058.6** | **-** | **35.0** | **-** | **(25.1)** | **(1,057.6)** | **-** | **(122.0)** | **(111.1)** |
| Offices & Others | France | 31.9 | - | (0.3) | - | (6.0) | (173.6) | - | - | **(147.9)** |
| Offices & Others | Others | 9.3 | - | 0.0 | - | (0.5) | (63.0) | - | - | **(54.2)** |
| Offices & Others | **Total Offices & Others** | **41.2** | **-** | **(0.3)** | **-** | **(6.5)** | **(236.6)** | **-** | **-** | **(202.1)** |
| C. & E. (1) | France | **52.3** | **18.8** | **-** | **-** | **-** | **(46.3)** | **-** | **-** | **24.8** |
| **Not allocated** | | **-** | **27.9** | **-** | **(108.4)** | **-** | **6.3** | **(2.5)** | **-** | **(76.7)** |
| **Total** | | **1,152.1** | **46.7** | **34.7** | **(108.4)** | **(31.5)** | **(1,334.3)** | **(2.5)** | **(122.0)** | **(365.2)** |

(1) *Convention & Exhibition segment.*

## *For H1-2022*

| (€Mn) | | Net rental income [2] | Net property development and project management income, net property services and other activities income | Contribution of companies accounted for using the equity method | Administrative expenses | Result on disposal of investment properties and shares | Valuation movements on assets | Acquisition and other costs | Impairment of goodwill | Total net operating result H1-2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Shopping Centres | France | 260.0 | - | 53.6 | - | (0.9) | 6.2 | - | - | **319.0** |
| | Spain | 83.2 | - | - | - | (0.0) | 34.2 | - | - | **117.4** |
| | United States | 292.6 | - | (20.0) | - | 30.4 | (375.2) | - | - | **(72.2)** |
| | Central Europe | 118.9 | - | 33.9 | - | (0.3) | 116.0 | - | - | **268.5** |
| | Austria | 56.3 | - | - | - | - | 16.3 | - | - | **72.5** |
| | Germany | 68.3 | - | 3.7 | - | (0.5) | (201.0) | - | - | **(129.6)** |
| | Nordics | 51.5 | - | - | - | 23.4 | 5.3 | - | - | **80.2** |
| | The Netherlands | 44.9 | - | - | - | 0.0 | 19.6 | - | - | **64.5** |
| | United Kingdom | 60.0 | - | - | - | - | (53.2) | - | - | **6.9** |
| | **Total Shopping Centres** | **1,035.8** | **-** | **71.2** | **-** | **52.2** | **(431.9)** | **-** | **-** | **727.2** |
| Offices & Others | France | 25.4 | - | 4.2 | - | (0.2) | 49.1 | - | - | **78.5** |
| | Others | 10.2 | - | - | - | 4.5 | 4.0 | - | - | **18.7** |
| | **Total Offices & Others** | **35.7** | **-** | **4.2** | **-** | **4.2** | **53.1** | **-** | **-** | **97.2** |
| C. & E. [1] | France | **67.9** | **26.6** | **-** | **-** | **-** | **(23.0)** | **-** | **-** | **71.5** |
| **Not allocated** | | **-** | **21.9** | **-** | **(109.9)** | **-** | **18.0** | **(2.8)** | **-** | **(72.7)** |
| **Total** | | **1,139.3** | **48.6** | **75.4** | **(109.9)** | **56.4** | **(383.8)** | **(2.8)** | **-** | **823.2** |

*[1] Convention & Exhibition segment.*
*[2] Following a change in classification of one UK building from retail to office, H1-2022 figures has been restated.*

The information by segment relating to the investment properties is presented in Note 5.1.

## NOTE 5. INVESTMENT PROPERTIES, TANGIBLE AND INTANGIBLE ASSETS, GOODWILL

### 5.1. Investment properties

Westfield Hamburg, previously classified as Investment Property Under Construction at cost, is assessed at fair value as at June 30, 2023.

#### *5.1.1. Investment properties at fair value: IFRS basis*

| (€Mn) | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| **Shopping Centres** | **32,779.6** | **33,025.6** |
| France | 11,410.4 | 11,658.5 |
| Spain | 3,382.0 | 3,402.2 |
| United States | 4,745.6 | 5,164.5 |
| Central Europe | 3,897.1 | 3,795.2 |
| Austria | 2,112.9 | 2,159.8 |
| Germany | 2,125.4 | 1,656.9 |
| Nordics | 2,341.0 | 2,514.1 |
| The Netherlands | 1,482.9 | 1,519.0 |
| United Kingdom | 1,282.5 | 1,155.4 |
| **Offices & Others** | **2,419.4** | **2,327.1** |
| France | 1,602.7 | 1,779.6 |
| Other countries | 816.7 | 547.5 |
| **Convention & Exhibition** | **2,499.6** | **2,478.1** |
| **Total** | **37,698.6** | **37,830.8** |

The decrease is explained in the table below:

| (€Mn) | Shopping Centres | Offices & Others | Convention & Exhibition | Total investment properties | Properties held for sale | Total |
|---|---|---|---|---|---|---|
| **Dec. 31, 2022** | **33,025.6** | **2,327.1** | **2,478.1** | **37,830.8** | **-** | **37,830.8** |
| Acquisitions | 0.8 | - | - | **0.8** | **-** | **0.8** |
| Entry into scope of consolidation (1) | 112.9 | - | - | **112.9** | **-** | **112.9** |
| Capitalised expenses (2) | 228.4 | 43.5 | 25.1 | **297.0** | **-** | **297.0** |
| Disposals/exits from the scope of consolidation (3) | (212.8) | (94.3) | - | **(307.2)** | **-** | **(307.2)** |
| Reclassification and transfer of category (4) | 484.7 | 334.5 | 42.5 | **861.7** | 119.1 | **980.8** |
| Discounting impact | 0.0 | - | - | **0.0** | **-** | **0.0** |
| Valuation movements | (688.7) | (194.0) | (46.1) | **(928.8)** | **-** | **(928.8)** |
| Currency translation | (171.3) | 2.5 | - | **(168.7)** | **-** | **(168.7)** |
| **June 30, 2023** | **32,779.6** | **2,419.4** | **2,499.6** | **37,698.6** | **119.1** | **37,817.7** |

(1) *Relates to the change of consolidation method of Croydon and the entry of fully consolidated companies.*
(2) *Capitalised expenses mainly relate to:*
*- Shopping centres in France, in Spain and in Austria;*
*- Offices in France; and*
*- Convention & Exhibition sites such as the Parc des Expositions in Porte de Versailles.*
(3) *Includes the disposals of Westfield Brandon and Versailles Chantiers (see note 1.1 Disposals in the first half of 2023).*
(4) *Includes mainly:*
*- the reclassification of Westfield Hamburg from IPUC at cost to IPUC at fair value;*
*- the reclassification as Properties held for sale of San Francisco centre (see note 1.2. Foreclosure of US assets); and*
*- the revaluation of the financial lease of LAX Airport (€101.9 Mn), the Parc des Expositions in Porte de Versailles (€38.8 Mn) and Le Bourget (€3.7 Mn).*

### *Valuation assumptions and sensitivity of the fully consolidated assets*

Considering the limited public data available, the complexity of real estate asset valuations, as well as the fact that appraisers use in their valuations the non-public rent rolls of the Group's assets, URW believes it is appropriate to classify its assets under Level 3 as per IFRS 13. In addition, unobservable inputs, including appraisers' assumption on growth rates and exit capitalisation rates, are used by appraisers to determine the fair value of URW's assets.

In H1-2023, 97% of URW's portfolio was appraised by qualified independent external appraisers.

The outstanding balances of deferred lease incentives and key money amortised over the enforceable duration of the lease, which corrected the appraisal value, represented -€177.8 Mn.

The following tables provide a number of quantitative elements used by the appraisers to assess the fair valuation of the Group's assets.

*Shopping Centres*

All shopping centres are valued using the discounted cash flow (“DCF”) and/or yield methodologies. The table below only includes fully consolidated assets.

| **Shopping Centres - June 30, 2023** | | Net Initial Yield | Rent in € per sqm (a) | Discount Rate (b) | Exit Capitalisation Rate (c) | CAGR of NRI (d) |
|---|---|---|---|---|---|---|
| France | Max | 7.1% | 952 | 9.5% | 14.6% | 15.6% |
| | Min | 3.1% | 164 | 6.5% | 4.4% | 3.1% |
| | Weighted average | 4.7% | 593 | 6.8% | 4.6% | 4.9% |
| Spain | Max | 10.5% | 597 | 13.5% | 9.0% | 4.3% |
| | Min | 4.6% | 137 | 7.6% | 5.0% | 2.4% |
| | Weighted average | 5.5% | 396 | 8.1% | 5.3% | 3.1% |
| Central Europe | Max | 8.6% | 718 | 9.5% | 9.2% | 2.8% |
| | Min | 5.7% | 283 | 7.4% | 5.3% | 1.2% |
| | Weighted average | 5.9% | 481 | 7.8% | 5.6% | 2.0% |
| Austria | Max | 5.2% | 450 | 6.9% | 4.8% | 3.8% |
| | Min | 5.0% | 349 | 6.9% | 4.8% | 2.9% |
| | Weighted average | 5.1% | 398 | 6.9% | 4.8% | 3.3% |
| Germany | Max | 7.1% | 510 | 9.1% | 7.0% | 4.2% |
| | Min | 4.6% | 205 | 6.5% | 4.6% | 1.4% |
| | Weighted average | 5.4% | 327 | 7.2% | 5.1% | 2.9% |
| Nordics | Max | 6.3% | 422 | 7.7% | 5.6% | 4.6% |
| | Min | 4.6% | 276 | 6.9% | 4.7% | 3.5% |
| | Weighted average | 4.9% | 366 | 7.1% | 4.9% | 3.8% |
| The Netherlands | Max | 7.5% | 403 | 8.1% | 6.9% | 3.3% |
| | Min | 4.9% | 278 | 6.2% | 4.8% | 2.3% |
| | Weighted average | 5.4% | 365 | 6.4% | 5.2% | 2.8% |
| US | Max | 5.6% | 1,394 | 7.5% | 6.0% | 23.3% |
| | Min | 3.4% | 451 | 6.8% | 4.8% | 2.0% |
| | Weighted average | 4.5% | 843 | 7.1% | 5.1% | 8.2% |

*Net Initial Yield (“NIY”), Discount Rate (“DR”) and Exit Capitalisation Rate (“ECR”) weighted by GMV. Vacant assets, assets considered at bid value, and assets under restructuring are not included in Min. and Max. calculation. Assets under development or not controlled by URW, the Westfield trademark and the airport activities are not included in this table neither the UK asset.*

(a) *Average annual rent (minimum guaranteed rent (“MGR”) + sales-based rent (“SBR”)) per asset per sqm.*

(b) *Rate used to calculate the net present value of future cash flows.*

(c) *Rate used to capitalise the exit rent to determine the exit value of an asset.*

(d) *Compound annual growth rate (“CAGR”) of Net Rental Income (“NRI”) determined by the appraiser (duration of the DCF model used either 6 or 10 years).*

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

| Sensitivity | Impact in € Mn | Impact in % |
|---|---|---|
| +25 bps in NIY | (1,574) | (4.7)% |
| +25 bps in DR | (540) | (1.6)% |
| +10 bps in ECR | (435) | (1.3)% |
| -5% in appraisers' ERV | (1,383) | (4.2)% |

*Offices & Others*

Appraisers value the Group's Offices & Others using the DCF and yield methodologies.

