



UNIBAIL-RODAMCO-WESTFIELD

UNIBAIL-RODAMCO-WESTFIELD N.V.

2022 ANNUAL REPORT

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MANAGEMENT BOARD REPORT

The Management Board (“MB”) of Unibail-Rodamco-Westfield N.V. (“URW NV” or “the Company”) hereby presents its management report and the consolidated and company only financial statements of URW NV for the period ending December 31, 2022.

1.1 GENERAL INFORMATION

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

On June 7, 2018, Unibail-Rodamco SE (now known as Unibail-Rodamco-Westfield SE, or “URW SE”) announced it had completed the acquisition of Westfield Corporation (“Westfield”), to create Unibail-Rodamco-Westfield (“URW Group”), the stapled group which, collectively, consists of URW SE, URW NV and their respective controlled undertakings whose financial information is included in their respective consolidated financial reporting, the premier global developer and operator of flagship destinations. The URW Group combines two of the strongest and most respected names in the real estate industry to build on their legacies. The acquisition of Westfield was a natural extension of URW SE’s strategy of concentration, differentiation, and innovation. Upon completion of the Westfield Transaction, URW SE and former Westfield securityholders held stapled shares, each comprising one ordinary share in the capital of URW SE and one class A share in the capital of URW NV (“Stapled Shares” - see 5.2.2 “authorised share capital - form of shares”). As at December 31, 2022 the Stapled Shares are listed on Euronext Amsterdam and Euronext Paris. URW Group has also established a secondary listing on the Australian Securities Exchange to allow former Westfield securityholders to trade Stapled Shares locally in the form of CHESS Depository Interests (“CDIs”).

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

1.2 BUSINESS REVIEW AND 2022 RESULTS

This section provides an overview of the most significant business events for URW NV in 2022. The Company’s accounts reflect the financial results for the period from January 1, 2022, until December 31, 2022. All references to operational results, such as tenant sales, rents and leases signed, relate to the 12-month period ended December 31, 2022, unless indicated otherwise.

Certain amounts in the business review are recorded in USD to eliminate currency impact in comparisons with the previous year. These amounts in case of leasing activity and Commercial Partnerships also reflect data for the full centre and do not consider the URW NV ownership % in case of Joint Ventures.

1.2.1 ACCOUNTING PRINCIPLES

The Group’s consolidated financial statements as at December 31, 2022, were prepared in accordance with International Financial Reporting Standards (“IFRS”) as applicable in the European Union as at such date.

The Group also prepares financial information for internal management purposes in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis, instead of being accounted for using the equity method under IFRS. The business review and results are presented based on the financial information on a proportionate basis unless otherwise indicated, with no impact on the net results. The proportionate part of the underlying amount is based on the percentage of ownership in the respective companies jointly controlled, associates are accounted for at the equity value.

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.

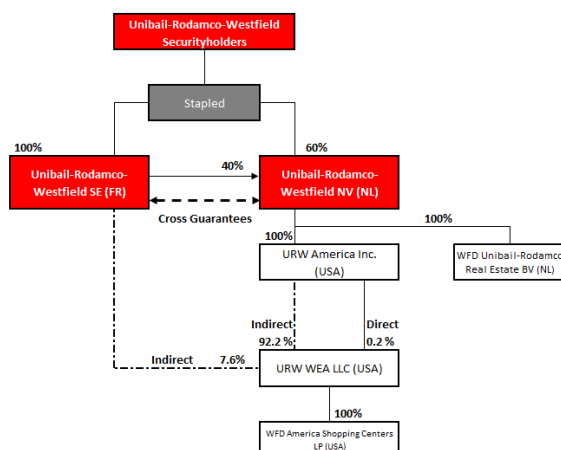
Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management in the current context, including higher inflation, higher interest rates, increase of energy and raw material costs, supply chain disruption resulting from uncertain geopolitical and economic environment, the aftermath of the 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 credit loss allowance, as well as the impairment testing of goodwill and intangible assets.

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

99% of URW NV’s property portfolio related to the Shopping Centres and Offices and intangible assets were valued by independent appraisers as at December 31, 2022.

1.2.2 SCOPE OF CONSOLIDATION

The organisation chart as at December 31, 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;
- The disposal of Westfield Santa Anita in August 2022;
- The disposal of The Village at Topanga, Westfield Trumbull, Westfield South Shore and Kerkstraat Hilversum in the Netherlands in December 2022.

1.2.3 OPERATIONAL REPORTING

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

1.2.4 POST COVID-19 RECOVERY

The operations in URW NV’s shopping centres remained impacted by COVID-19 restrictions in the first few months of 2022. As from May 2022, no restrictions were applicable anymore in the two regions in which the Group operates. Over the period, the economic situation has evolved rapidly with the conflict in Ukraine, an increase in energy costs and higher inflation leading Central Banks to increase interest rates. Nevertheless, despite all these challenges, the year 2022 showed a good resumption of activity in URW NV’s assets.

The Group uses 2019 in some cases as a comparable year to 2022 due to it being the last full year of trading without any COVID-19 restriction.

US FOOTFALL ¹

In the US, 2022 footfall reached 94% of 2019 levels and 96% excluding the Central Business District (“CBD”)² in which footfall remains affected by work from home policies and security issues in San Francisco. During the second half, footfall continued to improve, from 93% in H1-2022 to 95% in H2-2022.

In Q4-2022, footfall reached 94% of 2019 levels.

Compared to 2021, footfall was up +14%.

US TENANT SALES

In the US, tenant sales have consistently outperformed pre-COVID levels since H1-2021. Overall, 2022 sales came to 108% of 2019 levels, driven by the Flagships at 117%, with the Regionals at 100% and partly offset by CBD assets at 74%. Sales at CBD assets continued to be affected by the issues described earlier.

¹ Footfall for all centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment (not in the US), and excluding in the US, the centres for which no comparable data of the previous year is available. In addition, footfall has been restated from the disposals occurred during the year. H2 figures are based on the scope of assets in operation over the full year. H1 figures have been restated accordingly.

² Westfield World Trade Center and Westfield San Francisco Centre.

The table below summarises the Group's tenant sales growth during 2022:

US	Tenant Sales Levels (%)			
	H1-2022	H2-2022	FY-2022	FY-2022
	Vs. H1-2019	Vs. H2-2019	Vs. FY-2019	Vs. FY-2021
US Flagships (excl. CBD)	119%	115%	117%	113%
US Regionals	100%	99%	100%	108%
US CBD	81%	69%	74%	125%
US Total	110%	107%	108%	112%

H2-2022, sales came to 107% of 2019 levels, with the Flagships at 115% and the Regionals at 99%, and in H1 to 110% of 2019 levels (119% for Flagships and 100% for Regionals).

In Q4-2022, sales reached 102% of 2019 levels, with the Flagships at 111% and the Regionals at 95%.

The strong recovery in the US continued to be broad-based with almost all categories performing above 2019 levels, in particular Luxury (183%), Home (137%), F&B (110%) and Fashion (103%). Entertainment remains the most affected at 82% but improved from 75% in H1 to 88% in H2.

Compared to 2021, sales are up by +12%, including +13% for Flagships, +8% for Regionals and +25% for CBD assets.

RENT RELIEF AND GOVERNMENT SUPPORT

As a reminder, throughout the COVID-19 crisis, URW NV recognised the issues its 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 did not provide any COVID-19 rent relief in 2022 regarding 2022 for its shopping centre activity. The 2022 P&L remained impacted by the straight lining of rent relief granted in 2020 and 2021 with a counterparty.

BANKRUPTCIES

The Group's tenant insolvency procedures have affected 37 out of 3,506 stores in FY-2022 (vs. 58 out of 3,837 stores in FY-2021). The total leasing revenues (including service charges of URW NV) which remain exposed to tenants currently in some form of bankruptcy procedure amount to €2.0 Mn.³ over c. 7,987 sqm of retail space.

INFLATION

2022 saw a global increase in inflation with differences across countries.

In the US, leases are not tied to actual CPI figures; the Group benefitted from inflation through Sales Based Rents. 2022 inflation amounted to +8.0% in the US; service charges in the US grow at a contractual pre-set level of usually +4% to +5% through pre-set CAM.

RENT COLLECTION⁴

As at December 31, 2022, 96% of invoiced FY-2022 rents and service charges had been collected in the US.

As at March 3, 2023, the FY-2022 rent collection rate had increased to 97%.

Overall rent collection by quarter in 2022 is shown below.⁵

	Rent collection (%)				
	Q1-2022	Q2-2022	Q3-2022	Q4-2022	FY-2022
US Total	97%	97%	97%	96%	97%

As at December 31, 2022, the expected loss allowance in the Consolidated statement of financial position amounted to €57.1 Mn compared to €75.5 Mn at the end of December 31, 2021. The expected credit loss for debtors recorded in the Consolidated statement of comprehensive income amounted to a reversal of €11.5 Mn for the period ending December 31, 2022 compared to an expected credit loss of €18.6 Mn for the year ended December 31, 2021.

³ Includes Edward Cinemas Bankrupt at Westfield Valencia Town Centre which accounts for €1.2 Mn and 6,390 sqm.

⁴ Retail only, assets at 100% MGR+CAM.

⁵ Based on cash collection as at February 2, 2023 and assets at 100%.

1.2.5 LEASING ACTIVITY

In 2022, 766 leases were signed on standing assets, representing 2,618,051 sq. ft. and \$147.4 Mn of MGR up compared to \$130.1 Mn of MGR signed in 2021 on 955⁶ leases, representing 4,057,299 sq. ft. illustrating the increase in total rents signed. As market conditions improved, the number of long-term deals signed also increased from 332⁷ to 375 year-on-year, representing 49% of the 2022 deals, compared to 35% in 2021. MGR signed on leases above 3 years amounted to 62% vs. 47% in 2021.

The overall uplift on relettings and renewals was +7.8% for the US Shopping Centres and +24.6% for Flagships⁸. The Group continued to selectively sign short-term leases including a higher SBR component, to speed up negotiations mainly on renewals, while focusing on long-term lettings and relettings. Deals longer than 36 months have an MGR uplift of +36.0%, while for leases between 12 and 36 months, MGR uplifts were more affected at -19.2%. On an annualized basis, the SBR is expected to compensate part of the MGR reduction on the US short-term deals signed in 2022, as it was the case in 2021. SBR related to renewals, relettings and full SBR deals signed in 2021 amounted to \$20.2 Mn (at 100%) in 2022, compared to a negative \$21.9 Mn⁹ uplift of these 2021 deals.

In total, the Shopping Centres SBR increased from \$20.6 Mn in 2019 (3.1% of NRI) to \$59.3 Mn in 2021 (10.9% of NRI) and \$81.8 Mn in 2022 (13.8% of NRI).

The tenant mix continued to evolve with the introduction of new retailers (first Good American store in the US at Westfield Century City) and DNVBs (Outdoor Voices at Westfield UTC and Warby Parquet at Westfield Topanga).

The F&B offer has also been enriched by new concepts such as True Food Kitchen at Westfield Century City, Novo Restaurant & Brewery in Westfield Mission Valley, and North Italia in Westfield Topanga.

The Luxury sector has also seen a strong growth with several important signings such as Cartier and Jimmy Choo in Westfield Topanga, Louis Vuitton in Westfield Old Orchard, and Fendi in Westfield Valley Fair.

1.2.6 COMMERCIAL PARTNERSHIPS

Commercial Partnerships includes both the new Media, Brand & Data Partnerships division presented during the URW Group Investor Day in March 2022 and now called "Westfield Rise", as well as kiosks, seasonal markets, pop-ups, and car park activations ("Specialty leasing & other income").

The Group's Commercial Partnerships revenue in 2022 amounted to \$63.5 Mn, an increase of +\$17.3 Mn (+37.5%) from 2021 and a decrease of -\$17.3 Mn (-21.4%) from 2019, mainly at Westfield World Trade Center.

Commercial Partnerships continued to perform strongly, after activity resumed last year. In 2022, several product launches were organized by prime brands in the fashion and luxury sectors, including Swatch, IWC, Loewe and Saint Laurent Paris.

Media advertising revenue was very strong, up +35.0% vs. 2021. In H2-2022, URW NV launched creative campaigns with SKKN by Kim at Westfield World Trade Center and with AMC at Westfield Topanga, Westfield Century City, Westfield Garden State Plaza and Westfield Southcenter.

1.2.7 NET RENTAL INCOME AND VACANCY

The total net change in NRI amounted to +\$45.4 Mn and breaks down as follows:

- +\$49.0 Mn related to shopping centres;
- -\$3.6 Mn related to offices and residential.

The like-for-like shopping centre NRI increased by +\$52.0 Mn, i.e. +12.0%. The performance was mainly driven by lower doubtful debtors due to improved collection, higher SBR, parking income and Commercial Partnerships, partly offset by negative MGR uplifts in particular on short-term deals. The like-for-like NRI growth was +10.4% excluding all COVID-19 rent reliefs.

US shopping centre NRI was also impacted by 2021 and 2022 disposals for -\$9.6 Mn (Westfield Citrus Park, Westfield Countryside, Westfield Sarasota, Westfield Broward, Westfield Palm Desert, Westfield Santa Anita, The Village at Topanga, Westfield Trumbull and Westfield South Shore), partly offset by deliveries for +\$6.5 Mn (restructuring of Westfield Annapolis, Westfield Garden State Plaza and Westfield Topanga).

As at December 31, 2022, the EPRA vacancy was 10.4% (\$121.3 Mn), down by -60 bps from December 31, 2021. The decrease in vacancy was driven by the proactive leasing approach of the Group. The vacancy decreased with -110 bps to 8.2% in the Flagships and increased with +100 bps to 11.7% in the Regionals, along with the vacancy of the CBD assets that went up with +410 bps to 23.9%.

Occupancy on a GLA¹⁰ basis was 92.4% as at December 31, 2022.

The OCR on a rolling 12 months basis stood at 10.5% as at December 31, 2022, compared to 11.8%¹¹ as at December 31, 2019, reflecting the strong sales performance and rental adjustments, compensated by higher SBR.

⁶ Including deals from 2022 disposals and excluding 7 deals from 2021 foreclosures.

⁷ Including deals from 2022 disposals.

⁸ Excluding CBD centres.

⁹ Excluding sold and CBD assets.

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

¹¹ Based on all stores operating for more than 12 months (excluding atypical activities) and not only Specialty stores. Based on Specialty stores 2019 OCR was 12.6%.

1.3 FINANCIAL REVIEW 2022 RESULTS

The Group's consolidated financial statements (based on IFRS basis) reflect the activities of URW America Inc, URW WEA LCC ("WEA") and WFD Unibail-Rodamco Real Estate B.V. The table below shows the result of the Group in recurring and non-recurring activities. This definition is utilized by URW NV's management to distinguish between operational (recurring) and other (non-recurring, including fair value valuations of Investment Properties and loans) activities and does not intend to reflect IFRS nor EPRA definitions:

(€Mn)	2022			2021			
	Recurring activities	Non-recurring activities*	Result	Recurring activities	Non-recurring activities*	Result	
United States	Gross rental income	379.2	-	379.2	340.0	-	340.0
	Operating expenses & net service charges	(140.4)	-	(140.4)	(136.0)	-	(136.0)
	Net rental income	238.9	-	238.9	204.0	-	204.0
	Share of result of companies accounted for using the equity method	257.1	(469.0)	(211.9)	208.6	(599.0)	(390.3)
	Gains/losses on sale of properties	-	0.1	0.1	-	57.2	57.2
	Valuation movements on assets	-	(395.6)	(395.6)	-	(496.1)	(496.1)
	Result Shopping Centres United States	496.0	(864.5)	(368.5)	412.6	(1,037.8)	(625.2)
Other	Gross rental income	2.2	-	2.2	2.3	-	2.3
	Operating expenses & net service charges	(0.3)	-	(0.3)	(0.9)	-	(0.9)
	Net rental income	1.9	-	1.9	1.4	-	1.4
	Gains/losses on sales of properties	-	(3.1)	(3.1)	-	-	-
	Valuation movements on assets	-	(0.3)	(0.3)	-	(2.6)	(2.6)
	Result Shopping Centres Other	1.9	(3.4)	(1.5)	1.4	(2.6)	(1.2)
TOTAL RESULT SHOPPING CENTRES	497.9	(867.9)	(370.0)	414.0	(1,040.3)	(626.3)	
United States	Gross rental income	5.3	-	5.3	4.7	-	4.7
	Operating expenses & net service charges	(2.9)	-	(2.9)	(2.9)	-	(2.9)
	Net rental income	2.4	-	2.4	1.8	-	1.8
	Share of result of companies accounted for using the equity method	1.1	(12.7)	(11.6)	7.2	(8.2)	(1.0)
	Valuation movements on assets	-	(2.2)	(2.2)	-	(14.3)	(14.3)
Result Offices United States	3.5	(14.8)	(11.3)	9.0	(22.5)	(13.5)	
TOTAL RESULT OFFICES	3.5	(14.8)	(11.3)	9.0	(22.5)	(13.5)	
Other property services net income	0.5	-	0.5	-	-	-	
Corporate expenses	(20.7)	-	(20.7)	(42.4)	-	(42.4)	
Acquisition and related costs	-	(5.9)	(5.9)	-	(1.4)	(1.4)	
NET OPERATING RESULT	481.2	(888.6)	(407.4)	380.6	(1,064.3)	(683.7)	
Financing result	(361.9)	523.8	162.0	(298.0)	11.4	(286.6)	
RESULT BEFORE TAX	119.3	(364.8)	(245.4)	82.5	(1,052.8)	(970.3)	
Tax income (expense)	(1.2)	12.9	11.7	(1.8)	76.0	74.2	
NET RESULT FOR THE PERIOD	118.2	(351.8)	(233.7)	80.7	(976.8)	(896.1)	
External non-controlling interests	3.7	(85.1)	(81.5)	(8.6)	(99.3)	(107.9)	
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF URW N.V. SHARES	114.5	(266.8)	(152.2)	89.3	(877.5)	(788.2)	

* Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill as well as costs directly incurred during a business combination and other non-recurring items.

FINANCIAL RESULTS¹²

The Group reported negative net operating results of -€407.4 Mn (2021: -€683.7 Mn) for the period ended December 31, 2022. The recurring net operating result increased to €481.2 Mn (2021: €380.6 Mn) mainly due to the relaxations of COVID-19 measures in 2022 and footfall being up to almost pre COVID-19 levels, this resulted in less expected credit losses, higher net rental income and an increase in contributions of companies accounted for using the equity method, which resulted in an increase of +€36.0 Mn in net rental income compared to 2021 and an increase of +€42.4 Mn in contributions of companies accounted for using the equity method.

The negative net operating result of the non-recurring activities for the period ending December 31, 2022, decreased from -€1,064.3 Mn to -€888.6 Mn. The result was mainly affected by the less negative contribution of companies accounted for using the equity method of -€481.7 Mn (2021: -€607.2 Mn). This is mainly due to a decrease of the valuation result of the investment properties accounted for using the equity method of -€443.0 Mn (2021: -€604.2 Mn), as well as the decrease in negative valuations on investment properties as part of the non-recurring activities of -€398.1 Mn (2021: -€513.0 Mn).

The net result for the year 2022 is -€233.7 Mn (2021: -€896.1 Mn) of which -€152.2 Mn (2021: -€788.2 Mn) attributable to the shareholders of URW NV with a net result per share (owners of URW NV shares) for the period of -€0.66 (-€3.40).

¹² The figures are presented on IFRS basis.

Non-recurring financing result increased by +€512.4 Mn to +€523.8 Mn (2021: €11.4 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 December 31, 2022, is €465.3 Mn (2021: €39.7 Mn).

The recurring net result for the period increased with +€37.5 Mn from €80.7 Mn as at December 31, 2021, to €118.2 Mn for the period ended December 31, 2022. The increase in the net recurring result for the period ended December 31, 2022 can mainly be attributed to the increase in the net rental income of +€36.0 Mn (see above for further explanation of this amount), an increase in contribution of companies accounted for using the equity method of +€42.4 Mn due to relaxations of COVID-19 measures in 2022 and footfall returning to pre COVID-19 levels. The increase is partly offset by the increase in financing result of -€63.9 Mn, this is due to higher interest rates in 2022 compared to 2021.

LIQUIDITY POSITION

URW NV has cross financial guarantees with URW SE and the liquidity needs are covered by the available undrawn credit lines at URW Group level. As at December 31, 2022, the URW Group had €13.0 Bn of cash on hand and undrawn credit lines.

1.3.1 INVESTMENT AND DIVESTMENT

Unless otherwise indicated, the data presented in investment and divestment are on a proportionate basis as at December 31, 2022, and comparisons are with values as at December 31, 2021.

INVESTMENTS

The Group acquired the Seritage box at Westfield Galleria Roseville in the year ended December 31, 2022.

In 2022, URW NV spent €110.3 Mn in capital expenditures in assets and on construction, extension, and refurbishment projects, compared to €126.9 Mn in 2021. The total capital expenditures break down as follows:

(€Mn)	2022	2021 ⁽¹⁾
Shopping Centres	106.5	124.7
Offices	3.8	2.2
TOTAL CAPITAL EXPENDITURE	110.3	126.9

(1) The 2021 figures were restated to proportionate basis, the impact of the restatement was considered by URW NV and concluded that the impact of the restatement was not material. The 2021 figures previously disclosed are €146.9 Mn for Shopping Centres and €3.3 Mn for Offices.

DIVESTMENTS

The Group successfully continued to streamline its US portfolio in 2022 with the completion of the disposals of:

- the Promenade development parcel in the San Fernando Valley of Los Angeles for a sale price of \$150 Mn (at 100%, URW NV's share 55%);
- Westfield Santa Anita, a regional shopping centre for a sale price of \$537.5 Mn (at 100%, URW NV's share 49%);
- The Village, an outdoor lifestyle destination in the San Fernando Valley of Los Angeles for a sale price of \$325 Mn (at 100%, URW NV's share 55%); and
- Westfield Trumbull and Westfield South Shore for a combined sale price of \$196 Mn.

In the Netherlands URW NV sold Kerkstraat in Hilversum for €7 Mn.

Disposal proceeds completed in 2022 amounted to \$0.6¹³ Bn (\$0.7 Bn on a proportionate basis) and were completed at a discount of -0.5% to 2021 book value. Together with the disposal of the Palisade residential building and the ownership transfer of 5 other regional properties in 2021, URW has made \$1.3 Bn in total proceeds to date from the planned radical reduction of its financial exposure to the US.

In addition, in 2023 at the time of this publication, the Group sold Westfield North County for disposal proceeds of \$31.4 Mn and Westfield Valencia Town Center is expected to be sold or foreclosed leading to a potential debt reduction of -\$97.5 Mn.

In 2023, the Group will continue to streamline its remaining regional asset portfolio. URW Group is committed to the radical reduction of its financial exposure to the US, a process that is supported by strong operational performance of the assets and the URW Group's liquidity position.

1.3.2 PROJECTS

URW NV did not have any share in URW Group's projects pipeline for the year ended December 31, 2022.

PROJECTS DELIVERED IN 2022

In H1-2022 the Group delivered the following project:

¹³ IFRS Net debt reduction.

The 19,439 sqm.¹⁴ reconfiguration of the former Sears box at Westfield Topanga. The extension includes a premium AMC Cinema, offering all-recliner seating, IMAX, Laser and Dolby technologies as well as other premium services, that opened in June 2022 and is performing extremely well; Topanga Social, a vibrant food hall offering 20+ of the best restaurants and bars of the Los Angeles area which will open in 2023; and an extension of the luxury retail offer with new brands such as Hermès, Rolex, Bulgari, Valentino and Dior.

DELIVERIES EXPECTED IN 2023

The Group has no ongoing project in the pipeline in the US.

1.3.3 PROPERTY PORTFOLIO AND NET ASSET VALUE AS AT DECEMBER 31, 2022

Unless otherwise indicated, the data presented in the property portfolio are on a proportionate.¹⁵ basis and as at December 31, 2022, and comparisons are with values as at December 31, 2021.

PROPERTY PORTFOLIO

Investment market retail

US retail investment volumes saw a +4% year-on-year increase in 2022, with total transactions reported by Real Capital Analytics of \$85.7 Bn. For shopping centres, the increase in deal volume year-on-year was +29% at \$59.8 Bn, including the sale of Westfield Santa Anita being the largest asset disposal in the US in the last 4 years.¹⁶

Shopping Centre portfolio

The value of URW NV's Shopping Centre portfolio is the addition of the value of each individual asset as determined by the Group's appraisers and the value of the Westfield trademark. In the information all respective assets are included, including investment property under construction.

99% of the value of URW NV's portfolio was appraised by independent appraisers as at December 31, 2022.

The following table shows the breakdown for the US Shopping Centre portfolio which was significantly impacted by a positive currency impact of €688 Mn:

Proportionate	December 31, 2022				December 31, 2021 ^(a)			
	Valuation incl. transfer taxes	Valuation excl. estimated transfer taxes ^(b)	Net Initial Yield ^(c)	Potential Yield ^(d)	Valuation incl. transfer taxes	Valuation excl. estimated transfer taxes	Net Initial Yield ^(a)	Potential Yield ^(b)
US Shopping Centre portfolio by category								
US Flagships ^(e)	9,944	9,851	4.2%	4.7%	10,052	9,952	3.7%	4.6%
US Regionals	1,004	1,004	8.6%	9.5%	1,620	1,618	6.7%	8.0%
US SC TOTAL	10,947	10,854	4.6%	5.2%	11,673	11,570	4.2%	5.0%

Figures may not add up due to rounding.

(a) 2021 figures were restated to exclude Fulton Centre, URW NV considered the impact and concluded that the restatement was insignificant.

(b) The sum of the Gross Marketed Value ("GMV") for the assets fully consolidated, the ownership at share of the GMV of assets jointly controlled accounted for using the equity method and the equity values for assets not controlled by URW. Valuation excluding estimated transfer taxes represents the GMV minus transfer taxes and transaction costs which are estimated after taking into account the likely disposal scenario: sale of the asset or of the company that owns it.

(c) Annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or not controlled by URW and the Westfield trademark are not included in the calculation of NY.

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

(e) The Westfield 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.¹⁷ on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe. Considering the limited public data available, the complexity of real estate asset valuations, as well as the fact that appraisers use in their valuations the non-public rent rolls of the Group's assets, URW NV believes it is appropriate to classify its assets under Level 3. In addition, unobservable inputs, including appraisers' assumptions on growth rates and Exit Capitalization Rate ("ECR"), are used by appraisers to determine the fair value of URW NV's assets. In addition to the disclosures provided above, the following tables provide a number of quantitative data in order to assess the fair valuation of the Group's assets.

¹⁴ The GLA has increased from H1-2022 due to a remeasure of the food hall common areas.

¹⁵ The sum of the Gross Market Value ("GMV") for the assets fully consolidated, the ownership at share of the GMV of assets jointly controlled accounted for using the equity method and the equity values for assets not controlled by URW NV.

¹⁶ Source: Eastdil Secured.

¹⁷ EPRA Position Paper on IFRS 13 - Fair value measurement and illustrative disclosures, February 2013.

SHOPPING CENTRES

The below overviews including most significant input and output parameters of the external valuations of the investment properties and the sensitivity overviews of the fair value of investment property are presented based on a proportional basis for the fully consolidated investment property as well as the investment property included in the joint ventures accounted using the equity method. The total value of investment property represents €10,741.8 Mn, this consist of the total €4,893.5 Mn presented investment property in the consolidated position excluding investment property under contraction carried at cost and €5,848.3 Mn of the proportioned share of the investment property presented in the joint venture and equity value for the associate overview in note 7.2.

The shopping centres are valued using the discounted cash-flow and/or yield methodologies using Compound Annual Growth rates (“CAGR”) as determined by the appraisers.

Shopping Centres - December 31, 2022		Net Initial Yield	Rent in € per sqm ^(a)	Discount Rate ^(b)	Exit Capitalization Rate ^(c)	CAGR of NRI ^(d)
US	Max	9.6%	1,438	10.3%	9.0%	11.4%
	Min	2.9%	321	6.5%	4.5%	0.6%
	Weighted average	4.6%	700	7.1%	5.2%	4.6%

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

(a) Average annual rent (MGR + SBR) per asset per sqm.

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

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

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

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

Shopping Centres - December 31, 2022		Net Initial Yield	Rent in € per sqm ^(a)	Discount Rate ^(b)	Exit Capitalization Rate ^(c)	CAGR of NRI ^(d)
US Flagships	Max	7.5%	1,438	9.0%	7.3%	11.4%
	Min	2.9%	399	6.5%	4.5%	1.8%
	Weighted average	4.2%	820	6.8%	4.9%	5.0%
US Regionals	Max	9.6%	607	10.3%	9.0%	6.3%
	Min	6.4%	321	8.5%	7.0%	0.6%
	Weighted average	8.6%	411	9.8%	8.0%	2.3%

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 Westfield 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 ECR¹⁸ used by appraisers in December 2022 valuations increased compared to the ones in December 2021 valuations:

- In the US from 4.9% to 5.2% (from 4.7% to 4.9% for the US Flagships and from 6.7% to 8.0% for the US Regionals).

The Discount Rate¹⁸ used by appraisers in December 2022 valuations increased compared to the ones in December 2021 valuations:

- In the US from 6.6% to 7.1% (from 6.3% to 6.8% for the US Flagships and from 8.7% to 9.8% for the US Regionals).

The CAGR of NRI in above table is based on 2022 NRI. Compared to 2019, the CAGR of NRI are as follows:

Shopping Centres	CAGR of NRI determined by the appraiser in the DCF Valuations as at Dec 31, 2022	CAGR of NRI - Starting from Dec.31, 2019		
		Valuations as at Dec 31, 2022	Valuations as at Dec 31, 2021	Valuations as at Dec 31, 2019
US Flagships	5.0%	2.7%	2.6%	4.2%
US Regionals	2.3%	0.6%	1.0%	3.6%

¹⁸ Restated from 2022 disposals.

OFFICES PORTFOLIO & OTHERS

Offices & Others portfolio includes offices and the residential projects. The value for the total US Office & Others portfolio saw a minor change from 2021 at €163 Mn on December 31, 2022 (December 31, 2021: €165.¹⁹ Mn).

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the Offices & Others division's Net Initial Yield ("NIY") increased by +120 bps to 5.5%.

Proportionate	December 31, 2022			December 31, 2021 ^(c)		
	Valuation incl. transfer taxes ^(a)	Valuation excl. estimated transfer taxes ^(a)	Net Initial Yield ^(b)	Valuation incl. transfer taxes ^(a)	Valuation excl. estimated transfer taxes ^(a)	Net Initial Yield ^(b)
	in € Mn	in € Mn		in € Mn	in € Mn	
Valuation of US occupied office space						
US Office	44	42	5.5%	44	43	4.3%

(a) Valuation of occupied office space based on the appraiser's allocation of value between occupied and vacant spaces.

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

(c) 2021 figures were restated to exclude Corbin Office and to align URW NV's disclosure with the 2022 figures disclosed. The amounts previously disclosed were €66 Mn and €63 Mn respectively, the Net Initial Yield was 3.8%. URW NV considered the impact of the restated figures and concluded that the restatement does not have a significant impact.

The value of URW NV's Offices & Others portfolio, after accounting for the impact of works and capitalized financial and leasing expenses, decreased by -€11 Mn (-7.9%) on a like-for-like basis, due to a yield impact of -29.2% and a rent impact of 21.3%.

1.3.4 FINANCIAL RESOURCES

URW NV has cross guarantees with URW SE and the liquidity needs are covered by the available undrawn credit lines at URW Group level.

In 2022, interest rates increased significantly on the macroeconomic backdrop of persistently high inflation, hawkish monetary policy (in particular the ECB, the US Federal Reserve and the Bank of England) and heightened geopolitical tensions following the war in Ukraine.

Credit markets have been negatively impacted by the end of Central Banks' support, the rates and volatility increase, as well as by fears of recession. This backdrop led to a decrease in bond issuance volumes and an increase in the cost of funding for corporate issuers.

Market sentiment slightly improved towards year end, following the publication of Consumer Price Index ("CPI") data showing inflation slowing down in the US and the Eurozone.

During the period ended December 31, 2022, the URW Group raised €1,332 Mn (€1,682 Mn on a proportionate basis) of medium to long-term funds in the mortgage and the bank markets (including credit facility renewals), further strengthening its liquidity position.

In addition, the URW Group updated on November 16, 2022 its Green Financing Framework ("Framework") to support URW Group's ambitions to finance its standing assets and development projects with high sustainability standards.

As at December 31, 2022 at URW Group level:

- The Interest Coverage Ratio ("ICR") was 4.2x (3.3 x);
- The Funds From Operations to Net Financial Debt Ratio ("FFO/NFD") was 7.6% (5.0%);
- The Loan-to-Value ("LTV") ratio²⁰ was 41.2%²¹ (43.3%);
- The Net debt/EBITDA ratio²² was 9.6x (13.7x).

The average cost of debt at URW Group level for the period was 3.8% for USD denominated debt.

DEBT STRUCTURE AS AT DECEMBER 31, 2022

URW NV's financial debt as at December 31, 2022, amounted to €8,569.2 Mn (2021: €8,791.8 Mn). The total IFRS cash on-hand of URW NV came to €76.0 Mn as at December 31, 2022 (2021: €50.5 Mn). The solvability ratio as at December 31, 2022 is 7.2% (2021: 5.6%).

¹⁹ 2021 figures were restated from €186 Mn to exclude Corbin Office, Corbin Office does not form part of URW NV's scope. URW NV considered the impact of the restated figure and concluded that the restatement does not have a significant impact.

²⁰ Net financial debt as shown on the URW Group's balance sheet, after the impact of derivative instruments on debt raised in foreign currencies / total assets, including transfer taxes (42.6% excluding transfer taxes).

²¹ Excluding €960 Mn of goodwill not justified by fee business as per the Group's European bank debt leverage covenants (€1,021 Mn on a proportionate basis).

²² On last 12-months basis.

The financial debt breakdown and outstanding duration to maturity as at December 31, 2022, is disclosed on IFRS basis:

Outstanding duration to maturity (€Mn)	Current			Non-current		Total December 31, 2021
	Less than 1 year	1 year to 5 years	More than 5 years	December 31, 2022	Total December 31, 2022	
Bonds and notes	20.3	1,640.6	2,113.3	3,774.2	3,545.4	
Bank borrowings	(6.0)	111.0	-	105.0	478.8	
Other financial liabilities	738.0	3,364.7	543.7	4,646.4	4,710.6	
Lease liabilities	6.9	17.6	19.1	43.6	57.1	
TOTAL	759.2	5,133.9	2,676.1	8,569.2	8,791.8	

An additional part (€250 Mn) of the loan with an original nominal value of €1,250 Mn, of which already €500 Mn has been converted earlier, has been converted into a capital security with a 99-year maturity as per December 31, 2022. The remaining part of the loan is €543.7 Mn.

The converted part qualifies as equity with the exception of the amount due on this instrument, which is initially measured at fair value at balance sheet date (€0.1 Mn at December 31, 2022) and subsequently at amortised cost using the effective interest method. The amendment fee paid to URW SE of €5.4 Mn and the remaining amortised upfront fee of €0.3 Mn are recorded in 2022 under financial expenses.

Current other financial liabilities mainly consist of current account facilities with URW SE and will be extended in 2023.

1.4 DIVIDEND

Complying with the deleveraging commitments made in 2021, the URW Group will not pay a dividend for fiscal year 2022.

Given the statutory results of URW NV in 2022, the Group has no obligation to pay a dividend in 2023 for the fiscal year 2022 under the FII regime it benefits from.

1.5 NON-FINANCIAL INFORMATION

1.5.1 BUSINESS MODEL

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

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

Thanks to this portfolio of high-quality assets and talents including experts in the business of investment, refurbishment, leasing, management, and divestment, URW NV has been able to face the pandemic and foresees a future generating strong growth.

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

1.5.2 ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE ("ESG")

2022 marks another exceptional year in terms of ESG performance for the URW Group, with major achievements as part of the Better Places 2030 programme:

BETTER SPACES

- The URW Group is committed to reduce by 50% its carbon emissions by 2030 (2015 baseline), covering its entire value chain (construction, operations including tenant energy and transport of visitors), and has already achieved a 41% reduction by 2022;
- In the context of the energy crisis, the URW Group set an additional target to reduce by 15% its energy consumption in 2022 compared to 2019 in Europe. A set of actions led the URW Group to outperform this target and reached -19.8%.²³, supporting both governments efforts and mitigating costs impact for tenants;
- Scope 1&2 commitment has been raised during the year to -80% in absolute terms between 2015 and 2030 in an effort to continue pushing the URW Group's low carbon strategy to the highest performance. This is supported by the pipeline of solar PV projects in different countries, including the Aupark project delivered during the year;

²³ European scope (incl. UK), Jan. to Nov. 2022 vs. same period in 2019, in kWh/sqm on a like-for-like scope.

- Development projects also demonstrate the Group's ability to support cities in their environmental transition as embodied by the recent delivery of Les Ateliers Gaîté, which will generate a 40% reduction in energy used for heating, resulting in 880 tonnes of avoided CO2 emissions each year;
- The URW Group also conducted an updated study on the physical risks associated with climate change in line with Task Force on Climate-related Financial Disclosures (TCFD) and EU Taxonomy regulations.

BETTER COMMUNITIES

- Throughout the year the URW Group pursued its strong involvement in the communities in which it operates, with a particular focus on supporting those most affected by the war in Ukraine. The URW Group has been actively supporting initiatives to help refugees through providing vacant spaces for NGO's action and providing free services for refugees in shopping centres. The URW Group also financially supported NGOs dedicated to the support of Ukrainian refugees on the ground;
- In 2022, the Group achieved €39.7 Mn of social value generated, demonstrating the high level of integration and support to the local communities.
- New sustainable consumption experiences have added to the offer in the URW Group's assets such as the opening of the omnichannel Circlow concept in Spain, on circular economy in fashion.

BETTER TOGETHER

- As sustainability is more than ever placed at the heart of the URW Group's strategy, cultural change and training becomes crucial to deliver on the targets and seize related opportunities;
- Following the Climate Week in H1-2022, the URW Group dedicated its entire Leadership Working Session to sustainability. It included the awareness raising workshop of the Climate Fresk for all top managers and intensive workshops on the sustainable future of the URW Group. This experience has also been rolled-out in all countries of the URW Group during Q4 to onboard all employees and ensure shared awareness. More than 1,500 employees have experienced the Climate Fresk session at the end of the year;
- In 2022, 99% of employees participated in sustainability training, including a new e-learning on the Group's "Better Places 2030" sustainability strategy, and sustainability training on specific topics including Construction Carbon Footprint.
- Further reinforcing the URW Group's commitment to Diversity & Inclusion, the URW Group progressed in its trajectory to accomplish 40% or more of senior management positions held by women by 2025. In addition, the URW Group advanced its global inclusion learning offer with custom programming for both employees and managers and fostered meaningful employee engagement through Be You at URW networks;
- Community Days volunteering events took place across all regions; over 1,200 employees participated in a volunteer activity in 2022. Activities centred on environmental actions, social inclusion, and providing targeted support to people and communities in need;
- The URW Group repeated its global Employee Pulse Survey, increasing employee engagement by 8 points from 2021, and leveraging employee feedback to progress and enhance our working culture.

A strong sustainability-linked financing activity has been led by the URW Group with:

- 45% of undrawn credit lines are now sustainability linked; and
- A new Green Financing Framework has been released in November 2022.

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

This year again, the URW Group's ambitious sustainability agenda was recognised by equity and debt investors as a value creation driver for its stakeholders. In 2022, the URW Group's inclusion in the main ESG indices was confirmed and the Group's Sustainability achievements were registered in ratings and awards, including:

- CDP: the URW Group renewed its position in the A-list of organisations committed to tackling climate change for the 5th year in a row.²⁴;
- Sustainalytics: the URW Group ranks 2nd in the RE industry.²⁵ worldwide with a "Negligible" risk rating;
- MSCI ESG: confirmed AAA rating, consistently since 2014;
- ISS ESG Corporate: retained B rating (prime status);
- GRESB: '5 Star' GRESB rating (top 20%);
- EPRA sBPR Award: for the 11th time in a row, URW received the EPRA Gold Award in 2022 for completing its 2021 reporting in accordance with the EPRA Sustainability BPR.

These recognitions are the proof of the URW Group's leading performance on all sustainability topics within the industry and across sectors.

For more information on Better Places 2030 and detailed 2022 Sustainability performance including carbon, please refer to the URW SE 2022 Universal Registration Document.

For the full overview please refer to the URW Group Sustainability report: <https://www.urw-nv.com/en/investors/financial-information>.

²⁴ cdn.urw.com (.pdf)

²⁵ Ranking retrieved from [sustainalytics.com](https://www.sustainalytics.com), Last update Oct. 7th, 2021.

1.5.3 RISK MANAGEMENT AND CONTROL SYSTEM

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

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

In this respect, URW NV considers that good governance starts with good behaviour and attitude at the top and establishing awareness and compliance regarding sound operations and ethical behaviour in URW NV's business culture. To achieve this, URW NV has established its Administrative Organisation and Internal Control ("AOIC") based on the following objectives:

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

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

1.5.4 PERSONNEL-RELATED INFORMATION

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

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

1.6 RELATED PARTY TRANSACTIONS

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

1.7 POST-CLOSING EVENTS

In line with the Group's efforts to deleverage in the US, URW NV (along with its JV partner) made the decision not to repay the \$195 Mn (\$97.5 Mn on a proportionate basis) secured debt on Westfield Valencia Town Center, which matured on January 1, 2023. URW NV is engaged in discussions to sell the asset (or its interest in it) and any potential purchaser would assume the relevant debt. If a sale is not finalized, the property will likely be foreclosed. This debt is non-recourse and its non-repayment has no impact on the rest of the Group's debt. The asset value in the Group's consolidated account was \$100.2 Mn as at December 31, 2022. Upon sale of the asset or foreclosure, the Group's debt will be reduced by -\$97.5 Mn (on a proportionate basis), corresponding to a net impact on the Group's balance sheet of -\$2.7 Mn (on a proportionate basis).

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

The URW Group started discussions with Euronext in order to change its market of reference from Euronext Amsterdam to Euronext Paris as part of an initiative to simplify its structure given limited trading activity on that market. As a part of this request, the URW Group intends to delist of the URW Stapled Shares from Euronext Amsterdam, while maintaining a single listing on Euronext Paris. The delisting from Euronext Amsterdam would not affect the liquidity of the shares nor have any impact on trading, URW's organisation (including the Stapled Share principle) or the ISIN code (FR0013326246) of the URW Group. Following the approval of the Euronext Listing Board, the change of the URW Group's market of reference from Euronext Amsterdam to Euronext Paris will be effective on April 14, 2023 and the last day of trading on Euronext Amsterdam will be April 27, 2023.

On March 1, 2023, URW NV disposed of an asset in Waalwijk in the Netherlands, for a total of €950 k.

1.8 OUTLOOK

Thanks to the improvement in 2022 operating performance, higher indexation, the positioning on prime and well-located assets and retailers' drive to store strategies, as well as the deleveraging progress, URW NV is well-positioned to continue to perform in what is expected to remain an uncertain macro environment in 2023. The main drivers of these are:

- Consistent performance in retail operations versus 2022 with inflation protection through SBR;
- Full-year effect of 2022 disposals and the impact of US regional streamlining;
- Contribution of 2022 project deliveries;
- Stable cost of funding thanks to URW Group's hedging programme; and
- FX impact with the strengthening of the Euro vs. USD.

This outlook does not include major disposals in the US in the context of the radical reduction of its financial exposure to the US.

The Group assumes no major energy-related restrictions, nor major deterioration to the macro-economic and geopolitical environment.



CORPORATE GOVERNANCE AND REMUNERATION

2.1 CORPORATE GOVERNANCE

2.1.1 THE MANAGEMENT BOARD

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

The MB is entitled to represent Unibail-Rodamco-Westfield N.V. (“URW NV”). Pursuant to the articles of association the power to represent URW NV also vests in the Chief Operating Officer US (“COO US”) and any other MB Member acting jointly.

2.1.1.1 COMPOSITION OF THE MANAGEMENT BOARD

As at December 31, 2022, the MB is composed of two members. The business address of the MB is the Company’s registered address, World Trade Center Schiphol, Tower F, 7th Floor, Schiphol Boulevard 315, 1118 BJ Schiphol, the Netherlands.

MB Members	Nationality	Age	Main function	Starting date	Expiry date of term of office
Mr Dominic Lowe	British	51	Chief Operating Officer US - MB Member	November 19, 2020	AGM 2025
Mr Gerard Sieben	Dutch	52	Chief Financial Officer - MB Member	March 8, 2018	AGM 2026

MANAGEMENT BOARD MEMBER INFORMATION AND MANDATES HELD AS AT DECEMBER 31, 2022



BORN ON:
October 30, 1971

NATIONALITY:
British

NUMBER OF STAPLED SHARES HELD:
491

MR DOMINIC LOWE

MB MEMBER - CHIEF OPERATING OFFICER US

- Graduate of the University of West London (HND, Business and Economics)
- Dominic Lowe has also completed the Harvard Business School’s Executive Program and UCLA’s Anderson School of Management’s Strategic Leadership Program.
- Prior to joining the Company, Dominic Lowe served in numerous senior executive roles for BAA plc (a holding company for the world’s largest organization of airports), focusing on UK and US business development as well as pioneering the commercial transformation of the company’s flagship asset, Heathrow International Airport in London. Earlier in his career, he was Operations Service Director for World Duty Free, where he became a Founding Director of the Group’s inflight business in Europe and Africa.
- Dominic Lowe joined Westfield in November 2007 and served for more than a decade as Global Group Director of Airports. Afterwards he became Executive Vice President and Director of the Division Design, Development & Construction US.
- As of June 29, 2021, he is Chief Operating Officer US and MB member.

