



UNIBAIL-RODAMCO-WESTFIELD

UNIBAIL-RODAMCO-WESTFIELD N.V.

2020 ANNUAL REPORT

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# MANAGEMENT BOARD REPORT

The Management Board (“MB”) of Unibail-Rodamco-Westfield N.V. (“URW NV” or “the Company”) hereby presents its management report and the consolidated and company only financial statements of URW NV for the period ending December 31, 2020.

## 1.1 GENERAL INFORMATION

URW NV is a public limited liability company under the laws of The Netherlands. The Company was incorporated as Unibail-Rodamco B.V., a private company with limited liability on February 14, 2018 and converted its legal form to a public limited liability company on March 22, 2018. On the same date, the Company changed its name to WFD Unibail-Rodamco N.V. At the Annual General Meeting held at June 9, 2020, the shareholders adopted the name change to Unibail-Rodamco-Westfield N.V.

On June 7, 2018, Unibail-Rodamco SE (now known as Unibail-Rodamco-Westfield SE, or “URW SE”) announced it had completed the acquisition of Westfield Corporation (“Westfield”), to create Unibail-Rodamco-Westfield (“URW Group”), the stapled group which, collectively, consists of URW SE, URW NV and their respective controlled undertakings whose financial information is included in their respective consolidated financial reporting, the premier global developer and operator of flagship destinations. URW Group combines two of the strongest and most respected names in the real estate industry to build on their legacies. The acquisition of Westfield is a natural extension of URW SE’s strategy of concentration, differentiation and innovation. Upon completion of the Westfield Transaction, URW SE and Westfield securityholders hold stapled shares, each comprising one ordinary share in the capital of URW SE and one class A share in the capital of URW NV (“Stapled Shares” - see 5.2.2 “authorised share capital - form of shares”). The Stapled Shares are listed on Euronext Amsterdam and Euronext Paris. URW Group has also established a secondary listing on the Australian Securities Exchange to allow former Westfield securityholders to trade Stapled Shares locally in the form of CHESS Depository Interests (“CDIs”).

The main business objectives of the Company and its subsidiaries (together referred to as “the Group”) are to invest in assets, primarily through the direct or indirect acquisition of real estate and to enter into cash pooling arrangements with, to provide financing to, and to furnish guarantees for the benefit of the URW Group and other affiliated bodies of the Company.

## 1.2 BUSINESS REVIEW AND 2020 RESULTS

This section provides an overview of the most significant business events for URW NV in 2020. The Company’s accounts reflect the financial results for the period from January 1, 2020, until December 31, 2020. All references to operational results, such as tenant sales, rents and leases signed, relate to the 12-month period ended December 31, 2020.

### 1.2.1 ACCOUNTING PRINCIPLES

The Group’s consolidated financial statements as at December 31, 2020, were prepared in accordance with International Financial Reporting Standards (“IFRS”) as applicable in the European Union as at such date.

The business review and results are presented based on the consolidated financial statements on a proportionate basis, with no impact on the net results.

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

Rent reliefs for which a concession is expected and not yet signed are part of the receivables on which an expected credit loss is calculated.

In accordance with IFRS 16, rent relief without changes to the lease contract, imposed by laws in force before an event giving rise to the relief or pursuant to a provision in the existing lease contract allowing for rent modification, is directly charged to the income statement as a reduction of the Gross Rental Income.

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

99% of URW NV’s property portfolio related to the Shopping Centres and Offices and intangible assets were valued by independent appraisers as at December 31, 2020.

### 1.2.2 DISPOSAL OF SHOPPING CENTRES AND BUYOUT OF SHARES FROM JOINT VENTURE

On June 5, 2020, Westfield Meriden, a regional shopping centre in the US with a carrying value of €21.7 Mn was disposed with a financial result impact of -€12.2 Mn.

On October 30, 2020, URW NV acquired a 50% remaining stake in a Joint Venture holding five assets in Florida (Westfield Brandon, Westfield Broward, Westfield Citrus Park, Westfield Countryside and Westfield Sarasota) and on that day disposed Westfield Siesta Key, a regional shopping centre with a carrying value of €4.1Mn. The total consideration included cash of €50.7Mn and forgiveness of a partner loan of €2.1Mn.

The acquisition in stages from joint venture to subsidiary is considered an asset acquisition rather than a business combination. The fair value of the investment properties acquired at transaction date is €540.5Mn (see note 6.1.2 of the consolidated financial statement) and the fair value of the liabilities is €455 Mn (see note 8.3.3 of the consolidated financial statement). The fair value of the previously held interest at the date that control is obtained is deemed to be the cost for the purposes of accounting for the acquisition of the subsidiary. The resulting revaluation of the investment previously held amounts to €21.5 Mn and is included in valuation movements of investment properties (note 6.1.2 of the consolidated financial statement).

After the transaction the company owns 100% of Westfield Brandon, Westfield Broward, Westfield Citrus Park, Westfield Countryside and Westfield Sarasota. These properties and their related mortgage debt are now fully consolidated in URW NV accounts as at December 31, 2020.

On December 31, 2020, Westfield Sunrise, a regional shopping centre in the US with a carrying value of €38.7 Mn was disposed with a financial result impact of -€15.6 Mn.

### 1.2.3 CHANGE IN MANAGEMENT BOARD

On September 16, 2020, URW SE announced a €9+ Bn RESET plan to strengthen its balance sheet and increase financial flexibility. The RESET plan included a proposed €3.5 Bn capital raise, subject to approval by URW SE's shareholders. Following the rejection of this plan by the November 10, 2020 URW SE General Meeting and as a result of the shareholder vote three new URW SE Supervisory Board ("SB") members were elected. In addition, a new URW SE MB structure was announced.

During its meeting held on November 18, 2020, upon Governance and Nomination Committee (GNC) recommendation, the SB of URW SE decided to terminate Mr Christophe Cuvillier's position as Group Chief Executive Officer and Chairman and MB member of URW SE and appointed Mr Jean-Marie Tritant, formerly President US and MB member of URW NV, as Chief Executive Officer URW SE and Chairman and member of the MB of URW SE, effective from January 1, 2021 for a 4-year term.

On November 18, 2020, with immediate effect, Mr Jean-Marie Tritant resigned from his position as MB member of URW NV. Mr Dominic Lowe is appointed as President US and MB member of URW NV, effective November 19, 2020. Mr Dominic Lowe will be nominated for appointment at the 2021 annual general meeting.

### 1.2.4 OPERATIONAL REPORTING

URW NV operates in 2 regions, the US and The Netherlands and in 2 segments, retail and offices. Since activities in The Netherlands are minor compared to the US, they will be reported under "other region".

### 1.2.5 COVID-19 AND THE IMPACT ON URW'S BUSINESS

The COVID-19 pandemic has significantly impacted URW NV's business over the course of 2020. Consequently, many of the standard performance indicators are not meaningful. In this context, the Group is providing investors with the clearest possible view of conditions during the period.

#### Closing and reopening of the Group's shopping centres in 2020

The operations in URW NV shopping centres in 2020 were impacted by a series of lockdown and restriction periods that affected the assets and activities of the Group. During the mandatory shutdowns, the Group's priority was to ensure safety of its employees, customers and suppliers, to ensure security and safety in the assets and prepare for reopenings.

Implementation of enhanced health and safety measures in all centres has been a key element in safely operating the business and reassuring customers and employees, in particular during reopening periods. These include:

- Additional cleaning, including deep cleaning of all public space, toilets in particular;
- Installing hand sanitisers throughout the centres;
- Providing Personal Protection Equipment ("PPE") to shopping centre employees and suppliers;
- Implementing social distancing requirements (e.g. floor stickers to mark social distancing spaces, seating areas closed and one-way foot traffic);
- Training Security and Guest Services teams to manage queuing systems and potential gatherings;
- Providing guidance to tenants through digital tools and direct communication with every single retailer to collaboratively manage visitor flows and numbers;
- Use of indoor and outdoor screens to display key messages.

URW NV has created a "Safe & Healthy Places" label to attest to the excellence of its HSE practices and to ensure compliance with the latest recommendations of local health authorities. As at January 31, 2021, 25 out of 26 centres have already been certified following an independent audit by Bureau Veritas. The Group also passed all checks imposed by relevant authorities.

During the first half-year, due to the COVID-19 first wave, most of the Group's shopping centres had to close in mid-March, except for "essential" retailers, with the closure period varying by location. Progressive reopening in the US was based on local official orders. F&B restrictions vary by state. In the Netherlands there were no enforced closures by the government, although some trading restrictions applied (e.g. cinemas and F&B closed). F&B reopened from June 1, in the Netherlands. In the US, some centres opened later as noted below.

In the US, all of the Group's centres, except Westfield World Trade Center, had reopened by July. However, on July 13, California again ordered all indoor operations of shopping centres to close. The affected Californian centres outside Los Angeles reopened on September 2, while the Group's five indoor LA centres remained closed until October 7. Westfield World Trade Center reopened on September 9.

During the first half year, on average, the Group's shopping centres in the US were closed for 86 days<sup>1</sup>.

During the second half year, following the increase in COVID-19 cases seen globally since September, the authorities imposed new restrictions and/or lockdown periods mainly in Q4 in most of the Group's regions, which impacted the opening of URW's shopping centres. In many states only "essential" retailers and those able to offer curbside pick-up or fulfil delivery orders from the store could continue to trade. In the US in Q4 this took the form of operating restrictions, meaning the centres were not shut down, but the capacity was limited vs. the regular one, and certain tenant categories were closed (dining, fitness, entertainment).

While the majority of Florida centres operated without capacity restrictions during the course of the U.S. holiday period (Thanksgiving to Christmas), other areas were subject to strict capacity restrictions varied by region and ranging from 10% - 25% in California and 20 - 25% in other URW NV markets. California also saw strict trading restrictions which did not allow indoor or outdoor dining at restaurants, nor were entertainment uses or indoor fitness facilities allowed to operate. California markets were also under state-mandated stay-at-home orders, further limiting traffic to centres despite being open.

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<sup>1</sup> Weighted by shopping centres' NRI in 2019.

In the US, all of the centres have been open since October 7, despite the “Regional Stay at Home Order” in California in place from December 3. However, various municipalities imposed limitations on the capacity both within centres (typically between 20% and 50% depending on the state and county) and within individual stores. In addition, in some areas, indoor or outdoor dining as well as entertainment and fitness venues have been required to close at various times.

On average, the Group’s shopping centres in the US were closed for 32 days<sup>2</sup> in the second half year.

On average, our centres were impacted by specific restrictions (e.g. closure of F&B or other sectors, capacity restrictions, etc) for more than half the year, having such measures for the entire period after the first lockdown.

As at March 25, 2021 all US centres are open, but with operating restrictions. The restrictions are being gradually lifted (e.g. movie theaters and indoor restaurants in California did re-open, but with max. 25% capacity).

#### US footfall

Due to data limitations, footfall is not available for all centres in the US. For those assets for which reliable data is available, weekly footfall in the fourth quarter when all centres had reopened, varied between c. 52% and 62% of the previous year. The Californian centres in particular have been impacted by the earlier mentioned “Regional Stay at Home Order”.

#### US tenant sales

Considering the closure of many centres between March and June and further closures in July through September/October (as discussed above) tenant sales data for FY-2020 compared to FY-2019 is not considered meaningful. The US generally reopened later than in The Netherlands. As at June 30, 77% of stores and 86% of GLA had reopened (prior to the rollback of restrictions in California).

While most centres were open in the second half, tenant sales continue to be negatively impacted by government restrictions and reduced operating hours for centres across the US portfolio.

The below table shows the evolution of sales in the US over H2-2020 and the opening status:

Month 2020	% Shops Re-Opened <sup>1</sup>	% GLA Re-Opened <sup>1</sup>	Tenant sales in centres open throughout each respective month <sup>2</sup>	Tenant sales pro-rated to reflect the same number of operating stores per days in both years <sup>2,3</sup>
			(% change vs. same month prior year)	(% change vs. same month prior year)
July	60%	81%	-34%	-22%
August	68%	85%	-33%	-26%
September	79%	90%	-24%	-19%
October	92%	95%	-26%	-22%
November	94%	94%	-33%	-29%
December	92%	93%	-34%	-30%
Average H2	81%	90%	-31%	-26%

1) Based on leased spaces. Includes all tenants operating in any capacity (including curbside and online fulfillment) as of the end of each respective period.

2) All sales metrics exclude Non-Reporting Centres, Non-Reporting Tenants, Non-Owned Spaces and Department Stores. Results also exclude Auto.

3) Includes tenants open for in-store shopping during each respective period in both 2019 and 2020, and assumes the same number of operating days in both years. Monthly sales figures only include centres open the entire respective month.

In the second half-year, despite restrictions in place, and based on tenant sales pro-rated to reflect the same number of operating stores, the tenant sales reached 74% of 2019 sales with variations from one month to another of between 70% and 81%. As at January 31, 2021 the % GLA Re-Opened was 94%.

#### US tenant sales summary

The table below summarizes the US tenant sales for the year:

Region	Tenant Sales Growth (%)	Tenant Sales Growth (%)	Tenant Sales Growth (%)	Tenant Sales Growth (%)	2020 stores closure period (in %)(1)
	Q3	December	Full year	Full year excl. F&B and Entertainment	
US	-47%	-34%	-44%	-42%	32%

(1) Number of days closed weighted by shopping centres’ NRI in 2019.

<sup>2</sup> Weighted by shopping centres’ NRI in 2019.

<sup>3</sup> GLA equals Gross Lettable Area of projects at 100%.

### Tenant negotiations

From the start of the COVID-19 crisis, the Group first adopted a global policy of allowing temporary deferral of rents, before commencing discussions with tenants about the terms of any support, such as rent relief, offered by URW NV. Operational teams were instructed to focus on rent recovery while preserving commercial relationships. In addition, in some geographies (including certain US municipalities), legal remedies for non-payment of rent have been temporarily limited, which also hampered the enforceability of rents.

Once negotiations commenced, they were undertaken on a case-by-case basis. The Group recognises the issues the tenants faced due to administrative closures or trading restrictions and the need to provide relief, these are generally limited to the period of closure and are based on the principle of a fair sharing of the burden. In many cases they entail concessions by tenants in exchange for such relief, like the extension of the firm period of the lease, a waiver of co-tenancy provisions (in the US) or an increase of the SBR percentage. They are typically not about permanently changing lease structures or changing the basis for rent calculations (e.g. replacing Minimum Guaranteed Rent ("MGR") with SBR only leases).

In the US, the Group completed rent relief negotiations with tenants representing approximately 87% of the leasing revenue by December 31, 2020. 912 COVID-19 related agreements/amendments were signed for an average duration extension of 11 months in conjunction with the rent relief granted to tenants, of which 313 were for at least one year. In total for the US, the cash impact of rent relief for 2020 corresponds to 2.1 months.

As at December 31, 2020, rent relief signed or expected to be signed regarding 2020 closures (including the second wave until December 31) amounted to an estimated cash impact of €24.3 Mn, €19.7 Mn of which have been charged to the income statement during this period. The difference will be straight-lined in future periods.

### Bankruptcies

Tenant insolvency procedures have affected 268 stores in URW NV's portfolio in 2020, representing 6.5% of the stores in the total URW NV's portfolio.

In the US, total bankruptcies for 2020 affected 268 stores (out of 4,137 stores) of which 28 in Q4-2020. Key bankruptcies included Ascena (44 units), the Aldo Group (31 units) and GNC (26 units). 84 stores remained vacant at the end of 2020, which represents a loss of annual MGR of -€7.3 Mn (-\$9 Mn). In Q4-2020, Francesca's filed for bankruptcy, which impacted 23 units. In addition, 12 J.C. Penney units (1.6 million sq. ft.) not owned by the Group were impacted by bankruptcy. J.C. Penney kept all its stores open in URW NV's centres. In early December, a consortium comprising Brookfield, Simon Property Group and lenders closed on the acquisition of J.C. Penney out of bankruptcy. All leases held by the Group were assumed.

### Rent collection and deferred rent

It should be noted that the rent collection rate is calculated compared to 100% of rents and service charges invoiced, reflecting no adjustment for deferred or discounted rent in the denominator.

70% of invoiced FY-2020 rents and service charges had been collected in in the US.

In the US, the Group's weighting to California (which saw materially more government restrictions than the national average) was likely a key driver of the lower collection rates there.

For the full year 2020, 70% of the billed rents have been collected as at January 31, 2021, the remaining corresponding to rent relief granted to tenants and overdues or deferrals, which were covered by provisions for doubtful debtors. The rent collection improved after reopening to 70% in Q3, while Q2 at 48% and Q4 at 68% were impacted by lockdowns and other restrictions. Adjusted for the rent relief granted, the collection rate came to 79% of the total amount due.

Overall rent collection by quarter is shown below:

Region	Q1	Q2	Q3	Q4	FY
US	93%	48%	70%	68%	70%

As at March 10, 2021, 72% of the January and 70% February 2021 rents have been collected.

As at December 31, 2020, the provision for doubtful debtors amounted to €73.7 Mn compared to €29.3 Mn at the end of December 31, 2019. The expected credit loss for doubtful debtors amounted €46.1 Mn as at December 31, 2020 (December 31, 2019: €20.6 Mn).

### Cost reduction and capital expenditure deferrals

The Group implemented a number of initiatives to generate both short- and long-term cost savings. The US activities were restructured to ensure optimization of their processes and tools while simplifying the organisation, leading to substantial and sustainable savings. As the development pipeline was downsized significantly, an adjustment of the corresponding staff was made. In addition, furlough plans schemes were activated where appropriate. Lastly, non-staff costs were cut.

## 1.2.6 LEASING

The leasing teams prioritized negotiations with tenants to deal with the pandemic consequences and minimize deferrals and rent relief.

In the period ended December 31, 2020, 532 leases (297 relettings and 235 renewals) were signed on standing assets (917), representing 1,833,000 sq. ft. (2,945,000 sq. ft.) and €61.8 Mn (\$75.8 Mn) of MGR €124.0 Mn (\$152.1 Mn).

In addition, 32 leases were signed on 191,000 sq. ft. of pipeline project space, mainly at Westfield Valley Fair.

Some major leasing deals executed in 2020 were:

**Culture & Technology:**

- Arena Stem (interaction with science and technology) at Westfield Garden State Plaza - first in country;
- Capital One Café at Westfield Topanga;
- Dyson at Westfield Valley Fair.

**Entertainment:**

- ABC Cooking Studio (experiential concept from Asia) at Westfield Century City - first in country;
- GameWorks at Westfield Montgomery.

**DNVB:**

- Allbirds (a shoe concept) at Westfield UTC;
- Amazon 4-Star at Westfield Montgomery, Westfield Old Orchard, and Westfield Southcenter;
- Blue Nile at Westfield Century City and Westfield Valley Fair;
- Goodies at Westfield Valley Fair;
- Warby Parker at Westfield Old Orchard.

**Experiential fashion:**

- Anthropologie at Westfield Valencia;
- Aritzia at Westfield Valley Fair;
- Golden Goose (a sneaker brand) at Westfield Topanga;
- Lululemon at Westfield Brandon, Westfield North County, and Westfield Santa Anita;
- Psycho Bunny at Westfield Valley Fair and Westfield Garden State Plaza - first to portfolio;
- Scotch & Soda at Westfield Century City and Westfield Topanga;
- Urban Outfitters at Westfield Annapolis, Westfield Southcenter, and Westfield Valencia.

**Luxury:**

- Christian Louboutin at Westfield Valley Fair;
- Ferragamo at Westfield Topanga;
- IWC, Panerai and Jaeger-LeCoultre at Westfield Valley Fair;
- Dior at Westfield Valley Fair.

**Food and beverage:**

- 99 Ranch Market at Westfield Oakridge;
- Gansevoort Food Market at Westfield World Trade Center;
- Sugarfina at Westfield Culver City, Westfield Fashion Square, and Westfield Topanga.

**Health and beauty:**

- Chanel Beauty at Westfield UTC;
- Forme Life (package deal with 11 leases) - first physical locations.

**Vehicle:**

- Lucid Motors (electric vehicle manufacturer) at Westfield UTC, Westfield Topanga, Westfield Valley Fair, and Westfield Century City;
- Polestar (electric vehicle manufacturer) at Westfield Valley Fair;
- Electra Meccanica at Westfield Fashion Square.

**Sports:**

- Peloton at Westfield Valley Fair.

In the period ended December 31, 2020, the MGR Uplift on deals executed in 2020 was -20.3%, of which -14.5% in Flagships and -26.1% in Regionals.

For the Flagships, the MGR uplift on deals with lease duration above three years was -9.0%. Deals with duration below three years were more impacted by the market conditions, however they included termination rights for the landlord.

### 1.2.7 COMMERCIAL PARTNERSHIPS

Commercial Partnerships revenue in 2020 amounted to €32.7 Mn (\$40.1 Mn), down -€33.2 Mn (-\$40.8 Mn) (-50.4%) from 2019. The COVID-19 health crisis impacted all revenue categories, including Media (-47.4%), Retail (-38.9%), and Brand Partnerships (-73.2%).

Media revenue was significantly impacted by centre closures during the year and the subsequent restrictions in California. The prolonged closure of Westfield World Trade Center, slow return of traffic upon reopening, and the impact of the California-ordered restrictions on Westfield Century City, further impacted the business. In that context however, the Group was able to close 168 media deals in 2020, representing €9.7 Mn (\$11.9 Mn) of revenue. Some of the key deals were made with strong brands such as Chanel and also with key retailers such as COS at Westfield World Trade Center and Westfield Century City.



## 1.3 FINANCIAL REVIEW 2020 RESULTS

The Group's consolidated financial statements reflect the activities of URW America Inc, URW WEA LCC ("WEA") and WFD Unibail-Rodamco Real Estate B.V. from the date of acquisition and date of incorporation, respectively. The table below shows the result of the Group in recurring and non-recurring activities:

(€Mn)	2020			2019			
	Recurring activities	Non-recurring activities*	Result	Recurring activities	Non-recurring activities*	Result	
<b>United States</b>							
	Gross rental income	324.0	-	324.0	383.5	-	383.5
	Operating expenses & net service charges	(155.2)	-	(155.2)	(146.7)	-	(146.7)
	<b>Net rental income</b>	<b>168.8</b>	<b>-</b>	<b>168.8</b>	<b>236.8</b>	<b>-</b>	<b>236.8</b>
	Contribution of companies accounted for using the equity method	183.1	(1,214.6)	(1,031.5)	334.9	(289.4)	45.5
	Gains/losses on disposal of shares	-	(28.4)	(28.4)	-	-	-
	Valuation movements on assets	-	(828.2)	(828.2)	-	(95.5)	(95.5)
	<b>Result Shopping Centres United States</b>	<b>351.9</b>	<b>(2,071.2)</b>	<b>(1,719.3)</b>	<b>571.7</b>	<b>(384.9)</b>	<b>186.8</b>
<b>Other</b>							
	Gross rental income	2.4	-	2.4	2.2	-	2.2
	Operating expenses & net service charges	(0.8)	-	(0.8)	(0.5)	-	(0.5)
	<b>Net rental income</b>	<b>1.6</b>	<b>-</b>	<b>1.6</b>	<b>1.7</b>	<b>-</b>	<b>1.7</b>
	Gains/losses on sales of properties	-	(0.5)	(0.5)	-	(0.0)	(0.0)
	Valuation movements	-	(6.8)	(6.8)	-	(8.4)	(8.4)
	<b>Result Shopping Centres Other</b>	<b>1.6</b>	<b>(7.3)</b>	<b>(5.7)</b>	<b>1.7</b>	<b>(8.4)</b>	<b>(6.7)</b>
<b>TOTAL RESULT SHOPPING CENTRES</b>		<b>353.5</b>	<b>(2,078.5)</b>	<b>(1,725.0)</b>	<b>573.4</b>	<b>(393.3)</b>	<b>180.1</b>
<b>United States</b>							
	Gross rental income	7.4	-	7.4	7.3	-	7.3
	Operating expenses & net service charges	(3.1)	-	(3.1)	(2.8)	-	(2.8)
	<b>Net rental income</b>	<b>4.3</b>	<b>-</b>	<b>4.3</b>	<b>4.5</b>	<b>-</b>	<b>4.5</b>
	Contribution of companies accounted for using the equity method	2.4	(28.8)	(26.4)	-	-	-
	Gains/losses on sales of properties	-	(1.0)	(1.0)	-	-	-
	Valuation movements	-	(12.5)	(12.5)	-	3.5	3.5
	<b>Result Offices United States</b>	<b>6.7</b>	<b>(42.3)</b>	<b>(35.6)</b>	<b>4.5</b>	<b>3.5</b>	<b>8.0</b>
<b>TOTAL RESULT OFFICES</b>		<b>6.7</b>	<b>(42.3)</b>	<b>(35.6)</b>	<b>4.5</b>	<b>3.5</b>	<b>8.0</b>
	Project management income	(2.9)	-	(2.9)	1.8	-	1.8
	Administrative expenses	(46.9)	-	(46.9)	(54.7)	-	(54.7)
	Acquisition and related costs	-	(20.9)	(20.9)	-	(16.7)	(16.7)
	Impairment of goodwill	-	(19.4)	(19.4)	-	-	-
	<b>NET OPERATING RESULT</b>	<b>310.4</b>	<b>(2,161.1)</b>	<b>(1,850.7)</b>	<b>525.0</b>	<b>(406.5)</b>	<b>118.5</b>
	Financing result	(357.5)	(249.2)	(606.7)	(320.9)	(310.9)	(631.8)
	<b>RESULT BEFORE TAX</b>	<b>(47.1)</b>	<b>(2,410.3)</b>	<b>(2,457.4)</b>	<b>204.1</b>	<b>(717.4)</b>	<b>(513.3)</b>
	Tax income (expense)	(0.3)	46.9	46.6	1.9	599.2	601.1
	<b>NET RESULT FOR THE PERIOD</b>	<b>(47.4)</b>	<b>(2,363.4)</b>	<b>(2,410.8)</b>	<b>206.0</b>	<b>(118.2)</b>	<b>87.8</b>
	External non-controlling interests	1.3	(43.0)	(41.7)	11.1	(8.0)	3.1
	<b>NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF URW N.V. SHARES</b>	<b>(48.7)</b>	<b>(2,320.4)</b>	<b>(2,369.1)</b>	<b>194.9</b>	<b>(110.2)</b>	<b>84.7</b>

\* 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 as well as costs directly incurred during a business combination and other non-recurring items.

### Financial results

The Group reported negative net operating results of -€1,850.7 Mn (2019: €118.5 Mn) for the period ended December 31, 2020. The recurring net operating result decreased to €310.4 Mn (2019: €525.0 Mn) mainly due to the COVID-19 impact which caused an increase in the expected credit loss of €24.4 Mn and a decrease of €151.8 Mn in the contribution of companies accounted for using the equity method, mainly due to the increase of the expected credit loss. The non-recurring activities negative result increased to -€2,161.1 Mn (2019: €-406.5 Mn). The decrease of the non-recurring activities resulted mainly from the negative valuation movements of the fully consolidated US assets of -€858.3 Mn, the negative result of the contribution of companies accounted for using the equity method of -€1,214.6 Mn due to negative fair value valuations of investment properties and the disposal of Westfield Meriden and Westfield Sunrise in the US. The negative valuation movements on investment properties resulted mainly from the estimated impact on the future cash-flows due to COVID-19.

The net result for the year 2020 is -€2,410.9 Mn (2019: €87.8 Mn) of which -€2,369.2 Mn (2019: €84.7 Mn) attributable to the shareholders of URW NV with a net result per share (owners of URW NV shares) for the period of -€10.23 (€0.37). The decrease of the 2020 net result compared to the financial year 2019 is mainly caused by the 2020 Covid-19 impact on operating results as well as on valuation on assets. Furthermore the net result for the year 2019 included a €577.9 Mn reversal of deferred tax liability that is not applicable in 2020.

Acquisition and related costs amounted to -€20.9 Mn (2019: -€16.7 Mn) and relates to the integration costs of Westfield, including severance costs in the US and IT system integration.

In 2020, the Group fully impaired the goodwill related to cost and revenue synergies from the WAT acquisitions in June 2018 amounting to -€19.4 Mn, see note 6.4.2 Goodwill to the consolidated financial statements for further details.

Non-recurring financing result decreased by €61.7 Mn to -€249.2 Mn (2019: -€310.9 Mn). This decrease is due to lower interest swap curves resulting in negative fair value movements of interest rate derivatives of -€146.2 Mn (2019: -€222.5 Mn) which is offset by the increase of currency result of €49.3 Mn (2019: -€3.3 Mn). Further the decrease of €34.7 Mn in 2020 is related to the impairment of investments in associates of -€105.6 Mn (2019: €0 Mn) and the fair value of preference shares €58.5 Mn (2019: -€83.4 Mn). In April 2019, the Group executed changes in the structure of its US operations which impacted the non-recurring financing result in that year.

Tax income decreased to €46.6 Mn (2019: €601.1 Mn). The total tax income in 2019 was mainly related to the impact of the changes in the structure of US operations in 2019 which allowed to apply a material step-up of the tax base of the US real estate resulting in a +€577.9 Mn reversal of the deferred tax liability related to the US portfolio.

## Liquidity position

URW NV has cross guarantees with URW SE and the liquidity needs are covered by the available undrawn credit lines at URW Group level. During the crisis, the URW Group took immediate steps to preserve its strong liquidity position in light of the uncertain impact of COVID-19. The URW Group raised €4,150 Mn of medium to long-term funds in the bond and bank markets including credit facility extensions. As at December 31, 2020, the URW Group had €11.4 Bn of cash on hand and undrawn credit lines.

## 1.3.1 INVESTMENT AND DIVESTMENT

### Investments

On October 30, 2020, URW NV acquired a 50% remaining stake in a Joint Venture holding five assets in Florida: Westfield Brandon, Westfield Broward, Westfield Citrus Park, Westfield Countryside and Westfield Sarasota.

In 2020, URW NV invested €191.8 Mn<sup>4</sup> in capital expenditures in assets and on construction, extension and refurbishment projects, compared to €271.7 Mn in 2019.

The total capital expenditures break down as follows:

(€Mn)	2020	2019
Shopping Centres	182.8	243.9
Offices	9.0	27.8
<b>TOTAL CAPITAL EXPENDITURE<sup>(1)</sup></b>	<b>191.8</b>	<b>271.7</b>

(1) This amount includes fully consolidated entities and companies accounted for using the equity method.

### Divestments

On June 5, 2020, Westfield Meriden, a regional shopping centre in the US was disposed with a negative financial result impact of -€12.8 Mn.

On October 30, 2020, Westfield Siesta Key, a regional shopping centre in the US was disposed.

On December 31, 2020, Westfield Sunrise, a regional shopping centre in the US was disposed with a financial result impact of -€14.6 Mn.

## 1.3.2 PROJECTS

As at December 31, 2020, URW NV's share of the Total Investment Cost ("TIC"<sup>5</sup>) of its project pipeline amounted to €180 Mn for the US, with a total of 38,273 sqm of Gross Lettable Area ("GLA") to be re-developed or added to the Group's standing assets.

### Projects delivered in 2020

Since December 31, 2019, the Group delivered the 46,673 sqm Westfield Valley Fair retail extension, including a new flagship store for Apple, a three-level Bloomingdale's, a one-of-a-kind ShowPlace ICON cinema, an all-new dining district, an expanded luxury court and a unique DNVB district.

In the course of 2020, the Group has added no new projects.

### Removed Projects as at December 31, 2020

In response to the COVID-19 crisis, the Group reviewed its capital allocation priorities leading to the removal of the following projects since December 31, 2019:

Removed Development Projects	Business	Country	City	Type	URW NV Ownership	100% GLA (sqm)	100% TIC (€Mn)	URW NV TIC (€Mn)
Westfield Valencia Restructuring	Shopping Centre	US	Valencia	Extension / Renovation	50%	20,718	100	
Westfield Montgomery Mixed Use Retail	Shopping Centre	US	Washington Region	Extension / Renovation	50%	26,763	170	
Westfield Montgomery Mixed Use Resi	Office & Others	US	Washington Region	Extension / Renovation	50%	45,902	160	
Other						20,246	150	
<b>Total Pipeline</b>						<b>113,603</b>		<b>310</b>

<sup>4</sup> Total capitalized amount in asset value in consolidated entities and equity accounted investments.

<sup>5</sup> 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) tenants' lease incentives and opening marketing expenses. It excludes: (i) capitalized financial interest; (ii) overhead costs; (iii) early or lost Net Rental Income; and (iv) IFRS adjustments.

## Summary of Projects as at December 31, 2020

Development Projects <sup>(1)</sup>	Business	Country	Type	URW NV Ownership	100% GLA (sqm)	100% TIC (€Mn)	URW NV TIC (€Mn)	URW NV Cost to Date (€Mn)	Opening Date <sup>(2)</sup>	Project Valuation
Westfield Garden State Plaza Restructuring*	Shopping Centre	US	Extension / Renovation	50%	13,487	100			H1 2022	Fair Value
Westfield Topanga Restructuring*	Shopping Centre	US	Extension / Renovation	55%	16,171	220			H1 2022	Fair Value
Other					8,615	30				
Total Committed Projects					38,273		180	90		
<b>Total Pipeline</b>					<b>38,273</b>		<b>180</b>	<b>90</b>		

(1) Figures subject to change according to the maturity of projects.

(2) In the case of staged phases in a project, the date corresponds to the earliest possible opening date of the last phase.

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

## 1.3.3 PROPERTY PORTFOLIO AND NET ASSET VALUE AS AT DECEMBER 31, 2020

### Material Valuation Uncertainty due to COVID-19

For the valuation as at June 30, 2020, the appraisers in the US included a material valuation uncertainty statement in the appraisal reports. For the valuation as at December 31, 2020, this statement was withdrawn from the appraisal reports. 99% of URW NV's portfolio was appraised by independent appraisers as at December 31, 2020.

Unless otherwise indicated, the data presented in the property portfolio are on a proportionate basis and as at December 31, 2020, and comparisons are with values as at December 31, 2019.

US retail investment volumes in the year to November 2020 saw a -48% year-on-year decline, with total transactions reported by Real Capital Analytics of €24.0 Bn (\$29.4 Bn). For shopping centres, the decrease in deal volume was -55%.

The value of the Group's US shopping centres decreased by -12.6% on a like-for-like basis, of which -4.5% in the first half year and -8.4% in the second half-year. This decrease is driven by a negative rent impact (-9.4%) and a negative yield impact (-3.2%).

The following table shows the breakdown for the US:

The value of URW NV's US Shopping Centre portfolio is the addition of the value of each individual asset as determined by the Group's appraisers, except as noted above. This approach does not include the "portfolio value", which reflects the additional value of having a large group of unique assets in a single portfolio.

Proportionate	December 31, 2020				December 31, 2019 (c)			
	Valuation incl. transfer taxes	Valuation excluding estimated transfer taxes	Net Initial Yield (a)	Potential Yield (b)	Valuation incl. transfer taxes	Valuation excluding estimated transfer taxes	Net Initial Yield (a)	Potential Yield (b)
US Shopping Centre portfolio by category	in € Mn	in € Mn			in € Mn	in € Mn		
US Flagships (d)	9,775	9,662	3.7%	4.3%	12,006	11,888	3.8%	4.2%
US Regionals	2,139	2,137	6.1%	7.7%	2,808	2,804	5.7%	6.8%
<b>US SC TOTAL</b>	<b>11,914</b>	<b>11,808</b>	<b>4.2%</b>	<b>4.9%</b>	<b>14,814</b>	<b>14,692</b>	<b>4.1%</b>	<b>4.7%</b>

Figures may not add up due to rounding.

(a) Annualized 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 and the airport activities are not included in the calculation of NIY.

(b) Annualized 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 trademark and the airport activities are not included in the calculation of Potential Yield.

(c) The split between US Flagships and US Regionals has changed compared to the previous communications due to the reclassification of Westfield Annapolis, Westfield Fashion Square and Westfield Santa Anita from Flagships to Regionals and Westfield Mission Valley from Regionals to Flagships.

(d) The trademark is included in the valuation of the US Flagships.

### Additional Valuation parameters - IFRS 13

URW NV complies with the IFRS 13 fair value measurement and the position paper on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe. Considering the limited public data available, the complexity of real estate asset valuations, as well as the fact that appraisers use in their valuations the non-public rent rolls of the Group's assets, URW NV believes it is appropriate to classify its assets under Level 3. In addition, unobservable inputs, including appraisers' assumptions on growth rates and ECR, are used by appraisers to determine the fair value of URW's assets. In addition to the disclosures provided above, the following tables provide a number of quantitative data in order to assess the fair valuation of the Group's assets.

## Shopping Centres

The 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 - December 31, 2020		Net initial yield	Rent in € per sqm <sup>(a)</sup>	Discount Rate <sup>(b)</sup>	Exit	
					Capitalization Rate <sup>(c)</sup>	CAGR of NRI <sup>(d)</sup>
US	Max	11.8%	1,868	10.5%	8.5%	11.3%
	Min	3.1%	213	5.8%	4.3%	0.8%
	Weighted average	4.2%	523	6.5%	5.0%	4.2%

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 NV and the trademark 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 capitalize the exit rent to determine the exit value of an asset.

(d) Compound Annual Growth Rate (CAGR) of NRI determined by the appraiser (10 years).

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

Shopping Centres - December 31, 2020		Net initial yield	Rent in € per sqm <sup>(a)</sup>	Discount Rate <sup>(b)</sup>	Exit	
					Capitalization Rate <sup>(c)</sup>	CAGR of NRI <sup>(d)</sup>
US Flagships (e)	Max	7.3%	1,868	8.8%	7.0%	6.8%
	Min	3.1%	297	5.8%	4.3%	0.8%
	Weighted average	3.7%	691	6.2%	4.8%	4.4%
US Regionals (e)	Max	11.8%	550	10.5%	8.5%	11.3%
	Min	4.0%	213	6.8%	5.8%	1.0%
	Weighted average	6.0%	322	8.1%	6.4%	3.8%

NIY, DR and ECR weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled by URW NV and the trademark 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 capitalize the exit rent to determine the exit value of an asset.

(d) Compound Annual Growth Rate (CAGR) of NRI determined by the appraiser (10 years).

(e) The split between US Flagships and US Regionals has changed compared to the previous communications due to the reclassification of Westfield Annapolis, Westfield Fashion Square and Westfield Santa Anita from Flagships to Regionals and Westfield Mission Valley from Regionals to Flagships.

The Compound Annual Growth rate ("CAGR") of NRI is based on 2020 NRI, which is lower than the 2019 NRI. Compared to 2019, the CAGR of NRI are as follows:

Shopping Centres - December 31, 2020	CAGR of NRI - Starting from 2020	CAGR of NRI - Starting from 2019
	US Flagships	4.4%
US Regionals	3.8%	2.2%

## Offices portfolio & Others

Offices & Others portfolio includes the offices and the residential building Palisade at Westfield UTC and the residential projects. The value for the total US Office & Others portfolio decreased by €73 Mn to €283 Mn (December 31, 2019: €356 Mn).

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the Offices & Others division's NIY decreased by -57 bps to 5.1%.

Proportionate	December 31, 2020			December 31, 2019		
	Valuation incl. transfer taxes (a)	Valuation excluding estimated transfer taxes (a)	Net Initial Yield (b)	Valuation incl. transfer taxes (a)	Valuation excluding estimated transfer taxes (a)	Net Initial Yield (b)
Valuation of US occupied office space	in € Mn	in € Mn		in € Mn	in € Mn	
US Office	193	187	5.1%	228	221	6.5%

(a) Valuation of occupied office space as at December 31, 2020, based on the appraiser's allocation of value between occupied and vacant spaces.

(b) Annualized 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

The value of URW NV's Offices & Others portfolio, after accounting for the impact of works and capitalized financial and leasing expenses, decreased by -€37 Mn (-15.7%) on a like-for-like basis, due to a yield impact of -21.0% and a rent impact of +5.3%.

### 1.3.3 FINANCIAL RESOURCES

In 2020, all financial markets were affected by the COVID-19 pandemic. The credit markets were severely hit, with a significant increase in credit spreads and a few periods in which markets were effectively closed.

However, the extraordinary scale of the intervention by Central Banks (ECB, US Federal Reserve and the Bank of England) supported the credit markets and the access to liquidity for issuers. Moreover, market sentiment improved at year end following the announcement of vaccine candidates in November 2020.

Against this backdrop, the URW Group raised €4,150 Mn of medium to long-term funds in the bond and bank markets including credit facility extensions. As at December 31, 2020, the URW Group had €11.4 Bn of cash on hand and undrawn credit lines.

IASB issued Interest Rate Benchmark Reform—Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, addressing issues that might affect financial reporting when an existing interest rate benchmark is actually replaced. The Company is currently analyzing the impact. At this moment no interest rate benchmarks were replaced. It is expected that the amendment, which is adopted as of 1 January 2021, will not have a material impact on the valuation of financial instruments or hedging relationships and thereby have no material impact on the Company's total equity and net income.

#### Debt Structure as at December 31, 2020

URW NV's financial debt as at December 31, 2020, amounted to €8,926.8 Mn (€9,557.1 Mn). The total IFRS cash on-hand of URW NV came to €63.1 Mn (€56.8 Mn) as at December 31, 2020. The solvability ratios as at December 31, 2020 is 7.2% (2019: 20.0%).

#### Financial debt breakdown and outstanding duration to maturity as at December 31, 2020

Outstanding duration to maturity (€Mn)	Current			Non-current		Total December 31, 2019
	Less than 1 year	1 year to 5 years	More than 5 years	December 31, 2020	Total December 31, 2020	
Bonds and notes	10.0	1,218.7	2,448.5	3,677.2	4,281.6	
Bank borrowings	127.6	221.0	98.1	446.7	343.7	
Other financial liabilities	838.5	1,811.3	1,893.6	4,543.4	4,867.3	
Lease liabilities	3.3	-	52.7	56.0	64.5	
Liabilities directly associated with properties or shares classified as held for sale	203.5	-	-	203.5	-	
<b>TOTAL</b>	<b>1,182.9</b>	<b>3,251.0</b>	<b>4,492.9</b>	<b>8,926.8</b>	<b>9,557.1</b>	

The interest bearing loan of €750.0 Mn with URW SE was converted on December 29, 2020, into a capital security with a maturity in 99 years and limited default opportunities. After conversion, it qualifies as equity, because the Company has the discretion not to pay interest, with the exception of the current fair value of the amount due on this instrument (€0.4 Mn as at December 31, 2020), which will be subsequently measured at amortized cost using the effective interest method. The amendment fee paid to URW SE of €21.9 Mn and the remaining amortized upfront fee of €3.8 Mn are recorded in 2020 under financial expenses.

## 1.4 DIVIDEND

Given the impact of the pandemic on the URW Group's 2020 results, the on-going uncertainty of the 2021 operating environment and its impact on URW NV's results, as well as the URW Group's commitment to deleverage, the URW Group has decided to suspend the payment of a dividend for its fiscal years 2020, 2021 and 2022.

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

Given the statutory results of URW NV in 2020, the Group has no obligation to pay a dividend in 2021 for the fiscal year 2020 under the FII regime. It anticipates not to have such an obligation for the fiscal years 2021 and 2022 as well.

## 1.5 NON-FINANCIAL INFORMATION

### 1.5.1 BUSINESS MODEL

URW NV is part of the URW Group, the world's premier developer and operator of Flagship destinations. URW NV owns a portfolio of prime commercial properties, located in the largest and most prosperous cities across the United States.

URW NV's strategy is to vertically integrate the entire chain of value creation in real estate. The combination of its three activities of refurbishment and renovation, investment and management, provides URW NV with unique market knowledge and expertise. This knowledge and expertise assists URW NV in dealing with markets that are cyclical in nature and its strategy is designed to allow the Group to continue its investment programs even during economic downturns.

Thanks to this portfolio of high quality assets and talents including experts in the business of investment, refurbishment, leasing, management and divestment, URW NV has been able to generate strong growth.

Finally, URW NV is, by nature, a long term player committed to sustainable refurbishment and social responsibility across all of its activities. Whether it be architecture, city planning, design, energy efficiency, social responsibility, the URW Group is recognized as a leader in the industry.

### 1.5.2 CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is at the very heart of the URW Group's strategy, as an accelerator of progress and innovation. The URW Group's CSR strategy, which was fully extended to the US operations in 2019, has embraced the United Nations Sustainable Development Goals, particularly SDG 11: "Sustainable Cities and Communities". This strategy confirms the Company's ambitious CSR objectives, and provides the roadmap to achieving them. The teams' daily engagement and ownership of environmental and social challenges now plays a more prominent role. Important topics such as sustainable consumption have been included in the global ambitions, in response to the constantly-changing expectations and needs expressed by the stakeholders of the Group's assets.

2020 was an important year for CSR as URW's Better Places 2030 programme continued to expand. The URW Group achieved key milestones towards its high environmental and social ambitions, such as the launch of the "Be YOU at URW" framework on Diversity & Inclusion and the recognition of the Group's climate targets by the Science Based Targets initiative. The COVID-19 crisis reinforced even further the Group's approach on community resilience with initiatives to support the most vulnerable populations.

The outlines of this strategy can be found on the URW NV website (<http://www.urw-nv.com>) in the URW Group CSR document.

### 1.5.3 RISK MANAGEMENT AND CONTROL SYSTEM

URW NV conducts its business in 2 countries and drives its real-estate activity with a wide variety of actors and business partners. Due to business activities and relationship with business partners, URW NV faces risks of failure in compliance with international and national anti-bribery, corruption, money laundering & fraud law. The Group is also listed in various markets and must meet several requirements. For more information regarding the various compliance policies, the implemented processes, the outcome of those policies and the principal risks related to the policies and how these are managed, reference is made to chapter 4.2.2.5 category # 5: legal and regulatory risks.

In light of its values, mission and strategy, URW NV acknowledges the importance of good governance as an important basis for sound operational management and meeting its corporate objectives, whilst ensuring an adequate system of governance to protect all interests of its management, staff, shareholders and other relevant stakeholders.

In this respect, URW NV considers that good governance starts with good behaviour and attitude at the top and establishing awareness and compliance regarding sound operations and ethical behaviour in URW NV's business culture. To achieve this, URW NV has established its AO/IC based on the following objectives:

- to provide insight in the organizational set-up in a clear and unequivocal manner, including duties, obligations and division of roles and responsibilities;
- to ensure ethical and sound management over the policies, control processes and operating risks of the organization;
- to facilitate proper guidance on the organization and its governance, policy house and processes to the staff of URW NV, its shareholders or other external parties; and
- to comply with applicable statutory and regulatory obligations.

The main features of the risk management and control system of the Company, can be found in chapter 4 "Risk Management and Internal Control" of this Annual Report.

### 1.5.4 PERSONNEL-RELATED INFORMATION

URW NV's recruitment and career development policies are designed to attract and retain the best talent on the market. The Group is committed to offering employees a working environment that fosters diversity and equal opportunities to enable each individual to acquire the experience needed to build an exciting career that creates value for the Company.

Employees receive regular support and advice on career development. They meet with their managers once a year for year-end appraisals, have the opportunity to provide and receive ongoing feedback through a specific process put in place, which gives them the opportunity to discuss their performance, objectives, career advancement and training needs.

## 1.6 RELATED PARTY TRANSACTIONS

All transactions between the company and legal or natural persons who hold at least ten percent of the shares in the company, have been disclosed in note "7.4. Transactions with related parties" of the Financial Statements and are in compliance with best practice provision 2.7.5. of the Dutch Corporate Governance Code.

## 1.7 POST-CLOSING EVENTS

In January, 2021, foreclosure actions have begun at assets Citrus Park and Countryside, they remain in special servicing, where a settlement agreement has been executed. The foreclosure has not yet been completed.

On February 4, 2021, Catherine Pourre has been designated as temporary replacement for the position of Alec Pelmore as member of the Supervisory Board and Fabrice Mouchel has been designated as temporary replacement for the position of Jaap Tonckens as vice-chairman and member of the Supervisory Board with immediate effect. Catherine Pourre and Fabrice Mouchel will be nominated for appointment as members of the Supervisory Board at the annual general meeting in 2021.

## 1.8 OUTLOOK

The COVID-19 pandemic has had a significant impact on economic and market conditions in 2020. While the on-going roll out of successful vaccines suggests that this crisis will pass, its impact is anticipated to continue at least throughout the first half/part of 2021.

As at March 25, 2021 all US centres are open but with operating restrictions which impact on the Group's operations.

URW NV's operational results will thus clearly continue to be impacted by the pandemic in 2021. The impact is likely to include further rent relief to tenants, further disruption to variable revenue streams such as SBR, Parking or Commercial Partnerships, a longer than usual time needed to re-lease vacant units, and the prospect of further tenant bankruptcies.

Given the uncertainty regarding the duration and the severity of restrictions decided by governments and their impact on the URW Group's operations, the URW Group is currently not providing earnings guidance for 2021. Guidance will be provided when the URW Group has clearer visibility on lifting of restrictions and the subsequent economic recovery.

Looking forward, the URW Group sees good prospects for a solid recovery starting at some point in the second half of the year, as vaccination efforts achieve critical mass and restrictions get lifted. Government support means that consumer finances in the URW Group's markets remain robust and the URW Group firmly believes that people will again seek out the mix of top brands and great experiences offered by URW's Flagship destinations when they are able to.

The Group is very confident in the quality of its assets and the enduring strength of its business and teams. The Group, with its new management team, is taking all necessary measures to address these challenges in the best possible manner and strategically position URW NV for the future, including deleveraging plans towards more disposals and cash savings and implementing a programme to significantly reduce the Group's financial exposure to the US.



# CORPORATE GOVERNANCE AND REMUNERATION



## 2.1 CORPORATE GOVERNANCE

### 2.1.1 THE MANAGEMENT BOARD

The Company adopted a dual board structure: a Management Board (“MB”) and a Supervisory Board (“SB”). Such governance structure meets the highest standards of corporate governance ensuring an efficient balance between management and supervision allowing a responsive and reactive MB in the performance of its executive duties, in accordance with the non-executive prerogatives of the SB, whose balanced and diverse composition guarantees independent oversight.

The MB is entitled to represent Unibail-Rodamco-Westfield N.V. (“URW NV”). Pursuant to the articles of association the power to represent URW NV also vests in the President US and any other MB Member acting jointly. Pursuant to governance changes it is proposed that the title President US will be replaced by the title Chief Operating Officer US, subject to approval at the 2021 annual general meeting.

#### 2.1.1.1 COMPOSITION OF THE MANAGEMENT BOARD

During its meeting held on November 18, 2020, the SB noted and acknowledged the intention of Mr Jean-Marie Tritant to resign as President US and MB Member, effective November 18, 2020. Upon the Governance, Nomination and Remuneration Committee (GNRC) recommendation, the SB decided to accept the resignation of Mr Jean-Marie Tritant with immediate effect and immediate termination of his services agreement.

In accordance with the Company’s Articles of Association, an MB Member no longer in office may be replaced temporarily by a person whom the SB has designated for that purposes. The SB, upon GNRC recommendation, designated Mr Dominic Lowe as President US and MB Member, effective November 19, 2020. Mr Dominic Lowe will be nominated for appointment as Chief Operating Officer at the 2021 annual general meeting.

### COMPOSITION OF THE MANAGEMENT BOARD AS AT DECEMBER 31, 2020

As at December 31, 2020, the MB is composed of 2 members. The business address of the MB is the Company’s registered address, World Trade Center Schiphol, Tower F, 7th Floor, Schiphol Boulevard 315, 1118 BJ Schiphol, The Netherlands.

MB Members	Nationality	Age	Main function	Starting date	Expiry date of term of office
Mr Dominic Lowe	British	49	Designated President US - MB Member	November 19, 2020	*
Mr Gerard Sieben	Dutch	50	Chief Financial Officer - MB Member	March 8, 2018	AGM 2022

\* Mr Dominic Lowe will be nominated for appointment as Chief Operating Officer at the 2021 annual general meeting.

### MANAGEMENT BOARD MEMBER INFORMATION AND MANDATES HELD AS AT DECEMBER 31, 2020



#### MR Dominic Lowe

##### DESIGNATED MB MEMBER - PRESIDENT US, CHIEF OPERATING OFFICER US

- Graduate of the University of West London (HND, Business and Economics)
- Dominic Lowe has also completed the Harvard Business School’s Executive Program and UCLA’s Anderson School of Management’s Strategic Leadership Program.
- Prior to joining the Company, Dominic Lowe served in numerous senior executive roles for BAA plc (a holding company for the world’s largest organization of airports), focusing on UK and US business development as well as pioneering the commercial transformation of the company’s flagship asset, Heathrow International Airport in London. Earlier in his career, he was Operations Service Director for World Duty Free, where he became a Founding Director of the Group’s inflight business in Europe and Africa.
- Dominic Lowe joined Westfield in November 2007 and served for more than a decade as Global Group Director of Airports. Afterwards he became Executive Vice President and Director of the Division Design, Development & Construction US.
- In November 2020, he was designated as President US and MB Member of URW N.V. and Chief Operation Officer US.

**BORN ON:**  
October 30, 1971

**NATIONALITY:**  
British

**NUMBER OF STAPLED SHARES HELD:**  
0

**NUMBER OF OPTIONS HELD:**  
16,331<sup>6</sup>

##### OTHER CURRENT FUNCTIONS AND MANDATES OUTSIDE THE URW GROUP

- N/A

##### OTHER CURRENT INTRA-GROUP FUNCTIONS AND MANDATES

- Group Companies
- Director of Annapolis REIT 1 LLC; Annapolis TRS Inc.; Broward Mall LLC; Fashion Square Service TRS, Inc.; GSP Service TRS, Inc.; Montgomery Service, Inc.; Roseville Shoppingtown LLC; Santa Anita Borrower LLC; Santa Anita GP LLC; URW America Inc.; Valencia Town Center Venture GP, LLC; VF/UTC Service, Inc.; Westfield America

##### PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Executive Vice President and Director of the Division DD&C US

<sup>6</sup> Note this number includes the non-exercised stock options and performance shares subject to vesting period.

G.P. II LLC; Westfield Beneficiary 1, Inc.; Westfield Beneficiary 2, Inc.; Westfield Paramus 1, Inc.; Westfield Subsidiary REIT 1, Inc.; Westfield Subsidiary REIT 2, Inc.; Westland Properties LLC; Westland Realty Beneficiary, Inc. Member of Annapolis REIT 2 LLC Annapolis REIT 3 LLC; Culver City REIT 1 LLC; Culver City REIT 2 LLC; Culver City REIT 3 LLC; Horton Plaza REIT 1 LLC; Horton Plaza REIT 2 LLC; Horton Plaza REIT 3 LLC; Mission Valley REIT 1 LLC; Mission Valley REIT 2 LLC; Mission Valley REIT 3 LLC; North County REIT 1 LLC; North County REIT 2 LLC; north county REIT 3 LLC; Oakridge REIT 1 LLC; Oakridge reit 2 LLC; Oakridge REIT 3 LLC; Plaza Bonita REIT 1 LLC; Plaza Bonita REIT 2 LLC; Plaza Bonita REIT 3 LLC; Promenade REIT 1 LLC; Promenade REIT 2 LLC; Promenade REIT 3 LLC; Santa Anita REIT 1 LLC; Santa Anita REIT 2 LLC; Santa Anita REIT 3 LLC; Southcenter REIT 1 LLC; Southcenter REIT 2 LLC; Southcenter REIT 3 LLC; Topanga REIT 1 LLC; Topanga REIT 2 LLC; Topanga REIT 3 LLC; URW WEA LLC; west-OC 2 REIT 1, LLC; West -OC 2 REIT 2, LLC; West -OC 2 REIT 3, LLC; West valley REIT 1 LLC; West Valley REIT 2 LLC; west valley REIT 3 LLC; Westfield, llc; Westfield u.s. Holdings, llc; white City Investments (no. 1) LLC.



**MR GERARD SIEBEN**

**MB MEMBER - CHIEF FINANCIAL OFFICER**

- Bachelor in economics of the HEAO. Mr. Sieben has held various interim positions within the URW Group since 2008, lastly as Finance Director Benelux.
- He started his financial career in 1999 as a financial controller and held several finance positions in different companies, including at Procter & Gamble Professional Care NL for 4 years.
- Appointed to the MB effective March 8, 2018, and as Chief Financial Officer effective June 7, 2018, following the Westfield Transaction.

**OTHER CURRENT FUNCTIONS AND MANDATES OUTSIDE THE URW GROUP**

- N/A

**PREVIOUS MANDATES DURING THE LAST FIVE YEARS**

- Owner Sieben Consultancy

**BORN ON:**  
May 5, 1970

**NATIONALITY:**  
Dutch

**NUMBER OF STAPLED SHARES HELD:**  
5

**NUMBER OF OPTIONS HELD:**  
12,198<sup>7</sup>

**OTHER CURRENT INTRA-GROUP FUNCTIONS AND MANDATES**

- Director of WFD Unibail-Rodamco Real Estate B.V.

**STAPLED SHARES HELD BY THE MEMBERS OF THE MANAGEMENT BOARD**

As at December 31, 2020, the members of the MB held the following number of Stapled Shares:

Name	Total numbers of Stapled Shares held
Mr Gerard Sieben Chief Financial Officer	5
Mr Dominic Lowe Designated President US	0

<sup>7</sup> Note this number includes the non-exercised stock options and performance shares subject to vesting period.

## 2.1.1.2 MANAGEMENT BOARD FUNCTIONING

### ROLE OF THE MANAGEMENT BOARD

The Management Board (MB) is responsible for the day-to-day management of the Company which includes, among other things, formulating strategies and policies, and setting and achieving the Company's objectives. The Supervisory Board (SB) supervises and advises the MB. Each member of the MB and SB must act in the corporate interest of the Company and of the business with it and consider with due care the interest of all stakeholders including the Company's shareholders, creditors, employees and customers.

The MB defends the interests of the Group and takes into account the relevant interests of all of the Company's stakeholders. It is held to account for the manner in which it carries out its duties. It must act with independence, loyalty and professionalism. As provided for by the Dutch Corporate Governance Code, the SB assesses the functioning of the MB on an annual basis.

The President US has overall competence except for those duties expressly assigned to the Chief Financial Officer. Subject to approval of the next general meeting, the Chief Operating Officer US will have the same competences as the President US.

The Chief Financial Officer is responsible for generating profits via the optimisation of the cost of capital. He is also responsible for tax matters. As such, the Chief Financial Officer will have primary responsibility for the overall finance functions of the Company (financial control, consolidation, (re)financing, tax, the Company's consolidated annual budget and 5-year business plan, and coordination of Company asset valuations).

Certain main statutory provisions of the Company's articles of association (the "Articles") and MB rules governing the organisation, decision-making and other internal matters of the MB (the "MB Rules") are summarized in section 5.5.3 of this Annual Report.