A change of +25 basis points in NIY, the main output of the appraisal models, would result in a downward adjustment of -€96 Mn (-4.9%) of URW's Offices & Others portfolio value for assets fully consolidated (occupied and vacant spaces, excluding assets under development).

*Convention & Exhibition*

A change of +25 basis points in the weighted average cost of capital ("WACC") as determined at June 30, 2023, would result in a downward adjustment of -€78.9 Mn (or -3.8%) of the C&E portfolio value.

### 5.1.2. Investment properties under construction at cost - IFRS basis

| (€Mn) | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| **Shopping Centres** | **303.3** | **724.3** |
| France | 143.4 | 148.9 |
| Spain | 108.0 | 121.4 |
| United States | 3.3 | 11.6 |
| Central Europe | 40.9 | 38.4 |
| Austria | - | - |
| Germany | - | 397.0 |
| Nordics | 7.7 | 7.0 |
| The Netherlands | - | - |
| United Kingdom | - | - |
| **Offices & Others** | **115.0** | **438.3** |
| France | 36.4 | 83.4 |
| Other countries | 78.6 | 354.9 |
| **Convention & Exhibition** | **-** | **-** |
| **Total** | **418.3** | **1,162.6** |

Assets still carried at cost were subject to impairment tests as at June 30, 2023. A total impairment was booked for a net amount of -€73.9 Mn. It mainly corresponds to Sisters in La Défense.

| (€Mn) | Gross value | Impairment | **Total investment properties at cost** | Properties held for sale | **Total** |
|---|---|---|---|---|---|
| **Dec. 31, 2022** | **1,676.2** | **(513.6)** | **1,162.6** | **-** | **1,162.6** |
| Acquisitions | (0.5) | - | **(0.5)** | - | **(0.5)** |
| Capitalised expenses [(1)] | 177.6 | - | **177.6** | - | **177.6** |
| Reclassification and transfer of category [(2)] | (1,052.8) | 203.1 | **(849.8)** | 9.6 | **(840.2)** |
| Impairment / reversal [(3)] | - | (73.9) | **(73.9)** | - | **(73.9)** |
| Currency translation | 3.0 | (0.8) | **2.2** | - | **2.2** |
| **June 30, 2023** | **803.4** | **(385.1)** | **418.3** | **9.6** | **427.8** |

(1) *Capitalised expenses mainly refer to investments in Westfield Hamburg.*
(2) *Includes mainly the reclassification of Westfield Hamburg from IPUC at cost to IPUC at fair value.*
(3) *Impairment mainly relates to Sisters in La Défense.*

## 5.2. Tangible assets

| **Net value (€Mn)** | Furniture and equipment | Right-of-use assets | **Total tangible assets** | Assets held for sale | **Total** |
|---|---|---|---|---|---|
| **Dec. 31, 2022** | **78.5** | **58.8** | **137.3** | **-** | **137.3** |
| Acquisitions and capitalised expenses | 10.2 | - | **10.2** | - | **10.2** |
| Reclassification and transfer of category | (0.7) | (1.3) | **(2.0)** | 10.4 | **8.4** |
| Depreciation | (11.1) | (5.9) | **(16.9)** | - | **(16.9)** |
| Impairment / reversal [(1)] | (3.7) | - | **(3.7)** | - | **(3.7)** |
| Currency translation | (0.4) | (0.1) | **(0.5)** | - | **(0.5)** |
| **June 30, 2023** | **72.8** | **51.6** | **124.4** | **10.4** | **134.8** |

(1) *Impairment/reversal on Viparis assets according to the external appraisals.*

## 5.3. Intangible assets

| Net value (€Mn) | PM/DD&C | Trademark | Rights and exhibitions | Other intangible assets | Total |
|---|---|---|---|---|---|
| **Dec. 31, 2022** | **254.3** | **425.8** | **117.0** | **23.4** | **820.5** |
| Acquisitions | - | - | - | 9.6 | **9.6** |
| Amortisation | (4.6) | - | (1.0) | (4.7) | **(10.3)** |
| Impairment / reversal [(1)] | (2.5) | - | 17.1 | - | **14.6** |
| Currency translation | 2.7 | - | - | (0.1) | **2.6** |
| Reclassification | - | - | - | 2.4 | **2.4** |
| **June 30, 2023** | **249.9** [(2)] | **425.8** | **133.1** | **30.6** | **839.4** |

(1) *The amount of reversal of impairment relates to the Convention & Exhibition's intangible assets, partly offset by the impairment of the Property Management business in the UK.*

(2) *As at June 2023, the Development, Design & Construction (DD&C) business in the US is fully amortised*

As at June 30, 2023, the net intangible assets correspond to:

- The Property Management (PM) business in the US and the UK;
- The Westfield trademark;
- Rights and exhibitions: mainly Viparis entities;
- Other intangible assets.

These assets are valued at least annually by qualified independent external appraisers using the Discounted Cash Flow methodology or whenever there is an indication of impairment.

One of the main assumptions used to value the PM and the Trademark is the DR, which stands between 9.5% and 9.8%.

*PM*

A change of +25 basis points in the DR of the PM's intangible assets as determined at June 30, 2023, would result in an additional impairment of -€4.4 Mn.

A change of -10 basis points in the long-term growth rate of the PM intangible assets as determined at June 30, 2023, would result in an additional impairment of -€1.1 Mn.

*Trademark*

For the Trademark, the impairment test performed was based on an independent external appraisal and no impairment was required.

A change of +25 basis points in the discount rate of the Trademark as determined at June 30, 2023, would lead to an impairment of -€23.6 Mn.

A change of -10 basis points in the long-term growth rate of the Trademark as determined at June 30, 2023, would lead to an impairment of -€2.1 Mn.

*Rights and exhibitions*

As at June 30, 2023, impairment tests were performed on the intangible assets relating to the Viparis entities based on the valuations of independent external appraisers and a reversal of impairment of +€17.1 Mn was recognised.

A change of +25 basis points on the WACC of Viparis intangible assets as determined at June 30, 2023, would result in a negative adjustment of -€25.5 Mn (-5.2%) on the appraisal value of the intangible assets and would lead to an additional impairment of -€7.9 Mn.

## 5.4. Goodwill

Goodwill is carried at cost less any accumulated impairment losses. In compliance with IAS 36, the Group performs impairment testing, at least once a year or whenever there is an indication that an asset may be impaired at each reporting date.

As at June 30, 2023, the goodwill breaks down as follows:

| **Net Value** (€Mn) | **Dec. 31, 2022** | **Disposal** | **Impairment** | **Currency translation** | **June 30, 2023** |
|---|---|---|---|---|---|
| Optimised value of deferred taxes | 176.6 | - | - | - | 176.6 |
| Fee business | 119.3 | - | - | - | 119.3 |
| Synergies and ability to generate development projects | 783.4 | - | (122.0) | - | 661.4 |
| **Total URW** | **1,079.2** | **-** | **(122.0)** | **-** | **957.2** |

The allocation of the goodwill per geographical segment breaks down as follows:

| **(€Mn)** | **June 30, 2023** |
|---|---|
| France Retail | 646.2 |
| Central Europe | 87.3 |
| Austria | 72.9 |
| Germany | 140.6 |
| Other | 10.3 |
| **Total URW** | **957.2** |

The Group performed an impairment test for each category of goodwill.

*Goodwill relating to optimised value of deferred taxes*

Goodwill may arise on acquiring a business with an asset, where the Group inherits the fiscal basis of the asset. It is measured by the difference between the deferred taxes accounted for in the balance sheet according to IAS 12, and the effective taxes to be paid in case of a share deal. Therefore, the impairment test consists in a comparison between the accounting value of the goodwill and the potential tax optimisation existing at the date of reporting.

As at June 30, 2023, no impairment was recognised.

*Goodwill relating to fee business*

This goodwill relates to the fee business in Germany and in France.
Impairment tests are performed annually or when an impairment indicator is identified and are based on valuations performed by independent external appraisers, using the DCF method.

As at June 30, 2023, impairment tests were performed through an update by URW teams of the valuations of independent external appraisers, and no impairment was recognised.

*Goodwill relating to synergies and ability to generate development projects*

Part of this goodwill is related to the acquisition of URW Germany business in 2012.

An impairment test, performed on this goodwill and based on an independent external appraisal was performed as at June 30, 2023.

As at June 30, 2023, an impairment of -€37.2 Mn was recognised following the change in category of the Westfield Hamburg project from investment properties at cost to investment properties at fair value.

Goodwill relating to the Westfield Corporation acquisition has been allocated per geographical segment as it is the lowest level within the Group at which goodwill is monitored. The allocation per geographical segment was performed based on the cost and revenue synergies expected to be generated as a result of the business combination. Since the geographical segments are the lowest level within the URW company at which goodwill is monitored, for internal management purposes, the impairment test is performed at geographical segment level and, as a result, in accordance with IAS 36 for a group of CGUs.

As at June 30, 2023, the only remaining value of the goodwill resulting from the Westfield acquisition is the one that was allocated to France Retail, the other geographical segments having been totally depreciated.

As at June 30, 2023, the goodwill allocated to France Retail was tested for impairment by comparing the net asset value of the geographical segment with the recoverable value which is determined as the higher of the fair value less cost of disposal and its value in use. The value in use calculated for the geographical segment was then compared to the net asset value.

