UNIBAIL-RODAMCO-WESTFIELD

UNIBAIL-RODAMCO-WESTFIELD N.V.

HALF YEAR 2022 FINANCIAL REPORT

JUNE 30, 2022

CONTENTS HALF YEAR 2022 FINANCIAL REPORT

I. INTERIM MANAGEMENT BOARD REPORT

1. General information

Management of Unibail-Rodamco-Westfield N.V. ("URW NV" or "the Company") hereby presents its interim management board report and the condensed consolidated interim financial statements of URW NV for the period ending June 30, 2022.

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.

The Company and its subsidiaries (together referred to as 'the Group') main business objectives 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 Unibail-Rodamco-Westfield SE ("URW SE") and other affiliated bodies of the Company. Together with URW SE, the Group forms Unibail-Rodamco-Westfield ("URW Group").

Accounting principles

The Group's condensed consolidated interim financial statements for the six months period ended June 30, 2022, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 "Interim Financial Reporting" as adopted by the European Union.

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

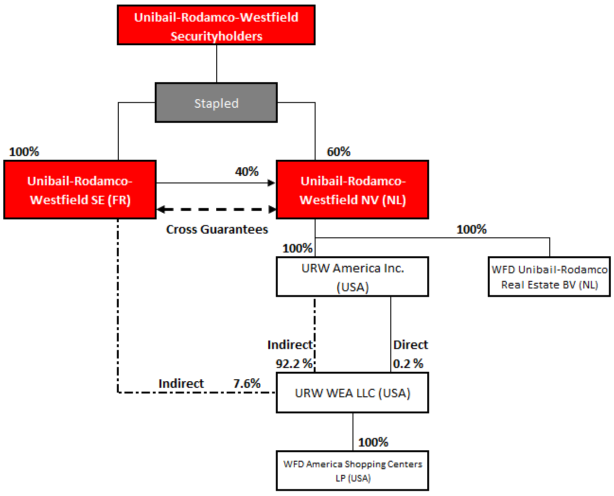
Rent relief signed or expected to be signed, granted without any counterpart from the tenants is considered as a reduction of the receivables and is charged to the income statement as a reduction of the GRI.

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by the managementin the current context, including higher inflation, higher interest rates, uncertain geopolitical environment, the aftermath ofthe COVID-19 pandemic and difficulties in assessing their impacts and future prospects. In this context, management has taken into account these uncertainties on the basis of reliable information available at the date of the preparation of the consolidated financial statements, particularly with regards to the fair value of investment properties and financial instruments, the estimation of the provision for doubtful debtors, as well as the testing of 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 condensed financial statements.

Scope of consolidation

The organisation chart as at June 30, 2022, is as follows:



The principal changes in the scope of consolidation since December 31, 2021, are:

- The disposal of the Promenade development parcel in March 2022.

Operational reporting

URW NV operates in two regions, the US and The Netherlands and in 2 segments, shopping centres and offices. Since activities in The Netherlands are minor compared to the US, they are reported under other region.

2. Post COVID – 19 recovery

This section provides a brief overview of post COVID-19 recovery and the remaining impact of the COVID-19 crisis on URW's operations in H1-2022. Over the period, the worldwide economic situation has evolved rapidly with the conflict in Ukraine. Credit markets have been impacted negatively by the end of Central Banks' support, the rates and volatility increase, as well as by fears of recession. Supply chain disruptions and labour shortages as a consequence of the crisis in Ukraine and the lockdowns in China have significantly impacted the availability and prices of construction materials and works. Additionally, inflation is likely to increase URW NV's operating costs and expenses as well as its financial expenses. In addition, Central Bank interventions to combat inflation could have more negative effects than expected, URW NV will closely monitor these effects. The effect on energy prices has less impact on URW NV's results, since it mainly operates in the US.

Overview of restrictions in H1-2022

The operations in URW NV shopping centres remained impacted by restrictions in the first few months of 2022. In Q1, the Omicron wave, with a record high number of COVID-19 cases, led to restrictions mainly in The Netherlands, including guidance to work from home, capacity restrictions, reduced opening hours for F&B and leisure, restrictions for non-vaccinated persons and mask mandates, holding back the recovery. In the US there were only mask mandates in certain States.

From May 2022 onwards, no restrictions are applicable in the countries in which URW NV operates.

Footfall[1] and tenant sales[2]

US footfall

In the US, footfall in H1-2022 reached 89% of 2019 levels and 91% excluding Westfield San Francisco Centre in which footfall remains affected by work from home policies, and security issues. During the first half, footfall continued to improve, from 86% in Q1-2022 to 92% in Q2-2022.

US tenant sales

In the US, tenant sales had already reached 2019 levels during the second half of 2021, and they continue to consistently outperform pre-COVID levels. In Q1-2022, sales reached 102% of 2019 levels, while in Q2 this improved to 110%.

Overall, H1-2022 sales came to 106% of 2019 levels, driven by the Flagships at 114%, partly offset by the Regionals and Central Business District ("CBD")[3] assets at 100% and 80%, respectively.

The strong recovery in the US continued to be broad-based with almost all categories performing above 2019 levels, in particular Luxury (175%), Home (138%), F&B (102%) and Fashion (100%) with an improvement in Q2 reaching respectively 182%, 142%, 106% and 104%. Entertainment remains the most affected at 77% but improved from 72% in Q1 to 80% in Q2.

Tenant sales summary

The table below summarises the US tenant sales growth during H1-2022:

Region	Tenant Sales Levels (%)			
	Q1-2022 vs. Q1-2019	Q2-2022 vs. Q2-2019	H1-2022 vs. H1-2019	H1-2022 vs. H1-2021
US	102%	110%	106%	121%

Rent relief and government support

Throughout the COVID-19 crisis, URW NV recognised the issues the Group's tenants faced due to administrative closures or trading restrictions and the need to provide relief, generally limited to the period of closure and based on the principle of a fair sharing of the burden. These negotiations were focused on providing a one-off rent relief, not on permanently changing lease terms or structures.

With all major restrictions being lifted, URW NV provided some COVID-19 rent relief in H1-2022 regarding 2022 for its shopping centre activity. The 2022 P&L remained impacted by the straightlining of rent relief granted in 2020 and 2021 with a counterparty. As at June 30, 2022, rent relief signed or expected to be signed regarding H1-2022 amounted to an estimated cash impact of €6.9 Mn (H1-2021: €13.2 Mn), €7.0 Mn (H1-2021: €4.8 Mn) of which has been charged to the income statement during this period. The difference will be straight-lined in future periods.

Rent collection and deferred rent

As at June 30, 2022, 94% of invoiced H1-2022 rents and service charges[4] in the US were collected.

Overall rent collection by quarter in H1-2022 is shown below[5]:

Region	Rent collection (%)		
	Q1-2022	Q2-2022	H1-2022
US	95%	94%	94%

[1] Only includes the 23 US centres for which at least one year of comparable data is available.
[2] Tenant sales for all US centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment (Westfield Valley Fair). Excludes Auto and Department Stores in US.
[3] Westfield World Trade Center and Westfield San Francisco Centre.
[4] MGR + CAM in the US.
[5] Based on cash collection as at July 21, 2022 and assets at 100%.

3. Business Review H1-2022 US

Leasing activity

In the period ended June 30, 2022, 380 leases were signed on standing assets, representing 1,434,254 sq. ft. and $70.9 Mn of MGR up compared to $65.3 Mn of MGR signed in H1-2021 on 548[6] leases, representing 1,908,237 sq. ft. illustrating the increase in total rents signed and average surfaces let. As market conditions improved, the number of long-term deals signed also increased from 154[7] to 179 year-on-year, representing 47% of the H1-2022 deals, compared to 28% in H1-2021 and 35% in FY-2021.

The overall uplift on relettings and renewals was -3.4% for the US Shopping Centres in total and +8.2% for Flagships[8] only. The Group continued to selectively sign short-term leases including a higher SBR component, to speed up negotiations, while focussing on long-term leases. Deals longer than 36 months have a MGR uplift of +23.1%, while for leases between 12 and 36 months, MGR uplifts were more affected at -22.2%. On an annualised basis, the SBR is expected to compensate part of the MGR reduction on the US leasing activity in H1-2022.

In total, the Shopping Centres SBR increased from $7.8 Mn in H1-2019 (2.4% of NRI) to $19.3 Mn in H1-2021 (6.7% of NRI) and $34.2 Mn in H1-2022 (10.7% of NRI). SBR related to renewals, relettings and full SBR deals signed in 2021 amounted to $10.1 Mn (at 100%). On an annualised basis, this SBR is expected to compensate the negative $26.1 Mn uplift of these 2021 deals.

The tenant mix continued to evolve with the introduction of new retailers and a number of important deals signed with DNVBs, including Warby Parker in Westfield Galleria at Roseville and Mejuri and Saatva in Westfield UTC.

Several trendy brands were signed in the Fashion sector, including a multi-site deal with Psycho Bunny for Westfield UTC, Westfield Old Orchard, Westfield Montgomery, Westfield Topanga and Westfield Galleria at Roseville, highlighting the Group's ability to continuously improve the offer.

The F&B offer has also been enriched by new concepts such as Marugame Udon in Westfield Valley Fair, Ramen Nagi in Westfield UTC and The Stand in Westfield Valencia Town Center.

Reflecting the strong growth in the Luxury sector, the Group also made a number of important signings in this space, including Breitling in Westfield Garden State Plaza, Celine in Westfield Valley Fair, Tag Heuer in Westfield Century City and Westfield Valley Fair. In Health & Beauty, another high growth category, URW signed Alo in Westfield Old Orchard and Westfield Valley Fair, Madison Reed in Westfield Garden State Plaza, Kindbody in Westfield Topanga and Beverly Hills Rejuvenation Center in Westfield Valencia Town Center.

In addition, a number of key stores were opened during the period, including Eataly at Westfield Valley Fair, American Girl at Westfield Century City, AMC at Westfield Montgomery, Westfield UTC and Westfield Topanga, 99 Ranch at Westfield Oakridge, Louis Vuitton at Westfield Topanga (reopening after renovation and extension) and Westfield UTC, Reformation at Westfield UTC, and Sweetgreen at Westfield World Trade Center.

Commercial Partnerships and Marketing

Commercial Partnerships revenue in H1-2022 amounted to $27.6 Mn, an increase of +$14.2 Mn (+106%) from H1-2021 and decrease of -$6.2 Mn (-18%) from H1-2019[9], mainly due to Westfield World Trade Center.

Commercial Partnerships continued to perform strongly, after activity resumed last year. In H1-2022, a number of product launches were organised by prime brands in the auto, fashion, and luxury sectors, including Van Cleef, Burberry and Vinfast.

Media advertising was especially strong, up +139% vs. H1-2021, with engagement of leading brands like Chanel, Dior, Cartier, Tiffany, Bvlgari and Mazda.

[6] Excluding 7 deals from 2021 foreclosures.
[7] Excluding 1 deal from 2021 foreclosures.
[8] Excluding CBD centres.
[9] 2019 is used as a comparison for a non-COVID-19 year

In addition, “The Drop at Westfield” was launched, a digital screen platform, designed for brands and retailers to amplify and extend their Web3 presence. The launch debuted on June 20, 2022, with a shoppable NFT Art Gallery at Westfield World Trade Center.

Net Rental Income and Vacancy

The total net change in NRI for URW NV amounted to +$31.5 Mn and breaks down as follows:
▪+$33.4 Mn related to shopping centres;
▪-$1.9 Mn related to offices and residential.

The like-for-like shopping centre NRI increased by +$35.2 Mn, i.e. +14.7%. The performance was mainly driven by lower doubtful debtors due to improved collection, uplifts on long-term deals, higher SBR, parking income and Commercial Partnerships, partly offset by negative MGR uplifts in particular on short-term deals.
It includes -$17.1Mn of straightlining of prior years’ COVID-19 rent relief with counterparties. Excluding this non-cash straightlining, the NRI growth would be +23.5% and +16.0% excluding all COVID-19 rent reliefs.

As at June 30, the EPRA vacancy was 10.4% ($131.9 Mn), down by -60 bps from December 31, 2021 after a +40 bps increase in March. The decrease in vacancy was driven by the proactive leasing approach of the Group. The vacancy decreased with -100 bps to 8.3% in the Flagships and increased with +120 bps to 11.9% in the Regionals, along with the vacancy of the CBD assets that went up with +230 bps to 22.1%.

Occupancy on a GLA[10] basis was 91.8% as at June 30, 2022.

The OCR on a rolling 12 months basis stood at 10.7% as at June 30, 2022, compared to 13.4% as at June 30, 2019, reflecting the strong sales performance, CAM cost savings and rental adjustments, compensated by higher SBR.

[10] GLA occupancy taking into account all areas, consistent with financial vacancy.