OTHER CURRENT FUNCTIONS AND MANDATES OUTSIDE OF THE GROUP

- N/A

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

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

OTHER CURRENT INTRA-GROUP FUNCTIONS AND MANDATES

Group Companies

- Director of Annapolis REIT 1 LLC; Annapolis TRS, Inc.; Broward Mall LLC; Fashion Square Service TRS, Inc.; GSP Service TRS, Inc.; Montgomery Service, Inc.; Roseville Shoppingtown LLC; Santa Anita Borrower LLC; Santa Anita GP LLC; URW America, Inc.; Valencia Town Center Venture GP LLC; VF/UTC Service, Inc.; WCL Holdings, Inc.; Westfield America G.P. II LLC; Westfield Beneficiary 1, Inc.; Westfield Beneficiary 2, Inc.; Westfield Paramus 1, Inc.; Westfield Subsidiary REIT 1, Inc.; Westfield Subsidiary REIT 2, Inc.; Westland Properties LLC; Westland Realty Beneficiary, Inc.; Member of Annapolis REIT 2 LLC; Annapolis REIT 3 LLC; Culver City REIT 1 LLC; Culver City REIT 2 LLC; Culver City REIT 3 LLC; Horton Plaza REIT 1 LLC; Horton Plaza REIT 2 LLC; Horton Plaza REIT 3 LLC; Mission Valley REIT 1 LLC; Mission Valley REIT 2 LLC; Mission Valley REIT 3 LLC; North County REIT 1 LLC; North County REIT 2 LLC; North County REIT 3 LLC; Oakridge REIT

1 LLC; Oakridge REIT 2 LLC; Oakridge REIT 3 LLC; Plaza Bonita REIT 1 LLC; Plaza Bonita REIT 2 LLC; Plaza Bonita REIT 3 LLC; Promenade REIT 1 LLC; Promenade REIT 2 LLC; Promenade REIT 3 LLC; Santa Anita REIT 1 LLC; Santa Anita REIT 2 LLC; Santa Anita REIT 3 LLC; Southcenter REIT 1 LLC; Southcenter REIT 2 LLC; Southcenter REIT 3 LLC; Topanga REIT 1 LLC; Topanga REIT 2 LLC; Topanga REIT 3 LLC; URW WEA LLC; West-OC 2 REIT 1 LLC; West-OC 2 REIT 2 LLC; West-OC 2 REIT 3 LLC; West Valley REIT 1 LLC; West Valley REIT 2 LLC; West Valley REIT 3 LLC; Westfield, Inc; Westfield U.S. Holdings LLC; White City Investments (no. 1) LLC.



MR GERARD SIEBEN

MB MEMBER - CHIEF FINANCIAL OFFICER

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

BORN ON:
May 5, 1970

NATIONALITY:
Dutch

NUMBER OF STAPLED SHARES HELD:
270

OTHER CURRENT FUNCTIONS AND MANDATES OUTSIDE OF THE GROUP

- Non-executive Board Member of Le Champion (Netherlands)

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Owner of Sieben Consultancy

OTHER CURRENT INTRA-GROUP FUNCTIONS AND MANDATES

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

STAPLED SHARES HELD BY THE MEMBERS OF THE MANAGEMENT BOARD

As at December 31, 2022, the members of the MB held the following number of Stapled Shares:

Name	Total numbers of Stapled Shares held
Mr Dominic Lowe Chief Operating Officer US	491
Mr Gerard Sieben Chief Financial Officer	270

2.1.1.2 MANAGEMENT BOARD FUNCTIONING

ROLE OF THE MANAGEMENT BOARD

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

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

The Chief Operating Officer US has overall competence except for those duties expressly assigned to the Chief Financial Officer.

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

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

MB ACTIVITIES

The MB met 11 times during the year ending December 31, 2022. Overall attendance by the MB Members was 100%.

The MB deliberated on the following subjects:

Principal responsibilities of the MB	Key areas addressed, managed and/or implemented in 2022
Group Strategy	<ul style="list-style-type: none"> • Refurbishment, investment, divestment and operations in 2022; • Monitoring of the Deleveraging plan; • Digital and Data strategy, tools and projects; • Redesign of CSR Strategy “Better Places 2030” and Long Term Energy Action Plan.
Financial Policy and Financial Performance and Reporting	<ul style="list-style-type: none"> • Review and closing of the 2021 consolidated full-year results and statutory financial statements and reporting on the half-year accounts for the 2022 financial year; • Review and assessment of statutory auditor rotation, including hand-over towards new statutory auditor; • Group 5-year business plan and budget; • Financial resources, balance sheet management and borrowing requirements (EMTN, bonds, liquidity agreements); • The Group’s dividend policy (as part of the dividend policy of the URW Group) and annual allocation of results, notably regarding the COVID pandemic; • Closing of the forecast management documents and preparation of the quarterly activity reports for the SB.
Internal risk management and control systems	<ul style="list-style-type: none"> • Internal audits, internal control system and compliance matters; • Risk management and update of the risk mapping.
Governance and compliance with relevant laws and regulations	<ul style="list-style-type: none"> • Updates to the URW Group’s compliance programme (including the Group’s Anti-corruption Programme, Anti-Money Laundering and Sanctions Lists) and completing the Group Compliance and Group Anti-Corruption Programme trainings; • Monitoring of the proposed updates to the Dutch Corporate Governance Code • Compliance with regulatory/legal requirements and changes, including related party transactions (e.g. the Shareholder Rights Directive II, the follow up of the Dutch Diversity Act).
Human Resources	<ul style="list-style-type: none"> • Talent development and management; • Diversity and inclusion; • Recruitment and retention of key positions.
Shareholder Outreach and Engagement	<ul style="list-style-type: none"> • Investor dialogue; • AGM materials (agenda, resolutions, etc.); • General meeting; • Group communication; • Annual Report 2021, and half-year accounts for the 2022 financial year.

MB EVALUATION PROCESS

An assessment of the MB is carried out annually. Over the year ending December 31, 2022, the MB conducted an annual assessment of the performance and overall functioning of the MB and its members. Following the self-assessment, the MB is generally satisfied with the overall functioning of the MB and its respective members, notably including the quality of the interaction with the SB and its committees and company officers and quality of effectiveness and governance. The MB also took note of the focus on continuous sound communication and strategic leadership meetings. Overall, over the year ending December 31, 2022, it was concluded the MB functioned well.

2.1.2 THE SUPERVISORY BOARD

The SB is in charge of the supervision of the policy of the MB and the general course of affairs of URW NV and of the business connected with it. The SB shall provide the MB with advice. In performing their duties, the members of the SB (each an “SB Member”) shall be guided by the interests of URW NV and of the business connected with it. The SB report is summarized in section 2.2. of this Annual Report.

2.1.3 ADHERENCE TO THE DUTCH CORPORATE GOVERNANCE CODE

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

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

- Best Practice Provision 2.1.7: URW NV does not comply with best practice provision 2.1.7 (iii), which provides that for each shareholder holding more than 10% of the shares in URW NV, there is at most one SB Member who can be considered to be affiliated with such shareholder. URW SE holds more than 10% of the shares in URW NV. As a URW Group company, and in direct relation with the Stapled Share structure and to ensure consistency between the two companies, two SB Members are also members of the management board of URW SE and are as such affiliated with URW SE.

- Best Practice Provision 2.1.8.: The Company applies this best practice provision. Accordingly, the chair of the Supervisory Board is considered non-independent pursuant to best practice provision 2.1.8. i. that provides that a supervisory board member is not independent if they have been an employee or member of the management board of the company in the five years prior to appointment.
- Best Practice Provision 2.1.9: Considering inter alia the Stapled Share structure, current practices at URW SE and URW NV, and the interest of the URW Group and its stakeholders, the chair of the Supervisory Board is considered non-independent. A supervisory board member is not independent if they have been an employee or member of the management board of the company in the five years prior to appointment.
- Best Practice Provision 2.3.2: Given the interrelatedness of nomination, assessment of MB performance and remuneration, URW NV has a (combined) governance, nomination and remuneration committee rather than a separate remuneration committee and selection and appointment committee as recommended in best practice provision 2.3.2.
- Best Practice Provision 3.1.2: URW NV supports the principle that the remuneration policy should focus on long-term value creation for URW NV and its business. Rather than setting the shareholding requirement of MB Members to five years, the terms and conditions of the long-term incentive plans in URW NV awarded to MB Members include a shareholding requirement for the duration of the MB Member's mandate because URW NV believes this better ensures continued alignment of interests throughout the mandate.
- Best Practice Provision 4.3.3: The Company's MB Members and SB Members are appointed by the General Meeting upon a binding nomination prepared in accordance with the Articles. The General Meeting may only overrule the binding nomination with a qualified majority that is higher than what is recommended in this best practice provision. Consistent with the governance practice at many other listed Dutch companies and because we believe that a decision to overrule a nomination must be widely supported by our shareholders, the Articles do not provide for a lower voting standard to overrule such nomination than the voting standard provided for in section 2:133(2) Dutch Civil Code ("DCC").

As of the financial year starting on or after January 1, 2023 the Code has been updated. It provides for updates in areas such as long-term value creation, diversity and the role of shareholders. It also contains amended provisions of the Code due to changes in Book 2 of the DCC. Where principles or best practice provisions in this revised Code, compared with the Code that became effective as of financial years starting in 2016, require changes to URW NV's internal rules, regulations, procedures or organization, URW NV will be deemed to be compliant with this updated Code if such changes have been implemented no later than December 31, 2023. For the financial year 2022 URW NV reports over the Code that became effective as of financial years starting in 2016.

2.1.4 CODE OF ETHICS AND OTHER CORPORATE GOVERNANCE PRACTICES

Ethics is one of the URW Group's core values and the Group is committed to conducting business in an ethical and fair manner. The URW Group has a "zero tolerance" principle against all forms of unethical practices, such as inappropriate, disrespectful or unlawful behaviour, corruption, bribery, influence peddling and human rights violations. The URW Group's compliance procedures are based on a precise allocation of duties and responsibilities as well as promotion of compliance awareness through a "tone from the top" approach and active training programs to ensure accountability and strict and effective compliance within the URW Group.

URW NV has adopted the Code of Ethics, which applies to the URW Group and which includes the values and principles that each employee, manager and director of the URW Group must respect and comply with, by virtue of their office, at all times and in all circumstances when acting within, or in the name of, the URW Group or any third party. These principles include: respect for human dignity and for employees' work, respect for the URW Group, respect for law and regulations, loyalty, integrity and avoiding conflicts of interests, and ethics in doing business. It is the responsibility of each employee, manager and director of the URW Group to regularly review and refresh their knowledge and understanding of the Code of Ethics of the URW Group, in addition to the required annual e-learning training for all employees. In addition, and as part of successfully shaping the evolution of the URW culture, enhancing the work environment, and ensuring that we can provide an exceptional employee experience, URW holds employee pulse surveys in the ongoing effort to understand how to enhance culture and work environment.

The text of this Code of Ethics can be accessed on the Company's website under Related Documents at the Corporate Governance section.

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

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

2.2 REPORT OF THE SUPERVISORY BOARD

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

2.2.1 COMPOSITION OF THE SUPERVISORY BOARD, INDEPENDENCE, AND DIVERSITY

The SB consists of 5 members as at December 31, 2022. The SB composition reinforces the Group’s strategy through the members’ expertise in real estate/asset management, retail, finance, legal and other areas. The range of skills and expertise is summarized in the biographies below.

Following the communications made in May 2022 appointments of Mr. Jean-Louis Laurens and Ms. Aline Taireh were renewed. Mr. Jean-Louis Laurens and Ms. Aline Taireh were reappointed for a four-year term at the 2022 annual general meeting.

A Supervisory Board member is appointed for a period of four years and may be reappointed for another four-year period, followed by a reappointment for two years which may be extended by at most two years. If a new appointment is made after the first eight years, this will be explained in the annual report.

2.2.1.1 COMPOSITION OF THE SUPERVISORY BOARD AS DECEMBER 31, 2022

Name	Role	Age	Gender	Nationality	Independence	Starting date	Expiry date of term of office
Mr Jean-Marie Tritant	Chair	55	M	French	Non-independent	2021	AGM 2025
Mr Fabrice Mouchel	Vice-Chair	52	M	French	Independent	2021	AGM 2025
Mr Jean-Louis Laurens	Senior Independent Director	68	M	French	Independent	2018	AGM 2026
Ms Aline Taireh	Member	48	F	American	Independent	2018	AGM 2026
Ms Catherine Pourre	Member	66	F	French	Independent	2021	AGM 2025

SUPERVISORY BOARD MEMBER INFORMATION AND MANDATES HELD AS AT DECEMBER 31, 2022



MR. JEAN-MARIE TRITANT

SB MEMBER - CHAIR

Non-independent

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

BORN ON:
November 10, 1967

NATIONALITY:
French

**NUMBER OF STAPLED
SHARES HELD:**
43,274.²⁶

OTHER FUNCTIONS AND MANDATES OUTSIDE OF THE GROUP

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

OTHER INTRA-GROUP FUNCTIONS AND MANDATES

- Chairman of the management board and Chief Executive Officer of URW SE
- Chairman of Uni-Expos (SA)

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

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

²⁶ Excluding 2553 Stapled Shares held via the URW SE company saving plan.

PREVIOUS MANDATES DURING THE LAST FIVE YEARS (continued)

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

Attendance 2022:

- SB 100%
- GNRC 100%

Mandate:

- First Mandate: June 29, 2021 (involved from January 1, 2021)
- Expiry date of term of office: AGM 2025

Further experience:

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

**MR FABRICE MOUCHEL****SB MEMBER - VICE-CHAIR**

Independent

BORN ON:
April 16, 1970**NATIONALITY:**
French**NUMBER OF STAPLED
SHARES HELD:**
26,505.²⁷

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

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

- N/A

OTHER INTRA-GROUP FUNCTIONS AND MANDATES

Group Companies

- Member of the management board and CFO of URW SE
- Director of Rodamco Nederland B.V.; Rodamco Nederland Winkels B.V.; U&R Management B.V.; Dotterzwaan B.V.; Cijferzwaan B.V.; Unibail-Rodamco Poland 5 B.V.; Rodamco Project I B.V.; Rodamco Europe Finance B.V.; Unibail-Rodamco Investments B.V.; Unibail-Rodamco Investments 2 B.V.; Real Estate Investments Poland Coöperatief UA; Stichting Rodamco, Traffic UK B.V.; Old Tower Real Estate B.V.; Broekzele Investments B.V.
- Member of the board of Rodamco Sverige AB
- Director of Westfield Corporation Limited; Descon Invest Pty Limited; Westfield Investments Pty Limited; Westfield American Investments Pty Limited; Westfield Capital Corporation Finance Pty Ltd; Westfield Queensland Pty Ltd; Nauthiz Pty Ltd; WCL Finance Pty Limited; WCL Management Pty Limited; Westfield UK Investments Pty Limited; Westfield UK 1 Pty Limited; Westfield UK 2 Pty Limited; Westfield UK 3 Pty Limited; Westfield UK 4 Pty Limited; Westfield UK 5 Pty Limited; Westfield UK 6 Pty Limited; Westfield America Management Ltd; Fidele Pty Ltd Westfield R.S.C.F. Management Pty Ltd; Westfield Developments Pty Ltd; Cavemont Pty. Ltd
- Managing Director of DZ-Donauzentrum Besitz- und Vermietungs-GmbH; Shopping Center Planungs- und Entwicklungsgesellschaft m.b.H. & Co Werbeberatung KG; Shopping Center Planungs- und Entwicklungsgesellschaft mbH; Shopping City Süd Erweiterungsbau Gesellschaft m.b.H. & Co Anlagenvermietung KG; Unibail-Rodamco Austria Verwaltungs GmbH, URW Invest GmbH, Unibail-Rodamco Invest GmbH
- Vice-President of the SB of Unibail-Rodamco-Westfield Germany GmbH
- Director of Liffey River Financing Ltd
- Director of Crossroads Property Investors s.a.

**PREVIOUS MANDATES DURING THE LAST FIVE
YEARS**

- SB Member of Rodamco Deutschland GmbH; Rodamco Deutschland GmbH; Co Süd Liegenschafts KG
- Managing Director of SCS Liegenschaftsverwertung GmbH; SCS Motor City Errichtungs G.m.b.H. Austria

Attendance 2022:

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

Mandate:

- First Mandate: June 29, 2021 (involved from February 4, 2021)
- Expiry date of term of office: AGM 2025

Further experience:

- **Relevant active executive or senior leadership experience**

Significant senior leadership experience as vice-president of mergers and acquisitions at ING-Barings and Head of Corporate Development at Unibail-Rodamco SE.

²⁷ Excluding 6406 Stapled Shares held via the URW SE company saving plan.

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



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

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

BORN ON:
August 31, 1954

NATIONALITY:
French

**NUMBER OF STAPLED
SHARES HELD:**
363

OTHER FUNCTIONS AND MANDATES

Listed Company

- None

Other Company

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

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Former supervisory board vice-chairman and audit committee chairman of URW SE (until 2018)
- Non-executive chairman of the board of directors of Unigestion Asset Management (France)

Attendance 2022:

- SB 100%
- AC 100%

Mandate:

- First Mandate: June 7, 2018
- Second Mandate: June 22, 2022
- Expiry date of term of office: AGM 2026

Further experience:

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



MS ALINE TAIREH

SB MEMBER
Independent

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

BORN ON:
January 15, 1975

NATIONALITY:
American

NUMBER OF STAPLED SHARES HELD:
806 (incl. 305 stapled shares held through CDI’s)

OTHER INTRA-GROUP FUNCTIONS AND MANDATES

- Various other current mandates within the Group

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- None

Attendance 2022:

- SB 100%

Mandate:

- First Mandate: June 7, 2018
- Second Mandate: June 22, 2022
- Expiry date of term of office: AGM 2026

Further experience:

- **Relevant active executive and senior leadership experience**
Extensive operational and leadership experience as General Counsel of Westfield and various executive and director positions with all aspects of the US business including shopping center operations, financings, joint venture relationships and development matters. Significant focus on sustainability, diversity, talent and change management, in both executive and non-executive positions.
- **International experience and regional market exposure**
Significant experience in international operations as well as local market exposure in the US since joining Westfield in 2007 with in-depth knowledge in the US real estate and retail market, which are increasingly important given the US portfolio of flagship destinations.
- **Real estate and real estate asset management experience**
Extensive strategy expertise in real estate development, investment, leasing, management, and divestment through her role as Senior Corporate Counsel, Associate General Counsel, Deputy General Counsel and General Counsel of Westfield. US market expert through 20+-year career with key leadership to drive change management to successfully adopt management practices in order to ensure organizational success.
- **Legal and Financial expertise**
In-depth knowledge of operations that are international and complex, with financing transactions, group debt and refinancing in different countries and currencies.
- **Risk oversight and compliance**
20+ years of experience in the US real estate and retail market has brought deep knowledge of the US market, including real estate property acquisitions, secured and unsecured financing transactions, joint ventures, litigation and all other legal and process matters.



MS CATHERINE POURRE

SB MEMBER & AC MEMBER & GNRC CHAIR
Independent

- Graduate of ESSEC Business School
- Law degree from Université Catholique de Paris
- Graduate French Expertise Comptable (French CPA)
- Former Audit & Consulting Partner at PricewaterhouseCoopers (1989 - 1999).
- Former Consulting Partner at Ernst & Young and former Executive Director and Member of the Executive Committee at Cap Gemini Ernst & Young (1999 - 2002).
- Former Deputy Managing Director and member of the Executive Committee of Unibail (2002 to 2007).
- Former Management Board member and Chief Resources Officer at Unibail-Rodamco SE (2007 to 2013).
- Designated as independent SB Member at URW N.V. in February 2021.

BORN ON:
February 2, 1957

NATIONALITY:
French

**NUMBER OF STAPLED
SHARES HELD:**
112,970

OTHER FUNCTIONS AND MANDATES

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

Listed Company

- Member of the supervisory board of Crédit Agricole SA (France); Chair of the Audit Committee; member of the Risk Committee; member of the Strategy & Sustainability Committee
- Member of the supervisory board of Bénéteau (France), Chair of the Audit Committee, member of the Remuneration Committee

- Member of the supervisory board of Neopost SA (France) (until 2019)
- Member of the supervisory board of SEB SA (France); Chair of the Audit Committee Member of the Risk Committee; Member of the Strategy & Sustainability Committee (until May 2022)

Other Company

- Member of the supervisory board of Crédit Agricole Corporate and Investment Bank (France); Chair of the Audit Committee; member of the Risk Committee; member of the Remuneration Committee; member of the Governance and Nomination Committee
- Member of the management board of CPO Services (Luxembourg)

Attendance 2022:

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

Mandate:

- First Mandate: June 29, 2021 (involved from February 4, 2021)
- Expiry date of term of office: AGM 2025

Further experience:

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

INDEPENDENCE

Considering inter alia the Stapled Share structure, current practices at URW SE and URW NV, and the interest of the URW Group and its stakeholders, the Chair of the Supervisory Board is considered non-independent. Even though the composition of the SB partly relates to the fact that URW SE and URW NV together form the URW Group, after careful review it can be confirmed that as at December 31, 2022, the majority of the SB members can be considered independent within the meaning of principle 2.1.8 of the DCGC.

DIVERSITY

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

URW NV seeks to combine the skills and experience of long-standing members of the MB and/or the SB with the fresh perspectives, insights, skills and experiences of new members. URW NV strives for gender diversity and a mix of ages in the composition of those bodies. In addition to age and gender, the Company recognizes and welcomes the value of diversity with respect to race, ethnicity, nationality, sexual orientation and other important cultural differences. URW NV is committed to seeking broad diversity in the composition of the MB and the SB and will consider these attributes when evaluating new candidates in the best interests of the Company and its stakeholders. In terms of experience and expertise, URW NV intends for the MB and the SB to be composed of individuals who are knowledgeable in one or more specific areas of strategic importance to the Company.

New Dutch legislation is aimed at improving gender diversity in listed companies, among others by imposing a quota of at least one-third for both women and men on the SB. We recognize the importance of diversity and inclusion; a diverse and inclusive workforce provides the necessary mix of points of view required to continue to innovate and drive our Company’s business forward. URW NV believes that it is valuable that, and strives to achieve a situation in which the experience and expertise as well as diversity and inclusion are embedded at all levels of the Company. URW embodies an inclusive vision for its business as well as its employee community as laid down in the URW Diversity Charter. In 2022 the Company set diversity targets for the SB, MB and senior management positions in adherence with the URW Diversity Charter and in line with Dutch law applicable as per January 1, 2022, the SB shall pursue that at least one third of the SB seats shall be held by each gender. The MB shall pursue that at least 40% of the total MB and senior management positions shall be held by women and no more than 60% by men by 2025.

The composition of the SB over the year 2022 is such, that URW NV’s diversity objectives have been achieved, including meeting the statutory target of one third of the SB comprising female SB Members. The selection of SB members is based on the required profile and their backgrounds, experiences, qualifications, knowledge, abilities, and viewpoints without positive or negative bias on gender.

The composition of the MB and senior management as a group, with a 61%/39% male/female gender balance in 2022, diverges from the diversity target pursued by the MB. This is partly due to the limited size of the MB, with only two members, and because URW NV continues to appoint and nominate, as applicable, the best candidates for these respective positions. More than for re-appointments, whereby experience and good performance are weighing heavily on the decision, new appointments will offer opportunity to re-balance the composition in view of fair and equal gender representation in due course. Targets set for (gender) diversity will be taken into consideration when there are vacancies in the MB, and senior management positions to strive for a 60/40 gender balance by 2025 as outlined above.

Diversity and inclusion also forms a key part of the URW Better Places 2030 strategy. With a representation in 2 continents, we welcome employees from different parts of the world, from diverse cultures and backgrounds to build successful and inclusive teams. URW commits to ensuring full equal opportunities (e.g. gender, nationality, sexual orientation) in HR practices and processes Group - wide. The Group stands for a fair overall outcome that rewards individual and collective performance and does not discriminate on race, gender, nationality or any other personal criteria. The Be You at URW framework for example aims to fully embed the Group’s commitment to drive even greater diversity and inclusion across the business and focuses on four key areas: leadership & commitment, inclusion policies & performance, employee development & learning and culture & employee engagement. In 2022, webcasts for International Women’s Day, gender equality activities in all regions, and LGBTQ+ Pride activities in the US, were held. Also, the URW employee pulse Survey was rolled out to all employees in 2022, including a focus on diversity and inclusion. An employee survey is rolled out each year to check in with the global employee community and help shape effective plans to create an even more inclusive working culture.

More information about our diverse workforce and inclusive way of working is available in the URW CSR Report.

2.2.2 SB MEETINGS AND ACTIVITIES

The SB held 6 meetings in 2022 (including ad hoc meetings). Overall average member attendance at its meetings was 100%. In addition to the matters within its statutory scope, the SB discussed all major actions carried out in 2022, both internally (e.g. organizational matters, risk management, compliance and Anti-Corruption Program, 2022 half year results, internal audits) and externally (Group strategy, refurbishment projects, operations, financial position, Dutch Corporate Governance Code requirements) with specific attention to the evolution of the deleveraging strategies, including disposals and ways to ensure access to capital markets and the rotation of the statutory auditor. The Company’s statutory auditor during H1-2022 attended 2 meetings, after rotation the Company’s statutory auditor in H2-2022 attended 2 meetings.

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

The joint URW SB annual Strategy Retreat in 2022 was held in Amsterdam, the Netherlands. With focus on the deleveraging plan, sustainability and energy action plan and digital and data strategy. In July 2022 a joint URW Group SB training session was held, with focus on sustainability and regulations, compliance and governance.

Principal responsibilities of the SB	Key areas discussed, reviewed and/or approved in 2022
Group Strategy	<ul style="list-style-type: none"> • Strategic initiatives relating to the balance sheet, including deleveraging and access to capital; • Refurbishment, investment, divestment and operations; • Regular updates: on share price evolution and business activities, including updates on the conflict in Ukraine and related restrictions (operations, finance, human resources, legal, CSR, development, IT and data strategy, compliance and risk management, including sanctions list, etc.); • Redesigning of the CSR Strategy “Better Places 2030”;
Group Financial Policy and Financial Performance and Reporting	<ul style="list-style-type: none"> • Review and discussion of the deleveraging programme; • 2022 Budget and 5-year Business Plan, financial resources and borrowing requirements; • Follow-up on NAV and EPRA performance measures; • Financial commitments and guarantees; • Provisions for risk and litigation; • The Group’s dividend policy (as part of the dividend policy of the URW Group) and annual allocation of results; • Approval of 2021 consolidated full-year results, statutory financial statements and half-year accounts for the 2022 financial year; • Relationship with URW NV’s statutory auditor including auditor’s reporting for the coming year; • Review and assessment of statutory auditor rotation; • Non-audit services provided by URW NV’s statutory auditor; • Refurbishment pipeline in the context of overall balance sheet planning and rating agencies; • Liquidity forecasts and Loan-to-Value (LTV) ratio; • Regular tax updates.
Internal Audit, Risk Management and Control Systems	<ul style="list-style-type: none"> • Monitoring risk management, internal audit, compliance, and insurance programmes; • 2022 internal audit plan; • Internal audits, internal control system and compliance matters; • In-depth review of the Group’s risk management and update of the risk mapping; • Focused review of selected risk management topics (2022 focus included: recruitment, retention & succession; IT systems & data; terrorism & major security incidents; climate change & societal risks).
Governance and Compliance with Relevant Laws and Regulations	<ul style="list-style-type: none"> • Updates to the URW Group’s compliance programme (including the URW Group’s Anti-corruption Programme and risk mapping, Anti-Money Laundering and Sanctions list) and completing the Group Compliance and Group Anti-Corruption Programme training; • Compliance with the Dutch Corporate Governance Code (including proposed update of the Dutch Corporate Governance Code); • Review of the independence of SB Members; • Regular updates on regulatory/legal changes, including the follow up of the Dutch Diversity Act; • Review and confirming absence of related party agreements.
Succession Planning	<ul style="list-style-type: none"> • Annual review of the SB and committee profile and composition and rotation; • Succession planning and overall composition of the SB and MB; • SB Member selection/recruitment process.
Group Remuneration Policy and Performance Assessments	<ul style="list-style-type: none"> • 2022 MB Member remuneration and update MB remuneration policy (including FI, level of attainment of annual STI and LTI targets); • Annual evaluation of the functioning of the MB; • Annual evaluation of the functioning of the SB (self-assessment process).
Human Resources	<ul style="list-style-type: none"> • Talent management, including recruitment and mobility; • Diversity and inclusion.
Shareholder Outreach and Engagement	<ul style="list-style-type: none"> • Shareholder and proxy advisor engagement and feedback (including 2022 AGM voting items and the proposed capital raise) and corporate governance roadshow and communications; • Updates on shareholder composition; • AGM materials (agenda, resolutions, etc.); • Annual Report 2021.

2.2.3 SB BOARD COMMITTEES

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

2.2.3.1 AUDIT COMMITTEE (AC)

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

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

AUDIT COMMITTEE COMPOSITION

As at December 31, 2022, the AC consists of three members:

- Mr Jean-Louis Laurens (Chair);
- Mrs Catherine Pourre; and
- Mr Fabrice Mouchel.

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

AUDIT COMMITTEE MEETINGS AND ACTIVITIES

The AC shall meet at least quarterly and otherwise as often as any of the SB Members deems necessary or appropriate. At least once a year, the AC meets with the Company’s statutory auditor without any of the MB Members being present. During the financial year 2022, the AC met 7 times in order to carry out its responsibilities. Overall attendance was 100%. The Company’s statutory auditor attended 4 meetings.

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

In addition to the matters within its statutory scope, the AC discussed the external auditor rotation pursuant to European Regulations and the interest for the Company to assess the services it is paying for, including audit, are fit for purpose and provide value. Following an orientation phase in light of the anticipated auditor rotation in December 2021 the AC appointed a Steering Committee, consisting of the AC Chair, the URW NV CFO and the URW Group Director of Consolidation and Accounting, to lead a tender process.

During the intake phase the auditors were requested to demonstrate they establish adequate policies and procedures to ensure compliance with regards to independence, internal quality of control systems, the supervision and training of employees and other persons involved in the statutory audit activity within their organization.

The emphasis in the decision process included the adaptation of the proposal to URW Group’s worldwide organization and its evolution, to the alignment with the challenges URW NV will face in the coming years, as well as the capability of the audit network to integrate the most up to date and best performing digital tools and audit field work processes, in addition with the criteria of quality and independence. During its evaluation the Steering Committee focused on both qualitative and financial criteria.

The Steering Committee, aligning their preferences on continuity of URW NV and the URW Group, presented two candidates to the AC noting the preference to nominate Deloitte, based on both qualitative and financial criteria, as the external auditor for URW NV from the financial year 2022. Following the tender process, it was the AC’s responsibility to submit the recommendation to the SB for the appointment of the external auditor. The AC recommendation included two possible choices for the audit engagement with a justified preference, resulting in the proposed nomination of Deloitte Accountants B.V. at the 2022 annual general meeting.

Principal responsibilities of the AC

Key areas discussed, reviewed and/or recommended for approval to the SB in 2022

Group Financial Policy

- Strategic initiatives to the balance sheet, including deleveraging, access to capital;
- Extensive review and follow-up of financial, borrowing, accounting and tax aspects;
- 2022 Group Budget;
- Follow-up on NAV and EPRA performance measures;
- The Group’s dividend policy (as part of the dividend policy of the URW Group) and annual allocation of results,
- Relationship with the external auditor including auditor’s reporting for the coming year;
- Review and assessment of external auditor rotation;
- Non-audit services provided by URW NV’s external auditor.

Financial Performance and Reporting	<ul style="list-style-type: none"> • Review and discussion of the disposal programme; • 2021 consolidated full-year results and statutory financial statement and half-year accounts for the 2022 financial year; • Financial commitments and guarantees; • Provisions for risk and litigation; • Regular tax updates; • Regular updates on regulatory/legal changes including legal audit reform; • Refurbishment pipeline in the context of overall balance sheet planning and rating agencies; • Liquidity forecasts and Loan-to-Value (LTV) ratio.
Internal Audit, Risk Management and Control Systems	<ul style="list-style-type: none"> • Monitoring risk management, internal audit, compliance, and insurance programmes; • Updates on digital and IT strategy, tools and projects; • 2022 internal audit plan; • Internal audits, internal control system and compliance matters; • In-depth review of risk management and update of the risk mapping; • Focused review of selected risk management topics (2022 focus included: recruitment, retention & succession; IT systems & data; terrorism & major security incidents; climate change & societal risks).
AC Governance	<ul style="list-style-type: none"> • Annual evaluation of the functioning and efficiency of the AC (self-assessment process).

2.2.3.2 THE GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE (GNRC)

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

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

In addition, the GNRC periodically reviews and assesses the adequacy of the corporate governance practices, policies and rules of URW NV and its subsidiaries and makes recommendations to the SB on all matters of corporate governance (including on any remedial actions to be taken). The roles and responsibilities of the GNRC as well as the composition and the manner in which it discharges its duties are set out in a committee charter (each a "Committee Charter") and, in part, in the SB Rules. Pursuant to a resolution to that effect, the SB may, with the approval of the URW SE Supervisory Directors, amend or supplement the Committee Charter and allow temporary deviations.

GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE COMPOSITION

As at December 31, 2022, the GNRC consists of three members, including two URW SE Supervisory Directors:

- Mrs Catherine Pourre (Chair);
- Mr Jean-Marie Tritant; and
- Mr Fabrice Mouchel.

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

GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE MEETINGS AND ACTIVITIES

The GNRC held 3 meetings in 2022 (including ad hoc meetings). Overall attendance was 100%. The implementation of the updated remuneration policy in line with the Shareholders Rights Directive-II, stock options and performance share plans were finalized in the first half year of 2022. The GNRC furthermore reviewed and advised the SB on the updated remuneration policy on incentive restructuring and long-term incentive KPI's, the Management Board (MB) and Supervisory Board (SB) profiles and composition, and the selection and nomination process.

Principal responsibilities of the GNRC	Key areas discussed, reviewed and/or recommended for approval to the SB in 2022
Company Remuneration Policy and performance assessments	<ul style="list-style-type: none"> • 2022 MB Member remuneration (including FI, level of attainment of annual STI and LTI targets); • 2022 LTI envelope.
Shareholder outreach and engagement	<ul style="list-style-type: none"> • Shareholder engagement and feedback (including as relates to governance and remuneration); • AGM materials (remuneration policy update and renewals/appointments).
GNRC Governance	<ul style="list-style-type: none"> • Evaluation of the functioning and efficiency of the MB; • Review of the SB and committee profile and composition and rotation; • Succession planning (selection and nomination process) and overall composition of the SB and MB.

2.2.3.3 INVESTMENT COMMITTEE (IC)

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

INVESTMENT COMMITTEE COMPOSITION

As at December 31, 2022, the IC consists of three members, including two URW SE Supervisory Directors:

- Mr Jean-Marie Tritant (Chair);
- Mr Fabrice Mouchel; and
- Ms Aline Taireh.

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

INVESTMENT COMMITTEE MEETINGS AND ACTIVITIES

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

2.2.4 EVALUATION OF THE SUPERVISORY BOARD

SUPERVISORY BOARD EVALUATION PROCESS

An assessment of the SB is carried out annually. Over the year ending December 31, 2022 an annual assessment of the performance and overall functioning of the SB and its committees, and of the MB and its members was held. Following the assessment over the year ending December 31, 2022, the SB is generally satisfied with the overall functioning of the SB and its respective members, including the interaction with its committees and with the MB. The SB also took note of Dutch specific regulatory, governance and accounting matters that were addressed as a key item for the review performed on consolidated level. The quality of the coordination between the Company and URW SE and Committee Chairs is marked as good, the continuous updates on local laws and regulations remain of interest. Overall, over the year ending December 31, 2022 it was concluded the SB functioned well.

2.2.5 CONFLICTS OF INTEREST

NO CLOSE FAMILY RELATIONSHIPS

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

MANAGEMENT OF CONFLICTS OF INTEREST

To the knowledge of the Company, there are no conflicts of interest or potential conflicts of interest between the Company and the SB Members and/or MB Members with respect to their personal interests or their other obligations. During the financial year 2022, there were no transactions in respect of which there was a conflict of interests with any MB Member or SB Member that is of material significance to URW NV and/or to such MB Member or SB Member. Where applicable, best practice provision 2.7.5 of the DCGC concerning related party transactions with significant shareholders has been observed.

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

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

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

In July 2022 a URW Group SB training session was held in which the URW NV SB members participated, including on the URW's Code of Ethics and Anti-Corruption Programme.

RELATED PARTY TRANSACTIONS

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

NO CONVICTIONS OR OFFENCES

As at December 31, 2022, to the best of the Company's knowledge and based on their individual declaration, none of the SB Members or MB Members has, over the past five years:

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

2.3 REMUNERATION REPORT

2.3.1 INTRODUCTION

In accordance with the Articles and Dutch law, URW NV's Annual General Meeting ("AGM") determines URW NV's remuneration policies for the MB Members and the SB Members (the "MB Remuneration Policy" and the "SB Remuneration Policy", respectively). URW NV's current MB Remuneration Policy (effective as of January 1, 2022) was adopted by the AGM on June 22, 2022 with 97,45% votes in favour. In 2022 there were no changes introduced to URW NV's current SB Remuneration Policy (effective as of January 1, 2021).²⁸

The MB Remuneration Policy is designed to:

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

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

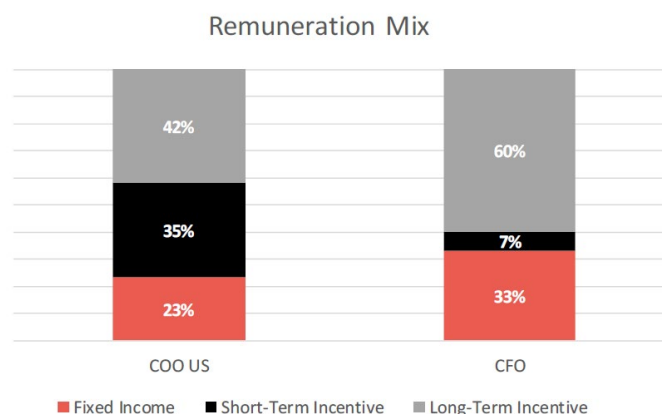
URW NV believes that this approach and this philosophy benefit the realisation of URW NV's long-term objectives while managing URW NV's risk profile.

The remuneration paid to the MB Members and SB Members in the 2022 financial year is consistent with the MB Remuneration Policy and the SB Remuneration Policy, respectively. Therefore, the remuneration paid to our MB Members and SB Members in the 2022 financial year is consistent with the intentions and design of our remuneration policy and thus contributes to the long-term performance of URW NV and the URW Group of which it forms a part. Relevant scenario analyses have been considered in advance in determining the level and structure of the remuneration of the MB Members in the 2022 financial year.

This remuneration report, which describes the remuneration of the MB Members and the SB Members for the financial year 2022, is subject to an advisory vote at URW NV's AGM in 2023. At the AGM held on June 22, 2022, 98,48% of votes were cast in favour of URW NV's remuneration report 2021. In light of this strong level of support and considering that no questions were raised at that General Meeting regarding remuneration, no specifics needed to be addressed in this remuneration report.

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

To support the Remuneration Policy's objectives, the mix of remuneration includes pay-for-performance (STI and LTI). The chart below illustrates the mix of Fixed Income vs pay-for-performance, assuming maximum STI pay-out and the theoretical maximum LTI grant size (IFRS) according to the Management Board Remuneration Policy applicable in 2022.



²⁸ The MB Remuneration Policy and the SB Remuneration Policy are available on our website: <https://www.urw-nv.com/en/corporate-governance/related-documents>

2.3.2 REMUNERATION RATIO AND PERFORMANCE EVOLUTION

The Dutch Corporate Governance Code ("Code") that applied during 2022 recommended the provision of a ratio comparing the remuneration of the MB Members and that of a "representative reference group" determined by URW NV. We have chosen to compare as per December 31, 2022, the full year average cash remuneration of the MB Members (i.e. excluding the value of equity incentive awards and other non-cash remuneration components) to an equivalent of an average full-time employee.²⁹ of URW NV (including its subsidiaries). We have used the aggregate cash remuneration.³⁰ from January 1, 2022 to December 31, 2022 as a reference amount.³¹

In setting the executive remuneration quantum, the SB and the GNRC use internal and external remuneration benchmarks but also take into account the remuneration ratio. The remuneration ratio presented below helps ensuring that executive remuneration remains reasonable compared to the company average and varies with company performance.

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

		2022	2021	2020	2019	2018 ³²
Total remuneration paid or granted (including LTI) ³³	Jean-Marie Tritant, President US	n/a. ³⁴	n/a. ³⁴	€2,238,368	€2,742,740	€1,265,600
	Dominic Lowe, COO US	€2,287,377	€1,696,928	€647,518	n/a	n/a
	Gerard Sieben, CFO	€358,704	€345,783	€307,953	€292,083	€127,667
Pay ratio (excluding LTI)	Average cash MB remuneration	€839,429	€714,494	€645,310. ³⁵	€947,957	€603,841
	Company average cash remuneration	€164,387	€138,933	€135,710	€138,441	€75,516
	Multiple of the company average cash remuneration	5.1	5.1	4.8	6.9	8.0
Company performance	Net Operating Result (recurring) in Mn€	€481.2	€380.6	€310.4	€525.0	€259.4

2.3.3 REMUNERATION OF THE MB MEMBERS FOR 2022 FINANCIAL YEAR

The MB Remuneration Policy that was approved by the AGM on June 22, 2022 was applied in 2022 with no deviation.

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

2.3.3.1 ELEMENTS OF REMUNERATION DUE OR GRANTED FOR THE 2022 FINANCIAL YEAR TO MR DOMINIC LOWE, COO US

Elements of Remuneration	Amounts	Comments																																																																																																																					
Annual Fixed Income - FI <i>(Paid in respect of the 2022 year)</i>	€711,654	Mr Lowe's FI amounts to \$750,000 (i.e. €711,654) per year.																																																																																																																					
Short-Term Incentive - STI <i>(To be paid in 2023 in respect of the 2022 year)</i>	€741,632	The maximum STI opportunity for 2022 was set at 100% of FI.																																																																																																																					
		<table border="1"> <thead> <tr> <th>Performance measure</th> <th>Weight</th> <th>Unit</th> <th>Threshold (30% of max)</th> <th>Target (80% of max)</th> <th>Stretch (100% of max)</th> <th>Achieved</th> <th>Score (% of max)</th> <th>Payout</th> </tr> </thead> <tbody> <tr> <td>Net Operating Result US</td> <td>20%</td> <td>€Mn</td> <td>386.25</td> <td>441.42</td> <td>463.49</td> <td>470.00</td> <td>125.0%</td> <td>€177,913</td> </tr> <tr> <td>Investments/Disposals</td> <td>10%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Undisclosed*</td> <td>€88,957</td> </tr> <tr> <td>Rent collection</td> <td>5%</td> <td>%</td> <td>89.0</td> <td>94.0</td> <td>96.0</td> <td>93.9</td> <td>99.3%</td> <td>€35,316</td> </tr> <tr> <td>Leasing renewals</td> <td>5%</td> <td>€Mn</td> <td>106.09</td> <td>128.59</td> <td>137.60</td> <td>140.00</td> <td>125.0%</td> <td>€44,478</td> </tr> <tr> <td>Effective rent</td> <td>5%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Undisclosed*</td> <td>€44,478</td> </tr> <tr> <td>Spot vacancy evolution</td> <td>10%</td> <td>%</td> <td>10.3</td> <td>8.2</td> <td>7.4</td> <td>10.4</td> <td>0%</td> <td>€0</td> </tr> <tr> <td>New revenues growth</td> <td>5%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Undisclosed*</td> <td>€44,478</td> </tr> <tr> <td>Gross admin expenses</td> <td>10%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Undisclosed*</td> <td>€88,957</td> </tr> <tr> <td>GHG equivalent emissions</td> <td>5%</td> <td>tCO₂</td> <td>75,427</td> <td>67,046</td> <td>63,694</td> <td>48,200</td> <td>125.0%</td> <td>€44,478</td> </tr> <tr> <td>Gender Parity Improvement</td> <td>5%</td> <td>%</td> <td>40.0</td> <td>54.3</td> <td>60.0</td> <td>68.4</td> <td>125.0%</td> <td>€44,478</td> </tr> <tr> <td>Qualitative performance</td> <td>20%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>See details below</td> <td>€128,098</td> </tr> <tr> <td>TOTAL</td> <td>100%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>104.2%</td> <td>€741,632</td> </tr> </tbody> </table>	Performance measure	Weight	Unit	Threshold (30% of max)	Target (80% of max)	Stretch (100% of max)	Achieved	Score (% of max)	Payout	Net Operating Result US	20%	€Mn	386.25	441.42	463.49	470.00	125.0%	€177,913	Investments/Disposals	10%						Undisclosed*	€88,957	Rent collection	5%	%	89.0	94.0	96.0	93.9	99.3%	€35,316	Leasing renewals	5%	€Mn	106.09	128.59	137.60	140.00	125.0%	€44,478	Effective rent	5%						Undisclosed*	€44,478	Spot vacancy evolution	10%	%	10.3	8.2	7.4	10.4	0%	€0	New revenues growth	5%						Undisclosed*	€44,478	Gross admin expenses	10%						Undisclosed*	€88,957	GHG equivalent emissions	5%	tCO ₂	75,427	67,046	63,694	48,200	125.0%	€44,478	Gender Parity Improvement	5%	%	40.0	54.3	60.0	68.4	125.0%	€44,478	Qualitative performance	20%						See details below	€128,098	TOTAL	100%						104.2%	€741,632
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²⁹ Average full-time employee includes full-time employees and full-time equivalent of part-time employees. Both fixed term and permanent employees are included. It however excludes MB Members and interns.