The remaining value of the goodwill allocated to France Retail was impaired by -€84.8 Mn further to an increase of the WACC and a decrease in the CAGR of NRI.

The main assumptions for calculating the enterprise value are the WACC and the nominal long-term growth rates (LTGR) displayed in the table below.

| | **France Retail** |
|---|---|
| **Dec. 31, 2022** | |
| *WACC before tax in %* | *6.50%* |
| *Long-term Growth Rate in %* | *1.70%* |
| *CAGR of NRI in %* | *4.85%* |
| **June 30, 2023** | |
| *WACC before tax in %* | *6.77%* |
| *Long-term Growth Rate in %* | *1.70%* |
| *CAGR of NRI in %* | *4.80%* |

An increase in the WACC, a decrease in the LTGR or a decrease in the compound annual growth rate (CAGR) of Net Rental Income as determined at June 30, 2023, would not necessarily result in a value in use lower than the net asset value as the net asset value includes investment properties which are carried at fair value. These changes would reduce the fair value of those properties and ultimately the net asset value.

Therefore, the impact of such changes should be viewed on a combined basis of the value in use and the net asset value to appreciate the net effect on the financial statements.

A change of +25 basis points in the WACC as determined at June 30, 2023, without any change in the LTGR or the CAGR would lead to an additional impairment of goodwill of -€14.8 Mn.

A change of -10 basis points in the LTGR as determined at June 30, 2023, without any change in the WACC or the CAGR would lead to an additional impairment of goodwill of -€6.8 Mn.

A change of -50 basis points in the CAGR of Net Rental Income as determined at June 30, 2023, without any change in the WACC or the LTGR would lead to an additional impairment of goodwill of -€12.5 Mn.

### 5.5. Valuation movements on assets

This item reflects changes in market valuation of investment properties, impairment and reversal on tangible and intangible assets and amortisation of fair value of assets recorded for the purpose of purchase price allocation.

| (€Mn) | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| **Investment properties at fair value** | **(928.8)** | **36.6** | **(798.5)** |
| *Shopping Centres* | *(688.7)* | *(5.2)* | (597.5) |
| *Offices & Others* | *(194.0)* | *64.7* | (131.0) |
| *Convention & Exhibition* | *(46.1)* | *(22.9)* | (70.0) |
| **Investment properties at cost** | **(73.9)** | **(241.8)** | **(297.1)** |
| **Tangible and intangible assets** | **6.3** | **18.0** | **(14.9)** |
| **Total** | **(996.4)** | **(187.2)** | **(1,110.6)** |

### 5.6. Amounts paid for works and acquisition/disposal of property assets (Consolidated statement of cash flows)

In the first half of 2023, the amount paid for works and acquisition of property assets was €438.2 Mn. This comprises acquisitions, transaction capitalised costs, works and capitalised expenses and is adjusted for the variations on amounts due on investments in the period.

## NOTE 6. SHARES AND INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

### 6.1. Shares and investments in companies accounted for using the equity method

| (€ Mn) | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| Shares in companies accounted for using the equity method | 6,556.3 | 7,007.5 |
| Loans granted to companies accounted for using the equity method | 892.0 | 919.6 |
| **Total shares and investments in companies accounted for using the equity method (1)** | **7,448.3** | **7,927.1** |
| Of which shares and investments in companies whose properties are under promise or mandate of sale (2) | 60.5 | - |
| **Total shares and investments in companies under equity method (excluding under promise or mandate of sale) (1)** | **7,387.8** | **7,927.1** |

(1) *Mainly relates to Shopping Centres companies.*

(2) *Mainly relates to Westfield Mission Valley and Westfield Valencia (cf note 1.2 and 14).*

### *Share of the result of companies accounted for using the equity method and income on financial assets*

The contribution of affiliates breaks down as follows:

| (€ Mn) | H1-2023 | | | H1-2022 | | |
|---|---|---|---|---|---|---|
| | Recurring activities | Non-recurring activities (1) | **Result** | Recurring activities | Non-recurring activities (1) | **Result** |
| **Total share of income from companies accounted for using the equity method** | **205.5** | **(352.4)** | **(146.9)** | **217.4** | **(132.6)** | **84.8** |
| **Total interests on loans granted to companies accounted for using the equity method** | **22.7** | **-** | **22.7** | **13.6** | **-** | **13.6** |

(1) *Correspond mainly to the fair value adjustment and related deferred tax on the underlying investment properties.*

### *Statements of financial position of joint ventures*

Main items of the statements of financial position and income statement of joint ventures are presented in aggregate in the tables below. These items are stated in Group share including restatements for consolidation purposes.

| (€Mn) | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| Investment properties | 7,539.9 | 8,365.6 |
| Other non-current assets | 17.8 | 27.2 |
| Current assets | 342.7 | 402.6 |
| Assets held for sale | 377.0 | - |
| **Total assets** | **8,277.5** | **8,795.4** |
| | | |
| Restated shareholders' equity | 5,633.4 | 6,111.5 |
| Deferred tax liabilities | 95.0 | 97.1 |
| Shareholders loans | 431.5 | 458.1 |
| External borrowings (1) | 1,559.9 | 1,915.5 |
| Other non-current liabilities | 17.8 | 22.2 |
| Liabilities held for sale | 344.0 | - |
| Current liabilities | 195.9 | 191.0 |
| **Total liabilities and equity** | **8,277.5** | **8,795.4** |

(1) *Includes current and non-current borrowings.*

| (€ Mn) | H1-2023 | H1-2022 |
|---|---|---|
| NRI | 211.2 | 227.3 |
| Change in fair value of investment properties | (337.9) | (196.6) |
| Net result | (167.4) | 17.4 |

### *Statements of financial position of associates*

Main items of the statements of financial position and income statement of associates are presented in aggregate in the tables below. These items are stated in Group share including restatements for consolidation purposes.

| (€Mn) | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| Investment properties | 1,893.7 | 1,870.4 |
| Other non-current assets | 79.0 | 82.6 |
| Current assets | 136.5 | 133.1 |
| **Total assets** | **2,109.2** | **2,086.0** |
| | | |
| Restated shareholders' equity | 832.1 | 835.0 |
| Deferred tax liabilities | 122.5 | 121.0 |
| Shareholders loans | 462.8 | 461.5 |
| External borrowings | 571.0 | 569.8 |
| Other non-current liabilities | 62.5 | 54.5 |
| Current liabilities | 58.3 | 44.2 |
| **Total liabilities and equity** | **2,109.2** | **2,086.0** |

| (€ Mn) | H1-2023 | H1-2022 |
|---|---|---|
| NRI | 51.1 | 47.5 |
| Change in fair value of investment properties | (0.7) | 6.6 |
| Fair value adjustments of derivatives and debt | (3.9) | 32.4 |
| Net result | 20.5 | 67.4 |

## 6.2. Valuation assumptions and sensitivity

The following tables provide a number of quantitative data in order to assess the fair valuation of the Group's assets accounted for using the equity method.

<u>*Shopping centres*</u>

All shopping centres are valued using the discounted cash flow and / or yield methodologies.

| **Shopping Centres - June 30, 2023** | | Net Initial Yield | Rent in € per sqm (a) | Discount Rate (b) | Exit Capitalisation Rate (c) | CAGR of NRI (d) |
|---|---|---|---|---|---|---|
| Europe | Max | 7.5% | 1,026 | 9.0% | 6.9% | 4.5% |
| | Min | 4.8% | 144 | 6.7% | 4.7% | 1.4% |
| | Weighted average | 6.0% | 390 | 7.4% | 5.8% | 2.5% |
| US | Max | 11.3% | 1,192 | 13.3% | 11.3% | 7.7% |
| | Min | 4.0% | 353 | 6.8% | 4.8% | 1.3% |
| | Weighted average | 5.1% | 690 | 7.6% | 5.6% | 4.6% |

*Net Initial Yield (NYI), Discount Rate (DR) and ECR weighted by Gross Market Value (GMV). Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled by URW are not included in this table. The UK assets are included in the table.*
*(a) Average annual rent (MGR + SBR) per asset per sqm.*
*(b) Rate used to calculate the net present value of future cash flows.*
*(c) Rate used to capitalise the exit rent to determine the exit value of an asset.*
*(d) Compounded Annual Growth Rate of Net Rental Income determined by the appraiser* (duration of the DCF model used either 6 or 10 years)

The table below shows the sensitivity on URW's Shopping Centre portfolio value for assets accounted for using the equity method, excluding assets under development.

| Sensitivity | Impact in € Mn | Impact in % |
|---|---|---|
| +25 bps in NIY | (345) | -4.4% |
| +25 bps in DR | (142) | -1.9% |
| +10 bps in ECR | (87) | -1.1% |
| -5% in appraisers' ERV | (252) | -3.3% |

## 6.3. Transactions with related-parties (joint-ventures and associates)

To the Group's knowledge, there are neither shareholders' pacts nor persons or groups of persons exercising or who could exercise control over the Group.

The main related party transactions refer to transactions with companies accounted for using the equity method.

| (€Mn) | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| **Shopping Centres and Convention & Exhibition companies** | | |
| Loans [(1)] | 936.7 | 964.8 |
| Recognised interest | 22.7 | 31.1 |
| Current account in debit | 3.9 | 6.3 |
| Current account in credit | (14.2) | (27.8) |
| Asset management fees invoiced and other fees | 53.4 | 144.8 |

(1) *Corresponds to 100% of the financing in the shopping centres investment.*

All of these transactions are based on market prices.

## NOTE 7. FINANCING AND FINANCIAL INSTRUMENTS

### 7.1. Financing result

#### *7.1.1. Net financing costs*

| (€Mn) | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| Security transactions | 33.7 | 0.4 | 7.7 |
| Other financial interest | 42.8 | 9.1 | 27.3 |
| Interest income on derivatives | 142.1 | 100.2 | 210.4 |
| **Subtotal financial income** | **218.7** | **109.7** | **245.3** |
| Security transactions | - | (0.4) | - |
| Interest on bonds and EMTNs | (237.6) | (241.7) | (486.6) |
| Interest and expenses on borrowings | (54.3) | (32.4) | (66.9) |
| Interest on lease liability | (28.1) | (23.7) | (50.8) |
| Interest on preferred shares | (5.8) | (5.1) | (12.4) |
| Interest on partners' advances | (24.1) | (13.6) | (30.9) |
| Other financial interest | (18.4) | (0.9) | (7.2) |
| Interest expenses on derivatives | (105.1) | (37.6) | (107.1) |
| **Financial expenses before capitalisation of financial expenses** | **(473.5)** | **(355.2)** | **(761.8)** |
| Capitalised financial expenses | 30.0 | 20.5 | 42.5 |
| **Subtotal net financial expenses** | **(443.7)** | **(334.7)** | **(719.3)** |
| **Total net financial costs** | **(224.9)** | **(225.0)** | **(474.0)** |

Financial income and expenses from the consolidated statement of cash flows correspond to cash amounts of financial interest paid and received during the period. They do not include any non-cash items such as accrued interest and amortisation of issuance costs.