4. Financial Review H1-2022 Results

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

Consolidated Income Statement by segment (€Mn)			H1-2022			H1-2021			2021		
			Recurring activities	Non-recurring activities (1)	Result	Recurring activities	Non-recurring activities (1)	Result	Recurring activities	Non-recurring activities (1)	Result
SHOPPING CENTRES	UNITED STATES	Gross rental income	183.2	-	183.2	161.2	-	161.2	340.0	-	340.0
		Operating expenses and net service charges	(49.2)	-	(49.2)	(50.4)	-	(50.4)	(136.0)	-	(136.0)
		Net rental income	**134.0**	-	**134.0**	**110.8**	-	**110.8**	**204.0**	-	**204.0**
		Contribution of companies accounted for using the equity method	131.9	(208.4)	(76.5)	104.5	(217.2)	(112.7)	208.6	(599.0)	(390.3)
		Gains/losses on sales of properties	-	(2.0)	(2.0)	-	85.6	85.6	-	57.2	57.2
		Valuation movements on assets	-	(256.0)	(256.0)	-	(221.6)	(221.6)	-	(496.1)	(496.1)
		Result Shopping Centres United States	**265.9**	**(466.4)**	**(200.5)**	**215.3**	**(353.2)**	**(137.9)**	**412.6**	**(1,037.8)**	**(625.2)**
	OTHER COUNTRIES	Gross rental income	1.1	-	1.1	1.0	-	1.0	2.3	-	2.3
		Operating expenses and net service charges	(0.3)	-	(0.3)	(0.4)	-	(0.4)	(0.9)	-	(0.9)
		Net rental income	**0.8**	-	**0.8**	**0.6**	-	**0.6**	**1.4**	-	**1.4**
		Valuation movements on assets	-	(0.2)	(0.2)	-	(1.1)	(1.1)	-	(2.6)	(2.6)
		Result Shopping Centres The Other	**0.8**	**(0.2)**	**0.5**	**0.6**	**(1.1)**	**(0.5)**	**1.4**	**(2.6)**	**(1.2)**
		TOTAL RESULT SHOPPING CENTRES	**266.6**	**(466.6)**	**(200.0)**	**215.9**	**(354.3)**	**(138.4)**	**414.0**	**(1,040.3)**	**(626.3)**
OFFICES & OTHERS	UNITED STATES	Gross rental income	2.9	-	2.9	2.6	-	2.6	4.7	-	4.7
		Operating expenses and net service charges	(1.5)	-	(1.5)	(1.1)	-	(1.1)	(2.9)	-	(2.9)
		Net rental income	**1.4**	-	**1.4**	**1.5**	-	**1.5**	**1.8**	-	**1.8**
		Contribution of companies accounted for using the equity method	0.5	0.5	0.9	2.6	9.0	11.5	7.2	(8.2)	(1.0)
		Valuation movements on assets	-	1.1	1.1	-	(6.8)	(6.8)	-	(14.3)	(14.3)
		Result Offices	**1.9**	**1.6**	**3.4**	**4.1**	**2.1**	**6.2**	**9.0**	**(22.5)**	**(13.5)**
		TOTAL RESULT OFFICES & OTHERS	**1.9**	**1.6**	**3.4**	**4.1**	**2.1**	**6.2**	**9.0**	**(22.5)**	**(13.5)**
		Corporate expenses	(6.2)	-	(6.2)	(11.8)	-	(11.8)	(42.4)	-	(42.4)
		Acquisition and related costs	-	(2.4)	(2.4)	-	(0.7)	(0.7)	-	(1.4)	(1.4)
NET OPERATING RESULT			**262.3**	**(467.4)**	**(205.1)**	**208.2**	**(352.9)**	**(144.7)**	**380.6**	**(1,064.3)**	**(683.7)**
		Result from non-consolidated companies	-	-	-	-	-	-	(0.1)	-	(0.1)
		Financing result	(155.8)	387.3	231.5	(164.0)	38.5	(125.5)	(298.0)	11.4	(286.6)
RESULT BEFORE TAX			**106.5**	**(80.1)**	**26.4**	**44.2**	**(314.4)**	**(270.2)**	**82.5**	**(1,052.8)**	**(970.3)**
		Income tax expenses	0.2	12.7	12.9	(0.7)	56.3	55.6	(1.8)	76.0	74.2
NET RESULT FOR THE PERIOD			**106.7**	**(67.4)**	**39.3**	**43.5**	**(258.1)**	**(214.6)**	**80.7**	**(976.8)**	**(896.1)**
		External non-controlling interests	6.0	(10.3)	(4.3)	2.4	(7.6)	(5.2)	4.2	(21.5)	(17.3)
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES			**100.7**	**(57.1)**	**43.6**	**41.1**	**(250.5)**	**(209.4)**	**76.6**	**(955.3)**	**(878.7)**

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

Financial results

The Group reported negative net operating results of -€205.1 Mn (H1-2021: -€144.7 Mn) for the period ended June 30, 2022. The recurring net operating result increased to €262.3 Mn (H1-2021: €208.2 Mn) mainly due to the relaxations of COVID-19 measures for most of H1-2022 which resulted in less expected credit losses and higher net rental income, leading to in an increase of +€23.3 Mn in net rental income compared to H1-2021. The negative net operating result of the non-recurring activities for the period ending June 30, 2022, increased from -€352.9 Mn to -€467.4 Mn. The result was mainly affected by the negative valuations on investment properties as part of the non-recurring activities of -€255.2 Mn (H1-2021: -€229.5 Mn). Furthermore URW NV disposed of fully owned investment properties in 2021, which resulted in a decrease of €87.6 Mn in gains/losses on sale of properties compared to 2022.

The net result for the period ended June 30, 2022, is €39.3 Mn (H1-2021: -€214.6 Mn) of which €43.6 Mn (H1-2021: -€209.4 Mn) attributable to the shareholders of URW NV with a net result per share (owners of URW NV shares) for the period of €0.19 (H1-2021:-€0.90).

Non-recurring financing result increased by +€348.8 Mn to €387.3 Mn (H1-2021: €38.5 Mn). This increase is predominantly caused by the positive fair value adjustments of the interest rate derivatives due to a higher swap curve. The fair value movement of derivatives for the period ended June 30, 2022, is €321.9 Mn (H1-2021: €70.5 Mn). Non-recurring financing result is further affected by a positive fair value adjustment on preference shares of €67.5 Mn for the period ended June 30, 2022.

The recurring net result for the period increased with +€63.2 Mn from €43.5 Mn as at June 30, 2021, to €106.7 Mn for the period ended June 30, 2022. The increase in the net recurring result for the period ended June 30, 2022 can mainly be attributed to the increase in the net rental income of €23.3 Mn, an increase in contribution of companies accounted for using the equity method of €25.3 Mn due the sale of Promenade and a decrease in the recurring financing result of €8.2 Mn due to the amendments fee in H1-2021 of €10.8 Mn.

Preservation of strong 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. As at June 30, 2022, the URW Group had €12.0 Bn of cash on hand and undrawn credit lines.

5. Investments and divestment

Investments

In H1-2022, URW NV invested €55.4 Mn in capital expenditures in investment properties, compared to €63.5 Mn in H1-2021.

The total investments breakdown is as follows:

(€Mn)	H1-2022[(1)]	H1-2021[(1)]	FY-2021[(1)]
Shopping centres	53.0	62.0	146.9
Offices	2.4	1.5	3.3
Total capital expenditures	**55.4**	**63.5**	**150.3**

(1) *Including fully consolidated entities and companies accounted for using the equity method.*

Disposals

On March 15, 2022, URW announced the sale of the 34-acre site of the former Promenade Mall, located in the San Fernando Valley of Los Angeles, to a group of private investors for $150 Mn (at 100%, URW share 55%) reflecting a 60% premium to the latest appraisal.

As the entity holding the former Promenade mall is accounted for under the equity method, the URW's stake in the net disposal result of +€19.8 Mn is recorded within the share of the result of companies accounted for using the equity method.

6. Property portfolio

95% of the value of URW NV's portfolio was appraised by independent appraisers as at June 30, 2022.
Unless otherwise indicated, the data presented in the property portfolio are on a proportionate basis as at June 30, 2022, and comparisons are with values as at December 31, 2021.

US retail investment volumes saw a +73% year-on-year increase in May YTD, with total transactions reported by Real Capital Analytics of $31.7 Bn. For shopping centres, the increase in deal volume year on year was +140% at $21.4 Bn.

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.

The following table shows the breakdown for the US Shopping Centre portfolio which is significantly impacted by a positive currency impact of +€1,054 Mn:

Shopping Centre portfolio by category	June 30, 2022				Dec. 31, 2021			
	Valuation including transfer taxes	Valuation excluding estimated transfer taxes	Net Initial Yield(a)	Potential Yield(b)	Valuation including transfer taxes	Valuation excluding estimated transfer taxes	Net Initial Yield(a)	Potential Yield(b)
	€ Mn	**€ Mn**			**€ Mn**	**€ Mn**		
US Flagships (C)	10,557	10,458	3.8%	4.6%	10,054	9,953	3.7%	4.6%
US Regionals	1,651	1,648	6.8%	8.4%	1,620	1,618	6.7%	8.0%
US SC Total	**12,208**	**12,107**	**4.2%**	**5.1%**	**11,674**	**11,571**	**4.2%**	**5.1%**

Figures may not add up due to rounding.
(a) Annualised contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or not controlled by URW, the Westfield trademark are not included in the calculation of NIY.
(b) Annualised contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses + the ERV of vacant space, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or not controlled by URW and the Westfield trademark activities are not included in the calculation of Potential Yield.
(c) 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[11] 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 the non-public rent rolls of the Group's assets in their valuations, URW believes it is appropriate to classify its assets under Level 3. In addition, unobservable inputs, including appraisers' assumptions on growth rates and ECR, are used by appraisers to determine the fair value of URW's assets.

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

Shopping centres

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

Shopping Centres – June 30, 2022		Net Initial Yield	Rent in € per sqm (a)	Discount Rate (b)	Exit Capitalisation Rate (c)	CAGR of NRI (d)
US	Max	8.6%	1,632	9.8%	8.0%	8.3%
	Min	2.9%	340	6.0%	4.3%	0.2%
	Weighted average	4.2%	671	6.8%	5.0%	4.4%

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).

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

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

Shopping Centres – June 30, 2022		**Net Initial Yield**	**Rent in € per sqm (a)**	**Discount Rate (b)**	**Exit Capitalisation Rate (c)**	**CAGR of NRI (d)**
US Flagships	Max	7.4%	1,632	8.8%	7.0%	8.3%
	Min	2.9%	383	6.0%	4.3%	1.5%
	Weighted average	3.8%	775	6.5%	4.7%	4.7%
US Regionals	Max	8.6%	622	9.8%	8.0%	7.7%
	Min	4.8%	340	7.3%	5.8%	0.2%
	Weighted average	6.8%	411	8.7%	6.8%	2.8%

NIY, DR and ECR weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled by URW 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).

The Compound Annual Growth rate ("CAGR") of NRI in above table is based on 2021 NRI. Compared to 2020 and 2019, the CAGR of NRI are as follows:

Shopping Centres – June 30, 2022	**CAGR of NRI determined by the appraiser in the DCF**	**CAGR of NRI – Starting from Dec. 31, 2019**		
	Valuations as at June 30, 2022	**Valuations as at June 30, 2022**	**Valuations as at Dec. 31, 2021**	**Valuations as at Dec. 31, 2019(1)**
US Flagships	4.7%	2.3%	2.6%	4.2%
US Regionals	2.7%	0.5%	1.0%	3.6%

(1) Included December 31, 2019, for caparison to a non-COVID-19 year.

7. Dividends

Given the impact of the pandemic on the URW Group's 2021 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 year 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 2021, the Group has no obligation to pay a dividend in 2022 for the fiscal year 2021 under the FII regime and other REIT regimes it benefits from. It anticipates not to have such an obligation for fiscal years 2022 as well.

8. Business Model

URW NV owns a portfolio of prime commercial properties, located in some of the largest and most prosperous cities across the United States.

URW NV's operations are focused on Flagship destinations ("Flagships") in the wealthiest and most attractive catchment areas in the United States.

URW NV's strategy is to vertically integrate the entire chain of value creation in real estate. The combination of its four activities of redevelopment 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.

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

9. Corporate Social Responsibility

URW Group pursues its strong emphasis on its Better Places 2030 ESG strategy with tangible efforts and projects delivered around each of its three pillars:

1. **Better Spaces**:
   - In line with its commitments of Better Places 2030 on biodiversity and adaptation to climate change, URW Group launched the remaining biodiversity action plans needed to achieve its target, and kicked-off a climate risk study update and associated asset-based action plans.

2. **Better Communities:**
   - Since the beginning of the war in Ukraine, URW NV financed NGO's dedicated to the support of Ukrainian refugees on the ground.

3. **Better Together:**
   - In June, the Group launched its Community Days with all regions organising initiatives. Volunteering activities in 2022 focus on supporting the needs of local communities, and in particular refugees, as well as ecological actions;
   - Further embedding URW's Group Diversity & Inclusion commitment, through the Group "Be You at URW Conversation" webcast series focused on LGBTQIA2S+ inclusion, and International Women's Day in H1-2022, with sponsorship and involvement of the Group Executive Committee;

The URW Group's ambitious sustainability agenda and performance was broadly recognised by equity and debt investors as a value creation driver for its stakeholders. The URW Group also continued its active investor engagement and took part in two ESG conferences during the first half of the year. URW Group is included in the main ESG indices and the URW Group's sustainability achievements are reflected in the ratings and awards, including to date:

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

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

10. Risk & Uncertainties H2-2022

Operational risks are described under the COVID-19 and the impact on URW NV's business section in this interim management board report and for URW NV's financial risks reference is made to note 7 of the condensed consolidated interim financial statements.

11. Related Party Transactions

The related party transactions remains unchanged compared to December 31, 2021, and refer to transactions with companies accounted for using the equity method, loans from URW SE, redeemable preference shares in URW WEA LLC held by URW SE and derivatives contracts with URW SE.

All related party transactions are based on at arm's length prices. Further details on related party transactions can be found in note 5.3 to the condensed consolidated interim financial statements

12. Subsequent events

On August 25, 2022, URW NV announced it has completed the sale of Westfield Santa Anita in Arcadia, California, to an established real estate investor in Southern California.
The sale price of $537.5 Mn (at 100%, URW NV share 49%), funded by the investor through a combination of equity and new debt.

Approved by the Management Board

Schiphol, September 21, 2022

II. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT JUNE 30, 2022

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

On September 21, 2022, the Supervisory Board approved the condensed consolidated interim financial statements of Unibail-Rodamco-Westfield N.V. for the half-year ended June 30, 2022, and authorised the publication thereof.