³⁰ The cash remuneration includes base salary and annual (cash) bonus.

³¹ The remuneration of employees who worked at URW NV and its affiliates for less than a year as of December 31, 2022 is annualized. The exchange rate used for compensation paid in USD is the average rate over the period as published by the European Central Bank.

³² For the period from incorporation to December 31, 2018.

³³ The total remuneration paid or granted includes the FI, the STI due for the year (and paid during the following year), the LTI granted during the year and any other additional benefits received during the year.

³⁴ There is no longer any President US role since 2021.

³⁵ As Mr. Lowe replaced Mr. Tritant as MB Member, they count for one unique person for the calculation of the average remuneration of the MB Members.

Elements of Remuneration	Amounts	Comments																							
		<p>The scores for Leasing Renewals, Third Party / JV fees and GHG equivalent emissions were subject to a GNRC and SB assessment below what the direct calculations would have provided. These assessments took into account the overall context and sustainability of the performance delivered.</p> <p>The gross STI was determined by the SB on March 27, 2023, upon the recommendation of the GNRC, and is before income tax and social security charges. The equivalent amount in USD is 781,594.</p> <p>Among significant individual objectives achieved by Mr Lowe in 2022:</p> <ul style="list-style-type: none"> Operational performance exceeded NRI, sales and gross administrative costs reduction targets, in a market that is seeing strong recovery. Strong MGR recovery and sales-based rent levels growing, target exceeded. Successful reorganization of the US platform to facilitate future deleveraging. Successful disposals of four major assets at attractive yields. Successfully delivered various extension projects including Westfield Topanga achieving LEED Platinum, the highest standard in sustainable building in the US. <p>The STI paid in 2022 in respect of 2021 is was €593,589 (74.9% of maximum opportunity).</p>																							
Long-Term Incentive - LTI Performance Shares (PS) and Performance Stock Options (SO) <i>(Granted during the 2022 year)</i> <i>(Economic value at the grant date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson)</i>	€791,865	<p>The maximum LTI opportunity is 180% of FI.</p> <p>The SB, upon the recommendation of the GNRC, granted a combination of PS and SO to Mr Lowe, dated March 8, 2022, with the following characteristics:</p> <table border="1"> <thead> <tr> <th>Presence condition</th> <th>Performance period</th> <th>Performance condition</th> <th>Strike price</th> <th>Number of units</th> <th>Economic value (IFRS)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">2 years of continuous presence before the date of vesting or exercise</td> <td>3 years</td> <td>80% financial (35% Relative TSR, 10% Absolute TSR, 35% AREPS)</td> <td>n/a</td> <td>32,961</td> <td>€758,381 \$826,029*</td> </tr> <tr> <td>3 years</td> <td>20% CSR (10% Executive gender parity, 10% Greenhouse gas reduction)</td> <td>€66.68 (no discount)</td> <td>29,339</td> <td>€33,484 \$36,471*</td> </tr> <tr> <td colspan="5"></td> <td>€791,865 (i.e. \$862,500so 115% of FI*)</td> </tr> </tbody> </table> <p><i>*Based on exchange rate published by the European Central Bank at grant date</i></p> <p>TSR is the total return obtained through ownership of a share over a given period. It includes dividends (or any other distribution) paid and reinvested in the Stapled Shares, as well as any change in the Stapled Shares share price over this period. TSR information is provided by an external third party such as Bloomberg. The reference period runs from the grant date up until the last trading day prior to the end of the vesting period and calculations are made on a 90 calendar-day averaging basis.</p> <p>Mr. Lowe has received SO and PS as COO US on May 21, 2021 and March 8, 2022 only. As such he has no Performance Shares vested nor Stock Options exercisable yet in this capacity.</p> <p>The maximum LTI grant is 180 % of FI. The SO and PS granted to Mr Lowe on March 8, 2022 will vest on March 10, 2025.</p>	Presence condition	Performance period	Performance condition	Strike price	Number of units	Economic value (IFRS)	2 years of continuous presence before the date of vesting or exercise	3 years	80% financial (35% Relative TSR, 10% Absolute TSR, 35% AREPS)	n/a	32,961	€758,381 \$826,029*	3 years	20% CSR (10% Executive gender parity, 10% Greenhouse gas reduction)	€66.68 (no discount)	29,339	€33,484 \$36,471*						€791,865 (i.e. \$862,500so 115% of FI*)
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Pension	€17,364	Mr Lowe benefits from a defined contribution pension plan (401 K type) with a company matching done under the same terms and conditions as the local employees.																							
Life and health insurance	€24,862	Mr Lowe benefits from benefits applicable to all employees in his work country, including life and health insurance and social security benefits.																							
Service agreement	Yes	The service agreement between URW NV and Mr Dominic Lowe is in force since June 29, 2021																							
TOTAL	€2,287,377																								

As a result to the above-mentioned figures, the fixed and variable remuneration components weigh 32.96% and 67.04% of total remuneration.

2.3.3.2 ELEMENTS OF REMUNERATION DUE OR GRANTED FOR THE 2022 FINANCIAL YEAR TO MR GERARD SIEBEN, CHIEF FINANCIAL OFFICER (CFO)

Elements of Remuneration	Amounts	Comments																																																																																	
Annual Fixed Income - FI (paid in respect of the 2022 year)	€177,896	The FI of the CFO benefits from the usual annual salary indexation applicable in the Netherlands under the same terms and conditions.																																																																																	
Short-Term Incentive - STI (to be paid in 2023 in respect of the 2022 year)	€47,676	The target STI opportunity is 25% of FI.																																																																																	
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Long-Term Incentive - LTI	€86,194	The maximum LTI opportunity is 180 % of FI.																																																																																	
Performance Shares (PS) and Performance Stock Options (SO)		The SB, upon the recommendation of the GNRC, granted a combination of PS and SO to Mr Sieben, dated March 8, 2022, with the following characteristics:																																																																																	
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		Mr Sieben has received SO and PS grant since 2019. As such, according to the performance of the LTI plan 2019 assessed at 38.35%, on March 21, 2022, he received 265 PS and 3,000 SO are exercisable until March 19, 2027 subject to the retesting of the URW TSR KPI upon exercise.																																																																																	
		The SO and PS granted to Mr Sieben on March 8, 2022 will vest on March 10, 2025.																																																																																	
Pension	€21,909	Mr Sieben benefits from a defined contribution pension plan.																																																																																	
Benefits in Kind	€25,028	Mr Sieben benefits from a company car.																																																																																	
Service agreement	Yes	The service agreement between URW NV and Mr Gerard Sieben is in force since June 7, 2018.																																																																																	
TOTAL	€358,704																																																																																		

As a result to the above-mentioned figures, the fixed and variable remuneration components weigh 62.68% and 37.32% of total remuneration, respectively.

2.4 REMUNERATION PAID TO THE SB MEMBERS FOR 2022 FINANCIAL YEAR

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

The SB remuneration policy is determined by the AGM, at the proposal of the SB, upon the recommendation of the GNRC.

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

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

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

The remuneration policy for the SB Members remains unchanged in 2022. The current SB remuneration policy was approved by the AGM on June 29, 2021.

2.4.1 REMUNERATION PAID TO THE SB MEMBERS

In 2022 remuneration of the SB members amounted to €260,500. Mr. Jean-Marie Tritant, Mr. Fabrice Mouchel and Ms. Aline Taireh did not receive any remuneration for their SB membership. URW NV has not awarded any options or shares to members of the SB as remuneration for their services as SB members. No loans or guarantees were granted to members of the SB.

EVOLUTION OF REMUNERATION OF THE SB MEMBERS

SB Members	2022	2021	2020	2019	2018 ⁽¹⁾
Mr. Jean-Marie Tritant ⁽²⁾	€0	€0	NA	NA	NA
Mr. Fabrice Mouchel	€0	€0	NA	NA	NA
Mr. Jean-Louis Laurens	€138,000	€130,000	€135,500	€135,000	€70,500
Mr. Alec Pelmore ⁽³⁾	€0	€0	€122,000	€120,000	€60,000
Mrs. Catherine Pourre	€122,500	€109,417	NA	NA	NA
Ms. Aline Taireh ⁽⁴⁾	€0	€0	€0	€0	€0
TOTAL	€260,500	€239,417	€257,500	€255,000	€130,500

(1) The 2018 remuneration was applied pro rata temporis.

(2) Mr. Jean-Marie Tritant has received in 2021 a tax equalization payment related to his former capacity as MB member in 2020. The amount is EUR 469,644. The Remuneration received as MB member in 2018, 2019 and 2020 is disclosed in the corresponding Annual Report.

(3) On December 17, 2020 the Supervisory Board took note of the resignation of Mr. Alec Pelmore with effect January 4, 2021.

(4) Ms. Aline Taireh did not receive any compensation for her SB membership. Employee remuneration charged to a subsidiary of the Company is disclosed in footnote 12.3 of URW NV's consolidated financial statements for the financial year ended December 31, 2021.

2.4.2 NUMBER OF STAPLED SHARES, SO AND PS HELD BY MB MEMBERS AND SB MEMBERS AS AT DECEMBER 31, 2022

MB and SB Members	Stapled Shares Owned	Non-exercised SO	PS subject to vesting period
Mr. Dominic Lowe	491	67,316	46,630
Mr. Gerard Sieben	270	18,958	8,561
Mr. Jean-Marie Tritant	43,274*	249,500	84,360
Mr. Fabrice Mouchel	26,505**	179,775	60,617
Mr. Jean-Louis Laurens	363	0	0
Mrs. Catherine Pourre	112,970	0	0
Ms. Aline Taireh	806***	28,826	12,476

* Excluding 2553 Stapled Shares held via the URW SE Company Saving Plan

** Excluding 6406 Stapled Shares held via the URW SE Company Saving Plan.

*** Including 305 Stapled Shares held through CDI's.



FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

On March 27, 2023, the Supervisory Board approved the consolidated financial statements of Unibail-Rodamco-Westfield N.V. for the year ended December 31, 2022, and authorised their publication. These consolidated financial statements will be submitted to the approval of the Annual General Meeting expected to be held on June 27, 2023.

3.1 CONSOLIDATED FINANCIAL STATEMENTS

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

3.1.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€Mn)	Notes	2022	2021 Restated ⁽¹⁾
Gross rental income	5.3	386.8	346.9
<i>Service charge income</i>		47.4	45.0
<i>Service charge expenses</i>		(65.0)	(55.5)
<i>Property operating expenses</i>		(126.0)	(129.3)
Operating expenses and net service charges		(143.6)	(139.7)
Net rental income		243.2	207.2
Net property services and other activities income		0.5	-
Share of result of companies accounted for using the equity method	7.2	(223.5)	(391.3)
Corporate expenses		(15.8)	(36.1)
Depreciation of tangible assets	6.2.2	(4.8)	(6.3)
Administrative expenses		(20.7)	(42.4)
Acquisition and related costs	5.2.4	(5.9)	(1.4)
Result on disposal of investment properties and loss of control	2.1.2/2.2.2	(2.9)	57.2
Valuation gains on assets		41.8	25.6
Valuation losses on assets		(439.9)	(538.5)
Valuation movements on assets	6.4	(398.1)	(512.9)
NET OPERATING RESULT		(407.4)	(683.7)
<i>Financial income</i>		52.3	47.2
<i>Financial expenses</i>		(414.2)	(345.2)
Net financing costs	8.2.1	(361.9)	(298.0)
Fair value adjustments of derivatives, debt and currency effect	8.2.2	523.8	11.4
RESULT BEFORE TAX		(245.4)	(970.3)
Income tax benefit/(expenses)	9.2	11.7	74.2
NET RESULT FOR THE PERIOD		(233.7)	(896.1)
Net result for the period attributable to:			
Owners of Unibail-Rodamco-Westfield N.V. shares		(152.2)	(788.2)
Non-controlling interests		(81.5)	(107.9)
NET RESULT FOR THE PERIOD		(233.7)	(896.1)

		2022	2021 Restated ⁽¹⁾
Average numbers of shares (undiluted)	14.2	231,965,297	231,793,341
Net result of the period (Owners of Unibail-Rodamco-Westfield N.V.)		(152.2)	(788.2)
Net result for the period per share (Owners of Unibail-Rodamco-Westfield N.V.) (€)		(0.66)	(3.40)
Average numbers of shares (diluted)	14.2	232,698,629	233,437,334
Net result of the period (Owners of Unibail-Rodamco-Westfield N.V.)		(152.2)	(788.2)
Diluted net result per share (Owners of Unibail-Rodamco-Westfield N.V.) (€) ⁽²⁾		(0.66)	(3.40)

(€Mn)		2022	2021 Restated ⁽¹⁾
NET RESULT FOR THE PERIOD		(233.7)	(896.1)
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries ⁽³⁾		133.6	183.3
Other comprehensive income that may be subsequently recycled to profit and loss		133.6	183.3
OTHER COMPREHENSIVE INCOME		133.6	183.3
TOTAL COMPREHENSIVE INCOME		(100.0)	(712.8)
Total Comprehensive Income for the period attributable to:			
Owners of Unibail-Rodamco-Westfield N.V. shares		(10.0)	(596.5)
External non-controlling interests		(90.0)	(116.4)
TOTAL COMPREHENSIVE INCOME		(100.0)	(712.8)

(1) Figures for 2021 have been restated, see note 3.3 Correction of error in non-controlling interest.

(2) 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 2022 and 2021 the EPS are antidilutive.

(3) The amount is presented net of related tax effects.

3.1.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€Mn)	Notes	December 31, 2022	December 31, 2021 Restated ⁽¹⁾	December 31, 2020 Restated ⁽¹⁾
Non-current assets		10,290.0	10,818.0	11,053.1
Investment properties	6.1	4,902.5	5,049.3	5,059.8
<i>Investment properties at fair value</i>		4,893.5	5,029.1	5,040.4
<i>Investment properties at cost</i>		9.0	20.2	19.4
Shares and investments in companies accounted for using the equity method	7.2	4,901.7	5,284.9	5,430.9
Tangible assets	6.2	13.2	26.4	29.7
Intangible assets	6.3	211.2	263.5	295.9
Financial assets	8.3.1	118.2	116.7	116.4
Deferred tax assets	9.3	0.6	0.4	-
Derivatives at fair value	8.4	142.6	76.8	120.4
Current assets		277.2	207.8	406.6
Properties or shares held for sale		-	-	146.9
Inventories		34.3	20.2	19.8
Trade receivables from activity	8.3.1	86.3	88.3	109.3
Tax receivables		3.7	0.5	2.9
Other receivables	8.3.1	76.9	48.3	64.6
Cash and cash equivalents	8.3.6	76.0	50.5	63.1
Total assets		10,567.2	11,025.8	11,459.7
SHAREHOLDERS' EQUITY (OWNERS OF UNIBAIL-RODAMCO-WESTFIELD N.V. SHARES)		1,017.2	777.2	874.0
Share capital	14.2	116.0	115.9	115.8
Additional paid-in capital	14.3	2,243.3	2,243.3	2,243.3
Consolidated reserves	3.1.4	(2,948.3)	(2,159.9)	34.7
Foreign currency translation reserves		257.0	114.8	(76.9)
Consolidated result	3.1.1	(152.2)	(788.2)	(2,194.5)
Capital securities	14.6	1,501.4	1,251.4	751.6
<i>Equity attributable to the owners of Unibail-Rodamco-Westfield N.V.</i>		<i>1,017.2</i>	<i>777.2</i>	<i>874.0</i>
Non-controlling interests	15.4	(250.5)	(160.5)	(44.1)
Total shareholders' equity		766.5	616.7	829.8
NON-CURRENT LIABILITIES		8,557.6	8,091.2	8,989.2
Long-term commitment to non-controlling interests	8.3.7	460.4	491.4	460.5
Long-term bonds and borrowings	8.3.3	7,773.3	6,843.9	7,691.2
Long-term lease liabilities	8.3.3	36.7	50.4	52.7
Derivatives at fair value	8.4	45.4	445.5	529.1
Deferred tax liabilities	9.3	111.5	121.5	165.2
Non-current provisions	10	35.0	31.4	43.8
Guarantee deposits		5.2	6.2	7.3
Amounts due on investments	12	6.3	6.3	6.3
Other non-current liabilities	8.5.2	83.8	94.6	33.1
Current liabilities		1,243.1	2,318.0	1,640.7
Liabilities directly associated with properties or shares classified as held for sale		-	-	203.5
Current commitment to non-controlling interests	8.3.7	91.5	64.4	39.9
Amounts due to suppliers and other creditors		154.3	126.1	159.2
<i>Amounts due to suppliers</i>		86.4	74.7	73.7
<i>Amounts due on investments</i>	12	38.0	43.4	39.3
<i>Sundry creditors</i>		29.9	8.0	46.2
Other current liabilities	11	236.7	228.0	253.1
Current borrowings and amounts due to credit institutions	8.3.3	752.3	1,890.8	976.1
Current lease liabilities	8.3.3	6.9	6.7	3.3
Current provisions	10	1.4	2.0	5.6
Total liabilities and equity		10,567.2	11,025.8	11,459.7

(1) Figures for 2020 and 2021 have been restated, see note 3.3 Correction of error in non-controlling interest.

3.1.3 CONSOLIDATED STATEMENT OF CASH FLOWS

(€Mn)	Notes	2022	2021
OPERATING ACTIVITIES			
Net result		(233.7)	(896.1)
Depreciation & provisions ⁽¹⁾		(5.7)	(12.5)
Changes in value of property assets	6.4	398.1	512.9
Changes in fair value of derivatives, debt and currency effect	8.2.2	(523.8)	(11.4)
Result on disposal of investment properties and loss of control ⁽²⁾		2.9	(57.2)
Share of the result of companies accounted for using the equity method		223.5	391.3
Net financing costs	8.2.1	361.9	298.0
Income tax benefit/(expenses)	9.2	(11.7)	(74.2)
Dividend received from companies accounted for using the equity method or non-consolidated ⁽⁴⁾		554.0	232.5
Income tax paid (received)		(1.3)	(2.2)
Change in working capital requirement		20.0	(4.0)
Total cash flow from operating activities		784.2	377.2
INVESTMENT ACTIVITIES			
Property activities		(80.7)	(52.9)
Acquisition of subsidiaries, net of cash acquired	2.1.2	-	4.6
Amounts paid for works and acquisition of property assets	6.5	(61.4)	(26.3)
Repayment of property financing		0.2	-
Increase of property financing ⁽³⁾		(60.2)	(123.8)
Disposal of shares	2.1.2	-	100.9
Disposal of investment properties and loss of control	2.1.2	40.7	(8.3)
Financial activities		(0.2)	(0.3)
Acquisition of financial assets		(0.2)	(0.5)
Repayment of financial assets		-	0.2
Total cash flow from investment activities		(80.9)	(53.2)
FINANCING ACTIVITIES			
Increase in capital		0.1	-
New borrowings and financial liabilities	8.3.3	327.8	543.9
Repayment of borrowings and financial liabilities	8.3.3	(684.5)	(573.1)
Cash flows from derivatives		55.0	46.6
Interest paid		(378.8)	(358.0)
Total cash flow from financing activities		(680.4)	(340.6)
Change in cash and cash equivalents during the period		22.9	(16.6)
Net cash and cash equivalents at the beginning of the year		50.5	63.0
Effect of exchange rate fluctuations on cash held		2.6	4.1
Net Cash and cash equivalents at period-end	8.3.6	76.0	50.5

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

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

(3) Capital contributions from/to Joint Ventures.

(4) In 2022, includes €343.2 Mn of distributions made by US companies accounted for using the equity method, following the disposal of their assets.

3.1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€Mn)	Share capital	Additional paid-in capital	Consolidated reserves	Consolidated net result	Foreign currency translation reserve ⁽¹⁾	Capital securities	Equity attributable to the owners of URW NV shares	Non-controlling interests	Total Shareholders' equity
RESTATED EQUITY AS AT JANUARY 1, 2021⁽²⁾	115.8	2,243.3	34.7	(2,194.5)	(76.9)	751.6	874.0	(44.1)	829.8
Net result of the period	-	-	-	(788.2)	-	-	(788.2)	(107.9)	(896.1)
Other comprehensive income	-	-	-	-	191.7	-	191.7	(8.5)	183.3
Net comprehensive income	-	-	-	(788.2)	191.7	-	(596.5)	(116.4)	(712.8)
Earnings appropriation	-	-	(2,194.5)	2,194.5	-	-	-	-	-
Increase in capital	0.1	-	-	-	-	-	0.1	-	0.1
Amendment related party liabilities	-	-	-	-	-	499.8	499.8	-	499.8
Other movements	-	-	(0.1)	-	-	-	(0.1)	-	(0.1)
RESTATED EQUITY AS AT DECEMBER 31, 2021⁽²⁾	115.9	2,243.3	(2,159.9)	(788.2)	114.8	1,251.4	777.2	(160.5)	616.7
Net result of the period	-	-	-	(152.2)	-	-	(152.2)	(81.5)	(233.7)
Other comprehensive income	-	-	-	-	142.3	-	142.3	(8.6)	133.6
Net comprehensive income	-	-	-	(152.2)	142.3	-	(10.0)	(90.0)	(100.0)
Earnings appropriation	-	-	(788.2)	788.2	-	-	-	-	-
Increase in capital	0.1	-	-	-	-	-	0.1	-	0.1
Restatement of hybrid securities	-	-	(0.2)	-	-	-	(0.2)	-	(0.2)
Amendment related party liabilities ⁽³⁾	-	-	-	-	-	249.9	249.9	-	249.9
EQUITY AS AT DECEMBER 31, 2022	116.0	2,243.3	(2,948.3)	(152.2)	257.0	1,501.4	1,017.2	(250.5)	766.5

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

(2) The figures for 2021 have been restated, see note 3.3 Correction of error in non-controlling interest.

(3) Reference is made to Note 2.1.3. and 2.2.4.

3.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 • CORPORATE INFORMATION

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

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

These consolidated financial statements as at December 31, 2022, comprise the Company and its subsidiaries (together referred to as “the Group”).

The Group’s objectives are:

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

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

As from June 7, 2018, after the completion of the Westfield acquisition by Unibail-Rodamco-Westfield SE (“URW SE”, formerly Unibail-Rodamco SE), URW NV is held for 60% directly by Unibail-Rodamco-Westfield shareholders (Stapled Share principle) and 40% directly by URW SE.

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

NOTE 2 • SIGNIFICANT EVENTS OF THE YEAR

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

2.1 SIGNIFICANT EVENTS OF 2022

2.1.1 Covid-19 pandemic

OVERVIEW OF RESTRICTIONS IN 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 were applicable anymore in any of the regions in which the Group operates.

RENT RELIEF AND GOVERNMENT SUPPORT

Throughout the COVID-19 crisis, URW NV recognized 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 did not provide any COVID-19 rent relief in 2022 regarding 2022 for its shopping centre activity. The 2022 P&L remained impacted by the straight lining 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 debtors is recorded in the Net Rental Income as an “Operating expense” in the consolidated statement of comprehensive income.

The 2022 Profit and Loss (“P&L”) remained impacted by the straight lining and updated assessment of rent relief granted in 2020 and 2021. The 2022 P&L impact of COVID-19 rent discount granted in 2020 and 2021 amounted to -€11.7 Mn for the Group’s shopping centre activities (2021: -€13.4 Mn).

VALUATION OF INVESTMENT PROPERTIES

Over the year ended December 31, 2022, the valuation movement of the fully consolidated investment properties is -€319.2 Mn (2021: -€479.0 Mn) and the valuation movement of the investment properties accounted for using the equity method is -€443.0 Mn (2021: -€604.2 Mn). The negative valuation movements were mainly caused by an increase of discount rates used by appraisers.

IMPAIRMENT ON INTANGIBLE ASSETS

The Group performed a full impairment test of intangible fixed assets as at December 31, 2022, based on assumptions described in note 6.3. The impairment of the trademark for Flagships in the US amounted to -€74.4 Mn (2021: -€48.4 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 8.5.2 “Credit Risk”.

As at December 31, 2022, the expected loss allowance in the Consolidated statement of financial position amounted to €57.1 Mn compared to €75.5 Mn at the end of December 31, 2021. The expected credit loss for debtors recorded in the Consolidated statement of comprehensive income amounted to a reversal of €11.5 Mn for the period ending December 31, 2022 compared to an expected credit loss of €18.6 Mn for the year ended December 31, 2021.

CONFLICT IN UKRAINE / MACRO ECONOMIC IMPACT

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 the Group’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.

2.1.2 Disposal and acquisitions

ACQUISITIONS

The Group acquired the Seritage box at Westfield Galleria Roseville in 2022.

DISPOSALS

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 company is accounted for using 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.

Disposal of Westfield Santa Anita

On August 25, 2022, the Group completed the sale of Westfield Santa Anita in Arcadia, California, to an established commercial real estate investor who owns other retail assets in Southern California.

The sale price of \$537.5 Mn (at 100%, URW share 49%), reflects a sub-6% net initial yield and a 10.7% discount to the latest unaffected appraisal as of December 2021.

As the company is accounted for using the equity method, the URW’s stake in the net disposal result of -€32.4 Mn is recorded within the share of the result of companies accounted for using the equity method.

Disposal of The Village in San Fernando Valley

On December 27, 2022, the Group announced it had completed the sale of The Village, an outdoor lifestyle destination in the San Fernando Valley of Los Angeles, to the Kroenke Organization. The sale price of \$325 Mn (at 100%, URW share 55%), reflects a 10.6% discount to the last unaffected appraisal. The net disposal result amounted to -€20.9 Mn and was recorded in the consolidated statement of comprehensive income.

Disposal of Westfield Trumbull and Westfield South Shore Shopping Centres

On December 30, 2022, the Group announced that it has completed the sale of Westfield Trumbull located in Trumbull, Connecticut and Westfield South Shore located in Bay Shore, New York to a commercial real estate investment firm. The combined gross sale price of these wholly owned regional assets at \$196 Mn is equal to their gross market value.

Disposal of Kerkstraat Hilversum

On December 2, 2022, the Group completed the sale of Kerkstraat in Hilversum, the Netherlands to an established real estate investor for €7.0 Mn.

2.1.3 €250 Mn loan conversion

An additional part (€250 Mn) of the loan with an original nominal value of €1,250 Mn, of which already €500 Mn has been converted earlier, has been converted into a capital security with a 99-year maturity as per December 31, 2022. The remaining part of the loan is €543.7 Mn.

The converted part qualifies as equity with the exception of the amount due on this instrument, which is initially measured at fair value at balance sheet date (€0.1 Mn at December 31, 2022) and subsequently at amortised cost using the effective interest method. The amendment fee paid to URW SE of €5.4 Mn and the remaining amortised upfront fee of €0.3 Mn are recorded in 2022 under financial expenses.

2.2 SIGNIFICANT EVENTS OF 2021

2.2.1 COVID-19 pandemic

The COVID-19 pandemic continued to have a significant impact on URW NV's business over the course of 2021.

OVERVIEW OF RESTRICTIONS IN 2021

The operations in URW NV's shopping centres were particularly impacted by restrictions in the first half of 2021. URW NV's business activities are mainly in the US.

In the US, all of the centres were open throughout the year, however restrictions on sectors like Food & Beverage ("F&B"), entertainment and fitness were only progressively eased during February and March. The Group was impacted by its weighting to California, Maryland, and New York ("NY") where restrictions were generally relaxed later than in many other parts of the country.

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

As at December 31, 2021, all the Group's US centres are able to trade normally and all capacity restraints have been removed.

There have been no changes in the operating restriction in the US after the reporting date. In California masking requirements are for everyone in indoor spaces as public transport, health care, schools. The masking requirements are also for unvaccinated people in all other indoor spaces such as retail, restaurants, theatres.

RENT RELIEF AND GOVERNMENT SUPPORT

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

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

Throughout the crisis, URW recognized 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.

VALUATION OF INVESTMENT PROPERTIES

Over the year ended December 31, 2021, the valuation movement of the fully consolidated investment properties is -€479.0 Mn (2020: -€858.3 Mn) and the valuation movement of the investment properties accounted for the equity method is -€604.2 Mn (2020: -€1,215.7 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 December 31, 2021, based on assumptions described in note 6.3. The impairment of the trademark for Flagships in the US amounted to -€48.4 Mn.

EXPECTED CREDIT LOSSES

The Group recognizes 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 8.5.2 "Credit Risk".

As at December 31, 2021, the allowance for expected credit losses amounted to €75.5 Mn compared to €73.7 Mn at the end of December 31, 2020. In 2021, the net expected credit loss for debtors amounted €40.0 Mn (2020: €63.3 Mn).

2.2.2 Disposal and acquisitions

ACQUISITIONS

The Group acquired the remaining 47.4% stake in Westfield Trumbull and Westfield Palm Desert in May 2021 for a total amount of €7.3 Mn, the total consideration included cash of €4.6 Mn and forgiveness of a partner loan of €2.8 Mn. The associated entities previously in joint control are fully consolidated from this date.

The fair value of the previously held interest at the date that control is obtained is deemed to be the cost for the purposes of accounting for the acquisition of the subsidiary. The revaluation of the previously held investment amounts to €13.2 Mn (\$16.0 Mn) and was booked in the “Valuation movement on assets” in the Consolidated statement of comprehensive income.

The acquisition in stages from joint venture to subsidiary is considered an asset acquisition rather than a business combination. The initial fair value of the investment properties is €183.0 Mn and the initial fair value of the liabilities is €223.4 Mn at the transaction date which is higher than fair value of the investment mainly as a result of financial guarantees provided on these loans with a total impact of €29.7 Mn. Reference is made to note 8.5.2.

After the transaction the company owned 100% of Westfield Trumbull and Westfield Palm Desert. These properties and their related mortgage debt were fully consolidated in URW NV accounts. On October 14, 2021 Westfield Palm Desert was transferred to the receiver, refer to “Foreclosure of US assets”.

FORECLOSURE OF US ASSETS

With respect to several regional malls in the US, URW defaulted on the loans and asked the servicer of its loans for the appointment of a receiver. During 2021, these assets were taken over by their respective mortgage lenders, the receiver was appointed by the relevant court which transferred the management and control of each related asset and derecognized as of the date of the respective receivership.

Since the appointment dates, URW is no longer the owner of these assets, is not liable for the debt and does not recognise the revenues generated by these assets. This includes Westfield Citrus Park and Westfield Countryside in Florida with an effective transfer on January 13, 2021, the Westfield Sarasota in Florida with an effective transfer on February 23, 2021, Westfield Broward in Florida, with an effective transfer on June 23, 2021 and Westfield Palm Desert in California on October 14, 2021.

The carrying value of the transferred assets Westfield Citrus Park, Westfield Countryside, Westfield Sarasota, Westfield Broward and Westfield Palm Desert was €297.7 Mn (see note 6.1.2). The carrying value of the derecognised liabilities amounted to €441.8 Mn and the working capital adjustment amounted to €32.4 Mn. With respect to Westfield Citrus Park and Westfield Countryside, the special servicers agreed to release URW NV from all obligations under the loans and any associated guarantees. The special servicers agreed to release URW from all obligations under the Westfield Sarasota loan and any associated guarantees, in return for a payment of €9.2 Mn (\$10.9 Mn).

However, for Westfield Palm Desert and Westfield Broward URW is still at risk for financial guarantees associated with the loans until final foreclosure by the bank. Reference to note 8.5.2.

The loss of control led to a profit of €44.4 Mn (\$52.5 Mn) recorded in the “Result on disposal of investment properties and loss of control” in the Consolidated statement of comprehensive income.

DISPOSALS

The Group also continued efforts to streamline its US portfolio. In this context, URW completed the disposal of its 50% stake in the Palisade residential building at Westfield UTC for a sale price €201.8 Mn (\$238 Mn) (at 100%), which reflected a +15% premium to the latest appraisal. URW NV's 50% of the purchase price for the disposal of Palisade at Westfield UTC amounts to €100.9 Mn on the transaction date. Palisade at Westfield UTC (“UTC Resi”) was accounted for using the equity method prior to the sale, as per December 31, 2021, URW NV has no more stake in Palisade at Westfield UTC, please refer to 7.3 in Chapter 3. The disposal of Palisade at Westfield UTC resulted in a profit of €16.8 Mn which were recorded in the “Result on disposal of investment properties and loss of control” in the Consolidated statement of comprehensive income.

2.2.3 €500 Mn loan conversion

A part (€500 Mn) of the loan with an original nominal value of €1,250 Mn, has been converted into a capital security with a 99-year maturity as per June 30, 2021. The remaining part of the loan was €760.6 Mn.

The converted part qualifies as equity with the exception of the amount due on this instrument, which is initially measured at fair value at balance sheet date (€0.2 Mn at June 30, 2021) and subsequently at amortised cost using the effective interest method. The amendment fee paid to URW SE of €10.8 Mn and the remaining amortised upfront fee of €1.6 Mn are recorded in 2021 under financial expenses.

NOTE 3 • ACCOUNTING POLICIES

In accordance with the regulation of the European Community (EC) no. 1606/2002 of July 19, 2002, on the application of international accounting standards, URW NV has prepared its consolidated financial statements for the financial year ending December 31, 2022 under International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable at this date and with Section 2:362(9) of the Dutch Civil Code.

The IFRS standards can be consulted on the website:

http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm.

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

3.1 IFRS BASIS ADOPTED

The accounting principles and methods used are the same as those applied for the preparation of the annual consolidated financial statements as at December 31, 2021, except for the application of the new obligatory 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 December 31, 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 December 31, 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;
 - IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
 - IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information.

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;
 - Classification of Liabilities as Current or Non-current - Deferral of Effective Date;
 - Non-current Liabilities with Covenants.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.

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

Following to the publication of IFRS IC, the Group performed a review of its SaaS contracts. These have no significant impact on the financial statements.

3.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management in the current context, including higher inflation, higher interest rates, increase of energy and raw material costs, supply chain disruption resulting from uncertain geopolitical and economic environment, the aftermath of the COVID-19 pandemic and difficulties in assessing their impacts 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 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 6.1 "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 assesses 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 8.5.2 Credit risk.

ASSETS HELD FOR SALE

An asset is classified as held for sale if the sale of 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, a deferred tax asset is only recognised in case there's a level of certainty of taxable profit being available against which those losses can be utilized. 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 criteria and terms of the contract it will be decided to disclose a loan as an equity instrument or a liability instrument. The Group applied the judgement with respect to the amendments made to the loan agreements of €250 Mn and €500 Mn, reference to 2.1.3 and 2.2.3.

OTHER SIGNIFICANT JUDGEMENTS

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, 2022: for determining if an acquisition is an asset acquisition or business combination reference to note 4.1.3 "Business combinations", 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.

3.3 CORRECTION OF ERROR IN NON-CONTROLLING INTEREST

For the year ended December 31, 2022, URW NV discovered a mathematical error in the accounting of the allocation of non-controlling interest indirectly held by URW SE in URW WEA LLC. This indirect investment in URW WEA LCC is held by URW SE in a direct investment in WHL USA Acquisitions, Inc. Both URW NV and URW SE hold a percentage in Common and Preferred shares WHL USA Acquisitions Inc, who itself owns an indirect holding in WEA Holdings LLC. From 2019 until 2021 the allocation of the result of WEA Holdings LLC related to the non-controlling interest was accounted for at 1.958%, while the allocation of the results should have been accounted for at 9.047%. This resulted in a material misstatement in the annual report for the year ended December 31, 2021. The misstatement has been corrected in this 2022 financial statements. Reference is made to 15.4 Non-controlling interests in which the effects of the correction have been disclosed. The adjustment does not influence the accounting of the share URW SE holds in the redeemable preference shares in WHL USA Acquisitions.

NOTE 4 • SCOPE OF CONSOLIDATION

4.1 ACCOUNTING PRINCIPLES

4.1.1 Scope and methods of consolidation

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

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

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

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

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

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

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

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

4.1.2 Foreign currency translation

GROUP COMPANIES WITH A FUNCTIONAL CURRENCY DIFFERENT FROM THE PRESENTATION CURRENCY

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

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

FOREIGN CURRENCY TRANSACTIONS

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

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

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

4.1.3 Business combinations

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

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

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

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

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

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

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

4.1.4 Cashflow statement

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

4.1.5 Going concern

For the year ended December 31, 2022, the company had a net current asset deficit of €965.9 Mn (December 31, 2021: €2,110.2 Mn) mainly due to the maturing and reclassification of intercompany payable the current amount in current borrowings and amounts due to credit institutions is €752.3 Mn (December 31, 2021: €1,890.8 Mn), refer to note 8.3.3. The company's liquidity needs for the next 12 months are covered by the available undrawn credit lines of €15.2 Mn and \$31.4 Mn, cash on-hand as well as by the cross-guarantees granted within the URW group. Based on that the company believes that it will be able to meet its commitments as and when they fall due, therefore it is appropriate to prepare the financial statements on a going concern basis.

NOTE 5 • SEGMENT REPORTING AND NET RECURRING RESULT

5.1 ACCOUNTING PRINCIPLES

5.1.1 Segment reporting

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

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

Since the joint-controlled entities represent a significant part of the Group's operations in the US, the Group's management and internal reporting structure segment information is prepared in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis instead of being accounted for using the equity method under IFRS. The Group and its joint ventures use consistent accounting policies.

BUSINESS SEGMENTS

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

GEOGRAPHICAL SEGMENTS

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

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

5.2 GROSS RENTAL INCOME

REVENUE FROM CONTRACTS WITH CUSTOMERS

ACCOUNTING TREATMENT OF INVESTMENT PROPERTY LEASES

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

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

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

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

Rent reliefs signed or expected to be signed, granted without any counterpart from the tenants are considered as a reduction of the receivables and are charged to the income statement as a reduction of the Gross Rental Income in 2022.

RENTS AND KEY MONEY

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

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

5.2.1 Operating expenses and net service charges

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

GROUND RENTS PAID

GROUND LEASEHOLDS

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

Buildings constructed on land under a lease agreement are recognised in accordance with the accounting principles described in note 6.1.1. Investment properties - Accounting principles. As at December 31, 2022, ground rents are not material for the Group.

SERVICE CHARGE INCOME AND SERVICE CHARGE EXPENSES

According to IFRS 15, the Group presented separately the service charge income and the service charge expenses. These expenses are net of charges re-invoiced to tenants and relate mainly to vacant premises.

PROPERTY OPERATING EXPENSES

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

5.2.2 Net property services and other activities income

The net property services and other activities income consist of on-site property services and other property services income. Based on the analysis of existing contracts, the current recognition of revenues complies with IFRS 15. Other property services net income is recognized when the services are provided.

Revenues from other activities mainly cover:

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

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

5.2.3 Administrative expenses

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

5.2.4 Acquisition and related costs

In 2022, acquisition and related costs amounted to €5.9 Mn (€1.4 Mn in 2021), this is an increase from 2021, the increase is mainly due to the higher expense in 2022 was mainly due to the integration and severance costs of WAT.

5.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME BY SEGMENT

		2022	2021
(€Mn)		Result	Result
United States	Gross rental income ⁽¹⁾	379.3	340.0
	Operating expenses & net service charges	(140.4)	(136.0)
	Net rental income	238.9	204.0
	Share of result of companies accounted for using the equity method	(211.9)	(390.3)
	Gains/losses on sale of properties	0.1	57.2
	Valuation movements on assets	(395.6)	(496.1)
	Result Shopping Centres United States	(368.5)	(625.2)
Other	Gross rental income ⁽¹⁾	2.2	2.3
	Operating expenses & net service charges	(0.3)	(0.9)
	Net rental income	1.9	1.4
	Gains/losses on sales of properties	(3.1)	-
	Valuation movements on assets	(0.3)	(2.6)
	Result Shopping Centres Other	(1.5)	(1.2)
TOTAL RESULT SHOPPING CENTRES		(370.0)	(626.3)
United States	Gross rental income ⁽¹⁾	5.3	4.7
	Operating expenses & net service charges	(2.9)	(2.9)
	Net rental income	2.4	1.8
	Share of result of companies accounted for using the equity method	(11.6)	(1.0)
	Valuation movements on assets	(2.2)	(14.3)
	Result Offices United States	(11.3)	(13.5)
TOTAL RESULT OFFICES		(11.3)	(13.5)
Other property services net income		0.5	-
Corporate expenses		(20.7)	(42.4)
Acquisition and related costs		(5.9)	(1.4)
NET OPERATING RESULT		(407.4)	(683.7)
Financing result		162.0	(286.6)
RESULT BEFORE TAX		(245.4)	(970.3)
Tax income (expense)		11.7	74.2
NET RESULT FOR THE PERIOD		(233.7)	(896.1)
External non-controlling interests		(81.5)	(107.9)
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF URW N.V. SHARES		(152.2)	(788.2)

(1) There is no tenant which contracts for more than 10% of the Gross Rental Income and there are no material revenues from transactions with other operating segments of the same entity.

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

NOTE 6 • INVESTMENT PROPERTIES, TANGIBLE ASSETS, INTANGIBLE ASSETS AND GOODWILL

6.1 INVESTMENT PROPERTIES (IAS 40 & IFRS 13)

6.1.1 Accounting principles

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

The Group complies with the IFRS 13 fair value measurement rule and the position paper.³⁶ on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe.

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

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

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

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

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

For properties measured at fair value, the fair value adopted by the Group is determined on the basis of appraisals by independent external experts, who value the Group's portfolio as at June 30 and December 31 of each year. The gross value is reduced by disposal costs and transfer taxes.³⁷, depending on the country and on the tax situation of the property, in order to arrive at a net fair value.

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

Appraisers have been given access to all information relevant for valuations, such as the Group's confidential rent rolls, including information on vacancy, break options, expiry dates and lease incentives, performance indicators (e.g., footfall and sales where available), letting evidence and the Group's cash flow forecasts from annually updated detailed asset business plans. Appraisers make their independent assessments of current and forward-looking cash flow profiles and usually reflect risk either in the cash flow forecasts (e.g. future rental levels, growth, investment requirements, void periods and incentives, rent relief and lower variable rents in the context of the COVID-19 pandemic) in the applied required returns or discount rates and in the yield applied to capitalise the exit rent to determine an exit value.

The income statement for a given year (Y) records the change in value for each property, which is determined as follows:
fair value Y - [fair value Y-1 + amount of works and other costs capitalised in year Y].

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

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

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

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

³⁶ EPRA position paper on IFRS 13 - Fair value measurement and illustrative disclosures, February 2013.

³⁷ Transfer taxes are valued on the assumption that the property is sold directly, even though the cost of these taxes can, in certain cases, be reduced by selling the property's holding company.

6.1.2 Investment properties at fair value

(€Mn)	December 31, 2022	December 31, 2021
Shopping Centres	4,841.1	4,978.6
United States	4,824.7	4,951.9
- Flagships centres	4,613.8	4,573.1
- Regionals centres	210.9	378.8
The Netherlands	16.4	26.7
Offices	52.3	50.4
United States	52.3	50.4
TOTAL	4,893.5	5,029.1

(€Mn)	Shopping Centres	Offices	Properties held for sale	Total investment properties
December 31, 2020	5,128.1	59.2	(146.9)⁽¹⁾	5,040.4
Entry into scope of consolidation	183.0	-	-	183.0
Disposals/exits from the scope of consolidation	(297.6)	-	146.9 ⁽¹⁾	(150.7)
Reclassification and transfer of category	0.6	-	-	0.6
Capitalised expenses	21.5	1.1	-	22.6
Other movements	(0.4)	-	-	(0.4)
Valuation movements	(464.6)	(14.3)	-	(479.0)
Currency translation	408.1	4.4	-	412.5
December 31, 2021	4,978.6	50.4	-	5,029.1
Acquisition	22.3	-	-	22.3
Disposals/exits from the scope of consolidation	(190.1)	-	-	(190.1)
Reclassification and transfer of category	10.8	-	-	10.8
Capitalised expenses	24.4	0.9	-	25.4
Valuation movements	(317.1)	(2.2)	-	(319.2)
Currency translation	312.1	3.1	-	315.3
December 31, 2022	4,841.1	52.3	-	4,893.5

(1) Includes the reclassification into the category of properties held for sale of foreclosed assets (Westfield Citrus Park and Westfield Countryside). These assets were foreclosed in 2021 and subsequently removed from the properties held for sale at December 31, 2021.

The disposals of €190.1 Mn mainly relates to Westfield Trumbull and Westfield South Shore. For the disposal of the above-described assets, reference is made to note 2.1.2.

In 2022, valuation of investment properties at fair value decreased by -€319.2 Mn, mainly from an increase of discount rates used by appraisers as well as an increase in the exit capitalization rate.

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 December 31, 2022, 99% of URW NV's portfolio was appraised by independent appraisers. The fair value of the properties in the United States are based on the valuations performed by Cushman & Wakefield and 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.

The below overviews including most significant input and output parameters of the external valuations of the investment properties and the sensitivity overviews of the fair value of investment property are presented based on a proportional basis for the fully consolidated investment property as well as the investment property included in the joint ventures accounted using the equity method. The total value of investment property represents €10,741.8 Mn, this consist of the total €4,893.5 Mn presented investment property in the consolidated position excluding investment property under contraction carried at cost and €5,848.3 Mn of the proportioned share of the investment property presented in the joint venture and associate overview in note 7.2.