#### *7.1.2. Fair value adjustment of derivatives, debts and currency effect*

| (€Mn) | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| Mark-to-market of the ORNANEs | - | 0.3 | 0.3 |
| Currency impact | 51.5 | (31.2) | (13.2) |
| Restructuring of debt, hedges and mark-to-market of derivatives | 42.3 | 128.6 | 233.3 |
| Other financial assets and liabilities | (24.9) | 74.8 | 54.9 |
| Debt discounting | 0.1 | 0.3 | 0.6 |
| **Total non-recurring financial result** | **69.0** | **172.8** | **275.9** |

## 7.2. Financial liabilities

### *7.2.1. Main financing transactions in the first half of 2023*

**<u>Bank debt</u>**:

During H1-2023, the Group signed €789[1] Mn of bank debt including mainly:
- €300 Mn sustainability-linked loans with an average maturity of 2.8 years;
- €100 Mn new bilateral credit facilities with a 2-year maturity;
- A non-recourse mortgage loan backed by Westfield Galeria at Roseville for an amount of $275 Mn with a 5-year[2] maturity. This debt has been consolidated at 100% in the Group's proportionate accounts; and
- A non-recourse mortgage loan to refinance a maturing mortgage loan on Paunsdorf Center for total amount of €120 Mn with a 5-year maturity. This debt has been consolidated at share in the Group's proportionate accounts[3].

The Group also fully drew, at the end of its availability period, the €150 Mn 5y sustainability-linked term loan signed in October 2022.

Furthermore, the Group extended by one year the maturity of €3,250 Mn existing European credit facilities (including €3,100 Mn of sustainability-linked credit facility).

**<u>Short to medium term paper</u>**:

URW did not issue any short-term paper, due to the Group's high liquidity position in H1-2023.

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*[1] At 100%.*
*[2] Subject to covenants.*
*[3] As Paunsdorf Center is consolidated at 50.00% (at share) in URW's proportionate accounts, only €60 Mn (URW share) of the non-recourse debt raised by the asset-owning JV, will be consolidated in URW's proportionate debt. No debt consolidated under IFRS.*

### *7.2.2. Financial debt breakdown and outstanding duration to maturity*

| Outstanding duration to maturity (€Mn) | Current | Non-current | | Total | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1 year to 5 years | More than 5 years | June 30, 2023 | Dec. 31, 2022 |
| **Net share settled bonds convertible into new and/or existing shares (ORNANE)** | - | - | - | - | - |
| Principal debt | - | - | - | - | - |
| Mark-to-market of debt | - | - | - | - | - |
| Accrued interest | - | - | - | - | - |
| **Bonds and EMTNs** | **772.2** | **8,723.2** | **12,389.4** | **21,884.8** | **22,489.3** |
| Principal debt [(1)] [(2)] | 781.7 | 8,724.7 | 12,386.2 | 21,892.6 | 22,406.0 |
| Accrued interest | 132.6 | - | - | 132.6 | 237.0 |
| Issuance costs | (67.2) | - | - | (67.2) | (73.4) |
| Bond redemption premium | (73.0) | - | - | (73.0) | (79.1) |
| Mark-to-market of debt | (1.9) | (1.6) | 3.2 | (0.2) | (1.2) |
| **Bank borrowings** | **480.0** | **1,350.6** | **653.4** | **2,484.0** | **1,651.2** |
| Principal debt [(2)] [(3)] | 479.1 | 1,350.6 | 653.4 | 2,483.1 | 1,676.9 |
| Accrued interest | 25.5 | - | - | 25.5 | 3.4 |
| Borrowings issue fees | (36.1) | | | (36.1) | (33.7) |
| Accrued interest on bank overdrafts | 0.1 | - | - | 0.1 | - |
| Bank overdrafts & current accounts to balance out cash flow | 14.2 | - | - | 14.2 | 7.9 |
| Mark-to-market of debt | (2.8) | - | - | (2.8) | (3.3) |
| **Other financial liabilities** | **-** | **98.3** | **1,295.4** | **1,393.7** | **1,363.4** |
| Interbank market instruments and negotiable instruments | - | - | - | - | - |
| Accrued interest on interbank market instruments and negotiable instruments | - | - | - | - | - |
| Current accounts with non-controlling interests [(4)] | - | 98.3 | 1,295.4 | 1,393.7 | 1,363.4 |
| **Lease liabilities** [(5)] | **63.3** | **244.6** | **723.0** | **1,030.8** | **898.9** |
| **Total financial debt** | **1,315.4** | **10,416.7** | **15,061.2** | **26,793.2** | **26,402.8** |
| Including liabilities directly associated with Properties or Shares classified as held for sale | 112.1 | 14.7 | 21.9 | 148.7 | - |
| **Total financial debt net of liabilities directly associated with Properties or Shares classified as held for sale** | **1,203.3** | **10,401.9** | **15,039.3** | **26,644.5** | **26,402.8** |

(1) *Includes currency impacts on debt raised in foreign currency for an amount of +€57.9 Mn as at June 30, 2023 (+€65.3 Mn as at Dec. 31, 2022). The amount shown in the Financial Resources note (€21,834.7 Mn) corresponds to the amount of bonds after impact of derivatives instruments on debt raised in foreign currencies.*

(2) *Includes $4,000.0 Mn and £800.0 Mn of bonds and EMTNs (eq. euro respectively €3,681.2 Mn and €932.1 Mn) and $396.0 Mn of bank borrowings (eq. euro €364.4 Mn).*

(3) *Includes €155.2 Mn of cash amount for the partial repayment of the PERP NC23 hybrid (see note 1.5 "Exchange offer on the Perp-NC 2023 hybrid").*

(4) *They are considered as non-current as they are financing the related assets.*

(5) *The increase vs. Dec. 31, 2022 is mainly coming from Los Angeles airport. Indeed, during H2-2021, URW entered into a new amendment with the airport authority of Los Angeles which provide for rent reliefs related to the minimum annual guaranteed rent for certain months. Based on the terms of the amendment, URW applied the rent relief as a lease modification accounting according to IFRS 16 to remeasure the lease liability and the right of use asset based on information known at the date of reporting (i.e. enplanements). As a result lease liability (the minimum in-substance fixed lease payments) and the right of use have been remeasured to take into account the evolution of the enplanements as at June 30, 2023.*

The variation of financial debt by flows breaks down as follows:

| (€ Mn) | Dec. 31, 2022 | Cash flows (1) | | Variation of accrued interests (3) | Non-cash flows | | | | June 30, 2023 |
|---|---|---|---|---|---|---|---|---|---|
| | | Increase (2) | Decrease | | Variation of scope | Currency translation | Fair value impact | Others (4) | |
| **Bonds and EMTNs** | **22,489.3** | - | (467.0) | (104.0) | - | (46.6) | 1.1 | 12.0 | **21,884.8** |
| **Bank borrowings** | **1,651.2** | 646.2 | - | 5.2 | - | (3.2) | 0.5 | 184.1 | **2,484.0** |
| **Other financial liabilities** | **1,363.4** | 36.1 | (76.1) | - | 49.9 | 0.6 | - | 19.8 | **1,393.7** |
| **Lease liabilities** | **898.9** | 8.9 | (27.1) | - | - | (5.8) | - | 155.9 | **1,030.8** |
| **Total** | **26,402.8** | **691.2** | **(570.2)** | **(98.8)** | **49.9** | **(55.0)** | **1.6** | **371.8** | **26,793.2** |

(1) *The cash flows differ from those in the Consolidated statement of cash flows mainly due to the variation of guarantee deposits received.*
(2) *Net of bonds and EMTNs issuance costs and bank borrowings issue fees.*
(3) *The variation of accrued interest is included in lines Financial income / Financial expenses of the Consolidated statement of cash flows.*
(4) *The variation of Others includes the straight-lining of premiums & fees on EMTNs and Bank borrowings, additional recognition of lease liabilities in application of IFRS 16, as well as the €155.2 Mn of cash amount for the partial repayment of the PERP NC23 hybrid (see note 1.5 "Exchange offer on the Perp-NC 2023 hybrid").*

### 7.2.3. Characteristics of bonds and EMTNs issued on the first half of 2023

There are no new bonds and EMTNs issued in H1-2023.

### 7.2.4. Covenants

As at June 30, 2023, the LTV[1] ratio amounted to 41.9% (41.2% as at December 31, 2022).

The Interest Coverage Ratio[2] ("ICR") for the period stood at 4.4x[3] (4.2x as at December 31, 2022).

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

| | June 30, 2023 | Europe Credit facility covenants level | US Credit facility covenants level | Rule 144A and Reg S Bonds covenants level |
|---|---|---|---|---|
| **LTV** | **41.9%** | **< 60%** | **< 65%** | **< 65%** |
| **ICR** | **4.4x** | **> 2x** | **> 1.5x** | **> 1.5x** |
| **FFO/NFD[4]** | **8.3%** | **> 4%** | **na.** | **na.** |
| **Secured debt ratio[5]** | **2.6%** | **na.** | **< 50%** | **< 45%** |
| **Unencumbered leverage ratio[6]** | **1.9x** | **na.** | **> 1.5x** | **> 1.25x** |

These covenants are tested twice a year based on the Group's IFRS financial statements.