The condensed consolidated interim financial statements are presented in millions of euros, rounded to the nearest hundred thousand and, as a result, slight differences between rounded figures may exist. These statements are reviewed, not audited, by the external auditor.

Condensed consolidated interim statement of comprehensive income

(€Mn)	Notes	H1-2022 Unaudited	H1-2021 Unaudited	2021 Audited
Gross rental income	3.1	187.2	164.8	346.9
Service charge income		*26.2*	*23.2*	*45.0*
Service charge expenses		*(31.2)*	*28.5*	*(55.5)*
Property operating expenses		*(46.1)*	*(46.7)*	*(129.3)*
Operating expenses and net service charges		(51.0)	(51.9)	(139.7)
Net rental income		**136.2**	**112.9**	**207.2**
Share of result of companies accounted for using the equity method	5.1	**(75.6)**	**(101.1)**	**(391.3)**
Corporate expenses		(3.7)	(9.6)	(36.1)
Depreciation of tangible assets	4.2	(2.5)	(2.2)	(6.3)
Administrative expenses		**(6.2)**	**(11.8)**	**(42.4)**
Acquisition and related costs		**(2.4)**	**(0.7)**	**(1.4)**
Result on disposal of investment properties and loss of control	1.2	**(2.0)**	**85.6**	**57.2**
Valuation gains on assets		36.2	12.4	25.6
Valuation losses on assets		(291.3)	(241.9)	(538.5)
Valuation movements on assets	4.4	**(255.1)**	**(229.5)**	**(512.9)**
Net operating result		**(205.1)**	**(144.7)**	**(683.7)**
Financial income		*29.3*	*22.6*	*47.2*
Financial expenses		*(185.1)*	*(186.6)*	*(345.2)*
Net financing costs	6.1.1	**(155.8)**	**(164.0)**	**(298.0)**
Fair value adjustments of derivatives, debt and currency effect	6.1.2	387.3	38.5	11.4
Result before tax		**26.4**	**(270.2)**	**(970.3)**
Income tax (expenses)	8.1	12.9	55.6	74.2
Net result for the period		**39.3**	**(214.6)**	**(896.1)**
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO:				
Owners of Unibail-Rodamco-Westfield N.V. shares		43.6	(209.4)	(878.8)
External non-controlling interests	14.4	(4.3)	(5.2)	(17.3)
NET RESULT FOR THE PERIOD		**39.3**	**(214.6)**	**(896.1)**

Average numbers of shares (undiluted)	13.1.2	231,965,297	231,743,132	231,793,341
Net result of the period (Owners of Unibail-Rodamco-Westfield N.V.)		43.6	(209.4)	(878.8)
Net result for the period per share (Owners of Unibail-Rodamco-Westfield N.V.) (€)		**0.19**	**(0.90)**	**(3.79)**

Average numbers of shares (diluted)	13.1.2	232,710,036	233,864,647	233,437,334
Net result of the period (Owners of Unibail-Rodamco-Westfield N.V.)		43.6	(209.4)	(878.8)
Diluted net result per share (Owners of Unibail-Rodamco-Westfield N.V.) (€) (1)		**0.19**	**(0.90)**	**(3.79)**

(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. For 2021 the EPS are antidilutive.

Net comprehensive income *(€Mn)*	**Notes**	**H1-2022 Unaudited**	**H1-2021 Unaudited**	**2021 Audited**
NET RESULT FOR THE PERIOD		**39.3**	**(214.6)**	**(896.1)**
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries(2)		167.4	83.8	183.3
Other comprehensive income that may be subsequently recycled to profit and loss		**167.4**	**83.8**	**183.3**
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income(2)		-	(0.4)	-
Other comprehensive income not subsequently recycled to profit and loss		**-**	**(0.4)**	**-**
OTHER COMPREHENSIVE INCOME		**167.4**	**83.4**	**183.3**
TOTAL COMPREHENSIVE INCOME		**206.7**	**(131.2)**	**(712.8)**
Total Comprehensive Income for the period attributable to:				
Owners of Unibail-Rodamco-Westfield N.V. shares		208.9	(127.3)	(698.1)
External non-controlling interests		(2.1)	(3.9)	(14.7)
TOTAL COMPREHENSIVE INCOME		**206.7**	**(131.2)**	**(712.8)**

(2) The amount is presented net of related tax effects

Condensed consolidated interim statement of financial position

(€Mn)	Notes	June 30, 2022 Unaudited	December 31, 2021 Audited
NON-CURRENT ASSETS		**11,102,3**	**10,818.0**
Investment properties	4.1	**5,330.4**	**5,049.3**
Investment properties at fair value		*5,309.6*	*5,029.1*
Investment properties at cost		*20.8*	*20.2*
Shares and investments in companies accounted for using the equity method	5.1	5,422.5	5,284.9
Tangible assets	4.2	22.6	26.4
Intangible assets	4.3	204.4	263.5
Financial assets	6.2.1	122.0	116.7
Deferred tax assets	8.2	0.4	0.4
Derivatives at fair value	6.4	-	76.8
CURRENT ASSETS		**388.2**	**207.8**
Properties or shares held for sale[1]	17	118.8	-
Inventories		27.3	20.2
Trade receivables from activity	6.2.1	98.0	88.3
Tax receivables		5.9	0.5
Other receivables		72.1	48.3
Cash and cash equivalents		66.1	50.5
TOTAL ASSETS		**11,490.5**	**11,025.8**
SHAREHOLDERS' EQUITY (OWNERS OF UNIBAIL-RODAMCO-WESTFIELD N.V. SHARES)		**801.9**	**593.2**
Share capital	13.1	116.0	115.9
Additional paid-in capital	13.2	2,243.3	2,243.3
Consolidated reserves		(3,121.5)	(2,242.6)
Foreign currency translation reserves		269.3	104.0
Consolidated result		43.6	(878.8)
Capital securities	13.4	1,251.3	1,251.4
Equity attributable to the owners of Unibail-Rodamco-Westfield N.V.		**801.9**	**593.2**
External non-controlling interests	**14.4**	**21.4**	**23.6**
TOTAL SHAREHOLDERS' EQUITY		**823.4**	**616.8**
NON-CURRENT LIABILITIES		**8,180.1**	**8,091.2**
Long-term commitment to non-controlling interests	6.3	465.1	491.4
Long-term bonds and borrowings	6.2.3	7,358.8	6,843.9
Long-term lease liabilities	6.2.3	52.8	50.4
Derivatives at fair value	6.4	46.4	445.5
Deferred tax liabilities	8.2	115.1	121.5
Non current provisions	9	34.8	31.4
Guarantee deposits		6.3	6.2
Amounts due on investments	11	6.6	6.3
Other non current liabilities		94.2	94.6
CURRENT LIABILITIES		**2,487.2**	**2,318.0**
Liabilities directly associated with properties or shares classified as held for sale	6.2.3	-	-
Current commitment to non-controlling interests	6.3	82.1	64.4
Amounts due to suppliers and other creditors		**116.4**	**126.1**
Amounts due to suppliers		*65.9*	*74.7*
Amounts due on investments	*11*	*42.1*	*43.4*
Sundry creditors		*8.4*	*8.0*
Other current liabilities	10	257.9	228.0
Current borrowings and amounts due to credit institutions	6.2.3	2,021.9	1,890.8
Current lease liabilities	6.2.3	7.4	6.7
Current provisions	9	1.5	2.0
TOTAL LIABILITIES AND EQUITY		**11,490.5**	**11,025.8**

(1) On August 25, 2022, URW NV announced it has completed the sale of Westfield Santa Anita, therefore URW NV's share of 49% in the assets was subsequestly classified as assets held for sale.

Condensed consolidated interim statement of cash flows

(€Mn)	Notes	H1-2022 Unaudited	H1-2021 Unaudited	2021 Audited
Operating activities				
Net result		**39.3**	**(214.6)**	**(896.1)**
Depreciation & provisions(1)		(8.3)	(13.2)	(12.5)
Changes in value of property assets	4.4	255.1	229.5	512.9
Changes in fair value of derivatives, debt and currency effect	6.1.2	(387.3)	(38.5)	(11.4)
Net capital gains/losses on sales of properties(2)		2.0	(85.6)	(57.2)
Share of the result of companies accounted for using the equity method		75.6	101.1	391.3
Net financing costs	6.1.1	155.8	164.0	298.0
Income tax expenses (income)	8.1	(12.9)	(55.6)	(74.2)
Dividend received from companies accounted for using the equity method or non consolidated		172.5	132.0	232.5
Income tax paid (received)		0.2	(0.7)	(2.2)
Change in working capital requirement		(17.8)	(9.4)	(4.0)
Total cash flow from operating activities		**274.2**	**209.0**	**377.2**
Investment activities				
Property activities		**(60.7)**	**(105.3)**	**(52.9)**
Acquisition of subsidiaries, net of cash acquired		-	4.6	4.6
Amounts paid for works and acquisition of property assets	4.5	(18.9)	(19.2)	(26.3)
Increase of property financing(3)		(41.7)	(82.1)	(123.8)
Disposal of shares		-	-	100.9
Disposal of investment properties and loss of control		(0.1)	(8.6)	(8.3)
Financial activities		-	**(0.3)**	**(0.3)**
Acquisition of financial assets		-	(0.4)	(0.5)
Repayment of financial assets		-	0.1	0.2
Total cash flow from investment activities		**(60.7)**	**(105.6)**	**(53.2)**
Financing activities				
New borrowings and financial liabilities	6.2.2/6.2.3	265.1	80.2	543.9
Repayment of borrowings and financial liabilities	6.2.2/6.2.3	(337.9)	(26.7)	(573.1)
Cash flows from derivatives		25.1	23.7	46.6
Interest paid		(156.9)	(189.2)	(358.0)
Total cash flow from financing activities		**(204.6)**	**(112.0)**	**(340.6)**
Change in cash and cash equivalents during the period		**8.9**	**(8.6)**	**(16.6)**
Net cash and cash equivalents at the beginning of the year		**50.5**	**63.0**	**63.0**
Effect of exchange rate fluctuations on cash held		**6.7**	**1.8**	**4.1**
Net Cash and cash equivalents at period-end		**66.1**	**56.2**	**50.5**

(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) Capital contributions from/to Joint Venters

Condensed consolidated interim statement of changes in equity

For the six months ended June 30, 2022

(€Mn)	Share capital	Additional paid-in capital	Consolida-ted reserves	Consolida-ted net result	Foreign currency translation reserve[(1)]	Capital securities	Equity attributable to the owners of URW NV shares	Non-controlling interests	Total Shareholders' equity
EQUITY AS AT DECEMBER 31, 2021	**115.9**	**2,243.3**	**(2,242.6)**	**(878.8)**	**104.0**	**1,251.4**	**593.2**	**23.6**	**616.8**
Net result for the period	-	-	-	43.6	-	-	**43.6**	(4.3)	**39.3**
Other comprehensive income	-	-	-	-	165.3	-	**165.3**	2.2	**167.4**
Net comprehensive income	**-**	**-**	**-**	**43.6**	**165.3**	**-**	**208.9**	**(2.1)**	**206.7**
Earnings appropriation	-	-	(878.8)	878.8	-	-	-	-	-
Increase in capital	0.1	-	-	-	-	-	**0.1**	-	**0.1**
Hybrid securities	-	-	(0.2)	-	-	-	**(0.2)**	-	**(0.2)**
Perpetual loan						(0.1)	**(0.1)**	-	**(0.1)**
EQUITY AS AT JUNE 30, 2022	**116.0**	**2,243.3**	**(3,121.5)**	**43.6**	**269.3**	**1,251.3**	**801.9**	**21.4**	**823.4**

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

For the six months ended June 30, 2021

(€Mn)	Share capital	Additional paid-in capital	Consolida-ted reserves	Consolida-ted net result	Foreign currency translation reserve[(1)]	Capital securities	Equity attributable to the owners of URW NV shares	Non-controlling interests	Total Shareholders' equity
EQUITY AS AT DECEMBER 31, 2020	**115.8**	**2,243.3**	**126.6**	**(2,369.1)**	**(76.6)**	**751.6**	**791.6**	**38.2**	**829.8**
Net result for the period	-	-	-	(209.4)	-	-	**(209.4)**	(5.2)	**(214.6)**
Other comprehensive income	-	-	-	-	82.1	-	**82.1**	1.3	**83.4**
Net comprehensive income	**-**	**-**	**-**	**(209.4)**	**82.1**	**-**	**(127.3)**	**(3.9)**	**(131.2)**
Earnings appropriation	-	-	(2,369.1)	2,369.1	-	-	-	-	-
-Increase in capital	0.1	-	-	-	-	-	**0.1**	-	-
Amendment related party liabilities[(2)]						499.8	**449.8**	-	**449.8**
EQUITY AS AT JUNE 30, 2021	**115.9**	**2,243.3**	**(2,242.5)**	**(209.4)**	**5.5**	**1,251.4**	**1,164.2**	**34.3**	**1,198.5**

(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 5.3.*

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT EVENTS OF THE FIRST HALF OF 2022

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

1.1. COVID-19 pandemic

Closing and reopening of the Group's shopping centres in H1-2022

The operations in URW NV shopping centres remained impacted by restrictions in the first few months of 2022. In Q1, the Omicron wave, with a record high number of COVID-19 cases, led to restrictions mainly in The Netherlands, including guidance to work from home, capacity restrictions, reduced opening hours for F&B and leisure, restrictions for non-vaccinated persons and mask mandates, holding back the recovery. In the US there were only mask mandates in certain States.

From May 2022 onwards, no restrictions are applicable anymore in any of the regions in which the Group operates.