SHOPPING CENTRES

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

Shopping Centres - December 31, 2022	Net initial yield	Rent in € per sqm ⁽¹⁾	Discount Rate ⁽²⁾	Exit yield ⁽³⁾	CAGR of NRI ⁽⁴⁾	
Max	9.6%	1,438	10.3%	9.0%	11.4%	
US	Min	2.9%	321	6.5%	4.5%	0.6%
	Weighted average	4.6%	700	7.1%	5.2%	4.6%

Net initial yield, discount rate and exit yield weighted by Gross Market Value (GMV). Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled and the Westfield 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 Net Rental Income determined by the appraiser (between 6 and 10 years depending on duration of DCF model used).

Shopping Centres - December 31, 2021		Net initial yield	Rent in € per sqm ⁽¹⁾	Discount Rate ⁽²⁾	Exit yield ⁽³⁾	CAGR of NRI ⁽⁴⁾
	Max	8.1%	1,736	9.5%	8.0%	13.1%
US	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 yield weighted by Gross Market Value (GMV). Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled and the Westfield trademark are not included in this table. Assets fully consolidated and in joint-control are included.

(1) Average annual rent (minimum guaranteed rent + sales based rent) per asset per sqm.

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

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

(4) Compounded Annual Growth Rate of Net Rental Income determined by the appraiser (10 years).

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

Shopping Centres - December 31, 2022		Net initial yield	Rent in € per sqm ⁽¹⁾	Discount Rate ⁽²⁾	Exit yield ⁽³⁾	CAGR of NRI ⁽⁴⁾
	Max	7.5%	1,438	9.0%	7.3%	11.4%
US Flagships	Min	2.9%	399	6.5%	4.5%	1.8%
	Weighted average	4.2%	820	6.8%	4.9%	5.0%
	Max	9.6%	607	10.3%	9.0%	6.3%
US Regionals	Min	6.4%	321	8.5%	7.0%	0.6%
	Weighted average	8.6%	411	9.8%	8.0%	2.3%

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 Westfield trademark are not included in this table. Assets fully consolidated and in joint-control are included.

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

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

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

(4) Compounded Annual Growth Rate of 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⁾
	Max	6.2%	1,736	8.0%	6.5%	13.1%
US Flagships	Min	3.1%	315	5.8%	4.3%	2.3%
	Weighted average	3.7%	732	6.3%	4.7%	6.8%
	Max	8.1%	636	9.5%	8.0%	10.3%
US Regionals	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 Westfield trademark are not included in this table. Assets fully consolidated and in joint-control are included.

(1) Average annual rent (minimum guaranteed rent) per asset per sqm². The computation takes into account the areas allocated to company restaurants.

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

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

(4) Compounded Annual Growth Rate of NRI determined by the appraiser (10 years).

The sensitivity is for assets fully consolidated or under joint control, excluding assets under development and the Westfield trademark.

Based on an asset value excluding estimated transfer taxes and transaction costs, the Shopping Centre division's net initial yield is 4.6% as at December 31, 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 -€545 Mn (or -5.1%) (December 31, 2021: -€629 Mn (or -5.7%)) of the Shopping Centre portfolio value, including transfer taxes.

A change of +25 bps in discount rate would have a negative impact of -€209 Mn (or -2.0%) (December 31, 2021: -€221 Mn (or -2.0%)) on the Shopping Centre portfolio value, including transfer taxes.

A change of +10 bps in exit capitalization rate would have a negative impact of -€139 Mn (or -1.3%) (December 31, 2021: -€152 Mn (or -1.4%)) on the Shopping Centre portfolio value, including transfer taxes.

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 -€299 Mn (or -2.8%) (December 31, 2021: -€478.³⁸ Mn (or -4.3%)) on the Shopping Centre portfolio value, including transfer taxes.

³⁸ This amount is restated as per December 31, 2021 from -€448 Mn. Restatement is performed in the current year after URW NV noticed a typo in the annual report for the year ended December 31, 2021.

6.1.3 Investment properties under construction at cost

(€Mn)	Gross value	Impairment	Total investment properties at cost
December 31, 2020	25.9	(6.5)	19.4
Disposals/exits from the scope of consolidation	(7.7)	6.7	(1.0)
Capitalised expenses	0.8	-	0.8
Other movements	(0.6)	-	(0.6)
Currency translation	1.8	(0.2)	1.6
December 31, 2021	20.2	-	20.2
Reclassification and transfer of category	(10.8)	-	(10.8)
Disposals/exits from the scope of consolidation	(1.1)	-	(1.1)
Capitalised expenses	3.8	-	3.8
Written off	(4.4)	-	(4.4)
Currency translation	1.4	-	1.4
December 31, 2022	9.0	-	9.0

6.2 TANGIBLE ASSETS

6.2.1 Accounting principles

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

Items of other tangible assets are depreciated to a residual value of € 0 on a straight-line basis over their respective useful economic lives according to the following table:

Item:	Depreciation period:
Office equipment	2 - 5 years
Furniture	3 - 5 years

6.2.2 Changes in tangible assets

Cost

(€Mn)	Furniture and equipment	Right of use	Total tangible assets
December 31, 2020	54.2	30.1	84.2
Acquisitions	0.8	-	0.8
Currency translation	4.1	2.5	6.6
December 31, 2021	59.1	32.6	91.6
Acquisitions	0.3	1.3	1.6
Reclassification and other movement	(8.4)	4.5	(3.9)
Disposals/exits from the scope of consolidation	-	(23.4)	(23.4)
Currency translation	3.8	2.2	6.0
December 31, 2022	54.8	17.3	71.9

Accumulated depreciation

(€Mn)	Furniture and equipment	Right of use	Total tangible assets
December 31, 2020	(49.8)	(4.8)	(54.7)
Depreciation	(1.3)	(5.0)	(6.3)
Currency translation	(3.7)	(0.6)	(4.3)
December 31, 2021	(54.8)	(10.5)	(65.3)
Depreciation	(1.4)	(3.5)	(4.8)
Disposals/exits from the scope of consolidation	-	9.0	9.0
Reclassification and other movement	6.5	-	6.5
Currency translation	(3.5)	(0.7)	(4.1)
December 31, 2022	(53.2)	(5.7)	(58.9)

Net book value

(€Mn)	Furniture and equipment	Right of use	Total tangible assets
December 31, 2021	4.3	22.1	26.4
December 31, 2022	1.6	11.6	13.2

(1) See note 3.1 IFRS basis adopted.

6.3 INTANGIBLE ASSETS

6.3.1 Accounting principles

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

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

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

The intangible assets arise from:

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

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

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

The useful life of the Westfield trademark is considered indefinite because the generating cash inflow from the trademark is considered to be indefinitely as long as the business continue as a going concern. As a consequence, these assets are not amortised but tested for impairment. The useful life of the acquired software is 3 years, acquired software is amortized to a residual value of €0 on a straight-line basis over their respective useful economic lives.

6.3.2 Changes in intangible assets

Cost (€Mn)	Software	Trademark	Total intangible assets
December 31, 2020	91.3	293.0	384.3
Acquisitions	5.0	-	5.0
Disposals	(6.8)	-	(6.8)
Currency translation	7.5	24.4	32.0
December 31, 2021	97.0	317.4	414.4
Reclassification	14.3	-	14.3
Currency translation	5.8	19.6	25.5
December 31, 2022	117.2	337.1	454.2

Accumulated amortization and impairment

(€Mn)	Software	Trademark	Total intangible assets
December 31, 2020	(84.6)	(3.8)	(88.4)
Amortisation	(10.0) ⁽¹⁾	-	(10.0)
Disposals	5.3	-	5.3
Impairment	-	(48.4) ⁽¹⁾	(48.4)
Currency translation	(7.3)	(2.3)	(9.6)
December 31, 2021	(96.6)	(54.4)	(151.0)
Amortisation	(7.5)	-	(7.5)
Impairment	-	(74.4) ⁽¹⁾	(74.4)
Reclassification	(1.8)	-	(1.8)
Currency translation	(5.9)	(2.4)	(8.3)
December 31, 2022	(111.7)	(131.3)	(243.0)

Net book value

(€Mn)	Software	Trademark	Total intangible assets
December 31, 2021	0.4	263.0	263.5
December 31, 2022	5.4	205.8	211.2

(1) The impairment of €74.4 Mn (December 31, 2021: €48.4 Mn) is recorded under valuation losses on assets in the consolidated interim statement of comprehensive income.

Intangible assets as at December 31, 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 €74.4 Mn was recognised as at December 31, 2022.

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 reflects potential effects on the trademark by performing simulations on the discount rate. The impairment is mainly caused by a decrease of the incremental growth rate expected on the US assets estimated by the external appraisers to 1.8% (December 31, 2021: 1.5%) and an increase in the discount rate to 9.25% (December 31, 2021: 8.25%). A valuation at 1.8% of the incremental growth rate would have given a €9.1 Mn higher recoverable amount for the trademark.

The main assumptions used to test the Trademark for impairment are the discount rate which is 9.25% (December 31, 2021: 8.25%), long term growth rate which is 1.8% (December 31, 2021: 2.3%) and incremental growth rate which is 1.78% (December 31, 2021: 1.46%) based on US parameters.

A change of +25 basis points on the discount rate of the Trademark as determined at December 31, 2022, would lead to an additional impairment of -€15.6 Mn the intangible assets.

A change of -10 basis points in the long-term growth rate of the Trademark as determined at December 31, 2022, would lead to an additional impairment of -€4.7 Mn the intangible assets.

6.4 VALUATION MOVEMENTS ON ASSETS

(€Mn)	2022	2021
Investment properties at fair value	(319.2)	(479.0)
Investment properties at cost	(4.4)	1.2
Impairment of intangible assets	(74.4)	(48.4)
Revaluation of the investments previously held	-	13.2
Net result	(398.1)	(512.9)

6.5 AMOUNTS PAID FOR WORKS AND ACQUISITION/DISPOSAL OF PROPERTY ASSETS (CONSOLIDATED STATEMENT OF CASH FLOWS)

In 2022, amounts paid for works and acquisition of property assets amount to €61.4 Mn (December 31, 2021: €26.3 Mn). They comprise acquisitions of assets, transaction capitalised costs, works and capitalised expenses and are adjusted for the changes on amounts due on investments of the period.

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

7.1 ACCOUNTING PRINCIPLES

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

7.2 SHARES AND INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The Group has 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)	December 31, 2022		December 31, 2021	
	JV's at 100%	URW NV's share	JV's at 100%	URW NV's share
Investment properties	11,381.2	5,848.3	12,311.1	6,358.6
Other non-current assets	44.5	24.2	86.0	62.8
Current assets	335.1	170.6	249.2	113.6 ¹
Cash and cash equivalents	62.4	32.4	82.3	42.4 ¹
Total assets⁴	11,823.2	6,075.5	12,728.6	6,577.4
Long-term External borrowings	1,693.1	883.4	2,224.2	1,060.5 ¹
Short-term External borrowings	364.8	163.0	23.0	99.2 ¹
Other non-current liabilities	33.9	18.0	33.9	17.9
Current liabilities	220.4	109.4	248.7	114.7 ¹
Total liabilities⁴	2,312.2	1,173.8	2,529.7	1,292.4
NET ASSETS	9,511.0	4,901.7	10,198.9	5,284.9

(€Mn)	2022		2021	
	JV's at 100%	URW NV's share	JV's at 100%	URW NV's share
Net rental income	615.6	316.9	502.4	260.9
Change in fair value of investment properties ⁴	(811.2)	(443.0)	(1,144.0)	(604.2)
Financial result	(76.6)	(37.8)	(67.2)	(33.0)
Net result^{2 3 4}	(392.3)	(223.5)	(733.4)	(391.3)

1) 2021 Figures have been restated due to reclassification of intercompany balances and also to align 2021 disclosure with the updated in the 2022 figures, URW NV considered the impact and concluded that the restatement did not have a significant impact on the disclosure for the year ended December 31, 2022. The effect on net assets is € 0.0 Mn.

2) URW NV did not receive any other comprehensive income from JV's in 2021 or 2022.

3) URW NV's tax on JV's are insignificant and therefore not disclosed.

4) These amounts include a proportionate amount for associates of €68.5 Mn on total assets (2021: €108.4 Mn), €43.1 Mn on total liabilities (2021: €56.2 Mn); -€34.6 Mn on change in fair value of investments (2021: -€16.0) and -€31.7 on net result (2021: -€12.1 Mn).

For two loans from financial institutions within joint ventures (amounting to approximately €353.0 Mn (2021: €595.9 Mn) based on the Group’s interest in these joint ventures the joint venture was not in compliance with the debt service coverage ratio required under the loan agreement as of December 31, 2022. Non-compliance with the ratio requirement is not an event of default but does trigger the funding of restricted reserve accounts controlled by the lender to cover future property taxes, insurance and leasing capital. The total restricted cash reserves per balance sheet date within those joint ventures amount to €3.1 Mn (2021: €2.6 Mn).

COMMITMENTS AND CONTINGENT LIABILITIES IN RESPECT OF ASSOCIATES AND JOINT VENTURES

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

7.3 EQUITY ACCOUNTED ENTITIES' ECONOMIC INTEREST

Set out below are the joint venture partners and associates of the Group as at December 31, 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 joint ventures mentioned in note 2.1.2.

Name of the investments ⁽¹⁾	Type of equity	Economic interest December 31, 2022	Economic interest December 31, 2021
Annapolis ⁽²⁾	Partnership units	55.0%	55.0%
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 ⁽⁴⁾	Partnership units	-	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%
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 2.1.2.

(4) Westfield Santa Anita was sold on August 25, 2022, refer to 2.1.2.

(5) West Valley was sold on December 27, 2022, refer to 2.1.2.

7.4 TRANSACTIONS WITH RELATED-PARTIES

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

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

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

TRANSACTIONS WITH COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

(€Mn)	December 31, 2022	December 31, 2021
Current account in debit/(credit)	(13.6)	(8.7) ⁽¹⁾

(1) The December 31, 2021, figures have been restated from €35.9Mn amount in debit to correctly reflect the balances due to joint ventures and associates, the fully consolidated entities balances were incorrectly disclosed previously.

The impact of transactions with companies accounting for using the equity method on comprehensive income was insignificant for the year ended December 31, 2022.

TRANSACTIONS WITH UNIBAIL-RODAMCO-WESTFIELD SE

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

LOANS TO URW NV

During the period, URW NV has an interest-bearing loan from URW SE. An additional part (€250 Mn) of the loan with an original nominal value of €1,250 Mn has been converted into equity on December 31, 2022, reference is made to note 2.1.3. The remaining principal amount of the loan is €543.7 Mn (December 31, 2021: €760.6 Mn) as at December 31, 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 interest-bearing loan from URW SE. The principal amount of the loan is €35.8 Mn as at December 31, 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 had a EUR and USD current account facility with URW SE for €185.0 Mn and \$100.0 Mn, respectively. As at December 31, 2022, the drawn down amount are €169.8 Mn and \$68.6 Mn (€64.3 Mn) respectively. The interest rate is EURIBOR + 0.85% for the EUR facility and LIBOR + 1.4% for the USD facility. The maturity date for both contracts is April 1, 2024. As at December 31, 2021, the drawn down amount are €173.5 Mn and \$34.6 Mn (€30.5 Mn) respectively. The interest rate is EURIBOR + 0.85% for the EUR facility and LIBOR + 1.4% for the USD facility. The maturity date for both contracts is April 1, 2024.

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 €142.6 Mn (December 31, 2021: €76.8 Mn) and €45.4 Mn (December 31, 2021: €445.5 Mn) respectively as at December 31, 2022. Reference is made to note 8.4.

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 December 31, 2022, is \$52.4 Mn (€49.1 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 December 31, 2022, is \$1,202.9 Mn (€1,127.8 Mn) (December 31, 2021: €1,062.1 Mn). The interest rate is LIBOR + 1.225% margin. The maturity date of the loan is June 7, 2024.

During the period, URW America Inc. has an USD interest-bearing loan from URW SE. The balance of the loan as at December 31, 2022, is \$776.3 Mn (€727.8 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 December 31, 2022, is \$1,007.5 Mn (€944.6 Mn). The interest rate is fixed at 5.895%. The maturity date of the loan is June 30, 2024. The loan was amended from interest rate at LIBOR + 1.2250% margin for the year ended December 31, 2021, due to Maturity date of December 15, 2022.

During the period, WALP has an USD interest bearing loan from URW SE. The balance of the loan as at December 31, 2022, is \$250 Mn (€234.4 Mn). The interest rate is fixed at 5.895%. The maturity date of the loan is June 30, 2023. The loan was amended from interest rate at LIBOR + 1.2250% margin for the year ended December 31, 2021, due to Maturity date of December 15, 2022.

During the period, WALP has an USD interest bearing loan from URW SE. The balance of the loan as at December 31, 2022, is \$475.0 Mn (€445.3) (December 31, 2021: €419.4 Mn). The interest rate is fixed at 3.3500%. The maturity date of the loan is June 27, 2023. The loan was amended from interest rate at LIBOR + 0.775% margin for the year ended December 31, 2021, due to Maturity date of June 27, 2022.

During the period, WALP has an USD interest bearing loan from URW SE. The balance of the loan as at December 31, 2022 is \$300 Mn (€281.3 Mn) (December 31, 2021: €264.9 Mn). The interest rate is LIBOR + 1.3000% 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 December 31, 2022 (€750 Mn as at December 31, 2021) which is classified as a 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, 2020, and default opportunities are limited.

During the period, URW NV has an interest-bearing loan with URW SE of €500 Mn as at December 31, 2022 (€500 Mn as at December 31, 2021) which is classified as a 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. Reference is made to 2.2.3.

During the period, URW NV has an interest-bearing loan with URW SE of €250 Mn as at December 31, 2022 which is classified as a 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 31, 2022 and default opportunities are limited. Reference is made to 2.1.3.

REDEEMABLE PREFERENCE SHARES HELD BY URW SE

URW SE holds redeemable preference shares in WHL USA Acquisitions, Inc. with a stated redemption value of €414.0 Mn (December 31, 2021: €389.9 Mn) which are presented under the consolidated statement of the financial position under commitment to non-controlling interests. URW SE has the right to redeem the shares for cash after April 3, 2029, and is entitled to annual dividends equal to 5.9% of the stated redemption value. Any unpaid distribution on the shares is cumulative and must be paid prior to WHL USA Acquisitions, Inc. paying a common distribution. All related party transactions are based on at arm's length prices.

TRANSACTIONS WITH ASSOCIATES

Related party transaction also include a preferred interest in Starwood. See further 8.3.1" under table of "transactions with companies accounted for using the equity method".

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Remuneration of key management personnel is disclosed in note 13.4.2.

NOTE 8 • FINANCING AND FINANCIAL INSTRUMENTS

8.1 ACCOUNTING PRINCIPLES

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

CLASSIFICATION AND MEASUREMENT OF NON-DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS

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

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

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

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

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

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

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

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

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

FINANCIAL ASSETS AT AMORTISED COST

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

FINANCIAL ASSETS AT FVTPL

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

EQUITY INSTRUMENTS AT FVOCI

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

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

FINANCIAL LIABILITIES

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

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

FINANCIAL GUARANTEES

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL DERIVATIVES

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

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

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

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

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

HEDGING INSTRUMENTS

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

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

Valuation of derivatives has to take into account the Credit Valuation Adjustment (CVA) and the Debit Valuation Adjustment (DVA). CVA, calculated for a given counterparty, is the product of:

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

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

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

The Group does not apply hedge accounting.

8.1.2 Discounting of deferred payments

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

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

8.1.3 Borrowing costs generated by construction projects (IAS 23)

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

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

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

8.2 FINANCING RESULT

8.2.1 Net financing costs

(€Mn)	2022	2021
Other financial interest ⁽¹⁾	7.1	6.8
Amount due from derivatives	45.2	40.4
Subtotal financial income	52.3	47.2
Interest on bonds and EMTNs	(147.4)	(139.6)
Interest and expenses on borrowings	(152.8)	(91.0)
Interest expense on lease liabilities	(3.2)	(3.1)
Interest on preference shares	(37.1)	(28.0) ⁽²⁾
Other financial interest	(15.7) ⁽³⁾	(17.4) ⁽⁴⁾
Amount due on derivatives	(58.5)	(66.1)
Financial expenses before capitalisation of financial expenses	(414.7)	(345.2)
Capitalised financial expenses	0.5	-
Subtotal net financial expenses	(414.2)	(345.2)
TOTAL NET FINANCING COSTS	(361.9)	(298.0)

(1) The other financial interest income of €7.1 Mn (2021: €6.8 Mn) is calculated using the effective interest method.

(2) The interest on preference share in 2021 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 €5.4 Mn and the remaining amortised upfront fee of €0.3 Mn cost of €250Mn loan conversion, reference is made to note 2.1.3.

(4) The other financial interest expense includes the amendment fee of €10.8 Mn and the remaining amortised upfront fee of €1.6 Mn cost of €500 Mn loan conversion in 2021, reference is made to note 2.2.3.

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.

8.2.2 Fair value adjustments of derivatives, debt and currency effect

(€Mn)	2022	2021
Amortisation of debt	(9.2)	(8.0)
Currency result	(2.5)	(1.7)
Fair value of derivatives	465.3	39.7
Fair value preference shares	64.2	18.6 ⁽¹⁾
Financial cost on early redemption	-	(7.0)
ECL on financial guarantee contracts	13.5	(23.3) ⁽²⁾
Fair value of preferred interest	(7.5)	(7.0)
TOTAL FINANCIAL RESULT	523.8	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 Mn for Louise Joliet.

8.3 FINANCIAL ASSETS AND LIABILITIES

8.3.1 Financial assets

(€Mn)	December 31, 2022	December 31, 2021
Financial assets at fair value through profit and loss	256.8	191.3
Preferred interest Starwood and Rouse	114.2	114.5
Derivatives at fair value ⁽¹⁾	142.6	76.8
Financial assets at amortised cost	236.8	185.0
Other financial assets	3.9	2.2
Trade receivables from activity	86.3	88.3
Other receivables ⁽¹⁾⁽²⁾	70.6	44.0
Cash and cash equivalents ⁽¹⁾	76.0	50.5
FINANCIAL ASSETS	493.6	376.3
Total current	232.9	182.8
Total non-current	260.7	193.5

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

(2) Other receivables mainly consist of other debtors and accrued interest on derivatives.

8.3.2 Main financing transactions

2022

BOND MARKET

There were no new issued bonds and notes in the financial year ended December 31, 2022.

TRANSACTION WITH URW SE

For the year ended December 31, 2022, the Group borrowed €324.8 Mn from URW SE and made repayments of €392.8 Mn to URW SE, these transactions are also considered as main financing transactions.

2021

BOND MARKET

There were no new issued bonds and notes in the financial year ended December 31, 2021.

In H2-2021 the Group repaid \$500 Mn (€422.7 Mn) of US 144a bonds which were originally scheduled to mature in April 2022.

MORTGAGE DEBT

Westfield Sarasota, Westfield Citrus Park, Westfield Broward and Westfield Countryside

Following the foreclosure of four US assets, the asset values and the related debt were deconsolidated as URW NV will not own nor be liable for the nominal value of the debt of €347.5 Mn (\$411 Mn) on these assets. URW NV is still liable for financial guarantee contracts related to Westfield Broward. Refer to note 8.5.2.

Westfield Palm Desert and Westfield Trumbull

As at December 31, 2020, Westfield Palm Desert and Westfield Trumbull assets and non-recourse mortgage debts were not consolidated in URW NV's IFRS accounts and were accounted at 53% in URW NV's using the equity method. In May 2021, URW NV acquired the remainder of the 47% Joint Venture partner's stake in these two US assets. From this date Westfield Palm Desert and Westfield Trumbull were fully consolidated in URW NV's IFRS accounts. On October 14, 2021 Westfield Palm Desert was foreclosed and management of the centre was transfer to the Receiver. As at December 31, 2021, only Trumbull's related non-recourse mortgage debt was fully consolidated in URW NV's accounts, corresponding to a total debt amount of €134.5 Mn (\$152.3 Mn). URW NV is still liable for financial guarantee contracts related to Westfield Palm Desert. Refer to note 8.5.2.

TRANSACTION WITH URW SE

For the year ended December 31, 2021, the Group borrowed €543.9 Mn from URW SE and made repayments of €141.2 Mn to URW SE, these transactions are also considered as main financing transactions.

8.3.3 Financial debt breakdown and outstanding duration to maturity

Outstanding duration to maturity (€Mn)	Current			Non-current		Total December 31, 2022	Total December 31, 2021
	Less than 1 year	1 year to 5 years	More than 5 years				
Bonds and notes	20.3	1,640.6	2,113.3	3,774.2	3,545.4		
Principal debt ⁽¹⁾	-	1,640.7	2,109.5	3,750.2	3,531.7		
Accrued interest	38.5	-	-	38.5	36.3		
Issuance costs	(16.7)	-	-	(16.7)	(22.6)		
Amortisation of debt	(1.5)	(0.1)	3.8	2.2	-		
Bank borrowings	(6.0)	111.0	-	105.0	478.7		
Principal debt ⁽¹⁾	-	113.4	-	113.4	484.1		
Accrued interest	0.3	-	-	0.3	2.3		
Borrowings issue fees	(5.4)	-	-	(5.4)	-		
Amortisation of debt	(0.9)	(2.4)	-	(3.3)	(7.7)		
Other financial liabilities	738.0	3,364.7	543.7	4,646.4	4,710.6		
Borrowing with URW SE ⁽²⁾	715.5	3,364.7	543.7	4,623.9	4,704.9		
Accrued interests on borrowings with URW SE ⁽²⁾	23.1	-	-	23.1	7.7		
Charges and premiums on issues of borrowings with URW SE ⁽²⁾	(0.6)	-	-	(0.6)	(1.9)		
Lease liabilities	6.9	17.6	19.1	43.6	57.1		
TOTAL	759.2	5,133.9	2,676.1	8,569.2	8,791.8		

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

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

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

An amount of €113.4 Mn of bank borrowings is secured. Secured liabilities are borrowings secured by mortgages over properties. The related property is Westfield San Francisco Centre. 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 2022 variation of financial debt by flows breaks down as follows:

	Cash flows ⁽¹⁾			Non-cash flows					December 31, 2022
	December 31, 2021	Increase ⁽²⁾	Decrease	Variation of accrued interests ⁽³⁾	Scope movements	Currency translation	Amortisation impact	Others	
Bonds and notes	3,545.4	-	-	-	-	219.3	2.0	7.5	3,774.2
Bank borrowings	478.7	-	(264.8)	(1.6)	(143.4) ⁽⁴⁾	35.0	7.2	(6.1)	105.0
Other financial liabilities ⁽⁶⁾	4,710.7	324.8	(392.8)	17.7	-	232.7	-	(246.7) ⁽⁵⁾	4,646.4
Lease liabilities	57.1	0.8	(22.6)	-	-	3.8	-	4.5	43.6
TOTAL	8,791.9	325.6	(680.2)	16.1	(143.4)	490.8	9.2	(240.8)	8,569.2

(1) The cash flows differ from those in the Consolidated statement of cash flows mainly due to the variation of guarantee deposits received.

(2) Net of bonds and EMTNs issuance costs and bank borrowings issue fees.

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

(4) The variation of scope movements includes the deconsolidation of Westfield Trumbull, reference is made to note 2.1.2.

(5) The variation of Others includes conversion of the €250 Mn loan with URW SE to equity, reference is made to note 2.1.3.

(6) Other financial liabilities consist of borrowings and accrued interest on borrowings with URW SE.

The 2021 variation of financial debt by flows breaks down as follows:

	Cash flows ⁽¹⁾				Non-cash flows				December 31, 2021
	December	Variation of accrued		Scope	Currency	Amortisation	Others		
	31, 2020	Increase ⁽²⁾	Decrease	interests ⁽³⁾	movements	translation		impact	
Bonds and notes	3,677.2	-	(422.7)	(1.6)	-	284.8	3.1	4.6	3,545.4
Bank borrowings	650.2	-	-	(19.3)	(228.1) ⁽⁴⁾	51.9	9.1	14.7	478.7
Other financial liabilities	4,543.4	540.1	(141.2)	(16.8)	-	278.2	-	(492.8) ⁽⁵⁾	4,710.7
Lease liabilities	56.0	-	(3.4)	--	-	4.5	-	-	57.1
TOTAL	8,926.8	540.1	(567.3)	(37.7)	(228.1)	619.4	12.2	(473.5)	8,791.9

(1) The cash flows differ from those in the Consolidated statement of cash flows mainly due to the variation of guarantee deposits received.

(2) Net of bonds and EMTNs issuance costs and bank borrowings issue fees.

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

(4) The variation of scope movements includes the consolidation of the O'Connor 2 portfolio following the acquisition of its JV partner's shares (47.4%) in two US assets (Westfield Palm Desert and Westfield Trumbull), the deconsolidation of O'Connor 1 portfolio (Westfield Broward, Westfield Citrus Park, Westfield Countryside and Westfield Sarasota) as well as Westfield Palm Desert, reference is made to note 2.2.2.

(5) The variation of Others includes conversion of the €500 Mn loan with URW SE to equity, reference is made to note 2.2.3.

MATURITY OF CURRENT PRINCIPAL DEBT

€Mn	Current			Total December 31, 2022
	Less than 1 month	1 month to 3 months	More than 3 months	
Bonds and notes	21.8	-	(1.5)	20.3
Bank borrowings	(5.1)	-	(0.9)	(6.0)
Borrowing with URW SE	22.5	-	715.5	738.0
Financial leases	-	-	6.9	6.9
TOTAL	39.2	-	720.0	759.2

8.3.4 Characteristics of bonds and notes

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

Issue date	Rate	Currency	Amount as at December 31, 2022 (€Mn)	Amount as at December 31, 2021 (€Mn)	Maturity
September 2014	Fixed rate 3.75%	USD	937.6	882.9	September 2024
September 2014	Fixed rate 4.75%	USD	468.8	441.5	September 2044
September 2018	Fixed rate 4.125%	USD	468.8	441.5	September 2028
September 2018	Fixed rate 4.625%	USD	468.8	441.5	September 2048
June 2019	Fixed rate 3.50%	USD	703.2	662.2	June 2029
October 2019	Fixed rate 2.875%	USD	703.2	662.2	January 2027
TOTAL			3,750.2	3,531.7	

8.3.5 Covenants

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

The US credit facility and 144A and Regulation S bonds in the US contain financial covenants based on URW Group's financial statements. As at December 31, 2022, the URW Group's ratios show sufficient headroom vis-à-vis the following covenants:

	US Credit facility covenants level	Rule 144A and Reg S bonds covenants level
Loan to Value. ³⁹	< 65%	< 65%
ICR	> 1.5x	> 1.5x
FFO/NFD. ⁴⁰	na.	na.
Secured debt ratio. ⁴¹	< 50%	< 45%
Unencumbered leverage ratio. ⁴²	> 1.5x	> 1.25x

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

8.3.6 Net financial debt

The net financial debt of URW NV only includes debt as disclosed in the consolidated balance sheet under long-term borrowings as well as current borrowings and amounts due to credit institutions, the net financial debt do not include lease liabilities. Net financial debt is determined as below:

NET FINANCIAL DEBT

(€Mn)	December 31, 2022	December 31, 2021
Amounts accounted for in B/S		
Long-term bonds and borrowings	7,773.3	6,843.9
Current borrowings and amounts due to credit institutions	752.3	1,890.9
Total financial liabilities	8,525.6	8,734.7
Adjustments		
Amortisation of debt	1.1	7.7
Accrued interests/issuance fees	(39.2)	(21.7)
Total financial liabilities (nominal value)	8,487.5	8,720.7
Cash & cash equivalents	(76.0)	(50.5)
NET FINANCIAL DEBT	8,411.5	8,670.1

NET CASH AT PERIOD-END

(€Mn)	December 31, 2022	December 31, 2021
Cash ⁽¹⁾	76.0	50.5
Total asset	76.0	50.5
Bank overdrafts & current accounts to balance out cash flow	-	-
Total liabilities	-	-
NET CASH AT PERIOD-END	76.0	50.5

(1) There is no restriction on cash for the year ended December 31, 2022.

³⁹ Ratio calculated based on European bank debt covenant.

⁴⁰ Funds From Operations: on an annualized basis, the recurring EBITDA minus (i) recurring net financial expenses and (ii) tax on recurring operating result.

⁴¹ Secured debt/Total assets.

⁴² Unencumbered assets/unsecured debt.

8.3.7 Commitment to non-controlling interests

(€/Mn)	December 31, 2021	Addition	Decrease	Fair value movements in P&L	Currency translation	December 31, 2022
Financial liabilities at amortised cost	453.6	27.2	-	-	24.2	505.0
Commitment to non-controlling interests held by URW SE (a)	453.6	27.2	-	-	24.2	505.0
Financial liabilities at fair value	102.2	-	-	(64.2)	8.9	46.9
Commitment to non-controlling interests (b)	35.8	-	-	(2.6)	1.5	34.7
Other commitments to non-controlling interests (c)	66.4	-	-	(61.6)	7.4	12.2
Total commitment to non-controlling interests	555.8	27.2	-	(64.2)	32.9	551.9
Total non-current	491.4	-	-	(64.2)	33.2	460.4
Total current	64.4	27.2	-	-	(0.1)	91.5

Commitment to non-controlling interests for the amount of €46.9 Mn relates to external parties and are measured at fair value level 3. For the fair value method use, refer to note 8.6.

A) INTERESTS HELD BY URW SE

URW SE holds redeemable preference shares/units in WHL USA Acquisitions, Inc. for an amount of €414.0 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. The amount presented in the table above is the initial amount including accrued preferred dividend.

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

B) INTERESTS HELD BY EXTERNAL PARTIES

i) As at December 31, 2022, the Jacobs Group holds 1,141,553 (December 31, 2021: 1,265,431) Series G units in the operating partnership. The RFC LLC / R. Fred Coffin redeemed 123,878 shares in full in September 2022. The holders have the right that requires WEA to purchase up to 10% of the shares redeemed for cash.

ii) As at December 31, 2022, the previous owners of the Sunrise Mall hold 1,401,426 (December 31, 2021: 1,401,426) Series I units. At any time, the holder (or the Holder's Estate) has the right to require the operating partnership to redeem its Series I units at the Group's discretion either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for stapled securities); or (iii) a combination of both.

iii) As at December 31, 2022, 1,538,481 (December 31, 2021: 1,538,481) Series J units are outstanding. At the holder's discretion, such holder has the right to require the operating partnership to redeem its Series J units, at the Group's discretion, either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for URW stapled securities); or (iii) a combination of both.

iv) The investor unit rights in the operating and property partnerships have a fixed life and are able to be redeemed either for: (i) cash, (ii) shares in WEA; or (iii) a combination of both, at the Group's discretion. At any time, after 19 May 2014, such holders have the right to require WEA to redeem their WEA common shares, at the Group's discretion, either for (i) cash; (ii) stapled securities; or (iii) a combination of both.

C) OTHER COMMITMENT TO NON-CONTROLLING INTERESTS

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

i) The former partners in the San Francisco Centre hold 360,000 (Series H-2 Units in the operating partnership) as December 31, 2022 (December 31, 2021: 360,000). Each Series H-2 unit will be entitled to receive quarterly distributions equal to \$0.125 for the first four calendar quarters after the Series H-2 units are issued (the Base Year) and for each calendar quarter thereafter, \$0.125 multiplied by a growth factor. The growth factor is an amount equal to one plus or minus, 25% of the percentage increase or decrease in the distributions payable with respect to a partnership common unit of the operating partnership for such calendar quarter relative to 25% of the aggregate distributions payable with respect to a partnership common unit for the Base Year.

ii) In connection with the completion of the San Francisco Emporium development, 1,000 Westfield Growth, LP Series A units were issued to Forest City Enterprise, Inc as December 31, 2022 (December 31, 2021: 1,000). Redemption of these units by the holder can only be made at the time that the San Francisco Centre (which includes San Francisco Emporium) is sold or otherwise divested. Should this occur, the redemption of these units is required to be made in cash but only out of funds legally available from Westfield Growth, LP.

8.4 DERIVATIVE INSTRUMENTS

CHANGE IN DERIVATIVES 2022

(€Mn)	December 31, 2021	Amounts recognised in the Statement of Comprehensive Income		December 31, 2022
		Fair value adjustments of derivatives	Currency translation	
Assets				
Derivatives at fair value Non-Current	76.8	65.2	0.6	142.6
• Fair value	76.8	65.2	0.6	142.6
Liabilities				
Derivatives at fair value	(445.5)	400.1	-	(45.4)
• Fair value	(445.5)	400.1	-	(45.4)
NET	(368.7)	465.3	0.6	97.2

The fair value of interest rate swaps (assets/liabilities) increased in value mainly due to a higher swap rate curve.

There was no settlement in 2022.

The notional amount of the IRS contract is \$3,000.0 Mn (€2,812.7 Mn).

CHANGE IN DERIVATIVES 2021

(€Mn)	December 31, 2020	Amounts recognised in the Statement of Comprehensive Income		December 31, 2021
		Fair value adjustments of derivatives	Currency translation	
Assets				
Derivatives at fair value Non-Current	120.4	(43.9)	0.3	76.8
• Fair value	120.4	(43.9)	0.3	76.8
Liabilities				
Derivatives at fair value	(529.1)	83.6	-	(445.5)
• Fair value	(529.1)	83.6	-	(445.5)
NET	(408.7)	39.7	0.3	(368.7)

The fair value of interest rate swaps (assets/liabilities) decreased in value mainly due to a higher swap rate curve.

There was no settlement in 2021.

The notional amount of the IRS contract is \$3,000.0 Mn (€2,648.8 Mn).

8.5 RISK MANAGEMENT POLICY

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

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

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

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

8.5.1 Market risk

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

The Group, through its activities, may be exposed to market risks which can generate losses as a result of fluctuations in stock markets. The Group is either: (i) directly exposed to fluctuations in stock prices due to the ownership of shares or financial instruments, or (ii) indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share based derivatives which are directly correlated with the price of the asset underlying such derivatives.

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, excluding accrued interest would be €142.6 Mn (December 31, 2021: €76.8 Mn) for assets and €45.4 Mn (December 31, 2021: €445.5 Mn) for liabilities as at December 31, 2022.

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 (€3,000.2 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 has not been amended to replace USD LIBOR with USD SOFR.

The exposures impacted by the IBOR reform as from 31 December 2022 relate to USD LIBOR instruments and amount to \$5,600.2 Mn (€5,250.4 Mn, 2021: €6,543.5 Mn) of non-derivative financial liabilities (carrying amounts) and \$3,000.0 Mn (€2,812.7 Mn) of derivatives (notional amounts).

The Company analysed the impact. The transition of the IBOR will not have a material impact on the valuation of financial instruments or hedging relationships and thereby have no material impact on the Company's total equity and net income as per December 31, 2022.

MEASURING INTEREST RATE RISK

As at December 31, 2022, the measuring interest risk is as follows:

(€Mn)	Financial liabilities	
	Fixed rate	Variable rate*
Less than 1 year	715.5	-
1 year to 2 years	1,882.1	234.1
2 years to 3 years	-	1,458.2
3 years to 4 years	113.4	727.8
4 years to 5 years	703.2	-
More than 5 years	2,653.2	-
Total	6,067.5	2,420.1

As at December 31, 2021, the measuring interest risk is as follows:

(€Mn)	Financial liabilities	
	Fixed rate	Variable rate*
Less than 1 year	242.8	1,629.0
1 year to 2 years	35.8	0.0
2 years to 3 years	882.9	204.0
3 years to 4 years	134.5	1,373.2
4 years to 5 years	106.8	685.4
More than 5 years	3,425.7	0.0
Total	4,828.5	3,891.6

The Group does not have a micro-hedging strategy, except when both currency exchange risk and interest rate risk are hedged, which enables it not to correlate its liquidity risk and interest rate risk management. Consequently, the maturities of the debts and hedging instruments can be dissociated, and the outstanding derivatives instruments can hedge a part of the fixed rate debt maturing in the following years.

The interest cost of outstanding debt was hedged at 83% as at December 31, 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.

The hedging balance as at December 31, 2022, and December 31, 2021 respectively breaks down as follows:

(€Mn)	Outstanding total as at December 31, 2022		Outstanding total as at December 31, 2021	
	Fixed rate	Variable rate ⁽¹⁾	Fixed rate	Variable rate ⁽¹⁾
Financial liabilities	(6,067.5)	(2,420.1)	(4,828.5)	(3,891.6)
Financial assets	76.0	-	50.5 ⁽⁴⁾	-
Financial liabilities before hedging program	(5,991.5)	(2,420.1)	(4,778.0)	(3,891.6)
Micro-hedging	937.6	(937.6)	882.9	(882.9)
Net financial liabilities after micro-hedging⁽²⁾	(5,053.9)	(3,357.7)	(3,895.1)	(4,774.5)
Swap rate hedging ⁽³⁾	-	1,875.1	-	1,765.8
Net debt not covered by swaps	-	(1,482.6)	-	(3,008.7)
Cap and floor hedging	-	-	-	-
HEDGING BALANCE	-	(1,482.6)	-	(3,008.7)

(1) Including index-linked debt.

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

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

(4) 2021 was restated to include financial assets, URW NV considered the impact and concluded that the restatement did not have any significant impact on the year ended December 31, 2022.

Based on the estimated average debt position of URW NV in 2022, if interest rates (Libor, Euribor) were to rise by an average of +50 bps.⁴³ during 2022, the estimated impact on financial expenses would be -€7.4 Mn:

- Dollar financial expenses would increase by -\$7.0 Mn (-€6.5 Mn);
- Euro financial expenses would increase by -€0.8 Mn.

In total, a +100 bps increase in interest rates during 2022 would have a net negative impact on financial expenses of -€14.7 Mn:

- Dollar financial expenses would increase by -\$14.0 Mn (-€13.0 Mn);
- Euro financial expenses would increase by -€1.7 Mn.

A -50 bps drop in interest rates would reduce the financial expenses by +€7.4 Mn:

- Dollar financial expenses would decrease by +\$7.0 Mn (€6.5 Mn);
- Euro financial expenses would decrease by +€0.8 Mn.

FOREIGN EXCHANGE RATE RISK

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

⁴³ The impact on exchange rates due to this theoretical increase of +50 bps in interest rates is not taken into account. The theoretical impact of a rise or decrease in interest rates is calculated relative to the applicable rates as at December 31, 2021: 3m Euribor (-0.5%) and 3m USD Libor (0.25%).

MEASURING CURRENCY EXCHANGE RATE EXPOSURE

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

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

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

MEASURE OF THE EXPOSURE TO OTHER RISKS AS AT DECEMBER 31, 2022 (€Mn)

Currency	Assets	Liabilities	Net Exposure	Hedging instruments	Exposure net of hedges
USD	10,176	(8,856)	1,320	-	1,320
TOTAL	10,176	(8,856)	1,320	-	1,320

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)	December 31, 2022		December 31, 2021	
	Recurring result	Equity	Recurring result	Equity
	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
Impact of an increase of +10% in the EUR/USD exchange	(7.9)	(120.0)	(9.0)	(177.1)

MANAGEMENT OF OTHER RISKS

The Group, through its activities, may be exposed to market risks which can generate losses as a result of fluctuations in stock markets. The Group is either (i) directly exposed to fluctuations in stock prices due to the ownership of participations or financial instruments, or, (ii) indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share based derivatives which are directly correlated with the price of the asset underlying such derivatives.

The Group may also be exposed to concentration risks on its revenues as well as liquidity. Such risks could generate losses due to bankruptcy of tenants or banks. This exposure however is limited by a diversified tenant base on the revenue side and a pool of banks utilized for its cash and cash equivalents.

8.5.2 Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures with respect to rental customers. Credit risk is managed on a group level. The Group structures the level of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to at least an annual review, and often more frequently. The Group has policies in place to ensure that rental contracts or renewals are made with customers with sufficient creditworthiness or in case of renewal an appropriate credit history with the entity. The Group's tenants may be impacted by COVID-19 depending on the restrictions in place, government support and their industry.

In the Shopping Centres segment, the risk of insolvency is spread widely across a large number of tenants.

When tenants sign their lease agreements, they are required to provide financial guarantees, such as a deposit, first-demand guarantee or a surety bond amounting to between three and six months' rent.

Late payment reminders are automatically issued in respect of late payments and penalties are applied. Such late payments are monitored by a special "default" Committee in each business segment which decides on the pre-litigation or litigation action to be taken.

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.

(€Mn)	2022		2021	
	Assets subject to 12 month ECL	Assets subject to Lifetime ECL	Assets subject to 12 month ECL	Assets subject to Lifetime ECL
Trade receivable from activity	-	86.3	-	88.3 ⁽¹⁾
Other receivables	76.9	-	48.3	-
Cash and cash equivalents	76.0	-	50.5	-
Financial guarantee contracts	379.1	113.1 ⁽³⁾	417.2	309.3 ⁽²⁾
Gross amount at 31 December	532.0	199.4	516.0	397.6

(1) The 2021 amount has been restated to reconcile with the amount included in the statement of financial position. URW NV assess the restated figure and concluded that the restatement did not have any significant impact due to the fact that the table only represents gross carrying values. The amount previously disclosed in €163.9 Mn.

(2) The amount of €309.3 Mn comprises of €160.5 Mn in stage 3 and 189,8Mn in stage 2.

(3) The amount comprises of stage 3 assets.