### MB ACTIVITIES

The MB met 12 times during the year ending December 31, 2020. Overall attendance by the MB Members was 100%. The MB deliberated on the following subjects:

Principal responsibilities of the MB	Key areas addressed, managed and/or implemented in 2020
Group Strategy	<ul style="list-style-type: none"> <li>● Review RESET plan;</li> <li>● Refurbishment, investment, divestment and operations in 2020;</li> <li>● Monitoring of the disposals and synergies plan;</li> <li>● Main strategic opportunities and analysis of the impact of the COVID-19 pandemic (costs and revenue);</li> <li>● Digital and IT strategy, tools and projects;</li> <li>● CSR Strategy - "Better Places 2030".</li> </ul>
Financial Policy and Financial Performance and Reporting	<ul style="list-style-type: none"> <li>● Preparation of the rights issue with pre-emptive subscription rights;</li> <li>● Review and closing of the 2019 consolidated full-year results and statutory financial statements and reporting on the half-year accounts for the 2020 financial year;</li> <li>● Group 5-year business plan and budget;</li> <li>● Financial resources, balance sheet management and borrowing requirements (EMTN, liquidity agreements);</li> <li>● The Group's dividend policy (as part of the dividend policy of the URW Group) and annual allocation of results, notably regarding the COVID-19 pandemic;</li> <li>● Closing of the forecast management documents and preparation of the quarterly activity reports for the SB.</li> </ul>
Internal risk management and control systems	<ul style="list-style-type: none"> <li>● Internal audits, internal control system and compliance matters;</li> <li>● Risk management and risk mapping;</li> </ul>
Governance and compliance with relevant laws and regulations	<ul style="list-style-type: none"> <li>● Monitoring and promoting of the URW Group's Anti-Corruption Programme and the URW Group's compliance programme;</li> <li>● Analysis of the impact of new exceptional regulations (e.g. related to the COVID-19 pandemic);</li> <li>● Compliance with regulatory/legal requirements and changes, including related party transactions.</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>● Talent development and management;</li> <li>● Diversity and inclusion;</li> <li>● Recruitment of key positions.</li> </ul>
Shareholder Outreach and Engagement	<ul style="list-style-type: none"> <li>● Investor dialogue;</li> <li>● AGM materials (agenda, resolutions, etc.);</li> <li>● General meeting without shareholders present following the COVID-19 pandemic;</li> <li>● Group communication</li> <li>● Annual Report 2019;</li> <li>● Preparation of a prospectus.</li> </ul>

## MB evaluation process

An assessment of the MB is carried out annually. Over the year ending December 31, 2020, the MB conducted an annual assessment of the performance and overall functioning of the MB and its members. As the self-assessment was conducted after the governance changes that took place in November 2020, the MB agreed that the self-assessment 2021 will be particularly relevant as it will integrate the feedback of the MB Member who joined in 2020. Over the year ending December 31, 2020, it was concluded the MB functioned well in its former composition and expressed its confidence in its new composition.

### 2.1.2 THE SUPERVISORY BOARD

The SB is in charge of the supervision of the policy of the MB and the general course of affairs of URW NV and of the business connected with it. The SB shall provide the MB with advice. In performing their duties, the members of the SB (each an "SB Member") shall be guided by the interests of URW NV and of the business connected with it.

### 2.1.3 ADHERENCE TO THE DUTCH CORPORATE GOVERNANCE CODE

The Dutch Corporate Governance Code (the "DCGC") contains principles and best practice provisions that regulate relations between the MB, SB and the (general meeting of) shareholders. As of the listing of the Stapled Shares on Euronext Amsterdam and Euronext Paris, the DCGC became applicable to URW NV. The text of the DCGC can be accessed at <http://www.mccg.nl>. The DCGC is based on a 'comply-or-explain' principle.

URW NV acknowledges the importance of good corporate governance and agrees with the general approach and with the provisions of the DCGC. Considering inter alia the Stapled Share structure, current practices at Unibail-Rodamco-Westfield SE ("URW SE"), and the interests of the URW Group and its stakeholders, URW NV deviates from the following best practice provisions of the DCGC:

- Best Practice Provision 2.1.7: URW NV does not comply with best practice provision 2.1.7 (iii), which provides that for each shareholder holding more than 10% of the shares in URW NV, there is at most one SB Member who can be considered to be affiliated with such shareholder. URW SE holds more than 10% of the shares in URW NV. As a URW Group company, and in direct relation with the Stapled Share structure and to ensure consistency between the two companies, two SB Members are also members of the management board of URW SE and are as such affiliated with URW SE.
- Best Practice Provision 2.3.2: Given the interrelatedness of nomination, assessment of MB performance and remuneration, URW NV has a (combined) governance, nomination and remuneration committee rather than a separate remuneration committee and selection and appointment committee as recommended in best practice provision 2.3.2.
- Best Practice Provision 3.1.2: URW NV supports the principle that the remuneration policy should focus on long-term value creation for URW NV and its business. Rather than setting the shareholding requirement of MB Members to five years, the terms and conditions of the long term incentive plans in URW NV awarded to MB Members include a shareholding requirement for the duration of the MB Member's mandate because URW NV believes this better ensures continued alignment of interests throughout the mandate.
- Best Practice Provision 4.3.3: The Company's MB Members and SB Members are appointed by the General Meeting upon a binding nomination prepared in accordance with the Articles. The General Meeting may only overrule the binding nomination with a qualified majority that is higher than what is recommended in this best practice provision. Consistent with the governance practice at many other listed Dutch companies and because we believe that a decision to overrule a nomination must be widely supported by our shareholders, the Articles do not provide for a lower voting standard to overrule such nomination than the voting standard provided for in section 2:133(2) Dutch Civil Code ("DCC").

### 2.1.4 CODE OF ETHICS AND OTHER CORPORATE GOVERNANCE PRACTICES

URW NV has adopted a Code of Ethics, which applies to the URW Group and which includes the values and principles that each employee, manager and director of the URW Group must respect and comply with, by virtue of their office, at all times and in all circumstances when acting within, or in the name of, the URW Group or any third party. These principles include: respect for human dignity and for employees' work, respect for the URW Group, respect for law and regulations, loyalty, integrity and avoiding conflicts of interests, and ethics in doing business (including Code of Conduct conforming with French Sapin-II law). It is the responsibility of each employee, manager and director of the URW Group to regularly review and refresh their knowledge and understanding of the Code of Ethics of the URW Group, in addition to the required annual e-learning training for all employees.

The text of this Code of Ethics can be accessed here: [https://cdn.urw.com/-/media/Corporate-o-Sites/Westfield/Files/Corporate-o-governance/related-o-documents/Code\\_of\\_ethics\\_june\\_2018.ashx?revision=a7dc4001-34c1-44e6-b9a2-30b4a4668b1a](https://cdn.urw.com/-/media/Corporate-o-Sites/Westfield/Files/Corporate-o-governance/related-o-documents/Code_of_ethics_june_2018.ashx?revision=a7dc4001-34c1-44e6-b9a2-30b4a4668b1a)

We actively promote and we have reasonable assurance that our Code of Ethics is effective within the Company. We have, to the best of our knowledge, no reason to believe that our Code of Ethics was not complied with during the financial year to which this report pertains, noting that anyone can declare any (potential) breach through our URW Integrity line (<https://urw.integrityline.org/>) at any time.

URW NV does not voluntarily apply other formal codes of conduct or corporate governance practices.

## 2.2 REPORT OF THE SUPERVISORY BOARD

The Supervisory Board (SB) supervises and advises the Management Board (MB) on an ongoing basis and carries its duties in accordance with the applicable law and regulations and the Articles. In performing its duties, the SB is guided by the interests of URW NV and of the business connected with it.

### 2.2.1 COMPOSITION OF THE SUPERVISORY BOARD, INDEPENDENCE AND DIVERSITY

The SB consists of 5 members as at December 31, 2020. The SB composition reinforces the Group's strategy through the members' expertise in real estate/asset management, retail, finance, legal and other areas. The range of skills and expertise is summarized in the biographies below.

During its meeting held on December 8, 2020, the SB noted and acknowledged the intention of Mr Christophe Cuvillier to resign as Chairman and as Member of the SB, effective January 1, 2021. Upon the Governance, Nomination and Remuneration Committee (GNRC) recommendation, the SB decided to accept the resignation of Mr Christophe Cuvillier, effective January 1, 2021.

In accordance with the Company's Articles of Association, an SB Member no longer in office may be replaced temporarily by a person whom the SB has designated for that purposes. The SB, upon GNRC recommendation, designated Mr Jean-Marie Tritant as Chairman and Member of the SB effective per Mr Cuvillier's resignation.

On December 17, 2020, the SB met and took note of the resignation of Mr Jaap L. Tonckens from his position as Vice-Chairman and Member of the SB effective January 4, 2021. The SB also took note of the resignation of Mr Alec Pelmore from his position as Member of the SB, effective January 4, 2021. Following the resignation of Mr Pelmore a recruitment process was launched. The recruitment process, taking into account amongst others the SB Rules (including the profile set out therein), Committee Charters, SB Rotation Schedule and governance recommendations, yielded Ms Catherine Pourre as suitable candidate. On February 4, 2021, the SB met and in accordance with the applicable legal provisions the SB, upon GNRC recommendation, designated Ms Catherine Pourre as Member of the SB and Mr Fabrice Mouchel as Vice-Chair and Member of the SB effective February 4, 2021.

Mr Jean-Marie Tritant, Mr Fabrice Mouchel and Ms Catherine Pourre will be nominated for appointment at the 2021 annual general meeting.

### A. COMPOSITION OF THE SUPERVISORY BOARD AS AT FILING OF THE 2020 ANNUAL REPORT

Name	Role	Age	Gender	Nationality	Independence	Starting date	Expiry date of term of office
Mr Jean-Marie Tritant	Chairman	53	M	French	Non Independent	2021	*
Mr Fabrice Mouchel	Vice-Chairman	50	M	French	Independent	2021	*
Mr Jean-Louis Laurens	Senior Independent Director	66	M	French	Independent	2018	AGM 2022
Ms Aline Taireh	Member	46	F	American	Independent	2018	AGM 2022
Ms Catherine Pourre	Member	64	F	French	Independent	2021	*

\* Mr Jean-Marie Tritant, Mr Fabrice Mouchel and Ms Catherine Pourre will be nominated for appointment as members of the Supervisory Board at the annual general meeting in 2021.

• **SUPERVISORY BOARD MEMBER INFORMATION AND MANDATES HELD AS AT FILING OF THE 2020 ANNUAL REPORT**



**MR JEAN-MARIE TRITANT**  
DESIGNATED SB MEMBER - CHAIR  
Non-independent

- Graduate of ESC Dijon - Business School.
- Master's Degree in commercial real estate from Paris I-Sorbonne University (a qualification recognized by the Royal Institution of Chartered Surveyors).
- Started his career at Arthur Andersen Paris.
- Joined Unibail in 1997. Appointed Managing Director of the Office Division in 2002 and Managing Director Retail France in 2007.
- Appointed to the management board of Unibail-Rodamco SE, Chief Operating Officer effective April 25, 2013, ended in June 7, 2018.
- Appointed to the MB as President US effective June 7, 2018, following the Westfield Transaction, ended on November 18, 2020.
- Appointed as Chief Executive Officer at URW SE as of January 1, 2021.

**BORN ON:**  
November 10, 1967

**NATIONALITY:**  
French

**NUMBER OF STAPLED SHARES HELD:**  
35,286<sup>8</sup> (as at December 31, 2020)

**NUMBER OF OPTIONS HELD:**  
214,027<sup>9</sup>

**OTHER FUNCTIONS AND MANDATES OUTSIDE THE URW GROUP**

- Representative of Unibail-Rodamco-Westfield SE as Member of the French Fédération des Sociétés Immobilières et Foncières (FSIF).
- Non-Executive Director of Pavillon de l'Arsenal.
- Representative of Unibail-Rodamco-Westfield SE on the Board of Directors of Société Paris-Île-de-France Capitale Économique.
- Representative of Unibail-Rodamco-Westfield SE on the Executive Committee of the Palladio Foundation.
- Director of the European Public Real Estate Association (EPRA).

**OTHER INTRA-GROUP FUNCTIONS AND MANDATES**

- Chairman of the management board and Chief Executive Officer URW SE

**PREVIOUS MANDATES DURING THE LAST FIVE YEARS**

- Member of the management board URW NV Director, Chairman and President of URW America Inc.
- Director and President of Annapolis TRS Inc., Fashion Square Service TRS, Inc., GSP Service TRS, Inc., Montgomery Service, Inc., VF/UTC Service, Inc., WCL Holdings, Inc., Westfield Beneficiary 1, Inc., Westfield Beneficiary 2, Inc., Westfield Subsidiary REIT 1, Inc., Westfield Subsidiary REIT 2, Inc., Westland Properties, Inc., Westland Realty Beneficiary, Inc.
- Director of Broward Mall LLC, Roseville Shoppingtown LLC, Santa Anita Borrower LLC, Santa Anita GP LLC, Valencia Town Center Venture GP, LLC, Westfield Paramus 1 Inc.
- Manager and President of URW WEA LLC, West-OC 2 REIT 1, LLC, West-OC 2 REIT 2, LLC, West-OC 2 REIT 3, LLC, URW Airports, LLC, Westfield, LLC, Westfield Concession Management II LLC, Westfield, Gift Card Management, LLC, Westfield Property Management LLC, Westfield U.S. Holdings, LLC, and WestNant Investment LLC.
- Manager of Annapolis REIT 1 LLC, Annapolis REIT 2 LLC, Annapolis REIT 3 LLC, Broward Mall LLC, Culver City REIT 1 LLC, Culver City REIT 2 LLC, Culver City REIT 3 LLC, Horton Plaza REIT 1 LLC, Horton Plaza REIT 2 LLC, Horton Plaza REIT 3 LLC, Mission Valley REIT 1 LLC, Mission Valley REIT 2 LLC, Mission Valley REIT 3 LLC, North County REIT 1 LLC, North County REIT 2 LLC, North County REIT 3 LLC, Oakridge REIT 1 LLC, Oakridge REIT 2 LLC, Oakridge REIT 3 LLC, Plaza Bonita REIT 1 LLC, Plaza Bonita REIT 2 LLC, Plaza Bonita REIT 3 LLC, Promenade REIT 1 LLC, Promenade REIT 2 LLC, Promenade REIT 3 LLC, Santa Anita REIT 1 LLC, Santa Anita REIT 2 LLC, Santa Anita REIT 3 LLC, Southcenter REIT 1 LLC, Southcenter REIT 2 LLC, Southcenter REIT 3 LLC, Stratford City Offices (No.1) LLC, Stratford City Offices (No.2) LLC, Stratford City Shopping Centre (No.1) LLC, Stratford City Shopping Centre (No.3) LLC, Topanga REIT 1 LLC, Topanga REIT 2 LLC, Topanga REIT 3 LLC, West Valley REIT 1 LLC, West Valley REIT 2 LLC, West Valley REIT 3 LLC, White City Investments (No. 1) LLC, and White City Investments (No. 2) LLC.
- Director of Descon Invest PTY Limited, Fidele PTY Limited, Nauthiz PTY LTD, Westfield American Management Limited, Westfield American Investments PTY Limited, Westfield Capital Corporation Finance Pty LTD, Westfield Capital Corporation Finance PTY LTD, Westfield Queensland PTY LTD, WFA Finance (Aust) PTY Limited and WFD Finance PTY Limited. Manager of Annapolis REIT 1 LLC, Annapolis
- SB Member of Unibail-Rodamco-Westfield Germany GmbH (formerly: mfi AG).
- REIT 2 LLC, Annapolis REIT 3 LLC, Broward Mall LLC, Culver City REIT 1 LLC, Culver City REIT 2 LLC, Culver City REIT 3 LLC, Horton Plaza REIT 1 LLC, Horton

**Previous mandates during the last five years (continued)**

<sup>8</sup> Excluding 857 Stapled Shares equivalent to the number of units held in the URW SE company saving plan.

<sup>9</sup> Note this number includes the non-exercised stock options and performance shares subject to vesting period.

- (continued) Director and Chairman of Rodamco Sverige AB.
- Director and representative of Unibail-Rodamco Nederland Winkels B.V.
- Director and Chairman of Promociones Inmobiliarias Gardiner, SLU.
- Director and President of WALP Service, Inc, Westfield America, Inc., Westfield DDC Inc., Westfield Development Inc., Westfield Eco Inc., Westfield USA Centres, Inc., WHL (USA), Inc. and WHL USA Acquisitions Inc.
- Manager and President of URW Airports, LLC, Westfield Concession Management II LLC, Westfield Gift Card Management, LLC, Westfield Property Management LLC and WestNant Investment LLC.
- Director, Chairman and President of URW America Inc.
- Director and President of Annapolis TRS Inc., Fashion Square Service TRS, Inc., GSP Service TRS, Inc., Montgomery Service, Inc., VF/UTC Service, Inc., WCL Holdings, Inc., Westfield Beneficiary 1, Inc., Westfield Beneficiary 2, Inc., Westfield Subsidiary REIT 1, Inc., Westfield Subsidiary REIT 2, Inc., Westland Properties, Inc., Westland Realty Beneficiary, Inc.
- Director of Broward Mall LLC, Roseville Shoppingtown LLC, Santa Anita Borrower LLC, Santa Anita GP LLC, Valencia Town Center Venture GP, LLC, Westfield Paramus 1 Inc.
- Manager and President of URW WEA LLC, West-OC 2 REIT 1, LLC, West-OC 2 REIT 2, LLC, West-OC 2 REIT 3, LLC, URW Airports, LLC, Westfield, LLC, Westfield Concession Management II LLC, Westfield, Gift Card Management, LLC, Westfield Property Management LLC, Westfield U.S. Holdings, LLC, and WestNant Investment LLC.
- Plaza REIT 2 LLC, Horton Plaza REIT 3 LLC, Mission Valley REIT 1 LLC, Mission Valley REIT 2 LLC, Mission Valley REIT 3 LLC, North County REIT 1 LLC, North County REIT 2 LLC, North County REIT 3 LLC, Oakridge REIT 1 LLC, Oakridge REIT 2 LLC, Oakridge REIT 3 LLC, Plaza Bonita REIT 1 LLC, Plaza Bonita REIT 2 LLC, Plaza Bonita REIT 3 LLC, Promenade REIT 1 LLC, Promenade REIT 2 LLC, Promenade REIT 3 LLC, Santa Anita REIT 1 LLC, Santa Anita REIT 2 LLC, Santa Anita REIT 3 LLC, Southcenter REIT 1 LLC, Southcenter REIT 2 LLC, Southcenter REIT 3 LLC, Stratford City Offices (No.1) LLC, Stratford City Offices (No.2) LLC, Stratford City Shopping Centre (No.1) LLC, Stratford City Shopping Centre (No.3) LLC, Topanga REIT 1 LLC, Topanga REIT 2 LLC, Topanga REIT 3 LLC, West Valley REIT 1 LLC, West Valley REIT 2 LLC, West Valley REIT 3 LLC, White City Investments (No. 1) LLC, and White City Investments (No. 2) LLC.
- Director of Descon Invest PTY Limited, Fidele PTY Limited, Nauthiz PTY LTD, Westfield America Management Limited, Westfield American Investments PTY Limited, Westfield Capital Corporation Finance Pty LTD, Westfield Capital Corporation Finance PTY LTD, Westfield Queensland PTY LTD, WFA Finance (Aust) PTY Limited and WFD Finance PTY Limited.
- Director of WFD Unibail-Rodamco Real Estate B.V.

Further experience:

- **Active executive and senior leadership experience**  
Strong leadership and management skills, having served as President US at URW NV. He has extensive operational experience after numerous senior positions, including Managing Director Retail France and Chief Operating Officer at former Unibail-Rodamco SE.
- **International experience and regional market exposure**  
Extensive international experience through various roles. He has a truly international perspective and in-depth knowledge of regional real estate and retail in the US having lived and worked in the US as former President US at URW NV.
- **Retail and consumer product experience**  
Significant expertise through various senior roles in asset management, including as Head of Asset Management and later Managing Director Retail and Offices France at former Unibail-Rodamco SE.
- **Risk oversight and corporate Governance Experience**  
Experience through various senior roles in the industry and as a management board member on a France and a Dutch listed company, including experience on risk oversight and corporate governance practices.



**MR FABRICE MOUCHEL**

**DESIGNATED SB MEMBER - VICE-CHAIR**

**Independent**

- Graduate of HEC Business School, Master's Degree in Law and Bar diploma (CAPA: certificat d'aptitude à la profession d'avocat).
- Lawyer in the Mergers & Acquisitions Department of Gide Loyrette & Nouel (1993-1996).
- Vice-President of Mergers and Acquisitions at ING-Barings (1997-2001).
- Joined Unibail in 2001 as Head of Corporate Development.
- Became Head of Financial Resources and Investor Relations Department in 2002.
- Deputy CFO from June 2007 to April 2013.
- Appointed to the Unibail-Rodamco SE MB as Deputy CFO in March 4, 2013 (effective on April 25, 2013) and as Group Finance Director on June 7, 2018.
- Appointed as Chief Financial Officer at URW SE as of January 5, 2021.

**BORN ON:**  
April 16, 1970

**NATIONALITY:**  
French

**NUMBER OF STAPLED SHARES HELD:**  
22,007<sup>10</sup> (as at December 31, 2020)

**NUMBER OF OPTIONS HELD:**  
153,109<sup>11</sup>

**OTHER FUNCTIONS AND MANDATES OUTSIDE THE URW GROUP**

- N/A

**PREVIOUS MANDATES DURING THE LAST FIVE YEARS**

- N/A

**OTHER INTRA-GROUP FUNCTIONS AND MANDATES**

**Group Companies**

- Director of Rodamco Nederland B.V., Rodamco Nederland Winkels B.V., U&R Management B.V., Dotterzwaan B.V., Cijferzwaan B.V., Unibail-Rodamco Poland 5 B.V., Rodamco Project 1 B.V., Rodamco Europe Finance B.V., Unibail-Rodamco Investments B.V., Unibail-Rodamco Investments 2 B.V., Real Estate Investments Poland Coöperatief UA, Stichting Rodamco, Traffic Uk B.V., Old Tower Real Estate B.V., New Tower Real Estate B.V., Broekzele Investments B.V.
- Member of the board of Rodamco Sverige AB.
- Director of Westfield Corporation Limited, Descon Invest Pty Limited, Westfield Investments Pty Limited, Westfield American Investments Pty Limited, Westfield Capital Corporation Finance Pty Ltd, Westfield Queensland Pty. Ltd, Nauthiz Pty Ltd, WCL Finance Pty Limited, WCL Management Pty Limited, Westfield UK Investments Pty Limited, Westfield UK 1 Pty Limited, Westfield UK 2 Pty Limited, Westfield UK 3 Pty Limited, Westfield UK 4 Pty Limited, Westfield UK 5 Pty Limited, Westfield UK 6 Pty Limited, Westfield America Management Ltd, Fidele Pty Ltd, Westfield, R.S.C.F. Management Pty Ltd, Westfield Developments Pty Ltd, Cavemont Pty. Ltd.
- SB Member of Unibail-Rodamco- Westfield Germany GmbH ; Director of Rodamco Deutschland GmbH, Rodamco Deutschland GmbH & Co Süd Liegenschafts KG, Neue Mitte Oberhausen Projektentwicklung Verwaltungs Ltd. & Co. KG, Neue Mitte Oberhausen Projektentwicklung Ltd. & Co. KG.
- Director of Liffey River Financing Ltd.
- Director of Crossroads Property Investors s.a

**Further experience:**

- **Relevant active executive or senior leadership experience**  
Significant senior leadership experience as vice-president of mergers and acquisitions at ING-Barings and Head of Corporate Development at Unibail-Rodamco SE.
- **Financial expertise**  
High level of financial and capital markets experience gained through various positions, including as vice-president of mergers and acquisitions at ING-Barings and later as Head of Financial Resources and Investor Relations department at Unibail-Rodamco SE. In-dept knowledge of the industry having served as Deputy Chief Financial Officer and Group Finance Director at Unibail-Rodamco SE.
- **Risk oversight/ compliance expertise**  
Seasoned executive with 20 years of expertise through senior roles in finance at Unibail-Rodamco SE.
- **Real Estate Market Experience**  
Extensive experience in the European market through 20-year career in the industry having served as Deputy Chief Financial Officer and Group Finance Director.
- **Corporate Governance**  
Former member of the management board of Unibail-Rodamco SE.

<sup>10</sup> Excluding 3,573 Stapled Shares equivalent to the number of units held in the URW SE company saving plan.

<sup>11</sup> Note this number includes the non-exercised stock options and performance shares subject to vesting period.





**MR JEAN-LOUIS LAURENS**  
**SENIOR INDEPENDENT DIRECTOR & AC CHAIRMAN**  
**Independent**

- Graduate of HEC Business School.
- Doctorate in Economics and a Master's in law.
- Former Executive Director of Morgan Stanley International.
- Former CEO of AXA Investment Managers France.
- Former CEO of Robeco France and former Global Head of Mainstream Investment of Robeco Group (until 2009).

**OTHER FUNCTIONS AND MANDATES OUTSIDE THE URW GROUP**

**PREVIOUS MANDATES DURING THE LAST FIVE YEARS**

**BORN ON:**  
August 31, 1954

**NATIONALITY:**  
French

**NUMBER OF STAPLED SHARES HELD:**  
363 (as at December 31, 2020)

**NUMBER OF OPTIONS HELD:**  
0

**Listed Company**

- N/A

**Other Company**

- Chairman of Blulog, Sp. z., (Poland)
- Chairman of A4P Technologies SA (Luxembourg)
- Member of the supervisory board Andera Partners, (France)
- Member of the board of directors Crédit Mutuel Investment Management (France)

- Former supervisory board vice-chairman and audit committee chairman of URW SE (until 2018).
- General partner of Rothschild & Cie Gestion Paris (France) (until 2016).
- Chairman of the board of directors of Rothschild Asset Management inc. New York (USA) and of the board of directors of risk based investment solutions ltd, London (UK) (Rothschild Group) (until 2016).
- Non-executive chairman of the board of directors of Unigestion Asset Management (France).

Attendance 2020:

- SB 100%;
- AC 100%

Mandate:

- First Mandate: June 7, 2018;
- Expiry date of term of office: AGM 2022

Further experience:

- **Active executive and senior leadership experience**  
Extensive senior leadership experience as general partner and global head of asset management of Rothschild and Co Group, global Head of mainstream investments at Robeco Group and CEO of AXA Investment Managers.
- **Financial expertise**  
Extensive financial and capital markets expertise as a former chief executive of major asset management companies and numerous senior positions in investment banks such as HSBC and Morgan Stanley.
- **Risk oversight/ compliance expertise**  
Extensive expertise through various senior roles in asset management and investment banking, including CEO of Banque Internationale de Placement and CEO of Banque Robeco.
- **International Experience**  
Extensive international experience through various Global Head roles and work experience in Germany, The Netherlands and the US.
- **Corporate Governance Experience**  
Former member of the Ethics and Governance Committee of MEDEF, the French employers association (10 year tenure). Co-author of the AFEP-MEDEF code of governance.



**MS ALINE TAIREH**

**SB MEMBER**  
**Independent**

- Bachelor of Arts in Criminology and Psychology from University of California Irvine.
- Juris Doctorate Degree from Brooklyn Law School, New York.
- Associate with O'Melveny & Myers LLP, Los Angeles, CA.
- Joined Westfield as Senior Corporate Counsel in January 2007 and was appointed Associate and General Counsel in January 2008.
- Appointed Senior Vice President and Deputy General Counsel of Westfield effective June 2012
- Appointed General Counsel US of the URW Group since June 7, 2018.

**BORN ON:**  
January 15, 1975

**NATIONALITY:**  
American

**NUMBER OF STAPLED SHARES HELD:**  
305 (through CDI's) (as at December 31, 2020)

**NUMBER OF OPTIONS HELD:**  
16,469<sup>12</sup>

**OTHER FUNCTIONS AND MANDATES OUTSIDE THE URW GROUP**

- N/A

**PREVIOUS MANDATES DURING THE LAST FIVE YEARS**

- N/A

**OTHER CURRENT INTRA-GROUP FUNCTIONS AND MANDATES**

- Various other current mandates within the Group.

**Attendance 2020:**

- SB 100%

**Mandate:**

- First Mandate: June 7, 2018;
- Expiry date of term of office: AGM 2022

**Further experience:**

- **Relevant active executive and senior leadership experience**  
Extensive operational and leadership experience as General Counsel Westfield and various executive and director positions with all aspects of the US business including shopping center operations.
- **International experience and regional market exposure**  
Significant experience in international operations as well as local market exposure in the US since joining Westfield in 2007 with in-depth knowledge in the US real estate and retail market, which are increasingly important given the US portfolio of flagship destinations.
- **Real estate and real estate asset management experience**  
Extensive strategy expertise in real estate development, investment, leasing, management and divestment through her role as Senior Corporate Counsel and General Counsel Westfield.
- **Legal and Financial expertise**  
In-depth knowledge of operations that are international and complex, with financing transactions, group debt and refinancing in different countries and currencies.
- **Risk oversight and compliance**  
19 years' experience in the US real estate and retail market has brought deep knowledge of the US market, including real estate property acquisitions, secured and unsecured financing transactions, joint ventures, litigation and all other legal and process matters.

<sup>12</sup> Note that this number includes non-exercised stock options and performance shares subject to vesting period.



**MS CATHERINE POURRE**  
**DESIGNATED SB MEMBER & AC MEMBER & GNRC CHAIR**  
**Independent**

- Ms Pourre joined Unibail in 2002 as Deputy Managing Director and member of the Executive Committee. In 2007, she was appointed Management Board member and Chief Resources Officer at Unibail-Rodamco SE which she was until 2013.
- She started her career at Coopers & Lybrand (later PWC) where she became Partner in 1989. In 1999 she joined Ernst & Young as a partner and Cap Gemini Ernst & Young France in 2000 as Executive Director and Member of the Executive Committee.
- She holds a law degree from Faculté Catholique de Paris (France), and is Diplômée d'Expertise Comptable (French CPA).

**BORN ON:**  
February 2, 1957

**NATIONALITY:**  
French

**NUMBER OF STAPLED SHARES HELD:**  
112970

**NUMBER OF OPTIONS HELD:**  
0

**OTHER FUNCTIONS AND MANDATES OUTSIDE THE URW GROUP**

**Listed Company**

- Member of the supervisory board Crédit Agricole SA (France)
- Member of the supervisory board SEB SA (France)
- Member of the supervisory board Bénéteau (France)

**Other Company**

- Member of the supervisory board Crédit Agricole Corporate and Investment Bank (France)
- Member of the management board CPO Services (Luxembourg)

**PREVIOUS MANDATES DURING THE LAST FIVE YEARS**

- Member of the supervisory board Neopost SA (France) (until 2019)

**Further experience:**


- **Active executive and senior leadership experience**  
Extensive senior leadership experience as Management Board member of Unibail-Rodamco Group and global Head of Consulting for High Growth companies at Price Waterhouse Coopers and then Cap Gemini Consulting.
- **Financial expertise & real estate experience**  
Extensive financial expertise as a French CPA and a former Chief Financial Officer at Unibail as well as Chair or Member of numerous Audit Committees of Boards of listed companies including a systemic financial institution.
- Extensive experience in real estate development, investment, leasing, management and divestment as a former Management Board member of Unibail-Rodamco Group.
- **Risk Oversight and Compliance expertise**  
Extensive Risk, internal Control and compliance expertise as a consulting partner at PricewaterhouseCoopers and Cap Gemini Consulting, as well as former Chief Resources Offices at Unibail-Rodamco and as a member of Audit, Risks and Compliance Committees in various Boards of listed companies including a systemic Financial institution.
- **International Experience**  
Extensive international experience through various senior roles and work experience in the US, the Netherlands, Germany, Luxembourg and France.
- **Corporate Governance Experience**  
Extensive Corporate Governance experience through various senior roles as Management Board member and Supervisory Board member in major listed Companies.

## B. COMPOSITION OF THE SUPERVISORY BOARD AS AT DECEMBER 31, 2020

Name	Role	Age	Gender	Nationality	Independence	Starting date	Expiry date of term of office
Mr Christophe Cuvillier	Chairman	58	M	French	Independent	2018	January 1, 2021
Mr Jaap Tonckens	Vice-Chairman	58	M	Dutch and American	Independent	2018	January 4, 2021
Mr Jean-Louis Laurens	Senior Independent Director	66	M	French	Independent	2018	AGM 2022
Mr Alec Pelmore	Member	67	M	British	Independent	2018	January 4, 2021
Ms Aline Taireh	Member	45	F	American	Independent	2018	AGM 2022

In the written resolutions of the shareholder of URW NV of June 1, 2018, the General Meeting appointed the 5 SB Members with a term of office expiring at the end of the Company's annual general meeting ("AGM") to be held in 2022. Mr Christophe Cuvillier was appointed as Chairman of the SB, Mr Jaap Tonckens as Vice-Chairman of the SB, and Mr Jean-Louis Laurens as Senior Independent Director.

### • SUPERVISORY BOARD MEMBER INFORMATION AND MANDATES HELD AS AT DECEMBER 31, 2020

	<b>MR CHRISTOPHE CUVILLIER</b> <b>SB CHAIRMAN &amp; GNRC MEMBER</b> <b>Independent</b>	
	<ul style="list-style-type: none"> <li>• Graduate of HEC Business School.</li> <li>• Prior to joining Unibail-Rodamco, Mr Cuvillier held various positions within Kering Group from 2000, notably, CEO of FNAC from 2008 to 2010 and CEO of Conforama from 2005 to 2008.</li> <li>• Prior to Kering, he spent 14 years with the Luxury Products Division of the L'Oréal Group, both in France and abroad.</li> <li>• Appointed to the URW SE management board as Chief Operating Officer in April 2011 (effective June 1, 2011).</li> <li>• Appointed Chairman of the URW SE management board and Chief Executive Officer effective April 25, 2013.</li> <li>• Appointed as Chairman of the URW SE management board and Group Chief Executive Officer of the new URW Group effective June 7, 2018, following the Westfield Transaction, ended on December 31, 2020.</li> <li>• Is a member of the International Advisory Board of HEC Paris, since March 2020.</li> </ul>	
<b>BORN ON:</b> December 5, 1962	<b>OTHER FUNCTIONS AND MANDATES OUTSIDE THE URW GROUP</b>	<b>PREVIOUS MANDATES DURING THE LAST FIVE YEARS</b>
<b>NATIONALITY:</b> French	<ul style="list-style-type: none"> <li>• Representative of URW SE as Member of the French Fédération des Sociétés Immobilières et Foncières (FSIF).</li> <li>• Non-Executive Director of Pavillon de l'Arsenal.</li> <li>• Representative of URW SE on the Board of Directors of Société Paris-Île-de-France Capitale Économique.</li> <li>• Director of Raisesherpas (Endowment Fund).</li> <li>• Director of the European Public Real Estate Association (EPRA).</li> </ul>	<ul style="list-style-type: none"> <li>• Director of Comexposium Holding SA.</li> <li>• Chairman of the supervisory board of Rodamco Europe B.V.</li> <li>• Chairman of the Board of Directors of the European Public Real Estate Association (EPRA).</li> </ul>
<b>NUMBER OF STAPLED SHARES HELD:</b> 109,437 <sup>13</sup>	<b>OTHER URW GROUP FUNCTIONS AND MANDATES</b>	
<b>NUMBER OF OPTIONS HELD:</b> 279,867 <sup>14</sup>	<ul style="list-style-type: none"> <li>• Director of Viparis Holding SA.</li> <li>• Director and Chairman of the Board of Directors of U&amp;R Management B.V.</li> </ul>	
<b>Attendance 2020:</b> <ul style="list-style-type: none"> <li>• SB 89%;</li> <li>• GNRC 80%</li> </ul>		
<b>Mandate:</b> <ul style="list-style-type: none"> <li>• First Mandate: June 7, 2018;</li> <li>• Expiry date of term of office: January 1, 2021</li> </ul>		
<b>Further experience:</b> <ul style="list-style-type: none"> <li>• <b>Relevant active executive and senior leadership experience</b> Strong leadership and management skills, having served as COO of FNAC, Chairman and CEO of Conforama and then Chairman and CEO of FNAC.</li> <li>• <b>International experience and regional market exposure</b> He spent 14 years with the L'Oréal Group holding various positions in Italy, the UK and Australia.</li> <li>• <b>Retail and consumer products experience</b> Accomplished executive with over 20 years' experience building brands in the luxury and retail industry.</li> <li>• <b>Real estate and real estate asset management experience</b> He joined Unibail-Rodamco (URW SE legally since 2019) as COO and member of the URW SE management board. He was appointed CEO and Chairman of the UR SE management board in April 2013. He led the acquisition of Westfield by Unibail-Rodamco and was appointed Group CEO of the new URW Group in 2018.</li> <li>• <b>Risk oversight and corporate governance experience</b> Extensive expertise through various senior roles in the retail and luxury industry, including CEO of FNAC and URW SE.</li> </ul>		

<sup>13</sup> Excluding 1,752 Stapled Shares equivalent to the number of units held in the URW SE company savings plan.

<sup>14</sup> Note this number includes the non-exercised stock options and performance shares subject to vesting period.



**MR JAAP TONCKENS**  
**SB VICE-CHAIRMAN, AC MEMBER & GNRC MEMBER**  
**Independent**

- Law Degree from Leiden University, The Netherlands.
- Master's Degree in law from Emory University, Atlanta, GA, USA.
- Associate with Shearman & Sterling LLP in New York and Paris.
- Associate, Vice-President and Executive Director at Morgan Stanley in London.
- Managing Director at Morgan Stanley, Leverage & Acquisition Finance, New York, NY, USA.
- Managing Director at Endurance Capital, New York, NY, USA.
- Appointed to the UR SE Management Board as General Counsel in September 2009 and was appointed Chief Investment Officer of UR SE in October 2010 and Chief Financial Officer of UR SE effective July 2012.
- Appointed as Group Chief Financial Officer of the new URW Group effective June 7, 2018, following the Westfield Transaction, ended on January 4, 2021.

**BORN ON :**  
 July 16, 1962

**NATIONALITY**  
 Dutch and American

**NUMBER OF STAPLED SHARES HELD:**  
 0<sup>15</sup>

**NUMBER OF OPTIONS HELD:**  
 173,435<sup>16</sup>

**OTHER FUNCTIONS AND MANDATES OUTSIDE THE URW GROUP**

- Member of the Global Governing Trustees of the Urban Land Institute;
- Member of the Board of Trustees of the International Council of Shopping Centres;
- Various other current mandates within URW Group

**PREVIOUS MANDATES DURING THE LAST FIVE YEARS**

- Non-Executive Director of OneMarket Holdings, Inc.
- Member of the Board of Unibail-Rodamco SI BV
- Chairman of Rodamco Holding AB, Rodamco Tummlaren AB, Rodamco Nova Lund 2 AB, Rodamco Nova Lund 3 AB, Fastighetsbolaget Anlos 1 AB, Fastighetsbolaget Anlos 2 AB, Fastighetsbolaget Anlos 3 AB, Rodamco Management AB, Rodamco Väsby Centrum AB, Rodamco Anlos Holding AB, Rodamco Expand AB and Rodareal OY.
- Director of Garáže Hráského sro. and P6AUP sro.
- Director of Euro-Mall Ingatlanbefektetési Kft.
- Member of the Administrative Board (Verwaltungsrat) of Ring-Center I Berling KG
- Member of the Board of Gdansk Station Shopping Mall Sp. zoo., Wilenska Station Shopping Mall Sp. zoo, Arkadia Centrum Handlowe Sp. zoo, Wilenska Centrum Handlowe Sp. zoo and Rodamco CH 1 sp. zoo.
- Member of the Board of Unibail-Rodamco Liegenschaftserwerbs GmbH and Unibail-Rodamco Austria Management GmbH.
- Member of the Board of Directors and Secretary of Promociones Inmobiliarias Gardiner SLU.
- Director of Rodamco Europe B.V.
- Director of CentrO Asset Management Limited, CentrO Europe (no. 2) Limited, CentrO Europe Limited, CentrO Holdings (UK) Limited, CentrO Management GmbH, CentrO Grundstücksentwicklungs GmbH, Neue Mitte Oberhausen Projektentwicklung Ltd. & Co. KG, Neue Mitte Oberhausen Projektentwicklung Beteiligungs GmbH, Neue Mitte Oberhausen Projektentwicklung Verwaltungs Ltd. & Co. KG, CentrO Oberhausen GmbH, CentrO Projektentwicklungs GmbH and SL Oberhausen Beteiligungs GmbH.
- Director of Uniborc SA.
- Director of Eroica B.V., Rodamco Hungary B.V., Unibail-Rodamco Poland I B.V., Rodamco Europe Finance II B.V., Unibail-Rodamco Investments 3 B.V., Unibail-Rodamco Project B.V., Unibail-Rodamco Retail Investments 2 B.V.

**Attendance 2020:**

- SB 100%;
- AC 100%;
- GNRC 100%

**Mandate:**

- First Mandate: June 7, 2018;
- Expiry date of term of office: January 4, 2021

**Further experience:**

- **Relevant active executive and senior leadership experience**  
 He has served in the finance sector since 1988 in a number of countries and roles as executive director including Managing Director at Morgan Stanley, Leverage & Acquisition Finance, New York, NY, USA, and Managing Director at Endurance Capital, New York, NY, USA.
- **International experience and regional market exposure**  
 Extensive experience on international operations as well as local market exposure, which are increasingly important given our portfolio of Flagship destinations throughout the US. He held various positions in London and then in New York, where he was a managing director in the Leverage & Acquisition Finance department at Morgan Stanley & Co.
- **Real estate and real estate asset management experience**  
 Appointed to the UR SE management board as General Counsel in September 2009 and appointed Chief Investment Officer in October 2010 and CFO effective July 2012, where he retains the supervision of the URW Group's investments in his current position.

<sup>15</sup> Excluding 1,967 stapled shares equivalent to the number of units held in the URW SE company savings plan.

<sup>16</sup> Note that this number includes non-exercised stock options and performance shares subject to vesting period.

- **Financial expertise**  
In-depth knowledge of operations that are international and complex, with financing transactions, group debt and refinancing in different countries and currencies.
- **Regional market exposure and expertise**  
Significant experience through former roles as associate and managing director at Associate with Shearman & Sterling LLP in New York and Paris, Associate, Vice-President and Executive Director at Morgan Stanley in London, Managing Director at Morgan Stanley, Leverage & Acquisition Finance, New York, NY, USA and Managing Director at Endurance Capital, New York, NY, USA.



**MR ALEC PELMORE**

**SB MEMBER, AC MEMBER & GNRC CHAIRMAN**  
**Independent**

- Degree in Mathematics from Cambridge University.
- Former Senior Independent Director and AC Chairman of Metric Property Investments PLC (UK) (listed).
- He held various positions as an equity investment analyst specialising in real estate companies mainly at Dresdner Kleinwort Benson and Merrill Lynch. With his partner Robert Fowlds, his team was voted no. 1 for real estate in Europe for 12 out of 13 years from 1995 to 2007.

	OTHER FUNCTIONS AND MANDATES OUTSIDE THE URW GROUP	PREVIOUS MANDATES DURING THE LAST FIVE YEARS
<b>BORN ON:</b> October 14, 1953	Listed Company <ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• Former Supervisory Board member of URW SE (until 2018).</li> </ul>
<b>NATIONALITY:</b> British	Other Company <ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director of London Metric Property PLC (UK)</li> </ul>
<b>NUMBER OF STAPLED SHARES HELD:</b> 1,150		
<b>NUMBER OF OPTIONS HELD:</b> 0		

**Attendance 2020:**

- SB 100%;
- AC 100%;
- GNRC 100%

**Mandate:**

- First Mandate: June 7, 2018;
- Expiry date of term of office: January 4, 2021

**Further experience:**

- **Real Estate**  
27 years' experience in real estate investment markets has brought a deep understanding of the dynamics of real estate leasing and investment markets and extensive relationships in the market. For 13 years, Alec led the team that was ranked No 1 in the market.
- **Equity Investor relationships and understanding**  
Being leader of this top rated team has also brought in-depth knowledge of the dynamics of equity markets and good relationships with the key equity holders of the company.
- **Finance**  
He started his career in 1975 training as an actuary which underpins a sound understanding of all aspects of finance and accounting; in depth knowledge of the dynamics of equity markets and good relationships with the key equity holders of the company.
- **UK market experience**  
Non-executive director of London Metric PLC, which has undertaken investment and development across a range of property sub-sectors.
- **International market experience and risk oversight**  
Extensive experience on international operations through various senior roles in the real estate investment markets.

## • INDEPENDENCE

Even though the composition of the SB partly relates to the fact that URW SE and URW NV together form the URW Group, after careful review it can be confirmed that as at December 31, 2020, all SB members can be considered independent within the meaning of principle 2.1.8 of the DCGC.

## • DIVERSITY

URW NV has diversity policies with respect to the composition of the MB and the SB. URW NV is committed to supporting, valuing and leveraging the value of diversity, but also believes that there is a fine line between diversity and unintentional discrimination. For that reason, the importance of diversity, in and of itself, should not set aside the overriding principle that someone should be recommended, nominated and appointed for being "the right person for the job". Although URW NV has not set specific targets with respect to particular elements of diversity, URW NV believes that it is important for the MB and the SB to represent a diverse mix of backgrounds, experiences, qualifications, knowledge, abilities and viewpoints.

URW NV seeks to combine the skills and experience of long-standing members of the MB and/or the SB with the fresh perspectives, insights, skills and experiences of new members. URW NV strives for gender diversity and a mix of ages in the composition of those bodies, but also does not set a specific target in this respect. In addition to age and gender, the Company recognizes and welcomes the value of diversity with respect to race, ethnicity, nationality, sexual orientation and other important cultural differences. URW NV is committed to seeking broad diversity in the composition of the MB and the SB and will consider these attributes when evaluating new candidates in the best interests of the Company and its stakeholders. In terms of experience and expertise, URW NV intends for the MB and the SB to be composed of individuals who are knowledgeable in one or more specific areas of strategic importance to the Company.

Until January 1, 2020, Dutch legislation provided for statutory provisions to ensure a balanced representation of men and women on the management and supervisory boards of companies governed by this legislation. Balanced representation of men and women was deemed to exist if at least 30% of the seats were filled by women and at least 30% were filled by men. Consistent with URW NV's diversity policies, to the extent possible and practicable, the aim is to achieve that at least 30% of the MB Members and SB Members are men and at least 30% of them are women.

In view of the limited size of the MB, with two members, the composition of the MB currently diverges from the gender target as no seats are taken by women on the MB which, as a result, would not qualify as balanced. It is believed that due to the current size and scale this is justified as it is ensured the best candidates were nominated for the roles.

The composition of the SB over the year 2020 is such, that URW NV's diversity objectives have been achieved, except for URW NV's diversity targets in terms of gender. This is primarily due to the selection of the members of its SB based on the required profile and their backgrounds, experiences, qualifications, knowledge, abilities and viewpoints without positive or negative bias on gender.

Currently, new Dutch legislation is being prepared aimed at improving gender diversity in listed companies, among others by imposing a quota of at least one-third for both women and men on the SB. We recognize the importance of diversity and inclusion and have closely monitored developments in this area. A diverse and inclusive workforce provides the necessary mix of voices and points of view required to continue to innovate and drive Company's business forward. In 2020, following the announced changes of the SB composition, the Company made progress in gender diversity by meeting the one-third threshold female SB Members in the proposed SB composition nominated for appointment at the 2021 annual general meeting.

## 2.2.2 SB MEETINGS AND ACTIVITIES

The SB held 9 meetings in 2020 (including ad hoc meetings). Overall average member attendance at its meetings was 98%. In addition to the matters within its statutory scope, the SB discussed all major actions carried out in 2020, both internally (e.g. organizational matters, risk management, compliance and Anti-Corruption Program, 2020 half year results, internal audits) and externally (Group strategy, refurbishment projects, operations, financial position, Dutch Corporate Governance Code requirements) with specific attention to the evolution of the COVID-19 pandemic and deleveraging strategies, including an equity raise that was proposed to shareholders, disposals and ways to ensure access to capital markets. The Company's statutory auditor attended 2 SB meetings.

SB Members were also informed of the work and recommendations of its specialized committees and that of the Company's statutory auditor. The minutes and documents of all the meetings of URW NV's Audit Committee ("AC") and URW NV's Governance, Nomination and Remuneration Committee ("GNRC") are systematically made available to all SB Members through a secure electronic platform.

The SB annual Strategy Retreat in Los Angeles, US, in 2020 is postponed due to the COVID-19 pandemic.

Principal responsibilities of the SB	Key areas discussed, reviewed and/or approved in 2020
Group Strategy	<ul style="list-style-type: none"> <li>Strategic initiatives relating to the balance sheet, including deleveraging, access to capital and equity raise that was proposed to shareholders;</li> <li>Refurbishment, investment, divestment and operations;</li> <li>Regular updates: on share price evolution and business activities, including the impact of the COVID-19 pandemic and related restrictions (operations, finance, human resources, legal, CSR, development, IT and data strategy, compliance/risk management);</li> <li>CSR Strategy - "Better Places 2030";</li> </ul>
Group Financial Policy and Financial Performance and Reporting	<ul style="list-style-type: none"> <li>Review and discussion of the disposal programme;</li> <li>2020 Budget and 5-year Business Plan, financial resources and borrowing requirements;</li> <li>Follow-up on NAV and EPRA performance measures;</li> <li>Financial commitments and guarantees;</li> <li>Provisions for risk and litigation;</li> <li>The URW NV's dividend policy (as part of the dividend policy of the URW Group) and annual allocation of results, and impact of the COVID-19 pandemic;</li> <li>Approval of 2019 consolidated full-year results and statutory financial statements and half-year accounts for the 2020 financial year;</li> <li>Relationship with URW NV's statutory auditor including auditor's reporting for the coming year;</li> <li>Non-audit services provided by URW NV's statutory auditor;</li> <li>Refurbishment pipeline in the context of overall balance sheet planning and rating agencies;</li> </ul>

	<ul style="list-style-type: none"> <li>• Liquidity forecasts and Loan-to-Value (LTV) ratio;</li> <li>• COVID-19 impact on NAV, goodwill and tenant negotiations and collection;</li> <li>• Regular tax updates.</li> </ul>
<b>Internal Audit, Risk Management and Control Systems</b>	<ul style="list-style-type: none"> <li>• Monitoring risk management, internal audit, compliance, and insurance programmes;</li> <li>• 2020 internal audit plan;</li> <li>• Internal audits, internal control system and compliance matters;</li> <li>• In-depth review of the Group's risk management and risk mapping;</li> <li>• Focused review of selected risk management topics (2020 focus included: corruption, money laundering and fraud, material misstatement and unreliable forecast; REIT status/tax; and health and safety).</li> </ul>
<b>Governance and Compliance with Relevant Laws and Regulations</b>	<ul style="list-style-type: none"> <li>• Updates to the URW Group's compliance programme (including the URW Group's Anti-corruption Programme, Anti-Money Laundering Policy) and completing the URW Group Anti-Corruption Programme training;</li> <li>• Compliance with the Dutch Corporate Governance Code;</li> <li>• Review of the independence of SB Members;</li> <li>• Regular updates on regulatory/legal changes, including proposed Dutch legislation on gender diversity;</li> <li>• Review and confirming absence of (material) related party agreements.</li> </ul>
<b>Succession Planning</b>	<ul style="list-style-type: none"> <li>• Annual review of the SB and committee profile and composition and rotation;</li> <li>• Succession planning and overall composition of the SB and MB;</li> <li>• SB Member selection/recruitment process;</li> <li>• Departure of MB Member;</li> <li>• Appointment of new MB Member.</li> </ul>
<b>Group Remuneration Policy and Performance Assessments</b>	<ul style="list-style-type: none"> <li>• 2020 MB Member remuneration (including FI, level of attainment of annual STI and LTI targets);</li> <li>• MB and SB COVID-19 solidarity compensations;</li> <li>• Annual evaluation of the functioning and efficiency of the MB;</li> <li>• Annual evaluation of the functioning and efficiency of the SB (self-assessment process).</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• Talent management;</li> <li>• Diversity and inclusion.</li> </ul>
<b>Shareholder Outreach and Engagement</b>	<ul style="list-style-type: none"> <li>• Shareholder and proxy advisor engagement and feedback (including 2020 AGM voting items and the proposed capital raise) and corporate governance roadshow and communications;</li> <li>• Updates on shareholder composition;</li> <li>• AGM materials (agenda, resolutions, etc.);</li> <li>• Annual Report 2019.</li> </ul>

### 2.2.3 SB BOARD COMMITTEES

The SB has established three committees: the AC, the GNRC and the Investment Committee ("IC").

#### 2.2.3.1 AUDIT COMMITTEE (AC)

The AC assists and advises the SB on its audit duties and prepares its decisions in this regard. The duties of the AC include reviewing and discussing the effectiveness of internal risk management and control systems and the financial information to be disclosed by URW NV. The AC also monitors the MB with regard to URW NV's compliance program with recommendations and observations of internal and external auditors, URW NV's compliance with applicable laws and regulations, the functioning of the internal audit department (if applicable), URW NV's tax policy, URW NV's application of information and communication technology and URW NV's financing. In addition, it maintains regular contact with and supervises URW NV's statutory auditor, including her independence, and it advises the SB regarding the external auditor's nomination for (re)appointment by the General Meeting.

The roles and responsibilities of the AC as well as the composition and the manner in which it discharges its duties are set out in a committee charter (each a "Committee Charter") and, in part, in the SB rules governing the organisation, decision-making and other internal matters of the SB (the "SB Rules"). Pursuant to a resolution to that effect, the SB may, with the approval of the URW SE Supervisory Directors, amend or supplement the Committee Charter and allow temporary deviations.

- **Audit Committee composition**

As at December 31, 2020, the AC consists of three members:

- Mr Jean-Louis Laurens (Chairman);
- Mr Alec Pelmore; and
- Mr Jaap Tonckens.

The members of the AC are appointed and dismissed by the SB on the basis of a binding recommendation by the GNRC. At least one member of the AC must have competence in accounting and/or auditing. More than half of all the members of the AC, including the chairman of the AC, must be independent from URW NV (including within the meaning of the Dutch Corporate Governance Code). The chairman of the AC shall not be the chairman of the SB or a former MB Member.



## • Audit Committee meetings and activities

The AC shall meet at least quarterly and otherwise as often as any of the SB Members deems necessary or appropriate. At least once a year, the AC meets with the Company's statutory auditor without any of the MB Members being present. During the financial year 2020, the AC met 6 times in order to carry out its responsibilities. Overall attendance was 100%. The Company's statutory auditor attended 2 meetings.

AC members receive the meeting documents which include a detailed agenda and comprehensive papers timely before each meeting. To allow for optimal preparation for the review of the accounts, the AC meets prior to the SB meeting at which the full-year and half-year financial statements are reviewed. The SB is informed of the proceedings and recommendations of the AC at its meeting directly following that of the AC.

Principal responsibilities of the AC	Key areas discussed, reviewed and/or recommended for approval to the SB in 2020
Group Financial Policy	<ul style="list-style-type: none"> <li>• Strategic initiatives to the balance sheet, including deleveraging, access to capital;</li> <li>• Extensive review and follow-up of financial, borrowing, accounting and tax aspects;</li> <li>• 2020 Group Budget;</li> <li>• Follow-up on NAV and EPRA performance measures;</li> <li>• The URW NV's dividend policy (as part of the dividend policy of the URW Group) and annual allocation of results, and impact of the COVID-19 pandemic;</li> <li>• Relationship with the Statutory Auditor including auditor's reporting for the coming year;</li> <li>• Non-audit services provided by URW NV's statutory auditor.</li> </ul>
Financial Performance and Reporting	<ul style="list-style-type: none"> <li>• COVID-19 impact on NRI, NAV, goodwill and tenant negotiations and rent collection;</li> <li>• Review and discussion of the disposal programme;</li> <li>• 2019 consolidated full-year results and statutory financial statement and half-year accounts for the 2020 financial year;</li> <li>• Financial commitments and guarantees;</li> <li>• Provisions for risk and litigation;</li> <li>• Regular tax updates;</li> <li>• Regular updates on regulatory/legal changes including legal audit reform;</li> <li>• Refurbishment pipeline in the context of overall balance sheet planning and rating agencies;</li> <li>• Liquidity forecasts and Loan-to-Value (LTV) ratio.</li> </ul>
Internal Audit, Risk Management and Control Systems	<ul style="list-style-type: none"> <li>• Monitoring risk management, internal audit, compliance, and insurance programmes;</li> <li>• Updates on digital and IT strategy, tools and projects;</li> <li>• 2020 internal audit plan;</li> <li>• Internal audits, internal control system and compliance matters;</li> <li>• In-depth review of risk management and risk mapping;</li> <li>• Focused review of selected risk management topics (2020 focus include: corruption, money laundering and fraud; material misstatement and unreliable forecast; REIT status/tax; health and safety).</li> </ul>
AC Governance	<ul style="list-style-type: none"> <li>• Annual evaluation of the functioning and efficiency of the AC (self-assessment process).</li> </ul>

### 2.2.3.2 THE GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE (GNRC)

The GNRC assists and advises the SB on its duties regarding the nomination of MB Members and SB Members. It is charged with drawing up selection criteria and appointment procedures for the MB Members and SB Members. Furthermore, it periodically assesses the size and composition of the MB and the SB, and make proposals for the composition profile of the SB. In addition, the GNRC periodically assesses the functioning of individual MB Members and SB Members, and reports on such review to the SB. It is also charged with making proposals for (re)appointment or dismissal of MB Members and SB Members as well as for the election or dismissal of the Chairman and Vice-Chairman of the SB. The GNRC supervises the policy of the MB regarding the selection criteria and appointment procedures for URW NV's senior management.

The GNRC further assists and advises the SB on its duties regarding the remuneration of the MB Members and the SB Members. The duties of the GNRC include preparing proposals for the SB concerning the remuneration policy for the MB Members, the remuneration of the individual MB Members within the framework of the remuneration policy as adopted by the General Meeting, and the remuneration of individual SB Members subject to approval by the General Meeting.

In addition, the GNRC periodically reviews and assesses the adequacy of the corporate governance practices, policies and rules of URW NV and its subsidiaries and makes recommendations to the SB on all matters of corporate governance (including on any remedial actions to be taken).

The roles and responsibilities of the GNRC as well as the composition and the manner in which it discharges its duties are set out in a committee charter (each a “Committee Charter”) and, in part, in the SB Rules. Pursuant to a resolution to that effect, the SB may, with the approval of the URW SE Supervisory Directors, amend or supplement the Committee Charter and allow temporary deviations.

- **Governance, Nomination and Remuneration Committee composition**

As at December 31, 2020, the GNRC consists of three members, including two URW SE Supervisory Directors:

- Mr Alec Pelmore (Chairman);
- Mr Christophe Cuvillier; and
- Mr Jaap Tonckens.

The members of the GNRC are appointed and dismissed by the SB on the basis of a binding recommendation by the GNRC.

- **Governance, Nominations and Remuneration Committee meetings and activities**

The GNRC held 5 meetings in 2020 (including ad hoc meetings). Overall attendance was 93%. The implementation of the updated remuneration policy in line with the Shareholders Rights Directive-II, stock options and performance share plans were finalized in the first half year of 2020. The GNRC furthermore reviewed and advised the SB on Management Board (MB) and Supervisory Board (SB) profiles and composition.