Rent relief and government support

Throughout the COVID-19 crisis, URW recognised the issues the Group's tenants faced due to administrative closures or trading restrictions and the need to provide relief, generally limited to the period of closure and based on the principle of a fair sharing of the burden. These negotiations were focused on providing a one-off rent relief, not on permanently changing lease terms or structures.

With all major restrictions being lifted, URW provide some COVID-19 rent relief in H1-2022 regarding 2022 for its shopping centre activity. The 2022 P&L remained impacted by the straightlining of rent relief granted in 2020 and 2021 with a counterparty.

Accounting principles

The accounting principles used are the same as those applied for the preparation of the annual consolidated financial statements as at December 31, 2021.

As a reminder, 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 SBR), IFRS 16 applies. Under IFRS 16, the relief is treated as a lease incentive which is straight-lined over the expected term of the lease as a reduction of the Gross Rental Income ("GRI"). Rent 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 of past rent on balance sheet date are accounted for as a derecognition loss.

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.

The expected credit loss for doubtful debtors is recorded in the Net Rental Income as an "Operating expense" in the consolidated interim statement of comprehensive income.

As at June 30, 2022, rent relief signed or expected to be signed regarding H1-2022 amounted to an estimated cash impact of €6.9 Mn (H1-2021: €13.2 Mn), €7.0 Mn (H1-2021: €4.8 Mn) of which has been charged to the income statement during this period. The difference will be straight-lined in future periods.

The Group carried out a detailed review of all the tenants receivables as at June 30, 2022, and the provision for doubtful debtors was estimated according to IFRS 9 (see note 7.1.2. "Credit risk").

As at June 30, 2022, the provision for doubtful debtors amounted to €61.7 Mn compared to €75.5 Mn at the end of December 31, 2021. In H1-2022, the net expected credit loss for doubtful debtors amounted €8.7 Mn (2021: €40.0 Mn).

Expected credit losses

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and for financial guarantee contracts issued. Reference to note 7.1.2 “Credit Risk”.

Valuations of investment properties

For June 30, 2022, the valuation movement of the fully consolidated investment properties is -€173.9 Mn (H1-2021: -€183.1 Mn) and the valuation movement of the investment properties accounted for the equity method is -€230.0 Mn (H1-2021: -€205.4 Mn). The negative valuation movements resulted mainly from an increase of discount rates used by appraisers and from the estimated impacts on the future cash-flows due to COVID-19.

Impairment on intangible assets

The Group performed a full impairment test of intangible fixed assets as at June 30, 2022, based on assumptions described in note 4.3. The impairment of the trademark for Flagships in the US amounted to -€78.3 Mn.

Conflict in Ukraine

Over the period, the worldwide economic situation has evolved rapidly with the conflict in Ukraine. Credit markets have been impacted negatively by the end of Central Banks’ support, the rates and volatility increase, as well as by fears of recession. Supply chain disruptions and labour shortages as a consequence of the crisis in Ukraine and the lockdowns in China have significantly impacted the availability and prices of construction materials and works. Additionally, inflation is likely to increase URW NV’s operating costs and expenses as well as its financial expenses. In addition, Central Bank interventions to combat inflation could have more negative effects than expected, URW NV will closely monitor these effects. The effect on energy prices has less impact on URW NV’s results, since it mainly operates in the US.

1.2. Disposals and acquisitions in the first half year of 2022

Acquisitions

No acquisitions took place in the first half of 2022.

Sale of the site of the former Promenade Mall

On March 15, 2022, URW announced the sale of the 34-acre site of the former Promenade Mall, located in the San Fernando Valley of Los Angeles, to a group of private investors for $150 Mn (at 100%, URW share 55%) reflecting a 60% premium to the latest appraisal.

As the entity holding the former Promenade mall is accounted for under the equity method, the URW’s stake in the net disposal result of +€19.8 Mn is recorded within the share of the result of companies accounted for using the equity method.

NOTE 2. BASIS OF PREPARATION

2.1. Basis of accounting

The condensed consolidated interim financial statements for the six months ended June 30, 2022, have been prepared in accordance with IAS 34 “Interim Financial Reporting” as endorsed by the European Union. As these are condensed consolidated interim financial statements, they do not include all of the information required by the IFRS and must be read in relation with the Group’s annual consolidated financial statements for the year ended December 31, 2021.

The accounting principles applied for the preparation of these half-yearly consolidated interim financial statements are in accordance with the IFRS and interpretations as adopted by the European Union as at June 30, 2022.
These can be consulted on the website http://ec.europa.eu/finance/company-reporting/ifrs-financialstatements/index_en.htm.

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

2.2. IFRS basis adopted

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021, except for the application of the new mandatory standards and interpretations described below.

Standards, amendments and interpretations effective as of January 1, 2022

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and;
- Annual Improvements 2018-2020.

These standards, amendments and interpretations do not have a significant impact on the Group's accounts as at June 30, 2022.

Standards, amendments and interpretations not mandatorily applicable as of January 1, 2022

The following texts has been endorsed by the European Union as at June 30, 2022, but not applied in advance by the Group:

- IFRS 17 Insurance Contracts, including Amendments to IFRS 17;
- Amendments to:
    - IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies;
    - IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.

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

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date;
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information.

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

2.3. Significant accounting judgements, estimates and assumptions

Certain amounts recorded in the consolidated financial statements reflect judgements, estimates and assumptions made by management in the current context, including higher inflation, higher interest rates, uncertain geopolitical environment, the aftermath of the COVID-19 pandemic difficulties in assessing its impact and future prospects. When making an estimate or assumption, management also uses its judgement. In addition, when "the Group reviews those estimates based on regularly updated information", it uses its judgment. 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 interim consolidated financial statements, particularly with regards to the following:

VALUATION OF INVESTMENT PROPERTY

The property portfolio related to the Shopping Centres and Offices segments and intangible assets are valued by independent appraisers. Appraisers make their independent assessments of current and forward-looking cash-flow profiles and usually reflect risk either in the cash-flow forecasts (e.g. future rental levels, growth, investment requirements, void periods and incentives), in the applied required returns or discount rates or in the yield applied to capitalise the exit rent to determine an exit value. Reference to note 4.1 "Investment properties"

EXPECTED CREDIT LOSSES

In preparing the financial statements, estimates are made in assessing expected credit losses in rent receivable and financial guarantee contracts. URW NV asses the likelihood of recovery of rent receivables for possible provisions on the basis of an estimated default rate based on a forward-looking approach. Reference to 7.1.2 Credit risk.

ASSETS HELD FOR SALE

An asset is classified as held for sale if the sale if the asset is highly probable and actions required to complete the sale indicate that it is unlikely that the plan will be significantly changed or withdrawn.

TAXATION

Management judgement is required to determine the amount of deferred taxes. For unused tax losses, only a limited deferred tax asset is recognised, due to the level of uncertainty of taxable profit available against which those losses can be utilised. With respect to the deferred tax liability, a tax percentage has been used that is justified by the various (indirect) stakeholders at the level of URW NV.

EQUITY VS LIABILITY INSTRUMENTS

In preparing the financial statements of URW NV, management judgements are exercised in considering if a loan is classified as a liability instrument or an equity instrument. While applying judgements, the terms set out in the contract are considered in accordance with IAS 32; based on the criterias and terms of the contract it will be decided to disclose a loan as an equity instrument or a liability instrument.

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.

Other significant judgements and estimates are set out in the notes to the consolidated financial statements as at December 31, 2021: for determining if an acquisition is an asset acquisition or business combination reference to note 4.1.3 "Business combinations" also reference to 2.1.2 and 2.2.2 were this judgement were particularly made, for the financial assets in note 8.3.1, for intangible assets in respectively in note 6.3, for the 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.

NOTE 3. NET RECURRING RESULT AND SEGMENT REPORTING

3.1. Consolidated interim statement of comprehensive income by segment

Consolidated Income Statement by segment (€Mn)			H1-2022			H1-2021			2021		
			Recurring activities	Non-recurring activities (1)	Result	Recurring activities	Non-recurring activities (1)	Result	Recurring activities	Non-recurring activities (1)	Result
SHOPPING CENTRES	UNITED STATES	Gross rental income	183.2	-	183.2	161.2	-	161.2	340.0	-	340.0
		Operating expenses and net service charges	(49.2)	-	(49.2)	(50.4)	-	(50.4)	(136.0)	-	(136.0)
		Net rental income	**134.0**	**-**	**134.0**	**110.8**	**-**	**110.8**	**204.0**	**-**	**204.0**
		Contribution of companies accounted for using the equity method	131.9	(208.4)	(76.5)	104.5	(217.2)	(112.7)	208.6	(599.0)	(390.3)
		Gains/losses on sales of properties	-	(2.0)	(2.0)	-	85.6	85.6	-	57.2	57.2
		Valuation movements on assets	-	(256.0)	(256.0)	-	(221.6)	(221.6)	-	(496.1)	(496.1)
		Result Shopping Centres United States	**265.9**	**(466.4)**	**(200.5)**	**215.3**	**(353.2)**	**(137.9)**	**412.6**	**(1,037.8)**	**(625.2)**
	OTHER COUNTRIES	Gross rental income	1.1	-	1.1	1.0	-	1.0	2.3	-	2.3
		Operating expenses and net service charges	(0.3)	-	(0.3)	(0.4)	-	(0.4)	(0.9)	-	(0.9)
		Net rental income	**0.8**	**-**	**0.8**	**0.6**	**-**	**0.6**	**1.4**	**-**	**1.4**
		Valuation movements on assets	-	(0.2)	(0.2)	-	(1.1)	(1.1)	-	(2.6)	(2.6)
		Result Shopping Centres The Other	**0.8**	**(0.2)**	**0.5**	**0.6**	**(1.1)**	**(0.5)**	**1.4**	**(2.6)**	**(1.2)**
		TOTAL RESULT SHOPPING CENTRES	**266.6**	**(466.6)**	**(200.0)**	**215.9**	**(354.3)**	**(138.4)**	**414.0**	**(1,040.3)**	**(626.3)**
OFFICES & OTHERS	UNITED STATES	Gross rental income	2.9	-	2.9	2.6	-	2.6	4.7	-	4.7
		Operating expenses and net service charges	(1.5)	-	(1.5)	(1.1)	-	(1.1)	(2.9)	-	(2.9)
		Net rental income	**1.4**	**-**	**1.4**	**1.5**	**-**	**1.5**	**1.8**	**-**	**1.8**
		Contribution of companies accounted for using the equity method	0.5	0.5	0.9	2.6	9.0	11.5	7.2	(8.2)	(1.0)
		Valuation movements on assets	-	1.1	1.1	-	(6.8)	(6.8)	-	(14.3)	(14.3)
		Result Offices	**1.9**	**1.6**	**3.4**	**4.1**	**2.1**	**6.2**	**9.0**	**(22.5)**	**(13.5)**
		TOTAL RESULT OFFICES & OTHERS	**1.9**	**1.6**	**3.4**	**4.1**	**2.1**	**6.2**	**9.0**	**(22.5)**	**(13.5)**
		Corporate expenses	(6.2)	-	(6.2)	(11.8)	-	(11.8)	(42.4)	-	(42.4)
		Acquisition and related costs	-	(2.4)	(2.4)	-	(0.7)	(0.7)	-	(1.4)	(1.4)
NET OPERATING RESULT			**262.3**	**(467.4)**	**(205.1)**	**208.2**	**(352.9)**	**(144.7)**	**380.6**	**(1,064.3)**	**(683.7)**
		Result from non-consolidated companies	-	-	-	-	-	-	(0.1)	-	(0.1)
		Financing result	(155.8)	387.3	231.5	(164.0)	38.5	(125.5)	(298.0)	11.4	(286.6)
RESULT BEFORE TAX			**106.5**	**(80.1)**	**26.4**	**44.2**	**(314.4)**	**(270.2)**	**82.5**	**(1,052.8)**	**(970.3)**
		Income tax expenses	0.2	12.7	12.9	(0.7)	56.3	55.6	(1.8)	76.0	74.2
NET RESULT FOR THE PERIOD			**106.7**	**(67.4)**	**39.3**	**43.5**	**(258.1)**	**(214.6)**	**80.7**	**(976.8)**	**(896.1)**
		External non-controlling interests	6.0	(10.3)	(4.3)	2.4	(7.6)	(5.2)	4.2	(21.5)	(17.3)
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES			**100.7**	**(57.1)**	**43.6**	**41.1**	**(250.5)**	**(209.4)**	**76.6**	**(955.3)**	**(878.7)**

(1) Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, amortization of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.

This segmentation is also applied in note 4.1.1 investment properties at fair value.

NOTE 4. INVESTMENT PROPERTIES, TANGIBLE AND INTANGIBLE ASSETS

4.1. Investment properties

4.1.1. Investment properties at fair value: IFRS basis

(€Mn)	June 30, 2022	December 31, 2021
Shopping Centres	**5,253.0**	**4,978.6**
United States	5,226.5	4,951.9
- Flagships centres	4,810.8	4,573.1
- Regionals centres	415.7	378.8
The Netherlands	26.5	26.7
Offices	**56.6**	**50.4**
United States	56.6	50.4
Total	**5,309.6**	**5,029.1**

(€Mn)	Shopping Centres	Offices	Properties held for sale	**Total investment properties**
December 31, 2021	**4,978.6**	**50.4**	**-**	**5,029.1**
Capitalised expenses	10.3	0.5	-	**10.8**
Valuation movements	(175.0)	1.1	-	**(173.9)**
Currency translation[(1)]	439.1	4.6	-	**443.7**
June 30, 2022	**5,253.0**	**56.6**	**-**	**5,309.6**

(1) *There was a significant increase in the exchange rate compared to December 31, 2021, this resulted in the increase in the total investment properties value as per June 30, 2022.*

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 as per IFRS 13. In addition, unobservable inputs, including appraisers' assumption on growth rates and exit yields, are used by appraisers to determine the fair values of the Group's assets.