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 ECL 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 ECL as December 31, 2022:

- Receivables from tenants under bankruptcies proceedings were fully written-off;
- ECL 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 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)	2022	2021
TRADE RECEIVABLE		
Opening loss allowance at 1 January	75.5	73.7
(Reversal)/Addition in loan loss allowance recognised in profit or loss during the year	(11.5)	18.6 ⁽¹⁾
Receivables written off during the year as uncollectible	(10.7)	(23.0) ⁽¹⁾
Changes due to FX differences	3.7	6.3
Closing loss allowance at 31 December⁽¹⁾	57.1	75.5

(1) The 2021 figures were restated, URW NV changed the table for disclosure purposes in 2022. URW NV also noted that some accounts were taken into account in the previous year that should have been excluded from the disclosure table. This resulted in a non-material restatement for the current year, the movement in the consolidated statement of comprehensive income disclosed previously was € 40.0 Mn and the amount disclosed as written off during the year was €44.2 Mn.

(2) 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 provided for 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 contracts from activity during the period:

(€Mn)	2022	2021
FINANCIAL GUARANTEE CONTRACTS		
Opening loss allowance at 1 January	111.2	92.1
Additions recognized in profit or loss during the period ⁽¹⁾	11.7	71.2
Used ⁽²⁾	-	(9.2)
Provision released during the year	(75.9) ⁽⁴⁾	(51.1) ⁽³⁾
Changes due to FX differences	6.7	8.2
Closing loss allowance at 31 December⁽⁵⁾	53.8	111.2

(1) The full amount is included under fair value adjustments of derivatives, debts and currency effects (December 31, 2021: -€23.3Mn). There is no amount included in the valuation movements on assets (December 31, 2021: €47.9Mn).

(2) Represent the amount used by Westfield Sarasota, reference to 2.2.2.

(3) This amount is included under the Result on disposal of investment properties and loss of control.

(4) This amount is included under Result on disposal of investment properties.

(5) Part of the amount is included under other non-current liabilities € 53.8 Mn (2021: €70.2 Mn), the remainder of the balance is included under the borrowings.

8.5.3 Liquidity risk

The Group undertakes active liquidity and funding risk management to enable it to have sufficient funds available. To meet its financial obligations, working capital and expected committed capital expenditure requirements are periodically and carefully monitored. During the COVID-19 crisis, the URW Group took immediate steps to preserve its strong liquidity position in light of the uncertain impact of the pandemic. The Group prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow. URW NV has cross guarantees with URW SE and the liquidity needs are covered by the available undrawn credit lines at URW Group level. Interest bearing liabilities, and funding facilities and their maturity profiles, are set out in note 8.3.3.

The following table shows the Group's contractually agreed interest payments and repayments of the non-derivative financial liabilities, commitment to non-controlling interests held by URW SE and the derivatives with positive and negative fair values (excluding lease liabilities and certain current financial liabilities like trade creditors). The commitment to non-controlling interests at fair value of €102.2 Mn is not included in the below table as the holder has the right to exchange into cash and/or URW stapled shares at any time (see note 8.3.7). Amounts in foreign currency were translated at the closing rate at the reporting date. The payments of the floating-rate interests have been calculated on the basis of the last interest rates published on December 31, 2021. Credit lines drawn as at December 31, 2021, are considered as drawn until maturity.

(€Mn)	Carrying amount ⁽¹⁾ December 31, 2022	Less than 1 year		1 year to 5 years		More than 5 years	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
BONDS, BORROWINGS AND AMOUNTS DUE TO CREDIT INSTITUTIONS							
Bonds and EMTNs	(3,750.2)	(142.2)	-	(443.9)	(1,640.7)	(883.1)	(2,109.5)
Bank borrowings and other financial liabilities ⁽²⁾	(4,737.4)	(233.2)	(715.5)	(360.4)	(3,478.1)	(1,009.6)	(543.7)
FINANCIAL DERIVATIVES							
Derivative financial liabilities							
Derivatives without a hedging relationship	(45.4)	(16.9)	-	(68.0)	-	(2.6)	-
Derivative financial assets							
Derivatives without a hedging relationship	142.6	27.8	-	131.3	-	662.9	-
COMMITMENT TO NON-CONTROLLING INTEREST							
Commitment to non-controlling interest held by URW SE	(414.0)	(24.4)	-	(97.7)	-	(30.7)	(414.0)

(1) Corresponds to the amount of principal debt (see note 8.3.3 "Financial debt breakdown and outstanding duration to maturity"). This is excluding lease liabilities for the year ended December 31, 2022.

(2) Excludes current accounts with non-controlling interests.

8.6 FAIR VALUE OF FINANCIAL INSTRUMENTS PER CATEGORY

FAAC: Financial Asset at Amortised Cost

FAFVOCI: Financial Asset at Fair Value through Other Income

FAFVTPL: Financial Asset at Fair Value Through Profit or Loss

FLAC: Financial Liabilities at Amortised Cost

FLFVTPL: Financial Liabilities at Fair Value Through Profit or Loss

		Amounts recognised in statement of financial position according to IFRS 9				
December 31, 2022 (€Mn)	Categories in accordance with IFRS 9	Carrying Amount December 31, 2022	Amortised Cost	Fair value		Fair value
				recognised in OCI	recognised in profit or loss	
						Fair value
ASSETS						
Financial assets	FAAC/FAFVTPL	118.2	4.0	-	114.2	118.2
Derivatives at fair value	FAFVTPL	142.6	-	-	142.6	142.6
Trade receivables from activity	FAAC	86.3	86.3	-	-	86.3
Other receivables ⁽¹⁾	FAAC	70.6	70.6	-	-	70.6
Cash and cash equivalents	FAAC	76.0	76.0	-	-	76.0
		493.7	236.9	-	256.8	493.7
LIABILITIES						
Commitment to non-controlling interests	FLAC/FLFVTPL	551.9	505.0	-	46.9	533.5
Financial debts	FLAC	8,569.2	8,569.2	-	-	7,844.8
Derivatives at fair value	FLFVTPL	45.4	-	-	45.4	45.4
Non-current amounts due on investments	FLAC	6.3	6.3	-	-	6.3
Other non-current liabilities ⁽²⁾	FLAC	31.4	31.4	-	-	31.4
Amounts due to suppliers and other current debt ⁽³⁾	FLAC	168.5	168.5	-	-	168.5
		9,372.7	9,280.4	-	92.3	8,629.8

(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.

		Amounts recognised in statement of financial position according to IFRS 9				
December 31, 2021 (€Mn)	Categories in accordance with IFRS 9	Carrying Amount December 31, 2021	Amortised Cost	Fair value		Fair value
				recognised in OCI	recognised in profit or loss	
						Fair value
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	FLAC/FLFVTPL	555.8	453.6	-	102.2	599.1 ⁽⁴⁾
Financial debts	FLAC	8,791.8	8,791.8	-	-	8,806.9
Derivatives at fair value	FLFVTPL	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	10,047.2

(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.

(4) The amount was restated in 2021 from € 615.5 Mn, URW NV considered the impact and concluded that the restatement did not have any significant impact.

“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 10.7% (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 3 of the fair value hierarchy).

The commitment to non-controlling interests as at December 31, 2022, relate to the preference shares in USA Acquisitions Inc. which is valued at amortised cost. The fair value of these preference shares is €486.6 Mn.

A part (€250.0 Mn) of the interest-bearing loan of €793.7 Mn with URW SE previously included in financial debt was converted on December 31, 2022, into a capital security with a maturity in 99 years and limited default opportunities. After conversion, it qualifies as equity with the exception of the amount due on this instrument, which is initially measured at fair value (€0.3 Mn as at December 31, 2022), and subsequently at amortised cost using the effective interest method.

8.6.1 Fair value hierarchy of financial assets and liabilities

IFRS 13 establishes a hierarchy of valuation techniques for financial instruments. The following categories are identified:

- level 1: financial instruments quoted in an active market;
- level 2: financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- level 3: financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument (i.e. without modification or repackaging) and not based on available observable market data.

The COVID-19 pandemic has no impact on the methodology applied.

The chart below presents the fair value breakdown among the three hierarchical levels defined by IFRS 13.

(€Mn)	Fair value measurement as at December 31, 2022			
	Total	Level 1	Level 2	Level 3
ASSETS				
Fair value through profit or loss				
Derivatives	142.6	-	142.6	-
Financial assets	114.2	-	-	114.2
TOTAL	256.8	-	142.6	114.2
LIABILITIES				
Fair value through profit or loss				
Commitment to non-controlling interests	46.9	-	-	46.9
Derivatives	45.4	-	45.4	-
TOTAL	92.4	-	45.4	46.9

Fair value measurement as at December 31, 2021				
(€Mn)	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

The Group enters into derivative financial instruments with URW SE in 2022, with investment grade credit ratings. Interest rate swaps and foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at December 31, 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, 2020	0.1	101.0
Fair value movements in P&L	114.5	(6.8)
Currency translation	-	8.1
December 31, 2021	114.6	102.2
Fair value movements in P&L	(7.5)	(64.2)
Currency translation	7.1	8.9
December 31, 2022	114.2	46.9

As at December 31, 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 €0.9 Mn in non-controlling interest. Similarly, a decrement of 1% would result in a decrease in fair value or additional gain by €0.9 Mn in non-controlling interest.

NOTE 9 • TAXES

9.1 ACCOUNTING PRINCIPLES

9.1.1 Income tax expenses

The Group companies are taxable according to the tax rules of their country. In both countries in which the group operates, special tax regimes for (public) real estate companies exist. For many companies of the Group, eligible for such regimes, it has been opted for to use those specific regimes.

Calculation of income tax expenses is based on local rules and rates.

9.1.2 Deferred tax

Deferred taxes are recognised in respect of all temporary differences between the carrying amount and tax base of assets and liabilities at each financial year-end.

Deferred tax assets or liabilities are calculated based on total temporary differences and on tax losses carried forward, using the local tax rate that will apply on the expected reversal date of the concerned differences, if this rate has been set. Otherwise, they are calculated using the

applicable tax rate in effect at the financial year-end date. Within a given fiscal entity or group and for a given tax rate, debit balances are booked to assets for the amount expected to be recoverable over a foreseeable period. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be used.

Deferred tax liabilities on properties refer to:

- for companies not using special tax regimes for real estate companies: all temporary differences between the carrying amount and tax base of assets and liabilities at each financial year-end.
- for companies using special tax regimes for real estate companies: tax amounts to be paid in case of capital gains on property sales, based on the structure of URW NV in its current form and under current legislation.

9.1.3 Tax regime US - US REIT

The Group has elected to apply the REIT regime for the main part of its US portfolio. Like in other REIT regimes, there's an asset test (75%) along with various securities ownership limits, and in addition there is a combined income test: at least 75% of the gross income must be derived from real estate property rental or from interest on mortgages on real estate property, whereas at least 95% of the gross income must come from a combination of real estate related sources and passive sources, such as dividends and interest. US law requires the REIT to annually distribute at least 90% of its ordinary taxable income.

9.2 INCOME TAX EXPENSES

(€Mn)	2022	2021
Recurring deferred and current tax on:		
• Other recurring results	(1.2)	(1.8)
Total recurring tax	(1.2)	(1.8)
Non-recurring deferred and current tax on:		
• Change in fair value of investment properties and impairment of intangible assets	17.7	55.0
• Other non-recurring results	(4.8)	21.0
Total non-recurring tax	12.9	76.0
TOTAL TAX INCOME/(EXPENSE)	11.7	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 the impairment of the Westfield trademark, the total tax amount was positively impacted by the impairment of the Westfield trademark, partly off-set by taxes due on activities which do not qualify for the exemption from taxes based on a REIT-regime. Also refer to note 9.3.

(€Mn)	2022	2021
Current tax	(6.2)	18.8
Deferred tax	17.9	55.4
TOTAL TAX	11.7	74.2

In the reconciliation of the effective tax rate, starting point is the expected tax based on the weighted average in line with the composition of the total result (US and the Netherlands respectively). Due to a change in that composition, the average tax rate used will change from year to year.

(€Mn)	%	2022	%	2021
Reconciliation of effective tax rate				
Result before tax		(245.4)		(970.3)
Income tax using the average tax rate	26.3%	64.6	26.0%	252.0
Tax exempt profits (REIT- regimes)	36.7%	90.1	(0.3%)	(2.5)
Non-deductible costs	(0.0%)	(0.1)	(0.4%)	(4.0)
Effect of non-recognized tax losses	(33.7%)	(82.7)	(7.2%)	(69.6)
Share of result of companies accounted for using the equity method	(23.7%)	(58.1)	(10.4%)	(100.8)
Effect of tax provisions	(0.8%)	(2.1)	-	-
Other	-	-	(0.1%)	(0.9)
TOTAL TAX	4.8%	11.7	7.6%	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.

9.3 DEFERRED TAXES

2022 CHANGE

(€Mn)	December 31,				December 31, 2022
	2021	Decrease/Increase	Reclassification	Currency translation	
Deferred tax on investment properties	(53.2)	(1.6)	-	(3.3)	(58.1)
Deferred tax on intangible assets	(68.3)	19.4	-	(4.5)	(53.4)
TOTAL DEFERRED TAX LIABILITIES	(121.5)	17.7	-	(7.7)	(111.5)
Other deferred tax assets	0.4	0.2	-	-	0.6
TOTAL DEFERRED TAX ASSETS	0.4	0.2	-	-	0.6

2021 CHANGE

(€Mn)	December 31,				December 31, 2021
	2020	Decrease/Increase	Reclassification	Currency translation	
Deferred tax on investment properties	(90.0)	42.5	-	(5.6)	(53.2)
Deferred tax on intangible assets	(75.2)	12.6	-	(5.8)	(68.3)
TOTAL DEFERRED TAX LIABILITIES	(165.2)	55.1	-	(11.4)	(121.5)
Other deferred tax assets	0.0	0.4	-	-	0.4
TOTAL DEFERRED TAX ASSETS	0.0	0.4	-	-	0.4

UNRECOGNIZED DEFERRED TAX ASSETS

The table below presents the tax basis on which no deferred tax assets were recognized:

(€Mn)	December 31, 2022	December 31, 2021
Tax loss carry-forwards not recognized	927.5	454.2
TOTAL UNRECOGNIZED TAX- BASIS	927.5	454.2

DETAIL OF UNRECOGNIZED TAX LOSSES AT THE END OF 2022 INTO FINAL YEAR OF USE

(€Mn)	December 31, 2022	December 31, 2021
2023	-	-
2024	8.1	7.6
2025	-	-
2026	-	-
2027	-	-
Unlimited	919.5	446.6
TOTAL	927.5	454.2

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available to be offset against these assets.

NOTE 10 ● PROVISIONS

The determination of the number of provisions for liabilities and charges requires the use of estimates, assumptions and judgment of the management based on information available or situations prevalent at the date of preparation of the accounts, information and situation which may vary from subsequent actual events, as well as on the basis of estimated conditions at a given date.

(€Mn)	December 31, 2021	Allocations	Reversals used	Reversals not used	Currency translation	December 31, 2022
Non-current provisions	31.4	1.7	-	-	1.9	35.0
Current provisions	2.0	-	(0.7)	-	0.1	1.4
Total	33.4	1.7	(0.7)	-	2.0	36.4

As at December 31, 2022, the non-current provisions amounted €35.0 Mn (December 31, 2021: €31.7 Mn) and mainly relate to an estimate for potential payments due to third parties in case of future sale of investment properties.

NOTE 11 ● OTHER CURRENT LIABILITIES

Other current liabilities breakdown as follows:

(€Mn)	December 31, 2022	December 31, 2021
Tax and social liabilities ⁽¹⁾	196.5	174.7
Other liabilities ⁽²⁾	40.1	53.3
TOTAL OTHER CURRENT LIABILITIES	236.7	228.0

(1) Within the tax and social liabilities, an amount of €157.8 Mn (December 31, 2021: 141.2 Mn) relates to the current tax liability.
(2) Other liabilities mainly include prepaid income and other liabilities.

As at December 31, 2022, the Tax and social liabilities mainly relate to the expected value of several additional payments still to be done in relation to past activities.

NOTE 12 ● AMOUNTS DUE ON INVESTMENTS

As at December 31, 2022, the non-current amounts due on investments are €6.3 Mn (December 31, 2021: €6.3 Mn) and the current amounts due on investments are €38.0 Mn (December 31, 2021: €43.4 Mn). The current amounts due on investments relates to payables on projects of Westfield World Trade Centre €10.1 Mn (December 31, 2021: €19.3 Mn) and Westfield Century City €12.5 Mn (December 31, 2021: €6.0 Mn). Remaining amounts relate to several projects.

NOTE 13 ● EMPLOYEE REMUNERATION AND BENEFITS

13.1 ACCOUNTING PRINCIPLES

Under IAS 19, a company must recognise all commitments made to its employees (i.e. current or future, formal or informal, cash payments or payments in kind). The cost of employee benefits must be recorded during the vesting period.

POST-EMPLOYMENT BENEFITS

Pension schemes may be defined contribution or defined benefit schemes. The Group only has defined contribution plans.

Under defined contribution schemes, the employer only pays a contribution, with no commitment from the Group regarding the level of benefits to be provided. The contributions paid are booked as expenses for the year.

SHARE BASED PAYMENTS

Under IFRS 2, all transactions relating to share-based payments must be recognized in the income statement. This is the case for the Group Stock Option Plan and Performance Shares Plan.

Stock options granted to employees are stated at their fair value on the date of allocation. As the transactions are equity-settled share-based payments, this value remains unchanged, even if the options are never exercised. The value applied to the number of options finally exercised at the end of the vesting period (estimation of the turnover) is booked as an expense, with a corresponding increase in equity which is spread over the vesting period (i.e. the period during which employees must work for the Company before they can exercise the options granted to them).

The stock options and performance shares, all subject to performance condition, have been valued using a Monte Carlo model. The additional expenses incurred by the Stock Option Plans and Performance Shares Plans are classified under personnel expenses.

13.2 HEADCOUNT

The average number of employees of the Group's companies breaks down as follows:

Regions	2022	2021
United States	533	638
The Netherlands	5	5
TOTAL	538	643

13.3 PERSONNEL COSTS

(€Mn)	2022	2021 ⁽¹⁾
Fixed income	68.1	63.2
Short-Term Incentive	18.9	16.0
Long-Term incentive	3.2	3.2
Other benefits	8.8	10.2
TOTAL	99.0	92.6

¹⁾ URW NV restated the 2021 figures from a total amount of €156.4 Mn disclosed under Head and regional office personnel cost to a breakdown in the current year. Additionally, after URW NV performed the restatement, we noticed that the amount disclosed last year included more account than just personnel cost. Therefore, URW NV reconsidered the amounts to be disclosed in 2022 and align the 2021 figures. The net effect on the consolidated income statement and consolidated equity statement is zero, therefore URW NV considered this as a non-significant adjustment.

13.4 EMPLOYEE BENEFITS

13.4.1 Share-based payments

STOCK OPTION PLANS

There is currently one plan for Stock Options ("SO") granted to corporate officers and employees of the Group SO may be exercised at any time, in one or more instalments, as from the 3rd anniversary of the date of their allocation.

The stock option plan has an external performance condition (TSR) based on the Group's share price performance, a Corporate Social Responsibility (ESG) condition (external and internal) and an Adjusted Recurring Earnings per Share (AREPS).

The weight of the performance conditions for the SO plan granted in May 2022 is 45% for TSR (35% relative and 10% absolute), 35% for AREPS, 10% for executive gender parity and 10% for greenhouse gas reduction (20% CSR in total).

Stock options are accounted for in accordance with IFRS 2. The performance-related stock-options allocated in May 2022 were valued at €1,35 for those with a relative TSR condition, at €1.26 for those with an absolute TSR condition and at €1.51 for those with non-market performance conditions (i.e. AREPS and CSR), using a Monte Carlo model. 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, 2024, 2025 and 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%.

195,398 (2021: 187,583) SO have been allocated to employees of URW NV in March 2022. The expense recorded in the consolidated statement of comprehensive income (corporate expenses) in relation to stock options is €206k (2021: €600k).

The table below shows URW NV allocated SO which were not exercised on December 31, 2022:

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⁾
2022 plan	From 10/03/2025 to 08/03/2030	66.68	195,398	-	6,711	-	188,687
2021 plan	From 18/05/2024 to 19/05/2029	69.41	187,583	-	34,060	-	153,523
2020 plan	From 22/03/2023 to 21/03/2028	92.03	182,146	-	46,956	-	135,190
2019 plan	From 20/03/2022 to 19/03/2027	144.55	145,338	-	38,145	-	107,193
TOTAL			710,465	-	125,872	-	584,593

⁽¹⁾ Under assumption that the performance and presence conditions are satisfied. If the first day of the exercise period is a non-business day, the retained date will be the next business day. If the end of the exercise period is a non-business day, the retained date will be the first preceding business day.

⁽²⁾ Adjustments reflect distribution paid from retained earnings.

⁽³⁾ All the options are subject to performance condition.

The table below shows the number and weighted average exercise prices of stock options:

	2022		2021	
	Number	Weighted average price (€)	Number	Weighted average price (€)
Outstanding at the beginning of the period	426,725	96.31	255,605	116.90
Allocated over the period	195,398	66.68	187,583	69.41
Cancelled over the period	(37,530)	78.68	(16,463)	110.00
Exercised over the period	-	n/a	-	n/a
Average share price on date of exercise	n/a	n/a	n/a	n/a
Outstanding at the end of the period	584,593	87.54	426,725	96.31
Of which exercisable at the end of the period ⁽¹⁾	(107,193)	-	-	n/a

(1) The right to exercise is subject to meeting the following performance condition: the overall market performance of URW NV must be higher in percentage terms than the performance of the EPRA reference index over the reference period.

PERFORMANCE SHARE PLAN

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

They are also subject to external and internal performance conditions. The weight of the performance conditions for the PS plan granted in March 2022 is also 45% for TSR (35% relative and 10% absolute), 35% for AREPS, 10% executive gender parity and 10% for greenhouse gas reduction (20% CSR in total).

Performance shares are accounted for in accordance with IFRS 2. The awards allocated in March 2022 were valued at €16.05 for those with a relative TSR condition, at €9.67 for those with an absolute TSR condition and at €41.16 for those with non-market conditions (i.e. AREPS and CSR), using a Monte Carlo model.

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 2023, 2024 and 2025, and a risk-free interest rate of -0.28%.

143,298 (2021:73,393) PS have been allocated to employees of URW NV in March 2022. The expense recorded in the consolidated statement of comprehensive income (corporate expenses) in relation to performance shares is €3.1 Mn (2021: 2.5Mn).

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⁾
March 8, 2022	143,298	4,459	-	138,839
May 18, 2021	73,393	13,324	-	60,069
March 21, 2020	100,698	25,961	-	74,737
March 19, 2019	33,422	24,947	8,475	-
TOTAL	350,811	68,691	8,475	273,645

(1) Vesting period is three years - no mandatory holding period is applied after vesting date.

(2) The acquisition of the shares is subject to performance condition.

13.4.2 Remuneration of Key Management and the Supervisory Board

REMUNERATION OF KEY MANAGEMENT

(K€) Paid in:	2022	2021
Fixed Income	3,467	3,102
Short-Term Incentive	2,634	2,823
Pension ⁽¹⁾	168	140
Other benefits ⁽²⁾	602	1,054
Share-based payment	1,513	1,138 ⁽³⁾
TOTAL	8,384	8,258

(1) include Supplementary Contribution Scheme.

(2) relate to Group life and health insurance, cost of living and car allowances.

(3) 2021 was restated to include share-based payments in the overview of the remuneration of key management.

Starting 2021, key management of URW NV can be identified as the US Leadership Team ("USLT") which consists of 7 persons (including MB member Dominic Lowe) together with the Management Board.

The main difference in remuneration of Key Management between 2021 and 2022 is caused by the end of Mr. Jean-Marie Tritant's tax equalization with the US in 2022.

In 2022, the Management Board members and USLT were awarded a total of 73,219 stock options, all of which were subject to performance condition, along with 62,116 Performance Shares representing €1.513 Mn.

For the remuneration of the individual members of the Management Board see section 2.3.3 of the Annual Report.

REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board amounts to €260,500 (2021: €239,417) for the 2022 financial year. For the remuneration of the individual members of the Supervisory Board see section 2.2.1 of the Annual Report.

LOANS OR GUARANTEES GRANTED TO DIRECTORS

None.

TRANSACTIONS INVOLVING DIRECTORS

None.

NOTE 14 • SHARE CAPITAL AND DIVIDENDS

14.1 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Under the supervision of the CFO, the capital management goals are managed in line with the URW Group perspective also meet all tax requirements applicable throughout the Group.

In order to maintain or adjust the capital structure, the Group may issue new debt or buy back existing outstanding debt, comply with capital requirements of relevant regulatory authorities, adjust the amount of dividends paid to shareholders (subject to FII requirements in the Netherlands), return capital to shareholders or sell assets to reduce debt.

14.2 NUMBER OF SHARES

ACCOUNTING PRINCIPLES

The Class A shares of URW NV are stapled with the shares in URW SE (Stapled shares). As a consequence of the Stapled structure the exercise of the convertible bonds (ORNANE and ORA) and stock options plans, performance shares of URW SE, will also have a dilutive impact on the shares of URW NV (with a share issuance at that time).

The Earnings Per Share indicator is calculated by dividing net result for the period attributable to the shareholders of URW NV by the weighted average number of ordinary shares in circulation over the period.

To calculate diluted Earnings Per Share, the average number of shares in circulation is adjusted to take into account the conversion of all potentially dilutive ordinary shares, in particular stock options and performance shares during the vesting period, as well as the bonds redeemable for shares (ORA) and the net share settled bonds convertible into new and/or existing shares (ORNANE) initially issued by URW SE.

The dilutive impact is determined using the treasury stock method, which assumes that proceeds from the exercise of options are used to repurchase Company shares at their market value. The market value corresponds to the average monthly share price weighted by trading volumes. The theoretical number of shares that may be purchased at the market value is deducted from the total number of shares resulting from the exercise of rights. This number is then added to the average number of shares in circulation and hence constitutes the denominator.

CHANGE IN SHARE CAPITAL

	Total number of issued and paid shares
As at December 31, 2020	231,720,700
Capital increase Class A shares	47,976
Capital increase reserved for URW Group Savings Plan	74,055
As at December 31, 2021	231,842,731
Capital increase Class A shares	66,931
Capital increase reserved for URW Group Savings Plan	105,741
As at December 31, 2022	232,015,403

The authorised share capital as at December 31, 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 December 31, 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 (ORNAME 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).

AVERAGE NUMBER OF SHARES DILUTED AND UNDILUTED

	2022	2021
Average number of shares (undiluted)	231,965,297	231,793,341
Dilutive impact		
Attributed performance shares (unvested) ⁽¹⁾	733,332	418,750
Potential shares via ORNAME	-	1,225,243
AVERAGE NUMBER OF SHARES (DILUTED)	232,698,629	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.

UNIBAIL-RODAMCO-WESTFIELD SE STOCK OPTIONS AND PERFORMANCE NOT EXERCISED AT THE PERIOD-END

The URW SE stock options and performance shares not exercised at the period-end have a dilutive impact on the Class A shares due to the stapling of the shares of URW SE and URW NV. The table below shows the URW SE allocated stock options and performance shares not exercised at the period-end:

The table below shows URW SE allocated stock options not exercised at the period-end:

Plan	Exercise period ⁽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	-	207,201	1,913
	2017	from 08/03/2021 to 07/03/2024	218.47	611,611	-	179,791	-
2018 plan (n°9)	2018	From 06/03/2022 to 05/03/2025	190.09	630,135	-	171,972	-
2019 plan (n°10)	2019	From 20/03/2022 to 19/03/2026	144.55	748,372	-	195,872	-
2020 plan (n°11)	2020	From 22/03/2023 to 21/03/2027	92.03	885,291	-	231,793	-
2021 plan (n°12)	2021	From 19/05/2024 to 18/05/2029	69.41	950,295	-	136,628	-
2022 plan (n°13)	2022	From 09/03/2025 to 08/03/2030	66.68	1,217,386	-	105,581	-
TOTAL			6,277,783	-	1,851,923	1,913	4,423,947

(1) Under assumption that the performance and presence conditions are satisfied. If the first day of the exercise period is a non-business day, the retained date will be the next business day. If the end of the exercise period is a non-business day, the retained date will be the first preceding business day.

(2) Adjustments reflect distribution paid from retained earnings.

(3) All the options are subject to performance condition.

The table below shows URW SE allocated performance shares not exercised at the period-end:

Starting date of the vesting period ⁽¹⁾	Number of performance shares allocated	Number of performance shares cancelled	Number of performance shares acquired	Potential additional number of shares ⁽²⁾
March 2020	489,440	127,896	-	361,544
May 2021	371,846	53,693	-	318,153
March 2022	808,872	56,635	-	752,237
TOTAL	1,670,158	238,224	-	1,431,934

(1) For French tax residents: a minimum vesting period of three years, and a minimum holding period of two years once vested; for non-French tax residents: a minimum vesting period of four years without any requirement to hold the shares.

(2) The acquisition of the shares is subject to performance condition.

14.3 SHARE PREMIUM

Share premium is paid up share capital in excess of nominal value. The amount of share premium is €2,243.3 Mn as at December 31, 2022 (December 31, 2021: €2,243.3 Mn).

14.4 DIVIDENDS

No dividends were declared or paid during the reporting period.

14.5 CAPITAL SECURITIES

The amount of capital securities is €1,501.3 Mn as at December 31, 2022 (December 31, 2021: €1,251.4 Mn).

NOTE 15 • OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

All significant commitments are shown below. The Group does not have any complex commitments.

15.1 COMMITMENTS GIVEN

Commitments given (€Mn)	Description	Maturities	December 31, 2022	December 31, 2021
1a) Commitments related to Group financing - Commitments given by fully consolidated entities			428.1	842.7
Financial guarantees given	• Mortgages and first lien lenders	2026	113.4	484.1
Financial guarantees given	• Guarantees relating to entities under equity method or not consolidated ⁽¹⁾	2025	314.7	358.6
1b) Commitments related to Group financing - Commitments given by entity under equity method			995.1	1,062.7
Non - Financial guarantees given	• Mortgages and first lien lenders ⁽²⁾	2023 to 2026	995.1	1,062.7
2a) Commitments related to Group operational activities - Fully consolidated			1.6	10.5
	• Residual commitments for works contracts and forward purchase agreements	-	-	0.3
	• Rental of premises and equipment (lease payable)	2023+	1.6	10.2
2b) Commitments related to Group operational activities - Entity under equity method			18.9	27.2
	• Residual commitments for works contracts and forward purchase agreements	2023+	17.8	26.1
	• Rental of premises and equipment (lease payable)	2023+	1.1	1.1
TOTAL COMMITMENTS GIVEN			1,443.8	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 on financial guarantees recognized in 2022, reference is made to note 8.5.2.

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.

In 2000, Westfield America Limited Partnership, Urban Shopping Centres L.P and Westfield Growth LP have guaranteed loans entered into by joint ventures for a portion of the principal amount of the loans greater than their stake in the joint ventures.

The Group as one of the General Partners of Head Acquisition, LP (the general partner of Urban Shopping Centers, L.P.) has committed to maintain and allocate to Urban's minority limited partners a certain amount of qualified non-recourse mortgage debt.

As a result of such debt maintenance obligations, which are subject to indemnification, certain subsidiaries of the Group may be required to incur non-recourse financing on some of the assets that are held by Urban Shopping Centers, L.P., irrespective of the Group's liquidity needs or alternative sources of funding.

15.2 COMMITMENTS RECEIVED

Commitments received (€Mn)	Description	Maturities	December 31,	December 31,
			2022	2021
1) Commitments related to Group financing				
Financial guarantees received	• Refinancing agreements obtained but not used	2023+	2,988.3	2,813.3
2a) Commitments related to Group operational activities - Fully consolidated				
Other contractual commitments received related to operations	• Future minimal rents	2023+	1,027.9	1,165.1
2a) Commitments related to Group operational activities - Entity under equity method				
Other contractual commitments received related to operations	• Future minimal rents	2023+	1,167.9	1,235.8
TOTAL COMMITMENTS RECEIVED			5,184.2	5,214.3

15.3 CONTINGENT LIABILITIES

The Group's obligation with respect to performance guarantees amounted €15.8 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).

The expected credit loss on the financial guarantees is insignificant.

15.4 NON-CONTROLLING INTERESTS

The net comprehensive income for the period attributable to external non-controlling interests is -€90.0 Mn (2021: -€116.4⁽¹⁾ Mn). The non-controlling interests amounted to -€250.5 Mn as per December 31, 2022, (December 31, 2021: -€160.5⁽¹⁾ Mn) of which 9.046%⁽¹⁾ is held by the related party entity URW SE and 0.2% by third parties. The 9.046% is split between common shares and redeemable preference shares/units disclosed in note 7.4.

1) This amount was restated due to the error on the calculation of non-controlling interest, refer to correction of error below.

CORRECTION OF ERROR:

For the year ended December 31, 2022, URW NV discovered a mathematical error in the accounting of the allocation of non-controlling interest indirectly held by URW SE in URW WEA LLC. This indirect investment in URW WEA LCC is held by URW SE in a direct investment in WHL USA Acquisitions, Inc. Both URW NV and URW SE hold a percentage in Common and Preferred shares WHL USA Acquisitions Inc, who itself owns an indirect holding in WEA Holdings LLC. From 2019 until June 30, 2022 the allocation of the result of WEA Holdings LLC related to the non-controlling interest was accounted for at 1.958%, while the allocation of the results should have been accounted for at 9.047%. This resulted in a material misstatement in the annual report for the year ended December 31, 2021. The adjustment does not influence the accounting of the share URW SE holds in the redeemable preference shares in WHL USA Acquisitions.

The figures for the year ended December 31, 2021, and the opening balance of 2021 are restated and the effects of 2020 and earlier are included as an opening balance adjustment in 2021. The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Balance sheet (€Mn)	December 31,	Increase/	December 31,	December	Increase/	January 1,
	2021	(Decrease)	2021 Restated	31, 2020	(Decrease)	2021 Restated
Shareholders' equity (Owners of Unibail-Rodamco-Westfield N.V. shares)	593.2	184.1	777.2	791.6	82.4	874.0
Consolidated reserves	(2,242.6)	82.7	(2,159.9)	126.6	(91.9)	34.7
Foreign currency translation reserves	104.0	10.8	114.8	(76.6)	0.3	(76.9)
Consolidated result	(878.8)	90.6	(788.2)	(2,369.1)	174.6	(2,194.5)
<i>Equity attributable to the owners of Unibail-Rodamco-Westfield N.V.</i>	593.2	184.1	777.2	791.6	82.4	874.0
Non-controlling interests	23.6	(184.1)	(160.5)	38.2	(82.4)	(44.1)

	2021 Published	Profit increase/ (decrease)	2021 Restated
Consolidated statement of comprehensive income (€Mn)			
Net result for the period attributable to:			
Owners of Unibail-Rodamco-Westfield N.V. shares	(878.8)	90.6	(788.2)
Non-controlling interests	(17.3)	(90.6)	(107.9)
NET RESULT FOR THE PERIOD	(896.1)		(896.1)
Average numbers of shares (undiluted)	231,793,341	-	231,793,341
Net result of the period (Owners of Unibail-Rodamco-Westfield N.V.)	(878.8)	90.6	(788.2)
Net result for the period per share (Owners of Unibail-Rodamco-Westfield N.V.) (€)	(3.79)	0.39	(3.40)
Average numbers of shares (diluted)	233,437,334	-	233,437,334
Net result of the period (Owners of Unibail-Rodamco-Westfield N.V.)	(878.8)	90.6	(788.2)
Diluted net result per share (Owners of Unibail-Rodamco-Westfield N.V.) (€) ⁽¹⁾	(3.79)	0.39	(3.40)
Total Comprehensive Income for the period attributable to:			
Owners of Unibail-Rodamco-Westfield N.V. shares	(698.1)	101.7	(596.5)
External non-controlling interests	(14.7)	(101.7)	(116.4)
TOTAL COMPREHENSIVE INCOME	(712.8)		(712.8)

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 and 2020 the EPS are antidilutive

Basic and diluted earnings per share for the prior year have also been restated. The amount of the correction for both basic and diluted earnings per share was an increase of € 0.39 cents per share.

(€Mn)	Share capital	Additional paid-in capital	Consolidated reserves	Consolidated net result	Foreign currency translation reserve ⁽¹⁾	Capital securities	Equity attributable to the owners of URW NV shares	Non-controlling interests	Total Shareholders' equity
PUBLISHED 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
Adjustment due to error on opening balances	-	-	(91.9)	174.6	(0.3)	-	82.4	(82.4)	-
RESTATED EQUITY AS AT JANUARY 1, 2021	115.8	2,243.3	34.7	(2,194.5)	(76.9)	751.6	874.0	(44.1)	829.8
Net result of the period	-	-	-	(788.2)	-	-	(788.2)	(107.9)	(896.1)
Other comprehensive income	-	-	-	-	191.7	-	191.7	(8.5)	183.3
Net comprehensive income	-	-	-	(788.2)	191.7	-	(596.5)	(116.4)	(712.8)
Earnings appropriation	-	-	(2,194.5)	2,194.5	-	-	-	-	-
Increase in capital	0.1	-	-	-	-	-	0.1	-	0.1
Amendment related party liabilities	-	-	-	-	-	499.8	499.8	-	499.8
Other movements	-	-	(0.1)	-	-	-	(0.1)	-	(0.1)
RESTATED EQUITY AS AT DECEMBER 31, 2021	115.9	2,243.3	(2,159.9)	(788.2)	114.8	1,251.4	777.2	(160.5)	616.7

Non-controlling interest for the prior year was increase by -€101.7 Mn due to the increase in the non-controlling interest from 1.958% to 9.047%.

EFFECT ON HALF YEAR REPORTS

In reference to above, the same mathematical error occurred in the Half Year Reports for the years 2020 until 2022. The effects on the presented Shareholders' equity (Owners of Unibail-Rodamco-Westfield N.V. shares), NCI, Net result for the period attributable to Owners of Unibail-Rodamco-Westfield N.V. shares and Net result for the period attributable to: Non-controlling interests, will be corrected in the 2023 Half Year Report.

The amounts shown in the respective head schedules of the 2022 Half Year Report, can be quantified as follows:

Line items effected (€Mn)	HY-2022	Increase/ (Decrease)	HY-2022 Restated	HY-2021	Increase/ (Decrease)	HY-2021 Restated
Shareholders' equity (Owners of Unibail-Rodamco-Westfield N.V. shares)	801.9	232.3	1,034.2	1,164.2	122.9	1,287.1
Non-controlling interest	21.4	(232.3)	(210.9)	34.3	(122.9)	(88.6)
Net result for the period attributable to Owners of Unibail-Rodamco-Westfield N.V. shares	43.6	29.9	73.5	(209.4)	34.4	(175.0)
Net result for the period attributable to: Non-controlling interests	(4.3)	(29.9)	(34.2)	(5.2)	(34.4)	(39.5)

NOTE 16 • LIST OF THE MAIN CONSOLIDATED COMPANIES

List of the main consolidated companies	Country	Method ⁽¹⁾	% interest	% control	% interest	% control
			December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2021
Unibail-Rodamco-Westfield N.V.	the Netherlands	FC	100.00	100.00	100.00	100.00
WFD Unibail-Rodamco Real Estate B.V.	the Netherlands	FC	100.00	100.00	100.00	100.00
URW America Inc.	United States	FC	100.00	100.00	100.00	100.00
URW WEA LLC	United States	FC	92.40	92.40	92.40	92.40

(1) FC: full consolidation method

NOTE 17 • SUBSEQUENT EVENTS

In line with the Group's efforts to deleverage in the US, URW NV (along with its JV partner) made the decision not to repay the \$195 Mn (\$97.5 Mn on a proportionate basis) secured debt on Westfield Valencia Town Center, which matured on January 1, 2023. URW NV is engaged in discussions to sell the asset (or its interest in it) and any potential purchaser would assume the relevant debt. If a sale is not finalised, the property will likely be foreclosed. This debt is non-recourse and its non-repayment has no impact on the rest of the Group's debt. The asset value in the Group's consolidated account was \$100.2 Mn as at December 31, 2022. Upon sale of the asset or foreclosure, the Group's debt will be reduced by -\$97.5 Mn (on a proportionate basis), corresponding to a net impact on the Group's balance sheet of -\$2.7 Mn (on a proportionate basis).

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

The URW Group started discussions with Euronext in order to change its market of reference from Euronext Amsterdam to Euronext Paris as part of an initiative to simplify its structure given limited trading activity on that market. As a part of this request, the URW Group intends to delist of the URW Stapled Shares from Euronext Amsterdam, while maintaining a single listing on Euronext Paris. The delisting from Euronext Amsterdam would not affect the liquidity of the shares nor have any impact on trading, URW's organisation (including the Stapled Share principle) or the ISIN code (FR0013326246) of the URW Group. Following the approval of the Euronext Listing Board, the change of the URW Group's market of reference from Euronext Amsterdam to Euronext Paris will be effective on April 14, 2023 and the last day of trading on Euronext Amsterdam will be April 27, 2023.

On March 1, 2023 URW NV disposed of an asset in Waalwijk in the Netherlands, for a total of €950 k.

3.3 COMPANY ONLY FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

3.3.1 COMPANY BALANCE SHEET AS AT DECEMBER 31, 2022

(before profit appropriation)

(€ thousands)	Notes	December 31, 2022	December 31, 2021 Restated	December 31, 2020 Restated
ASSETS				
Property, plant and equipment		27	36	54
Investments in subsidiaries	4	1,742,824	2,172,530	2,743,104
Derivatives	9	142,648	76,845	120,436
Total non-current assets		1,885,499	2,249,411	2,863,594
Receivables	5	12,122	18,312	18,883
Cash and cash equivalents	6	908	1,388	1,843
Total current assets		13,030	19,700	20,726
TOTAL ASSETS		1,898,529	2,269,110	2,884,320
LIABILITIES AND EQUITY				
Shareholders' equity	7			
Share capital		116,021	115,921	115,860
Additional paid-in capital		2,243,252	2,243,252	2,243,347
Foreign currency translation reserve		257,093	114,793	(76,907)
Revaluation reserve		335,690	237,063	233,605
Retained earnings		(3,284,047)	(2,397,020)	(198,957)
Capital securities		1,501,277	1,251,377	751,632
Result for the period		(152,300)	(788,200)	(2,194,505)
Total equity		1,017,240	777,186	874,075
Borrowings and financial liabilities	8	777,224	1,015,259	1,408,962
Derivatives	9	45,394	445,502	529,138
Total non-current liabilities		822,618	1,460,761	1,938,100
Amounts due to suppliers		-	9	14
Other liabilities	10	58,925	31,154	72,131
Total current liabilities		58,925	31,163	72,145
Total liabilities		881,543	1,491,924	2,010,245
TOTAL EQUITY AND LIABILITIES		1,898,783	2,269,110	2,884,320

3.3.2 COMPANY INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

(€ thousands)	Notes	2022	2021 Restated
Other income		2,272	1,877
1 - TOTAL OPERATING INCOME		(2,272)	1,877
Administrative expenses	11	(3,951)	(2,191)
2 - TOTAL OPERATING EXPENSES		(3,951)	(2,191)
Financial income		575,476	128,284
Financial expenses		(154,089)	(153,996)
3 - FINANCIAL RESULT	12	421,387	(25,712)
4 -RESULT BEFORE TAX		419,706	(26,026)
Income tax	13	-	-
Result from subsidiaries	14	(572,006)	(762,174)
5 - NET RESULT AFTER TAX		(152,300)	(788,200)

3.4 NOTES TO THE COMPANY ONLY FINANCIAL STATEMENTS

NOTE 1 • GENERAL

Unibail-Rodamco-Westfield N.V. (“URW NV” or the “Company”) is a public limited liability company and domiciled in the Netherlands. Its shares are publicly traded on the Amsterdam Stock Exchange and the Paris Stock Exchange, as well as in the form of CDIs on the Australian Securities Exchange. The Company was incorporated as Unibail-Rodamco B.V., a private company with limited liability under the laws of the Netherlands on February 14, 2018. On March 22, 2018, the Company changed its legal name to WFD Unibail-Rodamco N.V. and converted its legal form to a public limited liability company pursuant to a notarial deed of amendment and conversion in accordance with a resolution of the General Meeting adopted on March 15, 2018. In June 2020, the corporate name changed from WFD Unibail-Rodamco N.V. to Unibail-Rodamco-Westfield N.V. The Company has its corporate seat in Amsterdam and its registered office is located at Schiphol Boulevard 315 Schiphol in the Netherlands. The chamber of commerce number is 70898618.

NOTE 2 • ACCOUNTING POLICIES

BASIS OF PREPARATION

The Company only financial statements are part of the 2022 consolidated financial statements of URW NV.

The Company only financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, the Company makes use of the option provided in section 2:362(8) of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company only financial statements are the same as those applied for the consolidated EU-IFRS financial statements. Reference is made to the notes to the consolidated financial statements.

The comparatives figures are from the period January 1, 2021, to December 31, 2021.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries and other entities in the Company financial statements are accounted for using the equity method. Goodwill paid upon acquisition of investments in group companies or associates is included in the net equity value of the investments and is not shown separately on the face of the balance sheet.

AMOUNTS DUE FROM GROUP COMPANIES

Amounts due from group companies are stated initially at fair value and subsequently at amortised cost. Amortised cost is determined using the effective interest rate. The company recognise a credit loss for financial assets (such as a loan) based on an expected credit loss (ECL) which will occur in the coming twelve months or – after a significant decrease in credit quality or when the simplified model can be used – based on the entire remaining loan term. For intercompany receivables the ECL would be applicable as well, however this could cause differences between equity in the consolidated and separate financial statements. For this reason, the company elected to eliminate these differences through the respective receivable account in the separate financial statements.