Principal responsibilities of the GNRC	Key areas discussed, reviewed and/or recommended for approval to the SB in 2020
Company Remuneration Policy and performance assessments	<ul style="list-style-type: none"> <li>• 2020 MB Member remuneration (including FI, level of attainment of annual STI and LTI targets);</li> <li>• 2020 LTI envelope.</li> </ul>
Shareholder outreach and engagement	<ul style="list-style-type: none"> <li>• Shareholder engagement and feedback (including as relates to governance and remuneration);</li> <li>• AGM materials (remuneration policy update).</li> </ul>
GNRC Governance	<ul style="list-style-type: none"> <li>• Evaluation of the functioning and efficiency of the MB.</li> </ul>
Governance and compliance with relevant laws and regulations	<ul style="list-style-type: none"> <li>• Regular updates on regulatory/legal changes, including implementation of the revised Shareholder Rights Directive and proposed Dutch legislation on gender diversity.</li> </ul>

### 2.2.3.3 INVESTMENT COMMITTEE (IC)

The SB Members who are members of the IC are authorized to pass resolutions on behalf of the SB to approve resolutions of the MB concerning certain transactions and actions by URW NV or its subsidiaries up to certain amounts, as listed in more detail in the SB rules.

- **Investment Committee composition**

As at December 31, 2020, the IC consists of three members, including two URW SE Supervisory Directors:

- Mr Christophe Cuvillier (Chairman);
- Mr Jaap Tonckens; and
- Ms Aline Taireh.

The members of the IC are appointed and dismissed by the SB, upon the binding recommendation of the GNRC.

- **Investment Committee meetings and activities**

The IC meets as often as any of its members deems necessary or appropriate.

### 2.2.4 EVALUATION OF THE SUPERVISORY BOARD

#### Supervisory Board evaluation process

An assessment of the SB is carried out annually. Over the year ending December 31, 2020 an annual assessment of the performance and overall functioning of the SB and its committees, and the MB and its members was held. Over the year ending December 31, 2020 it was concluded the SB functioned well. Dutch specific regulatory and accounting matters were addressed as a key item for the review performed on consolidated level. The SB agreed that the self-assessment 2021 will be particularly relevant as it will integrate the feedback of the SB Members who joined in 2021.

## 2.2.5 CONFLICTS OF INTEREST

- **No close family relationships**

To the knowledge of the Company, there are no family ties between the SB Members or MB Members of the Company.

- **Management of conflicts of interest**

To the knowledge of the Company, there are no conflicts of interest or potential conflicts of interest between the Company and the SB Members and/or MB Members with respect to their personal interests or their other obligations. During the financial year 2020, there were no transactions in respect of which there was a conflict of interests with any MB Member or SB Member that is of material significance to URW NV and/or to such MB Member or SB Member. Where applicable, best practice provision 2.7.5 of the DCGC concerning related party transactions with significant shareholders has been observed.

In order to ensure that each SB Member and MB Member acts with loyalty, independence and professionalism, each SB Member and MB Member must immediately report any actual or potential conflicts of interest with the Company in a transaction that is of material interest to URW NV and/or to such MB Member or SB Member to the Chairman of the SB and the other MB Members (in the case of an MB Member) or to the other SB Members (in the case of an SB Member), respectively, providing all relevant information relating to such transaction. An SB Member or MB Member with a conflict of interest must not participate in the deliberations and the decision-making of the SB or the MB, respectively, on a matter in relation to which he/she has a conflict of interest.

Additionally, the MB Members must seek SB approval before accepting a position as managing, executive, supervisory or non-executive director (other than at a group company of URW NV). SB Members must notify the SB in advance of any other managing, executive, supervisory or non-executive position he/she wishes to pursue, and such other positions are discussed at an SB meeting at least annually.

The SB Members and the MB Members are also subject to the rules established in the URW Group's Code of Ethics and Anti-Corruption Programme applicable to all URW Group directors, managers and employees.

- **Related party transactions**

Pursuant to sections 2:167 through 2:170 DCC, URW NV has adopted a related party transactions policy outlining the procedures to identify, monitor, approve and disclose material transactions with related parties. The URW NV related party transactions policy applies from January 1, 2020.

- **No convictions or offences**

As at December 31, 2020, to the best of the Company's knowledge and based on their individual declaration, none of the SB Members or MB Members has, over the past five years:

- been convicted of fraud;
- been associated as an executive with a bankruptcy, receivership or liquidation;
- been found guilty of an offence and/or publicly and officially sanctioned by a statutory or regulatory authority.

## 2.2.6 THE SENIOR MANAGEMENT TEAM

As at December 31, 2020, the Senior Management Team is the coordinating body for URW SE and URW NV, responsible for the definition of their shared strategy and their business policy and for providing advice on key business decisions.<sup>17</sup>

- **Composition of the senior management team**

As at December 31, 2020, the Senior Management Team is chaired by Christophe Cuvillier, Group CEO of URW SE and is composed of eight members:

Members of the Senior Management Team	Main function (URW Group)
Mr Christophe Cuvillier	URW Group Chief Executive Officer until December 31, 2020
Mr Olivier Bossard	URW Group Chief Development Officer
Mr Michel Dessolain	Chief Operating Officer Europe
Mr Fabrice Mouchel	Chief Financial Officer Europe (URW Group CFO as of January 4 <sup>th</sup> , 2021)
Ms Astrid Panosyan	URW Group Chief Resources Officer
Mr Gerard Sieben	Chief Financial Officer of URW NV
Mr Jaap Tonckens	URW Group Chief Financial Officer until January 4 <sup>th</sup> , 2021
Mr Jean-Marie Tritant	URW Group COO (URW Group CEO as of January 1 <sup>st</sup> , 2021)

- **Roles of the Senior Management Team**

As at December 31, 2020, the Senior Management Team has the following roles:

- an advisory role for the Management Boards of URW SE and URW NV for the strategic management of the Group, maximizing of economies of scale and of convergence to reinforce the global processes, the coordination of the joint activities at the Group level, advice on the main strategic business decisions, participation in the elaboration of continental policies, facilitation of the sharing of best practices across the Group;
- co-decision-making powers together with the Management Boards of URW SE and URW NV notably for the Group's 5-year business plans, human resources policies and the definition and harmonization of Group corporate policies;
- to make proposals/take the initiative for significant changes for the Group, any investment, divestment, expense, commitment, financing, guarantee or similar legal act, for an amount exceeding €300 Mn, any decision in respect of amending or terminating the Stapled Share principle as well as any decision related to financing, credit ratings and risk management policies.

<sup>17</sup> The SMT has been removed from the organization as of January 7, 2021.

## 2.3 REMUNERATION REPORT

### 2.3.1 INTRODUCTION

In accordance with the Articles and Dutch law, URW NV's general meeting ("General Meeting") determines URW NV's remuneration policies for the MB Members and the SB Members (the "MB Remuneration Policy" and the "SB Remuneration Policy", respectively). URW NV's current MB Remuneration Policy and SB Remuneration Policy (each effective as of January 1, 2020) were adopted by the General Meeting on June 9, 2020, with 98.19% and 99.83%, respectively, of votes in favour<sup>18</sup>.

The MB Remuneration Policy is designed to:

- attract and retain MB Members with the leadership qualities, skills and experience needed to support and promote the growth and sustainable success of URW NV and its business as well as the URW Group as a whole;
- motivate MB Members to achieve, and reward the achievement of, short and long-term performance targets (including with respect to CSR) with the objective of increasing URW NV's equity value and contributing to URW NV's strategy for long-term value creation; and
- align the interests of the MB Members to those of URW NV and the URW Group as a whole, and their respective businesses and stakeholders.

The SB Remuneration Policy is intended to attract, motivate and retain high calibre individuals with an appropriate degree of expertise and experience, which contributes to the strategy, long-term interests, sustainability, identity, mission and values of the Company and its business, considering the interests of the URW Group.

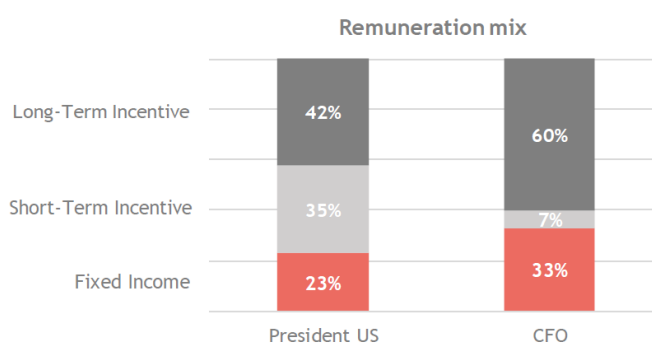
URW NV believes that this approach and philosophy benefits the realisation of URW NV's long-term objectives while managing URW NV's risk profile.

The remuneration paid to our MB Members and SB Members in the 2020 financial year is consistent with the MB Remuneration Policy and the SB Remuneration Policy, respectively. Therefore, the remuneration paid to our MB Members and SB Members in the 2020 financial year is consistent with the intentions and design of our remuneration policy and thus contributes to the long-term performance of URW NV and the URW Group of which it forms a part. Relevant scenario analyses have been considered in advance in determining the level and structure of the remuneration of the MB Members in the 2020 financial year.

This remuneration report, which describes the remuneration of the MB Members and the SB Members for the financial year 2020, is subject to an advisory vote at URW NV's annual general meeting in 2021. At the General Meeting held on June 9, 2020, 97.02% of votes were cast in favour of URW NV's remuneration report 2019. In light of this strong level of support and considering that no questions were raised at that General Meeting regarding remuneration, no specifics needed to be addressed in this remuneration report.

The remuneration of the MB Members comprises a Fixed Income ("FI"), a Short-Term Incentive ("STI") and a Long-Term Incentive ("LTI") and may furthermore include pension arrangements, severance pay and other benefits, as described below. The remuneration package of a MB Member shall not include any welcome bonus, contractual non-compete indemnity, additional defined benefits pension scheme or intra-Group board fees.

To support the Remuneration Policy's objectives, the mix of remuneration includes pay-for-performance (STI and LTI). The chart below illustrates the mix of Fixed Income vs pay-for-performance, assuming maximum STI pay-out and the theoretical maximum LTI grant size (IFRS).



### 2.3.2 REMUNERATION RATIO AND PERFORMANCE EVOLUTION

The Dutch Corporate Governance Code ("DCGC") recommends the provision of a ratio comparing the remuneration of the MB Members and that of a "representative reference group" determined by URW NV. We have chosen to compare as per December 31, 2020, the full year average cash remuneration of the MB Members (i.e., excluding the value of equity incentive awards and other non-cash remuneration components) to an equivalent of an average full-time employee<sup>19</sup> of URW NV (including its subsidiaries). We have used the aggregate cash remuneration<sup>20</sup> from January 1, 2020, to December 31, 2020, as a reference amount<sup>21</sup>.

<sup>18</sup> The MB Remuneration Policy and the SB Remuneration Policy are available on our website : <https://www.urw-nv.com/en/corporate-governance/related-documents>

<sup>19</sup> Average full-time employee includes full-time employees and full-time equivalent of part-time employees. Both fixed term and permanent employees are included. It however excludes MB Members and interns.

<sup>20</sup> The cash remuneration includes base salary and annual (cash) bonus.

<sup>21</sup> The remuneration of employees who worked at URW NV and its affiliates for less than a year as of December 31, 2020 is annualised. The exchange rate used for compensation paid in USD is the average rate over the period as published by the European Central Bank.

In setting the executive remuneration quantum, the SB and the GNRC use internal and external remuneration benchmarks but also take into account the remuneration ratio. The remuneration ratio presented below helps ensuring that executive remuneration remains reasonable compared to the company average, and varies with company performance. These assessments have been used in determining the remuneration of the COO US.

The table below sets out the history of this ratio since the financial year 2018, when URW NV was incorporated.

		2020 <sup>22</sup>	2019	2018 <sup>23</sup>
Total remuneration paid or granted <sup>24</sup>	Jean-Marie Tritant, President US	€2,238,368	€2,742,740	€1,265,600
	Dominic Lowe, COO US	€647,518	n/a	n/a
	Gerard Sieben, CFO	€307,953	€292,083	€127,667
Pay ratio	Average cash MB remuneration	€645,310 <sup>25</sup>	€947,957	€603,841
	Company average cash remuneration	€135,710	€138,441	€75,516
	Multiple of the company average cash remuneration	4.8	6.9	8.0
Company performance	Net Operating Result (recurring) in Mn€	€ 310.4	€525.0	€259.4

### 2.3.3 REMUNERATION OF THE MB MEMBERS FOR 2020 FINANCIAL YEAR

The MB Remuneration Policy that was approved by the General Meeting on June 9, 2020, was implemented in 2020 with no deviation.

During its meeting held on November 18, 2020 the SB noted and acknowledged the intention of Mr Jean-Marie Tritant to resign as President US and MB Member, effective November 18, 2020. Upon the Governance, Nomination and Remuneration Committee (GNRC) recommendation, the SB decided to accept the resignation of Mr Jean-Marie Tritant with immediate effect and immediate termination of his services agreement. In accordance with the Company's Articles of Association, an MB Member no longer in office may be replaced temporarily by a person whom the SB has designated for that purposes. The SB, upon GNRC recommendation, designated Mr Dominic Lowe as President US and MB Member, effective November 19, 2020. Mr Dominic Lowe will be nominated for appointment as Chief Operating Officer US (COO US) at the 2021 annual general meeting. The remuneration of the COO US has been positioned below the remuneration of the outgoing President US.

The remuneration of each MB Member (including Dominic Lowe) as described in this section includes any such MB Member's remuneration that was charged to any subsidiary of URW NV and/or to any other company whose financial information is consolidated by URW NV.

### 2020 performance overview

A summary of the performance assessment of each STI component applicable to MB Members is presented in the table below:

Performance measure	Description	2020 Target	2020 Achieved	2020 Score	Comments
<b>AREPS*</b>	Adjusted Recurring Earnings per Share, vs stretch target (top of guidance given to shareholders in February 2020).	Guidance withdrawn on March 23, 2020	€7.28 per share	0%	On March 23, 2020, the Group announced the withdrawal of its earnings forecast for 2020. On November 1, 2020, a 2020 AREPS outlook was provided with the Q3 accounts. This forecast was achieved; however, the SB, upon GNRC recommendation, decided to consider the AREPS objective not achieved for 2020, to take into account the shareholder experience.
<b>USA Net Operating Result</b>	Payment proportional to the Adjusted Net Operating Result of the USA Region against budget.	€616.3 Mn	€310.4 Mn	0%	The objective that was set before the COVID-19 outbreak was not revised.
<b>Disposals*</b>	Assessment of disposals vs. budget, appropriateness of transactions in terms of type of assets and speed of execution.	€3.2 Bn	€1.49 Bn closed + signed on the sale of SHIFT (€0.62 Bn) and Les Villages (0.21 Bn), for a total of €2.32 Bn	75%	Overall achievement (signed or closed deal) equivalent to 72.5% of the budgeted disposals. Disposals were achieved at a premium to book value in an extremely difficult 2020 context. The GNRC therefore recommended to the SB a 75% overall achievement on Disposals.
<b>Gross Admin. Costs*</b>	Objective introduced, in the pandemic context, in replacement of the Commercial Partnerships objective originally set.	A €60 Mn cost savings programme was announced at the Q1 2021 results	€80 Mn savings achieved	100%	Out of these savings largely above target, a large proportion (about €60 Mn) is sustainable on a run-rate basis. The GNRC therefore recommended to award 100% on this performance measure, which the SB endorsed.
<b>Net Debt Reduction*</b>	Reduction in Net Debt vs. 2020 budget. Overall score to be assessed on types of actions taken to achieve these objectives as well as the market context.	Pre-COVID-19 objective set at €24.6 Bn (vs. €26.4 Bn as of December 31, 2019)	€26.1 Bn	0%	The Net Debt was targeted to reduce by €1.8 Bn before the COVID-19 outbreak. Post-COVID-19, the target became unrealistic but was not revised. The Net Debt reduced between 2019 and 2020 but without the objective being achieved.

<sup>22</sup> The remuneration information for the MB Members who have started or ended their mandate in 2020 are annualised (i.e. their full FI is included in the figure provided).

<sup>23</sup> For the period from incorporation to December 31, 2018.

<sup>24</sup> The total remuneration paid or granted includes the FI, the STI due for the year (and paid during the following year), the LTI granted during the year and any other additional benefits received during the year.

<sup>25</sup> As Mr Lowe replaced Mr Tritant as MB Member, they count for one unique person for the calculation of the average remuneration of the MB Members.

<b>Qualitative</b>	Achievement of several individual pre-defined business and people / personal development objectives.	A series of individual objectives (for example, President US objectives were around Leasing, US reorganisation, disposals, development and Capex control, growth of strategic segments, international leasing, digital, CSR, HR and leadership development)	80%	See further details in the individual tables.
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\* KPIs assessed at the URW Group level.

### 2.3.3.1 ELEMENTS OF REMUNERATION DUE OR GRANTED FOR THE 2012 FINANCIAL YEAR TO MR JEAN-MARIE TRITANT, PRESIDENT US - UP TO AND INCLUDING NOVEMBER 18, 2020.

Elements of Remuneration	Amounts	Comments																																								
<b>Annual Fixed Income - FI</b>  <i>(Paid in respect of the 2020 financial year - January 1, 2020 to November 18, 2020)</i>	€ 676,923	<p>In the context of the COVID-19 pandemic, Mr Tritant's annual Fixed Income of €800,000 was reduced by 25% during April and May 2020.</p> <p>The gross amount of €676,923 (i.e. \$825,846) represents the prorata temporis of 2020 FI, after deduction of the COVID-19 salary reduction, from January 1, 2020, to November 18, 2020.</p> <p>The FI paid in 2019 was \$976,000 (i.e. €800,000)</p>																																								
<b>Short-Term Incentive - STI</b>  <i>(Paid in respect of the 2020 financial year- January 1, 2020 to November 18, 2020)</i>	€ 332,538	<p>The maximum STI opportunity was 150%.</p> <table border="1"> <thead> <tr> <th></th> <th>Weight</th> <th>Score</th> <th>Amount</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td><b>AREPS*</b></td> <td>21%</td> <td>0%</td> <td>€0</td> <td>SB assessment in the absence of a 2020 AREPS guidance</td> </tr> <tr> <td><b>USA net op. Result</b></td> <td>35%</td> <td>0%</td> <td>€0</td> <td>Not achieved</td> </tr> <tr> <td><b>Disposals*</b></td> <td>7%</td> <td>75%</td> <td>€53,308</td> <td>SB assessment (see details above)</td> </tr> <tr> <td><b>Gross Admin Costs*</b></td> <td>3.5%</td> <td>100%</td> <td>€35,538</td> <td>Fully achieved (see details above)</td> </tr> <tr> <td><b>Net Debt Reduction*</b></td> <td>3.5%</td> <td>0%</td> <td>€0</td> <td>Not achieved</td> </tr> <tr> <td><b>Qualitative</b></td> <td>30%</td> <td>80%</td> <td>€243,692</td> <td>SB assessment (see details below)</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>100%</b></td> <td><b>32.75%</b></td> <td><b>€332,538</b></td> <td><b>i.e. -63% vs. 2019</b></td> </tr> </tbody> </table> <p>* KPIs assessed at the URW Group level.</p> <p>The gross STI was determined by the SB on March 3, 2021, upon the recommendation of the GNRC, and is before income tax and social security charges.</p> <p>Among significant individual objectives achieved by Mr Tritant in 2020:</p> <ul style="list-style-type: none"> <li>• <b>Led URW's response to COVID-19 crisis in the US:</b> Implemented operational plan to close, then reopen all US centres, ensuring the highest health &amp; safety standards; led tenant negotiation efforts, leveraging the Group's International Leasing structure; engaged with US public authorities to accelerate reopening.</li> <li>• <b>Put in place solutions to protect tenant business:</b> activated additional outdoor spaces for tenants to operate while indoor shopping and dining was not allowed, rolled-out 'click-and-collect' operations allowing tenants to operate during closure and highly restricted periods; launched an online appointment system to avoid queues at centres and improve customer experience;</li> <li>• <b>Delivered large-scale organizational transformation:</b> accelerated the implementation of two efficiency programs, aimed at reducing cost burden and modernizing ways of working, created a standalone structure to manage non-core assets, simplifying processes across the organization;</li> <li>• <b>Built the U.S. Leadership Team (USLT),</b> aligned and well-connected, visible and recognized, leveraged to communicate and engage frequently and transparently through the crisis; ensured onboarding of new leaders, prepared own succession before taking up new responsibilities.</li> </ul> <p>The total STI paid in 2020, in respect of 2019, was €910,948 (76% of maximum STI ).</p>		Weight	Score	Amount	Comments	<b>AREPS*</b>	21%	0%	€0	SB assessment in the absence of a 2020 AREPS guidance	<b>USA net op. Result</b>	35%	0%	€0	Not achieved	<b>Disposals*</b>	7%	75%	€53,308	SB assessment (see details above)	<b>Gross Admin Costs*</b>	3.5%	100%	€35,538	Fully achieved (see details above)	<b>Net Debt Reduction*</b>	3.5%	0%	€0	Not achieved	<b>Qualitative</b>	30%	80%	€243,692	SB assessment (see details below)	<b>TOTAL</b>	<b>100%</b>	<b>32.75%</b>	<b>€332,538</b>	<b>i.e. -63% vs. 2019</b>
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<b>Long-Term Incentive - LTI</b>  Performance Shares (PS) and Performance Stock Options (SO)  <i>(Granted during the 2020 financial year)</i>  <i>(Economic value at the grant date according to IFRS 2 requirements, based on the</i>	€559,997	<p>On March 21, 2020, the SB, upon the recommendation of the GNRC, granted a combination of PS and SO to Mr Tritant, with the following characteristics:</p> <table border="1"> <thead> <tr> <th></th> <th>Presence condition</th> <th>Performance period</th> <th>Performance condition</th> <th>Strike price</th> <th>Number of units</th> <th>Economic value (IFRS)</th> </tr> </thead> <tbody> <tr> <td><b>PS</b></td> <td>2 years of continuous presence before the date of vesting exercise</td> <td>3 years</td> <td>50% (45% 5% CSR)</td> <td>external TSR, n/a</td> <td>21,225</td> <td>€558,958</td> </tr> <tr> <td><b>SO</b></td> <td></td> <td>or 3 years</td> <td>50% (45% 5% CSR)</td> <td>Internal AREPS, (no discount)</td> <td>38,400</td> <td>€1,039</td> </tr> <tr> <td><b>TOTAL</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>€559,997 (70% of FI)</td> </tr> </tbody> </table>		Presence condition	Performance period	Performance condition	Strike price	Number of units	Economic value (IFRS)	<b>PS</b>	2 years of continuous presence before the date of vesting exercise	3 years	50% (45% 5% CSR)	external TSR, n/a	21,225	€558,958	<b>SO</b>		or 3 years	50% (45% 5% CSR)	Internal AREPS, (no discount)	38,400	€1,039	<b>TOTAL</b>						€559,997 (70% of FI)												
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<b>TOTAL</b>						€559,997 (70% of FI)																																				

Elements of Remuneration	Amounts	Comments
<i>evaluation conducted by Willis Towers Watson)</i>		<p>The maximum LTI grant is 180 % of FI.</p> <p>The grant of 27,200 SO and 6,255 PS made to Mr Tritant on March 19, 2019 was the first received as President US. These SO and PS will vest on March 19, 2022. Therefore, no SO or PS have vested or become exercisable in 2020<sup>26</sup>.</p> <p>The SO and PS granted to Mr Tritant on March 21, 2020, will vest on March 21, 2023.</p>
<b>Supplementary Contribution Scheme - SCS</b>	€216,095	<p>Mr Jean-Marie Tritant did not benefit from any additional defined benefits pension scheme (“<i>retraite chapeau</i>”).</p> <p>He benefited from the SCS which consists of an annual net contribution paid into a blocked savings account (available only after the end of his last mandate as MB Member) equivalent to:</p> <ul style="list-style-type: none"> <li>• a fixed amount of €45,000; and</li> <li>• a variable amount of 10% of the total cash remuneration earned each year (i.e. FI for year N plus STI for year N-1).</li> </ul>
<b>Group life and health insurance</b> <i>(Paid in respect of the 2020 financial year- January 1, 2020 to November 18, 2020)</i>	€6,946	Mr Jean-Marie Tritant benefited from the Group’s international life and health insurance plan under the same terms as those applied to the Group employees on international assignment. He is affiliated to social security on a mandatory basis in the US. He is also affiliated to social security on a voluntary basis in France.
<b>Special allowances</b> <i>(Paid in respect of the 2020 financial year- January 1, 2020 to November 18, 2020)</i>	€353,561	<p>With regards to his move from France to the US, Mr Jean-Marie Tritant is entitled to special allowances such as:</p> <ul style="list-style-type: none"> <li>• a cost of living allowance of \$98,624 equivalent to €80,839;</li> <li>• a car allowance of \$27,546 equivalent to €22,579;</li> <li>• a car insurance allowance of \$10,231 equivalent to €8,386;</li> <li>• a tax equalization allowance of \$294,943 equivalent to €241,757.</li> </ul>
<b>Service agreement</b>	yes	The service agreement between URW NV and Mr Jean-Marie Tritant is in force since June 7, 2018. This service agreement was terminated on November 18, 2021.
<b>TOTAL</b>	<b>€2,146,060</b>	

In addition to the above, Mr Jean-Marie Tritant benefited from special expat benefits in kind such as housing and schooling for his children and voluntary French social security contributions.

Based on the above-mentioned amounts, the fixed and variable remuneration components weighed **58.41%** and **41.59%**, respectively, of the total remuneration received from January 1, 2020, to November 18, 2020.

<sup>26</sup> Excluding Stock Options and Performance Shares grants received before the start of the MB Member mandate and granted by Unibail-Rodamco SE.

### 2.3.3.2 ELEMENTS OF REMUNERATION DUE OR GRANTED FOR THE 2020 FINANCIAL YEAR TO MR DOMINIC LOWE, COO US - AS FROM NOVEMBER 18, 2020

Elements of Remuneration	Amounts	Comments																																								
<b>Annual Fixed Income - FI</b> <i>(Paid in respect of the 2020 financial year - November 19 to December 31, 2020)</i>	€71,847	Mr Lowe's FI amounts to \$750,000 (i.e. €611,795) per year and was determined by the SB on November 18, 2020. The gross amount of \$88,077 (i.e. €71,847) represents the FI paid from November 19, 2020 to December 31, 2020.																																								
<b>Short-Term Incentive - STI</b> <i>(Paid in respect of the 2020 financial year - November 19 to December 31, 2020)</i>	€35,723	<p>The maximum STI opportunity is 150% of FI.</p> <table border="1"> <thead> <tr> <th></th> <th>Weight</th> <th>Score</th> <th>Amount</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>AREPS*</td> <td>21%</td> <td>0%</td> <td>€0</td> <td>SB assessment in the absence of a 2020 AREPS guidance</td> </tr> <tr> <td>USA net op. Result</td> <td>35%</td> <td>0%</td> <td>€0</td> <td>Not achieved</td> </tr> <tr> <td>Disposals*</td> <td>7%</td> <td>75%</td> <td>€5,727</td> <td>SB assessment (see details above)</td> </tr> <tr> <td>Gross Admin Costs*</td> <td>3.5%</td> <td>100%</td> <td>€3,818</td> <td>Fully achieved (see details above)</td> </tr> <tr> <td>Net Debt Reduction*</td> <td>3.5%</td> <td>0%</td> <td>€0</td> <td>Not achieved</td> </tr> <tr> <td>Qualitative</td> <td>30%</td> <td>80%</td> <td>€26,178</td> <td>SB assessment (see details below)</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>100%</b></td> <td><b>32.75%</b></td> <td><b>€35,723</b></td> <td></td> </tr> </tbody> </table> <p>* KPIs assessed at the URW Group level.</p> <p>The gross STI was determined by the SB on March 3, 2021, upon the recommendation of the GNRC, and is before income tax and social security charges.  The gross STI was determined by the SB on March 3, 2021, upon the recommendation of the GNRC, and is before income tax and social security charges.</p> <p>Mr Lowe was in post for 42 days in 2020, after having held the position of EVP, Design, Development &amp; Construction US. The GNRC therefore assessed his 2020 overall performance under the remuneration policy applicable to US executives and decided that the achievement was 80% of maximum.</p> <p>The STI paid in 2020 in respect of 2019 is not reported as paid before the appointment date.</p>		Weight	Score	Amount	Comments	AREPS*	21%	0%	€0	SB assessment in the absence of a 2020 AREPS guidance	USA net op. Result	35%	0%	€0	Not achieved	Disposals*	7%	75%	€5,727	SB assessment (see details above)	Gross Admin Costs*	3.5%	100%	€3,818	Fully achieved (see details above)	Net Debt Reduction*	3.5%	0%	€0	Not achieved	Qualitative	30%	80%	€26,178	SB assessment (see details below)	<b>TOTAL</b>	<b>100%</b>	<b>32.75%</b>	<b>€35,723</b>	
	Weight	Score	Amount	Comments																																						
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<b>TOTAL</b>	<b>100%</b>	<b>32.75%</b>	<b>€35,723</b>																																							
<b>Long-Term Incentive - LTI</b> Performance Shares (PS) and Performance Stock Options (SO) <i>(Granted during the 2020 financial year)</i> <i>(Economic value at the grant date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson)</i>	n/a	<p>The maximum LTI opportunity is 180% of FI</p> <p>No SO or PS have been granted to Mr Lowe since he replaced Mr Tritant as MB Member on November 19, 2020.</p> <p>No SO or PS have vested or become exercisable in 2020.</p>																																								
<b>Pension</b>	n/a	Mr Lowe benefits from a defined contribution pension plan (401 K type) under the same terms and conditions as the local employees. No company matching payment was done from November 18 to December 31, 2020.																																								
<b>Group life and health insurance</b>	Yes	Mr Lowe benefits from benefits applicable to all employees in his work country, including life and health insurance and social security benefits.																																								
<b>Service agreement</b>	Yes	A service agreement between URW NV and Mr Dominic Lowe will be entered into upon his appointment as MB Member by the General Meeting																																								
<b>TOTAL</b>	<b>€107,570</b>																																									

As a result to the above-mentioned figures, the fixed and variable remuneration components weigh **66.79%** and **33.21%** of total remuneration, respectively for the period from November 18 to December 31, 2020.



### 2.3.3.3 ELEMENTS OF REMUNERATION DUE OR GRANTED FOR THE 2020 FINANCIAL YEAR TO MR GERARD SIEBEN, CHIEF FINANCIAL OFFICER (CFO)

Elements of Remuneration	Amounts	Comments																																			
<b>Annual Fixed Income - FI</b> (Paid in respect of the 2020 financial year)	€165,297	In the context of the COVID-19 pandemic, Mr Sieben's annual Fixed Income of €172,380 <sup>27</sup> was reduced by 25% during April and May 2020. The amount paid as FI in 2020 was therefore €165,297.  The 2019 FI remuneration was € 170,000.																																			
<b>Short-Term Incentive - STI</b> (Paid in respect of the 2020 financial year)	€10,671	The maximum STI opportunity is 20% of FI  <table border="1"> <thead> <tr> <th></th> <th>Weight</th> <th>Score</th> <th>Amount</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>AREPS*</td> <td>56%</td> <td>0%</td> <td>€0</td> <td>SB assessment in the absence of a 2020 AREPS guidance</td> </tr> <tr> <td>Disposals*</td> <td>7%</td> <td>75%</td> <td>€1,711</td> <td>SB assessment (see details above)</td> </tr> <tr> <td>Gross Admin Costs*</td> <td>3.5%</td> <td>100%</td> <td>€1,140</td> <td>Fully achieved (see details above)</td> </tr> <tr> <td>Net Debt Reduction*</td> <td>3.5%</td> <td>0%</td> <td>€0</td> <td>Not achieved</td> </tr> <tr> <td>Qualitative</td> <td>30%</td> <td>80%</td> <td>€7,820</td> <td>SB assessment (see details below)</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>100%</b></td> <td><b>32.75%</b></td> <td><b>€10,671</b></td> <td><b>i.e. -63% vs. 2019</b></td> </tr> </tbody> </table> <p>* KPIs assessed at the URW Group level.</p> <p>The gross STI was determined by the SB on March 3, 2021, upon the recommendation of the GNRC, and is before income tax and social security charges.</p> <p>Among significant individual objectives achieved by Mr Sieben in 2020:</p> <ul style="list-style-type: none"> <li><b>Compliance:</b> ongoing compliance with Stapled Share structure requirements, Dutch tax regulations (FII regime) and Dutch Governance requirements;</li> <li><b>Cooperation:</b> maintain framework and planning for effective collaboration with URW SE and URW US teams, including improved of communication and improved systems utilization;</li> <li><b>COVID-19:</b> facilitation of local and international COVID-19 regulations including the organization of the General Meeting under specific restricted circumstances, working from home facilities for staff and measures to support financial impact.</li> </ul> <p>The total STI paid in 2020, in respect of 2019, was €28,579 (84.06% of maximum STI).</p>		Weight	Score	Amount	Comments	AREPS*	56%	0%	€0	SB assessment in the absence of a 2020 AREPS guidance	Disposals*	7%	75%	€1,711	SB assessment (see details above)	Gross Admin Costs*	3.5%	100%	€1,140	Fully achieved (see details above)	Net Debt Reduction*	3.5%	0%	€0	Not achieved	Qualitative	30%	80%	€7,820	SB assessment (see details below)	<b>TOTAL</b>	<b>100%</b>	<b>32.75%</b>	<b>€10,671</b>	<b>i.e. -63% vs. 2019</b>
	Weight	Score	Amount	Comments																																	
AREPS*	56%	0%	€0	SB assessment in the absence of a 2020 AREPS guidance																																	
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<b>TOTAL</b>	<b>100%</b>	<b>32.75%</b>	<b>€10,671</b>	<b>i.e. -63% vs. 2019</b>																																	
<b>Long-Term Incentive - LTI</b> Performance Shares (PS) and Performance Stock Options (SO) (Granted during the 2020 financial year) (Economic value at the grant date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson)	€79,890	On March 21, 2021, the SB, upon the recommendation of the GNRC, granted a combination of PS and SO to Mr Sieben, with the following characteristics:  <table border="1"> <thead> <tr> <th></th> <th>Presence condition</th> <th>Performance period</th> <th>Performance condition</th> <th>Strike price</th> <th>Number of units</th> <th>Economic value (IFRS)</th> </tr> </thead> <tbody> <tr> <td>PS</td> <td>2 years of continuous presence before the date of vesting or exercise</td> <td>3 years</td> <td>50% external (45% TSR, 5% CSR)</td> <td>n/a</td> <td>3,028</td> <td>€79,742</td> </tr> <tr> <td>SO</td> <td></td> <td>3 years<sup>(1)</sup></td> <td>50% Internal (45% AREPS, 5% CSR)</td> <td>€92.03 (no discount)</td> <td>5,479</td> <td>€148</td> </tr> <tr> <td><b>TOTAL</b></td> <td></td> <td></td> <td></td> <td></td> <td><b>€79,890 (47% of FI)</b></td> <td></td> </tr> </tbody> </table> <p>The maximum LTI grant is 180 % of FI.</p> <p>The grant of SO and PS made to Mr Sieben on March 19, 2019 was the first received as CFO. As such he has no rights are vested nor exercisable yet. The SO and PS granted to Mr Sieben on March 21, 2020 will vest on March 21, 2023.</p>		Presence condition	Performance period	Performance condition	Strike price	Number of units	Economic value (IFRS)	PS	2 years of continuous presence before the date of vesting or exercise	3 years	50% external (45% TSR, 5% CSR)	n/a	3,028	€79,742	SO		3 years <sup>(1)</sup>	50% Internal (45% AREPS, 5% CSR)	€92.03 (no discount)	5,479	€148	<b>TOTAL</b>					<b>€79,890 (47% of FI)</b>								
	Presence condition	Performance period	Performance condition	Strike price	Number of units	Economic value (IFRS)																															
PS	2 years of continuous presence before the date of vesting or exercise	3 years	50% external (45% TSR, 5% CSR)	n/a	3,028	€79,742																															
SO		3 years <sup>(1)</sup>	50% Internal (45% AREPS, 5% CSR)	€92.03 (no discount)	5,479	€148																															
<b>TOTAL</b>					<b>€79,890 (47% of FI)</b>																																
<b>Pension</b>	€28,895	Mr Sieben benefits from a defined contribution pension plan.																																			
<b>Group life and health insurance</b>	Yes	Mr Gerard Sieben benefits from benefits applicable to all employees in his work country , including life and health insurance and social security benefits.																																			
<b>Benefits in Kind</b>	€23,200	Mr Sieben benefits from a company car.																																			
<b>Service agreement</b>	Yes	The service agreement between URW NV and Mr Gerard Sieben is in force since June 7, 2018.																																			
<b>TOTAL</b>	<b>€307,953</b>																																				

As a result to the above-mentioned figures, the fixed and variable remuneration components weigh 70.36% and 29.64% of total remuneration, respectively.

<sup>27</sup> Mr Sieben's Fixed Income was subject to 1% indexation pursuant to the Remuneration Policy

## 2.4 REMUNERATION PAID TO THE SB MEMBERS FOR 2020 FINANCIAL YEAR

The remuneration policy of the SB Members is intended to attract, motivate and retain high caliber individuals with an appropriate degree of expertise and experience, which contributes to the long-term interests, sustainability, identity, mission and value of the Company and its business, considering the interests of the URW Group of which it forms part.

The remuneration policy received by the SB Members is determined by the General Meeting, at the proposal of the SB, upon the recommendation of the GNRC.

SB Members receive an annual fee. In an increasingly competitive international environment, all SB Members also receive an out of country indemnity for time spent on their duties as SB Members outside their country of residence.

While attendance of SB and relevant committee meetings is of course expected from all SB Members, we also award attendance fees as outlined below to compensate the SB Members adequately and proportionately for their efforts.

In order to ensure a high standard of supervision and monitoring of the Company strategy as well as to avoid any potential conflict of interest, the SB Members do not receive any remuneration related to Company performance.

The current SB remuneration was approved by the General Meeting on June 1, 2018 and has remained unchanged in 2020. A revised remuneration policy for SB Members was approved by the General Meeting on June 9, 2020.

### 2.4.1 REMUNERATION PAID TO THE SB MEMBERS

In 2020 remuneration of the SB members amounted to €257,500. Mr Christophe Cuvillier, Mr Jaap Tonckens and Ms Aline Taireh did not receive any remuneration for their SB membership. URW NV has not awarded any options or shares to members of the SB as remuneration for their services as SB members. No loans or guarantees were granted to members of the SB.

### EVOLUTION OF REMUNERATION OF THE SB MEMBERS

SB Members	2020	2019	2018 <sup>(1)</sup>
Mr Christophe Cuvillier	€0	€0	€0
Mr Jaap Tonckens	€0	€0	€0
Mr Jean-Louis Laurens	€135,500	€135,000	€70,500
Mr Alec Pelmore	€122,000	€120,000	€60,000
Ms Aline Taireh <sup>(2)</sup>	€0	€0	€0
<b>TOTAL</b>	<b>€257,500</b>	<b>€255,000</b>	<b>€130,500</b>

*The 2018 remuneration was applied pro rata temporis*

*Ms Aline Taireh did not received any compensation for her SB membership. Employee remuneration charged to a subsidiary of the Company is disclosed in note 13.3 of URW NV's consolidated financial statements for the financial year ended December 31, 2020.*

In the context of the COVID-19 outbreak and as a gesture of solidarity to the Group for the period during which activity measures were in place, a 25% reduction of Supervisory Board fees applies for Q2-2020 which was donated to charity.

### 2.4.2 NUMBER OF STAPLED SHARES, SO AND PS HELD BY MB MEMBERS AND SB MEMBERS AS AT DECEMBER 31, 2020

MB and SB Members	Stapled Shares Owned	Non-exercised SO	PS subject to vesting period
Mr Dominic Lowe	0	11,673	4,658
Mr Gerard Sieben	5	8,479	3,719
Mr Christophe Cuvillier	111,189	250,208	29,659
Mr Jaap Tonckens	1,967	154,383	19,052
Mr Jean-Louis Laurens	363	0	0
Mr Alec Pelmore	1,150	0	0
Ms Aline Taireh	305 <sup>(1)</sup>	11,785	4,684

*(1) Through CDI*



# FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

On March 25, 2021, the Supervisory Board approved the consolidated financial statements of Unibail-Rodamco-Westfield N.V. for the year ended December 31, 2020, and authorised their publication. These consolidated financial statements will be submitted to the approval of the Annual General Meeting expected to be held on June 29, 2021.

## 3.1 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated 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.

### 3.1.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€Mn)	Notes	2020	2019
Gross rental income	5.3	333.8	393.0
<i>Service charge income</i>		47.2	51.3
<i>Service charge expenses</i>		(59.5)	(62.1)
<i>Property operating expenses</i>		(146.8)	(139.2)
Operating expenses and net service charges		(159.1)	(150.0)
<b>Net rental income</b>		<b>174.7</b>	<b>243.0</b>
Project management revenue		-	1.8
Project management costs		(2.9)	-
<b>Net project management income</b>	<b>5.3</b>	<b>(2.9)</b>	<b>1.8</b>
<b>Share of result of companies accounted for using the equity method</b>	<b>7.2</b>	<b>(1,057.9)</b>	<b>45.5</b>
Corporate expenses		(42.1)	(37.1)
Depreciation of tangible assets		(4.8)	(17.6)
<b>Administrative expenses</b>		<b>(46.9)</b>	<b>(54.7)</b>
<b>Acquisition and related costs</b>	<b>5.2.4</b>	<b>(20.9)</b>	<b>(16.7)</b>
Proceeds from disposal of investment properties		38.3	-
Carrying value of investment properties sold		(68.2)	-
<b>Result on disposal of investment properties</b>		<b>(29.9)</b>	<b>-</b>
Proceeds from disposal of shares		5.1	-
Carrying value of disposed shares		(5.1)	-
<b>Result on disposal of shares</b>		<b>-</b>	<b>-</b>
Valuation gains on assets		8.6	194.1
Valuation losses on assets		(856.1)	(294.5)
<b>Valuation movements on assets</b>	<b>6.5</b>	<b>(847.5)</b>	<b>(100.4)</b>
<b>Impairment of goodwill</b>	<b>6.4</b>	<b>(19.4)</b>	
<b>NET OPERATING RESULT</b>		<b>(1,850.7)</b>	<b>118.5</b>
<i>Financial income</i>		66.6	62.2
<i>Financial expenses</i>		(424.1)	(383.1)
Net financing costs	8.2.1	(357.5)	(320.9)
Fair value adjustments of derivatives, debt and currency effect	8.2.2	(249.2)	(310.9)
<b>RESULT BEFORE TAX</b>		<b>(2,457.4)</b>	<b>(513.3)</b>
Income tax (expenses)	9.2	46.6	601.1
<b>NET RESULT FOR THE PERIOD</b>		<b>(2,410.8)</b>	<b>87.8</b>
<b>Net result for the period attributable to:</b>			
Owners of Unibail-Rodamco-Westfield N.V. shares		(2,369.1)	84.7
External non-controlling interests		(41.7)	3.1
<b>NET RESULT FOR THE PERIOD</b>		<b>(2,410.8)</b>	<b>87.8</b>

Average numbers of shares (undiluted)	14.2	231,685,333	231,598,799
Net result of the period (Owners of Unibail-Rodamco-Westfield N.V.)		(2,369.1)	84.7
<b>Net result for the period per share (Owners of Unibail-Rodamco-Westfield N.V.) (€)</b>		<b>(10.23)</b>	<b>0.37</b>
Average numbers of shares (diluted)	14.2	233,851,356	233,714,473
Net result of the period (Owners of Unibail-Rodamco-Westfield N.V.)		(2,369.1)	84.7
<b>Diluted net result per share (Owners of Unibail-Rodamco-Westfield N.V.) (€)</b>		<b>(10.23)<sup>(1)</sup></b>	<b>0.36</b>

Net comprehensive income (€Mn)	2020	2019
<b>NET RESULT FOR THE PERIOD</b>	<b>(2,410.8)</b>	<b>87.8</b>
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries	(286.8)	94.4
<b>Other comprehensive income that may be subsequently recycled to profit and loss</b>	<b>(286.8)</b>	<b>94.4</b>
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	(15.3)	-
<b>Other comprehensive income not subsequently recycled to profit and loss</b>	<b>(15.3)</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>(302.1)</b>	<b>94.4</b>
<b>NET COMPREHENSIVE INCOME</b>	<b>(2,712.9)</b>	<b>182.2</b>
<b>Net Comprehensive Income for the period attributable to:</b>		
Owners of Unibail-Rodamco-Westfield N.V. shares	(2,666.8)	178.8
External non-controlling interests	(46.1)	3.4
<b>NET COMPREHENSIVE INCOME</b>	<b>(2,712.9)</b>	<b>182.2</b>

(1) 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.

### 3.1.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€Mn)	Notes	December 31, 2020	December 31, 2019
<b>Non current assets</b>		<b>11,053.1</b>	<b>13,764.7</b>
Investment properties	6.1	5,059.8	6,059.1
<i>Investment properties at fair value</i>		5,040.4	6,037.5
<i>Investment properties at cost</i>		19.4	21.6
Shares and investments in companies accounted for using the equity method	7.2	5,430.9	7,029.7
Tangible assets	6.2	29.7	53.7
Goodwill	6.4	-	19.8
Intangible assets	6.3	295.9	320.0
Financial assets	8.3.1	116.4	197.4
Deferred tax assets	9.3	-	-
Derivatives at fair value	8.4	120.4	85.0
<b>Current assets</b>		<b>406.6</b>	<b>204.4</b>
Properties or shares held for sale	6.1	146.9	-
Inventories		19.8	17.5
Trade receivables from activity		109.3	70.5
Tax receivables		2.9	0.2
Other receivables		64.6	59.4
Cash and cash equivalents	8.3.7	63.1	56.8
<b>TOTAL ASSETS</b>		<b>11,459.7</b>	<b>13,969.1</b>
<b>Shareholders' equity (Owners of Unibail-Rodamco-Westfield N.V. shares)</b>		<b>791.6</b>	<b>2,706.5</b>
Share capital	14.2	115.8	115.8
Additional paid-in capital	14.3	2,243.3	2,243.1
Consolidated reserves		126.6	55.1
Foreign currency translation reserves		(76.6)	205.8
Consolidated result		(2,369.1)	84.7
Capital securities	7.4	751.6	2.0
<b>Equity attributable to the owners of Unibail-Rodamco-Westfield N.V.</b>		<b>791.6</b>	<b>2,706.5</b>
External non-controlling interests	15.4	38.2	84.3
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>829.8</b>	<b>2,790.8</b>
<b>Non current liabilities</b>		<b>8,989.2</b>	<b>10,500.9</b>
Long-term commitment to non-controlling interests	8.3.8	460.5	565.2
Long-term bonds and borrowings	8.3.3	7,691.2	9,189.1
Long-term lease liabilities	8.3.3	52.7	61.2
Derivatives at fair value	8.4	529.1	348.7
Deferred tax liabilities	9.3	165.2	199.4
Non current provisions	10	43.8	75.4
Guarantee deposits		7.3	11.0
Amounts due on investments	12	6.3	7.5
Other non current liabilities		33.1	43.4
<b>Current liabilities</b>		<b>1,640.7</b>	<b>677.4</b>
Liabilities directly associated with properties or shares classified as held for sale	8.3.3	203.5	-
Current commitment to non-controlling interests	8.3.8	39.9	1.0
Amounts due to suppliers and other creditors		159.2	165.1
<i>Amounts due to suppliers</i>		73.7	61.7
<i>Amounts due on investments</i>	12	39.3	62.7
<i>Sundry creditors</i>		46.2	40.7
Other liabilities	11	253.1	198.3
Current borrowings and amounts due to credit institutions	8.3.3	976.1	303.5
Current lease liabilities	8.3.3	3.3	3.3
Current provisions	10	5.6	6.2
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>11,459.7</b>	<b>13,969.1</b>

### 3.1.3 CONSOLIDATED STATEMENT OF CASH FLOWS

(€Mn)	Notes	2020	2019
<b>OPERATING ACTIVITIES</b>			
<b>Net result</b>		<b>(2,410.8)</b>	<b>87.8</b>
Depreciation & provisions <sup>(1)</sup>		32.6	10.2
Impairment of goodwill	6.4	19.4	-
Changes in value of property assets		847.5	100.4
Changes in fair value of derivatives, debt and currency effect	8.2.2	249.2	310.9
Net capital gains/losses on sales of properties <sup>(2)</sup>		29.8	-
Share of the result of companies accounted for using the equity method		1,057.9	(45.5)
Net financing costs	8.2.1	357.5	320.9
Income tax expenses	9.2	(46.6)	(601.1)
WAT's transaction and other related costs		-	-
<b>Cash flow before net financing costs and tax</b>		<b>136.5</b>	<b>183.6</b>
Dividend received from companies accounted for using the equity method or non consolidated		117.7	222.4
Income tax received		-	4.1
Change in working capital requirement		(43.6)	(7.0)
<b>TOTAL CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>210.6</b>	<b>403.1</b>
<b>INVESTMENT ACTIVITIES</b>			
<b>Property activities</b>		<b>(187.6)</b>	<b>(239.0)</b>
Amounts paid for works and acquisition of property assets	2.1.2/6.6	(93.6)	(83.5)
Increase of property financing	7.2	(137.4)	(155.5)
Disposal of shares		5.1	-
Disposal of investment properties	2.1.2	38.3	-
<b>Financial activities</b>		<b>(0.6)</b>	<b>(15.9)</b>
Acquisition of financial assets		(0.6)	(15.9)
Disposal of financial assets		-	-
<b>TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<b>(188.2)</b>	<b>(254.9)</b>
<b>FINANCING ACTIVITIES</b>			
Capital increase of parent company		0.2	0.4
Capital securities		-	-
New borrowings and financial liabilities	8.3.3	715.5	1,957.5
Repayment of borrowings and financial liabilities	8.3.3	(443.8)	(1,729.9)
Interest received		67.1	51.0
Interest paid		(348.6)	(419.8)
<b>TOTAL CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(9.6)</b>	<b>(140.8)</b>
<b>Change in cash and cash equivalents during the period</b>		<b>12.8</b>	<b>7.4</b>
<b>Net cash and cash equivalents at the beginning of the year</b>		<b>56.8</b>	<b>53.3</b>
<b>Effect of exchange rate fluctuations on cash held</b>		<b>(6.6)</b>	<b>(3.9)</b>
<b>NET CASH AND CASH EQUIVALENTS AT PERIOD-END</b>	<b>8.3.7</b>	<b>63.0</b>	<b>56.8</b>

(1) Includes straight lining of key money and lease incentives.

(2) Includes capital gains/losses on property sales, disposals of short term investment properties and disposals of operating assets.

### 3.1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€Mn)	Share capital	Additional paid-in capital	Consolidated reserves	Consolidated net result	Foreign currency translation reserve <sup>(1)</sup>	Capital securities	Equity attributable to the owners of URW NV shares	Non-controlling interests	Total Shareholders' equity
<b>EQUITY AS AT DECEMBER 31, 2018</b>	<b>115.8</b>	<b>2,242.7</b>	<b>-</b>	<b>182.1</b>	<b>111.7</b>	<b>2.0</b>	<b>2,654.3</b>	<b>322.7</b>	<b>2,977.0</b>
Net result for the period	-	-	-	84.7	-	-	84.7	3.1	87.8
Other comprehensive income	-	-	-	-	94.1	-	94.1	0.3	94.4
<b>Net comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84.7</b>	<b>94.1</b>	<b>-</b>	<b>178.8</b>	<b>3.4</b>	<b>182.2</b>
Earnings appropriation	-	-	182.1	(182.1)	-	-	-	-	-
Increase in capital	-	0.4	-	-	-	-	0.4	-	0.4
Transactions with non-controlling interests	-	-	(127.0)	-	-	-	(127.0)	(241.8)	(368.8)
<b>EQUITY AS AT DECEMBER 31, 2019</b>	<b>115.8</b>	<b>2,243.1</b>	<b>55.1</b>	<b>84.7</b>	<b>205.8</b>	<b>2.0</b>	<b>2,706.5</b>	<b>84.3</b>	<b>2,790.8</b>
Net result for the period	-	-	-	(2,369.1)	-	-	(2,369.1)	(41.7)	(2,410.8)
Other comprehensive income	-	-	(15.3)	-	(282.4)	-	(297.7)	(4.4)	(302.1)
<b>Net comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(15.3)</b>	<b>(2,369.1)</b>	<b>(282.4)</b>	<b>-</b>	<b>(2,666.8)</b>	<b>(46.1)</b>	<b>(2,712.9)</b>
Earnings appropriation	-	-	84.7	(84.7)	-	-	-	-	-
Increase in capital	-	0.2	-	-	-	-	0.2	-	0.2
Coupon on capital securities	-	-	(0.2)	-	-	-	(0.2)	-	(0.2)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-
Amendment intra-group liabilities <sup>(2)</sup>	-	-	-	-	-	749.6	749.6	-	749.6
Other movements	-	-	2.3	-	-	-	2.3	-	2.3
<b>EQUITY AS AT DECEMBER 31, 2020</b>	<b>115.8</b>	<b>2,243.3</b>	<b>126.6</b>	<b>(2,369.1)</b>	<b>(76.6)</b>	<b>751.6</b>	<b>791.6</b>	<b>38.2</b>	<b>829.8</b>

(1) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(2) Reference is made to Note 2.1.4.



## 3.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 ● CORPORATE INFORMATION

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Unibail-Rodamco-Westfield N.V. (“URW NV” or “the Company”) is a public limited liability company under the laws in The Netherlands, whose class A shares are publicly traded as Stapled Shares on the Amsterdam Stock Exchange and the Paris Stock Exchange, as well as in the form of CHESS Depository interests (CDIs) on the Australian Securities Exchange.

The Company was incorporated as Unibail-Rodamco B.V., a private company with limited liability under the laws of The Netherlands on February 14, 2018. On March 22, 2018, the Company changed its legal name to WFD Unibail-Rodamco N.V. and converted its legal form to a public limited liability company pursuant to a notarial deed of amendment and conversion in accordance with a resolution of the General Meeting adopted on March 15, 2018. In June 2020, the corporate name changed from WFD Unibail-Rodamco N.V. to Unbail-Rodamco-Westfield N.V. The Company has its corporate seat in Amsterdam and its registered office is located at Schiphol Boulevard 315, Schiphol in The Netherlands. The Chamber of Commerce number is 70898618.

These consolidated financial statements as at December 31, 2020, comprise the Company and its subsidiaries (together referred to as “the Group”).

The Group’s objects are:

- to invest in assets, primarily through the direct or indirect acquisition of real estate, in such a manner that the ensuing risks are spread in order to allow shareholders to share in the proceeds;
- to enter into cash pooling arrangements with, to provide financing to and to furnish guarantees for the benefit of Unibail-Rodamco-Westfield (the “URW Group”) and other affiliated bodies of the Company whose assets, on a consolidated basis, nearly exclusively consist of real estate and/or associated rights;
- to incorporate, to participate in, to hold any other interest in and to conduct the management or supervision of bodies whose objects and actual activities are to invest in assets;
- to invest in the improvement or expansion of real estate;
- to acquire, to manage, to invest, to exploit, to encumber and to dispose of other assets and liabilities and to provide any other act or service; and
- to do anything which, in the widest sense, is connected with or may be conducive to the objects described above,

in each case taking into account the restrictions applicable to the Group under the fiscal investment institution regime as laid down in section 28 of the Corporate Income Tax Act (“CITA”), or such statutory provision which replaces section 28 CITA.

As from June 7, 2018, after the completion of the Westfield acquisition by Unibail-Rodamco-Westfield SE (“URW SE”, formerly Unibail-Rodamco SE), URW NV is held for 60% directly by Unibail-Rodamco-Westfield shareholders (Stapled Share principle) and 40% directly by URW SE. Westfield comprised of Westfield Corporation Ltd (“WCL”), WFD Trust (“WFDT”) and Westfield America Trust (“WAT”). WAT was indirectly 100% held by WFD UR NV and WCL and WFDT are held by URW SE.

In April 2019, the Group executed changes in the structure of its US operations. The US assets are held by URW WEA LLC which is indirect a subsidiary of URW NV. URW SE has an indirect participation of 7.6% in URW WEA LLC. URW NV’s participation in the US activities increased from 82.4% to 92.2%.

Together with URW SE and its subsidiaries, the Group forms Unibail-Rodamco-Westfield (“URW Group”).

### NOTE 2 ● SIGNIFICANT EVENTS OF THE YEAR

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

#### 2.1 SIGNIFICANT EVENTS OF 2020

##### 2.1.1 COVID-19 pandemic

###### Closing and reopening of the Group’s shopping centres

The COVID-19 pandemic has significantly impacted URW NV’s business in 2020. The operations in URW NV’s shopping centres in 2020 were impacted by a series of lockdown and restriction periods.

During H1, due to the COVID-19 first wave, the US authority imposed restrictions on the opening of its shopping centres on March 18, 2020. All of the shopping centres, except Westfield World Trade Center, had reopened by July. However, on July 13, California again ordered all indoor operations of shopping centres to close. The Californian centres outside Los Angeles reopened on September 2, while the five L.A. centres remained closed until October 7. Westfield World Trade Center reopened on September 9.

During H2, following the increase in COVID-19 cases seen globally since September 2020, various municipalities imposed limitations on the capacity both within centres (typically between 20% and 50% depending on the state and county) and within individual stores.

###### Tenant negotiations and rent relief

From the start of the COVID-19 crisis, the Group first adopted a global policy of allowing temporary deferral of rents, before starting discussions with tenants about the terms of any support, such as rent relief, offered by URW NV.

In certain US municipalities, legal remedies for non-payment of rent have been temporarily limited, which also hampered the enforceability of rents.

Once negotiations commenced, they were done on a case-by-case basis. URW NV recognised the issues the Group's tenants faced due to administrative closures or trading restrictions and the need to provide relief, are generally limited to the period of closure and are based on the principle of a fair sharing of the burden. In many cases they entail concessions by tenants in exchange for such relief.

#### Accounting principles

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

Rent reliefs for which a concession is expected and not yet signed are part of the receivables on which an expected credit loss is calculated. Waivers on past rent on balance sheet date are accounted for as a derecognition loss. As at December 31, 2020, rent relief signed or expected to be signed regarding 2020 closures (including the second wave until December 31) amounted to an estimated cash impact of €24.4 Mn, €19.8 Mn of which have been charged to gross rental income in the income statement during this period. The difference will be straight-lined in future periods.

In accordance with IFRS 16, rent relief without changes to the lease contract, imposed by laws in force before an event giving rise to the relief or pursuant to a provision in the existing lease contract allowing for rent modification, is directly charged to the income statement as a reduction of the Gross Rental Income.