As at June 30, 2022, 95% 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 Kroll and in The Netherlands by Jones Lang LaSalle.

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 – June 30, 2022		Net initial yield	Rent in € per sqm[(1)]	Discount Rate[(2)]	Exit yield[(3)]	CAGR of NRI[(4)]
US	Max	8.6%	1,632	9.8%	8.0%	8.3%
	Min	2.9%	340	6.0%	4.3%	0.2%
	Weighted average	4.2%	671	6.8%	5.0%	4.4%

Shopping Centres – December 31, 2021		Net initial yield	Rent in € per sqm(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
US	Max	8.1%	1,736	9.5%	8.0%	13.1%
	Min	3.1%	288	5.8%	4.3%	1.8%
	Weighted average	4.2%	617	6.7%	5.0%	6.4%

Net Initial Yield, Discount Rate and Exit Capitalization Rate weighted by Gross Market Value. 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.
(a) Average annual rent (Minimum Guaranteed Rent + Sales Based Rent) per asset per sqm.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) Compounded Annual Growth Rate of Net Rental Income determined by the appraiser (between 6 and 10 years depending on duration of DCF model used).

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

Shopping Centres – June 30, 2022		Net initial yield	Rent in € per sqm(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
US Flagships	Max	7.4%	1,632	8.8%	7.0%	8.3%
	Min	2.9%	383	6.0%	4.3%	1.5%
	Weighted average	3.8%	775	6.5%	4.7%	4.7%
US Regionals	Max	8.6%	622	9.8%	8.0%	7.7%
	Min	4.8%	340	7.3%	5.8%	0.2%
	Weighted average	6.8%	411	8.7%	6.8%	2.8%

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)

Shopping Centres – December 31, 2021		Net initial yield	Rent in € per sqm(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
US Flagships	Max	6.2%	1,736	8.0%	6.5%	13.1%
	Min	3.1%	315	5.8%	4.3%	2.3%
	Weighted average	3.7%	732	6.3%	4.7%	6.8%
US Regionals	Max	8.1%	636	9.5%	8.0%	10.3%
	Min	5.0%	288	7.0%	5.8%	1.8%
	Weighted average	6.7%	389	8.6%	6.7%	4.8%

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)

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 June 30, 2022 (December 31, 2021: 4.2%).

A change of +25 basis points in Net Initial Yield, the main output of the appraisal models, would result in a downward adjustment of -€657 Mn (or -5.6%) (December 31, 2021: -€629 Mn (or -5.7%)) of the Shopping Centre portfolio value (excluding assets under development and the trademark).

A change of +25 bps in discount rate would have a negative impact of -€239 Mn (or -2.0%) (December 31, 2021: -€221 Mn (or -2.0%)) 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 -€162 Mn or -1.4% (December 31, 2021: -€152 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 -€322 Mn or -2.7% (December 31, 2021: -€448 Mn (or -4.3%)) on the Shopping Centre portfolio value (excluding assets under development and the trademark).

4.1.2. Investment properties at cost: IFRS basis

(€Mn)	Gross value	Impairment	**Total investment properties at cost**
December 31, 2021	**20.2**	**-**	**20.2**
Acquisitions	-	-	-
Capitalised expenses	2.9	-	2.9
Disposals	(1.0)	-	(1.0)
Write off	(3.0)	-	(3.0)
Currency translation	1.8	-	1.8
June 30, 2022	**20.8**	**-**	**20.8**

4.2. Tangible assets

(€Mn)	Furniture and equipment	Right of use	**Total tangible assets**
Cost			
December 31, 2021	**59.1**	**32.6**	**91.6**
Reclassifications and other movements	(3.4)	-	**(3.4)**
Currency translation	5.2	2.9	**8.1**
June 30, 2022	**61.0**	**35.5**	**96.4**
Accumulated depreciation			
December 31, 2021	**(54.9)**	**(10.5)**	**(65.4)**
Depreciation	(0.7)	(1.8)	(2.5)
Currency translation	(5.0)	(1.0)	(6.0)
June 30, 2022	**(60.6)**	**(13.3)**	**(73.9)**
Net book value			
June 30, 2022	**0.4**	**22.2**	**22.6**

4.3. Intangible assets

(€Mn)	Software	Trademark	Total intangible assets
Cost			
December 31, 2021	**97.0**	**317.4**	**414.4**
Relassification	3.4	-	**3.4**
Currency translation	8.9	28.7	**37.6**
June 30, 2022	**109.3**	**346.1**	**455.4**
Accumulated amortisation and impairment			
December 31, 2021	**(96.6)**	**(54.4)**	**(151.0)**
Amortisation	(3.8)	-	(3.8)
Impairment	-	(78.3)	(78.3)
Currency translation	(8.9)	(9.0)	(17.9)
June 30, 2022	**(109.3)**	**(141.7)**	**(251.1)**
Net book value			
June 30, 2022	**0.0**	**204.4**	**204.4**

(1) *The amortisation of software is recorded under the corporate expenses in the consolidated interim statement of comprehensive income.*
(2) *The impairment of €78.3 Mn is recorded under valuation losses on assets in the consolidated interim statement of comprehensive income.*

Intangible assets as at June 30, 2022, relates primarily to the trademark acquired as at June 7, 2018, the impairment test of the trademark performed was based on an independent external appraisal and an impairment of -€78.3 Mn was recognised as at June 30, 2022.

URW NV used the cash-generating unit's value-in-use to determine the recoverable amount of €204.4 Mn.

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 impairment is mainly caused by a increase of the incremental growth rate expected on the US assets estimated by the external appraisers to 1.7% (December 31, 2021: 1.5%) and an increase in the discount rate to 9% (December 31, 2021: 8.3%). A valuation at 1.8% of the incremental growth rate would have given a €15.8 Mn higher recoverable amount for the trademark.

The main assumptions used to test the Trademark for impairment are the discount rate which is 9% (December 31, 2021: 8.3%) and long term growth rate which is 1.7% (December 31, 2021: 2.3%) based on US parameters.

A change of +25 basis points on the discount rate of the trademark as determined at June 30, 2022, would lead to an additional impairment of -€15.1 Mn on the intangible assets.

A change of -10 basis points in the incremental growth rate of the trademark as determined at June 30, 2022 would lead to additional impairment of -€15.6 Mn on the intangible assets.

4.4. Valuation movements on assets

(€Mn)	H1-2022	H1-2021	2021
Investment properties at fair value	(173.9)	(183.1)	(479.0)
Investment properties at cost	(3.0)	1.2	1.2
Impairment of intangible assets	(78.3)	(47.6)	(48.4)
Revaluation of the investments previously held	-	-	13.2
Total	**(255.1)**	**(229.5)**	**(512.9)**

4.5. Amounts paid for works and acquisition of property assets (Consolidated interim statement of cash flows)

In the first half of 2022, amounts paid for works and acquisition of property assets amount to €18.9 Mn (H1-2021: €19.2 Mn). They comprise acquisitions, transaction capitalised costs, works and capitalised expenses and are adjusted for the changes on amounts due on investments of the period.

NOTE 5. SHARES AND INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

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

The Group has jointly controlled entities and associates in the United States. These shares and investments are accounted for using the equity method. The details of the Group's aggregated share of equity accounted entities' assets and liabilities are set out below:

(€Mn)	June 30, 2022	December 31, 2021
Investment properties	6,407.8	6,358.6
Other non-current assets	24.6	62.8
Current assets	439.9	395.0
Total assets	**6,872.3**	**6,816.4**
External borrowings	1,069.0	1,159.8
Other non-current liabilities	18.8	17.9
Current liabilities	362.0	353.7
Total liabilities	**1,449.8**	**1,531.5**
Net assets	**5,422.5**	**5,284.9**

(€Mn)	H1-2022	H1-2021
Net rental income	157.5	129.2
Change in fair value of investment properties	(230.0)	(205.4)
Net result	(75.6)	(101.1)

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 14. Profits can be distributed without significant restrictions other than regular consent of joint venture partners.

5.2. Equity accounted entities' economic interest

Set out below are the joint venture partners and associates of the Group as at June 30, 2022. All joint venture partners 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, 2021, due to the sale of Promenade, refere to 1.2.

Name of investments [(1)]	Type of equity	Economic Interest June 30, 2022	Economic Interest December 31, 2021
Annapolis[(2)]	Partnership units	55.0%	55.0%
Connecticut House[(2)]	Partnership units	52.6%	52.6%
Culver City[(2)]	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[(2)]	Partnership units	55.0%	55.0%
Oakridge[(2)]	Partnership units	55.0%	55.0%
Owensmouth[(2)]	Partnership units	55.0%	55.0%
Plaza Bonita[(2)]	Partnership units	55.0%	55.0%
Promenade[(3)]	Partnership units	-	55.0%
San Francisco Emporium	Partnership units	50.0%	50.0%
Santa Anita	Partnership units	49.3%	49.3%
Southcenter[(2)]	Partnership units	55.0%	55.0%
Topanga[(2)]	Partnership units	55.0%	55.0%
UTC	Partnership units	50.0%	50.0%
Valencia Town Center	Partnership units	50.0%	50.0%
Valley Fair	Partnership units	50.0%	50.0%
Wheaton[(2)]	Partnership units	52.6%	52.6%
UTC/VF Services	Membership units	50.0%	50.0%
West Valley[(2)]	Partnership units	55.0%	55.0%
Emporium Offices	Partnership units	50.0%	50.0%
Wheaton North Office[(2)]	Partnership units	52.6%	52.6%
Wheaton South Office[(2)]	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%

(1) *All equity accounted property partnerships operate solely as retail property investors in the United States.*
(2) *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.

(3) *Promenade was sold in March 2022, refer to 1.2*

5.3. Transactions with related-parties

The consolidated interim financial statements include all companies in the Group's scope of consolidation (see note 15 "List of consolidated companies"). The Group's joint ventures are listed in note 5.2.

Together with Unibail-Rodamco-Westfield SE ("URW SE") and its subsidiaries, 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 from URW SE and redeemable preference shares/units held by URW SE.

Transactions with companies accounted for using the equity method

(€Mn)	June 30, 2022	December 31, 2021
Current account in debit/(credit)[(1)]	(20.7)	(8.7) [(2)]

(1) Current account in debit with related parties represent short terms receivables, working capital and amounts due from joint ventures and associates. For ECL reference to 7.1.2
(2) The December 31, 2021, figures have been restated to correctly reflect the balances due to joint ventures and associates, the fully consolidated entities balances were incorrectly disclosed previously.

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 6.2.3.

Loans to URW NV

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 June 30, 2022 (December 31, 2021: €35.8 Mn). The fixed interest rate is 1.44% and the maturity date is May 31, 2023.

During the period, URW NV has an interest bearing loan from URW SE. The principal amount of the loan is €776.9 Mn (December 31, 2021: €776.9 Mn) as at June 30, 2022. 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.

During the period, URW NV has an EUR and USD current account facility with URW SE for €185.0 Mn and $100.0 Mn respectively. As at June 30, 2022, the drawn down amount is €175.1 Mn and $79.8 Mn (€76.8 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.

During the period, URW NV has interest rate swaps and caps contracts with URW SE. The interest rate swaps contracts maturity date are in 2028 and 2048. The non-current derivative assets and non-current derivatives liabilities related to the swaps and caps are €0.0 Mn (December 31, 2021: €76.8 Mn) and €46.4 Mn (December 31, 2021: €445.5 Mn) respectively as at June 30, 2022. Reference is made to note 7.4.

Loans to URW America Inc.

During the period, URW America Inc. has an USD interest bearing loan from URW SE. The balance of the loan as at June 30, 2022, is $52.4 Mn (€50.4 Mn) (December 31, 2021: €46.2 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 an USD interest bearing loan from URW SE. The balance of the loan as at June 30, 2022, is $1,202.9 Mn (€1,158.1 Mn) (December 31, 2021: €1,062.1 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 an USD interest bearing loan from URW SE. The balance of the loan as at June 30, 2022, is $776.3 Mn (€ 747.4 Mn) (December 31, 2021: €685.4 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 an USD interest bearing loan from URW SE. The balance of the loan as at June 30, 2022, is $1,550.0 Mn (€1,492.2 Mn) (December 31, 2021: €1210.0 Mn). The interest rate is LIBOR +1.225% margin and is reset quarterly. The maturity date of the loan is December 15, 2022.

During the period, WALP has an USD interest bearing loan from URW SE. The balance of the loan as at June 30, 2022, is $475.0 Mn (€457.3 Mn) (December 31, 2021: €419.4 Mn). The interest rate is LIBOR +0.775% margin. The maturity date of the loan is June 27, 2023.

During the period, WALP has an USD interest bearing loan from URW SE. The balance of the loan as at June 30, 2022 is $300 Mn (€288.8 Mn) (December 31, 2021: €264.9 Mn). The interest rate is LIBOR +1.3% margin and is reset quarterly. The maturity date of the loan is September 4, 2025.

Loans classified as equity instruments to URW NV

During the period, URW NV has an interest bearing loan with URW SE of €750 Mn as at June 30, 2022 (€750 Mn as at December 31, 2021) which is classified as an compound financial instrument. URW NV shall only be due interest in respect of a financial year, if it has made sufficient profit and/or its shareholders have decided that they shall pay a dividend with respect of the financial year. The maturity is 99 years from December 29, 2021, and default opportunities are limited.

During the period, URW NV has an interest bearing loan with URW SE of €500 Mn as at June 30, 2022 (€500 Mn as at December 31, 2021) which is classified as an compound financial instrument. URW NV shall only be due interest in respect of a financial year, if it has made sufficient profit and/or its shareholders have decided that they shall pay a dividend with respect of the financial year. The maturity is 99 years from June 30, 2021, and default opportunities are limited.