RESULTS FROM SUBSIDIARIES

The result of subsidiaries consists of the share of the Company in the result of these subsidiaries. Results on transactions involving the transfer of assets and liabilities between the Company and its subsidiaries and mutually between subsidiaries themselves, are eliminated to the extent that they can be considered as not realised.

NOTE 3 • SIGNIFICANT EVENTS OF THE YEAR

Please refer to Note 2.1 of the consolidated financial statements.

NOTE 4 • INVESTMENTS IN SUBSIDIARIES

2022 CHANGE

(€ thousands)	December 31, 2021	Direct equity movement	Exchange difference	Dividends	Investments	Result from subsidiaries after tax	December 31, 2022
Group subsidiary investments	2,172,530	-	142,300	-	-	(572,006)	1,742,824
TOTAL	2,172,530	-	142,300	-	-	(572,006)	1,742,824

2021 CHANGE

(€ thousands)	December 31, 2020	Direct equity movement	Exchange difference	Dividends	Investments	Result from subsidiaries after tax	December 31, 2021
							December 31, 2021
Group subsidiary investments	2,743,104	-	191,400	-	-	(762,174)	2,172,530
TOTAL	2,743,104	-	191,400	-	-	(762,174)	2,172,530

Investments in subsidiaries and other entities in which the Company either exercises voting control or effective management responsibility are valued at equity method.

During the period, the Company has a EUR current account facility with WFD Unibail-Rodamco Real Estate B.V. for €10.0 Mn (December 31, 2021: €10.0 Mn).

SUBSIDIARIES AND INVESTMENTS

The Company is the holding company and has the following direct and indirect significant financial interests:

Company	Country	Capital held %	Capital held %
		December 31, 2022	December 31, 2021
WFD Unibail-Rodamco Real Estate B.V.	the Netherlands	100.00	100.00
URW America Inc.	United States	100.00	100.00
URW WEA LLC	United States	92.40	92.40

NOTE 5 • RECEIVABLES

(€ thousands)	December 31, 2022	December 31, 2021
Receivable from URW SE	9,682	11,457
Receivable from group companies	-	6,677
VAT receivables	222	120
Other receivables	2,217	58
TOTAL	12,122	18,312

The receivable from URW SE relates to the interest receivable on the swaps and there is no significant ECL allowance as at December 31, 2022 (December 31, 2021: no significant ECL allowance).

NOTE 6 • CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at hand and are held with banks. Cash and cash equivalents are freely available. The Company considers that its cash and cash equivalents have a low credit risk based on the external credit ratings of the banks.

NOTE 7 • SHAREHOLDERS' EQUITY

(€ thousands)	Share capital	Additional paid-in capital	Foreign currency translation reserves	Revaluation reserve	Retained earnings	Result for the period	Capital securities	Total Shareholders' equity
RESTATED EQUITY AS AT								
DECEMBER 31, 2020	115,860	2,243,347	(76,907)	233,605	(198,957)	(2,194,505)	751,632	874,075
Net result	-	-	-	-	-	(788,200)	-	(788,200)
Other comprehensive income	-	-	191,700	-	-	-	-	191,700
Increase in capital	61	-	-	-	-	-	-	61
Appropriation of result	-	-	-	-	(2,194,505)	2,194,505	-	-
Amendment related party liabilities	-	-	-	-	-	-	499,745	499,745
Other movements	-	(95)	-	3,458	(3,458)	-	-	(95)
RESTATED EQUITY AS AT								
DECEMBER 31, 2021	115,921	2,243,252	114,793	237,063	(2,397,020)	(788,200)	1,251,377	777,186
Net result	-	-	-	-	-	(152,300)	-	(152,300)
Other comprehensive income	-	-	142,300	-	-	-	-	142,300
Increase in capital	100	-	-	-	-	-	-	100
Appropriation of result	-	-	-	-	(788,200)	788,200	-	-
Restatement of hybrid securities	-	-	-	-	(200)	-	-	(200)
Amendment related party liabilities	-	-	-	-	-	-	249,900	249,900
Other movements	-	-	-	98,627	(98,627)	-	-	-
EQUITY AS AT DECEMBER 31,								
2022	116,021	2,243,252	257,093	335,690	(3,284,047)	(152,300)	1,501,277	1,017,240

If URW NV revalue an asset, it recognises a revaluation reserve in equity unless this upward revaluation is a reversal of a prior downward revaluation. In that case, the upward revaluation is taken to the income statement.

Any downward revaluations, including permanent diminutions in value, are deducted from the revaluation reserve, subject to maintaining the revaluation reserve at the statutory minimum. The statutory minimum requires that the reserve is at least equal to the sum of the upward revaluations above cost (taking into account any accumulated depreciation and impairment losses), relating to the assets still held at the balance sheet date. Any downward revaluations which would take the reserve below zero must be taken to the income statement.

CORRECTION OF ERROR IN NON-CONTROLLING INTEREST

For the year ended December 31, 2022, URW NV discovered a mathematical error in the accounting of the allocation of non-controlling interest indirectly held by URW SE in URW WEA LLC. This indirect investment in URW WEA LCC is held by URW SE in a direct investment in WHL USA Acquisitions, Inc. Both URW NV and URW SE hold a percentage in Common and Preferred shares WHL USA Acquisitions Inc, who itself owns an indirect holding in WEA Holdings LLC. From 2019 until 2021 the allocation of the result of WEA Holdings LLC related to the non-controlling interest was accounted for at 1.958%, while the allocation of the results should have been accounted for at 9.047%. This resulted in a material misstatement in the annual report for the year ended December 31, 2021. The adjustment does not influence the accounting of the share URW SE holds in the redeemable preference shares in WHL USA Acquisitions.

The figures for the year ended December 31, 2021, and the opening balance of 2021 are restated and the effects of 2020 and earlier are included as an opening balance adjustment in 2021. The error has been corrected by restating each of the affected financial statement for URW NV company only line items for the prior periods as follows:

Balance sheet (€ thousands)	December 31, 2021	Increase/ (Decrease)	December 31, 2021 Restated	December 31, 2020	Increase/ (Decrease)	January 1, 2021 Restated
ASSETS						
Investments in subsidiaries	1,988,544	183,985	2,172,530	2,660,694	82,410	2,743,104
LIABILITIES AND EQUITY						
Foreign currency translation reserve	104,030	10,762	114,793	(76,607)	(300)	(76,907)
Retained earnings	(2,479,631)	82,610	(2,397,020)	(107,057)	(91,900)	(198,957)
Result for the period	(878,812)	90,612	(788,200)	(2,369,115)	174,610	(2,194,505)
Total equity	593,201	183,985	777,186	791,665	82,410	874,075

(€ thousands)	Share capital	Additional paid-in capital	Foreign currency translation reserves	Revaluation reserve	Retained earnings	Result for the period	Capital securities	Total Shareholders' equity
EQUITY AS AT DECEMBER 31, 2020	115,860	2,243,347	(76,607)	233,605	(107,057)	(2,369,115)	751,632	791,665
Adjustment due to error on opening balances	-	-	(300)	-	(91,900)	174,610	-	82,410
RESTATED EQUITY AS AT DECEMBER 31, 2020	115,860	2,243,347	(76,907)	233,605	(198,957)	(2,194,505)	751,632	874,075
Net result	-	-	-	-	-	(788,200)	-	(788,200)
Other comprehensive income	-	-	191,700	-	-	-	-	191,700
Increase in capital	61	-	-	-	-	-	-	61
Appropriation of result	-	-	-	-	(2,194,505)	2,194,505	-	-
Amendment related party liabilities	-	-	-	-	-	-	499,745	499,745
Other movements	-	(95)	-	3,458	(3,458)	-	-	(95)
RESTATED EQUITY AS AT DECEMBER 31, 2021	115,921	2,243,252	114,793	237,063	(2,397,020)	(788,200)	1,251,377	777,186

(€ thousands)	2021	Increase/ (decrease)	2021 Restated
Result from subsidiaries	(852,786)	90,612	(762,174)
5 - NET RESULT AFTER TAX	(878,812)	90,612	(788,200)

Investment in subsidiaries for the prior year was increase by € 184.0 Mn due to the increase in the non-controlling interest from 1.958% to 9.047%.

CHANGES IN THE NUMBER OF SHARES COMPRISING THE SHARE CAPITAL

	Number of shares
As at December 31, 2020	231,720,700
Capital increase Class A shares	47,976
Capital increase reserved for URW Company Savings Plan	74,055
As at December 31, 2021	231,842,731
Capital increase Class A shares	66,931
Capital increase reserved for URW Company Savings Plan	105,741
As at December 31, 2022	232,015,403

The authorised share capital of the Company as at December 31, 2022, amounts to €550 Mn divided over 660 million ordinary class A shares and 440 million class B shares of €0.50 per share.

The issued and paid-up share capital amounts to €116.0 Mn, formed by 138,767,088 ordinary A shares and 93,248,315 ordinary B shares as at December 31, 2022. Class B shares are shares carrying one vote per share and ordinary dividend rights. All class B shares are held by URW SE.

The Class A shares of the Company are stapled with the shares in URW SE (Stapled shares). As a consequence of the Stapled structure the exercise of the convertible bonds (ORNANE and ORA - financial instruments issued by URW SE) and stock options plans, performance shares of URW SE will have also a dilutive impact on the shares of the Company (with a share issuance at that time).

SHARE PREMIUM

Share premium is paid up share capital in excess of nominal value. The amount of share premium is €2,243.3 Mn as at December 31, 2022 (December 31, 2021: €2,243.3 Mn).

FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

CAPITAL SECURITIES

The €2 Mn hybrid securities, as included in the capital security line is a perpetual, deeply subordinated instrument without voting rights. The capital instrument is issued for €2.0 Mn cash in 2018 and is accounted for in equity, mainly because the company has the discretion not to pay interest or the principal. The amount remains unchanged in 2022.

As per December 31, 2022, an additional part of the intra-group loan of €250 Mn with URW SE has been reclassified into equity, reference is made to note 2.1.3.

2021

On June 30, 2021, part of the intra-group loan of €500 Mn with URW SE has been reclassified into equity, reference is made to note 2.2.3.

DIVIDENDS

No dividends were declared or paid by the Company during the period of this financial year.

REVALUATION RESERVE

The revaluation reserve comprises of the reserve for the fair value gain on investment properties and derivatives. The addition to the revaluation reserve is €163.5 Mn (December 31, 2021 was € 3.5 Mn).

UNAPPROPRIATED RESULT

The Board of Management proposes, with consent of the Supervisory Board, to the General Meeting to appropriate the result after tax for 2022 as follows: to add the remaining loss amount of -€222,6 Mn (December 2021: -€878.8 Mn) to the retained earnings.

NOTE 8 • BORROWINGS AND FINANCIAL LIABILITIES

(€ thousands)	December 31, 2021	Additional loans	Loans decrease	Reclass	Amortisation	December 31, 2022
Debt to URW SE	1,017,245	90,724	(294,333)	(35,800)	-	777,836
Charges and premiums on issues of borrowing with URW SE	(1,986)	-	(1,374)	-	-	(612)
TOTAL	1,015,259	90,724	(295,707)	(35,800)	-	777,224

During the period, URW NV has an interest-bearing loan from URW SE. An additional part (€250 Mn) of the loan with an original nominal value of €1,250 Mn has been converted into equity on December 31, 2022, reference is made to note 2.1.3. The remaining principal amount of the loan is €543.7 Mn (December 31, 2021: €776.9 Mn) as at December 31, 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 interest-bearing loan from URW SE. The principal amount of the loan is €35.8 Mn as at December 31, 2022 (December 31, 2021: €35.8 Mn). The fixed interest rate is 1.44% and the maturity date is May 31, 2023. The loan was reclassified to other liabilities due to meeting the criteria of short-term loan.

During the period, URW NV had a EUR and USD current account facility with URW SE for €185.0 Mn and \$100.0 Mn, respectively. As at December 31, 2022, the drawn down amount are €169.8 Mn and \$68.6 Mn (€64.3 Mn) respectively. The interest rate is EURIBOR + 0.85% for the EUR facility and LIBOR + 1.4% for the USD facility. The maturity date for both contracts is April 1, 2024. As at December 31, 2021, the drawn down amount are €173.5 Mn and \$34.6 Mn (€30.5 Mn) respectively. The interest rate is EURIBOR + 0.85% for the EUR facility and LIBOR + 1.4% for the USD facility. The maturity date for both contracts is April 1, 2024.

Total charges and premiums on issues of borrowings with URW SE amounts €1.4 Mn as at December 31, 2022 (December 31, 2021: €2.0 Mn).

FINANCIAL INSTRUMENTS

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

In the notes 8.5 and 14.1 of the consolidated financial statements, information is included about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

These risks, objectives, policies and processes for measuring and managing risk, and the management of capital apply also to the company only financial statements of URW NV. Further quantitative disclosures are included below:

FAIR VALUE

The fair values of most of the financial instruments recognised on the statement of financial position, including cash at bank and in hand and current liabilities, is approximately equal to their carrying amounts.

The carrying amount and fair value of fixed interest rate borrowings and financial liabilities are as follows:

(<i>€ thousands</i>)	December 31, 2022		December 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
€543.7 Mn debt to URW SE	543,677	514,032	776,937	764,410
€750 Mn debt to URW SE ⁽¹⁾	429	429	398	398
€500 Mn debt to URW SE ⁽²⁾	276	276	255 ⁽⁴⁾	255 ⁽⁴⁾
€250 Mn debt to URW SE ⁽³⁾	128	128	-	-
€35.8 Mn debt to URW SE	35,800	35,406	35,800	36,318
TOTAL	580,310	550,271	813,390	801,381

(1) The interest-bearing loan of €750.0 Mn with URW SE was converted on December 29, 2020, into a capital security with a maturity in 99 years and limited default opportunities.

(2) A part (€500.0 Mn) of the loan with an original nominal value of €1,250 Mn, has been converted into a capital security with a 99-year maturity as per June 30, 2021 with limited default opportunities. Reference to 2.2.3.

(3) An additional part (€250 Mn) of the loan with an original nominal value of €1,250 Mn, of which already €500 Mn has been converted earlier, has been converted into a capital security with a 99-year maturity as per December 31, 2022 with limited default opportunities. Reference to 2.1.3.

(4) The 2021 disclosure is restated to include the carrying amount and fair value of a loan at €255k, URW NV considered this restatement and concluded that it is immaterial.

The fair value of the Company's interest bearings loans is estimated by discounting future cash flows using rates that approximate the Company's borrowing rate at the balance sheet date, for debt with similar maturity, credit risk and terms.

NOTE 9 • DERIVATIVES

(<i>€ thousands</i>)	December 31, 2021	Fair value adjustments of derivatives ⁽¹⁾	December 31, 2022
Assets			
Derivatives at fair value non-current	76,845	65,803	142,648
• Fair value hedge	76,845	65,803	142,648
Liabilities			
Derivatives at fair value non-current	(445,502)	400,108	(45,394)
• Fair value hedge	(445,502)	400,108	(45,394)
NET	(368,657)	465,911	97,254

(1) This amount includes the currency translation of €600k, reference to note 8.4 Derivative instruments.

In the year ended December 31, 2022, URW NV has interest rate swaps and caps contracts with URW SE to minimize the interest risk on the Group debt. URW SE has these contracts with third parties and these contracts are mirrored to URW NV with the same nominal amount, interest rate and duration. The maturity date of the swaps are September 2028 and July 2048.

NOTE 10 • OTHER LIABILITIES

(<i>€ thousands</i>)	December 31, 2022	December 31, 2021
Penalty on loan conversion	5,386	-
Payable due to URW SE	50,748 ⁽¹⁾	30,789
Payable due to group companies	1,343	-
Tax and social security liabilities	164	160
Other liabilities	817	-
Accruals	467	205
TOTAL	58,925	31,154

(1) This amount includes the loan of €35.8 Mn reclassified in the year ended December 31, 2022, from long term debt from URW SE. Reference to note 8 of company only.

NOTE 11 • ADMINISTRATIVE EXPENSES

(€ thousands)	2022	2021
Wages and salaries	504	480
Social security charges	127	133
Pension charges	42	39
Audit and advisory fees	729	691
Office costs	109	108
Other general costs	624	721
Depreciation charge	9	19
Abortive purchase cost	1,807	-
TOTAL	3,951	2,191

During the 2022 financial year, the average number of staff employed by the Company amounted to 5 (2021: 5). None were employed outside the Netherlands.

NOTE 12 • FINANCIAL RESULT

FINANCIAL INCOME

(€ thousands)	2022	2021
Interest income on caps and swaps ⁽¹⁾	45,195	40,391
USD foreign exchange gain	-	-
Fair value of derivatives	530,281	87,893
TOTAL	575,476	128,284

FINANCIAL EXPENSES

(€ thousands)	2022	2021
Interest expense on caps and swaps ⁽¹⁾	(58,432)	(66,130)
Interest on borrowings	(27,143)	(34,895)
Expenses on borrowings	(1,093)	(3,096)
USD foreign exchange loss	(2,488)	(1,722)
Fair value of derivatives	(64,933)	(48,153)
TOTAL	(154,089)	(153,996)

⁽¹⁾ 2021 figures are restated to disclose the accrued interest and accrued expense on swaps separately as well as the fair value on derivatives, URW NV considered the impact and concluded that the net effect is zero for the year ended December 31, 2021.

NOTE 13 • INCOME TAX

The Company qualifies as a FII (Fiscal Investment Institution (in Dutch: Fiscale Beleggings Instelling)) for the corporate income tax in the Netherlands in accordance with section 28 of the Dutch "Wet op de vennootschapsbelasting 1969". The corporate tax rate of an FII is 0% in the Netherlands, presuming all relevant conditions are met. Based on the FII regime, the Company is obliged to distribute dividends to its shareholders, which dividends are, broadly said, based on its Dutch fiscal income.

NOTE 14 • RESULT FROM SUBSIDIARIES

The result from subsidiaries after tax is -€642.3 Mn (December 31, 2021: -€852.8 Mn) which relates mainly to the result of the subsidiary URW WEA LLC (formerly WFD America Inc.)

NOTE 15 • AUDIT FEES

Fees charged by Ernst and Young Accountants LLP (Netherlands) and its member firms to the Company as well as Deloitte (Netherlands), its subsidiaries and other consolidated companies for the 2022 services are specified as follows:

2022

(€ thousands)	Deloitte Netherlands	Ernst & Young accountants LLP (Netherlands)	Other Deloitte Network	Other EY network	2022
Audit or limited review of the consolidated financial statements ⁽¹⁾	448	191	2,061	167	2,867
Other assurance services ⁽²⁾	-	23	-	-	23
Non- audit services ⁽³⁾	-	-	-	1,151	1,151
TOTAL	448	214	2,061	1,318	4,041

(1) The controlled companies correspond to the fully consolidated companies as well as the jointly controlled companies.

(2) The amounts correspond to comfort - and consent letters issued in connection with bond issuances of the Group.

(3) The amounts correspond to tax related procedures in the US.

2021

(€ thousands)	Ernst & Young accountants LLP (Netherlands)	Other EY network	2021
Audit or limited review of the consolidated financial statements ⁽¹⁾	585	1,762	2,347
Other assurance services ⁽²⁾	58	-	58
Non- audit services ⁽³⁾	-	1,505	1,505
TOTAL	643	3,267	3,910

(1) The controlled companies correspond to the fully consolidated companies as well as the jointly controlled companies.

(2) The amounts correspond to comfort - and consent letters issued in connection with bond issuances of the Group.

(3) The amounts correspond to tax related procedures in the US.

NOTE 16 • REMUNERATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The total remuneration of the members of the Board of Management over 2022 was € 2,646,081 and for more details reference is made to chapter 2.3 of this annual report. The Supervisory Board received a total remuneration of € 260,500 (paid to 2 out of 5 members) and for more details reference is made to chapter 2.4 of this annual report. This remuneration as defined in Art 2:383 of the Dutch Civil Code, is paid by URW NV or one of its subsidiaries.

NOTE 17 • RELATED PARTIES

The Company is affiliated to URW SE, together they form URW. All Group entities are treated as related parties. Reference is made to note 7.4 in the consolidated financial statements.

NOTE 18 • OFF BALANCE SHEET COMMITMENTS

General guarantees as defined in Art. 403, Book 2 of the Dutch civil code have been given by the Company to the subsidiary WFD UR RE BV. For intercompany financial guarantees issued by the Company, there is no expected default and therefore the financial guarantees are not recognised.

Together with the Dutch subsidiary WFD UR RE BV, the Company forms a fiscal unity for the value-added tax.

As from June 28, 2018, URW SE and the Company have implemented cross guarantees. The Company as part of the "Unibail-Rodamco Guarantors" has jointly and severally agreed to guarantee the payment of all sums payable from time to time under the outstanding guaranteed senior notes issued by certain subsidiaries of the former Westfield Corporation (WEA Finance LLC, Westfield UK & Europe Finance PLC and WFD Trust).

The Company has no significant off balance sheet commitments as at December 31, 2022.

NOTE 19 • SUBSEQUENT EVENTS

Please refer to note 17 of the consolidated financial statements.

Schiphol, March 27, 2023

Board of Management

D. Lowe

G. Sieben

Supervisory Board

J.M. Tritant

C. Pourre

J. Taireh

F. Mouchel

J.L. Laurens

3.5 OTHER INFORMATION

3.5.1 PROPOSED PROFIT APPROPRIATION

Under article 38.1 of the Company's Articles of Association, the Management Board, with the approval of the Supervisory Board, shall determine which part of the loss shall be added to the Company's reserves, taking into account the fiscal rules and regulations applicable to the Company from time to time. The remaining profits shall be at the disposal of the General Meeting.

3.5.2 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO: THE SHAREHOLDERS AND SUPERVISORY BOARD OF UNIBAIL-RODAMCO-WESTFIELD N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2021 INCLUDED IN THE ANNUAL REPORT

OUR OPINION

We have audited the financial statements 2022 of Unibail-Rodamco-Westfield N.V., based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Unibail-Rodamco-Westfield N.V. as at 31 December 2022, and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU- IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Unibail-Rodamco-Westfield N.V. as at 31 December 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- The consolidated statement of financial position as at December 31, 2022
- The following statements for 2022: the consolidated statements of comprehensive income, changes in equity and cash flows.
- The notes comprising material policy information.

The company only financial statements comprise:

- The company balance sheet as at December 31, 2022
- The company income statement for 2022
- The notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Unibail-Rodamco-Westfield N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

INFORMATION IN SUPPORT OF OUR OPINION

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

MATERIALITY

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 50 million. The materiality is based on 0.5 % of total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of € 2.5 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

SCOPE OF THE GROUP AUDIT

Unibail-Rodamco-Westfield N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Unibail-Rodamco-Westfield N.V.

Our group audit mainly focused on the significant group entity URW America Inc. and its subsidiaries', which make up 98% of both total assets and rental income.

In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the components by the group engagement team and by component auditors from other Deloitte Network firms.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at these components so as to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole. For each component we determined whether we required an audit of their complete financial information or whether other procedures would be sufficient.

The group engagement team directed the planning, reviewed the work performed by component auditors and assessed and discussed the results and findings with component auditors.

The group consolidation, financial statements and disclosures are audited directly by the group engagement team in addition to the other procedures where the group engagement team is responsible for.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group’s financial information to provide an opinion on the consolidated financial statements.

AUDIT APPROACH FRAUD RISK

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management’s process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. We refer to the enterprise risk framework and respective risk chapter 4 of the annual report in which the general risk framework and risk assessment of the entity is described. In respect to fraud risks to section 4.2.2.5 B of the annual report for management’s corruption, money laundering & fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct and whistle blower procedures. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption from time to time in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We did not identify fraud risk factors with respect to revenue recognition. We have assessed the accuracy of gross rental income based on a test of detail and analytical procedures on the tenancy schedule and linked the completeness to the property portfolio. Given the occupancy rate, we were able to complete an assessment of the recorded gross rental income based on the substantive procedures performed using the tenancy schedules and property portfolio.

We identified the following fraud risks and performed the following specific procedures:

Fraud risk	How the fraud risk was addressed in the audit
Management override of controls	
<p>We presume a risk of material misstatement due to fraud related to management override of controls. Management is in a unique position to perpetrate fraud because of management’s ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<p>Our audit procedures included, among others, the following:</p> <p>We incorporated elements of unpredictability in our audit. Elements could be, amongst others, additional samples on specific accountant balances (for example investment property). We also added specific searches on new key words in our manual journal entry testing.</p> <p>We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.</p> <p>We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.</p> <p>We considered available information and made enquiries of relevant executives, directors (including, legal, compliance and regional management) and the supervisory board.</p> <p>We evaluated whether the selection and application of accounting policies by the Company, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting. For significant transactions we have evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. As part of our audit procedures, we verified whether the significant transactions should be considered related-party transactions.</p> <p>We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 3.2</p>

Fraud risk	How the fraud risk was addressed in the audit
	<p>of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Valuation of investment property (including investment property as included in the investments in companies accounted for using the equity method) is a significant area to our audit as the valuation is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance. Reference is made to the section 'Our key audit matters'.</p> <p>We audited all the top-side journal entries through inspection of supporting documentation.</p> <p>We determined the completeness of the top-side journal entries by comparing these to the entries recorded in the previous year and considered if other information gathered during the audit indicated incompleteness of topside entries.</p>

This did not lead to indications for fraud potentially resulting in material misstatements.

AUDIT APPROACH COMPLIANCE WITH LAWS AND REGULATIONS

We assessed the laws and regulations relevant to the Company through discussion with the management board, reading minutes and reports of internal audit.

We involved our forensic specialists in this evaluation.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to (corporate) tax law and financial reporting regulations, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, Unibail-Rodamco-Westfield N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature and complexity of Unibail-Rodamco-Westfield N.V.'s business we consider the risk of non-compliance in the areas of retail rental contracts, data protection, tax and respective regulations, there is a risk of non-compliance with the requirements of such laws and regulations. In addition, we considered major laws and regulations applicable to listed companies.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Unibail-Rodamco-Westfield N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Supervisory Board, and others within Unibail-Rodamco-Westfield N.V.'s as to whether the Unibail-Rodamco-Westfield N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

AUDIT APPROACH GOING CONCERN

The financial statements of Unibail-Rodamco-Westfield N.V. have been prepared on the basis of the going concern assumption. As indicated in the responsibilities of management below, management is responsible for assessing the company's ability to continue as a going concern. We refer to the section 'Going concern' in Note 4.1.5 to the consolidated financial statements, which discloses that 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.

Our evaluation of management's assessment of the company's ability to continue as a going concern for the next 12 months included the following procedures:

- We inquired the management regarding any knowledge of events or conditions beyond the period of the management's assessment
- Sensitivity analyses of the client indicate that material breaches of covenants are unlikely to result in an early repayment obligation based on current market circumstances and head room in the respective covenants. For two loans from financial institutions within joint ventures, the joint venture was not in compliance with the debt service coverage ratio required under the loan agreement. Non-compliance with the ratio requirement is not an event of default but does trigger the funding of restricted reserve accounts controlled by the lender to cover future property taxes. We evaluated the sensitivity analyses and the impact on the going concern assumption.
- We have evaluated whether cash positions, undrawn credit lines and cash flows are expected to be sufficient to meet future obligations.

- We have evaluated whether the tenant mix leads to concerns over dependency on a single tenant or limited group of tenants in respect to the rental income and respective cash flows.
- In our evaluation of management's assessment, we have considered all relevant information of which we are aware as a result of the audit.

Our audit work did not result in contradictory information about management's assessment of the entity's ability to continue as a going concern.

OUR KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

Key audit matter	How the key audit matter was addressed in the audit
Valuation of investment property (under construction), including investment property (under construction) as included in the investments in the companies accounted for using the equity method.	
<p>Refer to note 6.1.2 and note 7.2 to the consolidated financial statements.</p> <p>As at 31 December 2022, Unibail-Rodamco-Westfield N.V. held a direct portfolio of investment property with a fair value of EUR 4,893.5 million (31 December 2021 EUR 5,029.1 million) and an indirect real estate portfolio with a fair value of EUR 5,848.3 million based on Unibail-Rodamco-Westfield N.V.'s share (31 December 2021 EUR 6,358.6 million) as included in the investments in the companies accounted for using the equity method.</p> <p>The portfolio mainly consists of Shopping Centres.</p> <p>At the end of each reporting period, Management determines the fair value of its investment property portfolio in accordance with the requirements of IAS 40 and IFRS 13.</p> <p>Unibail-Rodamco-Westfield N.V. uses external valuation reports issued by external independent professionally qualified valuers to determine the fair value of the investment property.</p> <p>As the valuation of investment property is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balances.</p> <p>The most significant assumptions and parameters involved, given the sensitivity and impact on the outcome, are the capitalization rate and market rent levels.</p> <p>IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. (Unobservable) inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date. Fair value measurements categorized within Level 3 have the lowest priority as the valuation is predominantly based on unobservable inputs and those measurements have a greater degree of uncertainty and subjectivity. This means that a valuation at Level 3 has a fairly large measure of estimation uncertainty and as a result a fairly large bandwidth of valuation uncertainty in which a valuation can be seen reasonable in the light of IFRS 13.</p>	<p>Our audit procedures included, among others, the following:</p> <p>We have gained understanding of the valuation process and tested design and implementation of Unibail-Rodamco-Westfield N.V.'s relevant controls with respect to the data used in the valuation of the property portfolio.</p> <p>We noted that management involved established international parties to assist with the valuation of the investment properties.</p> <p>We evaluated the competence of Unibail-Rodamco-Westfield N.V.'s external appraiser, which included consideration of their qualification and expertise.</p> <p>In relation to the significant assumptions in the valuation of investment property (under construction), we have:</p> <ul style="list-style-type: none"> • Determined that the valuation methods as applied by Management, as included in the valuation reports, are appropriate and consistent. • We have challenged the significant assumptions used (such as capitalization rate, market rental income, market-derived discount rate) against relevant market data. We have involved our internal real estate valuation experts in these assessments. • We assessed the sensitivity analysis on the key input data and assumptions to understand the impact of reasonable changes in assumptions on the valuation and other key performance indicators. • We have assessed the appropriateness of the disclosures relating to the assumptions used in the valuations and sensitivity analysis in the notes to the consolidated Financial Statements. <p>Observation</p> <p>We found that, with the (significant) assumptions used in the valuation reports, the valuation of the investment property is valued within a reasonable range in the light of the valuation uncertainty for level 3 valuations.</p>
Valuation (including impairment testing) of acquired intangible assets	
<p>Refer to note 6.3 to the consolidated financial statements.</p> <p>As at 31 December 2022, Unibail-Rodamco-Westfield N.V. held a total of EUR 211,2 million intangible assets (31 December 2021 EUR 263,5 million) of which EUR 205,8 million relates to the Westfield Trademark for flagship centres (31 December 2021 EUR 263 million).</p> <p>The subsequent measurement of acquired intangible assets with an indefinite useful life requires annual impairment testing which is complex and subject to estimation uncertainty. During 2022, the intangible assets have been impaired by EUR 74,4 million.</p> <p>Trademark intangible assets are valued by independent external appraisers using a 10 years Discounted Cash Flow methodology combined with the Royalty Relief method. The value relies on incremental growth attributable to the Westfield trademark</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of and evaluated the design of controls over the Company's impairment testing process with regard to intangible assets with an indefinite useful life, including controls over management's review of the significant assumptions. • We noted that management involved established international parties to assist with the valuation of the trademark. • We evaluated the competence of Unibail-Rodamco-Westfield N.V.'s external appraiser, which included consideration of their qualification and expertise.

Key audit matter	How the key audit matter was addressed in the audit
<p>multiplied by the royalty rate. The Relief from Royalty method estimates the value of the asset as the present value of future royalty payments over the life of the asset that are saved (not paid) by virtue of owning the asset.</p> <p>Under IAS 36 an asset is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. For the assessment of both recoverable amount and fair value a large level of valuation uncertainty is included. Beside uncertainty inherent in the asset both assessments include uncertainty on timing of cashflows, the height of the cashflows, discount rates, etc.</p> <p>Furthermore, it is uncertain whether the assumptions of the market or the enterprise are more likely to be true. As perfect markets do not exist for many of the assets within the scope of IAS 36 and it is unlikely that predictions of the future will be entirely accurate, regardless of who makes them. This means that the outcome of the assessment has a fairly large measure of estimation uncertainty and as a result a fairly large bandwidth of valuation uncertainty in which a valuation can be seen reasonable in the light of IAS 36 and IFRS 13 (Level 3).</p> <p>Therefore, combined with the significance of the balances to the financial statements as a whole, the valuation (including impairment testing) of acquired intangible assets is a key audit matter.</p>	<ul style="list-style-type: none"> • We inspected the documentation regarding the impairment analysis that the Company prepared with the assistance of an external appraiser. • With the assistance of our valuation specialists, we assessed the valuation of the intangible assets. We reviewed management's key assumptions used in the valuation such as long-term growth rate, incremental growth rate, discount rate, as well as the sensitivity analysis resulting from variations of these assumptions. • We assessed the used business assumptions with historical data. • We have assessed the appropriateness of the disclosures relating to the assumptions used in the notes to the consolidated financial statements. <p>Observation We found that, with the (significant) assumptions used in the valuation, the valuation of the intangible assets is valued within a reasonable range in the light of the valuation uncertainty under IAS 36 and IFRS 13.</p>
Accounting for financial liabilities including derivatives	
<p>As at December 31, 2022, Unibail-Rodamco-Westfield N.V. had total liabilities of € 9,800.7 million, including bonds, notes, bank borrowings, other financial liabilities and financial leases and commitments to non-controlling interests.</p> <p>The preference shares held by URW SE amount to € 505.0 million and are valued at amortized costs. Other commitments to non-controlling interests are valued at fair value. Financial covenants are applicable to issued bonds (€ 3,774.2 million).</p> <p>The Company uses interest rate swaps to hedge its exposure to interest rate risk. These derivatives, for which no hedge accounting is applied, are carried at fair value through profit or loss and have a carrying amount at the balance sheet of respectively € 142.6 million (asset) and € 45.4 million (liability).</p> <p>The fair value adjustments of derivatives and financial liabilities carried at fair value through profit or loss plus currency effect amount to € 465.3 million positives.</p> <p>The valuation of these financial instruments is dependent on estimates and assumptions and requires judgment by management. Furthermore, the Company amended a part (€ 250 million) of the € 1,250 million loan agreement with Unibail-Rodamco-Westfield SE, which triggered an assessment of the classification of the modified loan as either equity or long-term borrowings.</p> <p>Considering the estimation uncertainty regarding the valuation of financial instruments at fair value, the importance and relative size of external financing, compliance with covenants, and the complex accounting related to the amended part (€ 250 million) of the € 1,250 million intragroup loan, the accounting for financial liabilities including derivatives is an important area of emphasis in our audit.</p> <p>Please refer to note 2.1.3 and note 8 of the consolidated financial statements.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We assessed management's controls over the accounting for financial liabilities including derivatives. • We obtained and analysed loan contracts and loan amendments including the amended € 250 million intragroup loan, on a sample basis to understand the terms and conditions and verified that those characteristics were correctly reflected in the financial statements in accordance with the accounting policies applied by the Company based on IAS 32 Financial Instruments Presentation and IFRS 9 Financial Instruments. • We performed analytical procedures on the financial expenses. • We confirmed the amount of the principal debt with third parties on a sample basis. • We confirmed a selection of derivatives directly with counterparties and performed procedures to ensure completeness of them. • For a sample of financial instruments, we reviewed the valuation of derivatives (including the DVA/CVA calculation) and we involved our internal specialists who performed independent valuations. • Where debt covenants were identified, we assessed management's calculations to verify compliance with these covenants. • Additionally, we considered the appropriateness of the IFRS 7 disclosures in the financial statements in respect of financial liabilities including derivatives. <p>Observation Applying the materiality, we have audited the accounting for financial liabilities including derivatives as well as the related disclosure in Notes 8.3.3, 8.3.7 and 8.4 and have no reportable findings.</p>

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Corporate governance and remuneration report.
- Risk factors.

- Information on the Company, shareholding and the share capital.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS AND ESEF

Engagement

We were engaged by the supervisory board as auditor of Unibail-Rodamco-Westfield N.V. on June 22, 2022, as of the audit for the year 2022 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)

Unibail-Rodamco-Westfield N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in XHTML format, including the (partly) marked-up consolidated financial statements, as included in the reporting package by Unibail-Rodamco-Westfield N.V. complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance- opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
 - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance and the XBRL extension taxonomy files has been prepared in accordance with the technical specifications as included in the RTS on ESEF;
 - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

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

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, March 27, 2023
Deloitte Accountants B.V.

Signed by J. Holland



RISK FACTORS

4.1 ENTERPRISE RISK MANAGEMENT (“ERM”) FRAMEWORK

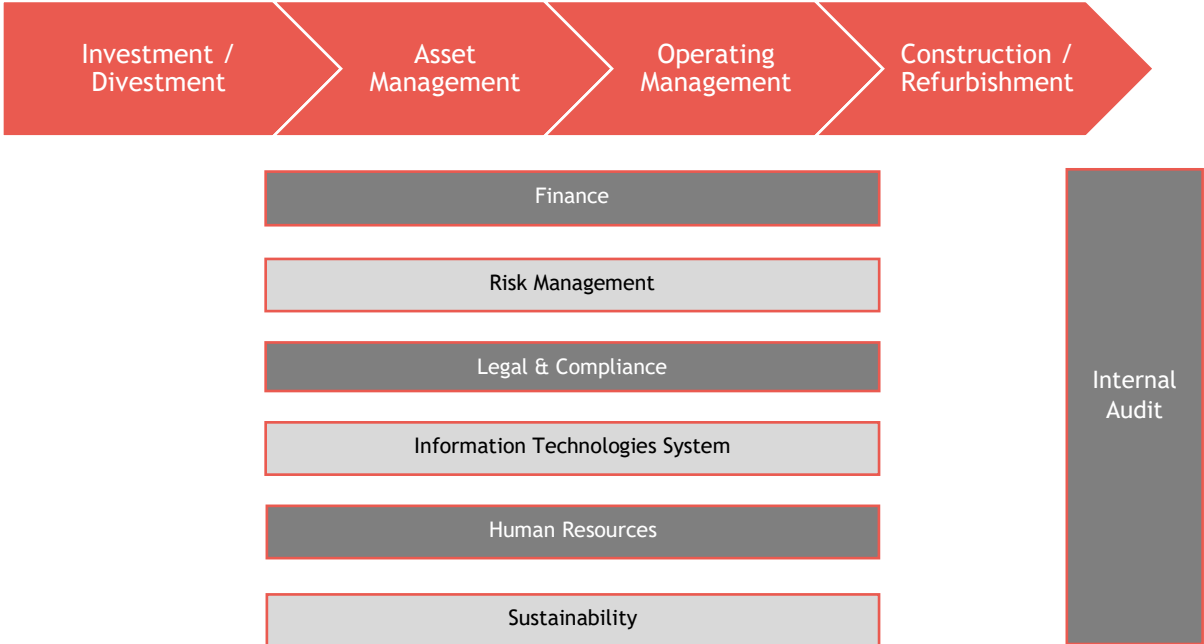
4.1.1 POLICY & ORGANIZATION

Unibail-Rodamco-Westfield N.V. (“URW NV”) and its subsidiaries are together referred to as “the Group”. URW NV and its controlled subsidiaries are affiliated to Unibail-Rodamco-Westfield SE (“URW SE”). Together they form the URW Group. Unless stated otherwise, the ERM framework of URW NV is aligned with that of the URW Group.

URW NV’s Risk Management Policy is designed to:

- Identify and analyse the main potential threats in order to anticipate risks proactively;
- Set up and implement appropriate mitigating measures in order to monitor and/or reduce the identified risks;
- Secure decision-making and Group processes to achieve business objectives;
- Create and preserve the Group’s value, assets, brand and reputation;
- Ensure consistency of decisions with the Group’s values and strategy; and
- Bring the Group’s staff together behind a shared vision of risk management.

The organisation of the Group can be defined as a matrix organisation within the Netherlands and the United States and a Corporate Centre organised around four main functions i.e. Owner, Operator, Resourcer, and Financer. The decision-making process is accomplished through committees and collegial decision-making. The segregation of duties within the Group is based on the separation between execution and control. The Group does not outsource core activities, except for some parts of its IT system and facility management. The Group’s main activities are Investment and divestment, Asset management, Operating management (including leasing and property management) and Refurbishments, which are briefly described below. The organisational structure is also based on a set of delegations that define the responsibilities and level of authority of managers. Moreover, the Group utilizes internal committees, where decisions are based on a risk analysis approach.



INVESTMENT/DIVESTMENT

Investment is one of the major processes at URW NV as it is one of the first steps in the value creation process. It starts with deal sourcing (the search for market opportunities), which is based on brokers, off- market relationships, and connections with local communities. Once an investment opportunity is identified it undergoes a strict review and approval procedure with multiple steps through compliance and demanding internal decision-making processes, in alignment with URW NV’s investment strategy.

Under the supervision of the Chief Operating Officer US (“COO US”), the Investment/Divestment (“I/D”) Department is responsible for the value creation process and is in charge of evaluating and advising periodically on the basis of the aforementioned information whether the property needs to be disposed of or not.

For divestments, a highly structured process is in place to provide the most complete and accurate information (data room) to maximise the selling price and minimise the guarantees and representations, as well as the potential liabilities.

ASSET MANAGEMENT

The Asset Management Department is responsible for creating value across the asset portfolio by focusing on Net Operating Income (“NOI”), internal rate of return, and property valuation growth. With contributions from all internal departments, the Asset Management Team delivers a 5-Year Business Plan for each asset and strives to achieve the portfolio’s target value. In coordination with the onsite management team and Tenant Administration (rent, tenant allowances, etc.), they manage rent collection, rent relief, and expenditures for their assigned asset.

OPERATING MANAGEMENT

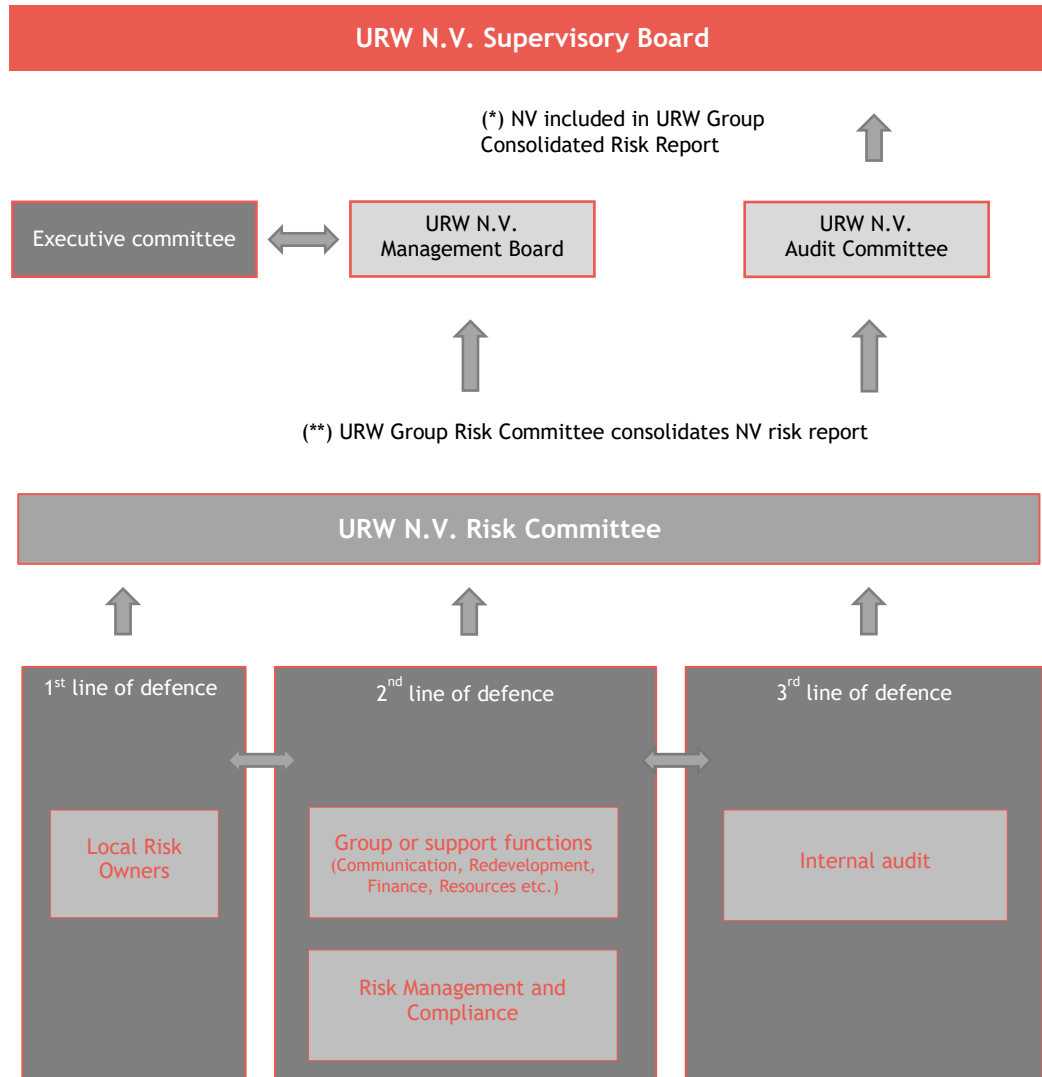
Operating Management mainly focuses on property leasing, implementation/monitoring of the five-year business plan and property management, including security and technical maintenance (facility management).