As reminder, the provision for doubtful debtors is booked in the Net rental income as an "Operating expense".

In the US, the Group completed rent relief negotiations with tenants representing approximately 87% of the leasing revenue by December 31, 2020<sup>28</sup>.

The Group carried out a detailed review of all the tenants receivables as at December 31, 2020, and the provision for doubtful debtors was estimated according to IFRS 9 (Note 8.5.2. "Credit risk").

As at December 31, 2020, the provision for doubtful debtors amounted to €73.7 Mn compared to €29.3 Mn at the end of December 31, 2019. The expected credit loss for doubtful debtors amounted €46.1 Mn as at December 31, 2020 (December 31, 2019: €20.6 Mn).

#### Valuation of investment properties

As for each closing, investment properties have been valued by external independent appraisers as described in the note 6.1 "Investment properties". For the valuation as at June 30, 2020, the appraisers in the US included a material valuation uncertainty statement in the appraisal reports. For the valuation as at December 31, 2020, this statement was withdrawn from the appraisal reports.

In 2020, the valuation movement of the fully consolidated investment properties is -€858.3 Mn, the valuation movement of the investment properties accounted for the equity method is -€1,138.7 Mn and the valuation movement of the investment properties in associates is -€77.0 Mn.

#### Impairment on goodwill, intangible assets, financial assets and financial guarantees

The Group also performed an impairment test of goodwill as at June 30, 2020, based on assumptions described in the note 6.4 "Goodwill" and recognised a full impairment of -€19.4 Mn. The impairment of the trademark for Flagships in the US amounted to -€3.7 Mn.

The total expected credit loss in 2020 increased due to the impact of COVID-19, amounted to €114.9 Mn and relates to trade receivables, preferred interest receivables of associates and financial guarantee contracts. The P&L movements are recognised under property operating expenses and fair value adjustments of derivatives, debt and currency effect respectively in the consolidated statement of comprehensive income.

The negative fair value movements of non-listed equity investment amounted to €15.3 Mn and is recorded in the Other Comprehensive income. Furthermore an impairment on the investments in associates amounted to €93.4 Mn is recognised in the line fair value adjustments of derivatives, debts and currency effect.

#### Liquidity position

In 2020, all financial markets were affected by the COVID-19 pandemic. The credit markets were severely hit, with a significant increase in credit spreads and a few periods in which markets were effectively closed. However, the extraordinary scale of the intervention by Central Banks (ECB and US Federal Reserve) supported the credit markets and the access to liquidity for issuers. Moreover, market sentiment improved at year end following the announcement of vaccine candidates in November 2020.

Against this backdrop, the URW Group raised €4,150 Mn of medium to long-term funds in the bond and bank markets including credit facilities extension. As at December 31, 2020, the URW Group had €11.4 Bn of cash on hand and undrawn credit lines. URW NV has cross guarantees with URW SE and the liquidity needs are covered by the available undrawn credit lines at URW Group level.

## 2.1.2 DISPOSAL OF SHOPPING CENTRES AND BUYOUT OF SHARES FROM JOINT VENTURE

On June 5, 2020, Westfield Meriden, a regional shopping centre in the US with the carrying value of €21.7 Mn was disposed with a financial result impact of -€12.2 Mn.

On October 30, 2020, URW NV acquired a 50% remaining stake in a Joint Venture holding five assets in Florida (Westfield Brandon, Westfield Broward, Westfield Citrus Park, Westfield Countryside and Westfield Sarasota) and on that day disposed Westfield Siesta Key, a regional shopping centre with a carrying value of €4.1 Mn. The total consideration included cash of €50.7 Mn and forgiveness of a partner loan of €2.1 Mn.

The acquisition in stages from joint venture to subsidiary is considered an asset acquisition rather than a business combination. The fair value of the investment properties acquired at transaction date is €540.5 Mn (see note 6.1.2) and the fair value of the liabilities is €455 Mn (see note 8.3.3). The fair value of the previously held interest at the date that control is obtained is deemed to be the cost for the purposes of accounting for the acquisition of the subsidiary. The resulting revaluation of the investment previously held amounts to €21.5 Mn and is included in valuation movements of investment properties (Note 6.1.2).

<sup>28</sup> Includes tenants with financial terms agreed.

After the transaction the company owns 100% of Westfield Brandon, Westfield Broward, Westfield Citrus Park, Westfield Countryside and Westfield Sarasota. These properties and their related mortgage debt are now fully consolidated in URW NV accounts as at December 31, 2020.

On December 31, 2020, Westfield Sunrise, a regional shopping centre in the US with a carrying value of €38.7 Mn was disposed with a financial result impact of -€15.6 Mn.

### 2.1.3 MANAGEMENT BOARD CHANGE

On September 16, 2020, URW SE announced a €9+ Bn RESET plan to strengthen its balance sheet and increase financial flexibility. The RESET plan included a proposed €3.5 Bn capital raise, subject to approval by URW SE's shareholders. Following the rejection of this plan by the November 10, 2020 URW SE General Meeting and as a result of the shareholder vote three new URW SE Supervisory Board ("SB") members were elected. In addition, a new URW SE MB structure was announced.

During its meeting held on November 18, 2020, upon Governance and Nomination Committee (GNC) recommendation, the SB of URW SE decided to terminate Mr Christophe Cuvillier's position as Group Chief Executive Officer and Chairman and MB member of URW SE and appointed Mr Jean-Marie Tritant, formerly President US and MB member of URW NV, as Chief Executive Officer URW SE and Chairman and member of the MB of URW SE, effective from January 1, 2021 for a 4-year term.

On November 18, 2020, with immediate effect, Mr Jean-Marie Tritant resigned from his position as MB member of URW NV. Mr Dominic Lowe is appointed as President US and MB member of URW NV, effective November 19, 2020. Mr Dominic Lowe will be nominated for appointment at the 2021 Annual General Meeting.

### 2.1.4 750 MN LOAN CONVERSION

The interest bearing loan of €750.0 Mn with URW SE was converted on December 29, 2020, into a capital security with a maturity in 99 years and limited default opportunities. After conversion, it qualifies as equity because the Company has the discretion not to pay interest, with the exception of the current fair value of the amount due on this instrument (€0.4 Mn as at December 31, 2020), which will be subsequently measured at amortized cost using the effective interest method. The amendment fee paid to URW SE of €21.9 Mn and the remaining amortized upfront fee of €3.8 Mn are recorded in 2020 under financial expenses.

## 2.2 SIGNIFICANT EVENTS OF 2019

### 2.2.1 CHANGES IN THE STRUCTURE OF US OPERATIONS

In April 2019, the Group executed changes in the structure of its US operations (the 2019 Restructurings). The 2019 Restructurings allowed the Group to apply a material step-up of the tax base of the US real estate resulting in a +€577.9 Mn reversal of the deferred tax liability related to the US portfolio.

As of the date of acquisition of the US portfolio, the rules and critical regulations related to the US Tax Cuts and Jobs Act adopted in December 2017 that were conditional for the 2019 Restructurings had not yet been released, whereas the feasibility of the restructuring depended on future developments related to FIRPTA (Foreign Investment in Real Property Tax Act). Based on those points, the Group accounted for the €577.9 Mn reversal of the deferred tax liability related to the US portfolio as a credit to the income tax of 2019 together with the costs incurred for the implementation of the 2019 Restructurings.

### 2.2.2 IMPACT OF THE 2019 RESTRUCTURINGS

As a consequence of the 2019 Restructurings, the Company's interest in the United States real estate portfolio increased from 82.6% to 92.4% (this includes the 0.2% of external partners). The additional interest was purchased from Unibail-Rodamco-Westfield SE, a related party, with the issuance of a purchase money notes in the amount of €691.0 Mn (see note 7.4). The redeemable convertible preference shares and options that were on issue prior to the Restructurings were effectively cancelled. These shares were held by WCL related entities and presented under the commitment to non-controlling interests in the statement of financial position as at December 31, 2018 (see note 8.3.8).

The 2019 Restructuring impacted the Groups financial statements in the equity attributable to the owners, equity attributable to external non controlling interests, and the fair value adjustments of derivatives, debts and currency effect. Because of the purchase of the 9.8% share from the non-controlling interest owner (URW SE), the non-controlling interests in equity decreased by €241.8 Mn, which includes the revision of the common shares that the non-controlling interest holder holds. As the transaction price (which was based on the acquisition/merger values) exceeded the book value of the acquired 9.8% share, a transaction loss was recorded of €127.0 Mn. The transaction loss of €127.0 Mn is directly charged to equity attributable to the owners of the URW NV shares.

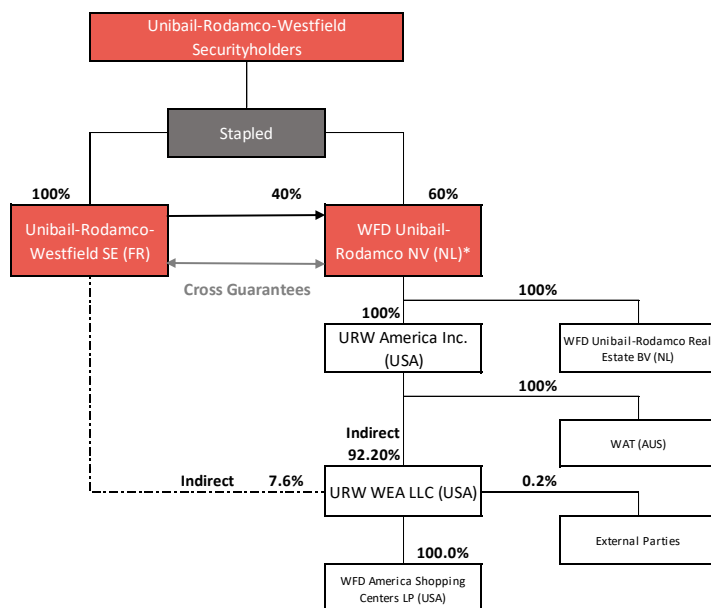
The (only) impact in the consolidated statement of comprehensive income is related to the revision of the preference shares that URW SE holds in relation to its remaining 7.6% indirect share in URW WEA LLC (€57.2 Mn - included in the fair value adjustments of derivatives, debts and currency effect). These preference shares qualify as financial liability as commitment to non-controlling interests held by URW SE in note 8.3.8.

The above impact is primarily caused by the difference between the historical book value of the common and preferred shares compared to the fair value of the new preference and common shares issued as part of the restructuring program.

Furthermore the investments in WCL and WDI preferred shares recorded under financial assets were disposed to the related party at fair value and the impact is a loss of €28.6 Mn (impairment before sale). Reference is made to note 8.3.1. and 8.6.1.

#### Organisation structure after US restructuring

The organisation structure as at December 31, 2019, after the 2019 Restructurings is as follows:



\* The name of WFD Unibail-Rodamco N.V. has changed to Unibail-Rodamco-Westfield N.V. in 2020

The US assets are now held by URW WEA LLC and Unibail-Rodamco-Westfield S.E. has an indirect participation of 7.6% (December 31, 2018: 17.4%) via URW WEA LLC after the 2019 Restructurings. URW NV's participation in the US activities is increased from 82.4% to 92.2%.

### 2.2.3 WAT PURCHASE PRICE ALLOCATION

During 2019, there was no change in the purchase price allocation.

## NOTE 3 ● ACCOUNTING POLICIES

In accordance with the regulation of the European Community (EC) no. 1606/2002 of July 19, 2002, on the application of international accounting standards, URW NV has prepared its consolidated financial statements for the financial year ending December 31, 2020 under International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable at this date and with Section 2:362(9) of the Dutch Civil Code.

The IFRS standards can be consulted on the website:

[http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index\\_en.htm](http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm).

The Group's financial statements have been prepared on a historical cost basis, except for investment properties, non-listed equity investment, derivative financial instruments, commitment to non-controlling interests which have been measured at fair value.

### 3.1 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, 2019, except for the application of the new obligatory standards and interpretations described below.

#### Standards, amendments and interpretations effective as of January 1, 2020

- Amendments to IFRS 3 Business Combinations;
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark;
- Amendments to IAS 1 and IAS 8: Definition of Material;
- Amendments to References to the Conceptual Framework in IFRS Standards.

These standards, amendments and interpretations do not have a significant impact on the Group's accounts as at December 31, 2020.

The Amendment to IFRS 16 Leases COVID-19-Related Rent Concessions adopted on October 9, 2020, is effective from June 1, 2020

#### Standards, amendments and interpretations not mandatorily applicable as of January 1, 2020

The following texts were published by the IASB but have not yet been endorsed by the European Union:

- IFRS 17: Insurance Contracts (effective date January 1, 2023);
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective date January 1, 2023);
- Amendments to IFRS 3: Business combinations; IAS 16: Property, Plant and Equipment; IAS 37: Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020 (effective date January 1, 2022);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2: Disclosure of Accounting policies (effective date January 1, 2023);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective date January 1, 2023).

The measurement of the potential impacts of these texts on the consolidated accounts of URW NV is on-going, no significant impact is expected.

### **3.2 ESTIMATES AND ASSUMPTIONS**

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management in the evolving context of the COVID-19 pandemic (presented in note 2.1.1) and of difficulties in assessing its impact and future prospects. In this context, management has taken into account these uncertainties on the basis of reliable information available at the date of the preparation of the consolidated financial statements, particularly with regards to the doubtful debtors provisions and rent relief accruals, to the fair value of investment properties, financial assets, financial instruments as well as the testing of goodwill and intangible assets.

The actual amounts may differ from the estimates as the business environment may develop differently than assumed. In this case, the assumptions and, where necessary, the carrying amounts of the assets or liabilities affected are prospectively adjusted accordingly. Assumptions and estimates are reviewed on an ongoing basis and are based on experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances.

The most significant estimates are set out in the following sections: for the valuation of investment properties in note 6.1 Investment properties, for the financial assets in note 8.3.1, for the goodwill and intangible assets in respectively note 6.4 and 6.3, for provision for doubtful debtors in note 8.5.2, for fair value of financial instruments in note 8.6 Fair value of financial instruments per category and for fair value of investment properties held through equity accounted investments in note 7.2. Actual future results or outcomes may differ from these estimates. The property portfolio used by the Shopping Centres and Offices segments and intangible assets are valued by independent appraisers.

## 4.1 Accounting principles

### 4.1.1 Scope and methods of consolidation

The scope of consolidation includes all companies controlled by URW NV and all companies in which the Group exercises joint control or significant influence.

According to IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group considers all facts and circumstances when assessing whether it controls an investee. The control over an investee is reassessed if facts and circumstances indicate that there are changes to one or more of the elements above mentioned.

The method of consolidation is determined by the type of control exercised:

- control: the companies are fully consolidated;
- joint control: it is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement:
  - A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Each party shall account for the assets which it has rights to, liabilities which it has obligations for, revenues and expenses relating to its interests in a joint operation,
  - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method;

Following WAT's acquisition in 2018, the Group has significant co-ownership interest in a number of properties, mainly in the US through property partnerships or trusts. These joint ventures are accounted for using the equity method. The Group and its joint ventures use consistent accounting policies.

- significant influence: accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control or joint control of those policies. It is presumed where an entity holds 20% or more of the voting power (directly or through subsidiaries) on an investee, unless it can be clearly demonstrated that this is not the case.

Non-controlling interests are initially measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

### 4.1.2 Foreign currency translation

#### • *Group companies with a functional currency different from the presentation currency*

The Group's consolidated financial statements are presented in euros. The financial statements of each consolidated Group company are prepared in its functional currency. The functional currency is the currency of the principal economic environment in which it operates. The results and financial position of all the Group entities that have a functional currency different from the presentation currency, the euro, are translated into the presentation currency as follows:

- the assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the foreign exchange rates at the reporting date;
- income and expenses are translated into euros at rates approximating the foreign exchange rates at the dates of the transactions;
- all resulting exchange rate differences are recognised as a separate component of equity (foreign currency translation reserve);
- when a Group company is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

#### • *Foreign currency transactions*

The Group's entities can realise operations in a foreign currency which is not their own functional currency. WEA and URW America Inc. functional currency is in USD. The transactions in foreign currencies are translated into euro at the spot exchange rate on the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currency are translated into functional currency at the exchange rate on that date. Foreign exchange differences arising on translation or on settlement of these transactions are recognised in the income statement account, with the exception of:

- unrealised translation results on net investments;
- unrealised translation results on intercompany loans that, in substance, form part of the net investment.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the exchange rate on the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at exchange rates on the dates the fair value was determined and are reported as part of the fair value gain or loss.

### 4.1.3 Business combinations

To identify whether a transaction is a business combination the Group notably considers whether an integrated set of activities is acquired besides the investment property. The criteria applied may include the number of property assets held by the target company and extent of the acquired processes and, particularly, the auxiliary services provided by the acquired entity. Also, the optional concentration test is considered (IFRS 3 amendments) to assess if a business combination is applicable. If the acquired assets are not a business, the transaction is recorded as an asset acquisition. In a step asset acquisition, both the assets and liabilities are remeasured to their fair values at the acquisition date.

Business combinations are accounted for using the acquisition method. The acquisition is recognised at the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are booked as expenses. For the companies accounted for using the equity method, acquisition costs are capitalised in the value of the shares.

At the date of acquisition and in accordance with IFRS 3 Revised, identifiable assets, liabilities and contingent liabilities of the acquired company are valued individually at their fair value regardless of their purpose based upon current best estimates at such date. It is possible that further adjustments to initial evaluation may be recognised within twelve months of the acquisition in accordance with IFRS rules.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through the income statement.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of any contingent consideration classified as liability will be recognised in income statement.

Under IFRS 3, the acquisition of additional shares from non-controlling shareholders is regarded as an equity transaction and therefore no additional goodwill is recognised.

Consequently, when non-controlling shareholders have an agreement to sell, non-controlling interests are reclassified as debt at the present value of the exercise price. The difference between the latest value and the net carrying value of the non-controlling interests is recognised as Equity attributable to the holders of the Stapled Shares. Any subsequent change in debt is also accounted for as Equity attributable to the holders of the Stapled Shares. Income from non-controlling interests and dividends are booked in Equity attributable to the holders of the Stapled Shares.

#### **4.1.4 Cashflow statement**

The Group uses the indirect method to prepare the consolidated statement of cash flows. Interest received and interest paid is presented within financing cash flows. Acquisitions or divestments of subsidiaries are disclosed as cash flows from investment activities and presented net of cash and cash equivalents acquired or disposed of, respectively. Cash includes cash on hand and demand deposits. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of charges in value.

#### **4.1.5 Going concern**

For the year ended December 31, 2020, the Company had a net current asset deficit of €1,234.1 Mn (December 31, 2019: €473.0 Mn) mainly due to the maturing of the loans payable of €1,161.4 Mn (December 31, 2019: €267.0 Mn). The Company's liquidity needs for the next 12 months are covered by the available undrawn credit lines and cash on-hand as well as by the cross-guarantees granted within the URW Group. Based on that the Company believes that it will be able to meet its commitments as and when they fall due, therefore it is appropriate to prepare the financial statements on a going concern basis.

## **5.1 Accounting principles**

### **5.1.1 Segment reporting**

Segment information is presented in respect of the Group's divisions and geographical segments, based on the Group's management and internal reporting structure and in accordance with IFRS 8.

Contributions of affiliates are also presented according to the Group's divisions and geographical segments.

Since the joint-controlled entities represent a significant part of the Group's operations in the US, the Group's management and internal reporting structure segment information is prepared 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 and its joint ventures use consistent accounting policies. Therefore, the segment information presented in this section is prepared in a proportionate format.

### **Business segments**

The Group operates in two segments: Shopping Centres and Offices.

### **Geographical segments**

Geographical segments are determined on the basis of the Group's definition of a home region. A home region is defined as a region with more than €1 Bn in property investment, a local organisation dedicated to all three business lines: the "owner function" (asset selection and management including pipeline), Shopping Centres management, the finance function and a regional consolidated reporting.

The Group operates in The Netherlands and the United States. Based on specific operational and strategic factors, only the region United States is considered a home region.

### **5.1.2 Net recurring result definition**

The income statement by segment is split between recurring and non-recurring activities. The non-recurring result before tax consists of the valuation movements on investment properties, fair value adjustments on derivatives and debts, termination costs of financial instruments on the full cancelled commitment period when the maturity of the financial instrument is beyond the current reporting period, bond tender premiums, currency gains/losses on revaluation of balance sheet items, the net result on disposals, impairment of goodwill or recognition of negative goodwill, as well as costs directly related to a business combination and other non-recurring items.

The income tax is split between recurring taxes and non-recurring taxes.

Recurring tax is the outcome of:

- the amount of income tax effectively due on recurring income, after deduction of any tax losses;
- plus/minus changes in a deferred tax asset recognised on tax losses stemming from recurring income (excluding those caused by a change in tax rate and/or those caused by a use of such deferred tax asset by non-recurring profits);
- plus/minus changes in deferred tax assets not related to tax losses and deferred tax liabilities relating to recurring result (excluding those caused by a change in tax rate and/or those caused by a use of such deferred tax asset by non-recurring profits).

## **5.2 Gross rental income**

### **Revenue from Contracts with Customers**

#### **ACCOUNTING TREATMENT OF INVESTMENT PROPERTY LEASES**

Assets leased are recorded in the statement of financial position as investment property assets. Gross rental revenue is recorded on a straight-line basis over the firm duration of the lease.

In case of an Investment Property Under Construction (IPUC), revenues are recognised once spaces are delivered to tenants.

For rent relief granted to tenants in relation to the COVID-19 pandemic and where such relief qualifies as a lease modification because the tenant agrees concessions (e.g. extension of a lease term or higher Sales Based Rent), IFRS 16 applies, under which, the relief is treated as a lease incentive which is straight-lined over the expected term of the lease as a reduction of the Gross Rental Income. Rent reliefs for which a counterpart is expected and not yet signed are part of the receivables on which an expected credit loss is calculated.

In accordance with IFRS 16, rent relief without changes to the lease contract, imposed by laws in force before an event giving rise to the relief, or pursuant to a provision in the existing lease contract allowing for rent modification, is directly charged to the income statement as a reduction of the Gross Rental Income.

Rent reliefs signed or expected to be signed, granted without any counterpart from the tenants are considered as a reduction of the receivables and are charged to the income statement as a reduction of the Gross Rental Income in 2020.

#### **RENTS AND KEY MONEY**

Gross rental income consists of rents and similar income (e.g. occupancy compensation, key money, parking revenues) invoiced for Shopping Centres and Offices properties over the period.

Under IFRS 16, the effects of rent-free periods, step rents, other rents incentives and key monies are spread over the expected term of the lease.



### 5.2.1 Operating expenses and net service charges

The operating and net service charges are composed of ground rents paid, net service charge expenses and property operating expenses.

#### • *Ground rents paid*

##### GROUND LEASEHOLDS

Ground leaseholds are accounted for in accordance with IFRS 16 as described in note 6.1.1. Investment properties - Accounting principles.

Buildings constructed on land under a lease agreement are recognised in accordance with the accounting principles described in note 6.1.1. Investment properties - Accounting principles. As at December 31, 2020, ground rents are not material for the Group.

#### • *Service charge income and service charge expenses*

According to IFRS 15, the Group presented separately the service charge income and the service charge expenses.

These expenses are net of charges re-invoiced to tenants and relate mainly to vacant premises.

#### • *Property operating expenses*

These expenses comprise service charges borne by the owner, works-related expenses, litigation expenses, charges relating to doubtful accounts and expenses relating to property management.

### 5.2.2 Net property services and other activities income

The net property services and other activities income consist of on-site property services and other property services income.

Based on the analysis of existing contracts, the current recognition of revenues complies with IFRS 15.

Other property services net income is recognized when the services are provided.

Revenues from other activities mainly cover:

- fees invoiced for leasing activity. These fees are capitalised by the Group, owning the asset after elimination of the internal margins generated.
- fees for property management and maintenance services provided to Offices and Shopping Centres. These fees are invoiced by property service companies for their property management activities on behalf of owners outside the Group;

Other expenses comprise charges relating to property services and general costs.

### 5.2.3 Administrative expenses

This item comprises of personnel costs, head office and Group administrative expenses, expenses relating to refurbishment projects and not capitalised and depreciation charges.

### 5.2.4 Acquisition and related costs

In 2020, acquisition and related costs amounted to €20.9 Mn (€16.7 Mn in 2019) mainly due to the integration and severance costs of WAT. In 2019, this item comprises mainly of the integration costs related to the WAT acquisition.

### 5.3 Consolidated statement of comprehensive income by segment

(€Mn)	2020			2019		
	Recurring activities	Non-recurring activities*	Result	Recurring activities	Non-recurring activities*	Result
<b>United States</b>						
Gross rental income	324.0	-	324.0	383.5	-	383.5
Operating expenses & net service charges	(155.2)	-	(155.2)	(146.7)	-	(146.7)
<b>Net rental income</b>	<b>168.8</b>	<b>-</b>	<b>168.8</b>	<b>236.8</b>	<b>-</b>	<b>236.8</b>
Contribution of companies accounted for using the equity method	183.1	(1,214.6)	(1,031.5)	334.9	(289.4)	45.5
Gains/losses on sale of properties	-	(28.4)	(28.4)	-	-	-
Valuation movements on assets	-	(828.2)	(828.2)	-	(95.5)	(95.5)
<b>Result Shopping Centres United States</b>	<b>351.9</b>	<b>(2,071.2)</b>	<b>(1,719.3)</b>	<b>571.7</b>	<b>(384.9)</b>	<b>186.8</b>
<b>Other</b>						
Gross rental income	2.4	-	2.4	2.2	-	2.2
Operating expenses & net service charges	(0.8)	-	(0.8)	(0.5)	-	(0.5)
<b>Net rental income</b>	<b>1.6</b>	<b>-</b>	<b>1.6</b>	<b>1.7</b>	<b>-</b>	<b>1.7</b>
Gains/losses on sales of properties	-	(0.5)	(0.5)	-	(0.0)	(0.0)
Valuation movements	-	(6.8)	(6.8)	-	(8.4)	(8.4)
<b>Result Shopping Centres Other</b>	<b>1.6</b>	<b>(7.3)</b>	<b>(5.7)</b>	<b>1.7</b>	<b>(8.4)</b>	<b>(6.7)</b>
<b>TOTAL RESULT SHOPPING CENTRES</b>	<b>353.5</b>	<b>(2,078.5)</b>	<b>(1,725.0)</b>	<b>573.4</b>	<b>(393.3)</b>	<b>180.1</b>
<b>United States</b>						
Gross rental income	7.4	-	7.4	7.3	-	7.3
Operating expenses & net service charges	(3.1)	-	(3.1)	(2.8)	-	(2.8)
<b>Net rental income</b>	<b>4.3</b>	<b>-</b>	<b>4.3</b>	<b>4.5</b>	<b>-</b>	<b>4.5</b>
Contribution of companies accounted for using the equity method	2.4	(28.8)	(26.4)	-	-	-
Gains/losses on sales of properties	-	(1.0)	(1.0)	-	-	-
Valuation movements	-	(12.5)	(12.5)	-	3.5	3.5
<b>Result Offices United States</b>	<b>6.7</b>	<b>(42.3)</b>	<b>(35.6)</b>	<b>4.5</b>	<b>3.5</b>	<b>8.0</b>
<b>TOTAL RESULT OFFICES</b>	<b>6.7</b>	<b>(42.3)</b>	<b>(35.6)</b>	<b>4.5</b>	<b>3.5</b>	<b>8.0</b>
Project management income	(2.9)	-	(2.9)	1.8	-	1.8
Administrative expenses	(46.9)	-	(46.9)	(54.7)	-	(54.7)
Acquisition and related costs	-	(20.9)	(20.9)	-	(16.7)	(16.7)
Impairment of goodwill	-	(19.4)	(19.4)	-	-	-
<b>NET OPERATING RESULT</b>	<b>310.4</b>	<b>(2,161.1)</b>	<b>(1,850.7)</b>	<b>525.0</b>	<b>(406.5)</b>	<b>118.5</b>
Financing result	(357.5)	(249.2)	(606.7)	(320.9)	(310.9)	(631.8)
<b>RESULT BEFORE TAX</b>	<b>(47.1)</b>	<b>(2,410.3)</b>	<b>(2,457.4)</b>	<b>204.1</b>	<b>(717.4)</b>	<b>(513.3)</b>
Tax income (expense)	(0.3)	46.9	46.6	1.9	599.2	601.1
<b>NET RESULT FOR THE PERIOD</b>	<b>(47.4)</b>	<b>(2,363.4)</b>	<b>(2,410.8)</b>	<b>206.0</b>	<b>(118.2)</b>	<b>87.8</b>
External non-controlling interests	1.3	(43.0)	(41.7)	11.1	(8.0)	3.1
<b>NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF URW N.V. SHARES</b>	<b>(48.7)</b>	<b>(2,320.4)</b>	<b>(2,369.1)</b>	<b>194.9</b>	<b>(110.2)</b>	<b>84.7</b>

\* 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 as well as costs directly incurred during a business combination and other non-recurring items.

These segmentations are also applied in note 6.1.2 investment properties at fair value.

## 6.1 Investment properties (IAS 40 & IFRS 13)

### 6.1.1 Accounting principles

Under the accounting treatment by IAS 40, investment properties are shown at their fair value. According to IFRS 13, the fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (*i.e.* an exit price). Expectations about future improvements or modifications to be made to the property interest to reflect its highest and best use have to be considered in the appraisal, such as the renovation of or an extension to the property interest.

The Group complies with the IFRS 13 fair value measurement rule and the position paper<sup>(29)</sup> on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe.

Transaction costs incurred for an asset deal are capitalised in the value of the investment property. Capitalised expenses include capital expenditures, evictions costs, capitalised financial interests, letting fees and other internal costs related to development projects.

In accordance with IFRS 16 and IAS 40, the right-of-use assets arising from leased property which meet the definition of an investment property are measured at fair value. At the moment this is not material for the Group.

Investment Properties Under Construction (IPUC) are covered by IAS 40 and are eligible to be measured at fair value. In accordance with the Group's investment properties valuation method, they are measured at fair value by an external appraiser twice a year. Projects for which the fair value is not reliably determinable are measured at cost until such time that a fair value measurement becomes reliable.

According to the Group, a development project fair value measurement will be able to be determined once the following criteria has been fulfilled:

- all administrative authorisations needed to complete the project are obtained;
- the construction has started and costs are committed toward the contractor; and
- substantial uncertainty in future rental income has been eliminated.

For properties measured at fair value, the fair value adopted by the Group is determined on the basis of appraisals by independent external experts, who value the Group's portfolio as at June 30 and December 31 of each year. The gross value is reduced by disposal costs and transfer taxes<sup>(30)</sup>, depending on the country and on the tax situation of the property, in order to arrive at a net fair value.

For the Shopping Centres portfolios, the independent appraisers determine the fair value based on the results of two methods: the discounted cash flow methodology as well as the yield methodology. Furthermore, the resulting valuations are cross-checked against the initial yield, value per m<sup>2</sup> and the fair values established through actual market transactions.

Appraisers have been given access to all information relevant for valuations, such as the Group's confidential rent rolls, including information on vacancy, break options, expiry dates and lease incentives, performance indicators (*e.g.*, footfall and sales where available), letting evidence and the Group's cash flow forecasts from annually updated detailed asset business plans. 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, rent relief and lower variable rents in the context of the COVID-19 pandemic) in the applied required returns or discount rates and in the yield applied to capitalise the exit rent to determine an exit value.

The income statement for a given year (Y) records the change in value for each property, which is determined as follows:

fair value Y - [fair value Y-1 + amount of works and other costs capitalised in year Y].

Capital gains on disposals of investment properties are calculated by comparison with their latest fair value recorded in the closing statement of financial position for the previous financial year.

Properties under construction carried at cost are subject to impairment tests, determined on the basis of the estimated recoverable value of the project. The recoverable value of a project is assessed by the Development & Investment teams through a market exit capitalisation rate and the targeted net rents at completion. When the fair value is lower than net book value, an impairment provision is booked.

Properties held for sale are identified separately in the statement of financial position and are valued at fair value. Properties held for sale are identified separately when the asset is available for immediate sale, the sale is completed within one year from the date of classification, the sale must be highly probable and management is committed to a plan to sell the asset.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

### 6.1.2 Investment properties at fair value

(€Mn)	December 31, 2020	December 31, 2019
<b>Shopping Centres</b>	<b>5,128.1</b>	<b>5,960.1</b>
United States	5,101.4	5,930.4
The Netherlands	26.7	29.7
<b>Offices</b>	<b>59.2</b>	<b>77.4</b>
United States	59.2	77.4
<b>Properties held for sale</b>	<b>(146.9)</b>	<b>-</b>
<b>TOTAL</b>	<b>5,040.4</b>	<b>6,037.5</b>

(29) EPRA position paper on IFRS 13 - Fair value measurement and illustrative disclosures, February 2013.

(30) Transfer taxes are valued on the assumption that the property is sold directly, even though the cost of these taxes can, in certain cases, be reduced by selling the property's holding company.

(€Mn)	Shopping Centres	Offices	Properties held for sale	Total investment properties
<b>December 31, 2018</b>	<b>5,886.6</b>	<b>70.6</b>	-	<b>5,957.2</b>
Acquisitions	0.2	-	-	0.2
Capitalised expenses	64.0	2.0	-	66.0
Other movements	0.6	-	-	0.6
Valuation movements	(103.9)	3.5	-	(100.4)
Currency translation	112.6	1.3	-	113.9
<b>December 31, 2019</b>	<b>5,960.1</b>	<b>77.4</b>	-	<b>6,037.5</b>
Acquisitions	0.4	-	-	0.4
Entry into scope of consolidation	540.5	-	-	540.5
Disposals/ exits from the scope of consolidation	(61.4)	-	-	(61.4)
Reclassification and transfer of category <sup>(1)</sup>	-	-	(146.9)	(146.9)
Capitalised expenses	22.5	0.7	-	23.2
Other movements	(2.6)	(0.8)	-	(3.4)
Valuation movements	(845.9)	(12.4)	-	(858.3)
Currency translation	(485.5)	(5.7)	-	(491.2)
<b>December 31, 2020</b>	<b>5,128.1</b>	<b>59.2</b>	<b>(146.9)</b>	<b>5,040.4</b>

(1) Includes the reclassification into the category of properties held for sale of foreclosed assets (Westfield Citrus Park and Westfield Countryside) described in note 17 "subsequent events".

In 2020, valuation of investment properties at fair value decreased by -€858.3 Mn, mainly due to the impact of COVID-19 crisis reflected mainly through the decrease in estimated future cash flows of the assets and an increase in average discount rates. €21.5 Mn out of -€858.3 Mn is from the revaluation of the investments previously held in a joint venture in Florida during the buyout of shares from the joint venture. For the details of the buyout of shares from joint venture and Entry into scope of consolidation, reference is made to note 2.1.2.

### • Valuation assumptions and sensitivity

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, the Group believes it appropriate to classify its assets under Level 3. The COVID-19 pandemic has no impact on the methodology applied. In addition, unobservable inputs, including appraisers' assumption on growth rates and exit yields, are used by appraisers to determine the fair value of the Group's assets.

As at December 31, 2020, 99% of URW NV's portfolio was appraised by independent appraisers. The fair value of the properties in the United states are based on the valuations performed by Cushman & Wakefield and Duff & Phelps, in The Netherlands by Cushman & Wakefield.

The following tables provide a number of quantitative elements used by the appraisers to assess the fair valuation of the Group's assets. The Dutch assets are not significant and therefore the below table shows only the US assets.

#### SHOPPING CENTRES

All Shopping Centres are valued using the discounted cash flow and/or yield methodologies.

Shopping Centres - December 31, 2020		Net initial yield	Rent in € per sqm <sup>(1)</sup>	Discount Rate <sup>(2)</sup>	Exit yield <sup>(3)</sup>	CAGR of NRI <sup>(4)</sup>
	Max	11.8%	1,868	10.5%	8.5%	11.3%
US	Min	3.1%	213	5.8%	4.3%	0.8%
	Weighted average	4.2%	523	6.5%	5.0%	4.2%

Net initial yield, discount rate and exit yield 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 and the trademark are not included in this table. Assets fully consolidated and in joint-control are included.

(1) Average annual rent (Minimum Guaranteed Rent + Sales Based Rent) per asset per sqm.

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

(3) Rate used to capitalize the exit rent to determine the exit value of an asset.

(4) Compounded Annual Growth Rate of Net Rental Income determined by the appraiser (between 6 and 10 years depending on duration of DCF model used).

Shopping Centres - December 31, 2019		Net initial yield	Rent in € per sqm <sup>(1)</sup>	Discount Rate <sup>(2)</sup>	Exit yield <sup>(3)</sup>	CAGR of NRI <sup>(4)</sup>
	Max	11.0%	2,380	12.0%	10.5%	16.0%
US	Min	3.1%	107	5.5%	4.3%	0.5%
	Weighted average	4.1%	584	6.3%	5.1%	4.1%

Net initial yield, discount rate and exit yield 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 and the trademark are not included in this table. Assets fully consolidated and in joint-control are included.

(1) Average annual rent (minimum guaranteed rent + sales based rent) per asset per m<sup>2</sup>.

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

(3) Rate used to capitalize the exit rent to determine the exit value of an asset.

(4) Compounded Annual Growth Rate of Net Rental Income determined by the appraiser (between 6 and 10 years depending on duration of DCF model used).

For the US, the split between Flagship and Regional Shopping Centres is as follows:

		Net initial	Rent in €	Discount		CAGR of
Shopping Centres - December 31, 2020		yield	per sqm <sup>(1)</sup>	Rate <sup>(2)</sup>	Exit yield <sup>(3)</sup>	NRI <sup>(4)</sup>
US Flagships	Max	7.3%	1,868	8.8%	7.0%	6.8%
	Min	3.1%	297	5.8%	4.3%	0.8%
	Weighted average	3.7%	691	6.2%	4.7%	4.4%
US Regionals	Max	11.8%	550	10.5%	8.5%	11.3%
	Min	4.0%	213	6.8%	5.8%	1.0%
	Weighted average	6.1%	322	8.1%	6.4%	3.8%

Net initial yield, discount rate and exit yield weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in this table. 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 and the trademark are not included in this table. Assets fully consolidated and in joint-control are included.

- (1) Average annual rent (Minimum Guaranteed Rent + Sales Based Rent) per asset per sqm.  
(2) Rate used to calculate the net present value of future cash flows.  
(3) Rate used to capitalise the exit rent to determine the exit value of an asset.  
(4) Compounded Annual Growth Rate of NRI determined by the appraiser (10 years)

		Net initial	Rent in €	Discount		CAGR of
Shopping Centres - December 31, 2019		yield	per sqm <sup>(1)</sup>	Rate <sup>(2)</sup>	Exit yield <sup>(3)</sup>	NRI <sup>(4)</sup>
US Flagships	Max	5.1%	2,380	7.0%	6.0%	5.5%
	Min	3.1%	415	5.5%	4.3%	2.8%
	Weighted average	3.8%	808	6.0%	4.8%	4.2%
US Regionals	Max	11.0%	494	12.0%	10.5%	16.0%
	Min	4.1%	107	6.5%	5.8%	0.5%
	Weighted average	6.0%	305	8.1%	6.9%	3.6%

Net initial yield, discount rate and exit yield weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in this table. 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 and the trademark are not included in this table. Assets fully consolidated and in joint-control are included.

- (1) Average annual rent (minimum guaranteed rent) per asset per m<sup>2</sup>. The computation takes into account the areas allocated to company restaurants.  
(2) Rate used to calculate the net present value of future cash flows.  
(3) Rate used to capitalize the exit rent to determine the exit value of an asset.  
(4) Compounded Annual Growth Rate of NRI determined by the appraiser (between 3 and 10 years, depending on duration of DCF model used).

Based on an asset value excluding estimated transfer taxes and transaction costs, the Shopping Centre division's net initial yield is 4.2% as at December 31, 2020 (December 31, 2019: 4.1%).

A change of +25 basis points in net initial yield, the main output of the appraisal models, would result in a downward adjustment of €642 Mn (or -5.7%) (December 31, 2019: -€771 Mn (or -5.7%)) of the Shopping Centre portfolio value (excluding assets under development and the trademark), including transfer taxes and transaction costs.

A change of +25 bps in discount rate would have a negative impact of -€204 Mn (or -1.8%) on the Shopping Centre portfolio value (excluding assets under development and the trademark).

A change of +10 bps in exit capitalization rate would have a negative impact of -€153 Mn (or -1.4%) on the Shopping Centre portfolio value (excluding assets under development and the trademark).

A decrease of -5% in appraisers' estimated rental value assumptions for the leases to be signed during the model period would have a negative impact of -€373 Mn (or -3.3%) on the Shopping Centre portfolio value (excluding assets under development and the trademark).

### 6.1.3 Investment properties at cost

(€Mn)	Gross value	Impairment	Total investment properties at cost
<b>December 31, 2018</b>	<b>19.4</b>	-	<b>19.4</b>
Disposals/exits from the scope of consolidation	(1.3)	-	(1.3)
Capitalised expenses	3.0	-	3.0
Currency translation	0.4	-	0.4
<b>December 31, 2019</b>	<b>21.6</b>	-	<b>21.6</b>
Impairment	-	(7.0)	(7.0)
Disposals/exits from the scope of consolidation	(1.0)	-	(1.0)
Capitalised expenses	4.9	-	4.9
Other movements	2.6	-	2.6
Currency translation	(2.2)	0.5	(1.7)
<b>December 31, 2020</b>	<b>25.9</b>	<b>(6.5)</b>	<b>19.4</b>

## 6.2 Tangible assets

### 6.2.1. Accounting principles

Under the method proposed by IAS 16, operating assets are valued at their historic cost, less cumulative depreciation and any decrease in value. Depreciation is calculated using the “component accounting” method, where each asset is broken down into major components based on their useful life.

### 6.2.2 Changes in tangible assets

(€Mn)	Furniture and equipment	Right of use	Total tangible assets
<b>December 31, 2018</b>	<b>37.5</b>	-	<b>37.5</b>
IFRS 16 impact <sup>(1)</sup>	-	32.9	32.9
Acquisitions and capitalised expenses	15.0	-	15.0
Disposals/exits from the scope of consolidation	-	-	-
Depreciation	(14.1)	(3.5)	(17.6)
Currency translation	0.7	(0.1)	0.6
Other movements	(14.7)	-	(14.7)
<b>December 31, 2019</b>	<b>24.4</b>	<b>29.3</b>	<b>53.7</b>
Acquisitions and capitalised expenses	1.5	-	1.5
Disposals/Exit from the scope of consolidation	(2.7)	-	(2.7)
Depreciation	(3.1)	(1.7)	(4.8)
Currency translation	(0.7)	(2.5)	(3.2)
Reclassifications/ Other movements	(14.8)	-	(14.8)
<b>December 31, 2020</b>	<b>4.6</b>	<b>25.1</b>	<b>29.7</b>

(1) See note 3.1 IFRS basis adopted.

Right of use assets concern the office lease of LA Headquarters. Acquired software of €14.8 Mn has been reclassified from tangible assets to intangible assets.

## 6.3 Intangible assets

### 6.3.1. Accounting principles

An intangible asset is recognised when it is identifiable and separable and can be sold, transferred, licensed, rented, or exchanged, either individually or as part of a contract with an attached asset or a liability, or which arises from contractual or other legal rights regardless of whether those rights are transferable or separable. After initial recognition, intangible assets are recognised at cost less any amortisation charges and impairment losses.

Intangible assets with a finite life are amortised on a linear basis over the life of the asset. The useful life of an asset is reviewed each year and an impairment test is carried out whenever there is an indication of impairment.

Intangible assets with an indefinite useful life are not amortised but their life span is reviewed each year. These assets are subject to impairment tests annually or whenever there is an indication of impairment, which consists of comparing the book value with the recoverable amount of the intangible assets. The recoverable amount of an asset or a cash-generating unit is the maximum between its fair value less disposal costs and its value in use. It is assessed on the basis of the present value of expected future cash flows from the continued use of the asset and its terminal value. Impairment tests are carried out by grouping assets together into cash-generating units. In the case of reduction in value, a corresponding impairment charge is recognised in the income statement.

The intangible assets arise from:

- The WFD trademark for Flagships in the US;
- The acquired software.

The incremental value of the WFD trademark corresponds to the portion of the trademark value that is not captured in the Shopping Centre values.

Trade mark intangible assets are valued by independent external appraisers using a 10 years Discounted Cash Flow methodology combined with the Royalty Relief method. The value relies on incremental growth attributable to the Westfield trademark multiplied by the royalty rate. The Relief from Royalty method estimates the value of the asset as the present value of future royalty payments over the life of the asset that are saved (not paid) by virtue of owning the asset.

The useful life of the WFD trademark is considered indefinite. As a consequence, these assets are not amortised but tested for impairment.

The useful life of the acquired software is 3 years, acquired software is amortized to a residual value of €0 on a straight-line basis over their respective useful economic lives.

## 6.3.2 Changes in intangible assets

(€Mn)	Software	Trademark	Total intangible assets
31 December, 2018	-	314.0	314.0
Currency translation	-	6.0	6.0
December 31, 2019	-	320.0	320.0
Acquisitions	4.6	-	4.6
Amortisation	(12.2)	-	(12.2)
Reclassifications	14.8	-	14.8
Impairment	-	(3.7)	(3.7)
Currency translation	(0.5)	(27.1)	(27.6)
December 31, 2020	6.7	289.2	295.9

Intangible assets as at December 31, 2020, primarily relates to the trademark acquired as at June 7, 2018, the impairment test of the trademark performed was based on an independent external appraisal. Based on more accurate assumptions when compared to the interim financial statements 2020 (amongst others, new budget for coming years including more accurate COVID-19 impact), the Intangible asset valuations as determined at December 31, 2020, give a lower impairment amount of €3.7 Mn (€16.9 Mn as at June 30, 2020). It was recognised and recorded in valuation loss on assets as at December 31, 2020. An amortisation of €12.2 Mn has been recorded in corporate expenses.

The Relief from Royalty method is used to value the trademark. The assumptions are based on macro-economic trends, industry standard ratios, historical and business plan figured. Further given the current COVID-19 pandemic and its subsequent financial and economic consequences, the calculation reflect potential effects on the trademark by performing simulations on the discount rate.

The main assumptions used to test the Trademark for impairment are the discount rate which is 8.0% (2019: 7.5%) and long term growth rate which is 2.2% (2019: 2.0%) based on US parameters.

Based on more accurate assumptions when compared to the interim financial statements 2020 (amongst others, new budget for coming years including more accurate Covid-19 impact), the Intangible asset valuations as determined at December 31, 2020, give a lower impairment amount. The impact is -€3.7Mn (-€16.9Mn as at June 30, 2020).

A change of +25 basis points on the discount rate of the Trademark as determined at December 31, 2020, would lead to an additional impairment of -€27.3 Mn the intangible assets.

A change of -10 basis points in the long term growth rate of the Trademark as determined at December 31, 2020, would lead to an additional impairment of -€8.7 Mn the intangible assets.

## 6.4 Goodwill

### 6.4.1 Accounting principles

The accounting rules for business combinations comply with IFRS 3 (revised).

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

IFRS 3 (revised) stipulates a maximum period of twelve months from the acquisition date for the accounting of the acquisition to be finalized: adjustments to values applied must be related to facts and circumstances existing at the acquisition date. Therefore, beyond this 12-month period, any earn-out adjustment must be recognized in income for the fiscal year unless the additional consideration is an equity instrument.

Where a business is acquired in stages, the previous investment is remeasured at fair value at the date if and when the control is transferred. Any difference between fair value and net book value of this investment is recognized in income.

Any change in the Group's interest in an entity that results in a loss of control is recognized as a gain/loss on disposal and the remaining interest is remeasured at fair value with the change being recognized in income.

A transaction that does not affect control (additional acquisition or disposal) is accounted for as an equity transaction between the Group share and the non-controlling interest share without an impact on profit or loss and/or a goodwill adjustment.

#### Goodwill subsequent measurement and impairment

Goodwill is carried at cost less any accumulated impairment losses. In compliance with IAS 36, the Group performs impairment testing to determine if there is any indication of impairment, at least once a year or whenever there is an indication of impairment. For the purposes of this test, assets are grouped into Cash Generating Units (CGUs).

CGUs are standardized groups of assets whose continued use generates cash inflows that are largely separate from those generated by other asset groups.

An impairment loss must be recognized wherever the recoverable value of the goodwill is less than its carrying amount. Impairment losses relating to the value of goodwill cannot be reversed.

#### Goodwill relating to costs synergies

Goodwill relating to the WAT acquisition has been allocated at the lowest level within the Group at which goodwill is monitored.

The allocation was performed based on the cost and revenue synergies expected to be generated as a result of the business combination.

## 6.4.2 Goodwill

(€Mn)	Gross value	Impairment	Total goodwill
December 31, 2018	19.8	-	19.8
Currency translation	0.0	-	-
December 31, 2019	19.8	-	19.8
Impairment	-	(19.4)	(19.4)
Currency translation	-	(0.4)	(0.4)
December 31, 2020	19.8	(19.8)	-

Goodwill related to cost and revenue synergies recognised from the WAT acquisition in 2018. The cash generating unit is related to the US operations. According to IFRS, recoverable value of goodwill is tested annually or whenever there is an indication that an asset may be impaired at each reporting date.

Due to COVID-19 and the shutdown of most of the Group's shopping centres during several months in 2020, the Group completed a full testing of its goodwill for the closing of accounts as at June 30, 2020. Although using the same method and impairment test model as used by the Group in 2019, some adjustments were made in order to reflect current uncertainties about the impact of COVID-19 on the broader economy, the shape of the economic recovery and the impact on the business of the Group.

The Group performed impairment tests of the goodwill as per June 30, 2020, based on:

- Three different scenarios for the 5-year period 2020-2024. These scenarios were based on the 5-year Business Plan 2020-2024 prepared in Q4-2019 (including detailed profit & loss statements, proposed capital expenditures and disposals) with a review of the potential impact of the crisis;
- The discount rates before tax based on a calculation of the weighted average cost of capital (WACC) in the US region which reflect the current market assessment of the interest rates and the specific risks associated as at June 30, 2020. These discount rates were also compared with the discount rates used by appraisers for the valuation of investment properties as at June 30, 2020, and the consistency between those was ensured;
- An allocation of the Group's corporate administrative expenses, as a percentage of their respective Net Rental Income;
- A discounted cash-flow calculation for on a 10-year basis, consistent with the method applied by the Group's appraisers, and a discounted terminal value, to which a long-term growth rate (LTGR), estimated as at June 30, 2020, is applied.
- A probability of occurrence of each scenario based on the estimated medium-term impact of COVID-19. A weighted average Enterprise Value (EV) was calculated for the US region.

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

<b>December 31, 2019</b>	
WACC before tax	6.20%
Long Term Growth Rate	2.20%
<b>June 30, 2020</b>	
WACC before tax	6.25%
Long Term Growth Rate	2.11%

The EV was then compared to the net asset value of the goodwill allocated. As at June 30, 2020, an impairment of -€19.4 Mn was recognised. Goodwill related to cost synergies recognized from the WAT acquisition in 2018 amounted to €0 as at December 31, 2020.

## 6.5 Valuation movements on assets

(€Mn)	2020	2019
Investment properties at fair value	(858.3)	(100.4)
Investment properties at cost	(7.0)	-
Intangible assets	(3.7)	-
Revaluation of the investments previously held	21.5	-
<b>Net result</b>	<b>(847.5)</b>	<b>(100.4)</b>

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

In 2020, amounts paid for works and acquisition of property assets amount to €93.6 Mn (December 31, 2019: €83.5 Mn). They comprise acquisitions of assets, transaction capitalised costs, works and capitalised expenses and are adjusted for the changes on amounts due on investments of the period.



## NOTE 7 ● SHARES AND INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

### 7.1 Accounting principles

The accounting principles are detailed in note 4.1.1 “Scope and methods of consolidation”. According to IFRS 11, joint ventures are those entities in which the Group has joint control established by contractual agreement and rights to the net assets of the arrangement.

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

The Group has several and only jointly controlled entities in the United States, acquired from WAT as at June 7, 2018. These shares and investments are accounted for using the equity method. The investments include property loans from the company. The additions in 2020 were €137.4 Mn (2019: €155.5 Mn). The details of the Group’s share of equity accounted entities’ assets and liabilities are set out below:

(€Mn)	December 31, 2020	December 31, 2019
Investment properties	6,616.7	8,774.9
Other non-current assets	30.7	8.2
Current assets	368.3	114.1
<b>Total assets</b>	<b>7,015.7</b>	<b>8,897.2</b>
External borrowings	1,230.4	1,623.4
Other non-current liabilities	20.2	21.6
Current liabilities	358.1	222.5
<b>Total liabilities</b>	<b>1,608.8</b>	<b>1,867.5</b>
Negative value of joint venture for which a provision is recognised under liabilities <sup>(1)</sup>	24.0	-
<b>NET ASSETS</b>	<b>5,430.9</b>	<b>7,029.7</b>

(€Mn)	2020	2019
Net rental income	259.4	388.9
Change in fair value of investment properties	(1,215.7)	(252.7)
Net result	(1,057.9)	45.5

(1) 24M EUR Bottom Dollar Guarantee reclass of negative investment to liability for Palm Desert and Trumbull investments.

### Commitments and contingent liabilities in respect of associates and joint ventures

The Group’s share in the capital commitments of the joint ventures themselves is set out in Note 15. Profits can be distributed without significant restrictions other than regular consent of joint venture partners.

### 7.3 Equity accounted entities’ economic interest

Set out below are the joint ventures of the Group as at December 31, 2020. All joint venture are incorporated in the United States. None of these are individually material for the Group. There are changes in the economic interest compared to December 31, 2019, due to the Buyout of shares from joint ventures mentioned in note 2.1.2.

Name of the investments <sup>(1)</sup>	Type of equity	Economic interest	Economic interest
		December 31, 2020	December 31, 2019
Annapolis <sup>(2)</sup>	Partnership units	55.0%	55.0%
Connecticut House	Partnership units	52.6%	52.6%
Culver City <sup>(2)</sup>	Partnership units	55.0%	55.0%
Fashion Square	Partnership units	50.0%	50.0%
Garden State Plaza	Partnership units	50.0%	50.0%
Mission Valley	Partnership units	41.7%	41.7%
Montgomery	Partnership units	50.0%	50.0%
MV Macy’s Box/Parcel	Partnership units	41.7%	41.7%
North County <sup>(2)</sup>	Partnership units	55.0%	55.0%
Oakridge <sup>(2)</sup>	Partnership units	55.0%	55.0%
Owensmouth	Partnership units	55.0%	55.0%
Palm Desert <sup>(2)</sup>	Partnership units	52.6%	52.6%
Plaza Bonita <sup>(2)</sup>	Partnership units	55.0%	55.0%
Promenade	Partnership units	55.0%	55.0%
San Francisco Emporium	Partnership units	50.0%	50.0%
Santa Anita	Partnership units	49.3%	49.3%
Southcenter <sup>(2)</sup>	Partnership units	55.0%	55.0%
Southgate	Membership units	50.0%	50.0%
Topanga <sup>(2)</sup>	Partnership units	55.0%	55.0%
Trumbull <sup>(2)</sup>	Partnership units	52.6%	52.6%
UTC	Partnership units	50.0%	50.0%
Valencia Town Center	Partnership units	50.0%	50.0%

Name of the investments	Type of equity	Economic interest December 31, 2020	Economic interest December 31, 2019
Valley Fair	Partnership units	50.0%	50.0%
Wheaton <sup>(2)</sup>	Partnership units	52.6%	52.6%
UTC/VF Services	Membership units	50.0%	50.0%
West Valley	Partnership units	55.0%	55.0%
UTC Resi	Partnership units	50.0%	50.0%
CT Houses	Partnership units	52.6%	52.6%
Emporium Offices	Partnership units	50.0%	50.0%
Wheaton North Office	Partnership units	52.6%	52.6%
Wheaton South Office	Partnership units	52.6%	52.6%
Montgomery Condo	Partnership units	50.0%	50.0%
Blum	Associates	20.0%	20.0%
Starwood	Associates	10.0%	10.0%

Name of the investments fully consolidated	Type of equity	Economic interest December 31, 2020	Economic interest December 31, 2019
Brandon <sup>(3)</sup>	Membership units	100.0%	50.0%
Broward <sup>(3)</sup>	Membership units	100.0%	50.0%
Citrus park <sup>(3)</sup>	Membership units	100.0%	50.0%
Countryside <sup>(3)</sup>	Membership units	100.0%	50.0%
Sarasota <sup>(3)</sup>	Membership units	100.0%	50.0%

<sup>(1)</sup> All equity accounted property partnerships operate solely as retail property investors in the United States.

<sup>(2)</sup> Per the Co-ownership, Limited Partnership and Property Management Agreements with our joint venture partners, the Group is restricted from exercising control over these interests even though the Group has more than 50% ownership interest and voting rights. Major decisions require the approval of both the Group and the joint venture partners and operating and capital budgets must be approved by the Management Committee (both owners have equal representation on this Committee). The Group therefore has joint control over the investments and is treating them as equity accounted interests.

<sup>(3)</sup> These investments were accounted for equity method until the acquisition of the remaining interest of these membership units on October 30, 2020.

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

The consolidated financial statements include all companies in the Group's scope of consolidation (see note 16 "List of consolidated companies"). The Group's joint ventures are listed in note 7.3.

Together with Unibail-Rodamco-Westfield SE ("URW SE"), the Group forms Unibail-Rodamco-Westfield ("URW Group").

The main related party transactions refer to transactions with companies accounted for using the equity method, loans and foreign currency contracts with URW SE and convertible redeemable preference shares/units held by URW SE.

### Transactions with companies accounted for using the equity method

(€Mn)	December 31, 2020	December 31, 2019
Inventories	-	2.9
Current account in debit	55.2	14.9
Current account in credit	-	-

(€Mn)	2020	2019
Project management fees invoices	2.9	1.8
Asset management fees invoiced and other fees	-	-

### Transactions with Unibail-Rodamco-Westfield SE

All related party loans of the Group are from URW SE. For the interest amounts with URW SE refer to note 8.3.3.

#### Loans to URW NV

During the period, URW NV has interest bearing loans from URW SE. The loan of €750.0 Mn was converted into equity on December 29, 2020, reference is made to note 2.1.4. The remaining principal amount of the loans remains €1,260.6 Mn as at December 31, 2020. The interest rate of the loan is based on a fixed rate from and including the issue date to, but excluding, October 25, 2023. After each 5 years the interest rate is reset at 5YR Mid-swaps plus relevant margin. The maturity date of the loan is perpetual. Charges and premiums on issues of borrowings with URW SE amounts to €8.8 Mn as at December 31, 2020 (December 31, 2019: €11.5 Mn).

During the period, URW NV has an interest bearing loan from URW SE. The principal amount of the loan is €35.8 Mn as at December 31, 2020 (December 31, 2019: €35.8 Mn). The interest rate is based on a fixed rate and the maturity date is May 31, 2023.