Redeemable preference shares held by URW SE

URW SE holds redeemable preference shares in WHL USA Acquisitions, Inc. with a stated redemption value of €425.1 Mn (December 31, 2021: €389.9 Mn) which are presented under the consolidated interim 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 distribution 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.

NOTE 6. FINANCING AND FINANCIAL INSTRUMENTS

6.1. Financing result

6.1.1. Net financing costs

(€Mn)	H1-2022	H1-2021	FY-2021
Other financial interest	3.3[1]	2.9[1]	6.8[1]
Amount due from derivatives	25.8	19.7	40.4
Subtotal financial income	**29.0**	**22.6**	**47.2**
Interest on bonds and EMTNs	(71.0)	(70.7)	(139.6)
Interest and expenses on borrowings	(53.4)	(47.5)	(91.0)
Interest expense on lease liabilities	(1.6)	(1.6)	(3.1)
Interest on preference shares	(17.0)	(18.6)	(28.0)[2]
Other financial interest	(4.1)	(16.2)[3]	(17.4)[3]
Amount due on derivatives	(38.0)	(32.0)	(66.1)
Financial expenses before capitalisation of financial expenses	**(185.1)**	**(186.6)**	**(345.2)**
Capitalised financial expenses	0.2	-	-
Subtotal net financial expenses	**(184.9)**	**(186.6)**	**(345.2)**
Total net financial costs	**(155.8)**	**(164.0)**	**(298.0)**

(1) *The other financial interest is calculated using the effective interest method.*

(2) *The interest on preference share includes a reversal of distribution accrual of €9.3 Mn for a fully consolidated entity.*

(3) *The other financial interest expense includes the amendment fee of €10.8 Mn of the remaining amortised upfront fee of €1.6 Mn cost of €500 Mn loan conversion in H1-2021.*

Cash flow from derivatives and interest paid 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.

6.1.2. Fair value adjustment of derivatives, debts and currency effect

(€Mn)	H1-2022	H1-2021	2021
Amortisation of debt	(4.6)	(2.2)	(8.0)
Currency result	(4.7)	0.1	(1.7)
Fair value of derivatives	321.9	70.5	39.7
Fair value of preference shares	67.5	(1.7)	18.6[1]
Financial cost on early redemption	-	-	(7.0)
ECL on financial guarantee contracts	16.0	(27.1)	(23.3)[2]
Fair value of preferred interest	(8.8)	(1.0)	(7.0)
Total financial result	**387.3**	**38.5**	**11.4**

(1)*The fair value of preference shares included a reversal of distribution accrual of €12.0 Mn for a fully consolidated entity.*

(2)*The amount represents financial guarantee of €11.3 Mn for Westfield Trumbull and €12.0 Mn for Louise Joliet.*

6.2. Financial assets and liabilities

6.2.1. Financial assets

(€Mn)	June 30, 2022	December 31, 2021
Financial assets at fair value through profit and loss	**115.6**	**191.3**
Preferred interest Starwood and Rouse	115.6	114.5
Derivatives at fair value(1)	-	76.8
Financial assets at amortised cost	**234.1**	**185.0**
Other financial assets	6.5	2.2
Trade receivables from activity	98.0	88.3
Other receivables(1)	63.5	44.0
Cash and cash equivalents(1)	66.1	50.5
Financial assets	**349.6**	**376.3**
Total current	**227.6**	**182.8**
Total non-current	**122.0**	**193.5**

(1) The figures as at December 31, 2021 were restated to include all financial assets. Refer to note 7.2.

6.2.2. Main financing transactions in the first half year of 2022

Bond market

There were no new issued bonds and notes in the first half year of 2022.

Transaction with URW SE

For the period ended June 30, 2022, URW NV borrowed €263.9 Mn from URW SE and made repayments of €82.6 Mn to URW SE, these transactions are also considered as main financing transactions.

6.2.3. Financial debt breakdown and outstanding duration to maturity

Outstanding duration to maturity (€Mn)	Current	Non-current		Total	Total
	Less than 1 year	1 year to 5 years	More than 5 years	June 30, 2022	December 31, 2021
Bonds and notes	**19.8**	**1,683.6**	**2,170.2**	**3,873.6**	**3,545.4**
Principal debt (1)	-	1,684.8	2,166.2	3,851.0	3,531.7
Accrued interest	39.6	-	-	39.6	36.3
Issuance costs	(18.3)	-	-	(18.3)	(22.6)
Amortisation of debt	(1.5)	(1.2)	4.0	1.3	-
Bank borrowings	**(2.8)**	**256.1**	**-**	**253.2**	**478.7**
Principal debt(1)	-	263.1	-	263.1	484.1
Accrued interest	2.0	-	-	2.0	2.3
Borrowings issue fees	(3.8)	-	-	(3.8)	-
Amortisation of debt	(0.9)	(7.1)	-	(8.0)	(7.7)
Other financial liabilities	**2,004.9**	**2,471.3**	**777.6**	**5,253.8**	**4,710.6**
Borrowing with URW SE(2)	1,985.4	2,471.3	777.6	5,234.3	4,704.9
Accrued interests on borrowings with URW SE(2)	21.0	-	-	21.0	7.7
Charges and premiums on issues of borrowings with URW SE(2)	(1.4)	-	-	(1.4)	(1.9)
Lease liabilities	**7.4**	**29.7**	**23.1**	**60.2**	**57.1**
Total financial debt	**2,029.2**	**4,440.7**	**2,970.9**	**9,440.8**	**8,791.8**

(1) *These notes 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 5.3.*

There are no material changes in financing activities compared to December 31, 2021.

The amortisation of debt of bonds and notes refers to the fair value of the WEA debt at acquisition date, June 7, 2018.

An amount of €263.1 Mn of bank borrowings is secured. Secured liabilities are borrowings secured by mortgages over properties. These properties are as follows: Westfield San Francisco Centre and Westfield Trumbull. 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.

The H1-2022 variation of financial debt by flows breaks down as follows:

		Cash flows(1)			Non-cash flows				
	December 31, 2021	Increase(2)	Decrease	**Variation of accrued interests(3)**	Variation of scope	Currency translation	Fair value impact	Others	**June 30, 2022**
Bonds and EMTNs	**3,545.4**	-	-	-	-	321.0	1.2	6.0	**3,873.6**
Bank borrowings	**478.7**	-	(251.6)	(0.9)	-	30.1	0.4	(3.6)	**253.2**
Other financial liabilities	**4,710.7**	263.9	(82.6)	14.7	-	346.8	-	0.5	**5,253.8**
Leases liability	**57.1**	-	(2.0)	-	-	5.1	-	-	**60.2**
Total	**8,791.9**	**263.9**	**(336.2)**	**13.8**	**-**	**703.0**	**1.6**	**2.9**	**9,440.8**

(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.*

6.2.4 Characteristics of bonds and notes

There were no new issued bonds and notes in the first half year of 2022.

6.2.5. Covenants

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

The US credit facility and 144A and Regulation S bonds in the US contain financial covenants based on URW Group's financial statements. As at June 30, 2022, the URW Group's ratios show ample headroom vis-à-vis the following covenants:

	US Credit facility covenants level	**Rule 144A and Reg S bonds covenants level**
Loan to Value[12]	**< 65%**	**< 65%**
ICR	**> 1.5x**	**> 1.5x**
FFO/NFD[13]	**na.**	**na.**
Secured debt ratio[14]	**< 50%**	**< 45%**
Unencumbered leverage ratio[15]	**> 1.5x**	**> 1.25x**

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

[12] Ratio calculated based on European bank debt covenant.
[13] Funds From Operations: on an annualised basis, the recurring EBITDA minus (i) recurring net financial expenses and (ii) tax on recurring operating result.
[14] Secured debt/Total assets.
[15] Unencumbered assets/unsecured debt.

6.2.6. Net financial debt

Net financial debt is determined as below:

Net financial debt

(€Mn)	June 30, 2022	December 31, 2021
Amounts accounted for in B/S		
Long-term bonds and borrowings	7,358.8	6,843.9
Current borrowings and amounts due to credit institutions	2,021.8	1,890.9
Total financial liabilities	**9,380.6**	**8,734.7**
Adjustments		
Amortisation of debt	6.7	7.7
Accrued interest / issuance fees	(38.9)	(21.7)
Total financial liabilities (nominal value)	**9.348.4**	**8,720.7**
Cash & cash equivalents	(66.1)	(50.5)
Net financial debt	**9,282.3**	**8,670.1**

Net cash at period-end

(€Mn)	June 30, 2022	December 31, 2021
Cash	66.1	50.5
Total Asset	**66.1**	**50.5**
Net cash at period-end	**66.1**	**50.5**

6.3. Commitment to non-controlling interests

(€Mn)	December 31, 2021	Addition	Decrease	Fair value movements in P&L	Currency translation	June 30, 2022
Financial liabilities at amortised cost	**453.4**	**18.0**	-	-	**35.2**	**506.6**
Commitment to non-controlling interests held by URW SE	453.4	18.0	-	-	35.2	506.6
Financial liabilities at fair value	**102.5**	**-**	-	**(67.5)**	**5.7**	**40.7**
Commitment to non-controlling interests	35.8	-	-	(9.5)	2.7	29.0
Other commitment to non-controlling interests(1)	66.7	-	-	(58.1)	3.0	11.6
Total commitment to non-controlling interests	**555.8**	**18.0**	-	**(67.5)**	**41.0**	**547.2**
Total non-current	**491.4**	**-**	-	**(67.5)**	**41.2**	**465.1**
Total current	**64.4**	**18.0**	-	-	**(0.2)**	**82.1**

(1) The movement is due to the fair valuation movement on Forest City

URW SE holds redeemable preference shares/units in WHL USA Acquisitions, Inc. for an amount of €425.1 Mn. The holders have 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 remaining amount is the interest accrued.

Commitment to non-controlling interests for the amount of €40.7 Mn relates to external parties and are measured at fair value level 3.

6.4. Derivatives

(€Mn)	December 31, 2021	Amounts recognised in the Statement of Comprehensive Income: Fair value adjustments of derivatives	Amounts recognised in the Statement of Comprehensive Income: Other comprehensive income	Reallocation	June 30, 2022
<u>**Assets**</u>					
Derivatives at fair value Non-Current	**76.8**	**(93.1)**	**0.4**	**15.9**	**-**
- *Fair value*	*76.8*	*(93.1)*	*0.4*	*15.9*	*-*
<u>**Liabilities**</u>					
Derivatives at fair value Non-Current	**(445.5)**	**415.0**	**-**	**(15.9)**	**(46.4)**
- *Fair value*	(445.5)	*415.0*	-	*(15.9)*	*(46.4)*
Net	**(368.7)**	**321.9**	**0.4**	**-**	**(46.4)**

NOTE 7. 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.

7.1.1.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 the Group and its counterparties. The related amounts of derivative instruments, including accrued interest would be €0 Mn (December 31, 2021: €76.8 Mn) for assets and €46.4 Mn (December 31, 2021: €445.5 Mn) for liabilities as at June 30, 2022.

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.

The Group has activities and investments in the 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 June 30, 2022 (€ Mn)

Currency	**Assets**	**Liabilities**	**Net Exposure**	**Hedging instruments**	**Exposure net of hedges**
USD	11,397	(9,477)	1,922	-	**1,922**
Total	**11,397**	**(9,477)**	**1,922**	**-**	**1,922**

Measure of the exposure to other risks as at December 31, 2021 (€ Mn)

Currency	**Assets**	**Liabilities**	**Net Exposure**	**Hedging instruments**	**Exposure net of hedges**
USD	10,789	(8,841)	1,949	-	**1,949**
Total	**10,789**	**(8,841)**	**1,949**	**-**	**1,949**

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)	June 30, 2022 Recurring result Gain/(Loss)	June 30, 2022 Equity Gain/(Loss)	December 31, 2021 Recurring result Gain/(Loss)	December 31, 2021 Equity Gain/(Loss)
Impact of an increase of +10% in the EUR/USD exchange	(11.1)	(174.7)	(9.0)	(177.1)

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.

The Group interest rate swaps and caps do not meet the accounting requirements to qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement.

Interest benchmark reform one of the reforms mandated by the Financial Stability Board following the financial crisis was to push for benchmark Inter Bank Offered Rates (IBORs), such as LIBOR and EONIA, to be replaced by new benchmark rates, known as alternative Risk Free Rates (RFRs). Although new originations of floating rate borrowings in the US use the risk-free SOFR rate as a benchmark, USD LIBOR is still published and utilized for existing agreements through June 30, 2023. The USD $3,200.0 Mn (€3,080.8 Mn) credit facility continues to allow for borrowings in USD LIBOR, and since it has zero LIBOR based funding currently outstanding and matures at the end of June 2023, it was not been amended to replace USD LIBOR with USD SOFR.

As at June 30, 2022, IFRS net financial debt stood at €9,282.3 Mn (December 31, 2021: €8,670.1 Mn).

The outstanding debt was hedged at 63% as at June 30, 2022 (December 31, 2021: 65%), through both:

- Debt kept at a fixed rate;
- Hedging in place as part of the Group's macro hedging policy.

Based on the estimated average debt position of URW NV in 2022, if interest rates (Euribor, Libor) were to rise by an average of +50 bps during H2-2022, the estimated negative impact on financial expenses would be -€7.6 Mn decreasing the recurring net result in 2022.

In total, a +100 bps increase in interest rates during H2-2022 would have a net negative impact on financial expenses of -€15.2 Mn.

A -50 bps drop in interest rates would have a positive impact on the financial expenses of +€7.6 Mn increasing the recurring net result in 2022.

7.1.2. 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.

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.

The table below includes the gross carrying amounts of financial assets subject to credit risk and the maximum exposure to credit risk of financial guarantee contracts.