CONSTRUCTION/REFURBISHMENT

Construction and refurbishment consist of the following activities:

- Control of construction costs and management of construction contracts;
- Definition of the Group Corporate Social Responsibility (“CSR”) development policy;
- Selection and monitoring construction and refurbishment companies; and
- Supervision of construction until grand opening.

The URW NV ERM framework has three lines of defence⁴⁴:



⁴⁴ Overview of the lines of defence comports with COSO (Committee of Sponsoring Organizations) ERM standards.

4.1.2 OVERVIEW OF NV RISK COMMITTEE'S RESPONSIBILITIES

Central to the URW NV ERM Framework is the URW NV Risk Management Committee (“URW NV Risk Committee”). Composed primarily of senior executives from the Netherlands and the US, it oversees management of fifteen key risks across the portfolio (“Risk Inventory”).

The Risk Inventory is organized into the following five categories:

- (1) Business Sector and Operational Risks,
- (2) Financial and Tax Risks,
- (3) Environmental and Social Responsibility Risks (CSR) -emphasis on Sustainability,
- (4) Security and Health & Safety, and
- (5) Legal and Regulatory.

The current members of the URW NV Risk Committee are:

- Chief Operating Officer US (“COO US”) as the Chair;
- Chief Financial Officer URW NV (“CFO URW NV”);
- Chief Financial Officer US (“CFO US”);
- General Counsel US;
- EVP of Internal Audit US;
- EVP Center Operations & Construction Management US;
- URW Group Director of Security, Risk & Crisis Management;
- Senior Litigation Counsel US (as moderator);
- Head of Risk Management Europe (as a guest if requested); and
- Others Local Risk Owners if requested.

The URW NV Risk Committee liaises with the Local Risk Owners to accomplish the ERM goals. The Local Risk Owners are department heads assigned to manage and monitor one or more risks from the Risk Inventory. They rate the risks in terms of Impact, Likelihood, and Level of Control pursuant to a Risk Assessment Criteria biannually.

The URW NV Risk Committee reviews the Local Risk Owners’ assessment and action plans for each risk in the Risk Inventory and collaborates with them to embed ERM in all of URW NV’s activities. Examples include:

- Designing and implementing action plans to exercise commercially reasonable levels of control over the risks (proactive mitigation, response plan, and monitoring);
- Confirming that all Local Risk Owners have identified, assessed, and established a risk management plan for their risks and that they are routinely performing risk assessments and gap analysis to maintain awareness of all risks;
- Validating the level of control over each risk and alignment of such validation with the URW NV’s Risk Management Policy;
- Ensuring clearly defined division of risk-related responsibilities for each Local Risk Owner;
- Fostering a culture of risk management and awareness within URW NV by promoting open discussion regarding key risks; and
- Providing guidance regarding the URW NV’s risk appetite and tolerance to Local Risk Owners; and
- Reviewing various risk initiatives against the Compliance Book for alignment and training prioritization.

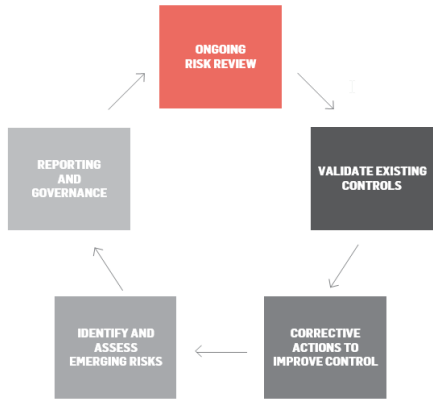
Risk Mapping (risk profile) - At the end of the year, the URW NV Risk Committee meets to engage in Risk Mapping. This process involves discussing and either approving or modifying the Local Risk Owners’ application of the Risk Assessment Criteria to their assigned risks. Each risk from the Risk Inventory is charted on a “map” with arrows and shading, either intensified or diluted, to indicate any changes from the prior year’s assessment. Depending on the level of materiality of any particular risk for the entire URW Group, other internal committees and/or corporate bodies within URW NV may be associated with or participate in the risk assessment and/or the decision-making.

At a minimum annually, the URW NV Risk Committee presents its assessment and action plans to the Audit Committee (“AC”) and Management Board (“MB”), and the AC elevates to the Supervisory Board (“SB”). Such presentation may involve identification of any merging and developing risks. Conversely, the AC or the SB may recommend demoting or removing previously identified risks from the Risk Inventory.

In 2022, three AC and two SB meetings related to ERM occurred, focusing on six key risks: (i) Retail Market Evolution, (ii) Sustainability Risks (CSR), (iii) Leasing & Commercial Partnership, (iv) Investment & Divestment, (v) Recruitment, Retention & Succession, and (vi) Terrorism & Security Incidents.

Below is an illustration of key ERM responsibilities.

OVERVIEW OF ERM KEY RESPONSIBILITIES



4.1.3 URW NV RISK APPETITE

URW NV's risk appetite is embedded within its overall strategy and risk management framework. In general, URW NV has a conservative approach to managing risk. For each risk category - (i) Business Sector & Operational, (ii) Financial & Tax, (iii) Environmental and Social Responsibility, (iv) Security, Health & Safety, and (v) Legal & Regulatory - we continuously assess the adequacy of and seek to improve mitigating measures. We also monitor and identify new, emerging, evolving risks. In turn, we implement additional measures to control those risks as appropriate.

BUSINESS SECTOR AND OPERATIONAL RISKS

The ongoing retail market evolution is a significant challenge to URW NV. To become an industry leader in such a disruptive environment, URW NV has devised a strategy that focuses on the concept of creating landmark destinations. Leasing and operations are partnering with the most sought-after brands and operators to offer experiences that transcend traditional retail shopping malls. Because significant risks are inherent in taking steps toward adaptation and innovation, URW NV has put special emphasis on due diligence and risk analysis in its decision-making process.

Other key components of the strategy are divestment of underperforming assets and leveraging data analytics. With respect to the divestment activity, URW NV's approach is disciplined and designed to maximize the value of the transactions to URW NV. Regarding data analytics and related information technology services, URW NV's approach is proactive and robust to comply with the regulations and limit the threat of data breaches and other cyber-related incidents.

FINANCIAL AND TAX RISKS

As a REIT (real estate investment trust), URW NV is subject to a complex regime of prescriptive and challenging tax rules. To maximize compliance and minimize adverse financial and tax results, URW NV has a very conservative fiscal policy. This is also consistent with the capital-intensive nature of the business and the importance of maintaining a good financial credit rating for access to funds at competitive interest rates.

SUSTAINABILITY RISKS⁴⁵

URW NV faces a number of environmental and social risks, clearly identified and matched with an action. Climate Change related risks (physical and transitional) are covered by the Better Places 2030 strategy with a strong commitment to reduce GHG emissions and the integration of climate adaptation measures. Better Places 2030 addresses the main challenges of URW NV's operational activities across the portfolio, as well as at the corporate offices. Risk factors and mitigation measures are embedded within such strategy. All of URW NV's operations strive to comply with all government environmental regulations.

Recruitment, Retention, and Succession are also part of this risk category. Following the post-pandemic wave of the Great Resignation globally, the talent market remains competitive, but URW NV seen improvement in the second half of 2022. By streamlining core business processes, URW NV endeavors to reduce inefficient open roles and increase employee productivity and engagement. For the full overview on risks and action plans please refer to the Group Sustainability report.

SECURITY AND HEALTH & SAFETY

With hundreds of millions of customers visiting URW NV's centres annually, URW NV is keenly aware of the importance in providing a safe and healthy shopping environment. URW NV is also keenly aware of the threat of terrorist events. URW NV dedicates significant resources to both health & safety and security. However, even with the most strenuous loss prevention and crisis management programs, the risk of loss from these exposures will always be present. To protect URW NV from the potential negative financial impact associated with a significant terrorism or life safety event a public liability insurance program has been taken out in amounts sufficient to cover its exposure to this risk.

LEGAL AND REGULATORY

URW NV has a "zero tolerance" policy towards any bribery or corruption and requires full compliance with all applicable regulations and laws in the jurisdictions in which it operates. Significant efforts are devoted to develop procedures for reporting, ongoing training, and compliance programs to minimize any exposure associated with this risk.

4.1.4 INTERNAL CONTROL SYSTEM

URW NV's internal control system covers every aspect of its activities across all of the regions. It aims to provide reasonable assurance that the following objectives are met:

- Effective and optimized execution of transactions;
- Protection of property assets;
- Reliable financial information; and
- Compliance with applicable laws, regulations, and internal policies.

URW NV follows the general principles of the Dutch Financial Supervision Act ("*Wet op het Financieel Toezicht*") and that of the Internal Control System reference framework drafted in July 2010 by the AMF (French Financial Market Authority)⁴⁶. Below are the fundamental principles:

- Standardized procedures;
- Accountability of managers in charge of the business, finance, and control;
- Committee-led decision-making process for Investment/Divestment and Refurbishment/Development; and
- Segregation of duties between the execution and control.

⁴⁵ Previous terminology was Climate Change & Societal, now both covered under "Sustainability".

⁴⁶ The AMF is also a reference for URW Group.

As detailed in the Compliance Book for Governance, Organization & Corporate Rules (“Compliance Book”), URW NV’s control environment consists of:

- a matrix organization with a double reporting line at corporate and regional levels;
- the governance organization for URW NV and its subsidiaries;
- a framework of core processes and internal rules covering Investment & Divestment, Construction/Refurbishment, leasing activities, and support functions, notably treasury and human resources;
- a Code of Ethics with emphasis on conflicts of interests, confidentiality of information, and transactions involving the Stapled Shares;
- and an Anti-Corruption Program (e.g., “Know Your Partner” due diligence process before entering into business relationships).

In addition to the Compliance Book, the Group’s control environment comprises:

- job descriptions and an appraisal system based on performance targets;
- set of delegation of authority and responsibility rules and limits that span all the Group’s activities and which should be finalised in the US;
- specific procedures applicable at the corporate level and in the different regions where the Group is present; and
- fewer formal instructions and recommendations that nevertheless form an integral part of the internal control system.

The URW Group Internal Audit Department, composed of 6 (2021:8) full-time employees in France and in the United States, assesses the internal control system by conducting regular audits of all of the business units in line with the annual audit plan approved by the MB and the SB. In addition, the URW Group CEO or the Chair of the AC can also ask the URW Group Internal Audit Department to carry out “flash” assignments in order to provide a rapid response to urgent issues and/or the treatment of new risks or problems. Final audit reports are addressed to the MB and to each department that has been involved in the audit. A summary of audit findings is provided to the AC on a quarterly basis.

The Group’s Internal Audit Charter sets out the different missions of the audit function. To ensure it remains genuinely independent, the URW Group Internal Audit Department reports to the URW Group CEO and to the Chair of the AC.

4.2 MAIN RISK FACTORS

In accordance with European Directive No. 2017/828 of May 17, 2017, the risks factors presented herein are limited to those risks specific and material to URW NV. The inventory of the risk factors may be expanded or decreased upon identification of new, emerging, or developing risks or diminished relevance or upon determination that the net impact and net likelihood of a previously assessed risk have become *de minimis*.

The NV Risk Mapping is reviewed and updated if any on a recurring basis in coordination with the URW Group Risk Committee. The NV Risk Mapping is also reviewed and discussed by the AC and the SB.

Given the ongoing developments of the Ukraine conflict adding to the impactful legacy of the COVID-19 global lockdowns (with continued resurgence in regions such as China), and the threat of recession looming, URW NV continues to monitor and anticipate the evolving impacts to the business, particularly concerning the energy crisis, inflation, supply chain issues and its effects on consumption and financing, and high volatility of financial markets and forecasts. The risk mapping and/or the assessment by the URW NV Risk Committee are likely to undergo change linked to what is commonly reference as the ‘perfect storm’ of negative geopolitical and macroeconomic conditions which could have a significant effect on our business operations, budgetary and earnings forecasts, as well as on our stated strategy.

4.2.1 RATINGS OF THE MAIN SPECIFIC RISK FACTORS

The risk inventory for URW NV is composed of 15 risks, which are organized into 5 general categories. They are presented below on a descending order of materiality, first ones being the most material (impact and likelihood).

The parameters of the risk rating are:

- Net impact: the potential net impact (financial/legal/reputational) impact after implementation of the applicable risk management and mitigation measures, and
- Net likelihood - the potential net likelihood of the risk event after implementation of the applicable risk management and mitigation measures.

The risk rating criteria for Net impact and Net likelihood are regularly reviewed by both the URW NV Risk Committee and the URW Group Risk Committee and presented to the AC and SB in line with NV’s evolving risk appetite.

The ratings assigned are the result of Risk Mapping and other assessments performed through the ERM Framework described in section 4.1.2 “Overview of the URW NV Risk Committee’s Responsibilities.”

Rating

Net impact	○○○ High net impact	○○ Medium net impact	○ Low net impact
Net likelihood	■■■ Likely	■■ Possible	■ Unlikely

Risk Factors categories	Risk Factors	Rating after risk management measures		Section
		Net impact	Net Likelihood	
Category #1: Business Sector and Operational risks	Retail Market Evolution/Disruption	○○○	■■	4.2.2.1.A
	Investment and Divestment	○○○	■■	4.2.2.1.B
	Refurbishment/Construction	○○○	■■	4.2.2.1.C
	Leasing & Commercial Partnerships	○○	■■	4.2.2.1.D
	IT System & Data: Continuity and integrity	○○	■■	4.2.2.1.E
Category #2: Financial and Tax risks	Access to Capital & Financial Market disruption	○○○	■■	4.2.2.2.A
	REIT Status & Regime (Tax)	○○○	■	4.2.2.2.B
Category #3: Environmental and Social Responsibility risks	Recruitment, Retention, and Succession	○○○	■■■	4.2.2.3.A
	Sustainability risks	○○○	■■	4.2.2.3.B
Category #4: Security, Health and Safety risks	Terrorism & Major Security	○○○	■■■	4.2.2.4.A
	Health and Safety	○○○	■■	4.2.2.4.B
Category #6: Legal, Regulatory risks	Legal and regulatory	○○○	■■	4.2.2.6.A
	Corruption, Money Laundering & Fraud	○○	■	4.2.2.6.B

4.2.2 DETAILED MAIN RISK FACTORS

4.2.2.1 CATEGORY # 1: BUSINESS SECTOR AND OPERATIONAL RISKS

A. Retail Market Evolution/Disruption

As of December 31, 2022, URW NV's portfolio of 21 Shopping Centres in the US, including 13 Flagships, was valued at €10,947 Mn (2021: €11,673 Mn).⁴⁷ Given the breadth of its real estate profile, any mid- to long-term changes in market conditions would have a significant impact on URW NV's activities, asset valuation, financial performance, and strategies for investment/divestment and refurbishment/development.

The pandemic and its aftermath seem to have accelerated many retail sector evolutionary trends over the last 2-3 years. For example, people live, work, and spend their money differently. Some trends are likely to result in a permanent shift in consumers' habits and expectations. Such changes, combined with an economic downturn, geopolitical instability, potential resurgence of health crisis, reduction in available savings, and stricter regulations, present significant challenges for the industry across the board.

E-commerce appears to be a trend that will stay in place. Revenue from retail e-commerce in the United States was estimated at roughly 905 billion U.S. dollars in 2022.⁴⁸ This is approximately a 5% increase from 2021. The Statista Digital Market Outlook forecasts that by 2027, online shopping revenue in the U.S. will exceed 1.7 trillion dollars.

⁴⁷ valuation incl. transfer taxes and the Westfield Trademark.

⁴⁸ Source: <https://www.statista.com/statistics/272391/us-retail-e-commerce-sales-forecast>, February 9, 2023.

At the same time, however, e-commerce has not translated into the demise of brick-and-mortar retail. Rather, the emerging retail trend is “omnichannel”. Omnichannel retail is a fully integrated shopping experience that allows consumers to shop seamlessly from all points of contact, i.e., the channels - web, mobile-app, social media, and brick and mortar. Therefore, savvy retailers, including digital-native brands, are opening physical stores to offer their customers an omnichannel experience.⁴⁹ According to an ICSC (International Council of Shopping Centers) study, when a digital-native brand opens a physical store, it benefits from what is called a “halo effect”; the retailer’s web traffic increases by as much as 45% from before opening the physical store. These brands utilize their physical stores to emphasize experience and exploration over sales transactions, which are expected to flow and increase organically from consumer confidence and satisfaction.

Related to e-commerce and “omnichannel” retail is the Gen-Z sector, referring to people born between 1995 and 2000 and the first “digitally-native” generation. They constitute approximately 26% of the global population (21% in the US). Therefore, their values, preferences, and buying habits warrant our attention. According to recent surveys, three-quarters of Gen-Z consumers state that sustainability is more important to them than brand names to the point of changing their buying habits to favor environmentally-conscious products.⁵⁰ Another unique aspect of Gen-Z consumption is that consume by having access to goods and services, not necessarily owning them, e.g., Uber and streaming music versus having a car and buying CDs.

These trends, as well as post-pandemic lifestyle changes such as hybrid working arrangements and the perceived obsolescence of traditional centres, all present challenges and opportunities for URW NV to adapt so as to stay relevant and get ahead of competitors.

The potential net impact of failure to adapt is very high because the fair market value of URW NV’s real estate assets is sensitive to variations in the appraisers’ principal assumptions (yield, rental value, occupancy rates), which ultimately depend on footfall and sales. URW NV recognizes the need to develop and implement a business model that adapts to the disruption while remaining grounded through a rigorous ERM framework. Our risk management strategy focuses on continuing to invest in our flagship centres to create destinations where people live, work, shop, and play, sourcing sustainable retail concepts, angled towards sustainable consumption, and continuing to monitor consumer trends.

In the US, 2022 footfall reached 94% of 2019 levels and 96% excluding the Central Business District (“CBD”),⁵¹ which footfall remains affected by work from home policies and security issues. During the second half, footfall continued to improve, from 93% in H1-2022 to 95% in H2-2022.

In Q4-2022, footfall reached 94% of 2019 levels.

Compared to 2021, footfall was up +14%.

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> • Competition from e-commerce; • Evolving demographic and cultural changes (e.g., lifestyle, preferences, values that affect consumption habits and patterns); • Changing retail and real estate market conditions (e.g., store closures by anchor stores modifying their brick-and-mortar strategy); • Competition with other participants in the commercial and retail real estate industry. 	<ul style="list-style-type: none"> • Invest in flagship assets with a focus on creating people-centric destinations to drive foot-traffic and sales; • Perform annual research in each geography to understand and anticipate shifts in retail, demographic and cultural changes; • Explore and initiate densification and mixed-use development, expand leasing to new types of tenants, including entertainment, health & wellness, increased food & beverage, digital native-vertical brands, and luxury, event spaces, and pop-ups; • Incorporate sustainability into core business model; • Implement a new customer-centric approach, including enhanced digital strategy and IT infrastructure to support data collection; • Assess merchandising and positioning for each flagship asset to future proof the strategy of the asset and adapt the retail mix to new needs; • Collaborate closely with retailers to understand and align with their strategy; • Divest non-core assets according to the divestment program.

B. Investment And Divestment

Value creation through the investment and divestment of assets is part of URW NV’s main activities. The profitability of these transactions depends on the accuracy of initial financial assumptions, market conditions (including available funding and investors’ appetite), tax environment, quality and attractiveness of assets, and legal & regulatory considerations.

Currently there are no plans for acquisitions. With respect to URW NV’s plan to streamline its US portfolio by disposing non-core assets, the market for retail shopping centres remains challenging due to an overabundance of retail shopping space. Combined with a slowdown of the investment market as well as the potential for a prolonged global recession, our ability to sell assets without discount on book values may be negatively impacted. The availability of capital may further challenge URW NV’s ability to implement its divestment/disposal efforts. The execution of the disposal program may be subject to the satisfaction or waiver of JV partners approval. There is no certainty that these conditions will be satisfied or waived in the necessary timeframe, and therefore, disposal may be delayed or not complete.

Nevertheless, URW NV successfully closed several dispositions in 2022 and completed at a discount of -0.5% to 2021 book value.

In 2023, URW NV will continue to streamline its remaining regional asset portfolio. As described in greater detail below, URW NV is continuously monitoring and finetuning mitigation measures to optimize the disposition plan.

⁴⁹ Source: [Why Digital-Native Luxury Brands Are Opening Physical Stores \(luxedigital\)](#)

⁵⁰ Source: [How Millennials and Gen Z Are Driving Growth Behind ESG | Nasdaq](#)

⁵¹ Westfield World Trade Center and Westfield San Francisco Centre.

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> • Misalignment with URW Group strategy and incorrect underwriting (asset valuation and forecast); • Information leakage and market rumours; and • Failure to execute the announced disposal plan and the US strategic portfolio reduction program. 	<ul style="list-style-type: none"> • Develop framework and processes that analyse the current financial performance of each asset, assess its potential to perform at a flagship level, and then develop a formal plan to divest non-core assets; • Transparency and open communication with retailers and JV partners; • Utilize electronic data rooms to track and administer all pertinent data provided to potential buyer; • Prequalify each potential buyer to assess whether transaction are worth pursuing; • Due diligence with the assistance of external advisors; • Prioritize local/strategic buyers with high net worth or significant balance sheet liquidity; • Continue to monitor macro conditions and comparable equity and debt market transactions; • Financing strategy in place to mitigate the level of pressure on deleveraging and preserve access to refinancing market; and • Recurring strategic review between MB and SB to ensure full alignment on URW Group strategy.

C. Refurbishment

As owner and operator of shopping centre and other real estate assets, with a focus on continued differentiation and innovation, URW NV has a pipeline of expansion, improvement, and refurbishment projects, focusing on mixed-use and densification. While it represents a huge opportunity to capture or protect market share in the industry, it also implies significant cost and potential risk of failing to deliver in accordance with the business plan with resulting adverse impact on the business.

There are risks inherent in obtaining timely external authorizations (such as building permits and inspections), securing adequate funding (through joint venture partners or other), managing the budget, and navigating through potential shortage of labor and materials. Such risks may result in delay, postponement, cancellation of projects, or exceeding their accounted budgets, which could lead to subsequent loss of rental income.

In addition, with the URW Group's sustainability ambitions now core to the business, there is heavy focus on regeneration, refitting, recycling etc. of centres and generally meeting its high sustainability targets.

URW NV continues to manage these risks with major potential impacts on project delivery.

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> • Ineffective refurbishment strategy, investment decision and approval process; • Failure to obtain required external authorisations; • Not reaching post-refurbishment leasing and revenue targets; • Failure to comply with the construction quality, costs and delivery date; and • Inability to secure adequate funding for a project (through joint venture partner or other). 	<ul style="list-style-type: none"> • Quarterly review of project status, its budget, and returns and annual 5-year business plans by the Management Board; • Accelerate plans to move towards more mixed-use projects; • Engage third-party specialist advisors and consultants throughout the pre-refurbishment phase to assist in identifying potential hurdles with external stakeholders and successfully navigate any issues; • Employ construction and design experts in-house to ensure compliance with sustainability objectives; • Implement robust third parties claim management and insurance processes; • Coordinate with JV partners to secure and expedite funding; • Partner with third-party investors to reduce financial exposure, capitalize on additional know-how (e.g., residential construction), and capture part of the refurbishment margin; • Improve procurement process to secure cross-border supply chain; and • Standardization and industrialization of construction methods to manage cost and schedule.

D. Leasing & Commercial Partnerships

Leasing and rent collection are part and parcel of URW NV as a REIT. In an ever more complex and globalized environment, our ability to achieve leasing targets (rental rate, deadlines, prospective tenants) at the expected level and collect rent depends on multiple variables, including the solvency of our tenants (mainly retailers).

Prolonged inflation, particularly energy prices, has adversely impacted consumer spending and increased the likelihood of tenant failures and related requests for rent relief while decreasing tenants' appetite for new activations. Rent collection has been an ongoing challenge due to local ordinances in the US that mandated rent deferrals for small and medium retailers affected by the pandemic. In Los Angeles County, the jurisdiction with the highest concentration of URW NV's assets, the grace period for paying back all of the rent that was deferred pursuant to the ordinance did not expire until February 2023.

While recovery level after reopening differs from one geographic region of the US to another, and depending on the retail segment, we continued to actively negotiate with our tenants to address these challenges and share part of the financial impact of the crisis (primarily small and medium size retailers) through a combination of rent relief and rent deferral. In 2022, URW NV has completed 134 rent relief documents in the US. In 2022, six stores were impacted by 4 bankruptcies in the US. This is a marked improvement from 2021, when 58 stores were impacted by 11 bankruptcies, and from 2020, when 229 stores were impacted by 43 bankruptcies. The US team continues to closely monitor distressed tenants in an effort to mitigate potential revenue loss.

Mitigating measures to identify and limit the above-mentioned risks are to have a constant review and monitoring of rent discount and deferral requests, vacancies, tenants in distress, new deals, and lease expiration schedules. Revised leasing targets are defined within each region and approved by the Executive Committee. Major leases in terms of value and/or special terms and conditions must be internally approved in advance by Leasing executives as well as through an additional executive committee review process.

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> Improper management of rent relief, store closings, and tenant allowances; Tenant financial insolvency/default and store closings; and Failure to achieve synergies in terms of leasing and commercial partnerships targets. 	<ul style="list-style-type: none"> Leasing targets (e.g. prices, deadlines and prospective tenants) are defined within each region of the URW Group and approved by the URW Group Executive Committee. Major leases in terms of value and/or special terms and conditions must be internally approved in advance by Leasing Directors and the COO US; Regular meeting with leasing team and finance team members to review deals to ensure efficiency and strong internal control processes to approve allowances for tenants as well as levels of rent; Local frameworks to monitor solvency of new tenants and regular checks of existing tenant solvency; Financial guarantees as a prerequisite to the standard lease agreements (deposit, guarantee, letters of credit); Third-party debt collection agency to reduce cost of litigation; Constant review of the tenancy report (vacancies, tenants in distress, new deals, and lease expiration schedule over next 3 years); Monthly meetings with directors of construction, leasing and operating management to monitor the progress of project completion and to adjust tenant space delivery schedules accordingly; Creative negotiations with troubled tenants to maximize buy-out lease rents in order to provide time to backfill the space with another tenant; Monitor virtual vacancies and assigned priority levels to lease space; Track pre-lease rates to limit vacancy and loss of rental income; Monthly Accounts Receivable meeting with Shopping Center and Operating Management to monitor troubled retailers and initiate actions timely.

E. Information Technology Systems & Data - Continuity and Integrity

To support its business & digital objectives, URW NV's IT Department partners with all business units to provide and maintain the technology to suit business needs. There are over 900 users (including contractors) between two platforms in the Netherlands and in the US, and over 200 applications.

Therefore, the IT Systems must be reliable in Data Confidentiality (protection of sensitive data), System Continuity (availability of the systems and data needed by the businesses to carry out their operations), and Data Integrity (comprehensive and accurate data). In the event of cyberattacks or data leakage, there could be partial or complete disruption of business process and activities, loss of productivity, and/or legal or regulatory impacts (e.g., class actions for breach of personal data).

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> Cyber attack; Disruption or malfunctioning of critical IT systems; Data corruption; Data breach (confidential business information or personal). 	<ul style="list-style-type: none"> Strong governance involving IT, risk management, legal, internal audit, and business stakeholders and management to review IT activities and investment, including a dedicated committee to also monitor cyber-risks on daily operations; Information Systems Security strategy and technology designed and rolled out to prevent cyber-risks, detect security incidents, and respond quickly to remediate cybersecurity incidents; Integration of cybersecurity aspects in all IT projects and contractual commitments with IT vendors; A URW Group Cyber Crisis framework is in place, with specific response procedures in case of a major IT security event/crisis, and are linked to the General Data Protection Regulation ("GDPR")/CCPA Data Breach notification process; Regular IT audits to test our protective and detective measures; and IT Disaster Recovery Plan implemented.

4.2.2.2 CATEGORY # 2: FINANCIAL AND TAX RISKS

A. Access To Capital & Financial Market Disruption

URW NV is part of the URW Group and as such covered by Group cross-guarantees. As a REIT with significant financial indebtedness associated with the 2018 Westfield Transaction (as of December 31 2022, €24,025 Mn at URW Group level) URW faces recurring needs for (re)financing for its corporate purpose, including funding for the refurbishment pipeline and construction activities, large-scale capital improvement and maintenance projects for standing assets, and other potential operational financing needs. Therefore, URW is exposed to the risks associated with volatility in credit markets, fluctuations in interest rates and foreign exchange (FX), and other market conditions that could limit access to necessary funding, which could negatively impact operations and financial results of the Group.

In addition, some financing contracts are subject to financial covenants that require the Group to respect certain financial ratio levels (including Loan to Value ("LTV"), Interest Coverage Ratio ("ICR"), Fund From Operations ("FFO")/net debt and/or debt yield ratios among others) which may be affected by the occurrence of the Group's performance deterioration, adverse market movements, or other material adverse changes. Failure to comply with any of Group's financial covenants could result in an event of default, which, if not cured or waived, could accelerate the related debt and in some cases trigger a cross default, which could have a material adverse effect on the Group's debt, including potential default on URW's debt. See Note 8.3.5. on covenants in chapter 3 of this annual report.

Another risk factor is a potential default by counterparties. Many major international financial institutions are counterparties to the interest rate and/or foreign exchange rate and deposits contracted by URW NV. In case of the default by a counterparty, URW NV could lose all or part of its deposits and lose the benefit from hedges signed with such counterparties. The result would be a significant increase in exposure to risks associated with interest and currency exchange rates, with cascading effects on URW NV's financial position.

The current macro-economic climate, together with hawkish monetary policies from central banks, has led to: (1) higher volatility and execution risk in the debt and investment markets with more cautious investor sentiment and (2) higher cost of funding with higher margins and base rates. This situation increases pressure on the current rating and therefore would further impact access to financial markets, its liquidity, and cost of debt.

URW Group has taken precautionary measures needed to ensure its access to liquidity. As at December 31, 2022, the URW Group had €13.0 Bn of cash on hand and undrawn credit lines (subject to covenants).

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> • Rising cost of access to funds due to: <ul style="list-style-type: none"> ○ Increase in spreads, ○ Diminished credit rating, ○ Dramatic increase in interest rates, ○ Adverse currency exchange rate movements, ○ Disruption and volatility of capital markets. • Diminished ability to service debt and comply with performance covenants; • Market risks which can generate losses as a result of fluctuations in stock markets. The Group is either: <ul style="list-style-type: none"> ○ Directly exposed to fluctuations in stock prices due to the ownership of shares or financial instruments; or ○ Indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share-based derivatives that are directly correlated with the price of the asset underlying such derivatives. • Disruption in real estate market or investor appetite for property companies; • Deterioration of URW NV's financial result, decrease in EBITDA and operating cash flows; • Default of counterparties. 	<ul style="list-style-type: none"> • ; • The Group Asset & Liability Management (ALM) Committee discuss regularly on an ad-hoc bases; • URW Group Financing and Treasury Department regularly provides a comprehensive report on key financial indicators, liquidity projections, compliance with bank loans and facilities covenants, availability under the committed credit lines. It also proposes (re)financing or hedging operations (if applicable), and details of any (re)financing operations or transactions (hedging operations, share buy-backs, etc.); • Internal policies and procedures maintain a conservative approach and segregate duties between execution of market trading and control functions of such transactions; • The group has an interest rate macro hedging policy (through the use of derivatives) aiming to limit the impact of interest rate fluctuations on the cost of debt over the next years, in view of its current disposal and investment plans, its existing hedging programme and debt as well as the debt the Group expects to raise in the coming years; • The Group maintains regular dialogue with rating agencies with a proactive monitoring of credit metrics; • Control of Capex spending in line with the Group's deleveraging plan announced in 2021; • Active reduction of non-staff expense and deferring of non-essential capital expenditure; and • Diversification of sources/counterparties and monitor their credit and minimum financial ratings thresholds as condition of continued transactions.

B. REIT Status & Regime (Tax)

As a REIT, URW NV enjoys the benefits of a lower tax burden. To retain its REIT status, URW NV must comply with the respective local requirements of the tax regime, which differ per country. Due to the expanded tax structuring complexity, combined with the stapling principle in place between URW SE and URW NV, the potential risk of noncompliance with the tax requirements is ever present. Disagreements with or challenges or investigations from the governmental agencies or authorities in the applicable jurisdiction related to tax law interpretation could result in severe consequences, ranging from additional tax penalties and fines to loss of a REIT status.

Unlike some European countries, in which the repeal of a REIT regime is a potential risk, the US views REITs favourably, and the focus is more on whether the REIT is properly classifying its income. With URW NV's increased exploration of revenue sources, there could be a heightened risk of improper classification of income and invite challenges.

More generally, the high levels of debt that governments have incurred as a result of various public subsidy programs in dealing with the COVID-19 crisis has resulted in significant budgetary deficits. As governments look to recover from these fiscal challenges there is a risk of an increase in taxes generally, thus also affecting URW NV.

Although REITs are generally required to distribute most of its income to shareholders, the absence of dividends this year would be in compliance with the REIT rules based on the financial impact of the pandemic, from which most industries are still recovering, and URW Group's commitment to deleverage.

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> • Loss of REIT status or other tax benefits due to external factors; • Improper interpretation and/or application of tax law and REIT requirements; • Improper classification of income; • Exceeding allowable non-qualifying income; • Failure on tax determination, reporting, tax remittance other than theoretical disagreement. 	<ul style="list-style-type: none"> • Highly trained and experienced tax employees, who also train colleagues in other departments regarding potential adverse tax consequences of ongoing operations and activations; • Continuous risk assessment of potential loss caused by changes in tax regulation; • Proactive legal teams monitoring and anticipation of changes in REIT regime and tax regulations/laws generally; • External advisory firms and auditors to verify accuracy of tax calculations; • Membership EPRA (in the EU) and NAREIT (in the US), which promote modern and predictable REIT regimes; • Review tax prerequisites for deals to go to the Investment Committee and explore potential to add formal sign-off processes (potentially including the Investment process) to the Compliance Book.

4.2.2.3 CATEGORY # 3: SUSTAINABILITY RISKS

A. Recruitment, Retention & Succession

Considering the very competitive talent market (including the very low unemployment rates in some local markets) as well as the need to retain talent and knowledge, URW NV faces important risks related to recruitment, retention and succession of talents. Insufficient and inadequate human resources or inability to attract or retain talent could prevent reaching URW NV’s objectives as the asset and property businesses require highly specialized skills.

URW NV continues to actively listen to employees with regular engagement surveys, reinforce the strong cultural elements, make critical pivots to employee engagement, and promote the International Graduate Program (IGP). URW NV is adapting the level of resources to the reprioritization of projects and streamlining of processes.

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> • Failure to recruit appropriate talent to maintain strategic capabilities; • Failure to retain key employees; and • Failure to set up and secure a formal succession plan. 	<ul style="list-style-type: none"> • Develop and support “employer brand” with an increased presence on social media; • Implement ‘Levelling’ system to better support career evolution and ensure fair compensation for every role; • Enhance long-term incentive program; • Maintain and expand IGP; • Monitor continued attractiveness of compensation and benefits packages; • Partner with the best head-hunting firms to regularly map best external talent; • Develop a strong co-optation program; • Conduct regular engagement surveys; • Design and implement ambitious people-oriented policies on flexible working, wellbeing, diversity & inclusion and sustainability; • Provide permanent learning and career development opportunities (e.g. international mobility, cross-functional mobility, URW Academy); • Effectuate global talent review in place, including systematic 360° feedback for all employees; • Global Succession Planning to identify potential successors for all positions reporting to a MB member, all positions reporting to the Chief Operating Officer, all heads of key functions, and other selected key positions.

B. Sustainability Risks

As owner and operator of retail assets, URW NV is potentially impacted by climate change and societal risks and opportunities. Indeed, each of its real estate assets is exposed to potential damages caused by climate change including natural disasters. Therefore, URW NV is placing climate change (physical and transitional) and societal risks at the heart of its strategy with an integrated commitment to reduce its carbon footprint by reducing GHG emissions and to make sustainability a core part of its business by integration of climate adaptation measures. In alignment with the URW Group’s global sustainability strategy based on environmental best practices, social fairness and transparent governance, our “Better Places 2030” aims to emphasize sustainability across all of the operational activities, including the corporate headquarters. For more details on natural disasters, please refer to Section 4.2.2.4, Subsection B and Section 4.3, Transferring Risk to Insurers. For the full overview on risks and action plans please refer to the URW Group Sustainability report on <https://www.urw-nv.com/en/investors/financial-information>.

4.2.2.4 CATEGORY # 4: SECURITY, HEALTH AND SAFETY RISKS

A. Terrorism & Major Security Incidents

The core business of URW NV is based on assets open to the public with a significant footfall. As such, it is important that we maintain an appropriate safety and security program to welcome customers. Since rolling out the “Westfield” brand in Europe for global recognition and the iconic status of some assets, there may be increased levels of threats to those assets.

While the threats of a terrorist attack are highest in Continental Europe, the risk of an active shooter incident is most likely in the US. In addition, the current economic climate and cost of living crisis could give rise to local societal risks such as increased violence, protests, riots or industrial action at URW NV’s assets, causing a potential reduction in footfall and impacts on operations. Despite crisis management programs and training in place and close cooperation with local law enforcement agencies, the potential threats of terrorism and active shooter situations can never be eliminated. Should a serious security, safety, or terrorism event occur that results in casualties or even property damage, URW NV could experience a negative impact on its operations, its financial results, and its brand and reputation.

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> Failure to develop and implement a security program that: (i) Remains aware of terrorist threats or other major security concerns – including active shooter; and (ii) Mitigates the impact of a major security incident including terrorist attack/active shooter event; and Failure to develop and implement an effective crisis management framework. 	<ul style="list-style-type: none"> Dedicated organization for security and crisis management; Security governance and guidelines (including refurbishment projects), security policies and procedures implemented at all locations with appropriate physical security measures and access control; Annual security action plan program to identify action plans and include OPEX and CAPEX requirements in the 5-year business plan; External and internal audits of centre security measures; Routine interaction with counter-terrorism, national intelligence services, and local law enforcement to remain aware of emerging terrorist threats or other security concerns; Shopping centres conduct terrorist attack/active shooter crisis response exercises with external experts; Global incident notification/escalation process; and Crisis management policy and framework including annual crisis training and exercise campaigns.

B. Health And Safety (Natural disasters)

As real estate owners, we have responsibility towards ensuring the safety and wellbeing of shoppers, retailers, vendors, and employees alike. The Group has a significant footfall. This also includes maintaining proper building and equipment maintenance protocols to minimize the risk of injury or illness, protect the environment, and mitigate the impact of unexpected events on the building and on business continuity.

Each country where URW NV operates has a specific set of health and safety laws, and regulations. Developing and implementing an effective compliance framework, monitoring and complying with new or evolving Health, Safety and Environment (“HSE”) laws and regulations, and ensuring compliance with the URW Group’s internal HSE policies is of critical importance in managing this risk. This is primarily accomplished with internal teams with expertise in health and safety in the US.

Certain regions in which URW NV operates have significant exposure to natural disasters - e.g. earthquakes and wildfires in California, hurricanes in Florida and flooding in the Netherlands, and climate change related natural events exposure. For assets potentially exposed to natural disasters, emergency response plans are defined by the local management team with support by regional and corporate teams.

As the URW NV’s operational assets are places open to the public in significant numbers, there is significant risk of exposure to operational disruption in the event of a pandemic outbreak. As seen with COVID-19 in 2020 and 2021, this can result in government-imposed closure of our centres. During periods of trading throughout pandemics (and emerging variants), the URW Group implemented appropriate sanitary and management measures for the safety of employees, retailers and guests in our operational assets and corporate offices. Non-compliance with the applicable health and safety regulations could lead to claims, reputational damage, regulatory fines and imposed lockdowns of the shopping centres, which could result in severe negative financial consequences for URW NV.

For more details on natural disasters, please refer to Section 4.3, Transferring Risk to Insurers.

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> Failure to implement effective strategies that seek to minimize, prevent, and mitigate life safety incidents; Failure to implement processes that may mitigate and manage the impact of any natural disaster (earthquake, flooding, climate change related significant natural events, and uninsured risk); Injury or loss of life due to failure to comply with sanitary, health and safety regulations; and Insufficient response to pandemic outbreak. 	<p>For US portfolio</p> <ul style="list-style-type: none"> Verification that contractors’ health and safety procedures are appropriate and that their staff have the proper licenses, equipment and training; External Audit by Bureau Veritas (third-party vendor) with the assistance of epidemiologists based on latest recommendations of health authorities; Centre management conducts routine property tours and identifies hazardous conditions and implements corrective actions; Maintenance and inspection conducted by third-party contractors of all relevant equipment subject to regulation; Internal documentation processes to justify the compliance with sanitary protocols; Fire safety systems are routinely inspected as required by local fire regulations; Corporate and Construction Health and Safety policies incorporate regulations and are based on industry-accepted best practices in the absence of a specific governing regulation; and Global Pandemic response plan. <p>Natural disaster.⁵²</p> <ul style="list-style-type: none"> Periodic assessment of European and US assets most exposed to natural disasters (coastal flooding, flash floods, heatwaves, storms and earthquakes) to validate response plans; Each centre in a natural catastrophe zone conducts emergency preparedness drills each year.

⁵² For more information, please see Section 4.3 Transferring Risk to Insurers.

4.2.2.5 CATEGORY # 5: LEGAL AND REGULATORY RISKS

A. Legal & Regulatory

URW NV operates in 2 highly regulated continents. Our operations also require us to comply with a myriad of laws and regulations related to our activities in areas such as leasing, asset and property management, various licensing and permits, construction and maintenance, health & safety, personal data privacy, financials and securities markets, and anti-trust regulations to name a few, as well as with some extraterritorial regulations. As such, the risk of failing to comply with applicable laws and regulation may result in regulatory investigation, negative reputational impact or could result in fines and penalties, damages, the loss of license, and/or any potential legal action. The US in particular is a highly litigious country. The US is exposed to the risk of major litigations, including class actions.

In the course of its activities, URW NV collects and processes diverse personal data from customers, employees, business partners and service providers. Such activities are subject to data protection laws such as the GDPR (EU), the California Consumer Protection Act (CCPA), and the California Privacy Rights Act (CPRA). Noncompliance could result in fines and penalties as well as negatively impacting the Group’s reputation.

URW NV endeavours to participate in discussions involving potential new laws and regulations that impact the real estate sector and our business so as to defeat adverse legislation or modify them to the extent possible.

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> • Non-compliance with laws and regulations at governmental, federal, state, province, local country or sector level; • Failure to detect and anticipate new or amended regulation with potential impact; • Failure to comply with various stock market/exchange regulations and requirements with respect to full and proper disclosure and transparency to provide clear, real and objective information. 	<ul style="list-style-type: none"> • Internal legal policy, procedures, and standard forms to state reduce litigation and optimize compliance with applicable laws; • Legal training on complex or new regulations to raise awareness and develop learning curve from pending litigation; • External advisors and law firms provide constant updates on both emerging legislation and recent case law on specific matters; • Experienced in-house lawyers with expertise; • Membership in national professional organizations; • Employ an expert on Government and Public Affairs to interact with other stakeholders, public authorities and professional organizations; and • URW Insider Trading Rules procedure.
<ul style="list-style-type: none"> • Failure to protect this personal data of consumers, employees, business partners, and other confidential information. 	<ul style="list-style-type: none"> • Implement a robust and effective Data Privacy Protection program to comply with GDPR (EU) and the California Consumer Protection Act (“CCPA”) and California Privacy Rights Act (CPRA) (US); • Organizational and technical processes: retention period policy, data breach notification process, update of the employee privacy policy. IT Security Department included in the framework; and • Signature of data processing agreement with major IT contracts service providers;
<ul style="list-style-type: none"> • Failure to prevent or mitigate material negative impact of any regulatory investigations and/or litigation: in the normal course of URW NV’s business activities, the Group could be subject to legal, administrative, arbitral and/or regulatory proceedings. 	<ul style="list-style-type: none"> • Establish an escalation process; • Internal alert process to inform the URW Group General Counsel, recurring reporting on (potential) material litigations and escalation process for litigation strategy; • Claim management process; • Set of preventive internal programs to comply with the main applicable regulations and effectiveness review on a recurring basis; and • “Dawn raid” policy for any unexpected on-site investigation.

B. Corruption, Money Laundering & Fraud

URW NV conducts its core business in two countries and drives its real-estate activity with a wide variety of stakeholders, business partners, and other intermediaries and government authorities. Therefore, it faces numerous stringent international and national anti-bribery, corruption, money laundering & fraud laws and regulations, such the Foreign Corrupt Practices Act (“FCPA”) (US). Failure to comply with these anti-corruption regulations and lack of transparency can lead to material reputational damages, financial, administrative or disciplinary sanctions. This may have a negative impact on investors’ trust.

Another increasing risk in this category exists mainly from an IT and crime perspective due to increased fraudulent email exchanges and other attempts at social engineering crime. While we have seen an increase in phishing schemes and other attempts, none have been successful in defrauding URW NV of any monies, data, or any personally identifiable information.