During the period, URW NV has a EUR and USD current account facility with URW SE for €120.0 Mn and \$20.0 Mn (€16.3 Mn) respectively. As at December 31, 2020, the drawn down amount is €117.1 Mn and \$4.8 Mn (€3.9 Mn) respectively. The interest rate is EURIBOR + 0.85% for the EUR facility and LIBOR + 1.4% for the USD facility. The maturity date for both contracts is April 1, 2024.

URW NV has interest rate swaps and caps contracts with URW SE in 2020. The interest rate swaps contracts maturity date are in 2028 and 2048. The maturity date of the previous caps contract was January 2, 2020. A new caps contract commenced on January 2, 2020, with 1 year maturity. The non-current derivative assets and non-current derivatives liabilities related to the swaps and caps contracts are €120.4 Mn (December 31, 2019: €83.4 Mn) and €529.1 Mn (December 31, 2019: €348.7 Mn) respectively as at December 31, 2020. Reference is made to note 8.4.

#### Loans to URW America Inc.

During the period, URW America Inc. has a USD interest bearing loan from URW SE. The balance of the loan as at December 31, 2020, is \$52.4 Mn (€42.7 Mn) (December 31, 2019: €46.6 Mn). The interest rate is LIBOR + 0.600% margin. The maturity date of the loan is June 7, 2025.

During the period, URW America Inc. has a USD interest bearing loan from URW SE. It was converted from an AUD interest bearing loan on November 30, 2020. The balance of the loan as at December 31, 2020 is \$1,202.9 Mn (€980.3 Mn) (December 31, 2019: €1,015.3 Mn). The interest rate is LIBOR + 1.225% margin. The maturity date of the loan is November 30, 2025.

During the period, URW America Inc. has a USD interest bearing loans from URW SE. The balance of the loan as at December 31, 2020 is \$776.3 Mn (€632.6 Mn) (December 31, 2019: €691.0 Mn). The interest rate is LIBOR + 1.120% margin. The maturity date of the loan is April 16, 2026.

#### Loans to WALP

During the period, WALP has a USD interest bearing loan from URW SE. The balance of the loan as at December 31, 2020 is \$1,010.0 Mn (€823.1 Mn) (December 31, 2019: €540.8 Mn). The interest rate is LIBOR + 0.900% margin and is reset quarterly. The maturity date of the loan is December 15, 2021.

During the period, WALP has a USD interest bearing loan from URW SE. The balance of the loan as at December 31, 2020 is \$475.0 Mn (€387.1 Mn) (December 31, 2019: €422.8 Mn). The interest rate is LIBOR + 0.775% margin. The maturity date of the loan is June 27, 2022.

During the period, WALP received a new USD interest bearing loan from URW SE. The balance of the loan as at December 31, 2020, is \$300.0 Mn (€244.5 Mn). The interest rate is LIBOR + 1.3% margin. The maturity date of the loan is September 4, 2025.

### Redeemable preference shares held by URW SE

After the 2019 Restructurings, URW SE holds redeemable preference shares in WHL USA Acquisitions, Inc. with a stated redemption value of €359.8 Mn (December 31, 2019: €393.1 Mn) which are presented in the consolidated statement of the financial position under commitment to non-controlling interests. URW SE has the right to redeem the shares for cash after April 3, 2029, and is entitled to annual dividends equal to 5.9% of the stated redemption value. Any unpaid distributions on the shares are cumulative and must be paid prior to WHL USA Acquisitions, Inc. paying a common distribution.

All related party transactions are based on at arm's length prices.

### Transactions with key management personnel

Remuneration of key management personnel is disclosed in note 13.4.2.

## NOTE 8 ● FINANCING AND FINANCIAL INSTRUMENTS

### 8.1 Accounting principles

#### 8.1.1 Financial instruments (IAS 32/IFRS 7/IFRS 9/IFRS 13)

##### ● Classification and measurement of non-derivative financial assets and liabilities

##### Financial assets

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) - debt instruments; FVOCI - equity instruments; or Fair Value Through Profit and Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes derivative financial assets and preferred shares.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets for the Group:

##### FINANCIAL ASSETS AT AMORTISED COST

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses if needed. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### FINANCIAL ASSETS AT FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

#### **EQUITY INSTRUMENTS AT FVOCI**

These assets are subsequently measured at fair value through profit or loss except in the case of an irrevocable election to classify them at fair value through other comprehensive income that cannot be reclassified.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

#### **Financial liabilities**

Amounts to suppliers and interest bearing financial liabilities are initially measured at fair value less transaction costs directly attributable to the issue and after initial booking at amortised cost using the effective interest rate. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Other non-derivatives financial liabilities are recognised at fair value through profit or loss.

#### **• Classification and measurement of financial derivatives**

The Group uses derivative financial instruments to hedge its exposure to movements in interest and currency exchange rates.

All financial derivatives are recorded as financial assets or liabilities at fair value on the statement of financial position. Fair value variations of financial derivatives are recognised in the income statement for the period.

The Group has a macro-hedging strategy for its debt. No hedge accounting is applied. All such derivatives are therefore measured at their fair value and any fair value variations are recorded in the income statement.

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognised in the income statement.

Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised as part of the "financing result" as these instruments are designated as hedging instruments.

#### **• Hedging instruments**

The Group, which holds a group of financial assets or financial liabilities, is exposed to market risks and credit risks of every single counterparty as defined in IFRS 7. The Group applies the exception provided by IFRS 13 (§ 48) which permits to measure the fair value of a group of financial assets or a group of financial liabilities on the basis of the price that would be received to sell or transfer a net position towards a particular risk in an orderly transaction between market participants at the measurement date under current market conditions.

To determine the net position, the Group takes into account existing arrangements to mitigate the credit risk exposure in the event of default (e.g. a master netting agreement with the counterparty). The fair value measurement takes into consideration the likelihood that such an arrangement would be legally enforceable in the event of default.

Valuation of derivatives has to take into account the Credit Valuation Adjustment (CVA) and the Debit Valuation Adjustment (DVA).

CVA, calculated for a given counterparty, is the product of:

- the total mark-to-market the Group has with this counterparty, in case it is positive;
- the probability of default of this counterparty over the average maturity, weighted by the nominal of the derivatives booked with them. This probability of default is taken from the Bloomberg model, based on market data and derived from the Credit Default Swaps of the banks;
- and the loss given default following market standard.

DVA based on URW NV's credit risk corresponds to the loss that the Group's counterparties may face in case of the Group's default. It is the product of:

- the total mark-to-market the Group has with a counterparty, in case it is negative;
- the probability of default of the Group over the average maturity, weighted by the nominal of the total portfolio of derivatives. The Group's probability of default is derived from the Credit Default Swaps of URW NV and taken from the Bloomberg model;
- and the loss given default following market standard.

#### **8.1.2 Discounting of deferred payments**

Long-term liabilities and receivables are discounted when this has a significant impact:

- deferred payments on assets deals, share deals and acquisitions of lands have been discounted up to the payment date;
- provisions for material liabilities taken under IAS 37 are discounted over the estimated duration of the disputes they cover;
- guarantee deposits received from tenants have not been discounted given the negligible impact of discounting.

#### **8.1.3 Borrowing costs generated by construction projects (IAS 23)**

Borrowing costs directly attributable to the acquisition or construction of an asset are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest costs capitalised are calculated using the Group's weighted average costs of borrowing applied to the average value of the work completed during each quarter, unless specific financing exists for the project. In this case, the specific interest costs of the project are capitalised.

Capitalisation of borrowing costs starts when the asset is qualified as an Investment Property Under Construction and/or as inventory and ends when the project is transferred to standing investment property at the delivery date to the tenant earlier when the project is technically completed or when an asset is available for sale.

## 8.2 Financing result

### 8.2.1 Net financing costs

(€Mn)	2020	2019
Other financial interest	6.5 <sup>(1)</sup>	24.9
Interest income on derivatives	59.9	37.3
<b>Subtotal financial income</b>	<b>66.4</b>	<b>62.2</b>
Interest on bonds and EMTNs	(155.5)	(155.9)
Interest and expenses on borrowings	(122.1)	(161.0)
Interest expense on lease liabilities	(3.3)	(3.6)
Interest on preference shares	(34.8)	(34.6)
Other financial interest	(32.2) <sup>(2)</sup>	(3.3)
Interest expenses on derivatives	(76.2)	(25.9)
<b>Financial expenses before capitalisation of financial expenses</b>	<b>(424.1)</b>	<b>(384.3)</b>
Capitalised financial expenses	0.2	1.2
<b>Subtotal net financial expenses</b>	<b>(423.9)</b>	<b>(383.1)</b>
<b>TOTAL NET FINANCIING COSTS</b>	<b>(357.5)</b>	<b>(320.9)</b>

(1) The other financial interest income of €6.5 Mn (2019: €24.9 Mn) is calculated using the effective interest method.

(2) The other financial interest expense includes the amendment fee of €21.9 Mn and the remaining amortized upfront fee of €3.8 Mn cost of €75.0 Mn loan conversion, reference is made to note 2.1.4.

Interest paid and received 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.

### 8.2.2 Fair value adjustments of derivatives, debt and currency effect

(€Mn)	2020	2019
Amortisation of debt	(3.3)	(1.7)
Currency result	(52.6)	(3.3)
Fair value of derivatives	(146.2)	(222.5)
Fair value preference shares	58.5	(83.4)
Impairment of investment in associates	(105.6) <sup>(1)</sup>	-
<b>TOTAL FINANCIAL RESULT</b>	<b>(249.2)</b>	<b>(310.9)</b>

(1) The impairment of investment in associates includes €93.4Mn impairment of Starwood of which €56.8 Mn relates to expected credit loss.

The derivatives liability as at December 31, 2020, is -€529.1 Mn (December 31, 2019: -€348.7 Mn). For the fair value of derivatives, reference is made to note 8.4. The fair value loss on derivatives is mainly caused by lower interest swap curves.

## 8.3 Financial assets and liabilities

### 8.3.1 Financial assets

(€Mn)	December 31, 2020	December 31, 2019
<b>Financial assets at fair value through OCI</b>	<b>0.1</b>	<b>15.6</b>
Non-listed equity investment	0.1	15.6
<b>Debt instruments at amortised cost</b>	<b>225.6</b>	<b>252.3</b>
Preferred interest Starwood and Rouse	116.3	181.8
Trade receivables from activity	109.3	70.5
<b>TOTAL FINANCIAL ASSETS</b>	<b>225.7</b>	<b>267.9</b>
<b>Total current</b>	<b>109.3</b>	<b>70.5</b>
<b>Total non-current</b>	<b>116.4</b>	<b>197.4</b>

Due to the impact of COVID-19 some of the financial assets have been written off or revalued. The negative fair value movement of the non-listed equity investment amounted €15.3 Mn. The impairment is recognized in the Other Comprehensive Income. Furthermore the expected credit loss of the preferred interest Starwood amounted €56.8 Mn. The impact is recorded in the fair value adjustments of derivatives, debts and currency effect. For the expected credit loss on trade receivables, see note 2.1.1.

### 8.3.2 Main financing transactions

#### 2020

On September 4, 2020 a \$300 Mn early repayment on a 144A bond maturing in October 2020, took place. Borrowings from URW SE decreased with €311.1 Mn in 2020.

Although, the group objectives mention cash pool activities, those were not applicable for 2020.

#### 2019

In June 2019 and October 2019 two Rule 144A USD bonds were issued for \$750 Mn with a 3.50% coupon and a 10-year maturity and \$750 Mn with a 2.875% coupon and a 7-year maturity, respectively.

Although, the group objectives mention cash pool activities, those were not applicable for 2019.

### 8.3.3 Financial debt breakdown and outstanding duration to maturity

Outstanding duration to maturity (€Mn)	Current			Non-current		Total December 31, 2020	Total December 31, 2019
	Less than 1 year	1 year to 5 years	More than 5 years	Total			
<b>Bonds and notes</b>	<b>10.0</b>	<b>1,218.7</b>	<b>2,448.5</b>			<b>3,677.2</b>	<b>4,281.6</b>
Principal debt <sup>(1)</sup>	-	1,222.4	2,444.8			3,667.2	4,272.7
Accrued interest	35.0	-	-			35.0	37.5
Issuance costs	(22.0)	-	-			(22.0)	(21.9)
Amortisation of debt	(3.0)	(3.7)	3.7			(3.0)	(6.7)
<b>Bank borrowings</b>	<b>127.6</b>	<b>221.0</b>	<b>98.1</b>			<b>446.7</b>	<b>343.7</b>
Principal debt <sup>(1)</sup>	108.4	224.1	98.6			431.1	352.7
Accrued interest	29.5	-	-			29.5	2.5
Borrowings issue fees	0.1	-	-			0.1	(7.0)
Amortisation of debt	(10.4)	(3.1)	(0.5)			(14.0)	(4.5)
<b>Other financial liabilities</b>	<b>838.5</b>	<b>1,811.3</b>	<b>1,893.6</b>			<b>4,543.4</b>	<b>4,867.3</b>
Borrowing with URW SE <sup>(2)</sup>	823.1	1,811.3	1,893.6			4,528.0	4,838.7
Accrued interests on borrowings with URW SE <sup>(2)</sup>	24.2	-	-			24.2	40.1
Charges and premiums on issues of borrowings with URW SE <sup>(2)</sup>	(8.8)	-	-			(8.8)	(11.5)
<b>Lease liabilities</b>	<b>3.3</b>	<b>-</b>	<b>52.7</b>			<b>56.0</b>	<b>64.5</b>
<b>Total financial debt</b>	<b>979.4</b>	<b>3,251.0</b>	<b>4,492.9</b>			<b>8,723.3</b>	<b>9,557.1</b>
<b>Liabilities directly associated with properties or shares classifies as held for sale</b>	<b>203.5</b>	<b>-</b>	<b>-</b>			<b>203.5</b>	<b>-</b>
<b>TOTAL</b>	<b>1,182.9</b>	<b>3,251.0</b>	<b>4,492.9</b>			<b>8,926.8</b>	<b>9,557.1</b>

(1) These notes or instruments are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

(2) Further information relating to loans with related parties is set out in note 7.4.

The amortisation of debt refers to the fair value of the WEA debt at acquisition date.

An amount of €657.3 Mn of bank borrowings is secured. Secured liabilities are borrowings secured by mortgages over properties. These properties are as follows: Westfield Galleria at Roseville, Westfield Old Orchard, Westfield San Francisco Centre, Westfield Broward, Westfield Citrus, Westfield Countryside and Westfield Sarasota. The terms of the debt facilities preclude the properties from being used as security for other debt. The debt facilities also require the properties to be insured.

An amount of €203.5 Mn of current bank borrowings is directly associated to assets (Westfield Citrus Park, Westfield Countryside) held for sale, which includes principal debt of €226.6 Mn and amortisation of debt €-23.1 Mn.

The 2020 variation of financial debt by flows breaks down as follows:

	Cash flows <sup>(1)</sup>			Non-cash flows					December 31, 2020
	December	Variation of accrued		Scope	Currency	Amortisation	Others		
	31, 2019	Increase <sup>(2)</sup>	Decrease	interests <sup>(3)</sup>	movements	translation		impact	
Bonds and notes	4,281.6	-	(262.7)	0.8	-	(343.8)	3.4	(2.1)	3,677.2
Bank borrowings	343.7	-	(126.9)	17.1	455.1 <sup>(4)</sup>	(38.7)	(0.1)	-	650.2
Other financial liabilities	4,867.3	710.0	(38.4)	(2.5)	-	(244.7)	-	(748.3) <sup>(5)</sup>	4,543.4
Lease liabilities	64.5	-	(3.3)	-	-	(5.2)	-	-	56.0
<b>TOTAL</b>	<b>9,557.1</b>	<b>710.0</b>	<b>(431.3)</b>	<b>15.4</b>	<b>455.1</b>	<b>(632.4)</b>	<b>3.3</b>	<b>(750.4)</b>	<b>8,926.8</b>

(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 scope includes the change of consolidation method from equity to full consolidation following the acquisition of its JV partner's shares (50%) in five US assets: Westfield Brandon, Westfield Broward, Westfield Citrus Park, Westfield Countryside and Westfield Sarasota, reference is made to note 2.1.2.

(5) The variation of Others includes conversion of the €750 Mn loan with URW SE to equity, reference is made to note 2.1.4.

The 2019 variation of financial debt by flows breaks down as follows:

	Cash flows <sup>(1)</sup>			Non-cash flows					December 31, 2019
	December	Variation of accrued		Scope	Currency	Amortisation	Others		
	31, 2018	Increase <sup>(2)</sup>	Decrease	interests <sup>(3)</sup>	movements	translation		impact	
Bonds and notes	3,991.8	1,327.7	(1,116.6)	(3.8)	-	76.0	5.6	0.9	4,281.6
Bank borrowings	911.4	35.7	(594.7)	(27.4)	-	18.3	(3.9)	4.3	343.7
Other financial liabilities	4,025.2	593.5	(15.2)	4.7	-	28.9	-	230.2 <sup>(4)</sup>	4,867.3
Lease liabilities	33.6	-	(2.6)	-	-	0.6	-	32.9 <sup>(5)</sup>	64.5
<b>TOTAL</b>	<b>8,962.0</b>	<b>1,956.9</b>	<b>(1,729.1)</b>	<b>(26.5)</b>	<b>-</b>	<b>123.8</b>	<b>1.7</b>	<b>268.3</b>	<b>9,557.1</b>

(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 issuance costs and issue fees.

(3) The variation of accrued interest is included in lines Financial income/Financial expenses of the Consolidated statement of cash flows.

(4) Due to the 2019 restructurings, reference is made to note 2.2.

(5) Due to the application of IFRS 16 leases.

## ● Maturity of current principal debt

(€Mn)	Current			Total December 31, 2020
	Less than 1 month	1 month to 3 months	More than 3 months	
	Bonds and notes	-	-	
Bank borrowings	-	-	335.0	335.0
Borrowing with URW SE	23.2	-	799.9	823.1
Financial leases	-	-	3.3	3.3
<b>TOTAL</b>	<b>23.2</b>	<b>-</b>	<b>1,138.2</b>	<b>1,161.4</b>

### 8.3.4 Characteristics of bonds and notes

The bonds and notes are related to WEA and have the following characteristics:

Issue date	Rate	Currency	Amount as at December 31,	Amount as at December 31,	Maturity
			2020	2019	
			(€Mn)	(€Mn)	
September 2014	Fixed rate 3.75%	USD	814.9	890.1	September 2024
September 2014	Fixed rate 4.75%	USD	407.5	445.1	September 2044
April 2017	Fixed rate 3.15%	USD	407.5	445.1	April 2022
September 2018	Fixed rate 4.125%	USD	407.5	445.1	September 2028
September 2018	Fixed rate 4.625%	USD	407.5	445.1	September 2048
June 2019	Fixed rate 3.50%	USD	611.2	667.6	June 2029
October 2019	Fixed rate 2.875%	USD	611.2	667.6	January 2027
<b>TOTAL</b>			<b>3,667.2</b>	<b>4,005.7</b>	

### 8.3.5 Covenants

There are no financial covenants (such as loan to value or ICR) with regard to the loans with URW SE.

The US bond indentures (144A and Regulation S bonds) in the US contain financial covenants based on URW Group's financial statements and are included in note 8.3.3.

- a maximum loan to value of 65%;
- a minimum ICR of 1.5x;
- a maximum of 50% for the Secured debt ratio;
- a minimum of 1.25x for the Unencumbered leveraged ratio.

These covenants are tested twice a year based on the URW Group's IFRS financial statements.

Besides these bonds and borrowings that contain URW Group wide covenants, the company has other mortgage loans in the US for which financial covenants are applicable.

As a result of the COVID-19 pandemic, debt service payments on certain mortgage loans (\$476 Mn on a proportionate basis) on some regional US assets have not been made. Two of these assets with loans totaling \$278 Mn are currently in foreclosure. The Group is in discussion with the servicers regarding the loans representing the remainder of this amount. For another mortgage loan of \$121 Mn a debt-service coverage ratio was not met as per balance sheet date. Defaults under these loans are not expected to have a material adverse effect on the URW Group's finances.

### 8.3.6 Fair value of debt

(€Mn)	December 31, 2020		December 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
<b>Fixed-rate and index-linked debt</b>				
Fixed-rate & index-linked borrowings, interbank instruments and negotiable market instruments	5,550.7	5,703.7 <sup>(1)</sup>	6,620.0	6,846.5

(1) Details of further breakdown of liabilities are made to Note 8.3.3.



### 8.3.7 Net financial debt

Net financial debt is determined as below:

#### ● Net financial debt

(€Mn)	December 31, 2020	December 31, 2019
Amounts accounted for in B/S		
Long-term bonds and borrowings	7,691.2	9,189.1
Current borrowings and amounts due to credit institutions	976.1	303.5
Liabilities directly associated with properties or shares classified as held for sale <sup>(1)</sup>	203.5	
<b>Total financial liabilities</b>	<b>8,870.8</b>	<b>9,492.6</b>
Adjustments		
Amortisation of debt	40.1	11.2
Accrued interests/issuance fees	(58.0)	(39.7)
<b>Total financial liabilities (nominal value)</b>	<b>8,852.9</b>	<b>9,464.1</b>
Cash & cash equivalents	(63.1)	(56.8)
<b>NET FINANCIAL DEBT</b>	<b>8,789.8</b>	<b>9,407.3</b>

(1) Reference is made to Note 8.3.3.

#### ● Net cash at period-end

(€Mn)	December 31, 2020	December 31, 2019
Cash	63.1	56.8
<b>Total asset</b>	<b>63.1</b>	<b>56.8</b>
Bank overdrafts & current accounts to balance out cash flow	(0.1)	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>
<b>NET CASH AT PERIOD-END</b>	<b>63.0</b>	<b>56.8</b>

### 8.3.8 Commitment to non-controlling interests

(€Mn)	December 31, 2019	Addition	Decrease	Fair value movements in P&L	Currency translation	December 31, 2020
<b>Financial liabilities at amortised cost</b>	<b>393.1</b>	<b>39.6</b>	<b>-</b>	<b>-</b>	<b>(33.3)</b>	<b>399.4</b>
Commitment to non-controlling interests held by URW SE (a)	393.1	39.6	-	-	(33.3)	399.4
<b>Financial liabilities at fair value</b>	<b>173.1</b>	<b>7.7</b>	<b>(12.4)</b>	<b>(58.0)</b>	<b>(9.4)</b>	<b>101.0</b>
Commitment to non-controlling interests (b)	47.7	7.7	(12.4)	(24.9)	(1.5)	16.6
Other commitments to non-controlling interests (c)	125.4	-	-	(33.1)	(7.9)	84.4
<b>Total commitment to non-controlling interests</b>	<b>566.2</b>	<b>47.3</b>	<b>(12.4)</b>	<b>(58.0)</b>	<b>(42.7)</b>	<b>500.4</b>
<b>Total non-current</b>	<b>565.2</b>	<b>7.7</b>	<b>(12.4)</b>	<b>(57.3)</b>	<b>(42.7)</b>	<b>460.5</b>
<b>Total current</b>	<b>1.0</b>	<b>39.6</b>	<b>-</b>	<b>(0.7)</b>	<b>-</b>	<b>39.9</b>

After the 2019 restructurings, URW SE holds redeemable preference shares/units in WHL USA Acquisitions, Inc. for an amount of €359.8 Mn. The holder has the right to redemption in cash after April 3, 2029. These redeemable preference shares are measured at amortised cost using the effective interest method. The addition is €39.6 Mn is non cash related accrued interest of this redeemable preferences shares/units. The remaining part relates to external parties (note b and c) and are measured at fair value level 3.

#### a) Interests held by URW SE

i) The holders of Series A preferred shares are entitled to receive an annual dividend equal to 5.9% of the liquidation value of the preference shares.

## b) Interests held by external parties

i) As at December 31, 2020, the Jacobs Group holds 1,265,431 (December 31, 2019: 1,265,431) Series G units in the operating partnership. The holders have the right that requires WEA to purchase up to 10% of the shares redeemed for cash.

ii) As at December 31, 2020, the previous owners of the Sunrise Mall hold 1,401,426 (December 31, 2019: 1,401,426) Series I units. At any time after the earlier of (i) July 21, 2005; (ii) dissolution of the operating partnership; or (iii) the death of the holder, such holder (or the holder's Estate) has the right to require the operating partnership to redeem its Series I units, at the Group's discretion either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for URW stapled securities); or (iii) a combination of both.

iii) As at December 31, 2020, 1,538,481 (December 31, 2019: 1,538,481) Series J units are outstanding. At the holder's discretion, such holder has the right to require the operating partnership to redeem its Series J units, at the Group's discretion, either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for URW stapled securities); or (iii) a combination of both.

iv) The investor unit rights in the operating and property partnerships have a fixed life and are able to be redeemed either for: (i) cash, (ii) shares in WEA; or (iii) a combination of both, at the Group's discretion.

v) As at December 31, 2020, zero (December 31, 2019: 739,565) WEA common shares are held by certain third party investors. These were repurchased during the year from the third party investors.

## c) Other commitment to non-controlling interests

The other redeemable preference shares/units comprise: (i) Series H-2 Partnership Preferred Units (Series H-2 units); and (ii) Series A Partnership Preferred Units (Series A units).

i) The former partners in the San Francisco Centre hold 360,000 (December 31, 2019: 360,000) Series H-2 Units in the operating partnership. Each Series H-2 unit will be entitled to receive quarterly distributions equal to \$0.125 for the first four calendar quarters after the Series H-2 units are issued (the Base Year) and for each calendar quarter thereafter, \$0.125 multiplied by a growth factor. The growth factor is an amount equal to one plus or minus, 25% of the percentage increase or decrease in the distributions payable with respect to a partnership common unit of the operating partnership for such calendar quarter relative to 25% of the aggregate distributions payable with respect to a partnership common unit for the Base Year.

ii) In connection with the completion of the San Francisco Emporium development, 1,000 (December 31, 2019: 1,000) Westfield Growth, LP Series A units were issued to Forest City Enterprises, Inc. Redemption of these units by the holder can only be made at the time that the San Francisco Centre (which includes San Francisco Emporium) is sold or otherwise divested. Should this occur, the redemption of these units is required to be made in cash but only out of funds legally available from Westfield Growth, LP.

## 8.4 Derivative instruments

### Change in derivatives 2020

(€Mn)	December 31, 2019	Amounts recognised in the Statement of Comprehensive Income		December 31, 2020
		Fair value adjustments of derivatives	Currency translation	
<b>Assets</b>				
Derivatives at fair value Non-Current	85.0	34.2	1.2	120.4
• Fair value	85.0	34.2	1.2	120.4
<b>Liabilities</b>				
Derivatives at fair value	(348.7)	(180.4)	-	(529.1)
• Fair value	(348.7)	(180.4)	-	(529.1)
NET	(263.7)	(146.2)	1.2	(408.7)

The fair value of interest rate derivatives (assets: fixed-to-floating IRS) increased in value due to a lower swap rate curve. For the same reason the floating-to-fixed IRS (liabilities) became more negative.

There is a new CAP contract between URW NV and URW SE in 2020. The notional amount of the CAP contract is \$1.25 Bn (€1.02 Bn). The contract commenced on January 2, 2020, with 1 year maturity.

There is no settlement in 2020.

## Change in derivatives 2019

(€Mn)	Amounts recognised in the Statement of Comprehensive Income			December 31, 2019
	December 31, 2018	Fair value adjustments of derivatives	Currency translation	
<b>Assets</b>				
Derivatives at fair value Non-Current	28.8	56.0	0.2	85.0
• Fair value	28.8	56.0	0.2	85.0
<b>Liabilities</b>				
Derivatives at fair value	(70.2)	(278.5)		(348.7)
• Fair value	(70.2)	(278.5)		(348.7)
<b>NET</b>	<b>(41.4)</b>	<b>(222.5)</b>	<b>0.2</b>	<b>(263.7)</b>

The fair value of interest rate derivatives (assets: fixed-to-floating IRS) increased in value due to a lower swap rate curve. For the same reason the floating-to-fixed IRS (liabilities) became more negative.

## 8.5 Risk management policy

The Group's principal financial instruments comprise cash, receivables, payable, interest bearing liabilities, other financial liabilities, other investments and derivative financial instruments. The Group manages its exposure to key financial risks in accordance with the Group treasury risk management policies.

The Group utilises derivative financial instruments, including forward exchange contracts, currency and interest rate options, currency and interest rate swaps to manage the risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are recognised at fair value.

The Group has set defined policies and implemented a comprehensive hedging program to manage interest and exchange rate risks. Derivative instruments are transacted to achieve the economic outcomes in line with the Group's treasury policy and hedging program. Derivative instruments are not transacted for speculative purposes. Accounting standards however require compliance with documentation, designation and effectiveness parameters before a derivative financial instrument is deemed to qualify for hedge accounting treatment. These documentation, designation and effectiveness requirements cannot be met in all circumstances. As a result, derivative instruments, other than cross currency swaps that hedge net investments in foreign operations, are deemed not to qualify for hedge accounting and are recorded at fair value. Gains or losses arising from the movement in fair values are recorded in the income statement.

The fair value of derivatives has been determined with reference to market observable inputs for contracts with similar maturity profiles. The valuation is a present value calculation which incorporates interest rate curves, foreign exchange spot and forward rates, option volatilities and the credit quality of all counterparties.

### 8.5.1 Market risk

#### ● 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, the Group relies on cross guarantees within the URW Group for its hedging operations.

In case of derivative termination, netting can apply as a result of existing agreements between mainly the Group and the banks. The related amounts of derivative instruments, including accrued interests, would be €120.4 Mn (December 31, 2019: €85.0 Mn) for assets and €529.1 Mn (December 31, 2019: €348.7 Mn) for liabilities.

#### ● Interest rate risk

The Group is exposed to interest rate fluctuations on its existing or future variable rate borrowings. The Group's strategy regarding interest rate risk is to minimise the impact that changes in rates could have on earnings and cash flow and optimise the overall cost of financing in the medium-term. In order to implement this strategy, The Group uses notably derivatives (mainly caps and swaps) to hedge its interest rate exposure. The Group's market transactions are confined exclusively to those interest hedging activities. All transactions are managed centrally and independently by the Group.

#### Interest rate hedging transactions

The Group pursued its cautious hedging policy, putting in place caps and swaps to limit its interest rate exposure.

This includes the following macro hedges: USD caps and swaps for a nominal amount of USD 4.3 Bn as December 31, 2020 (December 31, 2019: USD 5.5 Bn). The cap is a type of interest rate derivative in which the Group receives payments at the end of each period in which the interest rate exceeds the agreed strike price.

## MEASURING INTEREST RATE RISK

As at December 31, 2020, the measuring interest risk is as follows:

(€Mn)	Financial assets		Financial liabilities		Net exposure before hedging	
	Fixed rate	Variable rate	Fixed rate	Variable rate*	Fixed rate	Variable rate
Less than 1 year	63.0	-	8.4	823.1	(54.6)	823.1
1 year to 2 years	-	-	636.9	387.1	636.9	387.1
2 years to 3 years	-	-	357.0	0.0	357.0	0.0
3 years to 4 years	-	-	814.9	121.0	814.9	121.0
4 years to 5 years	-	-	0.0	1,267.4	0.0	1,267.4
More than 5 years	-	-	3,804.3	632.7	3,803.9	632.7
<b>Total</b>	<b>63.0</b>	<b>-</b>	<b>5,621.5</b>	<b>3,231.3</b>	<b>5,558.1</b>	<b>3,231.3</b>

\* Including index-linked debt.

As at December 31, 2019, the measuring interest risk is as follows:

(€Mn)	Financial assets		Financial liabilities		Net exposure before hedging	
	Fixed rate	Variable rate	Fixed rate	Variable rate*	Fixed rate	Variable rate
Less than 1 year	56.8	-	267.1	-	210.3	-
1 year to 2 years	-	-	-	540.7	-	540.7
2 years to 3 years	-	-	689.9	422.8	689.9	422.8
3 years to 4 years	-	-	35.8	-	35.8	-
4 years to 5 years	-	-	890.2	1,091.1	890.2	1,091.1
More than 5 years	-	-	4,788.7	737.8	4,788.7	737.8
<b>Total</b>	<b>56.8</b>	<b>-</b>	<b>6,671.7</b>	<b>2,792.4</b>	<b>6,614.9</b>	<b>2,792.2</b>

\* Including index-linked debt.

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 outstanding debt was hedged at 84% as at December 31, 2020 (December 31, 2019: 75%) through both:

- Debt kept at fixed rate;
- Hedging in place as part of URW NV's macro hedging policy.

The hedging balance as at December 31, 2020, breaks down as follows:

(€Mn)	Outstanding total as at December 31, 2020		Outstanding total as at December 31, 2019	
	Fixed rate	Variable rate <sup>(1)</sup>	Fixed rate	Variable rate <sup>(1)</sup>
Financial liabilities	(5,621.6)	(3,231.3)	(6,671.7)	(2,792.4)
Financial assets	63.0	-	56.8	-
<b>Net financial liabilities before hedging program</b>	<b>(5,558.6)</b>	<b>(3,231.3)</b>	<b>(6,614.9)</b>	<b>(2,792.4)</b>
Micro-hedging	814.9	(814.9)	1,335.2	(1,335.2)
<b>Net financial liabilities after micro-hedging<sup>(2)</sup></b>	<b>(4,743.7)</b>	<b>(4,046.2)</b>	<b>(5,279.7)</b>	<b>(4,127.6)</b>
Swap rate hedging <sup>(3)</sup>	-	1,629.9	-	-
<b>Net debt not covered by swaps</b>	<b>-</b>	<b>(2,416.3)</b>	<b>-</b>	<b>(4,127.6)</b>
Cap and floor hedging	-	1,018.7	-	1,780.3
<b>HEDGING BALANCE</b>	<b>-</b>	<b>(1,397.6)</b>	<b>-</b>	<b>(2,347.3)</b>

(1) Including index-linked debt.

(2) Partners' current accounts are not included in variable-rate debt.

(3) Forward hedging instruments are not accounted for in this table.

Based on the estimated average debt position of URW NV in 2021, if interest rates (Libor, Euribor) were to rise by an average of +50 bps<sup>31</sup> during 2021, the estimated impact on financial expenses would be -€11.7 Mn:

- Dollar financial expenses would increase by -\$13.4 Mn (-€11.0 Mn);
- Euro financial expenses would increase by -€0.7 Mn

In total, a +100 bps increase in interest rates during 2021 would have a net negative impact on financial expenses of -€23.5 Mn:

- Dollar financial expenses would increase by -\$26.9 Mn (-€22.0Mn);
- Euro financial expenses would increase by -€1.4 Mn

A -50 bps drop in interest rates would reduce the financial expenses by +€11.7 Mn:

- Dollar financial expenses would decrease by +\$13.4 Mn (€11.0 Mn);
- Euro financial expenses would decrease by +€0.7 Mn

## ● Foreign exchange rate risk

Regarding exchange rate risk, the Group aims to limit its net exposure to an acceptable level by taking up debt in the same currency, by using derivatives and by buying or selling foreign currencies at spot or forward rates.

### Measuring currency exchange rate exposure

The Group has activities and investments in US. When converted into euros, the income and value of the Group's net investment may be influenced by fluctuations in exchange rates against the euro. The Group's policy objective is to apply a broadly consistent 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 net asset value 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.

Currency risk during the building period of pipeline investments is covered as early as possible after signing of the actual building contract.

Other monetary assets and liabilities held in currencies other than the euro are managed by ensuring that net exposure is kept to an acceptable level by buying or selling foreign currencies at spot or forward rates where necessary to address short term balances.

### MEASURE OF THE EXPOSURE TO OTHER RISKS AS AT DECEMBER 31, 2020 (€Mn)

Currency	Assets	Liabilities	Net Exposure	Hedging instruments	Exposure net of hedges
USD	11,138	(8,546)	2,592	-	2,592
AUD	-	-	-	-	-
<b>TOTAL</b>	<b>11,138</b>	<b>(8,546)</b>	<b>2,592</b>	<b>-</b>	<b>2,592</b>

### MEASURE OF THE EXPOSURE TO OTHER RISKS AS AT DECEMBER 31, 2019 (€Mn)

Currency	Assets	Liabilities	Net Exposure	Hedging instruments	Exposure net of hedges
USD	13,117	(7,088)	6,029	-	6,029
AUD	-	(1,015)	(1,015)	-	(1,015)
<b>TOTAL</b>	<b>13,117</b>	<b>(8,103)</b>	<b>5,014</b>	<b>-</b>	<b>5,014</b>

### EXPOSURE SENSITIVITY TO CURRENCY EXCHANGE RATE

The main exposure kept is in USD (i.e. a 10% increase of EUR against the USD) would have an impact on shareholders' equity and the recurring result as follows:

(€Mn)	December 31, 2020		December 31, 2019	
	Recurring result Gain/(Loss)	Equity Gain/(Loss)	Recurring result Gain/(Loss)	Equity Gain/(Loss)
Impact of an increase of +10% in the EUR/USD exchange	(3.9)	(235.6)	(32.7)	(548.1)
Impact of an increase of +10% in the EUR/AUD exchange	-	-	-	92.3

## ● Management of other risks

The Group, through its activities, may be exposed to market risks which 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 participations 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.

<sup>31</sup> The impact on exchange rates due to this theoretical increase of +50 bps in interest rates is not taken into account.

The theoretical impact of a rise or decrease in interest rates is calculated relative to the applicable rates as at December 31, 2020: 3m Euribor (-0.5%) and 3m USD Libor (0.25%).

## 8.5.2 Credit risk

Credit risk arises from cash and cash 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 Group's tenants may be impacted by COVID-19 depending on the restrictions in place, government support and their industry.

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 required to provide financial guarantees, such as a deposit, first-demand guarantee or a surety bond amounting to between three and six months' rent.

Late payment reminders are automatically issued in respect of late payments and penalties are applied. 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 depreciation corresponds to the amount which the company does not expect to recover. Though, when collecting a tenant deposit or obtaining a bank guarantee, URW NV covers the possible future losses.

URW NV depreciation policy meets the simplified model of IFRS 9:

- The estimated losses are calculated on tenant's risk rating, including adjustment to increase the actual YTD bankruptcy rate of the receivables;
- The rate of estimated loss reflects the best estimation of the expected future losses, on the considered client segment: URW NV respects the notion of back testing (comparison is performed with historical rates of losses) and if needed, the rates are adjusted to take into account any new trigger event;
- Historical data are reviewed to reflect better 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 December 31, 2020:

- 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 rationalized based on recent events like tenants bankruptcies in 2020 and also evolution of shop closures in the past quarters;
- This percentage was applied on the amount of receivables from which security deposit and deferred amounts not yet due were deducted.

In 2020, the total expected credit loss amounted to €114.9 Mn, which includes expected credit loss on preferred interest receivables, associates and financial guarantee contracts. For details of expected credit loss, reference is made to note 2.1.1 and 8.2.2.

## 8.5.3 Liquidity risk

The Group undertakes active liquidity and funding risk management to enable it to have sufficient funds available. To meet its financial obligations, working capital and expected committed capital expenditure requirements are periodically and carefully monitored. During the COVID-19 crisis, the URW Group took immediate steps to preserve its strong liquidity position in light of the uncertain impact of the pandemic. The Group prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow. URW NV has cross guarantees with URW SE and the liquidity needs are covered by the available undrawn credit lines at URW Group level. Interest bearing liabilities, and funding facilities and their maturity profiles, are set out in note 8.3.3.

The following table shows the Group's contractually agreed interest payments and repayments of the non-derivative financial liabilities, commitment to non-controlling interests held by URW SE and the derivatives with positive and negative fair values (excluding lease liabilities and certain current financial liabilities like trade creditors). The commitment to non-controlling interests at fair value of €101.0 Mn is not included in the below table as the holder has the right to exchange into cash and/or URW stapled shares at any time (see note 8.3.8). Amounts in foreign currency were translated at the closing rate at the reporting date. The payments of the floating-rate interests have been calculated on the basis of the last interest rates published on December 31, 2020. Credit lines drawn as at December 31, 2020, are considered as drawn until maturity.

(€Mn)	Carrying amount <sup>(1)</sup> December 31, 2020	Less than 1 year		1 year to 5 years		More than 5 years	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
<b>BONDS, BORROWINGS AND AMOUNTS DUE TO CREDIT INSTITUTIONS</b>							
Bonds and EMTNs	(3,667.2)	(137.4)	-	(474.0)	(1,222.4)	(952.8)	(2,444.8)
Bank borrowings and other financial liabilities <sup>(2)</sup>	(5,185.7)	(105.9)	(831.5)	(248.9)	(2,362.0)	(2,355.6)	(1,992.2)
<b>FINANCIAL DERIVATIVES</b>							
<b>Derivative financial liabilities</b>							
Derivatives without a hedging relationship	(529.1)	(46.5)	-	(186.0)	-	(1,068.1)	-
<b>Derivative financial assets</b>							
Derivatives without a hedging relationship	120.4	22.7	-	90.6	-	71.4	-
<b>COMMITMENT TO NON-CONTROLLING INTEREST</b>							
Commitment to non-controlling interest held by URW SE	399.4	(42.5)	-	(84.9)	-	(69.1)	(399.4)

(1) Corresponds to the amount of principal debt (see note 8.3.3 "Financial debt breakdown and outstanding duration to maturity").

(2) Excludes current accounts with non-controlling interests.

## 8.6 Fair value of financial instruments per category

FAAC: Financial Asset at Amortised Cost  
 FAFVOCI: Financial Asset at Fair Value through Other Income  
 FAFVTPL: Financial Asset at Fair Value Through Profit or Loss  
 FLAC: Financial Liabilities at Amortised Cost  
 FLFVTPL: Financial Liabilities at Fair Value Through Profit or Loss

December 31, 2020 (€Mn)	Categories in accordance with IFRS 9	Carrying Amount December 31, 2020	Amounts recognised in statement of financial position according to IFRS 9			
			Amortised Cost	Fair value recognised in OCI	Fair value recognised in profit or loss	Fair value
<b>ASSETS</b>						
Financial assets	FAAC/FAFVOCI	116.4	116.3	0.1	-	116.4
Derivatives at fair value	FAFVTPL	120.4	-	-	120.4	120.4
Trade receivables from activity <sup>(1)</sup>	FAAC	78.7	78.7	-	-	78.7
Other receivables <sup>(2)</sup>	FAAC	49.1	49.1	-	-	49.1
Cash and cash equivalents	FAAC	63.1	63.1	-	-	63.1
		<b>427.7</b>	<b>307.2</b>	<b>0.1</b>	<b>120.4</b>	<b>427.7</b>
<b>LIABILITIES</b>						
Commitment to non-controlling interests	FLFVTPL	500.4	399.4	-	101.0	555.7
Financial debts	FLAC/FLFVTPL	8,870.8	8,870.8	-	-	9,023.8
Derivatives at fair value	FLFVTPL	529.1	-	-	529.1	529.1
Non-current amounts due on investments	FLAC	6.3	6.3	-	-	6.3
Amounts due to suppliers and other current debt <sup>(3)</sup>	FLAC	197.1	197.1	-	-	197.1
Other non current liabilities	FLAC	33.1	33.1	-	-	33.1
		<b>10,136.8</b>	<b>9,506.7</b>	<b>-</b>	<b>630.1</b>	<b>10,345.1</b>

December 31, 2019 (€Mn)	Categories in accordance with IFRS 9	Carrying Amount December 31, 2019	Amounts recognised in statement of financial position according to IFRS 9			
			Amortised Cost	Fair value recognised in OCI	Fair value recognised in profit or loss	Fair value
<b>ASSETS</b>						
Financial assets	FAAC/FAFVOCI	197.4	181.8	15.6	-	197.4
Derivatives at fair value	FAFVTPL	85.0	-	-	85.0	85.0
Trade receivables from activity <sup>(1)</sup>	FAAC	36.3	36.3	-	-	36.1
Other receivables <sup>(2)</sup>	FAAC	37.1	37.1	-	-	37.1
Cash and cash equivalents	FAAC	56.8	56.8	-	-	56.8
		<b>412.6</b>	<b>311.3</b>	<b>16.3</b>	<b>86.0</b>	<b>412.6</b>
<b>LIABILITIES</b>						
Commitment to non-controlling interests	FLFVTPL	566.2	393.1	-	173.1	566.2
Financial debts	FLAC	9,492.5	9,492.5	-	-	9,719.0
Derivatives at fair value	FLFVPL	348.7	-	-	348.7	348.7
Non-current amounts due on investments	FLAC	50.9	50.9	-	-	50.9
Amounts due to suppliers and other current debt <sup>(3)</sup>	FLAC	166.0	166.0	-	-	166.0
		<b>10,624.3</b>	<b>10,102.5</b>	<b>-</b>	<b>521.8</b>	<b>10,850.8</b>

(1) Excluding rent-free periods and step rents.

(2) Excluding prepaid expenses, service charges due and tax receivables.

(3) Excluding deferred income, service charges billed and tax liabilities.

“Trade receivables from activity”, “Other receivables”, “Cash and cash equivalents” and “Amounts due to suppliers and other current debt” mainly have short-term maturities. Consequently, their carrying amounts at the reporting date approximate the fair value. The fair value of the financial assets approximates the carrying value, because the carrying value takes into account the expected credit loss.

The commitment to non-controlling interest as at December 31, 2020, related to the preference shares in USA acquisitions Inc. which is valued at amortised cost. The fair value of these preferences shares is €454.7 Mn.

The interest bearing loan of €750.0 Mn with URW SE previously included in financial debt was converted on December 29, 2020, into a capital security with a maturity in 99 years and limited default opportunities. After conversion, it qualifies as equity with the exception of the current fair value of the amount due on this instrument (€0.4 Mn as at December 31, 2020), which is recorded under financial debt (FLAC).

## 8.6.1 Fair value hierarchy of financial assets and liabilities

IFRS 13 establishes a hierarchy of valuation techniques for financial instruments. The following categories are identified:

- level 1: financial instruments quoted in an active market;
- level 2: financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- level 3: financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument (i.e. without modification or repackaging) and not based on available observable market data.

The COVID-19 pandemic has no impact on the methodology applied.

The chart below presents the fair value breakdown among the three hierarchical levels defined by IFRS 13.

Fair value measurement as at December 31, 2020				
(€Mn)	Total	Level 1	Level 2	Level 3
<b>ASSETS</b>				
<i>Fair value through profit or loss</i>				
Derivatives	120.4	-	120.4	-
<i>Fair value through OCI</i>				
Financial assets	0.1	-	-	0.1
<b>TOTAL</b>	<b>120.5</b>	<b>-</b>	<b>120.4</b>	<b>0.1</b>
<b>LIABILITIES</b>				
<i>Fair value through profit or loss</i>				
Commitment to non-controlling interests	101.0	-	-	101.0
Derivatives	529.1	-	529.1	-
<b>TOTAL</b>	<b>630.1</b>	<b>-</b>	<b>529.1</b>	<b>101.0</b>

Fair value measurement as at December 31, 2019				
(€Mn)	Total	Level 1	Level 2	Level 3
<b>ASSETS</b>				
<i>Fair value through profit or loss</i>				
Derivatives	85.0	-	85.0	-
<i>Fair value through OCI</i>				
Financial assets	15.6	-	-	15.6
<b>TOTAL</b>	<b>100.6</b>	<b>-</b>	<b>85.0</b>	<b>15.6</b>
<b>LIABILITIES</b>				
<i>Fair value through profit or loss</i>				
Commitment to non-controlling interests	173.1	-	-	173.1
Derivatives	348.7	-	348.7	-
<b>TOTAL</b>	<b>521.8</b>	<b>-</b>	<b>348.7</b>	<b>173.1</b>



The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps and foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at December 31, 2020, the marked-to-market value of other derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

● **Reconciliation of fair value measurement of financial assets and commitment to non-controlling interests**

(€Mn)	Financial assets	Commitment to non-controlling interest
<b>December 31, 2018</b>	<b>496.0</b>	<b>199.8</b>
Fair value movements in P&L	(28.6)	(6.1)
Additions	15.2	0.1
Disposal	(478.3)	(22.3)
Currency translation	11.3	1.6
<b>December 31, 2019</b>	<b>15.6</b>	<b>173.1</b>
Fair value movements in P&L	-	(58.0)
Recognised in OCI	(15.3)	-
Additions	-	7.7
Disposal	-	(12.4)
Currency translation	(0.2)	(9.3)
<b>December 31, 2020</b>	<b>0.1</b>	<b>101.0</b>

The fair value of the commitment to non-controlling interest fair value level 3 has generally been determined by applying the relevant earnings yield to the underlying net income of the relevant securities. The earnings yield ranges from 5.3% to 12.5%. As at December 31, 2020, an increment of 1% to the earnings yield would result in a decrease in fair value or additional gain by €16.4 Mn (December 31, 2019: €26.7 Mn). Similarly, a decrement of 1% to the yield would result in an increase in fair value or additional loss by €23.0 Mn (December 31, 2019: €37.4 Mn). The higher the earning yield, the lower the fair value.

## 8.6.2 Net gain/loss by category

URW NV closely monitors its financial risk linked to its activity and the financial instruments it uses. The Group identifies and evaluates regularly its different risk exposures (liquidity, interest rates, and currency exchange rates) in order to implement the adopted strategy.

2020 (€Mn)	From interest	Net gain/ (loss)
Financial assets	6.5	6.5
Derivatives at fair value through profit and loss	(16.3)	(16.3)
Financial liabilities at amortised cost	(347.9)	(347.9)
	<b>(357.7)</b>	<b>(357.7)</b>
Capitalised expenses		0.2
<b>NET FINANCIAL COSTS</b>		<b>(357.5)</b>

2019 (€Mn)	From interest	Net gain/ (loss)
Financial assets	24.9	24.9
Derivatives at fair value through profit and loss	11.4	11.3
Financial liabilities at amortised cost	(358.4)	(358.4)
	<b>(322.1)</b>	<b>(322.2)</b>
Capitalised expenses		1.2
<b>NET FINANCIAL COSTS</b>		<b>(320.9)</b>

## NOTE 9 ● TAXES

### 9.1 Accounting principles

#### 9.1.1. Income tax expenses

The Group companies are taxable according to the tax rules of their country. In both countries in which the group operates, special tax regimes for (public) real estate companies exist. For many companies of the Group, eligible for such regimes, it has been opted for to use those specific regimes.

Calculation of income tax expenses is based on local rules and rates.

#### 9.1.2. Deferred tax

Deferred taxes are recognised in respect of all temporary differences between the carrying amount and tax base of assets and liabilities at each financial year-end.

Deferred tax assets or liabilities are calculated based on total temporary differences and on tax losses carried forward, using the local tax rate that will apply on the expected reversal date of the concerned differences, if this rate has been set. Otherwise, they are calculated using the applicable tax rate in effect at the financial year-end date. Within a given fiscal entity or group and for a given tax rate, debit balances are booked to assets for the amount expected to be recoverable over a foreseeable period. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be used.

Deferred tax liabilities on properties refer to:

- for companies not using special tax regimes for real estate companies: all temporary differences between the carrying amount and tax base of assets and liabilities at each financial year-end.
- for companies using special tax regimes for real estate companies: tax amounts to be paid in case of capital gains on property sales, based on the structure of URW NV in its current form and under current legislation.

#### 9.1.3. Tax regime US - US REIT

The Group has elected to apply the REIT regime for the main part of its US portfolio. Like in other REIT regimes, there's an asset test (75%) along with various securities ownership limits, and in addition there is a combined income test: at least 75% of the gross income must be derived from real estate property rental or from interest on mortgages on real estate property, whereas at least 95% of the gross income must come from a combination of real estate related sources and passive sources, such as dividends and interest. US law requires the REIT to annually distribute at least 90% of its ordinary taxable income.

## 9.2 Income tax expenses

(€Mn)	2020	2019
Recurring deferred and current tax on:		
• Other recurring results	(0.3)	1.9
<b>Total recurring tax</b>	<b>(0.3)</b>	<b>1.9</b>
Non-recurring deferred and current tax on:		
• Change in fair value of investment properties and impairment of intangible assets	18.5	564.4
• Other non-recurring results	28.4	34.8
<b>Total non-recurring tax</b>	<b>46.9</b>	<b>599.2</b>
<b>TOTAL TAX INCOME/(EXPENSE)</b>	<b>46.6</b>	<b>601.1</b>

(€Mn)	2020	2019
Current tax	28.0	(70.4)
Deferred tax	18.6	671.5
<b>TOTAL TAX</b>	<b>46.6</b>	<b>601.1</b>

The non-recurring tax income in 2020 relates mainly to a positive decision by one of the US states with respect to an amount that was, so far, included in the liabilities of the Group.

The total tax income in 2019 is mainly related to the impact of the changes in the structure of US operations in 2019.

(€Mn)	%	2020	%	2019
<b>Reconciliation of effective tax rate</b>				
<b>Result before tax</b>		<b>(2457.4)</b>		<b>(513.3)</b>
Income tax using the average tax rate	25.9%	636.5	22.3%	114.4
Tax exempt profits (REIT- regimes)	(3.2%)	(78.6)	(16.0%)	(82.0)
Non deductible costs	(0.2%)	(5.5)	(2.9%)	(14.8)
Effect of tax provisions	(0.0%)	(0.0)	(1.2%)	(6.0)
Effect of non-recognized tax losses	(9.3%)	(229.7)		-
Share of result of companies accounted for using the equity method	(11.2%)	(275.1)	(2.3%)	11.8
Effect of currency translation in tax	(0.0%)	0.0	(0.0%)	(0.2)
Effect of changes in structure of US operations (1)		-	112.6%	577.9
Other	(0.0%)	(0.9)		-
	1.9%	46.6	117.1%	601.1

(1) Mainly related to the impact of the changes in the structure of US operations in 2019 described in note 2.2.1. "Changes in the structure of US operations".

The Company qualifies as a FII (Fiscal Investment Institution <in Dutch: *Fiscale Beleggings Instelling*>) for the corporate income tax in The Netherlands in accordance with section 28 of the Dutch 'Wet op de vennootschapsbelasting 1969'. The corporate tax rate of a FII is 0% in The Netherlands.

### 9.3 Deferred taxes

#### 2020 change

(€Mn)	December 31, 2019	Decrease	Reclassification	Currency translation	December 31, 2020
Deferred tax on investment properties	(116.2)	17.6	-	8.6	(90.0)
Deferred tax on intangible assets	(83.2)	1.0	-	7.0	(75.2)
<b>TOTAL DEFERRED TAX LIABILITIES</b>	<b>(199.4)</b>	<b>18.6</b>	<b>-</b>	<b>15.6</b>	<b>(165.2)</b>
Other deferred tax assets	0.0	-	-	-	0.0
<b>TOTAL DEFERRED TAX ASSETS</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>

#### 2019 change

(€Mn)	December 31, 2018 <sup>(2)</sup>	Decrease	Reclassification	Currency translation	December 31, 2019
Deferred tax on investment properties <sup>(1)</sup>	(771.4)	672.2	(0.1)	(16.9)	(116.2)
Deferred tax on intangible assets	(81.6)	-	-	(1.6)	(83.2)
<b>TOTAL DEFERRED TAX LIABILITIES</b>	<b>(853.0)</b>	<b>672.2</b>	<b>(0.1)</b>	<b>(18.5)</b>	<b>(199.4)</b>
Other deferred tax assets	0.6	(0.6)	-	-	0.0
<b>TOTAL DEFERRED TAX ASSETS</b>	<b>0.6</b>	<b>(0.6)</b>	<b>-</b>	<b>--</b>	<b>0.0</b>

(1) Mainly related to the impact of the changes in the structure of US operations described in note 2.2.

(2) Restated mainly due to the application of IFRIC 23.

## Unrecognized deferred tax assets

The table below presents the tax basis on which no deferred tax assets were recognized:

(€Mn)	December 31, 2020	December 31, 2019
Tax loss carry-forwards not recognized	268.9	39.8
<b>TOTAL UNRECOGNIZED TAX- BASIS</b>	<b>268.9</b>	<b>39.8</b>

### ● Detail of unrecognized tax losses at the end of 2020 into final year of use

(€Mn)	December 31, 2020	December 31, 2019
2021	-	-
2022	-	-
2023	-	-
2024	7.0	7.6
2025	-	-
Unlimited	261.9	32.2
<b>TOTAL</b>	<b>268.9</b>	<b>39.8</b>

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available to be offset against these assets.

## NOTE 10 ● PROVISIONS

The determination of the amount of provisions for liabilities and charges requires the use of estimates, assumptions and judgment of the management based on information available or situations prevalent at the date of preparation of the accounts, information and situation which may vary from subsequent actual events.

(€Mn)	December 31, 2019	Allocations	Reversals used	Reversals not used	Currency translation	December 31, 2020
Non-current provisions	75.4	0.6	-	(27.8)	(4.4)	43.8
Current provisions	6.2	-	-	-	(0.6)	5.6

As at December 31, 2020, the non-current provisions amounted €43.8 Mn and mainly relate to an estimate for potential payments due to third parties in case of a future sale of investment properties. The reversals not used -€27.8 Mn is related to the reassessment of these non-current provisions.

## NOTE 11 ● OTHER CURRENT LIABILITIES

Other current liabilities breakdown as follows:

(€Mn)	December 31, 2020	December 31, 2019
Tax and social liabilities <sup>(1)</sup>	168.5	173.7
Other liabilities	84.6	24.6
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>253.1</b>	<b>198.3</b>

<sup>(1)</sup> Within the tax and social liabilities, an amount of €142.2 Mn (December 31, 2019: 133.3 Mn) relates to the current tax liability.

As at December 31, 2020, the Tax and social liabilities mainly relate to the expected value of several additional payments still to be done in relation to past activities. The increase of Other liabilities mainly relates to increased expected credit loss recognized on bottom dollar guarantees (financial guarantee contracts).

## NOTE 12 ● AMOUNTS DUE ON INVESTMENTS

As at December 31, 2020, the non-current amounts due on investments is €6.3 Mn (December 31, 2019: €7.5 Mn) and current amounts due on investments is €39.3 Mn (December 31, 2019: €62.7 Mn). The current amounts due on investments relates to payables on projects of Westfield San Francisco Centre €2.9 Mn (December 31, 2019: €0 Mn), Westfield World Trade Centre €18.7 Mn (December 31, 2019: €40.3 Mn) and Westfield Century City €4.4 (December 31, 2019 €9.2 Mn). Remaining amounts relate to several projects.

## NOTE 13 ● EMPLOYEE REMUNERATION AND BENEFITS

### 13.1 Accounting principles

Under IAS 19, a company must recognise all commitments made to its employees (*i.e.* current or future, formal or informal, cash payments or payments in kind). The cost of employee benefits must be recorded during the vesting period.

#### ● *Post-employment benefits*

Pension schemes may be defined contribution or defined benefit schemes. The Group only has defined contribution plans.

Under defined contribution schemes, the employer only pays a contribution, with no commitment from the Group regarding the level of benefits to be provided. The contributions paid are booked as expenses for the year.

#### ● *Share based payments*

Under IFRS 2, all transactions relating to share-based payments must be recognized in the income statement. This is the case for the Group Stock Option Plan and Performance Shares Plan.