	June 30, 2022		December 31, 2021	
(€Mn)	**12 month ECL**	**Lifetime ECL**	**12 month ECL**	**Lifetime ECL**
Trade receivable from activity	-	98.0	-	163.9
Other receivables	72.1	-	48.3	-
Cash and cash equivalents	66.1	-	50.5	-
Financial guarantee contracts	538.8	297.0[(2)]	417.2	309.3[(1)]
Gross amount at period end	**677.0**	**395.0**	**516.0**	**473.2**

(1) The amount of €309.3 Mn comprises of €141.7 Mn in stage 3 and €167.6 Mn in stage 2.
(2) The amount of €297.0 Mn comprises of €154,5 Mn in stage 3 and €142,5 Mn in stage 2.

For trade receivables the Group applies the simplified model in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. For other financial assets subject to credit risk and financial guarantee contracts the group applies the general model in calculating ECLs, therefore calculating ECLs over 12 months unless there is a significant increase in credit risk (in which case the lifetime ECL is calculated).

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 at June 30, 2022:

- 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 H1-2022 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.

The table below explains the movements in the loss allowance for trade receivables from activity during the period:

(€Mn)	**June 30, 2022**	**December 31, 2021**
TRADE RECEIVABLE		
Opening loss allowance at beginning of period	75.5	73.7
Addition in loan loss allowance recognised in profit or loss during the year	19.4	58.1
Receivables written off during the year as uncollectible	(30.0)	(44.2)
Unused amount reversed	(10.7)	(18.0)
Changes due to FX differences	7.5	6.0
Closing loss allowance at close of period[(1)]	**61.7**	**75.5**

(1) The gross carrying amount of the trade receivables from activity and the related allowance are presented on a net basis in the balance sheet.

Trade receivables are partially written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

URW NV's provision policy for the general model:

- No material expected credit losses are recognized in relation to Other receivables, Receivables from joint ventures and associates, and cash and cash equivalents, nor in relation to financial guarantee contracts for which there is no significant increase in credit risk.
- The expected credit loss for the financial guarantee contract for which there is a significant increase in credit risk, is based on the difference between the guaranteed amount and the Group's estimate of disposal proceeds for the related investment property in the event of foreclosure.

The table below explains the movements in the loss allowance for financial guarantee contract from activity during the period:

(€Mn)	**June 30, 2022**	**December 31, 2021**
FINANCIAL GUARANTEE CONTRACTS		
Opening loss allowance at beginning of period	111.2	92.1
Additions recognized in profit or loss during the period(1)	5.0	71.2
Used	-	(9.2) (2)
Provision released during the period	(13.0)(4)	(51.1) (3)
Changes due to FX differences	9.6	8.2
Closing loss allowance at end of period(5)	**113.0**	**111.2**

(1) An amount of €5.0 Mn is included under fair value adjustments of derivatives, debts and currency effects (December 31, 2021: -€23.3Mn). An amount of €0.0 Mn is included in the valuation movements on assets (December 31, 2021: -€47.9Mn).
(2) Represent the amount used by Westfield Sarasota.
(3) This amount is included under the Result on disposal of investment properties and loss of control.
(4) This amount is included under fair value adjustments of derivatives, debts and currency.
(5) Part of the amount is included under the other liabilities and a part is included under the borrowings

7.1.3. 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 pandemic, 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 cashflow. 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 6.2.3.

For the half-year ended June 30, 2022, the Company had a net current asset deficit of €2,217.8 Mn (December 31, 2021: €2,110.2 Mn) mainly due to current borrowings and amounts due to credit institutions of €2,021.9 Mn (December 31, 2021: €1,890.8 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 interim financial statements on a going concern basis.

7.2. Fair value of financial instruments per category

FAAC: Financial Asset at Amortised Cost
FAFVOCI: Financial Asset at Fair Value through Other Comprehensive Income
FAFVPL: Financial Asset at Fair Value through Profit or Loss
FLAC: Financial Liabilities measured at Amortised Cost
FLFVPL: Financial Liabilities at Fair Value through Profit or Loss

June 30, 2022 (€Mn)	Categories in accordance with IFRS 9	Carrying Amount June 30, 2022	Amounts recognised in statement of financial position according to IFRS 9			Fair value
			Amortised Cost	Fair value recognised in OCI	Fair value recognised in profit or loss	
Assets						
Financial assets	FAAC/ FAFVTPL	122.1	6.5	-	115.6	122.1
Trade receivables from activity	FAAC	98.0	98.0	-	-	98.0
Other receivables [(1)]	FAAC	63.5	63.5	-	-	63.5
Cash and cash equivalents	FAAC	66.1	66.1	-	-	66.1
		349.7	**234.1**	**-**	**115.6**	**349.7**
Liabilities						
Commitment to non-controlling interests	FLFVPL/ FLAC	547.2	506.8	-	40.4	530.3
Financial debts	FLAC	9,440.8	9,440.8	-	-	8,987.4
Derivatives at fair value	FLFVPL	46.4		-	46.4	46.4
Non-current amounts due on investments	FLAC	6.6	6.6	-	-	6.6
Other non-current liabilities[(2)]	FLAC	32.2	32.2	-	-	32.2
Amounts due to suppliers and other current debt [(3)]	FLAC	150.3	150.3	-	-	150.3
		10,223.5	**10,136.7**	**-**	**86.8**	**9,753.2**

December 31, 2021 (€Mn)	Categories in accordance with IFRS 9	Carrying Amount December 31, 2021	Amounts recognised in statement of financial position according to IFRS 9			Fair value
			Amortised Cost	Fair value recognised in OCI	Fair value recognised in profit or loss	
Assets						
Financial assets	FAAC/ FAFVTPL	116.7	2.2	-	114.5	116.7
Derivatives at fair value	FAFVTPL	76.8	-	-	76.8	76.8
Trade receivables from activity	FAAC	88.3	88.3	-	-	88.3
Other receivables [(1)]	FAAC	44.0	44.0	-	-	44.0
Cash and cash equivalents	FAAC	50.5	50.5	-	-	50.5
		376.3	**185.0**	**-**	**191.3**	**376.3**
Liabilities						
Commitment to non-controlling interests	FLFVPL/ FLAC	555.8	453.6	-	102.2	615.5
Financial debts	FLAC	8,791.8	8,791.8	-	-	8,806.9
Derivatives at fair value	FLFVPL	445.5	-	-	445.5	445.5
Non-current amounts due on investments	FLAC	6.3	6.3	-	-	6.3
Other non-current liabilities[(2)]	FLAC	32.6	32.6	-	-	32.6
Amounts due to suppliers and other current debt [(3)]	FLAC	156.8	156.8	-	-	156.8
		9,988.8	**9,441.1**	**-**	**547.7**	**10,063.6**

(1) *Excluding prepaid expenses, service charges due and tax receivables.*
(2) *Expected credit loss provisions for financial guarantees are excluded.*
(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 maturity. 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 fair value of the non-current amounts due on investments and other non-current liabilities approximates the carrying value.

The fair value of financial assets is determined based on relevant market yields to underlying expected future cash flows. A main assumption applied is the market yield of 6.0% (2021: 6.0%) applied for discounting expected future cash flows. A change of 50 basis points to this market yield would not result in a significant change in the fair value.

The fair value of the Company's financial debt is determined using a discounted cash flow (DCF) method. Under the DCF method, fair value is estimated using assumptions regarding projections of cash flows and appropriate market-derived interest rate to discount future cash flows at the end of the reporting rate (categorized within level 2 of the fair value hierarchy).

The fair value of commitments to non-controlling interest is determined by applying relevant earnings yield to the underlying net income of the relevant securities (categorized within level 2 of the fair value hierarchy).

The commitment to non-controlling interests as at June 30, 2022, relate to the preference shares in USA Acquisitions Inc. which is valued at amortised cost. The fair value of these preference shares is €489.9 Mn.

7.3. 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 June 30, 2022			
(€Mn)	Total	Level 1	Level 2	Level 3
Assets				
Fair value through profit or loss				
Financial assets	115.6	-	-	115.6
Total	115.6	-	-	115.6
Liabilities				
Fair value through profit or loss				
Commitment to non-controlling interests	40.4			40.4
Derivatives	46.4	-	46.4	-
Total	86.8	-	46.4	40.4

(€Mn)	Fair value measurement as at December 31, 2021 Total	Level 1	Level 2	Level 3
Assets				
Fair value through profit or loss				
Derivatives	76.8	-	76.8	-
Financial assets	114.5	-	-	114.5
Total	**191.3**	**-**	**76.8**	**114.5**
Liabilities				
Fair value through profit or loss				
Commitment to non-controlling interests	102.2	-	-	102.2
Derivatives	445.5	-	445.5	-
Total	**547.7**	**-**	**445.5**	**102.2**

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 June 30, 2022, 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 level 3 financial assets and liabilities

(€Mn)	Financial assets	Commitment to non-controlling interest
December 31, 2021	**114.6**	**102.2**
Fair value movements in P&L	-	(67.5)
Currency translation	1.0	5.7
June 30, 2022	**115.6**	**40.4**

The fair value of the commitment to non-controlling interest fair value level 3 has generally been determined through i) a market approach using quoted market prices of similar companies and adjusted by a relevant earnings multiple or ii) an adjusted net asset approach deriving the fair value of the equity instrument by reference to the gross market value of the asset less the fair value of debt. As at June 30, 2022, an increment of 1% to the respective quoted market price or the gross market value of the asset would result in an increase in fair value or additional loss by €836 Mn. Similarly, a decrement of 1% would result in a decrease in fair value or additional gain by €828 Mn.

NOTE 8. TAXES

8.1. Income tax expenses

URW NV calculates the period income tax expense by using estimates per country.

(€Mn)	H1-2022	H1-2021	2021
Recurring current and deferred tax on:			
- Other recurring results	0.2	(0.7)	(1.8)
Total recurring tax	**0.2**	**(0.7)**	**(1.8)**
Non-recurring current and deferred tax on:			
- Change in fair value of investment properties and impairment of intangible assets	16.6	33.6	55.0
- Other non-recurring results	(3.9)	22.7	21.0
Total non-recurring tax	**12.7**	**56.3**	**76.0**
Total tax income/(expense)	**12.9**	**55.6**	**74.2**

As a result of a change in the percentage to be used further to the shareholders' base of the Group, as well as a change in the fair value of the investment properties, the total tax income was positively impacted by €16.6 Mn, included in the line item "change in fair value of investment properties and impairment of intangible assets", as part of the income tax expenses of €12.9 Mn. Also refer to note 8.2.

(€Mn)	H1-2022	H1-2021	2021
Current tax	(3.6)	22.0	18.8
Deferred tax	16.5	33.6	55.8
Total tax	**12.9**	**55.6**	**74.2**

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.

8.2. Deferred taxes

(€Mn)	December 31, 2021	Variation	Currency translation	June 30, 2022
Deferred tax on investment properties	(53.2)	(3.8)	(5.0)	(62.0)
Deferred tax on intangible assets	(68.3)	20.4	(5.1)	(53.1)
Total deferred tax liabilities	**(121.5)**	**16.5**	**(10.1)**	**(115.1)**
Other deferred tax assets	0.4	-	-	0.4
Total deferred tax assets	**0.4**	**-**	**-**	**0.4**

The change in deferred tax liabilities is mainly caused by a change in the valuation of the investment properties and intangible assets, in combination with a change of the percentage to be used as a result of the shareholders' base of the Group.

NOTE 9. PROVISIONS

The determination of the amount of provisions for liabilities and charges requires the use of estimates and assumptions made by the Management as well as its judgment, on the basis of the information available or situations prevalent at the date of preparation of the accounts, information and situation which may vary from the subsequent actual events.

H1-2022

(€Mn)	December 31, 2021	Allocations	Reversals used	Reversals not used	Currency translation	June 30, 2022
Current provisions	**2.0**	-	(0.7)	-	0.2	**1.5**
Non-current provisions	**31.4**	0.6	-	-	2.8	**34.8**
Total	**33.4**	**0.6**	**(0.7)**	**-**	**3.0**	**36.3**

As at June 30, 2022, the non-current provisions amounted €34.8 Mn (December 31, 2021: €31.4 Mn) and mainly relate to an estimate for potential payments due to third parties in case of future sale of investment properties.

NOTE 10. OTHER CURRENT LIABILITIES

(€Mn)	June 30, 2022	December 31, 2021
Tax and social liabilities(1)	192.2	174.7
Other liabilities	65.7	53.3
Total other current liabilities	**257.9**	**228.0**

(1) *Within the tax and social liabilities, an amount of €164.5 Mn (December 31, 2021: €141.2 Mn) relates to the current tax liability.*

NOTE 11. AMOUNTS DUE ON INVESTMENTS

As at June 30, 2022, the non-current amounts due on investments are €6.6 Mn (December 31, 2021: €6.3 Mn) and the current amounts due on investments are €42.1 Mn (December 31, 2021: €43.4 Mn). The current amounts due on investments relates to payables on projects of Westfield San Francisco Centre €0.1 Mn (December 31, 2021: €0.9 Mn), Westfield World Trade Centre €20.5 Mn (December 31, 2021: €19.3 Mn), Westfield Galleria at Roseville €5.7 Mn (December 31, 2021 €5.1 Mn), Westfield Old Orchard €5.25 Mn (December 31, 2021 €4.4 Mn) and Westfield Century City €7.4 Mn (December 31, 2021 €6.0 Mn). Remaining amounts relate to several projects.

NOTE 12. EMPLOYEE BENEFITS

12.1. Share-based payments and share option plan

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 instalments, as from the 3rd anniversary of the date of their allocation.