[1] *Loan-to-Value (LTV) = Net financial debt / Total assets excluding €838 Mn of goodwill not justified by fee business as per the Group's European leverage covenants, including transfer taxes.*
[2] *ICR: Recurring EBITDA / Recurring Net Financial Expenses (including capitalised interest). Recurring EBITDA is calculated as total recurring operating results and other income minus general expenses, excluding depreciation and amortisation.*
[3] *Proportionate ICR of 4.1x.*
[4] *Funds From Operations: on an annualised basis, the recurring EBITDA minus (i) recurring net financial expenses and (ii) tax on recurring operating result.*
[5] *Secured debt/Total assets.*
[6] *Unencumbered assets/unsecured debt.*

As at June 30, 2023:

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

**Secured debt non-recourse**:

| | Covenant level range | % of non-recourse mortgage incl. this feature in such covenant |
|---|---|---|
| **Debt Yield covenants**[1] | **5%-13%** | **35%** |
| **Debt to Rent** | **8.9x** | **2%** |
| **ICR covenants** | **1.3x - 3.5x** | **31%** |
| **LTV covenants** | **55% -125%** | **58%** |

- Any breach under these covenants would not lead to a cross-default on the Group's borrowings;
- In the US, the financial covenants of some mortgage loans were not met leading to a funding of cash reserves. This situation does not generate a default of these loans;
- In any case, defaults under these loans are not expected to have a material adverse effect on the Group's finances; and
- Sale or Foreclosure processes are expected to be launched on Westfield Valencia Town Center and San Francisco Centre, with no impact on the rest of URW's debt.

**Short term debt**:

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

### 7.2.5. Other financing activities

In the consolidated statement of cash flows, "Other financing activities" comprise mainly costs paid on derivatives purchase and disposals.

### 7.2.6. Debt market value

The market value of URW's fixed-rate and index-linked debt is presented in the table below.

| | June 30, 2023 | | Dec. 31, 2022 | |
|---|---|---|---|---|
| (€Mn) | **Carrying value** | **Market value** | **Carrying value** | **Market value** |
| **Fixed-rate and index-linked debt** | | | | |
| Fixed-rate & index-linked borrowings, interbank instruments and negotiable market instruments | 22,457.2 | 18,404.9 | 22,658.8 | 18,437.9 |

Financial debt is valued at market value based on market rates and on spread issuers at each closing date.

[1] *Debt Yield: ratio of the net operating income to the outstanding loan amount, net of certain cash as defined in the relevant mortgage loan documentation.*

### *7.2.7. Net financial debt*

Net financial debt is determined as below:

## *Net financial debt*

| (€ Mn) | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| **Amounts accounted for in balance sheet** | | |
| Net share settled bonds convertible into new and/or existing shares (ORNANE) | - | - |
| Non-current bonds and borrowings | 24,510.3 | 24,778.2 |
| Current borrowings and amounts due to credit institutions | 1,143.6 | 725.7 |
| Liabilities directly associated with properties or shares classified as held for sale | 108.6 | - |
| **Total financial liabilities** | **25,762.5** | **25,503.9** |
| **Adjustments** | | |
| Mark-to-market of debt | 3.0 | 4.5 |
| Current accounts with non-controlling interests | (1,393.8) | (1,363.4) |
| Impact of derivatives instruments on debt raised in foreign currency | (57.9) | (65.3) |
| Accrued interests/issuance fees | 18.1 | (54.2) |
| **Total financial liabilities (nominal value)** | **24,332.0** [(1)] | **24,025.4** [(1)] |
| **Cash and cash equivalents** | **(3,828.8)** [(1)] | **(3,329.1)** [(1)] |
| **Net financial debt** | **20,503.3** | **20,696.3** |

(1) *Bank overdrafts and current accounts to balance out cash flow are included in the total financial liabilities, for €14.2 Mn as at June 30, 2023 and for €7.9 Mn as at December 31, 2022.*

## *Net cash at period-end*

| (€Mn) | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| Marketable Securities [(1)] | 11.5 | 11.5 |
| Short term deposit [(2)] | 1,841.4 | 1,905.8 |
| Cash | 1,975.9 | 1,411.8 |
| **Total Asset** | **3,828.8** | **3,329.1** |
| Bank overdrafts and current accounts to balance out cash flow | (14.2) | (7.9) |
| **Total Liabilities** | **(14.2)** | **(7.9)** |
| **Net cash at period-end** | **3,814.6** [(3)] | **3,321.2** |

(1) *This item includes investments in money-market SICAV (marketable securities) denominated in SEK at fair value through Profit and Loss.*
(2) *All short-term deposits are denominated in euros.*
(3) *The high level of cash as at June 30, 2023, aims to cover URW's debt repayment needs corresponding to the bonds and bank loans outstanding as at June 30, 2023, and maturing within 1 year (see note 7.3.1 "Liquidity risk").*

## 7.3. Risk management policy

### *7.3.1. Liquidity risk*

The average maturity of the Group's debt as at June 30, 2023, considering the undrawn credit lines[1] and cash on hand, stood at 8.0 years and at 6.6 years without taking into account the undrawn credit lines and cash on hand.

URW's debt repayment needs for the next 12-months (€1,135 Mn) are fully covered by the cash on hand (€3,829 Mn) and available undrawn credit lines[2] (€8,032 Mn), including a $1.5 Bn (c. €1.4 Bn) multi-currency revolving credit facility.

The amount of bonds, mortgage, bank loans, current accounts and overdrafts outstanding as at June 30, 2023, and maturing or amortising within one year is €980 Mn (including €753 Mn of bonds). The amount of PERP NC23 Hybrid Cash Amount maturing over the next 12 months is €155 Mn[3].

The credit facilities maturing over the next 12 months amount to €2.9 Bn including the current $1.5 Bn (c. €1.4 Bn) multi-currency revolving credit facility. URW is considering opportunities to extend or renew part of these lines.

URW's long-term refinancing policy consists of diversifying the Group's expiry schedules and financial resources. Accordingly (on IFRS basis), bonds & EMTN issues represented 90% of financial nominal debt at June 30, 2023, and bank loans, mortgages and overdrafts 10%.

### *7.3.2. Counterparty risk*

Due to its use of derivatives to minimise its interest and exchange rate risk, the Group is exposed to potential counterparty defaults. The counterparty risk is the risk of replacing the derivative transactions at current market rates in the case of default. To limit counterparty risk, URW relies solely on major international banks for its hedging operations.

In case of derivative termination, netting can apply as a result of existing agreements between the Group and the banks. The related amounts of derivative instruments would be €138.1 Mn for assets and €463.6 Mn for liabilities.

### *7.3.3. Credit risk*

Credit risk arises from cash and equivalents as well as credit exposures with respect to rental customers. Credit risk is managed on a Group level. The Group structures the level of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to at least an annual review, and often more frequently. The Group has policies in place to ensure that rental contracts are made with customers with an appropriate credit history.

The main tenants of URW's Office properties in France are blue-chip companies. The tenant profile minimises insolvency risks.

In the Shopping Centres segment, the risk of insolvency is spread widely across a large number of tenants.

When tenants sign their lease agreements, they are typically required to provide financial guarantees, such as a deposit, first-demand guarantee or a surety bond amounting to between 3 and 6 months' rent.

Payments for ancillary services provided by the C&E segment are generally received in advance, thereby reducing the risk of unpaid debt.

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[1] *Subject to covenants.*
[2] *Subject to covenants.*
[3] *Reimbursed on July 3rd, 2023 following the completion of the Exchange Offer.*

Late payment reminders are automatically issued in respect of late payments and penalties are applied, in normalised context. Such late payments are monitored by a special "default" committee in each business segment, which decides on the pre-litigation or litigation action to be taken.

According to IFRS 9, the estimated provision corresponds to the amount that the Company does not expect to recover. Although, when collecting a tenant deposit or obtaining a bank guarantee, URW partially covers the possible future losses.

URW's provision policy meets the simplified model of IFRS 9:

- The estimated losses are calculated on a homogeneous segment of receivables;
- The rate of estimated loss reflects the best estimation of the expected future losses, on the considered client segment: URW respects the notion of back testing (comparisons are performed with historical rates of losses) and if needed, the rates are adjusted to take into account any new trigger event; and
- Historical data are reviewed to better reflect the actual situation and integrate the best estimates for the near future.

The Group applies the following rules to calculate the provision for doubtful accounts as at June 30, 2023:

- Receivables from tenants under bankruptcies proceedings were fully depreciated;
- Doubtful debt provisions are defined on the basis of an estimated default rate based on a forward-looking approach. This percentage of default may be refined by the tenant segment and position of the Shopping Centre in its catchment area. Ultimately, this default is rationalised based on recent events like tenants bankruptcies in 2023 and also the evolution of shop closures in the past quarters; and
- This percentage was applied on the amount of receivables from which security deposit and deferred amounts not yet due were deducted.

As at June 30, 2023, the gross amount of receivables amounted to €801.7 Mn (€955.2 Mn on a proportionate basis) and the provision for doubtful debtors to -€239.7 Mn (-€291.2 Mn on a proportionate basis) compared with €680.2 Mn and -€216.4 Mn, respectively, at the end of December 2022, (€882.2 Mn and -€285.9 Mn on a proportionate basis).

## 7.4. Market risk

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

The Group, through its activities, may be exposed to market risks that can generate losses as a result of fluctuations in stock markets. The Group is either: (i) directly exposed to fluctuations in stock prices due to the ownership of shares or financial instruments, or (ii) indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share-based derivatives which are directly correlated with the price of the asset underlying such derivatives.

### *7.4.1. Interest rate risk management*

*Average cost of debt*

The average cost of debt corresponds to the ratio between "recurring financial expenses (excluding the ones on financial leases and partners' current accounts) + capitalised financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact)" and "average net debt over the period".

The average cost of debt as at June 30, 2023, is 1.8% (2.0% as at December 31, 2022), representing the blended average cost of 1.3% for EUR denominated debt and 3.9% for USD and GBP denominated debt.

The Group's cost of debt decreased over H1-2023 as a result of improved cash remuneration on its increasing cash position and a stable cost of gross debt thanks to hedges in place.

*Measuring interest rate risk*

The Group does not have a micro-hedging strategy, except when both currency exchange risk and interest rate risk are hedged, which enables it not to correlate its liquidity risk and interest rate risk management. Consequently, the maturities of the debts and hedging instruments can be dissociated and the outstanding derivatives instruments can hedge a part of the fixed rate debt maturing in the following years.

The interest cost of outstanding debt was fully hedged as at June 30, 2023, through both:

- Debt kept at a fixed rate; and
- Hedging in place as part of URW's macro hedging policy.

**Measuring interest rate exposure**

Over H1-2023, short-term interest rates increased across currencies by: +145 bps for 3M Euribor, +67 bps for 3M SOFR and +153 bps for 3M Sonia, while long term rates decreased in Continental Europe (-24 Bps) and the US (-4 Bps) and increased in the UK (+72 Bps).