Stock options granted to employees are stated at their fair value on the date of allocation. As the transactions are equity-settled share-based payments, this value remains unchanged, even if the options are never exercised. The value applied to the number of options finally exercised at the end of the vesting period (estimation of the turnover) is booked as an expense, with a corresponding increase in equity which is spread over the vesting period (*i.e.* the period during which employees must work for the Company before they can exercise the options granted to them).

The stock options and performance shares, all subject to performance condition, have been valued using a Monte Carlo model.

The additional expenses incurred by the Stock Option Plans and Performance Shares Plans are classified under personnel expenses.

### 13.2 Headcount

The average number of employees of the Group's companies breaks down as follows:

Regions	2020	2019
United States	820	878
The Netherlands	5	5
<b>TOTAL</b>	<b>825</b>	<b>883</b>

### 13.3 Personnel costs

(€Mn)	2020	2019
Head and regional office personnel costs	160.9	229.0
Post employment benefits	0.1	0.0
<b>TOTAL</b>	<b>170.0</b>	<b>229.0</b>

### 13.4 Employee benefits

#### 13.4.1 Share-based payments

##### ● *Stock option plans*

There is currently one plan for Stock Options ("SO") granted to corporate officers and employees of the Group. SO may be exercised at any time, in one or more installments, as from the 3rd anniversary of the date of their allocation.

The SO plan has an external performance condition ("TSR") based on the Group's share price performance, a Corporate Social Responsibility ("CSR") condition (external and internal) and an internal performance condition based on the Adjusted Recurring Earnings per Share ("AREPS").

The weight of the performance conditions for the SO plan granted in March 2020 is 45% for TSR, 45% for AREPS, 5% for external CSR and 5% for internal CSR.

SO are accounted for in accordance with IFRS 2. The performance-related stock-options allocated in March 2020 were valued at €0.03 (excl. turnover) for those with a TSR condition and at €0.04 (excl. turnover) for those with AREPS and CSR conditions, using a Monte Carlo model. This valuation is based on an initial exercise price of €92.03, a share price at the date of allocation of €67.24, a vesting period of three years, an estimated duration of 3.7 years, a market volatility of 17.56%, a dividend representing 16.06% of the share value, a risk-free interest rate of -0.334% and a volatility of TSR Performance Benchmark Index (63% Eurozone Retail, 7% France Offices, 8% UK Retail, 22% US Retail) of 12.70% with a correlation TSR Performance Benchmark Index / URW of 66.94%.

In March 2020, 182,146 SO have been allocated to the employees and the corporate officers of URW NV and its affiliates. The expense recorded in the consolidated statement of comprehensive income (corporate expenses) in relation to SO is €5k.

In 2019, 145,338 SO have been granted to the employees and the corporate officers of URW NV and its affiliates. The expense recorded in the consolidated statement of comprehensive income (corporate expenses) in relation to SO was €0.5 Mn.

The tables below shows URW NV allocated SO which were not exercised on December 31, 2020:

Plan	Exercise period <sup>(1)</sup>	Adjusted subscription price (€) <sup>(2)</sup>	Number of options granted	Adjustments in number of options <sup>(2)</sup>	Number of options cancelled	Number of options exercised	Potential additional number of shares <sup>(3)</sup>
2020 plan	From 22/03/2023 to 21/03/2028	92.03	182,146	-	47,586	-	134,560
2019 plan	From 20/03/2022 to 19/03/2027	144.55	145,338	-	24,293	-	121,045
<b>TOTAL</b>			<b>327,484</b>		<b>71,879</b>		<b>255,605</b>

(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 performance condition.

The table below shows the number and weighted average exercise prices of stock options:

	2020		2019	
	Number	Weighted average price (€)	Number	Weighted average price (€)
Outstanding at the beginning of the period	138,625	144.55	0	144.55
Allocated over the period	182,146	92.03	145,338	144.55
Cancelled over the period	47,586	92.03	6,713	144.55
Exercised over the period	0	n/a	0	144.55
Average share price on date of exercise	n/a	n/a	n/a	144.55
Outstanding at the end of the period	255,605	116.90	138,625	144.55
Of which exercisable at the end of the period <sup>(1)</sup>	0	n/a	0	144.55

(1) The right to exercise is subject to meeting the following performance condition: the overall market performance of URW NV must be higher in percentage terms than the performance of the EPRA reference index over the reference period.

## ● Performance share plan

In March 2020, Performance Shares (“PS”) were granted to corporate officers and employees of the Group.

PS are vesting on the 3<sup>rd</sup> anniversary of the grant and are subject to external and internal performance conditions. The weight of the performance conditions for the PS plan granted in March 2020 is also 45% for TSR, 45% for AREPS, 5% for external CSR and 5% for internal CSR.

Performance shares are accounted for in accordance with IFRS 2. The awards allocated in March 2020 were valued at €21.53 (excl. turnover) for those with a TSR condition and at €41.53 (excl. turnover) for those with non-market condition (AREPS and CSR), using a Monte Carlo model. This valuation is based on a share price at the date of allocation of €67.24, a vesting period of three years, a market volatility of 17.90%, a volatility of TSR Performance Benchmark Index of 12.92% with a correlation TSR Performance Benchmark Index/URW of 64.19%, a dividend representing 16.06% of the share value and risk-free interest rates of -0.396%.

In March 2020, 100,698 PS have been allocated to the employees and the corporate officers of URW NV and its affiliates. The expense recorded in the consolidated statement of comprehensive income (corporate expenses) in relation to performance shares is €2.7 Mn.

In 2019 33,422 PS had been allocated to the employees and the corporate officers of URW NV and its affiliates. The expense recorded in the consolidated statement of comprehensive income (corporate expenses) in relation to performance shares was €2.5 Mn.

Starting date of the vesting period <sup>(1)</sup>	Number of performance shares allocated	Number of performance shares cancelled	Number of performance shares acquired	Potential additional number of shares <sup>(2)</sup>
March 21, 2020	100,698	26,310	0	74,388
March 19, 2019	33,422	5,586	0	27,836
<b>TOTAL</b>	<b>134,120</b>	<b>31,896</b>	<b>0</b>	<b>102,224</b>

(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.

(2) The acquisition of the shares is subject to performance condition.

## 13.4.2 Remuneration of the Senior Management Team and the Supervisory Board

### ● Remuneration of the Senior Management Team

(K€) Paid in:	2020	2019
Fixed Income	5,077	5,270
Short-Term Incentive	6,876	6,207
Pension <sup>(1)</sup>	1,556	1,499
Other benefits <sup>(2)</sup>	2,261	372
<b>TOTAL</b>	<b>15,770</b>	<b>13,348</b>

(1) include Supplementary Contribution Scheme

(2) relate to Group life and health insurance, cost of living and car allowances

For the remuneration of the individual members of the Management Board see section 2.3.2 of the Annual Report.

### ● Remuneration of the Supervisory Board

The remuneration of the Supervisory Board amounts to €257,500 (2019: €255,000) for the 2020 financial year. For the remuneration of the individual members of the Supervisory Board see section 2.3.3 of the Annual Report.

### ● Loans or guarantees granted to directors

None.

### ● Transactions involving directors

None.

## NOTE 14 ● SHARE CAPITAL AND DIVIDENDS

### 14.1 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Under the supervision of the CFO, the capital management goals are managed in line with the URW Group perspective.

In order to maintain or adjust the capital structure, the Group may issue new debt or buy back existing outstanding debt, comply with capital requirements of relevant regulatory authorities, adjust the amount of dividends paid to shareholders (subject to FII requirements in The Netherlands), return capital to shareholders or sell assets to reduce debt.

### 14.2 Number of shares

#### Accounting principles

The Class A shares of URW NV are stapled with the shares in URW SE (Stapled shares). As a consequence of the Stapled structure the exercise of the convertible bonds (ORNANE and ORA) and stock options plans, performance shares of URW SE, will also have a dilutive impact on the shares of URW NV (with a share issuance at that time).

The Earnings Per Share indicator is calculated by dividing net result for the period attributable to the shareholders of URW NV by the weighted average number of ordinary shares in circulation over the period.

To calculate diluted Earnings Per Share, the average number of shares in circulation is adjusted to take into account the conversion of all potentially dilutive ordinary shares, in particular stock options and performance shares during the vesting period, as well as the bonds redeemable for shares (ORA) and the net share settled bonds convertible into new and/or existing shares (ORNANE) initially issued by URW SE.

The dilutive impact is determined using the treasury stock method, which assumes that proceeds from the exercise of options are used to repurchase Company shares at their market value. The market value corresponds to the average monthly share price weighted by trading volumes. The theoretical number of shares that may be purchased at the market value is deducted from the total number of shares resulting from the exercise of rights. This number is then added to the average number of shares in circulation and hence constitutes the denominator.

## Change in share capital

	Total number of issued and paid shares
<b>As at December 31, 2018</b>	<b>231,536,916</b>
Capital increase Class A shares	84,247
Conversion of ORA to Class A shares	5,757
<b>As at December 31, 2019</b>	<b>231,626,920</b>
Capital increase Class A shares	24,630
Capital increase reserved for URW Group Savings Plan	69,150
<b>As at December 31, 2020</b>	<b>231,720,700</b>

The authorised share capital as at December 31, 2020 amounts to €550 Mn divided over 660 million ordinary class A shares and 440 million class B shares of €0.50 per share.

The issued and paid up share capital amounts to €115.9 Mn, formed by 138,472,385 ordinary A shares and 93,248,315 ordinary B shares as at December 31, 2020. All class B shares are held by URW SE. Class A and B shares are shares carrying one vote per share and ordinary dividend rights.

## Average number of shares diluted and undiluted

	2020	2019
<b>Average number of shares (undiluted)</b>	<b>231,685,333</b>	<b>231,598,799</b>
<b>Dilutive impact</b>		
Potential shares via stock options <sup>(1)</sup>	-	-
Attributed performance shares (unvested) <sup>(1)</sup>	314,217	198,736
Potential shares via ORNANE	1,851,806	1,913,286
Potential shares via ORA	-	3,652
<b>AVERAGE NUMBER OF SHARES (DILUTED)</b>	<b>233,851,356</b>	<b>233,714,473</b>

(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.

## Unibail-Rodamco-Westfield SE stock options and performance not exercised at the period-end

The URW SE stock options and performance shares not exercised at the period-end have a dilutive impact on the Class A shares due to the stapling of the shares of URW SE and URW NV. The table below shows the URW SE allocated stock options and performance shares not exercised at the period-end:

The table below shows URW SE allocated stock options not exercised at the period-end:

Plan	Exercise period <sup>(1)</sup>	Adjusted subscription price (€) <sup>(2)</sup>	Number of options granted	Adjustments in number of options <sup>(2)</sup>	Number of options cancelled	Number of options exercised	Potential additional number of shares <sup>(3)</sup>
2011 plan (n° 7)	2013	from 05/03/2017 to 04/03/2020	173.16	617,066	-	261,729	355,337
	2014	from 04/03/2018 to 03/03/2021	186.10	606,087	-	217,621	23,466
	2015	From 04/03/2019 to 03/03/2022	256.81	615,860	-	205,928	-
	2015	from 05/09/2019 to 04/09/2022	238.33	7,225	-	7,225	-
2015 plan (n° 8)	2016	from 09/03/2020 to 08/03/2023	227.24	611,608	-	159,595	1,913
	2017	from 08/03/2021 to 07/03/2024	218.47	611,611	-	115,608	-
2018 plan (n° 9)	2018	From 06/03/2022 to 05/03/2025	190.09	630,135	-	82,880	-
2019 plan (n° 10)	2019	From 20/03/2022 to 19/03/2026	144.55	748,372	-	87,813	-
2020 plan (n° 11)	2020	From 22/03/2023 to 21/03/2028	92.03	885,291	-	34,236	-
<b>TOTAL</b>			<b>5,333,255</b>	<b>-</b>	<b>1,172,635</b>	<b>380,716</b>	<b>3,779,904</b>

(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 performance condition.



The table below shows URW SE allocated performance shares not exercised at the period-end:

Starting date of the vesting period <sup>(1)</sup>	Number of performance shares allocated	Number of performance shares cancelled	Number of performance shares acquired	Potential additional number of shares <sup>(2)</sup>
2016	36,745	7,918	28,827	-
2017	39,770	12,517	14,235	13,018
March 2018	82,539	10,842	-	71,697
May 2018	38,130	1,252	-	36,878
March 2019	172,174	20,174	-	152,000
March 2020	489,440	18,930	-	470,510
<b>TOTAL</b>	<b>858,798</b>	<b>71,633</b>	<b>43,062</b>	<b>744,103</b>

(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.

(2) The acquisition of the shares is subject to performance condition.

### 14.3 Additional paid-in capital

Additional paid-in capital is paid up share capital in excess of nominal value. The amount of share premium is €2,243.3 Mn as at December 31, 2020 (December 31, 2019: €2,243.1 Mn).

### 14.4 Dividends

No dividends were declared or paid during the reporting period.

## NOTE 15 ● OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

All significant commitments are shown below. The Group does not have any complex commitments.

### 15.1 Commitments given

Commitments given (€Mn)	Description	Maturities	December 31, 2020	December 31, 2019
<b>1a) Commitments related to Group financing - Fully consolidated</b>				
Financial guarantees given	• Mortgages and first lien lenders	2021 to 2026	1,031.8	761.2
Financial guarantees given	• Guarantees relating to entities under equity method	2021 to 2022	657.7	352.6
Financial guarantees given	• Guarantees relating to entities under equity method	2021 to 2022	374.1	408.6
<b>1b) Commitments related to Group financing - Entity under equity method</b>				
Financial guarantees given	• Loan guarantees	2021 to 2025	1,281.7	1,795.4
Financial guarantees given	• Loan guarantees	2021 to 2025	182.0	354.5
Financial guarantees given	• Mortgages and first lien lenders	2021 to 2026	1,099.7	1,440.9
<b>2a) Commitments related to Group operational activities - Fully consolidated</b>				
	• Residual commitments for works contracts and forward purchase agreements	2021+	29.6	42.5
	• Residual commitments for works contracts and forward purchase agreements	2021+	28.8	39.6
	• Rental of premises and equipment (lease payable) <sup>(1)</sup>	2021+	0.8	2.9
<b>2b) Commitments related to Group operational activities - Entity under equity method</b>				
	• Residual commitments for works contracts and forward purchase agreements	2021+	144.2	214.5
	• Residual commitments for works contracts and forward purchase agreements	2021+	140.3	209.8
	• Rental of premises and equipment (lease payable)	2021+	4.0	4.7
<b>TOTAL COMMITMENTS GIVEN</b>			<b>2,487.4</b>	<b>2,813.6</b>

(1) The decrease relates mainly to the application of IFRS 16 leases.

For the expected credit loss on financial guarantees recognized in 2020, reference is made to note 2.1.1.

### Commitments relating to Group financing

Westfield America Limited Partnership, Urban Shopping Centres and Westfield Growth 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.

## 15.2 Commitments received

Commitments received (€Mn)	Description	Maturities	December 31,	December 31,
			2020	2019
<b>1) Commitments related to Group financing</b>				
Financial guarantees received	• Refinancing agreements obtained but not used	2022	2,607.8	2,658.7
<b>2a) Commitments related to Group operational activities - Fully consolidated</b>				
Other contractual commitments received related to operations	• Future minimal rents	2021+	1,299.3	1,589.3
<b>2a) Commitments related to Group operational activities - Entity under equity method</b>				
Other contractual commitments received related to operations	• Future minimal rents	2021+	1,255.0	1,624.8
<b>TOTAL COMMITMENTS RECEIVED</b>			<b>5,162.1</b>	<b>5,872.8</b>

The expected credit loss on the financial guarantees are insignificant.

## 15.3 Contingent liabilities

The Groups obligation with respect to performance guarantees amounted €21.9 Mn (December 31, 2019: €12.1 Mn) which includes both consolidated and equity accounted contingent and may be called on at any time dependent upon the performance or non-performance of certain parties.

On June 28, 2018, URW SE and URW NV implemented cross guarantees. The Company as part of the “Unibail-Rodamco-Westfield Guarantors” has jointly and severally agreed to guarantee the payment of all sums payable from time to time under the outstanding guaranteed senior notes issued by certain subsidiaries of the former Westfield Corporation (WEA Finance LLC, Westfield UK & Europe Finance PLC and WFD Trust).

The expected credit loss on the financial guarantees are insignificant.

## 15.4 Non-controlling interests

The net result for the period attributable to external non-controlling interests is -€41.7 Mn (December 31, 2019: €3.1 Mn). The non-controlling interests amounted to €38.2 Mn as per December 31, 2020 (December 31, 2019: €84.3 Mn) of which 7.6% is indirect held by the related party entity URW SE and 0.2% by third parties. The 7.6% is split between 1.958% of common shares and redeemable preference shares/units disclosed in note 7.4.

## NOTE 16 ● LIST OF THE MAIN CONSOLIDATED COMPANIES

List of the main consolidated companies	Country	Method <sup>(1)</sup>	% interest	% control	% interest	% control
			December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2019
Unibail-Rodamco-Westfield N.V.	The Netherlands	FC	100.00	100.00	100.00	100.00
WFD Unibail-Rodamco Real Estate B.V.	The Netherlands	FC	100.00	100.00	100.00	100.00
URW America Inc.	United States	FC	100.0	100.00	100.00	100.00
URW WEA LLC	United States	FC	92.20	92.20	92.20	92.20

(1) FC: full consolidation method

## NOTE 17 ● SUBSEQUENT EVENTS

In January 2021, foreclosure actions have begun at assets Citrus Park and Countryside, they remain in special servicing, where a settlement agreement has been executed. The foreclosure has not yet been completed.

On February 4, 2021, Catherine Pourre has been designated as temporary replacement for the position of Alec Pelmore as member of the Supervisory Board and Fabrice Mouchel has been designated as temporary replacement for the position of Jaap Tonckens as vice-chairman and member of the Supervisory Board with immediate effect. Catherine Pourre and Fabrice Mouchel will be nominated for appointment as members of the Supervisory Board at the annual general meeting in 2021.

## 3.3 COMPANY ONLY FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

### 3.3.1. COMPANY BALANCE SHEET AS AT DECEMBER 31, 2020

(before profit appropriation)

(€ thousands)	Notes	December 31, 2020	December 31, 2019
<b>ASSETS</b>			
Property, plant and equipment		54	72
Investments in subsidiaries	4	2,660,694	5,086,004
Derivatives	9	120,436	83,432
<b>Total non-current assets</b>		<b>2,781,184</b>	<b>5,169,507</b>
Receivables	5	18,883	14,956
Cash and cash equivalents	6	1,843	3,426
<b>Total current assets</b>		<b>20,726</b>	<b>18,382</b>
<b>TOTAL ASSETS</b>		<b>2,801,910</b>	<b>5,187,889</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Shareholders' equity</b>	7		
Share capital		115,860	115,813
Additional paid-in capital		2,243,347	2,243,145
Foreign currency translation reserve		(76,607)	205,841
Revaluation reserve		213,574	464,797
Retained earnings		(87,026)	(409,756)
Capital securities		751,632	2,000
Result for the period		(2,369,115)	84,711
<b>Total equity</b>		<b>791,665</b>	<b>2,706,551</b>
Borrowings and financial liabilities	8	1,408,962	2,110,636
Derivatives	9	529,138	348,691
<b>Total non-current liabilities</b>		<b>1,938,100</b>	<b>2,459,327</b>
Amounts due to suppliers		14	-
Other liabilities	10	72,131	22,011
<b>Total current liabilities</b>		<b>72,145</b>	<b>22,011</b>
<b>Total liabilities</b>		<b>2,010,245</b>	<b>2,481,338</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,801,910</b>	<b>5,187,889</b>

### 3.3.2. COMPANY INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

(€ thousands)	Notes	2020	2019
Other income		1,780	3,642
<b>1 - TOTAL OPERATING INCOME</b>		<b>1,780</b>	<b>3,642</b>
Administrative expenses	11	(2,190)	(2,663)
<b>2 - TOTAL OPERATING EXPENSES</b>		<b>(2,190)</b>	<b>(2,663)</b>
Financial income		2,143	5,288
Financial expenses		(240,935)	(272,503)
<b>3 - FINANCIAL RESULT</b>	12	<b>(238,792)</b>	<b>(267,215)</b>
<b>4 -RESULT BEFORE TAX</b>		<b>(239,202)</b>	<b>(266,236)</b>
Income tax	13	-	-
Result from subsidiaries	14	(2,129,913)	350,947
<b>5 - NET RESULT AFTER TAX</b>		<b>(2,369,115)</b>	<b>84,711</b>

## 3.4 NOTES TO THE COMPANY ONLY FINANCIAL STATEMENTS

### NOTE 1 ● GENERAL

Unibail-Rodamco-Westfield N.V. (“URW NV” or the “Company”) is a public limited liability company and domiciled in The Netherlands. Its shares are publicly traded on the Amsterdam Stock Exchange and the Paris Stock Exchange, as well as in the form of CDIs on the Australian Securities Exchange. The Company was incorporated as Unibail-Rodamco B.V., a private company with limited liability under the laws of The Netherlands on February 14, 2018. On March 22, 2018, the Company changed its legal name to WFD Unibail-Rodamco N.V. and converted its legal form to a public limited liability company pursuant to a notarial deed of amendment and conversion in accordance with a resolution of the General Meeting adopted on March 15, 2018. In June 2020, the corporate name changed from WFD Unibail-Rodamco N.V. to Unbail-Rodamco-Westfield N.V. The Company has its corporate seat in Amsterdam and its registered office is located at Schiphol Boulevard 315 Schiphol in The Netherlands. The chamber of commerce number is 70898618.

### NOTE 2 ● ACCOUNTING POLICIES

#### Basis of preparation

The Company only financial statements are part of the 2020 consolidated financial statements of URW NV.

The Company only financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, the Company makes use of the option provided in section 2:362(8) of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company only financial statements are the same as those applied for the consolidated EU-IFRS financial statements. Reference is made to the notes to the consolidated financial statements.

The comparatives figures are from the period January 1, 2019, to December 31, 2019.

#### Investments in subsidiaries

Investments in subsidiaries and other entities in the Company financial statements are accounted for using the equity method. Goodwill paid upon acquisition of investments in group companies or associates is included in the net equity value of the investments and is not shown separately on the face of the balance sheet.

#### Amounts due from group companies

Amounts due from group companies are stated initially at fair value and subsequently at amortised cost. Amortised cost is determined using the effective interest rate. The company recognise a credit loss for financial assets (such as a loan) based on an expected credit loss (ECL) which will occur in the coming twelve months or – after a significant decrease in credit quality or when the simplified model can be used – based on the entire remaining loan term. For intercompany receivables the ECL would be applicable as well, however this could cause differences between equity in the consolidated and separate financial statements. For this reason, the company elected to eliminate these differences through the respective receivable account in the separate financial statements.

#### Results from subsidiaries

The result of subsidiaries consists of the share of the Company in the result of these subsidiaries. Results on transactions involving the transfer of assets and liabilities between the Company and its subsidiaries and mutually between subsidiaries themselves, are eliminated to the extent that they can be considered as not realised.

### NOTE 3 ● SIGNIFICANT EVENTS OF THE YEAR

Please refer to Note 2.1 of the consolidated financial statements.

### NOTE 4 ● INVESTMENTS IN SUBSIDIARIES

#### 2020 change

(€ thousands)	2020 change						December 31, 2020
	December 31, 2019	Direct equity movement	Exchange difference	Dividends	Investments	Result from subsidiaries after tax	
Group subsidiary investments	5,086,004	(12,949)	(282,448)	-	-	(2,129,912)	2,660,694
<b>TOTAL</b>	<b>5,086,004</b>	<b>(12,949)</b>	<b>(282,448)</b>	<b>-</b>	<b>-</b>	<b>(2,129,912)</b>	<b>2,660,694</b>

Investments in subsidiaries and other entities in which the Company either exercises voting control or effective management responsibility are valued at equity method.

During the period, the Company has a EUR current account facility with WFD Unibail Rodamco Real Estate B.V. for €10 Mn (December 31, 2019: €10.0 Mn).

## 2019 change

(€ thousands)	December 31, 2018	Acquisitions or capital increases	Exchange difference	Dividends	Investments	Result from subsidiaries after tax	December 31, 2019
							December 31, 2019
Group subsidiary investments	4,767,749	(126,802)	94,110	-	-	350,947	5,086,004
<b>TOTAL</b>	<b>4,767,749</b>	<b>(126,802)</b>	<b>94,110</b>	<b>-</b>	<b>-</b>	<b>350,947</b>	<b>5,086,004</b>

Investments in subsidiaries and other entities in which the Company either exercises voting control or effective management responsibility are valued at equity method. The 2019 Restructurings changed the organization structure of the Company in the United States. Refer to note 2.2 of the consolidated financial statements for the new structure of the Company.

As at December 31, 2019, the company has a EUR current account facility with WFD Unibail-Rodamco Real Estate B.V. for €10.0 Mn (December 31, 2018: €10.0 Mn).

## Subsidiaries and investments

The Company is the holding company and has the following direct and indirect significant financial interests:

Company	Country	Capital held %	Capital held %
		December 31, 2020	December 31, 2019
WFD Unibail-Rodamco Real Estate B.V.	The Netherlands	100.00	100.00
URW America Inc.	United States	100.00	100.00
URW WEA LLC	United States	92.20	92.20

## NOTE 5 ● RECEIVABLES

(€ thousands)	December 31, 2020	December 31, 2019
Receivable from URW SE	11,317	11,016
Receivable from group companies	7,487	3,861
VAT receivables	79	60
Other receivables	-	19
<b>TOTAL</b>	<b>18,883</b>	<b>14,956</b>

The receivable from URW SE relates to the interest receivable on the swaps and there is no significant ECL allowance as at December 31, 2020 (December 31, 2019: 0).

## NOTE 6 ● CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at hand and are held with banks. Cash and cash equivalents are freely available. The Company considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of the banks.

## NOTE 7 ● SHAREHOLDERS' EQUITY

(€ thousands)	Share capital	Additional paid-in capital	Foreign currency translation reserves	Revaluation reserve	Retained earnings	Result for the period	Capital securities	Total Shareholders' equity
<b>Equity as at December 31, 2018</b>	<b>115,768</b>	<b>2,242,696</b>	<b>111,731</b>	<b>162,713</b>	<b>(162,713)</b>	<b>182,055</b>	<b>2,000</b>	<b>2,654,250</b>
Net result	-	-	-	-	-	84,711	-	84,711
Other comprehensive income	-	-	94,110	-	-	-	-	94,110
Increase in capital	42	406	-	-	-	-	-	448
Conversion of ORA and ORNANE	3	43	-	-	-	-	-	46
Appropriation of result	-	-	-	-	182,055	(182,055)	-	-
Transaction with NCI holders	-	-	-	-	(127,014)	-	-	(127,014)
Other	-	-	-	302,084	(302,084)	-	-	-
<b>Equity as at December 31, 2019</b>	<b>115,813</b>	<b>2,243,145</b>	<b>205,841</b>	<b>464,797</b>	<b>(409,756)</b>	<b>84,711</b>	<b>2,000</b>	<b>2,706,551</b>
Net result	-	-	-	-	-	(2,369,115)	-	(2,369,115)
Other comprehensive income	-	-	(282,448)	-	(15,324)	-	-	(297,772)
Increase in capital	47	202	-	-	-	-	-	249
Conversion of ORA and ORNANE	-	-	-	-	-	-	-	-
Appropriation of result	-	-	-	-	84,711	(84,711)	-	-
Coupon on capital securities	-	-	-	-	(200)	-	-	(200)
Transaction with NCI holders	-	-	-	-	-	-	-	-
Amendment intra-group liabilities	-	-	-	-	-	-	749,632	749,632
Other movements	-	-	-	-	2,320	-	-	2,320
Other	-	-	-	(231,192)	231,192	-	-	-
<b>EQUITY AS AT DECEMBER 31, 2020</b>	<b>115,860</b>	<b>2,243,347</b>	<b>(76,607)</b>	<b>233,605</b>	<b>(107,057)</b>	<b>(2,369,115)</b>	<b>751,632</b>	<b>791,665</b>

### Changes in the number of shares comprising the share capital

	Number of shares
<b>As at December 31, 2018</b>	<b>231,536,916</b>
Capital increase Class A shares	84,247
Conversion of ORA to Class A shares	5,757
<b>As at December 31, 2019</b>	<b>231,626,920</b>
Capital increase Class A shares	24,630
Capital increase reserved for URW Company Savings Plan	69,150
<b>AS AT DECEMBER 31, 2020</b>	<b>231,720,700</b>

The authorised share capital of the Company as at December 31, 2020, amounts to €550 Mn divided over 660 million ordinary class A shares and 440 million class B shares of €0.50 per share.

The issued and paid up share capital amounts to €115.9 Mn, formed by 138,472,385 ordinary A shares and 93,248,315 ordinary B shares as at December 31, 2020. Class B shares are shares carrying one vote per share and ordinary dividend rights. All class B shares are held by URW SE.

The Class A shares of the Company are stapled with the shares in URW SE (Stapled shares). As a consequence of the Stapled structure the exercise of the convertible bonds (ORNANE and ORA - financial instruments issued by URW SE) and stock options plans, performance shares of URW SE will have also a dilutive impact on the shares of the Company (with a share issuance at that time).

### Share premium

Share premium is paid up share capital in excess of nominal value. The amount of share premium is €2,243.3 Mn as at December 31, 2020 (December 31, 2019: €2,243.1 Mn).

## Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

## Capital securities

The €2 Mn hybrid securities, as included in the capital security line is a perpetual, deeply subordinated instrument without voting rights. The capital instrument is issued for €2.0 Mn cash in 2018 and is accounted for in equity, mainly because the company has the discretion not to pay interest or the principal. The amount remains unchanged in 2020.

In December 2020, the intra-group loan of €750 Mn with URW SE has been reclassified into equity, reference is made to note 2.1.4.

## Dividends

No dividends were declared or paid by the Company during the period of this financial year.

## Revaluation reserve

The revaluation reserve comprises of the reserve for the fair value gain on investment properties and derivatives. The loss of the revaluation reserve is €251.2 Mn (December 31, 2019 was addition €302.1Mn).

## Unappropriated result

The Board of Management proposes, with consent of the Supervisory Board, to the General Meeting to appropriate the result after tax for 2020 as follows: to add the remaining loss amount of -€2,369.1 Mn (December 2019: €84.7 Mn) to the retained earnings.

## NOTE 8 ● BORROWINGS AND FINANCIAL LIABILITIES

(€ thousands)	December 31,					December 31,
	2019	Additional loans	Loans decrease	Reclass	Amortisation	2020
Debt to URW SE	2,122,169	49,923	4,622	(749,632)	-	1,417,838
Charges and premiums on issues of borrowing with URW SE	(11,533)	-	-	-	2,657	(8,876)
<b>TOTAL</b>	<b>2,110,636</b>	<b>49,923</b>	<b>4,622</b>	<b>(749,632)</b>	<b>2,657</b>	<b>1,408,962</b>

During the period, the Company had interest bearing loans from URW SE. The principal amount of the loans are €1,260.6 Mn. The interest rate is based on a fixed rate from and including the Issue Date to, but excluding, October 25, 2023. After each 5 years the interest rate to be reset at 5YR Mid-swaps plus relevant margin. The maturity date of the loan is perpetual. The loan of €750.0 Mn was converted to equity with the exception of the current fair value due on this instrument on December 29, 2020. Reference is made to Note 2.1.4 of the consolidated financial statements.

During the period, the Company had an interest bearing loan from URW SE. The principal amount is €35.8 Mn. The interest rate is based on a fixed rate and the maturity date is May 31, 2023.

The total accrued interest as at December 31, 2020 is €20.2 Mn (December 31, 2019: 20.1 Mn) for the loans and is presented under other liabilities.

Total charges and premiums on issues of borrowings with URW SE amounts €8.8 Mn as at December 31, 2020 (December 31, 2019: €11.5 Mn). During the period, URW NV had a EUR and USD current account facility with URW SE for €120.0 Mn and \$20.0 Mn (€16.3 Mn) respectively. As at December 31, 2020, the drawn down amount are €117.1 Mn and \$4.8 Mn (€3.9 Mn) respectively. The interest rate is EURIBOR + 0.85% for the EUR facility and LIBOR + 1.4% for the USD facility. The maturity date for both contracts is April 1, 2024. As at December 31, 2019, the draw down amounts is €67.2 Mn and \$9.7 Mn (€8.6 Mn). The interest rate is EURIBOR + 0.85% for the EUR facility and LIBOR + 1.4% for the USD facility. The maturity date for both contracts is April 1, 2024.

## Financial instruments

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

In the notes 8.5 and 14.1 of the consolidated financial statements, information is included about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

These risks, objectives, policies and processes for measuring and managing risk, and the management of capital apply also to the company only financial statements of URW NV. Further quantitative disclosures are included below:

## Fair value

The fair values of most of the financial instruments recognised on the statement of financial position, including cash at bank and in hand and current liabilities, is approximately equal to their carrying amounts.

The carrying amount and fair value of fixed interest rate borrowings and financial liabilities are as follows:

(€ thousands)	December 31, 2020		December 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
1,260.6 Mn debt to URW SE	1,260,551	1,192,506	1,260,551	1,251,713
750 Mn debt to URW SE	368	368	750,000	763,605
35.8 Mn debt to URW SE	35,800	36,678	35,800	32,801
<b>TOTAL</b>	<b>1,296,719</b>	<b>1,229,552</b>	<b>2,046,351</b>	<b>2,048,119</b>

The fair value of the Company's interest bearings loans is estimated by discounting future cash flows using rates that approximate the Company's borrowing rate at the balance sheet date, for debt with similar maturity, credit risk and terms.

## NOTE 9 ● DERIVATIVES

(€ thousands)	December 31, 2019	Fair value adjustments of derivatives	December 31, 2020
<b>Assets</b>			
Derivatives at fair value non-current	83,432	37,004	120,436
• Fair value hedge	83,432	37,004	120,436
<b>Liabilities</b>			
Derivatives at fair value non-current	(348,691)	(180,447)	(529,138)
• Fair value hedge	(348,691)	(180,447)	(529,138)
<b>NET</b>	<b>(265,259)</b>	<b>(143,443)</b>	<b>(408,702)</b>

In the year ended December 31, 2020, URW NV has interest rate swaps and caps contracts with URW SE to minimize the interest risk on the Group debt. URW SE has these contracts with third parties and these contracts are mirrored to URW NV with the same nominal amount, interest rate and duration. The maturity date of the swaps are September, 2028 and July, 2048 and the maturity date of the caps is January, 2021.

## NOTE 10 ● OTHER LIABILITIES

(€ thousands)	December 31, 2020	December 31, 2019
Payable due to URW SE	71,373	21,110
Tax and social security liabilities	204	154
Accruals	554	747
<b>TOTAL</b>	<b>72,131</b>	<b>22,011</b>

## NOTE 11 ● ADMINISTRATIVE EXPENSES

(€ thousands)	2020	2019
Wages and salaries	553	490
Social security charges	115	103
Pension charges	48	31
Audit and advisory fees	657	810
Office costs	114	118
Other general costs	681	1,089
Depreciation charge	22	22
<b>TOTAL</b>	<b>2,190</b>	<b>2,663</b>

During the 2020 financial year, the average number of staff employed by the Company amounted to 5 (2019: 5). None were employed outside The Netherlands.



## NOTE 12 ● FINANCIAL RESULT

### FINANCIAL INCOME

(€ thousands)	2020	2019
Interest income on caps and swaps	-	5,288
USD foreign exchange gain	2,143	-
<b>TOTAL</b>	<b>2,143</b>	<b>5,288</b>

### FINANCIAL EXPENSES

(€ thousands)	2020	2019
Interest expense on caps and swaps	(17,308)	-
Interest on borrowings	(76,343)	(50,139)
Expenses on borrowings	(2,657)	(2,737)
USD foreign exchange loss	-	(154)
Fair value of derivatives	(144,627)	(219,473)
<b>TOTAL</b>	<b>(240,935)</b>	<b>(272,503)</b>

## NOTE 13 ● INCOME TAX

The Company qualifies as a FII (Fiscal Investment Institution <in Dutch: Fiscale Beleggings Instelling>) for the corporate income tax in The Netherlands in accordance with section 28 of the Dutch "Wet op de vennootschapsbelasting 1969". The corporate tax rate of an FII is 0% in the Netherlands, presuming all relevant conditions are met. Based on the FII regime, the Company is obliged to distribute dividends to its shareholders, which dividends are, broadly said, based on its Dutch fiscal income.

## NOTE 14 ● RESULT FROM SUBSIDIARIES

The result from subsidiaries after tax is -€2,129.9 Mn (December 31, 2019: €350.9 Mn) which relates mainly to the result of the subsidiary URW WEA LLC (formerly WFD America Inc.)

## NOTE 15 ● AUDIT FEES

Fees charged by Ernst and Young Accountants LLP (Netherlands) and its member firms to the Company, its subsidiaries and other consolidated companies for the 2020 services are specified as follows:

### 2020

(€ thousands)	Ernst & Young accountants LLP (Netherlands)	Other EY network	2020
Audit or limited review of the consolidated financial statements <sup>(1)</sup>	496	2,524	3,020
Non- audit services <sup>(2)</sup>	142	1,159	1,301
<b>TOTAL</b>	<b>638</b>	<b>3,683</b>	<b>4,321</b>

### 2019

(€ thousands)	Ernst & Young accountants LLP (Netherlands)	Other EY network	2019
Audit or limited review of the consolidated financial statements <sup>(1)</sup>	586	2,483	3,069
Non- audit services <sup>(2)</sup>	128	501	630
<b>TOTAL</b>	<b>714</b>	<b>2,984</b>	<b>3,698</b>

(1) The controlled companies correspond to the fully consolidated companies as well as the jointly controlled companies.

(2) Relate to the non-audit services in accordance with legal and regulatory requirements and to the non-audit services provided at the request of the company. The amounts correspond to (1) comfort letters issued in connection with bond issuances of the Group and (2) tax related procedures in the US.

In the table for the Audit and limited review of the consolidated financial statements, the amount of €495,923 relate to the total fees for the audit of the consolidated financial statements 2020 charged by Ernst and Young Accountants LLP (Netherlands), irrespective of whether the activities have been performed during the financial year 2020.

## **NOTE 16 ● REMUNERATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD**

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For the remuneration of the members of the Board of Management and Supervisory Board reference is made to note 13.4.2 in the consolidated financial statements.

## **NOTE 17 ● RELATED PARTIES**

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The Company is affiliated to URW SE, together they form URW. All Group entities are treated as related parties. Reference is made to note 7.4 in the consolidated financial statements.

## **NOTE 18 ● OFF BALANCE SHEET COMMITMENTS**

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General guarantees as defined in Art. 403, Book 2 of the Dutch civil code have been given by the Company to the subsidiary WFD UR RE BV. For intercompany financial guarantees issued by the Company, there is no expected default and therefore the financial guarantees are not recognised.

Together with the Dutch subsidiary WFD UR RE BV, the Company forms a fiscal unity for the value-added tax.

As from June 28, 2018, URW SE and the Company have implemented cross guarantees. The Company as part of the “Unibail-Rodamco Guarantors” has jointly and severally agreed to guarantee the payment of all sums payable from time to time under the outstanding guaranteed senior notes issued by certain subsidiaries of the former Westfield Corporation (WEA Finance LLC, Westfield UK & Europe Finance PLC and WFD Trust).

The Company has no significant off balance sheet commitments as at December 31, 2020.

## **NOTE 19 ● SUBSEQUENT EVENTS**

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Please refer to note 17 of the consolidated financial statements.

Schiphol, March 25, 2021

Board of Management

Supervisory Board

D. Lowe

J.M. Tritant

G. Sieben

F. Mouchel

J.L. Laurens

C. Pourre

A. Taireh

## 3.5 OTHER INFORMATION

### 3.5.1 PROPOSED PROFIT APPROPRIATION

Under article 38.1 of the Company's Articles of Association, the Management Board, with the approval of the Supervisory Board, shall determine which part of the loss shall be added to the Company's reserves, taking into account the fiscal rules and regulations applicable to the Company from time to time. The remaining profits shall be at the disposal of the General Meeting.

### 3.5.2 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

## Independent auditor's report

To: the shareholders and supervisory board of Unibail-Rodamco-Westfield N.V.

## Report on the audit of the financial statements 2020 included in the annual report

### Our opinion

We have audited the financial statements 2020 of Unibail-Rodamco-Westfield N.V., based in Amsterdam. The financial statements include the consolidated financial statements and the company only financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Unibail-Rodamco-Westfield N.V. as at December 31, 2020 and of its result and its cash flows for 2020 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company only financial statements give a true and fair view of the financial position of Unibail-Rodamco-Westfield N.V. as at December 31, 2020 and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at December 31, 2020
- The following statements for 2020: the consolidated statements of comprehensive income, cash flows and changes in equity
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company only financial statements comprise:

- The company balance sheet as at December 31, 2020
- The company income statement for 2020
- The notes comprising a summary of the accounting policies and other explanatory information

### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Unibail-Rodamco-Westfield N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

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

### Our audit approach

#### Our understanding of the business

Unibail-Rodamco-Westfield N.V. is a listed retail property company that is part of the Unibail-Rodamco Westfield Group and that invest in assets, primarily through the direct or indirect acquisition of real estate in the United States. The group structure consist of several components and we have aligned our audit accordingly. We have paid special attention in our audit on a number of focus area's based on the group's activities and our risk assessment.

We start by determining materiality and identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud, non-compliance with laws and regulations or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

In 2020 we were forced to perform our procedures to a greater extent remotely due to the COVID-19 measures. This limits our observation and increases the risk of missing certain signals. In order to compensate for the limitations related to physical contact and direct observation, we performed alternative procedures to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

### Materiality

Materiality	€60 million (2019: €70 million)
Benchmark applied	Approximately 0.5% of total assets
Explanation	Given the nature and the activities of the entity, we believe that total assets is the most appropriate benchmark for the materiality

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of €3.5 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

### Scope of the group audit

Unibail-Rodamco-Westfield N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Unibail-Rodamco-Westfield N.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items. Our group audit mainly focused on the significant group entity URW America Inc. and its subsidiaries, which make up 99% of total assets and 97% of result before tax. In establishing the overall approach to the audit, we determined the type of work that is needed to be done by us, as group auditors, or by component auditors from Ernst & Young Global member firms and operating under our instructions. This includes the procedures performed by Ernst & Young France for Unibail-Rodamco-Westfield SE purposes. The group consolidation, financial statements and disclosures are audited directly by the group engagement team in addition to the other procedures the group team is responsible for.

Because of the (international) travel restrictions and social distancing due to the COVID-19 pandemic, we have been unable to visit management and/or component auditors to discuss, among others, the business activities and the identified significant risks or to review and evaluate relevant parts of the component auditor's audit documentation and to discuss significant matters arising from that evaluation on site. In these extraordinary circumstances we predominantly used communication technology and written information exchange. During the course of the audit, we held frequent meetings with the component team, reviewed their file remotely, and joined the local closing meeting.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

### Teaming, use of specialists and internal audit

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the real estate industry. We included specialists in the areas of IT audit, forensics and income tax and have made use of our own experts in the areas of valuations of real estate, derivatives and intangible assets.

### Our focus on fraud and non-compliance with laws and regulations

#### Our responsibility

Although we are not responsible for preventing fraud or non-compliance and cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Non-compliance with laws and regulations may result in fines, litigation or other consequences for the Company that may have a material effect on the financial statements.

#### Our audit response related to fraud risks

In order to identify and assess the risks of material misstatements of the financial statements due to fraud, we obtained an understanding of the entity and its environment, including the entity's internal control relevant to the audit and in order to design audit procedures that are appropriate in the circumstances. As in all of our audits, we addressed the risk of management override of internal control. We do not audit internal control per se for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

We considered available information and made inquiries of relevant executives, directors (including internal audit & compliance, cyber security, legal, human resources and local management) and the supervisory board. As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic and cyber specialists.

In our risk assessment we considered the potential impact of, among other things the focus on the allocation between recurring and non-recurring earnings. Furthermore, as Unibail-Rodamco-Westfield N.V. is a global company, operating in multiple jurisdictions, we considered the risk of bribery and corruption. In our process of identifying fraud risks, we considered whether the COVID-19 pandemic gives rise to specific fraud risk factors resulting from a dilution in the effectiveness of controls as a result of the general disruption associated with remote working, illness and workforce reductions. We also considered risk factors regarding management under pressure to meet financial targets, to demonstrate that the actions to limit exposure to losses or to increase recurring results have been successful, or to meet certain KPIs necessary to meeting debt covenants.

We evaluated the design and the implementation of internal controls that mitigate fraud risks.

In addition, we performed procedures to evaluate key accounting estimates for management bias in particular relating to important judgment areas and significant accounting estimates regarding the fair value of investment properties (refer to Key Audit Matter valuation of investment property portfolio) as disclosed in Note 3.2 to the financial statements. We have also tested high-risk journal entries.

We incorporated elements of unpredictability in our audit. We considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance. If so, we re-evaluate our assessment of fraud risk and its resulting impact on our audit procedures.

#### Our audit response related to risks of non-compliance with laws and regulations

We assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit and compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

#### Going concern

We performed the following procedures in order to identify and assess the risks of going concern and to conclude on the appropriateness of management's use of the going concern basis of accounting. Management made a specific assessment of the Company's ability to continue as a going concern and to continue its operations for at least the next 12 months. Reference is made to section Going concern under Note 1 Basis of preparation. We discussed and evaluated the assessment with management exercising professional judgment and maintaining professional skepticism, and specifically focusing on the process followed by management to make the assessment, management bias that could represent a risk, and the impact of the lockdown including the (mandatory) closure of non-essential stores on the Company's operations and forecasted cash flows.

Furthermore, we evaluated the funding the Company has available, with a focus on whether the Company will have sufficient liquidity to continue to meet its obligations as they fall due. The Company's liquidity needs for the next 12 months are covered by the available undrawn credit lines and cash on-hand as well as by the cross-guarantees granted within the Unibail-Rodamco Westfield Group. For that reason we also made specific inquiries with Unibail-Rodamco Westfield S.E. and its auditors about URW Group's ability to continue as a going concern and involved EY specialists.

We consider based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a Company to cease to continue as a going concern.

#### General audit procedures

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

#### Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

The key audit matter Accounting for rent relief and provisioning for expected credit losses on receivables in the context of the COVID-19 pandemic and the incorporation of the impact of COVID-19 in the key audit matter regarding the fair value of investment properties are new in 2020 as these are new events in the year.

The key audit matter Group Restructuring which was included in our last year's auditor's report, is not considered a key audit matter for this year as no significant group restructuring occurred in 2020.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Valuation of investment property portfolio, including investment properties under construction

Risk	<p>The investment properties amount to €5,060 million as at December 31, 2020. These are measured at fair value except for some investment properties under construction (IPUC) carried at cost amounting to €19 million, for which the fair value cannot be reliably measured. The change in the fair value of investment properties recognized in the consolidated statement of comprehensive income for the period is €848 million negative.</p> <p>The valuation of investment properties is highly dependent on estimates and assumptions and requires significant judgment by management and the external appraisers. The valuations take into account the property-specific information (including the current tenancy agreements and rental income, condition and location of the property, and future rental prospects), as well as prevailing market yields and market transactions. The impact of the current COVID-19 pandemic on the valuation (and the expected recovery), increases the estimation uncertainty.</p> <p>Accordingly, the valuation of investment properties is considered a key audit matter due to the significance of their balance to the financial statements as a whole, combined with the level of judgment associated with determining their fair value or, if at cost, any impairment provision.</p> <p>Please refer to note 6.1 of the consolidated financial statements.</p>
Our audit approach	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>▶ We obtained an understanding and evaluating the design and implementation of the controls related to the internal process for determining the fair value of investment properties, including inquiries of management as to any changes in the processes or additional controls in light of the COVID-19 pandemic.</li> <li>▶ We conducted analytical procedures by benchmarking the assumptions used and the value of properties in the portfolio, based on our understanding of their local market, external market data, published benchmarks and asset-specific considerations, in order to evaluate the appropriateness of the valuations adopted by the Company.</li> <li>▶ We assessed the consistency of the underlying lease data and capital expenditures used by the external appraisers in their valuation of the investment properties, by reconciling these with lease agreements and asset budgets established by management on a sample basis and inspected that the specific assumptions used in the valuation took into account the effects of the COVID-19 pandemic.</li> <li>▶ We employed our real estate valuation specialists based on their specific experience and knowledge in the local markets to assist the audit team with the valuation of a sample of investment properties which include an assessment of the assumptions applied by management, especially given the impact of the COVID-19 pandemic and resulting lockdown on the market related assumptions. They also assisted in the review and testing of models, parameters, assumptions and estimates as used in the valuation.</li> <li>▶ Our work focused on the largest properties in the portfolio and those where the assumptions used and/or movement in values suggested a possible outlier versus market data.</li> <li>▶ For IPUC, we assessed factors such as projected costs to complete the development, ability to let, timing of practical completion and reliability of fair value measurement.</li> <li>▶ We evaluated the disclosures included in the consolidated financial statements based on the requirements of IAS 1 Presentation of Financial Statements, IAS 40 Investment Property and IFRS 13 Fair Value Measurement and agreeing the amounts to the accounting records.</li> </ul>
Key observations	<p>We consider management's estimates and key assumptions underlying the valuation of investment properties, including those with regard to the impact of the COVID-19 pandemic, to be within an acceptable range and we concur with the valuation and the related disclosures.</p>

## Valuation (including impairment testing) of acquired intangible assets and goodwill

Risk	<p>As at December 31, 2020, the total amount of goodwill of €19.8 million was impaired. The intangible assets with an indefinite useful life amount to €289 million and relate to the Westfield trademark for flagship centers.</p> <p>The subsequent measurement of acquired intangible assets with an indefinite useful life and goodwill requires annual impairment testing which is complex and subject to estimation uncertainty. Given the current impact of COVID-19 on the operational and financial performance, impairment triggers are present.</p> <p>Therefore, combined with the significance of the balances to the financial statements as a whole, the valuation (including impairment testing) of acquired intangible assets and goodwill is a key audit matter.</p> <p>Please refer to note 2.1.1, 6.3 and 6.4 of the consolidated financial statements.</p>
Our audit approach	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>▶ We obtained an understanding and evaluated the design of controls over the Company's impairment testing process with regard to goodwill and other intangible assets with an indefinite useful life, including controls over management's review of the significant assumptions described above.</li> <li>▶ We inspected the documentation regarding the impairment analysis that the Company prepared.</li> <li>▶ With the assistance of our valuation specialists, we assessed the valuation of the intangible assets including goodwill. We reviewed management's key assumptions used in the valuation such as long-term growth rates,</li> </ul>

## Valuation (including impairment testing) of acquired intangible assets and goodwill

	<p>discount rates, royalty rates, as well as the sensitivity analysis resulting from variations of these assumptions.</p> <ul style="list-style-type: none"> <li>▶ We assessed the consistency of the business plan with historical data.</li> <li>▶ We evaluated the disclosures included in the consolidated financial statements based on the requirements of IAS 1 Presentation of Financial Statements, IAS 38 Intangible Assets, IAS 36 Impairment of Assets and IFRS 3 Business Combinations.</li> </ul>
Key observations	We concur with the valuation of the acquired intangible assets and the full impairment of the goodwill, as well as with the related disclosures in the financial statements.

## Accounting for rent relief and provisioning for expected credit losses on receivables in the context of the COVID-19 pandemic

Risk	<p>As a result of the COVID-19 pandemic, the Company's operations are impacted by lockdowns and local restrictions increasing tenant default risk. Consequently, the Company adopted a global policy to support tenants, for example through deferral of rents or rent reliefs with or without other modifications to the lease contract (e.g. extension of a lease term or higher sales based rent). Unibail-Rodamco-Westfield N.V. offered discounts, deferrals and/or waivers to tenants with the aim of extending lease periods and increasing long-term rentals securing future cash flows. This impacted the timing and the value of revenue and/or expected credit losses recognized during the current period.</p> <p>The lockdowns and restriction periods combined with related legislation resulted in modifications of lease contracts. Under IFRS 16 Leases, Unibail-Rodamco-Westfield N.V. accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. Unibail-Rodamco-Westfield N.V. recognizes lease payments from the modified operating leases as income on a straight-line basis. In accordance with IFRS 9 Financial Instruments, lease receivables for which the lease modification is not yet effective are part of the receivables for which an expected credit loss is determined. Waivers on past rent are accounted for as derecognition loss.</p> <p>The total expected credit loss in 2020 increased to €115 million due to the impact of COVID-19 and relates to trade receivables, preferred interest receivables of associates and financial guarantee contracts.</p> <p>Provisioning for expected credit losses requires estimation using historical and forecast information available at the balance sheet date. Due to the evolving context of the COVID-19 crisis and of government's actions restricting the trading of the Group's tenants, this estimation is more complex. As a result, there is a higher than usual uncertainty around forecast information related to footfall, tenant's ability to pay rents and expected credit related modification to leases.</p> <p>Because the evaluation and accounting treatment of rent relief and the calculation of expected credit losses on receivables involve estimates from the management with significant uncertainty due to the COVID-19 pandemic, it is considered as a key audit matter.</p> <p>Please refer to note 2.1.1 and 8.5.2 of the consolidated financial statements.</p>
Our audit approach	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>▶ We obtained an understanding of the Group's process and controls in place to identify and report rent relief and provision for doubtful debtors.</li> <li>▶ We analysed the accounting policy implemented by the Group to account for rent relief and the consistency of the policy across different geographical segments.</li> <li>▶ We assessed the assumptions adopted by the management in the estimations for expected credit losses and rent reliefs to be signed.</li> <li>▶ We performed a review of the accounting position paper on the accounting consequences of COVID-19 (Lease modifications and accounting treatment applied) prepared by management and assessed this based on the requirements of IFRS 16, Leases and IFRS 9, Financial instruments.</li> <li>▶ On a sample basis, we tested rent reliefs to supporting evidence such as credit notes or amendments to the lease contracts to verify the accuracy of the amount recorded and the appropriateness of the accounting treatment in accordance with IFRS 16, Leases and IFRS 9, Financial Instruments.</li> <li>▶ We assessed the appropriateness and the compliance with IFRS 9, Financial instruments of the methodology implemented by the management to determine the loss rates based on information available for each centre.</li> <li>▶ We evaluated the disclosures included in the consolidated financial statements based on the requirements of IAS 1 Presentation of Financial Statements, IFRS 7 Financial Instruments Disclosures and whether they appropriately reflect the impact of COVID-19.</li> </ul>
Key observations	We concur with the accounting for rent relief and the provision for expected credit-losses on receivables and the related disclosures in the financial statements.

## Accounting for financial liabilities including derivatives

Risk	<p>As at December 31, 2020, Unibail-Rodamco-Westfield N.V. has total liabilities of €10,630 million, including bonds, notes, bank borrowings, other financial liabilities and financial leases and commitments to non-controlling interests. The preference shares held by URW SE amount to €399 million and are valued at amortized costs. Other commitments to non-controlling interests are valued at fair value. Financial covenants are applicable to issued bonds (€3,677 million).</p> <p>The Company uses interest rate swaps and caps to hedge its exposure to interest rate risk. These derivatives, for which no hedge accounting is applied, are carried at fair value through profit or loss and have a carrying amount at the balance sheet of respectively €120 million (asset) and €529 million (liability).</p> <p>In 2020, all financial markets were affected by the COVID-19 pandemic. The credit markets were severely hit with a significant increase in credit spreads and lower interest rate curves. The resulting fair value adjustments of derivatives and financial liabilities carried at fair value through profit or loss plus currency effect amount to €249 million negative.</p> <p>The valuation of these financial instruments is dependent on estimates and assumptions and requires judgment by management. Furthermore, the Company amended the €750 million loan agreement with Unibail-Rodamco-Westfield S.E. which triggered an assessment of the classification of the modified loan as either equity or long term borrowings. Considering the estimation uncertainty regarding the valuation of financial instruments at fair value, the importance and relative size of external financing, compliance with covenants, and the complex accounting related to the amended €750 million intragroup loan, the accounting for financial liabilities including derivatives is an important area of emphasis in our audit.</p> <p>Please refer to note 8 of the consolidated financial statements.</p>
Our audit approach	<ul style="list-style-type: none"> <li>▶ We assessed management's controls over the accounting for financial liabilities including derivatives.</li> <li>▶ We obtained and analyzed loan contracts and loan amendments including the amended €750 million intragroup loan, on a sample basis to understand the terms and conditions and verified that those characteristics were correctly reflected in the financial statements in accordance with the accounting policies applied by the Company based on IAS 32 Financial Instruments Presentation and IFRS 9 Financial Instruments.</li> <li>▶ We performed analytical procedures on the financial expenses.</li> <li>▶ We confirmed the amount of the principal debt with third parties on a sample basis.</li> <li>▶ We confirmed a selection of derivatives directly with counterparties and performed procedures to ensure completeness of them.</li> <li>▶ For a sample of financial instruments, we reviewed the valuation of derivatives (including the DVA/CVA calculation) and we involved our internal specialists who performed independent valuations.</li> <li>▶ Where debt covenants were identified, we assessed management's calculations to verify compliance with these covenants.</li> <li>▶ Additionally, we considered the appropriateness of the IFRS 7 disclosures in the financial statements in respect of financial liabilities including derivatives.</li> </ul>
Key observations	<p>We concur with the accounting for financial liabilities including derivatives and assessed that, as at December 31, 2020, the Company was in compliance with its debt covenants. We also concur with the related disclosures in the financial statements.</p>

### Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management board report
- Corporate governance and remuneration report
- Risk factors
- Information on the Company, shareholding and the share capital
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 and Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code, other information required by Part 9 of Book 2 of the Dutch Civil Code and the remuneration report in accordance with Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code.

### Report on other legal and regulatory requirements

#### Engagement

We were engaged by the supervisory board as auditor of Unibail-Rodamco-Westfield N.V. on July 7, 2018, as of the audit for the year 2018 and have operated as statutory auditor ever since that date.



#### No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

#### Other non-prohibited services provided

In addition to the statutory audit of the financial statements we provided the following services:

- Tax assistance services performed in the United States by EY US
- Issuance of comfort and/or consent letters in connection with the (supplement to the) base prospectus

#### Description of responsibilities for the financial statements

##### Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process.

##### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Our audit approach section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

#### Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Utrecht, March 25, 2021

Ernst & Young Accountants LLP

Signed by W.H. Kerst



## RISK FACTORS

# 4.1 RISK MANAGEMENT FRAMEWORK

## 4.1.1 RISK MANAGEMENT POLICY & ORGANISATION

Unibail-Rodamco-Westfield N.V. (“URW NV”) and its subsidiaries are together referred to as “the Group”. URW NV and its controlled subsidiaries are affiliated to Unibail-Rodamco-Westfield SE (“URW SE”). Together they form the URW Group and the risk management is -except when not applicable or not in line with its specificities- aligned on the URW Group risk management frameworks.