The stock-options are subject to:

- Two external market performance condition for up to 45% of the shares granted:
    - The first condition, based on a relative criteria, for up to 35% of the options granted: the TSR of the URW's share must be higher than that of the Reference Index over a period of three years, from March 8, 2022, to March 8, 2025. The reference prices used in the measurement of the TSR correspond to the

average of the closing prices of the last 90 days preceding the start and end dates of the measurement period;

    - The second condition, based on an absolute criteria, for up to 10% of the options granted: the TSR of URW's share must be higher than 20% over a period of three years, from March 8, 2022, to March 8, 2025. The reference prices used in the measurement of the TSR correspond to the average of the closing prices of the last 90 days preceding the start and end dates of the measurement period.

- Two non-market performance conditions for up to 55% of the shares granted: the 3-year compounded Adjusted Recurring Earnings Per Share (AREPS) compared to forecasts communicated to the market for 35% of the shares granted and criteria based on Corporate Social Responsibility and Diversity & Inclusion ("CSR/D&I") Indicators for 20% of shares granted.

The Stock Options allocated in May 2022 were valued using a Monte Carlo model:

- at €1.35 for those with TSR subject to the relative criteria share in €;
- at €1.26 for those with TSR subject to the absolute criteria share in €;
- and at €1.51 for those subject to non-market conditions (i.e. AREPS and CSR/D&I).

This valuation is based on an initial exercise price of €66.68, the share price at the date of allocation of €52.68, a vesting period of three years, an estimated duration of 3.7 years, a market volatility of 23.99%, a dividend assumption for 2023 to 2026, a risk-free interest rate of -0.20% and a volatility of the reference composite index of 14.61% with a correlation reference composite index/URW of 75.23%.

174,063 (H1-2021: 187,583) SO have been allocated to employees of URW NV and its affiliates in March 2022. The expense recorded in the consolidated interim statement of comprehensive income (corporate expenses) in relation to stock options is €199k (H1-2021: €600k).

Performance share plan

Performance shares are vesting on the 3rd anniversary of the grant.

The performance conditions are the same as for the Stock Options described above.

The awards allocated in March 2022 were valued using a Monte Carlo model:

- at €16.05 for those with TSR subject to the relative criteria share in €;
- at €9.67 for those with TSR subject to the absolute criteria share in €;
- and at €41.16 for those subject to off-market conditions (i.e. AREPS and CSR/D&I).

This valuation is based on the share price at the date of allocation of €52.68, a vesting period of three years, a market volatility of 26.03%, a volatility of the reference composite index of 15.29% with a correlation reference composite index/URW of 77.18%, a dividend assumption for 2022 to 2025, and a risk-free interest rate of -0.28%.

129,124 (H1-2021: 73,393) PS have been allocated to employees of URW NV in March 2022. The expense recorded in the consolidated interim statement of comprehensive income (corporate expenses) in relation to performance shares is €3.0 Mn (H1-2021: €2.5 Mn).

NOTE 13. SHARE CAPITAL

13.1. Share capital

The following table reflects the share capital and average number of shares diluted and undiluted of the Group:

13.1.1. Change in share capital

		Total number of issued and paid shares
As at December 31, 2021		**231,842,731**
	Capital increase Class A shares	105,741
	Capital increase reserved for URW Company Savings Plan	66,931
As at June 30, 2022		**232,015,403**

The authorised share capital as at June 30, 2022, amounts to €550 Mn divided over 660 million ordinary class A shares and 440 million class B shares of €0.5 per share.

The issued and paid up share capital amounts to €116.0 Mn, formed by 138,767,088 ordinary A shares and 93,248,315 ordinary B shares as at June 30, 2022. 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.

The Class A shares 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 also have a dilutive impact on the shares of URW NV (with a share issuance at that time).

13.1.2. Average number of shares diluted and undiluted

	H1-2022	H1-2021	2021
Average number of shares (undiluted)	**231,965,297**	**231,743,132**	**231,793,341**
Dilutive impact			
Attributed performance shares (unvested) [(1)]	744,739	442,560	418,750
Potential shares via ORNANE	-	1,678,955	1,225,243
Average number of shares (diluted)	**232,710,036**	**233,864,647**	**233,437,334**

(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.*

URW SE stock options and performance shares 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:

URW SE allocated stock options not exercised at the period-end

Plan		Exercise period[(1)]	Adjusted subscription price (€)[(2)]	Number of options granted	Adjustments in number of options[(2)]	Number of options cancelled	Number of options exercised	Potential additional number of shares[(3)]
2015 plan (n°8)	2015	From 04/03/2019 to 03/03/2022	256.81	615,860	-	615,860	-	-
	2015	from 05/09/2019 to 04/09/2022	238.33	7,225	-	7,225	-	-
	2016	from 09/03/2020 to 08/03/2023	227.24	611,608	-	202,525	1,913	407,170
	2017	from 08/03/2021 to 07/03/2024	218.47	611,611	-	172,139	-	439,472
2018 plan (n°9)	2018	From 06/03/2022 to 05/03/2025	190.09	630,135	-	165,127	-	465,008
2019 plan (n°10)	2019	From 20/03/2022 to 19/03/2026	144.55	748,372	-	186,705	-	561,667
2020 plan (n°11)	2020	From 22/03/2023 to 21/03/2027	92.03	885,291	-	212,535	-	672,756
2021 plan (n°12)	2021	From 19/05/2024 to 18/05/2029	69.41	950,295	-	102,340	-	847,955
2022 plan (n°13)	2022	From 09/03/2025 to 08/03/2030	68.68	1,217,386	-	74,383	-	1,143,003
TOTAL				**6,277,783**	**-**	**1,738,839**	**1,913**	**4,537,031**

(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 one or more performance conditions.*

URW SE allocated performance shares not exercised at the period-end

Starting date of the vesting period[(1)]	Number of performance shares allocated	Number of performance shares cancelled	Number of performance shares acquired	Potential additional number of shares[(2)]
2017	39,770	16,269	23,501	-
March 2018	82,539	56,219	26,320	-
May 2018	38,130	8,901	29,229	-
March 2019	172,174	122,082	50,092	-
March 2020	489,440	117,248	-	372,192
May 2021	371,846	40,276	-	331,570
March 2022	808,872	35,944	-	772,928
TOTAL	**2,002,771**	**396,939**	**129,142**	**1,476,690**

(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.
Plan granted in March 2020 and March 2019: a minimum vesting period of three years for the French and non-French tax residents.
(2) *All the shares are subject to one or more performance conditions.*

13.2. 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 June 30, 2022 (December 31, 2022: €2,243.3 Mn) .

13.3. Dividends

No dividends were declared or paid during the reporting period.

13.4. Capital securities

The amount of capital securities is €1,251.3 Mn as at June 30, 2022 (December 31, 2021: €1,251.4 Mn) reference is made to note 5.3.

NOTE 14. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

14.1. Commitments given

Commitments given *(€Mn)*	**Description**	**Maturities**	**June 30, 2022**	**December 31, 2021**
1a) Commitments related to Group financing – Commitments given by fully consolidated entities			**570.6**	**842.7**
Financial guarantees given	• Mortgages and first lien lenders	2022 to 2026	263.1	484.1
Financial guarantees given	• Guarantees relating to entities under equity method or not consolidated(1)	2022 to 2030	307.5	358.6
1b) Commitments related to Group financing – Commitments given by entity under equity method			**1,158.7**	**1,062.7**
Financial guarantees given	• Loan guarantees	2022 to 2025	-	-
Non - Financial guarantees given	• Mortgages and first lien lenders(2)	2022 to 2026	1,158.7	1,062.7
2a) Commitments related to Group operational activities – Fully consolidated			**9.6**	**10.5**
	• Residual commitments for works contracts and forward purchase agreements	2022+	-	0.3
	• Rental of premises and equipment (lease payable)	2022+	9.6	10.2
2b) Commitments related to Group operational activities – Entity under equity method			**13.5**	**27.2**
	• Residual commitments for works contracts and forward purchase agreements	2022+	12.3	26.1
	• Rental of premises and equipment (lease payable)	2022+	1.2	1.1
TOTAL COMMITMENTS GIVEN			**1,752.4**	**1,943.1**

(1) Corresponds to guarantees provided by the Group in the US relating to associates under equity method or entities under foreclosure.
(2) The outstanding balances at the reporting date of the debts and drawn credit lines which are secured by mortgages.

For the expected credit loss of financial guarantees recognised in H1-2022, reference is made to note 7.1.2. The expected credit loss on remaining financial guarantees are insignificant.

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. The Group as one of the General Partners of Urban Shopping Centers has committed to maintain and allocate to Urban's minority limited partners a certain amount of qualified non-recourse debt.

14.2. Commitments received

Commitments received *(€Mn)*	Description	Maturities	June 30, 2022	December 31, 2021
1) Commitments related to the scope of the consolidated Group				
Commitments for acquisitions/disposal	• Sales undertaking	2022	48.0	-
2) Commitments related to Group financing				
Financial guarantees received	• Refinancing agreements obtained but not used	2022	3,068.7	2,813.3
3a) Commitments related to Group operational activities – Fully consolidated				
Other contractual commitments received related to operations	• Future minimal rents	2022+	1,201.3	1,165.1
3a) Commitments related to Group operational activities – Entity under equity method				
Other contractual commitments received related to operations	• Future minimal rents	2022+	1,598.3	1,235.8
TOTAL COMMITMENTS RECEIVED			**5,916.4**	**5,214.3**

14.3. Contingent liabilities

The Group's obligation with respect to performance guarantees amounted €16.8 Mn (December 31, 2021: €16.9 Mn) which include both consolidated and equity accounted contingent liabilities and may be called on at any time dependent upon the performance or non-performance of certain third parties.

Since June 28, 2018, URW SE and URW NV have 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).

14.4. Non-controlling interests

The net result for the period attributable to external non-controlling interests is -€4.3 Mn (H1-2021: -€5.2 Mn). The non-controlling interests amounted to €21.4 Mn as per June 30, 2022, (December 31, 2021: €23.6 Mn) of which 7.6% is held by the related party entity URW SE and 0.2% by third parties. The 7.6% is split between common shares of 1.958% and redeemable preference shares/units disclosed in note 6.3.

NOTE 15. LIST OF CONSOLIDATED COMPANIES

The table below shows only the list of the significant consolidated companies:

List of consolidated companies	Country	Method [1]	% interest June 30, 2022	% interest December 31, 2021
Unibail-Rodamco-Westfield N.V.	The Netherlands	FC	100.00	100.00
WFD Unibail-Rodamco Real Estate B.V.	The Netherlands	FC	100.00	100.00
URW America Inc.	United States	FC	100.00	100.00
URW WEA LLC	United States	FC	92.40	92.40

(1) *FC: full consolidation method.*

NOTE 16. ALTERNATIVE PERFORMANCE MEASURES

There are no new alternative performance measures presented at June 30, 2022 in comparison to December 31, 2021.

NOTE 17. SUBSEQUENT EVENTS

On August 25, 2022, URW NV announced it has completed the sale of Westfield Santa Anita in Arcadia, California, to an established real estate investor in Southern California.

The sale price of $537.5 Mn (at 100%, URW NV share 49%), funded by the investor through a combination of equity and new debt.

III MANAGEMENT'S DECLARATION

In accordance with Article 5.25d of the Dutch financial markets supervision act (Wet op het Financieel Toezicht), the members of the Management Board of Unibail-Rodamco-Westfield N.V. declare that to the best of their knowledge, the consolidated interim financial statements for the half year ended June 30, 2022, prepared in accordance with IFRS as adopted for use in the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the year. The management report presents a fair view of the development and performance of the business and the impact on the results and on the financial situation of the Company for the first half year of 2022, including the principal transactions between related parties as well as a description of the main risks and the principal uncertainties to which it is exposed for the next six months.

Signed on behalf of the Management Board by

Schiphol, September 21, 2022

Dominic Lowe　　　　Gerard Sieben

IV INDEPENDENT AUDITORS’ REVIEW REPORT

To: the shareholders and supervisory board of Unibail-Rodamco-Westfield N.V.

Our conclusion

We have reviewed the accompanying condensed consolidated interim financial statements for the period from 1 January 2022 to 30 June 2022 of Unibail-Rodamco-Westfield N.V. based in Amsterdam.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements for the period from 1 January 2022 to 30 June 2022 of Unibail-Rodamco-Westfield N.V. is not prepared, in all material respects, in accordance with IAS 34, ‘Interim Financial Reporting’ as adopted by the European Union.

The condensed consolidated interim financial statements comprise:

- The consolidated interim statement of financial position as at 30 June 2022
- The following consolidated interim statements for the period from 1 January 2022 to 30 June 2022: the statements of comprehensive income, changes in equity and cash flows
- The notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, ‘Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit’ (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the ‘Our responsibilities for the review of the interim financial information’ section of our report.

We are independent of Unibail-Rodamco-Westfield N.V. in accordance with 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 assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the board and the supervisory board for the condensed consolidated interim financial statements

The board is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34, ‘Interim Financial Reporting’ as adopted by the European Union. Furthermore, the board is responsible for such internal control as it determines is necessary to enable the preparation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the company’s financial reporting process.

Our responsibilities for the review of the condensed consolidated interim financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Obtaining an understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion.
- Obtaining an understanding of internal control, as it relates to the preparation of the condensed consolidated interim financial statements.
- Making inquiries of the board and others within the entity.
- Applying analytical procedures with respect to information included in the condensed consolidated interim financial statements.
- Obtaining assurance evidence that the condensed consolidated interim financial statements agrees with or reconciles to the entity's underlying accounting records.
- Evaluating the assurance evidence obtained.
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle.
- Considering whether the board has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial statements.
- Considering whether the condensed consolidated interim financial statements has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Amsterdam, 21 September 2022

Deloitte Accountants B.V.

signed by J. Holland