Based on the Group's budgeted net debt in H2-2023 on a proportionate basis, if interest rates[1] (Euribor, Libor, Sonia) were to increase/decrease, the Group's recurring result in 2023 would be impacted by:

| | Euros (€Mn) | USD ($Mn) | GBP (£Mn) | Total eq. EUR |
|---|---|---|---|---|
| -25 bps interest rate | (2.6) | - | - | (2.6) |
| +25 bps interest rate | 5.3 | - | - | 5.3 |
| +100 bps interest rate | 21.1 | - | - | 21.1 |
| +200 bps interest rate | 42.3 | - | - | 42.3 |

As shown in the table above, the impact of a rate increase on the recurring financial expenses would be positive as the hedging instruments in place are expected to be above budgeted debt following the deleveraging progress.

### 7.4.2. Management of exchange risks

### Measure of exposure to foreign exchange risks as at June 30, 2023 (€Mn)

The Group is active in countries outside the Eurozone. When converted into euros, the income and value of the Group's investments may be impacted by fluctuations in exchange rates against the euro. The Group's policy objective is to apply a broadly consistent[2] LTV by currency allowing it to match part of the foreign currency asset value and income with debt and financial expenses in the same currency, thus reducing the exchange rate effects on the Group's balance sheet and earnings. Foreign exchange risk can be hedged by either matching investments in a specific currency with debt in the same currency or using derivatives to achieve the same risk management goal.

*[1] The impact on exchange rates due to this theoretical increase/decrease in interest rates is not taken into account. The theoretical impact of an increase/decrease in interest rates is calculated relative to the applicable rates as at June 30, 2023: 3M Euribor (3.577%), 3M SOFR (5.2635%) and 3M Sonia (5.2745%).*
*[2] On a proportionate basis.*

### *Exposure sensitivity to currency exchange rate*

*Measure of the exposure to other risks as at June 30, 2023 (€Mn)*

| Currency | Assets | Liabilities | Net Exposure | Hedging instruments | Exposure net of hedges |
|---|---|---|---|---|---|
| USD | 10,050 | (5,166) | 4,884 | - | 4,884 |
| GBP | 2,492 | (1,058) | 1,434 | - | 1,434 |
| SEK | 1,979 | (241) | 1,737 | - | 1,737 |
| Others | 649 | (774) | (125) | 483 | 358 |
| **Total** | **(15,169)** | **(7,239)** | **7,930** | **483** | **8,412** |

*Exposure sensitivity to currency exchange rate*

Before hedging, the Group's FX main exposures are in USD, GBP and SEK. A change of 10% of EUR/USD, EUR/GBP or EUR/SEK (i.e. a +10% increase of EUR against the USD, GBP or SEK in H2-2023) would have an impact on shareholders' equity and on the recurring net result as follows:

| (€Mn) | June 30, 2023 | | Dec. 31, 2022 | |
|---|---|---|---|---|
| | **Net recurring result Gain/(Loss)** | **Equity Gain/(Loss)** | **Net recurring result Gain/(Loss)** | **Equity Gain/(Loss)** |
| Impact of an increase of +10% in the EUR/USD exchange | (8.8) | (444.0) | (23.0) | (526.4) |
| Impact of an increase of +10% in the EUR/GBP exchange | (5.5) | (130.3) | (12.8) | (128.6) |
| Impact of an increase of +10% in the EUR/SEK exchange | (3.6) | (157.9) | (8.1) | (169.1) |

The impact on the recurring net result would be offset by the FX hedging that the Group has put in place against EUR/USD, EUR/GBP, EUR/SEK fluctuations.

## 7.5. Fair value hierarchy of financial assets and liabilities

The table below presents the fair value breakdown among the three hierarchical levels defined by IFRS 13.

| (€Mn) | Fair value measurement at June 30, 2023 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| **Assets** | | | | |
| ***Fair value through profit or loss*** | | | | |
| Investment in financial assets | 166.2 | - | - | 166.2 |
| Derivatives | 796.4 | - | 796.4 | - |
| Marketable Securities | 11.5 | 11.5 | - | - |
| ***Fair value through equity*** | | | | |
| Financial assets | 25.8 | - | - | 25.8 |
| **Total** | **999.9** | **11.5** | **796.4** | **192.0** |
| | | | | |
| **Liabilities** | | | | |
| ***Fair value through profit or loss*** | | | | |
| Commitment to non-controlling interest | 34.3 | - | - | 34.3 |
| Derivatives | 1,035.4 | - | 1,035.4 | - |
| Other non-current liabilities | 58.4 | - | - | 58.4 |
| **Total** | **1,128.1** | **-** | **1,035.4** | **92.7** |

# NOTE 8. TAXES

## 8.1. Income tax expenses

| (€Mn) | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| **Recurring deferred and current tax on:** | | | |
| - Allocation / reversal of provision concerning tax issues | (0.7) | 0.6 | (5.1) |
| - Other recurring results | (25.8) | (36.5) | (54.4) |
| **Total recurring tax** | **(26.5)** | **(35.9)** | **(59.5)** |
| **Non-recurring deferred and current tax on:** | | | |
| - Change in fair value of investment properties and impairment of intangible assets | (16.5) | (1.8) | 36.5 |
| - Other non-recurring results | 1.1 | (11.1) | (39.7) |
| **Total non-recurring tax** | **(15.4)** | **(12.9)** | **(3.2)** |
| **Total tax** | **(41.8)** | **(48.8)** | **(62.7)** |
| Total tax paid | (33.6) | (33.0) | (64.7) |

| (€Mn) | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| Current tax | (30.9) | (36.6) | (76.8) |
| Deferred tax | (10.9) | (12.2) | 14.1 |
| **Total tax** | **(41.8)** | **(48.8)** | **(62.7)** |

## 8.2. Deferred taxes

**H1-2023 change**

| (€Mn) | Dec. 31, 2022 | First application of IAS 12 A (1) | Net variation | Reclassifi-cation | Currency transla-tion | Change in scope of consoli-dation | June 30, 2023 |
|---|---|---|---|---|---|---|---|
| **Deferred tax liabilities** | **(1,832.6)** | **(137.6)** | **(38.7)** | **(0.8)** | **20.1** | **-** | **(1,989.6)** |
| Deferred tax on investment properties | (1,652.7) | - | (12.6) | (0.8) | 18.1 | - | (1,648.0) |
| Deferred tax on intangible assets | (179.9) | - | (3.3) | - | 0.5 | - | (182.7) |
| Deferred tax on leases (1) | - | (137.6) | (22.8) | - | 1.5 | - | (158.9) |
| **Other deferred tax** | **3.8** | **142.6** | **27.0** | **2.4** | **(3.9)** | **-** | **171.9** |
| Tax loss carry-forward (2) | 39.5 | - | (1.0) | - | 0.5 | - | 39.0 |
| Other (2) | (35.7) | - | 5.6 | 2.4 | (2.9) | - | (30.6) |
| Deferred tax on leases (1) | - | 142.6 | 22.4 | - | (1.5) | - | 163.5 |
| **Total deferred tax liabilities** | **(1,828.8)** | **5.0** | **(11.7)** | **1.6** | **16.2** | **-** | **(1,817.7)** |
| **Deferred tax assets** | | | | | | | |
| Tax loss carry-forward | 14.8 | - | 2.3 | - | (0.5) | - | 16.6 |
| Other deferred tax assets (2) | 9.0 | - | (1.5) | (1.6) | 0.3 | - | 6.2 |
| **Total deferred tax assets** | **23.8** | **-** | **0.8** | **(1.6)** | **(0.2)** | **-** | **22.8** |

(1) *Corresponds to the first application of the amendment to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.*
(2) *Deferred tax assets and liabilities within a same tax group are offset.*

Deferred tax liabilities on properties refer to:
1) Those countries where there is no REIT regime (like the SIIC regime in France), providing a tax exemption on recurring income and capital gains on property sales with an obligation to distribute part of their net result, or
2) To countries where such tax efficient status does exist, but where the structure of URW in its current form and under current legislation would lead to tax amounts to be paid in case of capital gains on property sales.

### *International Tax Reform – Pillar Two Model Rules*

Further to the publication of the amendments to *IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules,* not yet adopted by the EU, the Group did not account any deferred tax related to Pillar Two. URW considers this tax as being an alternative minimum tax which do not require to account a deferred tax liability.

The measurement of the potential impacts of this International Tax Reform on the consolidated accounts of URW is ongoing, and no significant impacts are expected.

## NOTE 9. PROVISIONS

The determination of the amount of provisions for liabilities and charges requires the use of estimates, assumptions and judgment made by management based on information available or situations prevalent at the date of preparation of the accounts, information and situation which may vary from the subsequent actual events, as well as on the basis of estimated conditions at a given date.

**H1-2023 change**

| (€ Mn) | Dec. 31, 2022 | Allocations | Reversals used | Rever-sals not used | Foreign currency translation impact | Other movements | June 30, 2023 |
|---|---|---|---|---|---|---|---|
| **Non-current provisions** | **67.7** | **1.6** | **(0.2)** | **-** | **(0.7)** | **(0.2)** | **68.3** |
| Non-current provisions excluding employee benefits | 52.1 | 1.6 | (0.1) | - | (0.7) | - | 52.9 |
| Employee benefits | 15.6 | - | (0.1) | - | - | (0.2) | 15.4 |
| **Current provisions** | **33.0** | **1.8** | **(5.1)** | **(0.2)** | **(0.2)** | **-** | **29.3** |
| **Total** | **100.7** | **3.4** | **(5.3)** | **(0.2)** | **(0.9)** | **(0.2)** | **97.6** |

## NOTE 10. OTHER CURRENT LIABILITIES

Other current liabilities breakdown as follows:

| (€Mn) | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|
| Tax and social liabilities | 494.0 | 512.0 |
| Other liabilities | 204.3 | 206.2 |
| **Total other current liabilities** | **698.4** | **718.2** |
| Current liabilities directly associated with Properties or Shares classified as held for sale | 30.2 | - |
| **Total other current liabilities including** other current liabilities directly associated with Properties or Shares classified as held for sale | **728.6** | **718.2** |

## NOTE 11. EMPLOYEE BENEFITS

### *Company Savings Plan*

Subscription to the Company Savings Plan is offered to employees in France who have been with the Group for more than three months. The subscription period is opened once per year, after the share capital increase reserved to employees has been authorised by the Management Board, which also sets the subscription price. The subscription price is equal to the average of the opening share prices on the Eurolist of Euronext Paris over the 20 trading days preceding the decision of the Management Board, less a 30% discount. The Group also makes a top-up contribution applied exclusively to voluntary contributions (including profit-sharing), made by employees to the Group URW Fund (fund fully vested in stapled shares as from June 2018). These voluntary contributions are limited to a maximum of one quarter of the annual salary with a cap of €25,000 (for shares acquired at the discount).