The Risk Management Policy at URW NV is designed to:

- identify and analyse the main potential threats in order to anticipate risks proactively;
- secure decision-making and Group’s processes to achieve its business objectives;
- create and preserve the Group’s value, assets, brand and reputation;
- ensure consistency of decisions with the Group’s values and strategy;
- bring the Group’s staff together behind a shared vision of risk management.

When relevant (mainly due to the level of materiality for the entire URW Group), the Group’s internal committees and/or corporate bodies may be associated or participate to the risk assessment and/or the decision to be taken.

The organisation of the Group can be defined as a matrix organisation within the Netherlands and the United States and a Corporate Centre organised around four main functions i.e. Owner, Operator, Resourcer, and Financer. The decision-making process is accomplished through committees and collegial decision-making. The segregation of duties within the Group is based on the separation between execution and control. The Group does not outsource core activities, except for some parts of its IT system and facility management. The Group’s main activities are Investment and divestment, Asset management, Operating management (including leasing and property management) and Refurbishments, which are briefly described below. The organisational structure is also based on a set of delegations that define the roles and responsibilities of managers. Moreover, the Group utilize internal committees, where decisions are based on a risk analysis approach.



### INVESTMENT

Investment is one of the major processes at URW NV, as it is one of the first steps in the value creation process. It starts with deal sourcing (the search for market opportunities), which is based on brokers, off-market relationships, and connections with local communities. Once an investment opportunity is identified it undergoes a strict review and approval procedure with multiple steps before approval in compliance with demanding internal decision-making processes and in alignment with URW NV’s investment strategy.

### ASSET MANAGEMENT

Under the responsibility of the Chief Operating Officer US (“COO US”), this activity focuses on value creation in the Group’s asset portfolio and consists of defining the strategy for each asset (5-year plan). In line with the contract terms and conditions, the accounting department invoices and collects the rents and pays expenses related to the management of the building.

### OPERATING MANAGEMENT

Operating Management is organized and managed by the COO US for US assets and the CFO for the Dutch assets and mainly focuses on property leasing, implementation/monitoring of the 5-year business plan and property management including security and technical maintenance (facility management). The facility management is mainly carried out by reputable specialized third parties with a designated team on each site and is monitored by the Shopping Center Management Team in the US.

### REFURBISHMENT

Refurbishment consist of the following activities:

- control of construction costs and management of construction contracts;
- definition of the Group CSR development policy;
- selection and monitoring redevelopment and refurbishment companies;
- supervision of redevelopment until grand opening.

**DIVESTMENT**

Under the supervision of the COO US, the Investment Department is responsible for the value creation process and is in charge of evaluating and advising periodically on the basis of the aforementioned information whether the property needs to be disposed of or not.

**4.1.2 GROUP ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK**

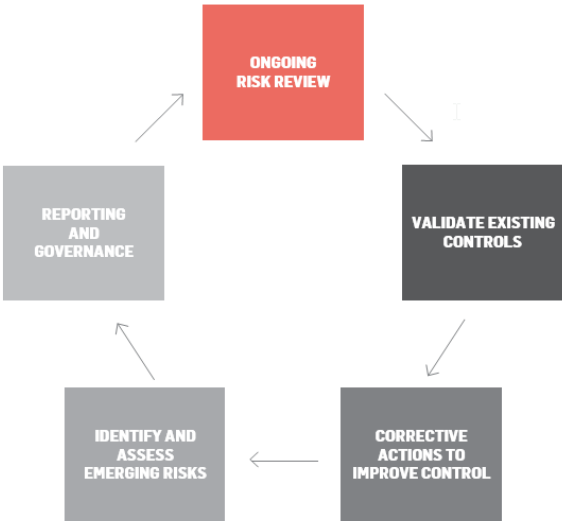
Since the completion of the Westfield Transaction in June 2018, the Risk Management framework has continued to evolve. All key risks have been reviewed and assessed internally, and action plans for improvement have been established. Nine identified key risks were presented to and reviewed by the Audit Committee (“AC”) and Supervisory Board (“SB”) in 2020. In addition, a dedicated review detailing the impacts of the first wave of COVID-19 outbreak was presented to the Audit Committee Chairman.

The components of our ERM framework focuses on:

- Risks Inventory
- Risk Control Methodology
- Risk Mapping
- Governance
- Functional Organization.

As depicted below, URW NV now has a Group-wide robust risk management program providing reasonable assurance on the level of control and that remains oriented towards ongoing and continuous risk assessment and improvement in controls.

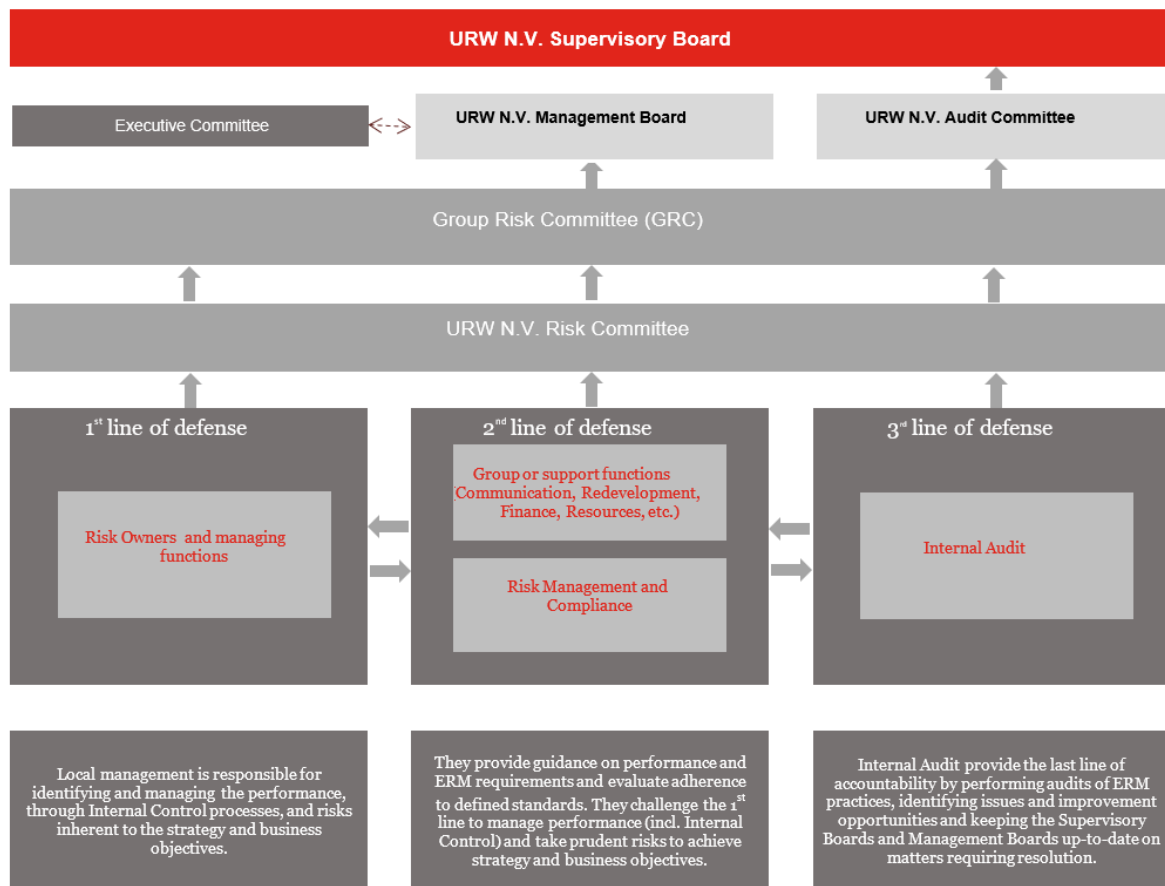
**OVERVIEW OF ERM KEY RESPONSIBILITIES**



Governance continues to enhance and support the importance of ERM by establishing oversight responsibilities. URW NV has worked on the alignment and coherence of the Risk Management governance bodies, considering market best practices, regional and sector benchmarks and market investors’ expectations.

On December 6, 2018, upon the recommendation of the AC, the SB approved the Risk Management framework. In 2020, three AC and SB meetings related to risk management took place. To prepare these meetings, four preparatory calls were organized with the AC Chairman and risk owners.

The URW NV ERM framework for the Group and three lines of defence are organised as follows:



Overview of the 3 lines of defence is in line with COSO ERM standards.

To detect main specific Group risks and design appropriate risk management measures in relation with any unique local consideration, URW NV's ERM framework for the Group includes a URW NV Group Risk Management Committee ("GRC").

The responsibilities of the URW NV Group Risk Committee are for their respective scopes:

- Embed ERM in all activities in URW NV scope;
- Discuss the identification and evaluation of risks, within their area, with local risk owners;
- Design mitigation measures in collaboration with risk owners;
- Monitor the action plans;
- Review risk initiatives against the Compliance Book to align assessment and establish training priorities;
- Watch over new/emerging risk.

The URW NV Risk Committee handles risk monitoring at for the NV. It is composed of the following senior executives:

- the Chief Operations Officer (COO) as the Chair of the GRC;
- Director Business Resilience & Risk Management US (as moderator)
- the Chief Financial Officer (CFO) URW NV;
- the US Chief Financial Officer (CFO);
- the General Counsel;
- the EVP of Internal Audit;
- the EVP Operations
- the Group Director of Security, Risk & Crisis Management
- the Head of Risk Management Europe (as requested guest if needed);
- Others Risk owners if needed.

The primary responsibility of the GRC with respect to URW NV is to oversee and approve its risk mapping and key mitigating measures and to assist the Management Board (“MB”) in:

- confirming that all executive teams have identified and assessed the risks that the Group faces in the regions where it operates and has established a risk management system of addressing those risks;
- validating the level of control over a given risk and in conjunction with the MB and/or other internal committees, validate that such risks are in line with the Group’s Risk strategy;
- ensuring that the division of risk-related responsibilities for each risk owner is clearly defined, and that risk owners are routinely performing risk assessments and gap analysis to maintain awareness of all risks;
- elevating to the MB and SB any emerging and developing risks.

To fulfil its responsibilities and duties, the GRC:

- supports the development of a risk culture within the Group, promotes open discussion regarding key risks, integrates Risk Management into the organization’s objectives and compensation structure, and creates a corporate culture such that people at all levels manage risks rather than ignoring them or take them without a proper risk analysis;
- provides input to management regarding the Group risk appetite and tolerance;
- monitors the organization’s risk profile (risk mapping);
- approves the Risk Management policy and plan, which include:
  - URW NV’s Risk Management structure,
  - standards and methodology applied to assess risks,
  - Risk Management measures (Risk Management guidelines),
  - training and awareness programs or information.

The GRC duties and action plan are presented at least on a yearly basis to the MB, AC and SB.

Following the Westfield Transaction, the new Risk Management Organization reviewed URW NV’s key risks and associated action plans in collaboration with risk owners. Review and challenge of key risks by the AC and SB continued into 2020.

A description of the key risks monitored by this internal control system is outlined below. The GRC met five times in 2020 (including ad hoc meetings). Its main achievements are:

- the review of the group risk mapping;
- the review of 13 risk sheets where sub-risks are identified and assessed;
- the review of action plans;
- the approval of a new Group approach in term of business continuity.

### 4.1.3 URW NV RISK APPETITE

URW NV’s risk appetite is embedded within its overall strategy and within its risk management framework. In general, URW NV has a conservative approach to managing risk and always seeks to implement mitigations and controls that aim to minimize any potential negative impact from an identified risk. Also implicit within our risk management framework is the identification of new or emerging risks, or risks that are evolving - and in turn identifying and implementing additional measures to control the risk.

For each risk category identified, a set of controls exists that aim to mitigate the risk of loss from each identified exposure. We monitor and assess the adequacy of existing controls and similarly implement corrective actions or improvements.

#### BUSINESS STRATEGIC AND OPERATIONAL RISKS

URW NV has a clear strategic vision to own and operate premier, flagship properties that are the highest performing in the most desired strategic locations.

The ongoing retail market evolution is a significant challenge to the Company. However, URW NV has a clear strategy that partners with the world’s best retailers to create a shopping experience that contains the most sought-after brands. It’s operating and leasing activities are aligned with this strategy and it accepts the significant risks associated with being the industry leader in disrupting the traditional shopping mall business in order to succeed in its overall strategy.

Part of the overall strategy also includes divestment of underperforming or no longer strategic assets. The company endeavors to approach this process in a disciplined manner in order to maximize the value of the transaction to URW NV.

Also critical to the success of our strategy is our data analytics and information technology through customer loyalty programs and other digital services. In this regard URW NV has a very conservative approach to ensure our IT systems have the appropriate protections and limit the threat of data breaches and other cyber-related incidents.

#### FINANCIAL AND TAX RISKS

URW NV is governed by rather prescriptive and challenging tax rules related to real estate investment trusts (REITs). As such, the Company has a very conservative approach to financial and tax risks and implements measures to maximize compliance and minimize risk of adverse financial and tax results. Given that our business is capital intensive, maintaining a good financial credit rating is critical to supporting the continued availability of funds at competitive interest rates. URW NV implements conservative accounting and tax policies to preserve its overall financial stability. The Company has adequate fiscal policies in place and it strives to minimize the potential negative impact of any financial or tax risk.

#### ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

URW NV has a very proactive and focused strategy related to CSR that is a critical component to its overall success. The Company’s Better Places 2030 initiative is at the core of its operating principals. Risk management practices are embedded within its CSR framework to maintain a comprehensive inventory of both the risks as well as the opportunities its CSR strategy entails. All of the Company’s operations strive to comply with all government environmental regulations.

## SECURITY AND HEALTH & SAFETY

With over 500 million customers visiting the Company's centres annually the Company is keenly aware of the importance in providing a safe and healthy shopping environment. The Company is also keenly aware of the threat of terrorist events. URW NV dedicates significant resources to both health & safety and security. However, even with the most strenuous loss prevention program and the Company's goal to minimize this risk, the risk of loss from these exposures will always be present. To protect the Company from the potential negative financial impact associated with a significant terrorism or life safety event a public liability insurance program has been taken out in amounts sufficient to cover its exposure to this risk.

## LEGAL AND REGULATORY

The Company has a "zero tolerance" policy towards any bribery or corruption, and it devotes significant efforts to developing policies and procedures, coupled with ongoing training, aimed at minimizing any risk associated with this exposure. Similarly, the Company has developed training and compliance programs in each of the operating areas of the Company to ensure compliance with applicable regulations and laws.

### 4.1.4 INTERNAL CONTROL SYSTEM

The Group's internal control system covers all of the Group's activities across its regions. It is based on a set of principles that aim to provide reasonable assurance that the following internal control objectives are met:

- transactions are executed effectively and optimised;
- property assets are protected;
- financial information is reliable; and
- all the foregoing, and all operations, comply with prevailing legislation, external regulations and URW NV's internal rules.

The Group's internal control system is in line with the general principles of the Dutch Financial Supervision Act (*Wet op het Financieel toezicht*) and that of the Internal Control System reference framework drafted in July 2010 by the AMF (French Financial Market Authority), which today can still be seen as reference for URW Group and therefore also for the Company, and is based on:

- standardised procedures;
- accountability of managers in charge of the business, finance and control;
- a committee-based decision-making process for acquisitions, disposals and refurbishment/construction projects; and
- segregation of duties between the execution and control.

The Group's control environment was updated in line with the Compliance Book for Governance, Organisation & Corporate Rules (Compliance Book). The Compliance Book details:

- the Group organisation structure: a matrix organisation with a double reporting line at corporate and regional levels, including the US platform;
- the governance organisation for URW NV and its subsidiaries;
- a framework of core processes and internal rules covering investment & divestment, redevelopment, leasing activities and support functions, notably treasury and human resources;
- a Code of Ethics covering the Group's core values and rules of conduct, with particular emphasis on ethical behavior, conflicts of interests, confidentiality of information, and transactions involving the Stapled Shares; and
- an Anti-Corruption Program which included the due diligence process before entering into business relationship with third parties.

In addition to the Compliance Book, the Group's control environment comprises:

- job descriptions and an appraisal system based on performance targets which will be aligned in 2021 for the entire Group;
- set of delegation of authority and responsibility rules and limits that span all the Group's activities and which are implemented in the US in 2021;
- specific procedures applicable at the corporate level and in the different regions where the Group is present; and
- fewer formal instructions and recommendations that nevertheless form an integral part of the internal control system.

The internal control system assessment is carried out by the URW Group Internal Audit Department (composed of 9 FTE located in France and in the United States), which conducts regular assignments looking at all of the Group's business units in line with the annual audit plan approved by the MB and the SB.

The URW Group CEO or (the Chair of) the AC can also ask the URW Group Internal Audit Department to carry out "flash" assignments in order to provide a rapid response to urgent issues and/or the treatment of new risks or problems. Final audit reports are addressed to the MB and to each department that has been involved in the audit. A summary of audit findings is provided to the AC on a quarterly basis.

The Group's Internal Audit Charter sets out the different missions of the audit function. To ensure it remains genuinely independent, the URW Internal Audit Department reports to the URW Group CEO and to the Chairman of the AC.

A description of the main risks monitored by this internal control system are set out below.

### 4.1.5 TRANSFERRING RISK TO THE INSURANCE MARKET

URW NV is covered by insurance programmes, which are underwritten by leading insurance companies located in various markets (including Europe and the US).

These programmes are actively monitored by the Group Insurance Department in liaison with local teams and insurance brokers in continental Europe and in the United States.

Under the property damage and terrorism programmes, all property assets are insured for their reconstruction value, as well as for business interruptions and loss of rent subject to limitations of coverage with respect to natural catastrophe risks due to limited insurance market capacities. All assets are regularly assessed by internal or external property insurance valuers.

In accordance with insurance market practices, URW NV's property damage insurance program requires physical damages to trigger a coverage of financial loss or business interruption. For pandemic, in the current legal and contractual, such cover is not granted and not available on the insurance market.

Assets are insured against terrorism under a dedicated programme that includes a limit per claim based on the asset that has the highest insured value with respect to rebuilding cost and loss of rent.

URW NV has also taken out general liability insurance policies that cover financial damages resulting from third-party claims.

<u>Type of insurance</u>	<u>Coverage and main limits based on 2020 insurance programme</u>
Property damage and loss of rent/business interruption	<p>Coverage: “all risks” basis (subject to named exclusions) and terrorism. Basis of compensation:</p> <ul style="list-style-type: none"> <li>reconstruction costs for building, replacement cost for equipment;</li> <li>loss of rent or business interruption with a compensation period of between 12 and 60 months depending on the asset.</li> <li>Limits of compensation:</li> <li>The Netherlands: limit of €1 Bn per occurrence covering all property damages and loss of rent/business interruption. The programme includes sub-limits notably: <ul style="list-style-type: none"> <li>earthquake: limit of €200 Mn in the annual aggregate,</li> <li>flood: limit of €25 Mn in the annual aggregate (dike failure is excluded which is market practice),</li> </ul> </li> <li>Terrorism: limit of €900 Mn per occurrence covering damages and loss of rent/business interruption following a terrorist attack;</li> <li>The US: limit of \$1.35 Bn per occurrence covering all damages and loss of rent/business interruption including terrorism events. The programme includes sub-limits notably for natural catastrophe risks. The Group insurance brokers complete a detailed loss estimate analysis on natural catastrophe exposures. This information is used in determining the amount of insurance purchased for the perils of earthquake and windstorm/hurricane. <ul style="list-style-type: none"> <li>earthquake: the overall program sublimit for earthquakes is \$500m per occurrence and annual aggregate subject to additional inner sub-limits of: <ul style="list-style-type: none"> <li>sub-limit of \$400 Mn for California earthquakes: this limit applies to all locations in California. A retention per location of 5% of total insured values would be applicable,</li> <li>sub-limit of \$250 Mn for Pacific Northwest earthquakes: this limit applies to SouthCenter in Tukwila, WA. A retention per location of 3% of total insured values would be applicable;</li> </ul> </li> <li>windstorm/hurricane: limit of \$1.35 Bn in the annual aggregate. A deductible of \$50,000 per location would be applicable, except for assets located in Florida where a retention per location of 5% of the total insured values would be applicable;</li> <li>flood: sub-limit of \$500 Mn in the aggregate with \$500,000 deductible per location for properties in designated flood zones.</li> </ul> </li> </ul> <p>In the US and in The Netherlands, the combination of the concentration of a large number of assets in the same area with a high exposure to natural catastrophe risks and the limited capacity available from insurers to cover these risks exposes WFD URW NV and its controlled subsidiaries to retain a significant share of these risks as uninsured.</p>
General civil liability	<p>Coverage: “all risks” basis (subject to named exclusions) for damage caused to third parties up to €500 Mn per claim. The programme includes sub-limits, for example to cover liability claims following a terrorist attack.</p>
General environmental liability	<p>Coverage for damage caused to third parties up to:</p> <ul style="list-style-type: none"> <li>The Netherlands: <ul style="list-style-type: none"> <li>for accidental pollution: limit of €13 Mn per claim and annual aggregate,</li> <li>for gradual pollution: limit of €3 Mn per claim and an annual aggregate;</li> </ul> </li> <li>The US: <ul style="list-style-type: none"> <li>limit of \$5 Mn per claim and in the annual aggregate limit.</li> </ul> </li> </ul>
Cyber risks	Limit of €55 Mn per claim and in the annual aggregate limit.

Main construction projects and renovation works on properties are covered by contractors’ All Risks policies for their total construction cost. Defects affecting the works are covered by contractors’ warranties.

The 2020 premium for URW NV amounted to \$27 Mn<sup>32</sup>. Most of these premiums were invoiced to third parties (e.g. co-owners, tenants...).

Except for loss of income due to Covid-19, URW NV did not incur any major uninsured losses in 2020.

At the end of 2020, in a hardening market context, the URW NV’s insurance programme was successfully renegotiated covering the portfolio with placement both in the European and US insurance markets with effect from January 1, 2021.

<sup>32</sup> Only for Insurances directly managed by URW NV, excluding premiums reinvoiced from third parties.



## 4.2 MAIN RISK FACTORS

In accordance with Shareholder Rights Directive (EU) 2017/828 dated on May 17, 2017, the risks factors presented herein are limited to those risks specific to the Group and risk ratings noted are after the application of the various risk management and risk mitigation measures.

Nevertheless, investors' attention is drawn to the fact that the risk factors discussed in this section are not exhaustive and that there may be other risks, either potential unidentified or emerging /developing identified risks, or not specific enough to the Group and/or of which the occurrence is not considered likely to have a material adverse effect on the Group, its operations, financial position and/or results, share price or guidance/outlook as at the date of filing of the Annual Report. In addition, given the geographical scope of the Group's activities, the potential impact of a same type of risk may differ from a country to another one.

The Group Risk Mapping is reviewed and updated if any on a recurring basis under the supervision of the URW Group Risk Committee. The Group risk mapping is also reviewed and discussed by the AC and the SB.

### 4.2.1 RANKING OF THE MAIN SPECIFIC RISK FACTORS

The Group risk inventory, used for the Group Risk Mapping, is composed of 15 Group specific risks organized in five categories. The risks presented below are ranked on a descending order impacting the Group (first ones being the most material).

This ranking is established on:

- (i) the potential net impact corresponding to the potential (financial/legal/reputational) impact after risk management measures effects (net impact), and
- (ii) the potential net likelihood of the risk event, after risk management measures have been implemented (net likelihood).

This ranking, and specifically the likelihood, is the result of the group management assessment performed through the ERM Framework described in section 4.1.2 "Group Enterprise Risk Management (ERM) Framework".

Rating		Rating after risk management measures		
Net impact	●●● High net impact	●●○ Medium net impact	●○○ Low net impact	
Net likelihood	■ ■ ■ Likely	■ ■ □ Possible	■ □ □ Unlikely	
RiskFactors categories	RiskFactors	Net impact	Net likelihood	Section
Category #1: Business sector and operational risks	Retail market evolution/disruption	●●●	■ ■ ■	4.2.2.1-A
	M&A, investment and divestment	●●●	■ ■ ■	4.2.2.1-B
	Leasing and commercial partnerships	●●●	■ ■ ■	4.2.2.1-C
	Refurbishment	●●●	■ ■ ■	4.2.2.1-D
	IT System and data: continuity and integrity	●●○	■ ■ □	4.2.2.1-E
	Brand and reputation	●●○	■ □ □	4.2.2.1-F
Category #2: Financial and tax risks	Access to capital and financial market disruption	●●●	■ ■ ■	4.2.2.2-A
	REIT Status & Regime (Tax)	●●○	■ □ □	4.2.2.2-B
	Material financial misstatement	●●○	■ □ □	4.2.2.2-C
Category #3: Environmental and social responsibility risks	Recruitment, retention and succession	●●●	■ ■ ■	4.2.2.3-A
	Climate Change and Societal risks	●●○	■ □ □	4.2.2.3-B
Category #4: Security, health and safety risks	Terrorism and major security	●●●	■ ■ □	4.2.2.4-A
	Health and safety	●●●	■ ■ □	4.2.2.4-B
	<i>Pandemic only</i>	●●●	■ ■ ■	4.2.2.4-B
	<i>Natural disasters only</i>	●●●	■ ■ □	4.2.2.4-B
Category #5: Legal and regulatory risks	Legal and regulatory	●●○	■ ■ □	4.2.2.5-A
	Corruption, money laundering and fraud	●●○	■ □ □	4.2.2.5-B

## 4.2.2 DETAILED MAIN RISK FACTORS

### 4.2.2.1 CATEGORY # 1: BUSINESS SECTOR AND OPERATIONAL RISKS

#### A. RETAIL MARKET EVOLUTION/DISRUPTION COULD HAVE AN ADVERSE IMPACT ON OVERALL GROUP FINANCIAL RESULTS

As global developer and operator of commercial assets, any mid- to long-term deterioration in economic conditions with implications for the leasing market and/or investments may have a significant impact on the level of the Group's activities, the value of its assets, its results and its investment and development strategy. Considering its real estate profile and exposure, the Group's results of operations and/or its core business strategy could be adversely affected by its inability to continue to lease space in its assets on economically favorable terms, by tenant default, adapt its offer with new and evolving customer experience trends and expectations, or to develop and implement new business models.

The value of the Group's real estate assets (calculated using the fair value method) is sensitive to variations in the appraisers' principal assumptions (yield, rental value, occupancy rates) and is, therefore, subject to material variations that may impact the Group. The rental income of some Group assets may depend on flagship stores/department stores and such assets could suffer a material adverse impact if one or more of these tenants were to terminate their leases, fall in bankruptcy or equivalent scheme triggering financial impacts or to fail to renew their leases, and/or their location were considered to lack attractiveness, and/or in the event of consolidation among these retail sector companies. The Group, as December 31, 2020, had a portfolio valued at €11,914 Mn (valuation incl. transfer taxes) (28 shopping centres including 19 Flagships throughout the US) for US Shopping centres.

Prior to COVID-19, the retail market was already in a state of evolution. The current pandemic has created heightened risk concerning the retail sector. These include: (i) increased reliance on online shopping as people continue to stay at home and limit their exposure to COVID-19, particularly in those locations where COVID-19 cases continues to increase; (ii) reduced shopper footfall as URW's shopping centres reopen in limited various stages according to local health and safety mandates, such as keeping shopper capacity at less than 100% capacity or are required to close in response to government mandates to limit the recurrence of COVID-19 and (iii) ongoing retailers closing and/or bankruptcies negatively impact rental income for URW NV

COVID-19 has resulted in relatively more retailer bankruptcies in the US. In the US, 268 stores (out of 4,137 stores) were affected by bankruptcies in 2020. In particular, two large anchor store retailers (JC Penny and Neiman Marcus) have filed for bankruptcy in 2020. This could be significant as many other inline tenants have co-tenancy clauses in their leases that stipulate their ongoing obligations to comply with the terms of the lease are contingent upon the existence of operational anchor store tenants at a given shopping center. The ultimate outcome of these anchor store retailers and their ability to emerge from bankruptcy and continue operations remains uncertain. Further bankruptcies from anchor store retailers could have a detrimental effect on the income the Group derives under its contracts with existing tenants and on the Group's ability to sign new tenants.

At the consumer level, the retail market will have to continue to address the increase of ecommerce, increased number of virtual customers, as well as a polarized divergence in consumption split into two directions: convenience and value/luxury. While URW NV believes most of its assets are well positioned, as these trends play-out the Group's business model may be impacted with higher average spending baskets but with potentially lower frequency of visits to our assets. As at December 31, 2020, the weekly footfall<sup>33</sup> in the fourth quarter when all centres had reopened, varied between c.52% and 62% of the previous year. The Californian centres in particular have been impacted by the "Regional Stay at Home Order". Shopper footfall was already on a slow decline as a result of the retail evolution. COVID-19 has resulted in lower shopper footfall and an increase in online shopping which could further accelerate the retail evolution. According to a recently released report from the US Department of Commerce, US online sales in the third quarter of 2020 were 36.7% higher than for the same period in 2019. Also, in 2019 online sales represented approximately 16% of total retail sales in the US. Research conducted by Digital Commerce 360 estimates that online spending represented 21.3% of total retail sales in 2020. COVID-19 has also popularized curb-side delivery as mandates kept consumers out of stores. With these factors there is a risk that shopper footfall could remain low for an extended period of time and that these trends could also become a permanent shift in shopper behavior, and thus continue to negatively impact retailers, forcing them to adapt their business model and further accelerate the retail evolution and disruption.

At a macro-economic/government level, the potential for unprecedented recession could further negatively impact the Group's business. Society and consumption are also significantly evolving. People will live, work and shop differently post-pandemic. A new "low touch" and "contact-less" economy has developed due to the fear of personal contact. This has led to decreased footfall in malls and venues and increased the importance of the home as the prime place to live, work, to shop, and socialize until herd immunity against COVID-19 develops globally. Increased use of digital devices could also continue to negatively affect the retail market. It is difficult to predict the full extent to which these trends will continue even after the COVID-19 pandemic ceases.

The Group cannot guaranty its current Flagship strategy will be effective to meet changing retail and real estate market conditions. The inability to adapt to quickly changing shopper and retailer preferences and office patterns and preferences, could negatively impact achieving leasing and revenue targets and therefore this could have an adverse impact on overall Group financial results. Competition with other participants in the real estate industry (the Group's main competitors in the US are Simon, Macerich, Taubman, and Caruso) make it difficult to achieve the desired Group financial results due to the competition to acquire properties, develop land and secure tenants effectively.

Mitigating measures to identify and limit above mentioned risks are to constantly adept to new consumer trends by understanding shifts in retail, demographic and cultural changes. To collaborate with retailers, find new types of tenants, develop new shopper services and finally dispose of non-core or non-competitive assets.

#### **B. MERGERS & ACQUISITIONS- INVESTMENT AND DIVESTMENT: A SLOWDOWN OF THE INVESTMENT MARKET AS WELL AS THE POTENTIAL FOR A PROLONGED GLOBAL RECESSION COULD NEGATIVELY IMPACT THE GROUP'S ABILITY TO SELL ASSETS WITHOUT DISCOUNT ON BOOK VALUES, THE AVAILABILITY OF CAPITAL MAY FURTHER CHALLENGE THE GROUP'S ABILITY TO IMPLEMENT ITS DISPOSAL PROGRAM AND/OR TO DEVELOP JOINT VENTURE PARTNERSHIPS.**

Part of the Group's core business model is value creation because of the investment and divestment of assets. The Group may face several risks in connection with asset disposals. The profitability of these transactions depends on the accuracy of initial financial assumptions, market conditions (including available funding and investors' appetite), tax environment, quality and attractiveness of assets, and legal & regulatory considerations.

The Group's current business plan does not assume any acquisitions. The Group has identified US non-core assets to be disposed of over the next few years. However, the US property market for retail shopping centres is very challenging as there is currently an overabundance of retail shopping space in the US. Coupled with the negative impact of the COVID-19 on retailers and the reduction in rent proceeds, the performance of these non-core assets continues to diminish, which lowers the net asset value, and renders these assets less attractive to potential buyers. As such, no formal divestment plan as to specific assets or target completion dates has been established due to the significant challenges in successfully divesting any of these non-core assets. If the divestment of any non-core assets is successful, the expected divestment/disposal will further increase the average portfolio quality and overall reduce leverage. See also section 1.3.6 'Investments and Divestments'.

The COVID-19 crisis may affect the attractiveness of assets to investors that have been identified for divestment as investors may reassess their overall strategy and risk appetite. Additionally, COVID-19 has impacted our ability to provide accurate forecast revenues to a prospective buyer for a given shopping center, which in turn may result in additional delays in the disposition of a given asset. December 31, 2020 YTD the total value of URW NV's US shopping centres is down to €11,914 Mn (valuation incl. transfer taxes) and offices down to €193 Mn (valuation incl. transfer taxes). A slowdown of the investment market as well as the potential for a prolonged global recession could negatively impact the Group's ability to sell assets without discount on book values, the availability of capital and may further challenge URW's ability to implement its divestment/disposal efforts and/or to develop Joint Venture partnerships.

If the efforts to divest/dispose of non-core assets are unsuccessful the Group would be burdened with committing resources and overhead expenses to continue to operate a shopping center that is underperforming and not generating sufficient revenue to remain profitable. This could reduce the overall profitability of the Group as well as fail to reduce the level of outstanding debt and leverage on these properties.

Mitigating measures to identify and limit above mentioned risks are to have a Group decision making process closely involving MB and SB for major projects based on internal rules and corporate charters and to have a recurring strategic review. As well as to have dedicated teams involving specialists in all fields as well as due diligence carried out by external advisors, involved in the determination whether a transaction is worth investigating and pursuing.

#### **C. LEASING & COMMERCIAL PARTNERSHIPS: COVID-19 MAY HAVE AN ADVERSE IMPACT ON THE GROUP'S ABILITY TO ACHIEVE ITS LEASING TARGETS AND AFFECT COMMERCIAL PARTNERSHIPS**

As a real estate company holding, with a large asset portfolio in the US, letting and rent collection is the core business for the Group. Leasing targets (e.g. prices, deadlines and prospective tenants) are defined in collaboration with a Group level team and approved by the Executive Committee. The Group's ability to achieve those leasing targets at the expected level of rent, and then collect rents depends on the solvency of its tenants (retailers).

<sup>33</sup> Only includes centres (20) for which at least one year of comparable Springboard or ShopperTrack data is available.

Foot traffic is expected to stay low in the Centres as COVID-19 will be prevalent throughout 2021. Consumer shopping habits have possibly permanently shifted as described above. These factors are expected to further impact the retailers' sales and create a risk of a potential increase in retailer insolvencies and bankruptcies. As noted above, an additional concern is that the closure of anchor retailer department stores could trigger co-tenancy provisions in the leases of other in-line tenants.

While recovery level after re-opening differs from one geographic region of the US to another, and depending on the retail segment, the Group continues in active dialogue with its tenants to address these challenges and share part of the financial impact of the crisis (primarily small and medium size retailers) through a combination of rent relief and rent deferral. In the US, the Group had completed negotiations with approximately 87% of tenants by December 2020. The cash impact of rent relief for 2020 corresponds to 2.1 months in the US. In the period ended December 31, 2020, 532 leases (297 relettings and 235 renewals) were signed on standing assets (917).

In 2020, URW NV was able to collect 70% of invoiced rents and service charges. The low collection rate reported during 2020 (68% in Q4, 70% in Q3 and 48% in Q2), is due to the fact that many shopping centres generally did not open until mid-June. The Q3 collection rates were impacted by retailers particularly affected by capacity and use restrictions (entertainment, dining, fitness operators), the closures of the indoor centres in California and Westfield World Trade Center. The teams were instructed to focus on rent recovery while preserving commercial relationships. The rent collection rate is calculated compared to 100% of rents invoiced, reflecting no adjustment for deferred or discounted rent in denominator. Rent relief, rent deferral, and renegotiations of existing leases may lead to decreases in the Group's rental income and may negatively affect the Group's financial position.

The COVID-19 crisis resulted in the acceleration of the consolidation of fragmented retail segments, an increase of the proportional share of digital sales for traditional retailers, and requests from retailers for more business flexibility on pass-through operating costs especially rents and salaries and need for optimized logistics. Such trends may affect the attractiveness of the Group assets as well as the vacancy rate of the portfolio.

The restrictions put in place due to COVID-19 have had direct consequences on letting and rent and/or service charges collection by the Group, which has effected financial results.

Commercial partnership business was affected by reduced demand for marketing programmes as companies look for additional potential savings. Marketing activities in shopping centres have been and may continue to be affected by decreased footfall, which could have a negative impact on the Group's and its tenants abilities to attract visitors to shopping centres and affect tenants' sales.

Mitigating measures to identify and limit above mentioned risks are to have a constant review and monitoring of rent discount and deferral requests, vacancies, tenants in distress, new deals and lease expiration schedules. Revised leasing targets are defined within each region of the Group in collaboration with a Group level team and approved by the SMT. Major leases in terms of value and/or special terms and conditions must be internally approved in advance by Leasing executives as well as through an additional executive committee review process.

See also paragraph 1.2.5 Leasing of chapter 1 of this annual report.

#### **D. REFURBISHMENT: PROJECTS MAY BE DELAYED, POSTPONED, CANCELLED OR EXCEED THEIR ACCOUNTED BUDGETS FOR VARIOUS REASONS AND COULD LEAD TO SUBSEQUENT LOSS OF RENTAL INCOME**

As global owner and operator of shopping center and other real estate assets, with a focus on our continued differentiation and innovation strategy, URW maintains expansion, improvement and refurbishment pipelines in the office, shopping centre, hotel and residential property segments. In line with that, the Group focuses on a mixed-use refurbishment and densification of standing assets strategy.

The Group may fail to obtain the required external authorisations (such as principally government approvals for building permits and inspections) or have ineffective refurbishment strategy, investment decision and approval process. Furthermore, the Group may not be able to secure adequate funding for a project (through joint venture partners or other) or looking for capex reduction. As a consequence, the Group's refurbishment projects may be delayed, postponed, cancelled or exceed their accounted budgets, which could lead to subsequent loss of rental income.

Depending on the jurisdiction, health and safety regulations instituted by local governments to minimize the spread of COVID-19 may haphazardly cause suspensions or slowdowns of some construction and development projects. Health agency mandates has also resulted in additional labor costs. These costs include purchase of additional personal protective equipment (PPE), the requirement in some jurisdictions that the Group engage a third-party health and safety monitor to oversee and confirm compliance with health and safety protocols at the job site, and enforcing required social distancing protocols on the job site that resulted in having to reengineer the work means and methods for certain activities that now requires additional workers as well as additional time to complete the activity.

Additionally, the potential negative economic effect of the COVID-19 crisis on contractors and suppliers, including bankruptcies, may significantly impact the Group's refurbishment, extension and renovation pipeline. In some instances, this has caused delays in delivery of construction materials as well as a shortage of labor (as qualified and skilled third-party construction workers may have moved on to different projects while the project was on hold). There is also a risk that the cancellation or postponement of some projects could lead to subsequent loss of rental income as some retailers may cancel or not renew their lease if the refurbishment project is not completed in agreement with their initial required timing.

In addition, the potential disruptions in the retail and leasing market may also result in delays to some project's time schedules and/or result in reconsidering the scope or relevance of projects. On mid- to long-term basis, subject to the pandemic risk remains recurring, the higher exposure of large malls with public transportation connections to access, with restriction and sanitary measures may imply reshaping of the global development design approach and acceleration of mix-use strategy.

Mitigating measures to identify and limit above mentioned risks are to have a Group decision making process for any investment. Status of projects, its budget and returns are reviewed regularly with the involvement of specialists (third party or consultants if necessary) throughout the various phases to assist in identifying potential hurdles with external stakeholder. A strong third parties claim management process and in addition, insurances policies cover the Group responsibilities.

#### **E. INFORMATION TECHNOLOGY SYSTEMS & DATA, CONTINUITY AND INTEGRITY: THE GROUP MIGHT NOT BE SUCCESSFUL IN PREVENTING CYBER THREATS OR DATA LEAKAGE AND MAY NOT BE ABLE TO HAVE CRITICAL IT SYSTEMS AVAILABLE AT ALL TIMES, WHICH COULD CAUSE UNFORSEEN COSTS, INEFFICIENT OPERATIONS AND REPUTATIONAL DAMAGE.**

The digital strategy of the Group requires increasingly sophisticated and efficient Information Technology (IT) support and IT Security Systems in order to provide the required support for core business processes and day-to-day operations. The Group is integrating different IT systems, tools and processes related to its core businesses. In such context, numerous usual IT risks are increased due to the in-progress integration of Unibail-Rodamco and Westfield IT systems legacy. At this point the Group works with datacentres in the US and France and is still in the process of integrating IT systems.

All business units depend on IT systems' ability to provide support continuously, to respond swiftly and effectively to any disruption, and contribute to the accuracy of the data. The URW NV IT environment is composed of over 900 users (including contractors) between two platforms in The Netherlands and in the US, and over 200 applications.

Therefore, the IT Systems must be reliable in various aspects notably Data Confidentiality (protection of sensitive data), Continuity of critical IT activities (availability of the systems and data needed by the businesses to carry out their operations) and Data Integrity (comprehensive and accurate data).

The Group might not be successful in preventing cyber threats or data leakage and may not be able to have critical IT systems available at all times. Furthermore, it might not be able to guarantee the integrity of data and reports generated by IT systems (see also the risk factor 'Legal & Regulatory'). This could potentially cause the Group reputational damage, unforeseen costs and inefficient operations.

Mitigating measures to identify and limit above mentioned risks are to have a Information Systems Security strategy and technology designed and implemented to prevent cyber-risks, detect security incidents, and provide the appropriate tools to react quickly to stop and remediate a cyber security incident. IT Security Incident & Crisis Management processes in place, an IT Disaster Recovery Plan implemented, both with specific response procedures in case of a major IT security event/crisis. Together with the existence of committees/meetings to review IT activities and investments and an IT security committee. As well as security reviews of IT projects to identify main risks and associated action plan to mitigate them.

#### **F. BRAND & REPUTATION: THE WESTFIELD BRAND AND THE GROUP'S REPUTATION COULD BE DAMAGED BY VARIOUS REASONS WHICH COULD NEGATIVELY IMPACT THE GROUP'S COMPETITIVE ADVANTAGES**

The Westfield brand and the Group's reputation are valuable assets which provide competitive advantages with respect to consumers, retailers, investors, and prospective employees among others. The majority of assets in the US are Westfield branded shopping centres. Due to the new URW Group marketing strategy which includes the implementation of a global "Westfield" brand for the URW Group's Flagship and other eligible assets, we have heightened awareness with respect to any risk that potentially creates a negative or damages our reputation could negate these competitive advantages. Incidents such as terrorism, major security incidents, corrupt or illegal behavior, breaches of trust or integrity, involvement in a controversial project, or a social media crisis are examples.

The brand and reputational risk of the Group may be increased in the context of the COVID-19 pandemic if health and safety concerns are not addressed. Consumer loyalty could be impacted if there are perceptions, despite its health and safety measures, that the Group's shopping centres are not safe and clean or should they not remain in compliance with health and safety mandates. The brand could be further impacted negatively if large retailers with multiple staff have an outbreak within our centres, and the public could perceive the Group as being responsible. Retailer/client relations may impact group reputation should it be inconsistent in dealing with requests for lease negotiations. Lastly, the Group's corporate citizenship image could be impacted should the Group fail to demonstrate support for local government initiatives or other non-government organizations that focus on community support during the pandemic.

As also noted in the section on Health and Safety, the Group has taken necessary measures to be in compliance with all local health and safety mandates related to hygiene and cleaning protocols as well as enforcing requirements such as social distancing and the wearing of masks. Additionally, through signage, website communications, and other digital media an extensive COVID-19 compliance awareness and "rules" messaging campaign has been developed. There is a risk that the Group cannot maintain such compliance or that the Group is perceived as being non-compliant, which may affect the Group's ability to attract visitors to shopping centres and venues and decreased footfall. See also the risk factor 'Health and Safety (H&S) Including Natural Disasters' for further risks connected with non-compliance with health and safety mandates.

The brand and reputational risk may be increased by the Group attempting to comply with health and safety information and mandates promulgated by local health regulatory agencies that is insufficient, inaccurate, or inconsistent, and in turn result in ineffective communications with other URW stakeholders (staff, customers, shareholders, suppliers, retailers and others) or inadvertent or unintentional non-compliance with health and safety mandates that could negatively impact the Group's image and reputation.

Mitigating measures to identify and limit above mentioned risks are to have a globalized marketing strategy with the Westfield brand leverage and marketing management at Shopping Centre level to facilitate the adaptation. A corporate communications team to manage communications with media and/or social media and monitoring it by the support of the Crisis Management Team and a formal framework, policies and procedures including incident response plans coupled with ongoing crisis management training exercises.

### **4.2.2.2 CATEGORY # 2: FINANCIAL AND TAX RISKS**

#### **A. ACCESS TO CAPITAL & FINANCIAL MARKET DISRUPTION: THE GROUP IS EXPOSED TO RISKS RELATED TO THE AVAILABILITY OF FUNDS DUE TO VOLATILITY IN CREDIT MARKETS, EXPOSURE TO FLUCTUATIONS, INTEREST RATES AND FOREIGN EXCHANGE (FX), AND EXPOSURE TO COUNTERPARTY RISK THAT COULD LIMIT ACCESS TO NECESSARY FUNDING, AND WHICH COULD NEGATIVELY IMPACT OPERATIONS AND THE GROUP'S FINANCIAL RESULTS**

Beyond our business model as a REIT and given its current level of financial indebtedness in relation to the 2018 Westfield Transaction, recurring needs for (re)financing for its corporate purpose including funding for refurbishment activities, large-scale capital improvement and maintenance projects for standing assets, and other operational potential financing needs. As such, the Group is exposed to risks related to the availability of funds due to volatility in credit markets, exposure to fluctuations, interest rates and foreign exchange (FX), and exposure to counterparty risk that could limit access to necessary funding, and which could negatively impact operations and the Group's financial results.

Uncertainties around the COVID-19 have impacted the global economic growth, the capital markets liquidity, and consumer behavior. In addition, the temporary lockdown measures during the onset of COVID-19 have further impacted the retail sector in the US, and by extension the Group's rental income, disposals plans, and assets valuation could be similarly impacted. COVID-19 has caused a deterioration of cash flows, which in turn has caused a reduction in property values and raised the loan-to-value ratio, which has negatively impacted the Group's credit rating, which increases difficulty in corporate and mortgage financing.

This context may also negatively affect the Group's ability to raise required funding, and/or may also result in an increase in the cost of such funding. This could also lead to an increase in the Group's financial expenses as well as a deterioration of its credit profile - which could further limit the Group's access to capital, reduce liquidity, and impact its debt covenants both at corporate or asset backed financing level.

As at December 31, 2020, the URW Group has taken precautionary measures needed to strengthen its liquidity position to prevent a potential drop in market liquidity, including making available €11.4 Bn in cash on hand and undrawn credit lines to provide the URW Group with the necessary liquidity to cover all expected funding needs and the implementation of a programme to actively reduce non-staff expenses, defer non-essential capital expenditure and make use of any relevant facilities or arrangements provided by the various national authorities to assist companies through the crisis. It cannot be guaranteed that these measures are sufficient to cover the URW Group's liquidity needs.

Severe disruption or volatility of capital and financial markets could cause rising cost of access to funds due to dramatic increase in interest rates or adverse currency exchange rate movements. See Note 8.5.1. on market risks in chapter 3 of this annual report.

The Group's strategy depends on its ability to raise financial resources, either in the form of debt (mainly bank loans, bonds, credit lines and commercial paper) or equity capital, so that it can finance its general operating requirements and its investments. The URW Group raises required funding through debt market instruments on URW SE level, which funds are allocated to the various members of the URW Group. Consequently, the Group is dependent on the URW Group's ability to attract the required funding. The ability for the Group to access the required funding is therefore dependent on URW SE's ability to raise sufficient financial resources.

Certain events such as disruption in the debt or equity capital markets; a reduction in the lending capacities of banks; changes affecting the real estate property market or investor appetite for property companies; a downgrade in the Group's credit rating; deterioration of the Group's financial result; or, a change in the Group's ownership structure could affect limit the ability of the Group to raise required funding, or increase the cost of such funding and lead to an increase in the Group's financial expenses.

In addition, some financing contracts are subject to financial covenants which may be affected by the occurrence of the Group's performance deterioration, adverse market movements, or other material adverse changes. A default by the Group of its financial covenants may lead to early termination or redemption, higher interest rates, recourse actions under such financing contracts. See Note 8.3.5. on covenants in chapter 3 of this annual report.

Considering its level of debt and of need for (re)financing, as described above, the abovementioned risks and their potential impacts could be detrimental to the Group's liquidity position and its access to funding, the Group's operations and profitability, the value and liquidity of the securities issued by the Group and, in general, the Group's ability to meet its commitments in respect of its debt. If the Group is unable to access the funding it requires, it might be unable to cover necessary expenses which could jeopardize the Group's ongoing operations.

Mitigating measures to identify and limit above mentioned risks are to have regular URW Group Asset & Liability Management Committee (ALM Committee) meetings providing information on the significant changes in the financial environment. The ALM Committee defined the Group Treasury Policy implemented by the Group Treasury Department, which managed and monitored interest rate risk and foreign exchange risk. Internal policies and procedures maintain a conservative approach to investments and risk mitigation is not allowing for speculative positions to be put in place. The Groups exposure to FX rates fluctuation is partly hedged to achieve the same risk management goal. Finally robust internal procedure ensuring the segregation of duties between execution of market trading and control functions of such transactions are in place.

#### **B. REIT STATUS & TAX POSITIONS: THE GROUP MAY FAIL TO COMPLY WITH THE MATERIAL TAX REQUIREMENTS IMPOSED BY THE LOCAL REIT REGIMES OR ANY MATERIAL CHANGE OR LOSS OF A LOCAL REIT REGIME, WHICH COULD HAVE A SIGNIFICANT ADVERSE EFFECT ON THE GROUP, ITS RESULTS OR FINANCIAL POSITION**

As an international Group, URW NV is subject to various taxes in the countries in which it operates. The Group approach is to be in full compliance with all tax obligations world-wide in respect of all processes and transactions it undertakes. Considering its core business and activities, as a real estate company, the Group has the benefit of a special "real estate investment trust" (REIT regime) for real estate investors in the countries in which it operates. While a REIT regime leads to a lower tax burden at Group level, at the same time a REIT is obliged to distribute most of its income, which is subsequently taxable at the level of the shareholders. To the extent that the Group opts to make use of such regimes, it is/will be obliged to meet the respective local requirements, which differ per country. Moreover, the tax structuring complexity combined with the stapling principle in place between URW SE and URW NV raise potential risk of failure to comply with current and/ or future tax requirements and/or to face to challenge from / litigation with one or several local tax authorities. Disagreements with or challenges from the authorities related to tax law interpretation and positions taken by the Group could result in additional tax payments, fines and penalties.

Any failure to comply with the material tax requirements, including imposed by the local REIT regimes or any material change or loss of a local REIT regime or other tax rules could have a significant adverse effect on the Group, its results or financial position.

URW NV may face potential heightened tax risks related to COVID-19. Relative to US REIT laws, as the Group continues to identify all potential sources of revenue which leads to a heightened risk that some income could be received that is not properly classified and which challenges the allowable level of income unrelated to the business of leasing retail space.

More generally, the high levels of debt that governments have incurred as a result of various public subsidy programs in dealing with the COVID-19 crisis has resulted in significant budgetary deficits. As governments look to recover from these fiscal challenges there is a risk of an increase in taxes generally, thus also affecting URW NV.

Mitigating measures to identify and limit above mentioned risks are to have credentialed and continuously trained tax employees. This combined with risk assessments of potential loss caused by changed tax regulations, pro-active legal approach to monitor and anticipate potential REIT-regime and regulation changes as well as accuracy reviews of tax calculations. This all with the support of external advisory firms and reviewed by external auditors.

#### **C. MATERIAL MISSTATEMENTS: COVID-19 DID NOT IMPACT THE ACCURACY OF THE GROUP'S FINANCIAL STATEMENTS**

From a budget process, the impact of COVID-19 on the accuracy of financial statements adds a new level of difficulties. Many retailers suspended during the first wave of the pandemic and in turn have suspended or delayed remitting lease payments to the Group. Additionally, throughout various times during the pandemic almost all URW assets were either substantially or completely shut down due to local government directives.

COVID-19 did not have any significant impact on the accuracy or timeliness of the financial consolidation and reporting process. However, the extreme volatility of market conditions, combined with the potential resurgence of restrictive sanitary measures/ local lockdown as well as constraints related to incentives to homework of Group' staff in a remote environment, are likely to create or increase risks (i) on the quality and/or stability of the data collected and (ii) the unpredictability or stability of forecasts/guidance over time and the validity of the assumptions made in connection with the financial statements.

### **4.2.2.3 CATEGORY # 3: ENVIRONMENTAL AND SOCIAL RESPONSIBILITY RISKS**

#### **A. CLIMATE CHANGE & SOCIETAL RISKS COULD LEAD TO REDEVELOPMENT COSTS AND REPUTATIONAL RISKS FOR THE GROUP**

As operator of 32 retail assets, the Group is potentially impacted by climate change and societal risk. Each of the Group's real estate assets is potentially exposed to damages caused by any potential impact of climate change including natural disasters as well as by any global local acceptability-related concerns for standing assets or development projects. For more details on natural disaster, please refer to section 4.1.2.4.B-Health and Safety Risks. Additional information on URW Group's CSR strategy, to which URW NV fully adheres, can be found in section 1.5.2. 'Corporate Social Responsibility' and at: <https://www.urw.com/en/csr>

The Group may face new risks related to climate change and its corporate social responsibility (CSR) in several areas. Portfolio assets may be non-resilient to climate change. Increased coercive regulation on building energy efficiency could lead to extra costs for refurbishment of assets to make/keep these assets compliant. Not identifying or controlling pollution or hazardous materials in redevelopment and construction project could lead to redevelopment costs and reputational risks. The Group's "best in class" CSR recognitions by investors and industry groups could be endangered by the loss of access to green financing instruments and low ESG rating and contracting with services providers, suppliers or subcontractors not complying with regulations and standard of their profession. A link to controversial activities of one or several tenants negatively affecting the Group's brand and reputation.

Furthermore, the lack of budget for managing these CSR risks or the lack of steering/poor organization for managing CSR topics could negatively affect the Group's business and reputation. (See also the risk factor 'Brand & Reputation').

Mitigating measures to identify and limit above mentioned risks are to have extensive public consultations held for all refurbishment projects. A global assessment of the assets in the group portfolio (standing assets and development projects) exposed to natural disasters with action and crisis management plans in place to enable rapid response in the event of an incident. Combined with environmental management systems in place to improve environmental performance of assets and invests in energy efficient equipment when replacing existing facilities. The Group redacts energy performance contracts with suppliers and ensures engagement of tenants in energy/carbon reduction actions. Promotion of recycling and programs aimed at reducing waste. Compliance with local hazardous waste disposal regulations. This very ambitious CSR Strategy was recognized as “best in class” by investors and industry groups and supported by CSR metrics and indices.

#### **B. RECRUITMENT, RETENTION & SUCCESSION: THE GROUP FACES RISKS RELATED TO ITS HR POLICY SUCH AS RECRUITMENT, RETENTION & SUCCESSION, COMPLIANCE WITH COVID-19 RULES AND REGULATIONS, WHICH MAY HAVE NEGATIVE IMPACT ON THE GROUP'S RESOURCES AND CAPABILITIES AND THE GROUP'S IMAGE AND REPUTATION.**

Considering the very competitive employment market that currently exists and gross administrative expense reduction required to face current crisis, the Group may face important risks related to recruitment, retention and succession. In addition, to successfully implement its challenging strategy and achieve its previously announced targets, the Group relies on its people. Insufficient and inadequate human resources or inability to attract or retain talented people could prevent the Group from reaching its objectives as the asset and property businesses require highly specialized skills.

As the pandemic continues to unfold, new or amended restrictions, laws, and regulations aimed at supporting workers (such as modified sick leave, worksite modifications, travel restrictions, COVID-19 testing and contact tracing, etc.) have been enacted. The Group has developed specific policies and procedures aimed at remaining in compliance with all rules and regulations. As our centres and offices reopen, URW NV has implemented all appropriate policies and procedures to remain in compliance with regulatory health agency mandates in order to ensure the wellbeing of the Group's staff. However, inadvertent or unintentional non-compliance with these new rules and regulation could negatively impact the Group's image and reputation.

Mitigating measures to identify and limit above mentioned risks are to have a strategy to focus recruitment efforts on highly talented people with the development and support of the Group's “employer brand”, designing and implementing ambitious people-oriented policies on Work life balance, Wellbeing, Diversity & Inclusion, Sustainable work environment (“Work Greener!”). Combined with regular employee engagement surveys, providing permanent learning and development opportunities and new extensive Global Succession Planning process rolled out.

### **4.2.2.4 CATEGORY # 4: SECURITY, HEALTH AND SAFETY RISKS**

#### **A. TERRORISM & MAJOR SECURITY INCIDENTS COULD HAVE A NEGATIVE IMPACT ON THE GROUP'S OPERATIONS, ITS FINANCIAL RESULTS AND ITS BRAND AND REPUTATION**

The core business of the Group is based on assets open to the public with a significant footfall. As such, it is important that we maintain an appropriate safety and security program to welcome customers in full security and safety and having to remain attractive. Additionally, the “Westfield” brand has been rolled out in Europe, which heightens our awareness of remaining vigilant in monitoring and mitigating as best as possible security and safety concerns on a global basis. The global brand and the iconic status of some assets increase the level of threats on the Group assets.

Should a serious security, safety, or terrorism event occur that results in casualties or even property damage, the Group could experience a negative impact on its operations, its financial results, and its brand and reputation.

By their nature, and despite the measures put in place by the Group independently, and in close cooperation with law enforcement in the countries in which the company operates, the Group property assets are potentially exposed to acts of terrorism and potential active shooter, which may have serious consequences, and negatively impact the Group's business and reputation (see also the risk factor 'Brand & Reputation'). While the threats of a terrorist attack are highest in Europe, the risk of a sole active shooter is most likely in the US. The activity and the footfall to an asset subject of an act of terrorism or some assets located in the country concerned would suffer variable consequences depending on the gravity of the event and the period of time and could have a significant adverse effect on the Group.

Mitigating measures to identify and limit above mentioned risks are to have a dedicated Group organization for security and crisis management, a global security governance and guidelines, security policies and procedures implemented at all locations with appropriate physical security measures and access control. Routine interaction with counter-terrorism, national intelligence services, and local law enforcement to remain aware of emerging terrorist threats or other security concerns. Combined with centres conducting terrorist attack/active shooter crisis response exercises in collaboration with law enforcement, have incident notification/escalation processes and global alignment of crisis response plans in place. A Crisis Management Handbook and Emergency Response Plans in place and shopping center management and security teams trained in crisis response. Resulting in implemented guidelines and security policies that allows the Group to be as responsive as possible with knowledgeable professionals.

#### **B. HEALTH AND SAFETY (H&S) RISKS INCLUDING NATURAL DISASTERS COULD RESULT IN SEVERE NEGATIVE FINANCIAL CONSEQUENCES FOR THE GROUP**

As real estate owners, we have responsibility towards ensuring the safety and wellbeing of shoppers, retailers, vendors, and employees alike. The Group has a significant footfall. This also includes maintaining proper building and equipment maintenance protocols to minimize the risk of injury or illness, protect the environment, and mitigate the impact of unexpected events on the building and on business continuity. The countries in which the Group operates have a specific set of Health, Safety, and Environmental (HSE) laws and regulations. Developing and implementing an effective compliance framework, monitoring and complying with new or evolving HSE laws and regulations, and ensure a compliance with Group HSE policies is of critical importance in managing this risk.

In the countries in which the Group operates there is significant exposure to natural catastrophes - e.g. earthquake in California, hurricane in Florida, and flooding in the Netherlands. For assets potentially exposed to natural disasters, emergency response plans are defined by the asset Manager with support from regional and corporate experts. However, in the US and in The Netherlands, the combination of the concentration of a large number of assets in the same area with a high exposure to natural catastrophe risks and the limited capacity available from insurers to cover these risks exposes the Group to retain a significant share of these risks as uninsured. See section 2.4.4 Transferring risk to the insurance market.

As at March 25, 2021 all US shopping centres are open with operating restrictions. The reopening of the shopping centres has been made in compliance with applicable health and safety regulations (for example, limiting visitor numbers, waiting lines, social distancing communication, hand sanitizer stations, regular in-depth cleaning, wearing masks mandatory for all staff and the use of fresh air instead of air recycling). Non-compliance with the applicable health and safety regulations could lead tort claims, reputational damage, regulatory fines and imposed lockdowns of the shopping centres. Which could result in severe negative financial consequences for the Group.

Footfall in the US centres is less than before COVID due to 1) capacity restrictions, 2) fear of shoppers to be in indoor spaces and 3) because of the transition of shoppers to online or curbside shopping. In addition, mobility in the major US cities is still impacted by restrictions.

The COVID-19 pandemic, particularly if prolonged, would expose the Group to a greater degree of risk to public perception, generating potentially significant reductions in attendance, administrative decisions, and / or operational restrictions, including temporary re-closure of sites and the inability of tenants to maintain their operations and pay rent.

Mitigating measures to identify and limit above mentioned risks are to have qualified external advisors/contractors with proper knowledge of the assets & local regulation validate compliance with regulations. Center management conducts routine property tours and identifies hazardous conditions and implements corrective actions. Maintenance and inspection conducted by third-party contractors of all relevant equipment subject to regulation. Safety systems are routinely inspected and Corporate and Construction Health and Safety policies incorporate regulations and are based on industry-accepted best practices in the absence of a specific governing regulation. For natural disasters insurance brokers routinely conduct a “catastrophe loss expectancy analysis” for the catastrophic perils of flood, hurricane, and earthquake that provides guidance as to the potential cost associated with damages from any one event, and which is used in the selection of limits of insurance purchased together with periodic validation of response plans for assets most exposed.

#### **4.2.2.5 CATEGORY # 5: LEGAL AND REGULATORY RISKS**

##### **A. LEGAL & REGULATORY: THE GROUP FACES THE RISK OF FAILING TO COMPLY WITH APPLICABLE LAWS AND REGULATION IN MULTIPLE JURISDICTIONS, WHICH MAY RESULT IN REGULATORY INVESTIGATION, NEGATIVE REPUTATIONAL IMPACT OR COULD RESULT IN FINES AND PENALTIES, DAMAGES, THE LOSS OF LICENSE, AND/OR ANY POTENTIAL LEGAL ACTION.**

The Group operates in 2 highly regulated continents. Moreover, our operations also require us to comply with a myriad of laws and regulations related to our activities in areas such as leasing, asset and property management, various licensing and permits, construction and maintenance, health & safety, personal data privacy, financials and securities markets, and anti-trust regulations to name a few, as well as with some extraterritorial regulations. As such, the risk of failing to comply with applicable laws and regulation may result in regulatory investigation, negative reputational impact or could result in fines and penalties, damages, the loss of license, and/or any potential legal action. The Group predominantly operates in the US which is a highly litigious country. The US is exposed to the risk of major litigations, including class actions. Finally, the Group may face regulatory investigations.

In the course of its activities, the Group collects and processes diverse personal data from customers, employees, business partners and service providers. The Group is subject to data protection laws such as the GDPR (EU), the California Consumer Protection Act (CCPA), and the California Privacy Rights Act (CPR). Failure to protect this personal data could result in fines and penalties as well as negatively impacting the Group’s reputation.

The governments of countries where the Group operates have implemented a series of exceptional measures to deal with the COVID-19 pandemic in a wide variety of areas affecting (among others) businesses’ activities, employment, real estate or health and safety matters. As such, the Group has to comply with a new and evolving set of laws and regulations increasing the risk of breach, which may result in regulatory investigation, negative reputational impact or could result in fines, penalties and/or any potential legal action. If the COVID-19 health and safety measures implemented by the Group were deemed to not have been appropriate this may give grounds for claims by stakeholders, particularly in highly litigious countries where the Group is potentially exposed to the risk of major litigation, including class actions.

Mitigating measures to identify and limit above mentioned risks are to deploy the Group’s legal policy, a set of internal procedures and standard forms to secure contractual frame, reduce litigation exposure to protect Group interests and ensure compliance with applicable regulations. Comprehensive legal training on complex or new regulations to raise awareness and develop learning curve from pending litigation, involving external advisors and law firms to provide constant updates on both emerging legislation and recent case law on specific matters. With group in-house lawyers being specialists in jurisdictions in which the Group operates and set the network of external counsel and experts as required. And through its action within the various national professional organizations, the Group endeavors to anticipate any legislative initiatives likely to have an impact on its business.

##### **B. CORRUPTION, MONEY LAUNDERING & FRAUD: THE GROUP FACES RISKS ASSOCIATED WITH CORRUPTION, MONEY LAUNDERING & FRAUD IN MULTIPLE JURISDICTIONS, WHICH MAY HAVE A NEGATIVELY IMPACT ON INVESTORS’ TRUST**

The Group conducts its core business in two countries and drives its real-estate activity with a wide variety of stakeholders, business partners, and other intermediaries and government authorities. Due to the nature of the Group’s business activities and relationship with business partners, as well as its wide geographical scope of operations, it faces numerous stringent international and national anti-bribery, corruption, money laundering & fraud laws and regulations, such the Foreign Corrupt Practices Act (“FCPA”) (US). Failure to comply with these anti-corruption regulations and lack of transparency can lead to material reputational damages, financial, administrative or disciplinary sanctions. This may have a negative impact on investors’ trust.

Another increasing risk in this category exists mainly from an IT and crime perspective due to increased fraudulent email exchanges and other attempts at social engineering crime while employees continue to work from home during the COVID-19 pandemic. While the Group has seen an increase in phishing schemes and other attempts, none have been successful in defrauding the company of any monies, data, or any personally identifiable information. However, during the COVID-19 pandemic the Group is growingly exposed to attempted fraud (identity theft for example) or embezzlement in the course of its business.

Mitigating measures to identify and limit above mentioned risks are to have a rigorous and “zero tolerance” principle based on an effective Anti-Corruption Programme (ACP) applicable in all entities controlled by the Group and designed based on the 8 pillars of the French Sapin II law. In addition, the ACP incorporates provisions of international conventions and national laws and regulations applicable to the Group’s business activities. Together with an alert system (whistleblowing procedure) supported by an external hotline is in place within the Group and interactions with Public Officials and Business Partners that are monitored by a “Know Your Partner” procedure to ensure compliance of third parties with the Group’s ACP. Furthermore the Group has implemented a secure payments procedure, the awareness of fraud scenarios is raised in departments throughout the year and illustrated by real cases and in the case of attempted fraud, the Group Compliance Officer systematically shares the information via email with all regions, including a reminder of preventive procedures.

# 5.

## INFORMATION ON THE COMPANY, SHAREHOLDING AND THE SHARE CAPITAL



## 5.1 INFORMATION ON THE COMPANY

### 5.1.1 GENERAL INFORMATION

Unibail-Rodamco-Westfield N.V. (“URW NV” or the “Company”) has its corporate seat (*statutaire zetel*) in Amsterdam, The Netherlands and its registered address at Schiphol Boulevard 315, World Trade Center Schiphol - Tower F, 1118 BJ Schiphol (Haarlemmermeer), The Netherlands. URW NV is registered with the Commercial Register of the Dutch Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) under number 70898618. The LEI code of the Company is 7245002R31EKBDW59H93. Telephone number: (+31) 020-6582533.

Its financial year runs from January 1 to December 31.

Information about the Company is available on its website: [www.urw-nv.com](http://www.urw-nv.com).

### 5.1.2 LEGAL FORM AND APPLICABLE LAW

On February 14, 2018, URW NV was incorporated as Unibail-Rodamco B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands. On March 22, 2018, Unibail-Rodamco B.V. changed its legal name to WFD Unibail-Rodamco N.V. and converted its legal form to a public limited liability company (*naamloze vennootschap*) pursuant to a notarial deed of amendment and conversion in accordance with a resolution of its general meeting adopted on March 15, 2018. On June 9, 2020, WFD Unibail-Rodamco N.V. changed its name to Unibail-Rodamco-Westfield N.V. pursuant to a notarial deed of amendment in accordance with a resolution of the General Meeting. The current laws and regulations of The Netherlands are applicable to the Company.

## 5.2 SHARE CAPITAL AND OTHER SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

### 5.2.1 AUTHORISATION TO BUY BACK SHARES

At the General Meeting held June 9, 2020, the MB has been authorized (for 18 months following the General Meeting) to resolve for the Company to purchase and acquire, with the approval of the SB, on a stock exchange or otherwise, up to 10% of the class A shares in the Company's capital in issue from time to time (separate or as part of Stapled Shares) and up to 100% of the class B shares in the Company's capital in issue from time to time, in each case at a price per share between the nominal value of the share concerned and 110% of the average market price of the Stapled Shares on Euronext Amsterdam (such average being calculated by reference to the closing prices on each of the five consecutive trading days preceding the date the purchase or acquisition is agreed upon by the Company). Any shares in the Company's capital held by the Company on the date of the General Meeting or that may be purchased and acquired by the Company during the period of 18 months following the General Meeting shall be cancelled in one or more tranches, provided that the implementation of any such cancellation (whether or not in a tranche) shall be subject to the determination by the Management Board of the exact number of shares to be cancelled (in the relevant tranche, as relevant) and the exact timing thereof.

The MB is authorized to i) acquire one or more class A shares in the Company's capital (separate or as part of Stapled Shares) from Unibail-Rodamco-Westfield (“URW SE”), ii) acquire one or more class A shares in the Company's capital from anyone other than URW SE (including by means of a share buy-back programme), provided that such acquisition is made (a) pursuant to and in accordance with a joint share buy-back programme approved by or on behalf of (the relevant corporate bodies of) the Company and URW SE or (b) jointly and in connection with (but not necessarily concurrently with) an acquisition of ordinary shares in the capital of URW SE by URW SE; and/or iii) acquire one or more class B shares in the Company's capital from URW SE, in each case (x) subject to the MB being authorised by the General Meeting to acquire such shares in the capital of the Company and (y) with due observance of Dutch law, the Articles and the relevant limitations set out in the shareholders' authorisation as applicable from time to time.

### 5.2.2 AUTHORISED SHARE CAPITAL - FORM OF SHARES

As at December 31, 2020, the Company's share capital is €115,860,350 and divided into 138,472,385 class A shares and 93,248,315 class B shares with a nominal value of €0.50 each, representing 59.76% and 40.24%, respectively, of the Company's issued share capital.

In June 2018, the class A shares of the Company were individually stapled with the ordinary shares of URW SE, a public limited liability company under the laws of France, with its registered office located in Paris and Companies Register under number 682 024 096, to form Stapled Shares.

The “URW Group” is composed of the Company, URW SE and all of the controlled entities whose financial information is included in the consolidated accounts of the Company and/or of URW SE.

The Stapled Shares are admitted to trading on Euronext Amsterdam and Euronext Paris, under ISIN code FR0013326246 and trading symbols AMS: URW (Euronext Amsterdam) and EPA: URW (Euronext Paris). Any holder of Stapled Shares will have all the rights and be under all the obligations of both a shareholder of URW SE (with respect to the URW SE shares that are part of his Stapled Shares) and a shareholder of URW NV (with respect to the class A shares that are part of his Stapled Shares).

### 5.2.3 SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

Securities granting access to the capital of URW NV are described below.

#### 5.2.3.1 CDIS (CHESS DEPOSITARY INTERESTS)

The term “CDI” designates Australian CHES (clearing house electronic subregister system) depositary interests that represent beneficial ownership in Stapled Shares registered in the name of or on behalf of CDN (CHES Depositary Nominees Pty Limited, a subsidiary of the Australian Securities Exchange). CDIs are admitted for trading on the Australian regulated market (“ASX”).

Twenty CDIs collectively represent a beneficial interest in one Stapled Share, conferring rights that are economically equivalent to the rights attaching to one Stapled Share. Stapled Shares represented by CDIs will be held by an ASX subsidiary through Euroclear France. CDN enables

holders of CDIs to exercise<sup>34</sup> the voting rights attached to the Stapled Shares. Any twenty CDIs can be converted into one Stapled Share at any time. Conversely, Stapled Shares can be converted into CDIs at a ratio of twenty CDIs per Stapled Share.

### 5.2.3.2 PERFORMANCE SHARES AND PERFORMANCE STOCK OPTIONS

The long term remuneration plan of the Group combines two remuneration elements in Stapled Shares: the majority are granted as Performance Shares (PS), while a small portion are Performance Stock Options (SO). This is intended to strengthen the engagement of beneficiaries in their contribution to the Group's performance.

As at December 31, 2020, the number of potential Stapled Shares to be theoretically issued after taking into account cancellation (assuming the required performance and presence conditions are attained and excluding any cancellations that may occur during the course of the plan) represents 0.32% of URW NV's fully-diluted share capital with regard to the outstanding PS and 1.61 % of URW NV's fully-diluted share capital with regard to the outstanding SO.

The long term remuneration plan was approved by the SB, upon binding recommendation of the GNRC, on March 19, 2019, and is implemented as per December 31, 2020.

### 5.2.3.3 ORNANE (BONDS REDEEMABLE IN CASH AND/OR IN NEW AND/OR EXISTING SHARES)

Since the General Meeting of ORNANE holders on April 20, 2018, the redemption of ORNANE is carried out in new and/or existing Stapled Shares.

#### • 2014 ORNANE ISSUANCE OF JUNE 25, 2014

On June 25, 2014, URW SE issued 1,735,749 2014 ORNANE at a nominal value per unit of €288.06, representing a nominal amount of €500 million, maturing on July 1, 2021.

The 2014 ORNANE are convertible since January 1, 2018, but market conditions have not, to date, allowed the 2014 ORNANE holders to exercise their conversion rights. The conversion rate to Stapled Shares is 1.31 as at December 31, 2020.

The 2014 ORNANE holders, in accordance with section 4, paragraph 4.9.5, "Information sur les valeurs mobilières devant être offertes et admises aux négociations sur le marché réglementé d'Euronext à Paris" of the Note d'opération relating to the 2014 ORNANE, were able to request, at their discretion, the early redemption in cash on July 1, 2020, of the 2014 ORNANE they held.

The number of outstanding 2014 ORNANE is 357,254, as at December 31, 2020.

For more details on the 2014 ORNANE, please refer to the "Note d'opération" approved by the French financial markets authority under visa no. 14-296 dated June 17, 2014.

#### • 2015 ORNANE ISSUANCE OF APRIL 15, 2015

On April 15, 2015, the URW SE issued 1,441,462 2015 ORNANE at a nominal value per unit of €346.87, representing a nominal amount of €500 million, maturing on January 1, 2022.

The 2015 ORNANE are convertible since January 1, 2018, but market conditions have not, to date, allowed the 2015 ORNANE holders to exercise their conversion rights. The conversion rate to Stapled Shares is 0,96 as at December 31, 2020. As at December 31, 2020, no 2015 ORNANE have been converted.

For more details on the 2015 ORNANE, please refer to the "Note d'opération" approved by the French financial markets authority under visa no. 15-144 dated April 8, 2015.

### 5.2.4 OTHER SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

None.

### 5.2.5 CHANGES IN URW NV'S SHARE CAPITAL AS OF ITS INCORPORATION

Since the incorporation of URW NV, URW NV's share capital has changed as follows:

	Date	Movements in the share capital	Number of shares issued	Number of shares	Total share capital	Premium resulting from transaction
	07/06/2018			231,531,282	€115,765,641	
2018	30/09/2018	Reimbursement of ORA	63	231,531,345	€115,765,673	€640
	30/09/2018	Exercise of SO (2012-2014 tranche)	3,596	231,534,941	€115,767,471	€39,265
	30/09/2018	Reimbursement of ORA	50	231,534,991	€115,767,496	€404
	31/12/2018	Exercise of SO (2012 tranche)	1,925	231,536,916	€115,768,458	€14,380
	31/03/2020	Creation of PS (2015 tranche)	8,340	231,545,256	€115,772,628	€0
	31/03/2019	Exercise of SO (2012 tranche)	8,713	231,553,969	€115,776,985	€72,549
	30/04/2019	Creation of PS (2016 tranche)	18,432	231,572,401	€115,786,201	€0
2019	30/04/2019	Increased of share capital reserved for URW SE employees	47,337	231,616,738	€115,809,869	€312,309
	08/07/2019	Reimbursement of ORA	131	231,616,869	€115,809,935	€1,181
	08/07/2019	Reimbursement of ORA	7,051	231,626,920	€115,813,460	€63,485
	31/03/2020	Creation of PS (2017 tranche)	14,235	231,641,155	€115,820,578	€0
2020	04/06/2020	Creation of PS (2016 tranche)	10,395	231,651,550	€115,825,775	€0
	04/06/2020	Increased of share capital reserved for URW SE employees	69,150	231,720,700	€115,860,350	€154,690

Note: increases in the share capital associated with the exercise of Performance Stock Options (SO) and creation of Performance Shares (PS), cancellation of shares and reimbursements of ORA and ORNANE, are stated by a statement of the URW SE Management Board.

(34) Holders of CDIs can either (i) ask CDN to vote in a given way, or (ii) request that CDN grant the holder with the power to vote at the General Meeting.

## 5.3 SHARE BUY-BACK PROGRAMME AND SHARE ISSUANCES

### 5.3.1 REVIEW OF THE USE OF THE AUTHORISATION TO ACQUIRE SHARES AND INFORMATION ON THE TRANSACTIONS CARRIED OUT DURING THE FINANCIAL YEAR ENDING DECEMBER 31, 2020

During the 2020 financial year, the Company did not acquire any shares in its capital.

The Company has not used any derivative products in respect of shares in its capital and has currently not entered into any market-making and/or liquidity agreement in respect of shares in its capital.

### 5.3.2 AUTHORISATION TO ISSUE SHARES

With effect from June 7, 2018, the closing date of the Westfield Transaction (and for a period of 5 years from such date), the MB has been authorized, subject to the approval of the SB and the Stapled Share Principle, (i) to resolve to issue shares in the capital of the Company and to grant rights to subscribe for such shares up to the maximum authorized share capital as this may be from time to time and (ii) to resolve to limit and/or exclude pre-emption rights in relation thereto.

### 5.3.3 SITUATION AS AT DECEMBER 31, 2020

As at December 31, 2020, the URW NV shares held or cancelled by the Company is as follows:

% of URW NV shares held directly or indirectly by URW NV ("treasury shares") as at December 31, 2020	0%
Number of cancelled URW NV shares during the last 24 months	0
Number of treasury shares as at the December 31, 2020	0
Accountant value of the treasury shares	€0
Market value of the treasury shares	€0

## 5.4 INFORMATION ON THE SHAREHOLDING

### 5.4.1 OWNERSHIP OF CAPITAL AND VOTING RIGHTS

The Company's share capital as at December 31, 2020, comprises 138,472,385 class A shares and 93,248,315 class B shares with a nominal value of €0.50 each and is fully paid-up. The class A shares form part of Stapled Shares together with ordinary URW SE shares. All class B shares are owned by URW SE; pursuant to the Articles, class B shares can only be held by (i) any entity of the URW Group or (ii) any other party, with the approval of the MB and the SB.

One single voting right is attached to each URW NV share in accordance with the "one share, one vote" principle.

As at December 31, 2020, 59.76% of the Company's share capital was held by others than URW SE and MB Members.

The Company's shareholding structure was as follows during the last three financial years:

Shareholder	Year-end 2018					Year-end 2019					Year-end 2020				
	Number of class A shares	Number of class B shares	Total number of shares	% of share capital	% of voting rights	Number of class A shares	Number of class B shares	Total number of shares	% of share capital	% of voting rights	Number of class A shares	Number of class B shares	Total number of shares	% of share capital	% of voting rights
Free float (class A)	138,119,395	-	138,119,395	59.65	59.65	138,209,728	-	138,209,728	59.67	59.67	138,472,380	-	138,468,380	59.76	59.76
URW SE (class B)	-	93,248,315	93,248,315	40.27	40.27	-	93,248,315	93,248,315	40.26	40.26	-	93,248,315	93,248,315	40.24	40.24
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive officers <sup>(1)</sup>	169,206	-	169,206	0.07	0.07	168,877	-	168,877	0.07	0.07	5	-	5	0	0
<b>TOTAL</b>	<b>138,288,601</b>	<b>93,248,315</b>	<b>231,536,916</b>			<b>138,378,605</b>	<b>93,248,315</b>	<b>231,626,920</b>			<b>138,472,385</b>	<b>93,248,315</b>	<b>231,720,700</b>		

Figures may not add up due to rounding.

(1) Executive officers comprise the MB Members. As of June 7, 2018, the MB consists of two members. The numbers do not take into account any units in the URW SE Company Savings Plan held by the executive officers. The composition of the MB changed as per November 19, 2020.

## 5.4.2 INFORMATION REGARDING OWNERSHIP THRESHOLD DISCLOSURES

Substantial holding notifications made to the AFM can, once published, be viewed on the website of the Dutch Authority for the Financial Markets ("AFM") and threshold disclosures notified to URW SE as required under the Articles are available at the registered office of URW SE.

To the best of the Company's knowledge and based on the substantial holding notifications published on the website of the AFM and the threshold crossings notified to URW SE, the following persons (other than URW SE) have, as at the filing date of this Annual Report, a notifiable interest in URW NV's share capital.

The AFM register shows the following notifications of substantial share capital and/or voting rights above the 3% threshold: Rock Investment: substantial share capital of 6.81% and 6.81% of the voting rights (February 19, 2021) and BlackRock, Inc.: substantial share capital of 4.22% and 4.88% of the voting rights (March 22, 2021).

## 5.4.3 SHAREHOLDERS' AGREEMENT

During the year ended December 31, 2020, the URW Group became aware of an agreement concluded on October 15, 2020 between a consortium of shareholders consisting of Flagship financial Investment S.à.r.l., Rock Investment and NJJ Market to oppose the adoption of resolutions no. 1 and no. 2 proposed to the General Meeting of URW SE on November 10, 2020 and to vote in favour of other resolutions (appointment of new members to the Supervisory Board of URW SE).

On December 21, 2020, the shareholders' consortium terminated its action in concert.

On December 23, 2020, the members of the consortium terminated this shareholders' agreement.

## 5.4.4 URW SE'S SHAREHOLDING IN URW NV

URW SE holds approximately 40% of URW NV's issued and outstanding share capital.

### Participation Maintenance Subscription Right

URW SE wishes to maintain its capital interest and voting rights in URW NV at or slightly above 40%. In connection therewith URW NV granted URW SE the "Participation Maintenance Subscription Right".

The Participation Maintenance Subscription Right allows URW SE to subscribe, in one or more tranches, on a continuous and revolving basis for new URW NV class B shares, each time up to the lesser of (i) such maximum number of URW NV class B shares that, as the result of a subscription to such number of URW NV class B shares by URW SE pursuant to an exercise of the Participation Maintenance Subscription Right, the aggregate nominal amount of URW NV shares held by URW SE and its subsidiaries is equal to 40.25 % of URW NV's issued and outstanding share capital, and (ii) the maximum number of URW NV's class B shares that may be issued under the authorized share capital of URW NV under its Articles at that time.

Certain terms and conditions of the Participation Maintenance Subscription Right are set out in a Participation Maintenance Subscription Right Agreement entered into between URW SE and URW NV on June 4, 2018.

The subscription price for any URW NV class B shares subscribed for by URW SE pursuant to the exercise of the Participation Maintenance Subscription Right is equal to the par value of such shares or such other price as may be agreed between URW SE and URW NV from time to time. At least one-fourth of the par value is to be paid up upon subscription and the remaining three-fourths will be payable by URW SE upon URW NV calling for it, subject to applicable law. Solely at URW NV's option and subject to the Articles and applicable law, all or part of such payment obligation for the subscribed-for URW NV class B shares may be charged against URW NV's profits and/or reserves.

At the request of the holder, any URW NV class B shares held by URW SE or any of its subsidiaries shall be converted into URW NV class A shares of equal nominal value in accordance with the Articles and subject to the nominal value of the to-be converted URW NV class B shares having been fully paid up.

URW SE may assign the Participation Maintenance Subscription Right Agreement, with simultaneous assignment of the Participation Maintenance Subscription Right, to any wholly-owned URW SE subsidiary.

The Participation Maintenance Subscription Right Agreement is entered into and the Participation Maintenance Subscription Right is granted for an indefinite period of time, but may be terminated at any time by URW SE.

### Equity Plan Satisfaction Subscription Right

Pursuant to any equity incentive plan, stock option plan, equity saving plan, performance share plan or other plan, as applicable from time to time, URW SE or any of its subsidiary may award Stapled Shares, or rights to acquire Stapled Shares (including rights to concurrently acquire URW NV class A shares and URW SE ordinary shares thereby forming Stapled Shares), to (current or former) employees, officers and/or directors of the URW Group. URW SE or the relevant URW SE subsidiary would need to be able to deliver, transfer or otherwise provide URW NV class A shares (for as long as the Stapled Share Principle applies, as part of Stapled Shares) pursuant to awards made under such equity plans. In connection therewith URW NV granted URW SE the "Equity Plan Satisfaction Subscription Right".

The Equity Plan Satisfaction Subscription Right allows URW SE to subscribe, in one or more tranches, on a continuous and revolving basis for new URW NV class A shares, each time up to the lesser of (i) the number of URW NV class A shares that are required or reserved to satisfy any obligations to issue, transfer, deliver or otherwise provide URW NV class A shares pursuant to awards made under any relevant equity plan, and (ii) the maximum number of URW NV class A shares that may be issued under the authorized share capital of URW NV under its Articles at that time.

Certain terms and conditions of the Equity Plan Satisfaction Subscription Right are set out in an Equity Plan Satisfaction Subscription Right Agreement entered into between URW SE and URW NV on June 4, 2018.

The subscription price for any URW NV class A shares subscribed for by URW SE pursuant to the exercise of the Equity Plan Satisfaction Subscription Right is equal to the par value of such shares or such higher price as provided for in the relevant equity plan (if any). At subscription, URW SE shall pay the aggregate nominal value in full. At the request of URW SE, URW NV shall - subject to the approval of the SB and to the extent permitted under applicable law - charge all or part of such payment obligation against URW NV's profits and/or reserves, in particular in respect of those equity plans in which shares are provided to the participants without payment of any consideration.

URW SE may assign part of the Equity Plan Satisfaction Subscription Right to any URW SE subsidiary, provided that such URW SE subsidiary has committed itself towards URW NV to be bound by the Equity Plan Satisfaction Subscription Right Agreement in respect of such assigned part. Furthermore, URW SE may assign the Equity Plan Satisfaction Subscription Right in respect of such number of URW NV class A shares that are the subject of an award under an equity plan to the relevant participant to whom such award is or has been made, under the conditions that an exercise of such assigned Equity Plan Satisfaction Subscription Right by such participant may only be made in compliance with all terms and conditions (including vesting conditions) of the relevant equity plan and award, and that an issue of URW NV class A shares to such participant can only be made simultaneously with an issue or transfer of an equal number of URW SE ordinary shares to such participant and URW SE having confirmed to URW NV that such simultaneous issue or transfer will occur.

The Equity Plan Satisfaction Subscription Right Agreement further provides that in situations in which URW SE or a URW SE subsidiary is making an award to any employee, officer or director of the URW Group with respect to a number of URW SE ordinary shares under an equity plan of URW SE or any URW SE subsidiary, URW SE may request that URW NV simultaneously grant a right to such employee, officer or director with respect to an equal number of URW NV class A shares. URW NV shall in such cases - to the extent legally permissible - make such a grant, under the condition that an issue of URW NV class A shares to such employee, officer or director can only be made simultaneously with an issue or transfer of an equal number of URW SE ordinary shares to such employee, officer or director and URW SE having confirmed to URW NV that such simultaneous issue or transfer will occur.

The Equity Plan Satisfaction Subscription Right Agreement is entered into and the Equity Plan Satisfaction Subscription Right is granted for an indefinite period of time, but may be terminated at any time by URW SE and will terminate upon the Articles being amended such that there are no longer Stapled Shares. Upon termination, the agreement and subscription right will survive to the extent necessary to settle existing outstanding awards under any relevant equity plans.

## 5.5 ARTICLES OF ASSOCIATION OF THE COMPANY AND CHARTERS OF THE CORPORATE BODIES

The main statutory provisions are given hereafter. Furthermore, the Management Board (the "MB"), Supervisory Board (the "SB"), Audit Committee (the "AC"), the Investment Committee (the "IC") and the Governance and Nomination and Remuneration Committee (the "GNRC") each have their own internal charters. The Articles of Association (the "Articles") and internal charters of these committees are available on the Company's website or at its registered office.

The Articles were last updated on June 9, 2020.

### 5.5.1 CORPORATE PURPOSE

#### (ARTICLE 3 OF THE ARTICLES OF ASSOCIATION)

The corporate purpose of the Company is in The Netherlands and abroad:

- to invest in assets, primarily through the direct or indirect acquisition of real estate, in such a manner that the ensuing risks are spread in order to allow shareholders to share in the proceeds;
- to enter into cash pooling arrangements with, to provide financing to and to furnish guarantees for the benefit of URW SE and other affiliated bodies of the Company whose assets, on a consolidated basis, generally at least nearly exclusively consist of real estate and/or associated rights;
- to incorporate, to participate in, to hold any other interest in and to conduct the management or supervision of bodies whose objects and actual activities are to invest in assets;
- to incorporate, to participate in and to conduct management of bodies whose objects and actual activities, besides possibly investing assets, are to develop real estate for the benefit of itself or certain bodies;
- to invest in the improvement or expansion of real estate;
- to acquire, to manage, to invest, to exploit, to encumber and to dispose of other assets and liabilities and to provide any other act or service; and
- to do anything which, in the widest sense, is connected with or may be conducive to the objects described above,

in each case taking into account the restrictions applicable to the Group under the fiscal investment institution regime as laid down in section 28 of the Corporate Income Tax Act (CITA), or such statutory provision which replaces section 28 CITA.

### 5.5.2 STAPLED SHARE PRINCIPLE

#### (ARTICLE 6 OF THE ARTICLES OF ASSOCIATION)

The shares in URW NV are in registered form. The shares have been, or will be, created under Dutch law and must be paid up in full upon issuance (without prejudice to section 2:80(2) Dutch Civil Code (the "DCC")). However, it may be stipulated that up to 75% of the nominal value of a class B share need not be paid up until URW NV has called for payment.

The class A shares may be included in a giro deposit (*girodepot*) or a collective deposit (*verzameldepot*) in accordance with the provisions of the Dutch Giro Securities Act or any other collection of securities which are transferable by means of book-entry, in each case with due observance of the Stapled Share principle set out in the Articles.

Each class B share can be converted into one class A share. By means of a written request addressed to the MB, the holder of one or more class B shares may request the conversion of all or part of his class B shares into an equal number of class A shares. Such request must indicate the number of class B shares to be converted. Upon receipt of such request, the MB, with the approval of the SB, shall resolve to convert the number of class B shares specified in the request into an equal number of class A shares. Neither the MB nor URW NV are required to effect a conversion of class B shares if the request does not include the number of class B shares to be converted or if the MB reasonably believes that the information included in such request is untrue or incorrect or that the holder concerned is not a party meeting the quality requirement described below.

Under the Articles, in order to achieve a situation where holders of class A shares, other than any entity of the URW Group, hold an interest in both URW NV and URW SE, as if they held an interest in a single (combined) company:

- no class A share can be (i) issued to, or subscribed for by, others than any entity of the URW Group, (ii) transferred to or, subject to applicable law, pledged or otherwise encumbered by others than any entity of the URW Group, or (iii) released from any encumbrance by others than any entity of the URW Group, in each case except together with a UR Share in the form of a Stapled Share;
- no right to subscribe for one or more class A shares can be (i) granted to or exercised by others than any entity of the URW Group, (ii) terminated by others than any entity of the URW Group, (iii) transferred to or, subject to applicable law, pledged or otherwise encumbered by others than any entity of the URW Group, or (iv) released from any encumbrance by others than any entity of the URW Group, in each case except together with a corresponding right to subscribe for an equal number of URW SE Shares in the form of an equal number of Stapled Shares;
- all shareholders, other than any entity of the Stapled Group, must refrain from (i) acquiring any class A share, (ii) acquiring, exercising or terminating any right to subscribe for one or more class A shares, or (iii) creating or acquiring a usufruct, pledge or other encumbrance over any class A share or any right to subscribe for one or more class A shares, in each case except (if it concerns a class A share) together with a URW SE share in the form of a Stapled Share or (if it concerns a right to subscribe for one or more class A shares) together with a corresponding right to subscribe for an equal number of URW SE shares in the form of an equal number of Stapled Shares; and
- subject to applicable law, the MB and the SB shall take all necessary actions to ensure that, at all times, the number of class A shares issued and held by others than any entity of the URW Group is equal to the number of URW SE shares issued and held by others than any entity of the URW Group.

The Stapled Share principle can only be terminated by virtue of a resolution passed by the General Meeting to amend the Articles. A resolution by the General Meeting to effect such an amendment shall only become effective after the MB, with the approval of the SB, has confirmed that the General Meeting or shareholders or URW SE has passed a resolution to terminate the Stapled Share principle as included in the Articles of URW SE.

In addition, under the Articles, class B shares can only be held by any entity of the URW Group or any other party, with the prior approval of the MB and the SB. If one or more class B shares are not, or no longer, held by a party which meets the quality requirements described in the previous sentence:

- the holder of such class B shares must immediately notify the MB thereof, consistent with the arrangements described in the Articles;
- such Shareholder's voting rights, meeting rights and rights to receive distributions attached to its class B shares shall be suspended; and
- such Shareholder must immediately offer and transfer its class B shares to URW NV (or to a party designated in writing by URW NV) in accordance with the provisions in the Articles.  
The MB, with the approval of the SB, may grant dispensation from the quality requirement described above.

Except as set forth above or as described elsewhere in this report, as at December 31, 2020, URW NV imposed no limitation, under its Articles or by contract, on the transfer of shares (or depository receipts for shares issued with URW NV's cooperation), the exercise of voting rights on shares, periods for exercising such voting rights or the issuance of depository receipts for Shares with URW NV's cooperation.

The URW Group also established a secondary listing on the ASX to allow securityholders to trade the Stapled Shares locally in the form of Chess Depository Interests ("CDI's") under the ASX ticker of URW. CDIs are Australian law instruments through which Stapled Shares can be traded on ASX. 20 CDIs represent a beneficial interest in one Stapled Share, conferring rights that are economically equivalent to the rights attaching to one Stapled Share. Stapled Shares represented by CDIs will be held by an ASX subsidiary through Euroclear France. CDN will enable holders of CDIs to exercise, directly or indirectly, the voting rights attached to the Stapled Shares. CDIs can - but only in multiples of 20 - be converted into Stapled Shares. Conversely, Stapled Shares can be converted into CDIs at a ratio of 20 CDIs per Stapled Share.

All shareholders of the Company must comply with the Stapled Share principle described above. If a shareholder, other than any entity of the URW Group, would hold one or more "Unstapled Shares" (i.e., class A shares held by a shareholder, other than any entity of the URW Group, if such shareholder does not also hold the corresponding ordinary shares in UR in the form of Stapled Shares) for whatever reason:

- such shareholder must immediately notify the MB of such breach, consistent with the arrangements described in the Articles;
- such shareholder must immediately offer and transfer its Unstapled Shares to URW SE (or any other entity of the URW Group designated in writing by URW SE);
- if such shareholder has not, within a reasonable period of no more than fourteen (14) days after having become obliged to offer and transfer its Unstapled Shares, complied with such obligation, URW NV shall be irrevocably authorised to offer and transfer the Unstapled Shares concerned to URW SE (or any other entity of the URW Group designated in writing by URW SE) on behalf of such shareholder in accordance with the provisions in the Articles; and
- such shareholder's voting rights, meeting rights and rights to receive distributions attached to its Unstapled Shares shall be suspended for as long as such shareholder (or URW NV on such shareholder's behalf) has not complied with the obligation of such Shareholder to offer and transfer such Unstapled Shares as described above.

If the holder of a Stapled Share must notify URW SE in respect of its shares in the capital of URW SE pursuant to the articles of association of URW SE and/or applicable French law, such shareholder must also immediately notify URW SE in accordance with the arrangements described in the Articles. If the MB becomes aware that a shareholder has failed to comply with that obligation, the MB, with the approval of the SB, may demand that such shareholder comply with such obligation within a reasonable period of no more than 14 days, as stipulated in such notice. For as long as the shareholder concerned has not complied with such obligation after the expiration of the period stipulated in said notice, such Shareholder's voting rights, meeting rights and rights to receive distributions attached to its class A shares shall be suspended.

Furthermore, under Dutch law, various protective measures are possible and permissible within the boundaries set by Dutch law, including Dutch case law. In this respect, certain provisions of the Articles may make it more difficult for a third party to acquire control of the Company or effect a change in the MB and/or SB. These include:

- the Stapled Share principle described in paragraph 5.5.2;
- a provision that the General Meeting can only appoint MB Members and SB Members on the basis of a nomination by (i) the SB pursuant to and in accordance with a binding recommendation by the GNRC, (ii) the Chairman, (iii) a Controlling Shareholder or (iv) the Class B Meeting, in each case provided that the names of those candidates are stated for that purpose in the agenda of that General Meeting or the explanatory notes thereto; and
- a requirement that certain matters, including an amendment of the Articles, may only be brought to the General Meeting for a vote upon a proposal by the MB, with the approval of the SB.

### 5.5.3 CORPORATE GOVERNANCE STRUCTURE

#### (ARTICLES 16 TO 26 OF THE ARTICLES OF ASSOCIATION)

The Company is managed by a MB and a SB. Details of the composition and the functioning of the MB and the SB are set out in Section 2.1 of this Annual Report.

##### 5.5.3.1 THE MANAGEMENT BOARD

#### (ARTICLES 16 TO 21 OF THE ARTICLES OF ASSOCIATION AND MANAGEMENT BOARD RULES)

The MB is the collegial decision-making body of URW NV. Pursuant to the Articles, the MB shall be composed of individuals or entities and the SB shall determine the number of MB Members. The SB Chairman shall, with due observance of the MB Rules, designate one MB Member as President US, and may revoke such designation from time to time. The MB consisted of two members as at December 31, 2020.

The MB is charged with management of the Company, subject to the restrictions contained in the Articles. The MB is required to provide the SB with the information necessary for the performance of its tasks in a timely fashion. At least once a year, the MB shall inform the SB in writing of the main features of the strategic policy, the general and financial risks and the administration and control system of URW NV. The MB's mission consists in developing and executing the Company's strategy, effectively structuring and staffing the Company to ensure its efficient functioning, achieving the projected financial results and communicating these results in the best manner. In performing their duties, MB members shall be guided by interests of the Company and of the business connected with it.

The MB is responsible for the day-to-day management of the Company which includes, among other things, formulating strategies and policies, and setting and achieving the Company's objectives. The SB supervises and advises the MB. In performing their duties, MB and SB members shall be guided by the interests of the Company and of the business connected with it.

The General Meeting shall appoint the MB Members and can only appoint a MB Member upon a nomination by (i) the SB pursuant to and in accordance with a binding recommendation by the GNRC, (ii) the Chairman, (iii) a Controlling Shareholder or (iv) the class B Meeting, in each case provided that the names of those candidates are stated for that purpose in the agenda of that General Meeting or the explanatory notes thereto. A MB Member is appointed or reappointed for a term which shall expire immediately following the end of the annual General Meeting held in any of the first four years following his appointment or reappointment (as relevant).

The General Meeting may at any time suspend or dismiss any MB Member. In addition, the SB may at any time suspend a MB Member. The SB shall not make any proposal, or approve any proposal made by the MB, for the suspension or dismissal of a MB Member and shall not resolve upon the suspension of a MB Member, other than pursuant to and in accordance with a binding recommendation either by the SB Chairman or by the GNRC. A suspension by the SB can at any time be lifted by the General Meeting. If a MB Member is suspended and the General Meeting does not resolve to dismiss him within three months from the date of such suspension, the suspension shall lapse.

##### 5.5.3.2 THE SUPERVISORY BOARD

#### (ARTICLES 22 TO 26 OF THE ARTICLES OF ASSOCIATION AND THE SUPERVISORY BOARD RULES)

The SB exercises permanent oversight and control over the MB and the general affairs of the Company as provided by law, the Articles and its SB Rules. The SB has 5 members appointed for a term of four years. The SB must comprise of two URW SE Supervisory Directors (formerly UR SE Supervisory Directors). "URW SE Supervisory Directors" refers to an SB member who is also a member of the management board, a member of the supervisory board or an employee of (x) URW SE (or any of the legal successors) or (y) any controlled undertaking whose financial information is included in the consolidated financial reporting of URW SE (excluding the Company and its subsidiaries within the meaning of section 2:24a of the Dutch Civil Code).

The SB is charged with the supervision of the policy of the MB and the general course of affairs of URW NV and of the business connected with it. The SB shall provide the MB with advice. In performing their duties, SB Members shall be guided by the interests of URW NV and of the business connected with it.

The SB consists of at least two, but no more than seven, SB Members. The SB shall be composed of individuals. The SB shall determine the number of SB Members. The SB must comprise such number of URW SE Supervisory Directors as equals the highest integer that is less than 50% of all SB Members in office. This requirement can be set aside by the General Meeting with a majority of at least two-thirds (2/3) of the votes cast representing more than half of URW NV's issued share capital.

The SB shall elect an URW SE Supervisory Director to be the Chairman and another URW SE Supervisory Director to be the vice-Chairman, in each case pursuant to and in accordance with a recommendation by the GNRC. The SB may dismiss the SB Chairman or the vice-Chairman pursuant to and in accordance with a recommendation by the GNRC, provided that the URW SE Supervisory Director so dismissed shall subsequently continue his term of office as a URW SE Supervisory Director without having the title of Chairman or vice-Chairman, as the case may be.

The General Meeting can only appoint a SB Member upon a nomination by (i) the SB pursuant to and in accordance with a binding recommendation by the GNRC, (ii) the Chairman, (iii) a Controlling Shareholder or (iv) the class B Meeting, in each case provided that the names of those candidates are stated for that purpose in the agenda of that General Meeting or the explanatory notes thereto and taking into account the requirement with respect to the requisite number of URW SE Supervisory Directors. A SB Member may be appointed or reappointed for a term which shall expire immediately following the end of the annual General Meeting held in any of the first four years following his appointment or reappointment (as relevant).

The General Meeting may at any time suspend or dismiss any SB Member. The SB shall not make any proposal, or approve any proposal made by the MB, for the suspension or dismissal of a SB Member, other than pursuant to and in accordance with a binding recommendation either by the SB Chairman or by the GNRC. If a SB Member is suspended and the General Meeting does not resolve to dismiss him within three months from the date of such suspension, the suspension shall lapse.

The SB has three committees; the AC, the GNRC and IC.

#### 5.5.3.2.1 THE SPECIALISED COMMITTEES OF THE SUPERVISORY BOARD

Three specialised committees are responsible for assisting the Board to carry out its duties: the Audit Committee, the Governance, Nomination and Remuneration Committee and Investment Committee. All SB Members participate in one of these committees. The committees function under separate internal charters.

Details of the composition, missions and diligences of the committees are set out in Section 2.2.3 of this Annual Report.

#### 5.5.4 GENERAL MEETINGS

##### (ARTICLES 28 TO 32 OF THE ARTICLES OF ASSOCIATION)

General meetings must be held in Amsterdam, The Hague, Rotterdam or Schiphol (Haarlemmermeer). Certain resolutions can only be passed by the General Meeting at the proposal of the MB, with the approval of the SB.

##### 5.5.4.1 FUNCTIONING OF THE GENERAL MEETING

General meetings must be held in Amsterdam, The Hague, Rotterdam or Schiphol (Haarlemmermeer). The annual General Meeting must be held at least once a year, no later than in June. Within three months after the MB has considered it to be likely that URW NV's equity has decreased to an amount equal to or lower than half of its paid up and called up capital, a General Meeting will be held in order to discuss the measures to be taken if so required. Extraordinary General Meetings shall further be held whenever the MB, the SB or the Chairman so decides, provided in each case that any item proposed by the Chairman for discussion or voting at any General Meeting shall be included as such on the agenda for such General Meeting.

In addition, one or more Shareholders and other Persons with Meeting Rights, who solely or jointly represent at least ten percent (10%) of URW NV's issued capital, may request the MB and the SB that a General Meeting be convened. The request must set out in detail the matters to be discussed. If neither the MB nor the SB has taken the steps necessary to hold a General Meeting within 8 weeks after such request, the requesting person(s) may be authorized by the court in preliminary relief proceedings to convene a General Meeting. If the requesting person(s) include(s) at least one holder of one or more class B shares, he/they may convene a General Meeting after such 8 weeks period without such prior authorization by the court.

Notice of a General Meeting must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days. The convocation of the General Meeting must be published through an announcement by electronic means. The notice must include the items for discussion and voting, the time and place of the meeting, the record date, the manner in which Persons with Meeting Rights may register and exercise their rights, the cut-off time for registration for the meeting, and such other matters as required by applicable law (also depending on the nature of the agenda items for the meeting concerned). In addition, Shareholders may be convened for the General Meeting by means of letters sent to their addresses as set out in URW NV's shareholders register (if and to the extent they are registered directly in such register).

The convening notice shall also include such items as one or more Shareholders and other Persons with Meeting Rights, representing - individually or collectively - at least such part of URW NV's issued share capital as prescribed by Dutch law (currently 3%), have requested URW NV by a motivated request (or, if it concerns a matter which falls within the powers of the General Meeting, a proposal for a resolution) to include in the agenda, at least 60 days before the day of the General Meeting. No resolutions may be adopted on items other than those which have been included in the agenda.

The General Meeting shall be chaired by one of the following individuals, taking into account the following order of priority (i) by the Chairman, if there is a Chairman and he is present at the General Meeting, (ii) by another SB Member who is chosen by the SB Members present at the General Meeting from their midst, (iii) by an MB Member who is chosen by the MB Members present at the General Meeting from their midst, or (iv) by another person appointed by the General Meeting. The person who should chair the General Meeting set out in the preceding sentence may appoint another person to chair the General Meeting.

Each Shareholder and other Person with Meeting Rights may attend the General Meeting, address the General Meeting and exercise voting rights pro rata to his shareholding, either in person or by proxy, provided that his meeting, and - if relevant - voting, rights have not been suspended. Shareholders and other Person with Meeting Rights may exercise these rights, if they are the holder of such right on the record date as required by Dutch law, which is currently the 28th day prior to the day of the General Meeting, and they or their proxy have notified URW NV of their identity and their intention to attend the General Meeting in writing at the address and by the seventh day prior to the General Meeting or such other date specified in the notice of the General Meeting.

MB Members and SB Members may attend a General Meeting. In these General Meetings, they have an advisory vote. The chairman of the General Meeting may decide at his discretion to admit other persons to the General Meeting.

##### 5.5.4.2 POWERS OF THE GENERAL MEETING

All powers that do not vest in the MB or the SB pursuant to applicable law, the Articles or otherwise, vest in the General Meeting. The main powers of the General Meeting include, subject in each case to the applicable provisions in the Articles:

- the appointment, suspension and dismissal of Managing Directors and Supervisory Directors;
- the approval of certain resolutions of the MB concerning a material change to the identity or the character of URW NV or its business;
- the reduction of URW NV's issued share capital through a decrease of the nominal value, or cancellation, of shares;
- the adoption of URW NV's statutory annual accounts;
- the appointment of the Dutch independent auditor to examine URW NV's statutory annual accounts;
- amendments to the Articles;
- approving a merger or demerger by URW NV, without prejudice to the authority of the MB to resolve on certain types of mergers and demergers if certain requirements are met; and
- the dissolution of URW NV.



In addition, the General Meeting has the right, and the MB and the SB must provide, any information reasonably requested by the General Meeting, unless this would be contrary to an overriding interest of URW NV.

### 5.5.4.3 SHAREHOLDER RIGHTS

Each share confers the right to cast one vote in the General Meeting. Pursuant to Dutch law, no votes may be cast at a General Meeting, inter alia, in respect of shares that are held by URW NV or a subsidiary of URW NV.

Resolutions of the General Meeting are passed by simple majority of the votes cast, except where Dutch law or the Articles provide for a larger majority. Resolutions of the General Meeting can only be adopted if at least 20% of URW NV's issued share capital is represented at the General Meeting, except where Dutch law provides for a higher quorum. A second meeting as referred to in section 2:120(3) DCC cannot be convened.

Shareholders, irrespective of whether or not they have voting rights, have meeting rights under Dutch law (including the right to attend and address the General Meeting, subject to the concept of a record date and the requirement to register for General Meetings as described in chapter 3.4.1).

Furthermore, each share carries an entitlement to dividends and other distributions as set forth in the Articles. Pursuant to the Articles, any such dividend or other distribution shall be payable on such date and, if it concerns a distribution in cash, such currency or currencies as determined by the MB with the approval of the SB. Any dividends that are paid to Shareholders through Euroclear France will be automatically credited to the relevant Shareholders' accounts without the need for such Shareholders to present documentation proving their ownership of the shares. Payment of dividends on the shares in registered form (not held through Euroclear France, but directly) will be made directly to the relevant Shareholder using the information contained in URW NV's Shareholders' register and records. At the proposal of the MB with the approval of the SB, the General Meeting may resolve that a distribution, instead of being made in cash, shall be made in the form of Shares or in the form of URW NV's assets.

### 5.5.4.4 CLASS MEETINGS

A Class Meeting shall be held whenever a resolution of that Class Meeting is required by Dutch law or under the Articles and otherwise whenever the MB, the SB or the Chairman so decides. With respect to Class A Meetings, the above descriptions in respect of convening of, drawing up of the agenda for, holding of and decision-making by the General Meeting apply equally.

## 5.5.5 REQUIREMENTS PERTAINING TO THE DISTRIBUTION OF PROFITS

### (ARTICLE 38 OF THE ARTICLES OF ASSOCIATION)

Pursuant to the Articles, the profits shown in URW NV's annual accounts in respect of a financial year shall be appropriated as follows, and in the following order of priority:

- the MB, with the approval of the SB, shall determine which part of the profits shall be added to URW NV's reserves, taking into account the fiscal rules and regulations applicable to URW NV from time to time; and
- the remaining profits shall be at the disposal of the General Meeting.

A distribution of profits shall be made by URW NV after the adoption of the annual accounts that show that such distribution is allowed.

The MB, with the approval of the SB, may resolve to make interim distributions, provided and to the extent that it appears from interim accounts to be prepared in accordance with section 2:105(4) DCC that URW NV's equity exceeds the amount of the paid up and called up part of its capital plus the reserves which must be maintained by law.

At the proposal of the MB, with the approval of the SB, the General Meeting is authorized to resolve to make a distribution from URW NV's reserves.

### 5.5.6 SHARES CARRYING LIMITED ECONOMIC ENTITLEMENT

### (ARTICLE 36 OF THE ARTICLES OF ASSOCIATION)

Under the Articles, distributions shall be made in proportion to the aggregate number of shares held. There are no shares which, pursuant to the Articles, carry a limited entitlement to the profits or reserves in URW NV.

### 5.5.7 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

At the proposal of the MB with the approval of the SB, the General Meeting may resolve to amend the Articles. A proposal to amend the Articles must be included in the agenda of the General Meeting. A copy of the proposal, containing the verbatim text of the proposed amendment, must be deposited with URW NV for the inspection (free of charge) by any shareholder from the date on which notice of the meeting is given until the end of the General Meeting. Furthermore, a copy of the proposal will be made available free of charge to shareholders and other Persons with Meeting Rights from the day it was deposited until the day of the meeting.

A resolution of the General Meeting to amend the Articles requires a majority of at least two-thirds (2/3rd) of the votes cast (subject to the 20% quorum requirement described in section 5.5.4.3). In addition, amendments to provisions in the Articles referencing the Stapled Share principle, require the prior approval of the class meeting formed by holders, and others with meeting rights with respect to, class B shares. A resolution to amend the Articles to effect the termination of such Stapled Share principle shall only become effective after the MB, with the approval of the SB, has confirmed that the General Meeting of shareholders of URW SE has passed a resolution to terminate such Stapled Share principle as included in the articles of association of URW SE.

## 5.6 BRANCHES

URW NV has no branch offices.

## **5.7 INVESTMENT BY THE COMPANY OUTSIDE THE GROUP**

The Company has not made any significant investment outside the Group during the financial year ending December 31, 2020.



## ADDITIONAL INFORMATION

## 6.1 STATEMENT OF THE PERSONS RESPONSIBLE FOR THE ANNUAL REPORT

In accordance with Article 5.25c(2)(c) of the Dutch financial markets supervision act (*Wet op het Financieel Toezicht*) and the Dutch Corporate Governance Code section 1.4.3 the members of the Management Board of URW NV confirm that to the best of their knowledge that:

- The 2020 financial statements included in this Annual report are prepared in accordance with IFRS as adopted for use in the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and its consolidated subsidiaries taken as a whole;
- The management report included in this Annual Report gives a fair view of the development and performance of the business, the results and of the financial situation of the Company and its consolidated subsidiaries taken as a whole and describes the main risks and uncertainties to which they are exposed;
- This report provides sufficient insight into any failings in the effectiveness of the risk management and control systems;
- The management and control systems provide reasonable assurance that the financial reporting does not contain material inaccuracies;
- Based on current state of affairs as at the date of this report, it is justified that the financial reporting is prepared on a going concern basis;
- This report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for a period of twelve months after the date of this report.

Schiphol, March 25, 2021

On behalf of the Management Board

Dominic Lowe  
President US

Gerard Sieben  
Chief Financial Officer

## 6.2 AUDITORS

The Statutory Auditor of the Company is:

Ernst & Young Accountants LLP (Netherlands)

Euclideslaan 1

3584 BL Utrecht, The Netherlands

Mr Wim Kerst

Commencement date of the first term: June 1, 2018.

Commencement date of the second term: June 11, 2020.

Commencement date of the third term: June 9, 2020.

## 6.3 INDEPENDENT APPRAISERS

URW NV's portfolio was valued by the below-mentioned independent appraisers.

Cushman & Wakefield

Tour Opus 12

77 esplanade du Général de Gaulle

92800 Puteaux

France

Cushman & Wakefield, Inc.

1290 Avenue of the Americas

New York, NY 10104

United States

Duff & Phelps, LLC

311 South Wacker Drive, Suite 4200

Chicago IL 60045

USA

## 6.4 DOCUMENTS AVAILABLE TO THE PUBLIC

This Annual Report may be obtained, free of charge, at URW NV at Schiphol Boulevard 315 Tower F, 1118 BJ Schiphol (Haarlemmermeer), The Netherlands, and, where appropriate, on the website of URW NV (<https://www.urw-nv.com/en/investors>).

## 6.5 GLOSSARY

**AREPS:** The Adjusted Recurring Earnings Per Share 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.

**Articles:** refer to the articles of association of URW NV.

**Average cost of debt:** recurring financial expenses (excluding the ones on financial leases and the ones related to partners' current accounts) + capitalized 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 rental spread:** for the US portfolio, the rental spread reflects the trailing 2-months average increase in total rents, including common area maintenance charges, for specialty stores (excluding lease extensions, deals with zero prior rent and deals for less than 12 months).

**Committed projects:** projects for which the Group owns the land or building rights and has obtained all necessary administrative authorisations and permits, approvals of joint venture partners (if applicable), approvals of the Group'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 the Group 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 joint venture partners (if applicable), and of the Group's internal governing bodies to start superstructure works.

**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.

**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.

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

**Like-for-like 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 Initial Yield (NIY):** annualized 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.

**Net Operating Income (NOI):** Net Operating Income before management fees, termination/settlement income and straight-line adjustments.

**Non-recurring activities:** include valuation movements, disposals, mark-to-market and termination costs of financial instruments, including bond tender premiums, impairment of goodwill or recognition of negative goodwill 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). As tenant turnover is not known for all tenants for The Netherlands, no reliable OCR can be calculated for this country.

**ORA (Obligations Remboursables en Actions):** bonds redeemable for Stapled Shares.

**ORNANE:** the net share settled bonds convertible into new and/or existing Stapled Shares.

**Reference index composition for long term incentive plan:** The TSR Reference Index includes companies with more than 50% of their activity focused in Retail or Office and operating in the same countries as the Group. The Reference Index is composed of 27 companies (10 Eurozone Retail, 3 France Offices, 4 UK Retail and 10 US Retail). Each sub-index is weighted to reflect the weight of each business line in the Group:

Sub-Index Eurozone Retail (63% weight) - Klépierre, Carmila, Deutsche EuroShop, Citycon, EuroCommercial Property, Mercialis, Wereldhave, Vastned Retail, Retail Estates, Lar España Real Estate;

Sub-Index France Offices (7% weight) - Covivio, Icade, Gecina;

Sub-Index UK Retail (8% weight) - British Land Co, Land Securities Group, Hammerson, NewRiver REIT;

Sub-Index US Retail (22% weight) - Simon Property Group, Macerich, Washington Prime Group, CBL & Associates prop., Pennsylvania Centres, Regency Centres, Federal Realty Investment, Kimco Realty, Brixmor Property Group, Weingarten Realty Invest.

During the time of this Remuneration Policy, changes to the peer group above can be made by the Supervisory Board if one of the peers ceases to exist (e.g. due to acquisition, delisting, merger, split, bankruptcy). In addition, up to six peers can be changed for reasons of loss of relevance to the Group's activities or geographical footprint. Any changes to the peer group would be disclosed in the next remuneration report.

**SBR:** Sales Based Rent

**Specialty tenant sales:** specialty sales <10k sq. ft. (ca. 929 sqm) on a trailing 12-month basis, excluding Tesla.

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

**Total tenant sales:** tenant sales excluding Tesla and department stores.

**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.

**Yield on cost:** URW NV share of the expected stabilised Net Rental Income divided by the URW NV 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.