The total cost of subscriptions to the Company Savings Plan (employer contribution and difference between the subscription price and the share price on the date of the capital increase) amounted to €1.5 Mn in the first half of 2023 compared to €3.3 Mn in 2022.

### *Stock option plans*

There are currently seven plans for stock options granted to Directors and employees of the Group. The plans granted as from 2019 have a duration of eight years[1] and may be exercised at any time, in one or more installments, as from the third anniversary of the date of their allocation[2].

For plans in 2023:

URW Group grant a performance stock options plans with performance conditions (internal and external). The external condition compares URW's TSR (Total Shareholder Return) with the TSR of a composite index defined by the group.

The table below shows the two external conditions:

| | Criteria 1 | | Criteria 2 | |
|---|---|---|---|---|
| | **Performance Condition** | **Vesting in %** | **Performance Condition** | **Vesting in %** |
| A | URW's TSR underperforms | 0% | URW's TSR < 20% | 0% |
| B* | URW's TSR = Index's TSR | 30% | URW's TSR = 20% | 30% |
| C* | URW's TSR – Index's TSR > 3% | 100% | URW's TSR > 30% | 100% |

* linear interpolation between B and C

The other criteria of this plan are identical to those of the 2022 plan.

The performance-related stock-options allocated in May 2023 were valued:

- at €5.99 (internal performance condition),
- at €5.20 (Criteria 1 external performance condition on TSR), and
- at €5.05 (Criteria 2 external performance condition on TSR).

This valuation is based on an initial exercise price of 58.98 €, the share price at the date of allocation of €55.20, a vesting period of three years, an estimated duration of 3.7 years, a market volatility of 31.13%, a dividend assumption, a risk-free interest rate of 2.99% and a volatility of the reference composite index of 18.47% with a correlation reference composite index/URW of 76.46%.

Stock options are accounted for in accordance with IFRS 2. The expense recorded on the income statement in relation to stock options came to €1.1 Mn in the first half of 2023 and €1.2 Mn in the first half of 2022.

*[1] The duration was seven years for the plans granted before 2019.*
*[2] The exercise was possible only as from the fourth anniversary of the grant date for the plans granted before 2019.*

The table below shows allocated stock options not exercised at the period-end:

| Plan | | Exercise period (1) | Adjusted subscription price (€) (2) | Number of options granted | Adjustments in number of options (2) | Number of options cancelled | Number of options exercised | Potential additional number of shares (3) |
|---|---|---|---|---|---|---|---|---|
| 2015 plan (n°8) | 2016 | from 09/03/2020 to 08/03/2023 | 227.24 | 611,608 | - | 609,695 | 1,913 | - |
| | 2017 | from 08/03/2021 to 07/03/2024 | 218.47 | 611,611 | - | 269,563 | - | 342,048 |
| 2018 plan (n°9) | 2018 | from 06/03/2022 to 05/03/2025 | 190.09 | 630,135 | - | 293,489 | - | 336,646 |
| 2019 plan (n°10) | 2019 | from 20/03/2022 to 19/03/2026 | 144.55 | 748,372 | - | 297,568 | - | 450,804 |
| 2020 plan (n°11) | 2020 | from 22/03/2023 to 21/03/2027 | 92.03 | 885,291 | - | 630,860 | - | 254,431 |
| 2021 plan (n°12) | 2021 | from 19/05/2024 to 18/05/2029 | 69.41 | 950,295 | - | 172,869 | - | 777,426 |
| 2022 plan (n°13) | 2022 | from 09/03/2025 to 08/03/2030 | 66.68 | 1,217,386 | - | 154,401 | - | 1,062,985 |
| 2023 plan (n°14) | 2023 | from 13/03/2026 to 13/03/2031 | 58.98 | 819,684 | - | - | - | 819,684 |
| **Total** | | | | **6,474,382** | **-** | **2,428,445** | **1,913** | **4,044,024** |

(1) *Under assumption that the performance and presence conditions are satisfied. If the first day of the exercise period is a non-business day, the retained date will be the next business day. If the end of the exercise period is a non-business day, the retained date will be the first preceding business day.*

(2) *Adjustments reflect distribution paid from retained earnings.*

(3) *All the options are subject to presence and performance conditions.*

## *Performance share plans*

All the shares are subject to both external and internal performance conditions, except those allocated in May 2018 which are only subject to internal performance conditions. The performance conditions are the same as for the Stock-Options described above.

The awards allocated in May 2023 were valued:

- at €41.73 (internal performance condition),
- at €23.31 (Criteria 1 external performance condition on TSR), and
- at €21.49 (Criteria 2 external performance condition on TSR).

This valuation is based on the share price at the date of allocation of €55.20, a vesting period of three years, a market volatility of 33.41%, a volatility of the reference composite index of 19.59% with a correlation reference composite index/URW of 77.64%, a dividend assumption, and a risk-free interest rate of 3.06%.

Performance shares are accounted for in accordance with IFRS 2. The expense recorded on the income statement in relation to performance shares came to €7.1 Mn in the first half of 2023 and €6.1 Mn in the first half of 2022.

The table below shows allocated performance shares not yet delivered at the period-end:

| Starting date of the vesting period [1] | Number of performance shares allocated | Number of performance shares cancelled | Number of performance shares acquired | Potential additional number of shares [2] |
|---|---|---|---|---|
| May 2021 | 371,846 | 67,876 | 495 | 303,475 |
| March 2022 | 808,872 | 89,076 | 1,203 | 718,593 |
| March 2023 | 459,472 | - | - | 459,472 |
| **Total** | **1,640,190** | **156,952** | **1,698** | **1,481,540** |

(1) *For French tax residents: a minimum vesting period of three years, and a minimum holding period of two years once vested.*
*For non-French tax residents: a minimum vesting period of four years without any requirement to hold the shares.*
*Plans granted from 2019 to 2023: a minimum vesting period of three years for the French and non-French tax residents without any requirement to hold the shares.*

(2) *The acquisition of the shares is subject to presence and performance conditions.*

### *Retention share plan*

As of March 13, 2023 the Group implemented a Retention share plan for the employees. In this plan, 130,286 shares without performance conditions are granted, delivered subject only to presence condition after 3 years from the delivery date.

Retention share plan is accounted for in accordance with IFRS 2. The expense recorded on the income statement in relation to retention share plan came to €0.5 Mn in the first half of 2023.

## NOTE 12. SHARE CAPITAL AND DIVIDENDS

### 12.1. Number of shares

### *Change in share capital*

| | | Total number of shares |
|---|---|---|
| **As at Dec. 31, 2022** | | **138,767,088** |
| | Capital increase reserved for employees under Company Savings Plan | 128,408 |
| | Shares granted | 145,009 |
| **As at June 30, 2023** | | **139,040,505** |

### *Average number of shares diluted and undiluted*

| | H1-2023 | H1-2022 | 2022 |
|---|---|---|---|
| **Average number of shares (undiluted)** | **138,889,152** | **138,666,999** | **138,717,455** |
| **Dilutive impact** | | | |
| Potential shares via stock options (1) | - | - | - |
| Attributed performance shares (unvested) (1) | 814,847 | 744,739 | 733,332 |
| Retention shares | 130,286 | - | - |
| **Average number of shares (diluted)** | **139,834,285** | **139,411,737** | **139,450,787** |

(1) *Correspond only to shares or stock options and attributed performance shares which are in the money and for which the performance conditions are fulfilled.*

## 12.2. Dividends

Given the statutory results and cumulated negative retained earnings of URW SE in 2022 as well as in 2021, the Group had no obligation to pay a dividend neither in 2023 for the fiscal year 2022, nor in 2022 for the fiscal year 2021, under the SIIC regime and other REIT regimes it benefits from. Consequently, URW SE's total carry-forward SIIC distribution obligation, standing at €1,720 Mn as at December 31, 2022, is delayed until URW SE has sufficient statutory results to meet this obligation. These statutory results would not prevent URW SE from deciding to make distributions out of its premium.

## NOTE 13. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

All significant commitments are shown below. The Group does not have any complex commitments.
The amounts are disclosed under IFRS.

### 13.1. Commitments given

| Commitments given (€Mn) | Description | Maturities | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|---|---|
| **1) Commitments related to the scope of the consolidated Group** | | | **60.8** | **58.7** |
| Commitments for acquisitions/disposals | - Purchase undertakings and earn-out | 2023 to 2040 | 55.8 | 53.8 |
| Commitments given as part of specific transactions | - Warranties and bank letters of credit given in the course of the ordinary business | 2023+ | 5.0 | 4.9 |
| **2) Commitments related to Group financing** | | | **1,836.0** | **1,593.7** |
| Financial guarantees given | - Mortgages and first lien lenders (1) | 2023+ | 1,377.8 | 1,126.8 |
| | - Guarantees relating to entities under the equity method or not consolidated (2) | 2023+ | 458.2 | 466.9 |
| **3) Commitments related to Group operational activities** | | | **1,707.6** | **1,680.0** |
| Commitments related to development activities | - Properties under construction: residual commitments for works contracts and forward purchase agreements (3) | 2023+ | 1,207.4 | 1,181.6 |
| | - Residual commitments for other works contracts | 2023+ | 5.1 | 6.4 |
| | - Commitments subject to conditions precedent | 2023 to 2028 | 190.6 | 190.9 |
| Commitments related to operating contracts | - Commitments for construction works (4) | 2023 to 2064 | 203.7 | 204.4 |
| | - Rental of premises and equipment | 2023+ | 12.2 | 15.9 |
| | - Other | 2023+ | 88.5 | 80.8 |
| **Total commitments given** | | | **3,604.3** | **3,332.4** |

(1) *The outstanding balances at the reporting date of the debts and drawn credit lines which are secured by mortgages. The gross amount of mortgages was €1,392.9 Mn as at June 30, 2023 (€1,141.9 Mn as at December 31, 2022).*
(2) *Corresponds mainly to guarantees provided by the Group in the US relating to associates under equity method or entities under foreclosure, for a portion of the principal amount of the loans greater than the Group's stake.*
(3) *Comprises financial guarantees given to the City of Paris regarding the Triangle Tower project.*
(4) *Under the 50-year lease contract to operate Porte de Versailles (Paris), an amount of €497.0 Mn for renovation works and €227.2 Mn for maintenance works have to be spent (i.e. €724.2 Mn, representing an initial commitment of €362.1 Mn (Group share), of which €541.9 Mn has already been invested).*

#### *Commitments relating to Group financing*

- As at June 30, 2023, the Group's overall hybrid portfolio amounts to €2 Bn. Following the exchange offer launched on June 20, 2023, from Settlement date on July 3, 2023, the Group's overall hybrid portfolio will decrease to €1,845 Mn (see note 1.5. Exchange offer on the Perp-NC 2023 hybrid). Hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option. The coupon is to be paid when a mandatory payment event occurs, such as the approval of a dividend payment, though the Group can suspend payments while making the minimum required REIT distributions.

- In 2000, Westfield America Limited Partnership, Urban Shopping Centres, L.P. and Westfield Growth, L.P. have guaranteed loans entered into by joint ventures for a portion of the principal amount of the loans greater than their stake in the joint ventures.
  The Group as one of the General Partners of Head Acquisition, L.P. (the general partner of Urban Shopping Centers, L.P.) has committed to maintain and allocate to Urban's minority limited partners a certain amount of qualified non-recourse mortgage debt.

As a result of such debt maintenance obligations, which are subject to indemnification, certain subsidiaries of the Group may be required to incur non-recourse financing on some of the assets that are held by Urban Shopping Centers, L.P., irrespective of the Group's liquidity needs or alternative sources of funding.

***Other unquantifiable commitments given related to the scope of the consolidated Group***

- For a number of recent acquisitions of properties in France, Unibail-Rodamco-Westfield SE has committed to the French tax authorities to retain these interests for at least five years, in accordance with the SIIC tax regime.

- For a number of disposals, the Group granted usual representations and warranties to the purchasers.

- The agreements in connection with joint investments with partners may include usual clauses like (i) a lock-up period during which the shareholders have to retain their interest in shared subsidiaries or (ii) arrangements pursuant to which the parties can organise the exit of the shareholders (e.g.: right of first offer, tag-along right in case the partner sells its shares to a third party).

***Other commitments given related to Group operational activities***

- The Group's 50% subsidiary SCI Propexpo has committed that the Espace Champerret venue in Paris, France, will continue to be used as an exhibition hall until 2066.

- In a number of countries in which the Group operates, specific tax regimes for real estate companies exist. For many companies of the Group, eligible for such regimes, the Group has opted to use such regimes. Although the details of those regimes are not exactly the same for all countries, one of the standard elements is a requirement to distribute all/nearly all of the recurring income, a large part of the capital gains and all dividends received from other companies that have opted for the application of such specific regime.
  URW SE's total carry forward SIIC distribution obligation stands at €1,720 Mn as at December 31, 2022: it will be delayed until URW SE has sufficient statutory results to meet this obligation. These statutory results would not prevent URW SE from deciding to make distributions out of its premium.

- In 2014, the City of Brussels selected Unibail-Rodamco-Westfield as the co-developer, with its partners BESIX and CFE, of the NEO project. BESIX has the possibility to increase its interest in the Mall of Europe from 12.5% to 20% before the construction of the project.
  CFE has an option to sell its shares in the Mall of Europe to Unibail-Rodamco-Westfield from December 31 following the opening of the shopping centre and during a period of one year. If the put is not exercised, the Group has an option to buy CFE's shares in the Mall of Europe.
  BESIX has an option to sell its shares in the Mall of Europe to Unibail-Rodamco-Westfield from the end of the second full year after the opening of the shopping centre and lasting 38 months from such date.
  Unibail-Rodamco-Westfield SE together with the parent companies of BESIX and CFE provided guarantees to the City of Brussels with respect of all payment obligations of the joint ventures which will develop the project. Several counter guarantees were provided between Unibail-Rodamco-Westfield SE, BESIX and CFE, to ensure that each joint venture shall not bear any financial consequence beyond its program and that the ultimate shareholder shall not bear more than its share in each joint venture.

- In the context of the master concession developer agreement at John F. Kennedy International Airport – Terminal One, URW SE guarantees to JFK NTO L.L.C., performance of all obligations of its subsidiary, URW Airports JFK T1, L.L.C., including but not limited to the prompt payment of the concession rents when due and all other amounts due and payable under the concession agreement. The concession rents are fully variable and based on passenger enplanements, and the first payments will start with the opening of the terminal to the public expected in phases between 2026-2030.
  Under the Master Retail Development, Management and Leasing Agreement relating to JFK Terminal 8, URW SE guarantees to American Airlines, Inc., the performance of all the terms and conditions of the agreement executed by its subsidiary JFK T8 Innovation Partners, LLC.

## 13.2. Commitments received

| Commitments received (€Mn) | Description | Maturities | June 30, 2023 | Dec. 31, 2022 |
|---|---|---|---|---|
| **1) Commitments related to the scope of the consolidated Group** | | | **6.6** | **7.3** |
| Commitments for acquisitions/disposals | - Sales undertakings | 2024 | 6.6 | 7.3 |
| | | | | |
| **2) Commitments related to Group financing** | | | **8,032.1** | **9,655.0** |
| Financial guarantees received | - Undrawn credit lines (1) | 2023 to 2028 | 8,032.1 | 9,655.0 |
| | | | | |
| **3) Commitments related to Group operational activities** | | | **867.5** | **904.0** |
| Other contractual commitments received related to operations | - Bank guarantees on works and others | 2023+ | 4.2 | 18.4 |
| | - Other (2) | 2024 to 2028 | 328.5 | 393.9 |
| Assets received as security, mortgage or pledge, as well as guarantees received | - Guarantees received relating to Hoguet regulation (France) | 2030 | 100.2 | 100.2 |
| | - Guarantees received from tenants | 2023+ | 336.4 | 309.2 |
| | - Guarantees received from contractors on works | 2023+ | 98.3 | 82.3 |
| | | | | |
| **Total commitments received** | | | **8,906.2** | **10,566.3** |

(1) *These agreements contain financial covenants based on the Group's IFRS financial statements. Certain credit lines are also subject to an early prepayment clause (in full or in part) in the event of a change in ownership or a series of disposals reducing portfolio assets below a given threshold. No amount is secured by mortgages as at June 30, 2023.*

(2) *Mainly comprises counter-guarantees received from JV's partners in the Triangle Tower project.*

## 13.3. Contingent liabilities

The company Rodamco Projekt AB (a Swedish autonomous legal entity) is involved in an arbitration procedure with PEAB regarding claims on the development of Westfield Mall of Scandinavia. The arbitration decision was issued on June 30, 2023 and was not in line with the Group's expectations. The tribunal, by majority decision, accepted a number of PEAB's claims and rejected Rodamco Projekt AB's claims in very large parts. A total of SEK1.5 Bn, including interests and legal costs, was granted to PEAB, while Rodamco Project AB was granted in its turn a very limited amount of SEK0.089 Bn on its disturbance claims. One of the arbitrators dissented with the majority and delivered an extensive opinion to support his view. Based on the two separate arbitral awards which were issued on matters of principle in the case, Rodamco Projekt AB considers that the judgment issued is contrary to these previous separate awards and contains substantial procedural errors in almost every aspect. While arbitration award is not subject to appeal, it can be cancelled in whole or in part at the request of one of the parties. In the Press release of July 4, 2023, Rodamco Projekt AB announced that it will challenge the arbitration award at the Svea Court of Appeal. As Group parent company, Unibail-Rodamco-Westfield SE had given in 2011 a guarantee equal to an amount corresponding to five percent of the contractual sum during the warranty period (the "Guarantee"), corresponding to circa SEK185 Mn. Various options regarding the next steps are under consideration. At this stage, the Group considers that its exposure is limited to the Guarantee and has booked a corresponding provision on the line "amounts due on investments" in its consolidated financial statements as at June 30, 2023.

The Group is subject to a tax audit in France which resulted in a notification of reassessments. The vast majority of reassessments under proposal are denied by the Group and no provision was recorded in the consolidated accounts based on the risk analysis performed by the Group and its tax advisors.

## NOTE 14. SUBSEQUENT EVENTS

**Disposals**

On July 11, 2023, the Group signed an agreement with an hospitality investor for the sale of Novotel Lyon Confluence in France. The Net Disposal Price reflects a +21.2% premium to the latest unaffected appraisal. The transaction is expected to complete in September 2023, subject to standard closing conditions.

On July 21, 2023, URW announced it has completed the sale of both of the parcels which make up the Westfield Mission Valley shopping centres in San Diego, California. The transaction amounts to a total consideration of $290 Mn (at 100%, URW share 42%), including the sale of Westfield Mission Valley "East" to Lowe Enterprises and Real Capital Solutions, and Westfield Mission Valley "West" to Sunbelt Holdings. The transaction value reflects a combined initial yield of 8.5% on the in-place NOI and a 12% discount to the last unaffected appraisal.

## STATUTORY AUDITORS' REVIEW REPORT ON THE 2023 HALF-YEARLY FINANCIAL INFORMATION

For the period from January 1 to June 30, 2023

To the Shareholders,

In compliance with the assignment entrusted to us by the Annual General Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Unibail-Rodamco-Westfiled SE, for the period from January 1 to June 30, 2023,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

**Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

**Specific verification**

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.
We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 26, 2023

The statutory auditors

| Deloitte & Associés | KPMG S.A. |
| --- | --- |
| Emmanuel Gadret | Régis Chemouny |

**Statement of the person responsible for the condensed consolidated interim financial statements and the half-year financial report as at June 30, 2023, filed with the French Financial Authorities (Autorité des Marchés Financiers "AMF")**

We confirm, to the best of our knowledge, that the condensed consolidated interim financial statements have been prepared in accordance with the applicable accounting and financial reporting standards and give an accurate and fair view of the financial situation of the Company and of the entities taken as a whole included in the scope of consolidation.
The interim management report presents a fair view of the development and performance of the business and the impact on the results and on the financial situation of the Company for the first semester 2023, including the principal transactions between related parties as well as a description of the main risks and the principal uncertainties to which it is exposed for the next six months.

Paris, July 26, 2023

**Jean-Marie Tritant**
Chairman of the Management Board
Chief Executive Officer

**Fabrice Mouchel**
Member of the Management Board
Chief Financial Officer