Main Risk Factors	Main Risk Management Measures
<ul style="list-style-type: none"> • Non-compliance with international/national anti-corruption and influence peddling regulations and anti-money laundering laws; • Failure to prevent and detect fraud against URW NV: the Group could • be exposed to attempted fraud (identity theft for example); • Embezzlement 	<p>Supplementary to the general mitigation measures in the overall Risk and Control framework, the following measures are specific for the Corruption, Money Laundering & Fraud risks:</p> <ul style="list-style-type: none"> • A rigorous 'zero tolerance' principle based on an effective Anti-Corruption Program ("ACP"), which incorporates provisions of international conventions and national laws and regulations applicable to URW NV's business activities; • An alert system (whistleblowing procedure) supported by an external and confidential platform (also available for contractors); • "Know Your Partner" procedure to evaluate third parties' exposure to the corruption and influence peddling risks; • Dedicated classroom training for most exposed departments and an e-learning module mandatory for all URW Group staff describing the general principles related to business ethics and the prevention of corruption, bribery and influence peddling; • Secure payments procedure and has formalized the rules for opening, changing and closing bank accounts; • The URW Group Compliance Officer systematically shares the information via email with all concerned employees, including a reminder of preventive procedures.

4.3 TRANSFERRING RISK TO INSURERS

URW NV is covered by insurance programs, which are underwritten by leading insurance companies located in Europe and the US.

These programs are actively monitored by the URW Group Insurance Department in liaison with local teams and insurance brokers in continental Europe and in the United States.

Under the property damage and terrorism programs, all property assets are insured for their reconstruction value, as well as for business interruptions and loss of rent subject to limitations of coverage with respect to natural catastrophe risks due to limited insurance market capacities. All assets are regularly assessed by internal or external property insurance valuers.

In accordance with insurance market practices, URW NV's property damage insurance program requires physical damages to trigger a coverage of financial loss or business interruption. The current legal and insurance market do not recognize any claim arising from or related to the pandemic as a covered loss.

Assets are insured against terrorism under a dedicated program that includes a limit per claim based on the asset that has the highest insured value with respect to rebuilding cost and loss of rent.

URW NV has also taken out general liability insurance policies that cover financial damages resulting from third-party claims.

Type of insurance	Coverage and main limits based on 2022 insurance program
Property damage, loss of rent/business interruption	<p>Coverage: "all risks" basis (subject to named exclusions) and terrorism.</p> <p>Basis of compensation:</p> <ul style="list-style-type: none"> • Reconstruction costs for building, replacement cost for equipment; • Loss of rent or business interruption with a compensation period of between 12 and 60 months depending on the asset. <p>Limits of compensation:</p> <ul style="list-style-type: none"> • The Netherlands: <ul style="list-style-type: none"> €1 Bn per occurrence subject to the following sub-limits: <ul style="list-style-type: none"> o Earthquake: €200 Mn in the annual aggregate; o Flood: €25 Mn in the annual aggregate (per market practice, dike failure is excluded); and o Terrorism: €900 Mn per occurrence. • The US: <ul style="list-style-type: none"> \$1.35 Bn per occurrence including terrorism events subject to the following sub-limits⁵³: <ul style="list-style-type: none"> o Earthquake: \$500 Mn per occurrence and annual aggregate further subject to additional regional sub-limits: <ul style="list-style-type: none"> - California - \$400 Mn; a retention per location of 5% of total insured values; - Pacific Northwest - \$250 Mn (Westfield Southcenter in Tukwila, Washington); a retention per location of 3% of total insured values; o Windstorm/hurricane: \$1.35 Bn in the annual aggregate; deductible of \$50,000/location, except in Florida where a retention per location is 5% of the total insured values; and o Flood: \$500 Mn in the aggregate with \$500,000 deductible per location for properties in designated flood zones. <p>In the US and in the Netherlands, the combination of the concentration of many assets in the same area with a high exposure to natural catastrophe risks and the limited capacity available from insurers to cover these risks exposes URW NV and its controlled subsidiaries to retain a significant share of these risks as uninsured.</p>

⁵³ The Group insurance brokers complete a detailed loss estimate analysis on natural catastrophe exposures. This information is used to determine the amount of insurance against earthquake and windstorm/hurricane to purchase.

General civil liability	Coverage: “all risks” basis (subject to named exclusions) for damage caused to third parties. The program includes sub-limits, for example, to cover liability claims following a terrorist attack.
General environmental liability	Coverage for damage caused to third parties by accidental pollution and for gradual pollution.

Main construction projects and renovation works on properties are covered by contractors’ All Risks policies for their total construction cost. Defects affecting the works are covered by contractors’ warranties.

The 2022 premium for URW NV amounted to €29.2 Mn (\$30.7 Mn.⁵⁴). Most of these premiums were invoiced to third parties (e.g., co-owners, tenants). URW NV did not incur any major uninsured losses in 2022.

At the end of 2022, in a hardening market context, the URW NV’s insurance program was successfully renegotiated covering the portfolio with placement both in the European and US insurance markets with effect from January 1, 2023.

⁵⁴ Only for Insurances directly managed by URW NV, excluding premiums reinvoiced from third parties.

5.

INFORMATION ON THE COMPANY, SHAREHOLDING AND THE SHARE CAPITAL

5.1 INFORMATION ON THE COMPANY

5.1.1 GENERAL INFORMATION

Unibail-Rodamco-Westfield N.V. ("URW NV" or the "Company") has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered address at Schiphol Boulevard 315, World Trade Center Schiphol - Tower F, 1118 BJ Schiphol (Haarlemmermeer), the Netherlands. URW NV is registered with the Commercial Register of the Dutch Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) under number 70898618. The LEI code of the Company is 7245002R31EKBDW59H93 and its telephone number: (+31) 020-6582533.

Its financial year runs from January 1 to December 31.

Information about the Company is available on its website: www.urw-nv.com.

5.1.2 LEGAL FORM AND APPLICABLE LAW

On February 14, 2018, URW NV was incorporated as Unibail-Rodamco B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands. On March 22, 2018, Unibail-Rodamco B.V. changed its legal name to WFD Unibail-Rodamco N.V. and converted its legal form to a public limited liability company (*naamloze vennootschap*) pursuant to a notarial deed of amendment and conversion in accordance with a resolution of its general meeting adopted on March 15, 2018. On June 9, 2020, WFD Unibail-Rodamco N.V. changed its name to Unibail-Rodamco-Westfield N.V. pursuant to a notarial deed of amendment in accordance with a resolution of the General Meeting. The current laws and regulations of the Netherlands are applicable to the Company.

5.2 SHARE CAPITAL AND OTHER SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

5.2.1 AUTHORISED SHARE CAPITAL - FORM OF SHARES

The authorised share capital of the Company amounts to €550 million and is divided into 660 million class A shares and 440 million class B shares, with a nominal value of €0.50 each.

As at December 31, 2022, the Company's share capital is €116,007,701.50 and divided into 138,767,088 class A shares and 93,248,315 class B shares with a nominal value of €0.50 each, representing 59.81% and 40.19%, respectively, of the Company's issued share capital.

In June 2018, the class A shares of the Company were individually stapled with the ordinary shares of URW SE, a public limited liability company under the laws of France, with its registered office located in Paris and Companies Register under number 682 024 096, to form Stapled Shares.

The "URW Group" is composed of the Company, URW SE and all the controlled entities whose financial information is included in the consolidated accounts of the Company and/or of URW SE.

As at December 31, 2022 the Stapled Shares are admitted to trading on Euronext Amsterdam and Euronext Paris, under ISIN code FR0013326246 and trading symbols AMS: URW (Euronext Amsterdam) and EPA: URW (Euronext Paris). Any holder of Stapled Shares will have all the rights and be under all the obligations of both a shareholder of URW SE (with respect to the URW SE shares that are part of his Stapled Shares) and a shareholder of URW NV (with respect to the class A shares that are part of his Stapled Shares). Reference to 5.2.2.1 for CDI's.

5.2.2 SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

Securities granting access to the capital of URW NV are described below.

5.2.2.1 CDIS (CHESS DEPOSITARY INTERESTS)

The term "CDI" designates Australian CHES (clearing house electronic subregister system) depositary interests that represent beneficial ownership in Stapled Shares registered in the name of or on behalf of CDN (CHES Depositary Nominees Pty Limited, a subsidiary of the Australian Securities Exchange). CDIs are admitted for trading on the Australian regulated market ("ASX").

Twenty CDIs collectively represent a beneficial interest in one Stapled Share. CDN enables holders of CDIs to exercise⁵⁵ the voting rights attached to the Stapled Shares. The CDI can be converted into Stapled Share at any time, and inversely.

As at December 31, 2022, 178,547,220 CDIs (corresponding to 8,927,361 Stapled Shares) were outstanding, representing 3.85% of share capital.

5.2.2.2 PERFORMANCE SHARES AND PERFORMANCE STOCK OPTIONS

The long-term remuneration plan of the Group combines two remuneration elements in Stapled Shares: the majority are granted as Performance Shares (PS), while a small portion are Performance Stock Options (SO). This is intended to strengthen the engagement of beneficiaries in their contribution to the Group's performance.

⁵⁵ Holders of CDIs can either (i) ask CDN to vote in a given way, or (ii) request that CDN grant the holder with the power to vote at the General Meeting.

As at December 31, 2022, the number of potential Stapled Shares to be theoretically issued after taking into account cancellation (assuming the required performance and presence conditions are attained and excluding any cancellations that may occur during the course of the plan) represents 0.60% of URW NV's fully-diluted share capital with regard to the outstanding PS and 1.86 % of URW NV's fully-diluted share capital with regard to the outstanding SO.

5.2.2.3 ORNANE (BONDS REDEEMABLE IN CASH AND/OR IN NEW AND/OR EXISTING SHARES)

On June 25, 2014, the URW SE issued 1,735,749 ORNANE ("2014 ORNANE") at a nominal value per unit of €288.06, representing a nominal amount of €500 Mn.

All bonds convertible in cash and/or in new and/or existing shares were redeemed in cash on July 1, 2021.

As at December 31, 2022, no 2014 ORNANE was outstanding.

On April 15, 2015, the URW SE issued 1,441,462 ORNANE ("2015 ORNANE") at a nominal value per unit of €346.87, representing a nominal amount of €500 Mn.

All bonds convertible in cash and/or in new and/or existing shares were redeemed in cash on January 1, 2022.

As at December 31, 2022, no 2015 ORNANE was outstanding.

5.2.3 OTHER SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

None.

5.2.4 CHANGES IN URW NV'S SHARE CAPITAL AS OF ITS INCORPORATION

Since the incorporation of URW NV, URW NV's share capital has changed as follows:

	Date	Movements in the share capital	Number of shares issued	Number of shares	Total share capital	Premium resulting from transaction
	07/06/2018			231,531,282	€115,765,641	
	30/09/2018	Reimbursement of ORA	63	231,531,345	€115,765,673	€640
2018	30/09/2018	Exercise of SO (2012-2014 tranche)	3,596	231,534,941	€115,767,471	€39,265
	30/09/2018	Reimbursement of ORA	50	231,534,991	€115,767,496	€404
	31/12/2018	Exercise of SO (2012 tranche)	1,925	231,536,916	€115,768,458	€14,380
	31/03/2020	Creation of PS (2015 tranche)	8,340	231,545,256	€115,772,628	€0
	31/03/2019	Exercise of SO (2012 tranche)	8,713	231,553,969	€115,776,985	€72,549
	30/04/2019	Creation of PS (2016 tranche)	18,432	231,572,401	€115,786,201	€0
2019	30/04/2019	Increased of share capital reserved for URW SE employees	47,337	231,616,738	€115,809,869	€312,309
	08/07/2019	Reimbursement of ORA	131	231,616,869	€115,809,935	€1,181
	08/07/2019	Reimbursement of ORA	7,051	231,626,920	€115,813,460	€63,485
	31/03/2020	Creation of PS (2017 tranche)	14,235	231,641,155	€115,820,578	€0
2020	04/06/2020	Creation of PS (2016 tranche)	10,395	231,651,550	€115,825,775	€0
	04/06/2020	Increased of share capital reserved for URW SE employees	69,150	231,720,700	€115,860,350	€154,690
2021	31/03/2021	Creation of PS (2017-2018 tranches)	23,990	231,746,876	€115,873,438	€0
	24/06/2021	Creation of PS (LTI SI* tranche)	23,986	231,768,676	€115,884,338	€0
	24/06/2021	Increased of share capital reserved for URW SE employees	74,055	231,842,731	€115,921,366	€0
2022	29/04/2022	Creation of PS (LTI Plan 2018)	9,410	231,852,141	€115,926,071	€0
	29/04/2022	Creation of PS (LTI Plan 2019)	50,092	231,902,233	€115,951,117	€0
	29/04/2022	Increase of share capital reserved for employees	105,741	232,007,974	€116,003,987	€0
	25/05/2022	Creation of PS (LTI SI* Plan 2018)	7,429	232,015,403	€116,007,702	€0

Note: increases in the share capital associated with the exercise of Performance Stock Options (SO) and creation of Performance Shares (PS), cancellation of shares and reimbursements of bonds redeemable in shares (ORA) and bonds redeemable in cash and/or in new and/or existing shares (ORNANE), are stated by a statement of the URW SE Management Board.

* LTISI: Additional Performance Shares granted in 2018 related to the successful integration of Westfield.

5.3 SHARE BUY-BACK PROGRAMME AND SHARE ISSUANCES

5.3.1 AUTHORISATION TO BUY BACK SHARES

At the General Meeting held June 22, 2022, the Management Board ("MB") has been authorized (for 18 months following the General Meeting) to resolve for the Company to purchase and acquire, with the approval of the Supervisory Board ("SB"), on a stock exchange or otherwise, up to 10% of the class A shares in the Company's capital in issue from time to time (separate or as part of Stapled Shares) and up to 100% of the class B shares in the Company's capital in issue from time to time, in each case at a price per share between the nominal value of the share concerned and 110% of the average market price of the Stapled Shares on Euronext Amsterdam (such average being calculated by reference to the closing prices on each of the five consecutive trading days preceding the date the purchase or acquisition is agreed upon by the Company). Any shares in the Company's capital held by the Company on the date of the General Meeting or that may be purchased and acquired by the Company during

the period of 18 months following the General Meeting shall be cancelled in one or more tranches, provided that the implementation of any such cancellation (whether or not in a tranche) shall be subject to the determination by the Management Board of the exact number of shares to be cancelled (in the relevant tranche, as relevant) and the exact timing thereof.

The MB is authorized to i) acquire one or more class A shares in the Company's capital (separate or as part of Stapled Shares) from Unibail-Rodamco-Westfield SE ("URW SE"), ii) acquire one or more class A shares in the Company's capital from anyone other than URW SE (including by means of a share buy-back programme), provided that such acquisition is made (a) pursuant to and in accordance with a joint share buy-back programme approved by or on behalf of (the relevant corporate bodies of) the Company and URW SE or (b) jointly and in connection with (but not necessarily concurrently with) an acquisition of ordinary shares in the capital of URW SE by URW SE; and/or iii) acquire one or more class B shares in the Company's capital from URW SE, in each case (x) subject to the MB being authorised by the General Meeting to acquire such shares in the capital of the Company and (y) with due observance of Dutch law, the Articles and the relevant limitations set out in the shareholders' authorisation as applicable from time to time.

5.3.2 REVIEW OF THE USE OF THE AUTHORISATION TO ACQUIRE SHARES AND INFORMATION ON THE TRANSACTIONS CARRIED OUT DURING THE FINANCIAL YEAR ENDING DECEMBER 31, 2022

During the 2022 financial year, the Company did not acquire any shares in its capital.

The Company has not used any derivative products in respect of shares in its capital and has currently not entered into any market-making and/or liquidity agreement in respect of shares in its capital.

5.3.3 AUTHORISATION TO ISSUE SHARES

With effect from June 7, 2018, the closing date of the Westfield Transaction (and for a period of 5 years from such date), the Management Board ("MB") has been authorized, subject to the approval of the Supervisory Board ("SB") and the Stapled Share Principle, (i) to resolve to issue shares in the capital of the Company and to grant rights to subscribe for such shares up to the maximum authorized share capital as this may be from time to time and (ii) to resolve to limit and/or exclude pre-emption rights in relation thereto.

5.3.4 SITUATION AS AT DECEMBER 31, 2022

As at December 31, 2022, the URW NV shares held or cancelled by the Company is as follows:

% of URW NV shares held directly or indirectly by URW NV ("treasury shares") as at December 31, 2022	0%
Number of cancelled URW NV shares during the last 24 months	0
Number of treasury shares as at the December 31, 2022	0

5.4 INFORMATION ON THE SHAREHOLDING

5.4.1 OWNERSHIP OF CAPITAL AND VOTING RIGHTS

The Company's share capital as at December 31, 2022, comprises 138,767,088 class A shares and 93,248,315 class B shares with a nominal value of €0.50 each and is fully paid-up. The class A shares form part of Stapled Shares together with ordinary URW SE shares. All class B shares are owned by URW SE; pursuant to the Articles, class B shares can only be held by (i) any entity of the URW Group or (ii) any other party, with the approval of the MB and the SB.

One single voting right is attached to each URW NV share in accordance with the "one share, one vote" principle.

As at December 31, 2022, 59.81% of the Company's share capital was held by others than URW SE and MB Members.

The Company's shareholding structure was as follows during the last three financial years⁽¹⁾:

Shareholder	Year-end 2020			Year-end 2021			Year-end 2022		
	Total number of shares	% of share capital	% of voting rights	Total number of shares	% of share capital	% of voting rights	Total number of shares	% of share capital	% of voting rights
Free float (class A)	130,959,567	56.52	56.52	118,299,741	51.03	51.03	118,479,905	51.07	51.07
URW SE (class B)	93,248,315	40.24	40.24	93,248,315	40.22	40.22	93,248,315	40.19	40.19
Companies controlled by Mr Xavier Niel (Rock Investment and NJJ Holdings) ⁽²⁾	7,512,813	3.24	3.24	20,294,670	8.75	8.75	20,286,422	8.74	8.74
Treasury shares	-	-	-	-	-	-	-	-	-
Executive officers ⁽³⁾	5	0	0	5	0	0	761	0	0
Total	231,720,700			231,842,731			232,015,403		

Figures may not add up due to rounding.

(1) Table updated for disclosure purposes.

(2) Based on Mr. Niel's statement.

(3) Executive officers comprise the MB Members. The numbers do not take into account any units in the URW SE Company Savings Plan held by the executive officers. As at December 31, 2022 the MB consist of two members.

5.4.2 INFORMATION REGARDING OWNERSHIP THRESHOLD DISCLOSURES

Substantial holding notifications made to the AFM can, once published, be viewed on the website of the Dutch Authority for the Financial Markets ("AFM") and threshold disclosures notified to URW SE as required under the Articles of Association are available at the registered office of URW SE.

To the best of the Company's knowledge and based on the substantial holding notifications published on the website of the AFM and the threshold crossings notified to URW SE, the following persons (other than URW SE) have, as at the filing date of this Annual Report, a notifiable interest in URW NV's share capital.

The AFM register shows the following notifications of substantial share capital and/or voting rights above the 3% threshold: X. Niel: substantial share capital of 16.20% and 16.20% of the voting rights (May 20, 2022), BlackRock, Inc.: substantial share capital of 3.59% and 4.33% of the voting rights (February 24, 2023).

5.4.3 SHAREHOLDERS' AGREEMENT

To the best of the Company's knowledge there is no shareholders' agreement.

5.4.4 URW SE'S SHAREHOLDING IN URW NV

URW SE holds approximately 40% of URW NV's issued and outstanding share capital.

PARTICIPATION MAINTENANCE SUBSCRIPTION RIGHT

URW SE wishes to maintain its capital interest and voting rights in URW NV at or slightly above 40%. In connection therewith URW NV granted URW SE the "Participation Maintenance Subscription Right".

The Participation Maintenance Subscription Right allows URW SE to subscribe, in one or more tranches, on a continuous and revolving basis for new URW NV class B shares, each time up to the lesser of (i) such maximum number of URW NV class B shares that, as the result of a subscription to such number of URW NV class B shares by URW SE pursuant to an exercise of the Participation Maintenance Subscription Right, the aggregate nominal amount of URW NV shares held by URW SE and its subsidiaries is equal to 40.22% of URW NV's issued and outstanding share capital, and (ii) the maximum number of URW NV's class B shares that may be issued under the authorized share capital of URW NV under its Articles at that time.

Certain terms and conditions of the Participation Maintenance Subscription Right are set out in a Participation Maintenance Subscription Right Agreement entered into between URW SE and URW NV on June 4, 2018.

The subscription price for any URW NV class B shares subscribed for by URW SE pursuant to the exercise of the Participation Maintenance Subscription Right is equal to the par value of such shares or such other price as may be agreed between URW SE and URW NV from time to time. At least one-fourth of the par value is to be paid up upon subscription and the remaining three-fourths will be payable by URW SE upon URW NV calling for it, subject to applicable law. Solely at URW NV's option and subject to the Articles and applicable law, all or part of such payment obligation for the subscribed-for URW NV class B shares may be charged against URW NV's profits and/or reserves.

At the request of the holder, any URW NV class B shares held by URW SE or any of its subsidiaries shall be converted into URW NV class A shares of equal nominal value in accordance with the Articles and subject to the nominal value of the to-be converted URW NV class B shares having been fully paid up.

URW SE may assign the Participation Maintenance Subscription Right Agreement, with simultaneous assignment of the Participation Maintenance Subscription Right, to any wholly-owned URW SE subsidiary.

The Participation Maintenance Subscription Right Agreement is entered into and the Participation Maintenance Subscription Right is granted for an indefinite period of time, but may be terminated at any time by URW SE.

EQUITY PLAN SATISFACTION SUBSCRIPTION RIGHT

Pursuant to any equity incentive plan, stock option plan, equity saving plan, performance share plan or other plan, as applicable from time to time, URW SE or any of its subsidiary may award Stapled Shares, or rights to acquire Stapled Shares (including rights to concurrently acquire URW NV class A shares and URW SE ordinary shares thereby forming Stapled Shares), to (current or former) employees, officers and/or directors of the URW Group. URW SE or the relevant URW SE subsidiary would need to be able to deliver, transfer or otherwise provide URW NV class A shares (for as long as the Stapled Share Principle applies, as part of Stapled Shares) pursuant to awards made under such equity plans. In connection therewith URW NV granted URW SE the "Equity Plan Satisfaction Subscription Right".

The Equity Plan Satisfaction Subscription Right allows URW SE to subscribe, in one or more tranches, on a continuous and revolving basis for new URW NV class A shares, each time up to the lesser of (i) the number of URW NV class A shares that are required or reserved to satisfy any obligations to issue, transfer, deliver or otherwise provide URW NV class A shares pursuant to awards made under any relevant equity plan, and (ii) the maximum number of URW NV class A shares that may be issued under the authorized share capital of URW NV under its Articles at that time.

Certain terms and conditions of the Equity Plan Satisfaction Subscription Right are set out in an Equity Plan Satisfaction Subscription Right Agreement entered into between URW SE and URW NV on June 4, 2018.

The subscription price for any URW NV class A shares subscribed for by URW SE pursuant to the exercise of the Equity Plan Satisfaction Subscription Right is equal to the par value of such shares or such higher price as provided for in the relevant equity plan (if any). At subscription, URW SE shall pay the aggregate nominal value in full. At the request of URW SE, URW NV shall - subject to the approval of the SB and to the extent permitted under applicable law - charge all or part of such payment obligation against URW NV's profits and/or reserves, in particular in respect of those equity plans in which shares are provided to the participants without payment of any consideration.

URW SE may assign part of the Equity Plan Satisfaction Subscription Right to any URW SE subsidiary, provided that such URW SE subsidiary has committed itself towards URW NV to be bound by the Equity Plan Satisfaction Subscription Right Agreement in respect of such assigned part. Furthermore, URW SE may assign the Equity Plan Satisfaction Subscription Right in respect of such number of URW NV class A shares that are the subject of an award under an equity plan to the relevant participant to whom such award is or has been made, under the conditions that an exercise of such assigned Equity Plan Satisfaction Subscription Right by such participant may only be made in compliance with all terms and conditions (including vesting conditions) of the relevant equity plan and award, and that an issue of URW NV class A shares to such participant can only be made simultaneously with an issue or transfer of an equal number of URW SE ordinary shares to such participant and URW SE having confirmed to URW NV that such simultaneous issue or transfer will occur.

The Equity Plan Satisfaction Subscription Right Agreement further provides that in situations in which URW SE or a URW SE subsidiary is making an award to any employee, officer or director of the URW Group with respect to a number of URW SE ordinary shares under an equity plan of URW SE or any URW SE subsidiary, URW SE may request that URW NV simultaneously grant a right to such employee, officer or director with respect to an equal number of URW NV class A shares. URW NV shall in such cases - to the extent legally permissible - make such a grant, under the condition that an issue of URW NV class A shares to such employee, officer or director can only be made simultaneously with an issue or transfer of an equal number of URW SE ordinary shares to such employee, officer or director and URW SE having confirmed to URW NV that such simultaneous issue or transfer will occur.

The Equity Plan Satisfaction Subscription Right Agreement is entered into and the Equity Plan Satisfaction Subscription Right is granted for an indefinite period of time, but may be terminated at any time by URW SE and will terminate upon the Articles being amended such that there are no longer Stapled Shares. Upon termination, the agreement and subscription right will survive to the extent necessary to settle existing outstanding awards under any relevant equity plans.

5.5 ARTICLES OF ASSOCIATION OF THE COMPANY AND CHARTERS OF THE CORPORATE BODIES

The main statutory provisions are given hereafter. Furthermore, the Management Board (the "MB"), Supervisory Board (the "SB"), Audit Committee (the "AC"), the Investment Committee (the "IC") and the Governance, Nomination and Remuneration Committee (the "GNRC") each have their own internal charters. The Articles of Association (the "Articles") and internal charters of these committees are available on the Company's website or at its registered office.

The Articles were last updated on June 30, 2021.

5.5.1 CORPORATE PURPOSE

(ARTICLE 3 OF THE ARTICLES OF ASSOCIATION)

The corporate purpose of the Company is in the Netherlands and abroad:

- to invest in assets, primarily through the direct or indirect acquisition of real estate, in such a manner that the ensuing risks are spread in order to allow shareholders to share in the proceeds;
- to enter into cash pooling arrangements with, to provide financing to and to furnish guarantees for the benefit of URW SE and other affiliated bodies of the Company whose assets, on a consolidated basis, generally at least nearly exclusively consist of real estate and/or associated rights;
- to incorporate, to participate in, to hold any other interest in and to conduct the management or supervision of bodies whose objects and actual activities are to invest in assets;

- to incorporate, to participate in and to conduct management of bodies whose objects and actual activities, besides possibly investing assets, are to develop real estate for the benefit of itself or certain bodies;
- to invest in the improvement or expansion of real estate;
- to acquire, to manage, to invest, to exploit, to encumber and to dispose of other assets and liabilities and to provide any other act or service; and
- to do anything which, in the widest sense, is connected with or may be conducive to the objects described above,

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

5.5.2 STAPLED SHARE PRINCIPLE

(ARTICLE 6 OF THE ARTICLES OF ASSOCIATION)

The shares in URW NV are in registered form. The shares have been, or will be, created under Dutch law and must be paid up in full upon issuance (without prejudice to section 2:80(2) Dutch Civil Code (the “DCC”). However, it may be stipulated that up to 75% of the nominal value of a class B share need not be paid up until URW NV has called for payment.

The class A shares may be included in a giro deposit (“*girodepot*”) or a collective deposit (“*verzameldepot*”) in accordance with the provisions of the Dutch Giro Securities Act or any other collection of securities which are transferable by means of book-entry, in each case with due observance of the Stapled Share principle set out in the Articles.

Each class B share can be converted into one class A share. By means of a written request addressed to the MB, the holder of one or more class B shares may request the conversion of all or part of his class B shares into an equal number of class A shares. Such request must indicate the number of class B shares to be converted. Upon receipt of such request, the MB, with the approval of the SB, shall resolve to convert the number of class B shares specified in the request into an equal number of class A shares. Neither the MB nor URW NV are required to effect a conversion of class B shares if the request does not include the number of class B shares to be converted or if the MB reasonably believes that the information included in such request is untrue or incorrect or that the holder concerned is not a party meeting the quality requirement described below.

Under the Articles, in order to achieve a situation where holders of class A shares, other than any entity of the URW Group, hold an interest in both URW NV and URW SE, as if they held an interest in a single (combined) company:

- no class A share can be (i) issued to, or subscribed for by, others than any entity of the URW Group, (ii) transferred to or, subject to applicable law, pledged or otherwise encumbered by others than any entity of the URW Group, or (iii) released from any encumbrance by others than any entity of the URW Group, in each case except together with a UR Share in the form of a Stapled Share;
- no right to subscribe for one or more class A shares can be (i) granted to or exercised by others than any entity of the URW Group, (ii) terminated by others than any entity of the URW Group, (iii) transferred to or, subject to applicable law, pledged or otherwise encumbered by others than any entity of the URW Group, or (iv) released from any encumbrance by others than any entity of the URW Group, in each case except together with a corresponding right to subscribe for an equal number of URW SE Shares in the form of an equal number of Stapled Shares;
- all shareholders, other than any entity of the Stapled Group, must refrain from (i) acquiring any class A share, (ii) acquiring, exercising or terminating any right to subscribe for one or more class A shares, or (iii) creating or acquiring a usufruct, pledge or other encumbrance over any class A share or any right to subscribe for one or more class A shares, in each case except (if it concerns a class A share) together with a URW SE share in the form of a Stapled Share or (if it concerns a right to subscribe for one or more class A shares) together with a corresponding right to subscribe for an equal number of URW SE shares in the form of an equal number of Stapled Shares; and
- subject to applicable law, the MB and the SB shall take all necessary actions to ensure that, at all times, the number of class A shares issued and held by others than any entity of the URW Group is equal to the number of URW SE shares issued and held by others than any entity of the URW Group.

The Stapled Share principle can only be terminated by virtue of a resolution passed by the General Meeting to amend the Articles. A resolution by the General Meeting to effect such an amendment shall only become effective after the MB, with the approval of the SB, has confirmed that the General Meeting or shareholders or URW SE has passed a resolution to terminate the Stapled Share principle as included in the Articles of URW SE.

In addition, under the Articles, class B shares can only be held by any entity of the URW Group or any other party, with the prior approval of the MB and the SB. If one or more class B shares are not, or no longer, held by a party which meets the quality requirements described in the previous sentence:

- the holder of such class B shares must immediately notify the MB thereof, consistent with the arrangements described in the Articles;
- such Shareholder's voting rights, meeting rights and rights to receive distributions attached to its class B shares shall be suspended; and
- such Shareholder must immediately offer and transfer its class B shares to URW NV (or to a party designated in writing by URW NV) in accordance with the provisions in the Articles.
- the MB, with the approval of the SB, may grant dispensation from the quality requirement described above.

Except as set forth above or as described elsewhere in this report, as at December 31, 2022, URW NV imposed no limitation, under its Articles or by contract, on the transfer of shares (or depository receipts for shares issued with URW NV's cooperation), the exercise of voting rights on shares, periods for exercising such voting rights or the issuance of depository receipts for Shares with URW NV's cooperation.

All shareholders of the Company must comply with the Stapled Share principle described above. If a shareholder, other than any entity of the URW Group, would hold one or more “Unstapled Shares” (i.e., class A shares held by a shareholder, other than any entity of the URW Group, if such shareholder does not also hold the corresponding ordinary shares in UR in the form of Stapled Shares) for whatever reason:

- such shareholder must immediately notify the MB of such breach, consistent with the arrangements described in the Articles;
- such shareholder must immediately offer and transfer its Unstapled Shares to URW SE (or any other entity of the URW Group designated in writing by URW SE);
- if such shareholder has not, within a reasonable period of no more than fourteen (14) days after having become obliged to offer and transfer its Unstapled Shares, complied with such obligation, URW NV shall be irrevocably authorised to offer and transfer the Unstapled Shares

concerned to URW SE (or any other entity of the URW Group designated in writing by URW SE) on behalf of such shareholder in accordance with the provisions in the Articles; and

- such shareholder's voting rights, meeting rights and rights to receive distributions attached to its Unstapled Shares shall be suspended for as long as such shareholder (or URW NV on such shareholder's behalf) has not complied with the obligation of such Shareholder to offer and transfer such Unstapled Shares as described above.

If the holder of a Stapled Share must notify URW SE in respect of its shares in the capital of URW SE pursuant to the articles of association of URW SE and/or applicable French law, such shareholder must also immediately notify URW SE in accordance with the arrangements described in the Articles. If the MB becomes aware that a shareholder has failed to comply with that obligation, the MB, with the approval of the SB, may demand that such shareholder comply with such obligation within a reasonable period of no more than 14 days, as stipulated in such notice. For as long as the shareholder concerned has not complied with such obligation after the expiration of the period stipulated in said notice, such Shareholder's voting rights, meeting rights and rights to receive distributions attached to its class A shares shall be suspended.

Furthermore, under Dutch law, various protective measures are possible and permissible within the boundaries set by Dutch law, including Dutch case law. In this respect, certain provisions of the Articles may make it more difficult for a third party to acquire control of the Company or effect a change in the MB and/or SB. These include:

- the Stapled Share principle described in paragraph 5.5.2;
- a provision that the General Meeting can only appoint MB Members and SB Members on the basis of a nomination by (i) the SB pursuant to and in accordance with a binding recommendation by the GNRC, (ii) the Chairman, (iii) a Controlling Shareholder or (iv) the Class B Meeting, in each case provided that the names of those candidates are stated for that purpose in the agenda of that General Meeting or the explanatory notes thereto; and
- a requirement that certain matters, including an amendment of the Articles, may only be brought to the General Meeting for a vote upon a proposal by the MB, with the approval of the SB.

5.5.3 CORPORATE GOVERNANCE STRUCTURE

(ARTICLES 16 TO 26 OF THE ARTICLES OF ASSOCIATION)

The Company is managed by a Management Board ("MB") and a Supervisory Board ("SB"). Details of the composition and the functioning of the MB and the SB are set out in Section 2.1 of this Annual Report.

5.5.3.1 THE MANAGEMENT BOARD

(ARTICLES 16 TO 21 OF THE ARTICLES OF ASSOCIATION AND MANAGEMENT BOARD RULES)

The MB is the collegial decision-making body of URW NV. Pursuant to the Articles, the MB shall be composed of individuals or entities and the SB shall determine the number of MB Members. The SB Chair shall, with due observance of the MB Rules, designate one MB Member as Chief Operating Officer US ("COO US"), and may revoke such designation from time to time. The MB consisted of two members as at December 31, 2022.

The MB is charged with management of the Company, subject to the restrictions contained in the Articles. The MB is required to provide the SB with the information necessary for the performance of its tasks in a timely fashion. At least once a year, the MB shall inform the SB in writing of the main features of the strategic policy, the general and financial risks and the administration and control system of URW NV. The MB's mission consists in developing and executing the Company's strategy, effectively structuring and staffing the Company to ensure its efficient functioning, achieving the projected financial results and communicating these results in the best manner. In performing their duties, MB members shall be guided by interests of the Company and of the business connected with it.

The MB is responsible for the day-to-day management of the Company which includes, among other things, formulating strategies and policies, and setting and achieving the Company's objectives. The SB supervises and advises the MB. In performing their duties, MB and SB members shall be guided by the interests of the Company and of the business connected with it.

The General Meeting shall appoint the MB Members and can only appoint a MB Member upon a nomination by (i) the SB pursuant to and in accordance with a binding recommendation by the GNRC, (ii) the Chair, (iii) a Controlling Shareholder or (iv) the class B Meeting, in each case provided that the names of those candidates are stated for that purpose in the agenda of that General Meeting or the explanatory notes thereto. A MB Member is appointed or reappointed for a term which shall expire immediately following the end of the annual General Meeting held in any of the first four years following his appointment or reappointment (as relevant).

The General Meeting may at any time suspend or dismiss any MB Member. In addition, the SB may at any time suspend a MB Member. The SB shall not make any proposal, or approve any proposal made by the MB, for the suspension or dismissal of a MB Member and shall not resolve upon the suspension of a MB Member, other than pursuant to and in accordance with a binding recommendation either by the SB Chair or by the GNRC. A suspension by the SB can at any time be lifted by the General Meeting. If a MB Member is suspended and the General Meeting does not resolve to dismiss him within three months from the date of such suspension, the suspension shall lapse.

5.5.3.2 THE SUPERVISORY BOARD

(ARTICLES 22 TO 26 OF THE ARTICLES OF ASSOCIATION AND THE SUPERVISORY BOARD RULES)

The SB exercises permanent oversight and control over the MB and the general affairs of the Company as provided by law, the Articles and its SB Rules. The SB has 5 members appointed for a term of four years. The SB must comprise of two URW SE Supervisory Directors. "URW SE Supervisory Directors" refers to an SB member who is also a member of the management board, a member of the supervisory board or an employee of (x) URW SE (or any of the legal successors) or (y) any controlled undertaking whose financial information is included in the consolidated financial reporting of URW SE (excluding the Company and its subsidiaries within the meaning of section 2:24a of the Dutch Civil Code).

The SB is charged with the supervision of the policy of the MB and the general course of affairs of URW NV and of the business connected with it. The SB shall provide the MB with advice. In performing their duties, SB Members shall be guided by the interests of URW NV and of the business connected with it.

The SB consists of at least two, but no more than seven, SB Members. The SB shall be composed of individuals. The SB shall determine the number of SB Members. The SB must comprise such number of URW SE Supervisory Directors as equals the highest integer that is less than 50% of all SB Members in office. This requirement can be set aside by the General Meeting with a majority of at least two-thirds (2/3) of the votes cast representing more than half of URW NV's issued share capital.

The SB shall elect an URW SE Supervisory Director to be the Chair and another URW SE Supervisory Director to be the vice-Chair, in each case pursuant to and in accordance with a recommendation by the GNRC. The SB may dismiss the SB Chair or the vice-Chair pursuant to and in accordance with a recommendation by the GNRC, provided that the URW SE Supervisory Director so dismissed shall subsequently continue his term of office as a URW SE Supervisory Director without having the title of Chair or vice-Chair, as the case may be.

The General Meeting can only appoint a SB Member upon a nomination by (i) the SB pursuant to and in accordance with a binding recommendation by the GNRC, (ii) the Chair, (iii) a Controlling Shareholder or (iv) the class B Meeting, in each case provided that the names of those candidates are stated for that purpose in the agenda of that General Meeting or the explanatory notes thereto and taking into account the requirement with respect to the requisite number of URW SE Supervisory Directors. A SB Member may be appointed or reappointed for a term which shall expire immediately following the end of the annual General Meeting held in any of the first four years following his appointment or reappointment (as relevant). The General Meeting may at any time suspend or dismiss any SB Member. The SB shall not make any proposal, or approve any proposal made by the MB, for the suspension or dismissal of a SB Member, other than pursuant to and in accordance with a binding recommendation either by the SB Chair or by the GNRC. If a SB Member is suspended and the General Meeting does not resolve to dismiss him within three months from the date of such suspension, the suspension shall lapse.

The SB has three committees; the AC, the GNRC and IC.

THE SPECIALISED COMMITTEES OF THE SUPERVISORY BOARD

Three specialised committees are responsible for assisting the Board to carry out its duties: the Audit Committee, the Governance, Nomination and Remuneration Committee and Investment Committee. All SB Members participate in one of these committees. The committees function under separate internal charters.

Details of the composition, missions and diligences of the committees are set out in Section 2.2.3 of this Annual Report.

5.5.4 GENERAL MEETINGS

(ARTICLES 28 TO 32 OF THE ARTICLES OF ASSOCIATION)

General meetings must be held in Amsterdam, The Hague, Rotterdam or Schiphol (Haarlemmermeer). Certain resolutions can only be passed by the General Meeting at the proposal of the MB, with the approval of the SB.

5.5.4.1 FUNCTIONING OF THE GENERAL MEETING

General meetings must be held in Amsterdam, The Hague, Rotterdam or Schiphol (Haarlemmermeer). The annual General Meeting must be held at least once a year, no later than in June. Within three months after the MB has considered it to be likely that URW NV's equity has decreased to an amount equal to or lower than half of its paid up and called up capital, a General Meeting will be held in order to discuss the measures to be taken if so required. Extraordinary General Meetings shall further be held whenever the MB, the SB or the Chairman so decides, provided in each case that any item proposed by the Chairman for discussion or voting at any General Meeting shall be included as such on the agenda for such General Meeting.

In addition, one or more Shareholders and other Persons with Meeting Rights, who solely or jointly represent at least ten percent (10%) of URW NV's issued capital, may request the MB and the SB that a General Meeting be convened. The request must set out in detail the matters to be discussed. If neither the MB nor the SB has taken the steps necessary to hold a General Meeting within 8 weeks after such request, the requesting person(s) may be authorized by the court in preliminary relief proceedings to convene a General Meeting. If the requesting person(s) include(s) at least one holder of one or more class B shares, he/they may convene a General Meeting after such 8 weeks period without such prior authorization by the court.

Notice of a General Meeting must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days. The convocation of the General Meeting must be published through an announcement by electronic means. The notice must include the items for discussion and voting, the time and place of the meeting, the record date, the manner in which Persons with Meeting Rights may register and exercise their rights, the cut-off time for registration for the meeting, and such other matters as required by applicable law (also depending on the nature of the agenda items for the meeting concerned). In addition, Shareholders may be convened for the General Meeting by means of letters sent to their addresses as set out in URW NV's shareholders register (if and to the extent they are registered directly in such register).

The convening notice shall also include such items as one or more Shareholders and other Persons with Meeting Rights, representing - individually or collectively - at least such part of URW NV's issued share capital as prescribed by Dutch law (currently 3%), have requested URW NV by a motivated request (or, if it concerns a matter which falls within the powers of the General Meeting, a proposal for a resolution) to include in the agenda, at least 60 days before the day of the General Meeting. No resolutions may be adopted on items other than those which have been included in the agenda.

The General Meeting shall be chaired by one of the following individuals, taking into account the following order of priority (i) by the Chair, if there is a Chair and he is present at the General Meeting, (ii) by another SB Member who is chosen by the SB Members present at the General Meeting from their midst, (iii) by an MB Member who is chosen by the MB Members present at the General Meeting from their midst, or (iv) by another person appointed by the General Meeting. The person who should chair the General Meeting set out in the preceding sentence may appoint another person to chair the General Meeting.

Each Shareholder and other Person with Meeting Rights may attend the General Meeting, address the General Meeting and exercise voting rights pro rata to his shareholding, either in person or by proxy, provided that his meeting, and - if relevant - voting, rights have not been suspended. Shareholders and other Person with Meeting Rights may exercise these rights, if they are the holder of such right on the record date as required by Dutch law, which is currently the 28th day prior to the day of the General Meeting, and they or their proxy have notified URW NV of their identity and their intention to attend the General Meeting in writing at the address and by the seventh day prior to the General Meeting or such other date specified in the notice of the General Meeting.

MB Members and SB Members may attend a General Meeting. In these General Meetings, they have an advisory vote. The chairman of the General Meeting may decide at his discretion to admit other persons to the General Meeting.

5.5.4.2 POWERS OF THE GENERAL MEETING

All powers that do not vest in the MB or the SB pursuant to applicable law, the Articles or otherwise, vest in the General Meeting. The main powers of the General Meeting include, subject in each case to the applicable provisions in the Articles:

- the appointment, suspension and dismissal of Managing Directors and Supervisory Directors;
- the approval of certain resolutions of the MB concerning a material change to the identity or the character of URW NV or its business;
- the reduction of URW NV's issued share capital through a decrease of the nominal value, or cancellation, of shares;
- the adoption of URW NV's statutory annual accounts;
- the appointment of the Dutch independent auditor to examine URW NV's statutory annual accounts;
- amendments to the Articles;
- approving a merger or demerger by URW NV, without prejudice to the authority of the MB to resolve on certain types of mergers and demergers if certain requirements are met; and
- the dissolution of URW NV.

In addition, the General Meeting has the right, and the MB and the SB must provide, any information reasonably requested by the General Meeting, unless this would be contrary to an overriding interest of URW NV.

5.5.4.3 SHAREHOLDER RIGHTS

Each share confers the right to cast one vote in the General Meeting. Pursuant to Dutch law, no votes may be cast at a General Meeting, *inter alia*, in respect of shares that are held by URW NV or a subsidiary of URW NV.

Resolutions of the General Meeting are passed by simple majority of the votes cast, except where Dutch law or the Articles provide for a larger majority. Resolutions of the General Meeting can only be adopted if at least 20% of URW NV's issued share capital is represented at the General Meeting, except where Dutch law provides for a higher quorum. A second meeting as referred to in section 2:120(3) DCC cannot be convened. Shareholders, irrespective of whether or not they have voting rights, have meeting rights under Dutch law (including the right to attend and address the General Meeting, subject to the concept of a record date and the requirement to register for General Meeting as described in chapter 5.4.4.1).

Furthermore, each share carries an entitlement to dividends and other distributions as set forth in the Articles. Pursuant to the Articles, any such dividend or other distribution shall be payable on such date and, if it concerns a distribution in cash, such currency or currencies as determined by the MB with the approval of the SB. Any dividends that are paid to Shareholders through Euroclear France will be automatically credited to the relevant Shareholders' accounts without the need for such Shareholders to present documentation proving their ownership of the shares. Payment of dividends on the shares in registered form (not held through Euroclear France, but directly) will be made directly to the relevant Shareholder using the information contained in URW NV's Shareholders' register and records. At the proposal of the MB with the approval of the SB, the General Meeting may resolve that a distribution, instead of being made in cash, shall be made in the form of Shares or in the form of URW NV's assets.

5.5.4.4 CLASS MEETINGS

A Class Meeting shall be held whenever a resolution of that Class Meeting is required by Dutch law or under the Articles and otherwise whenever the MB, the SB or the Chair so decides. With respect to Class A Meetings, the above descriptions in respect of convening of, drawing up of the agenda for, holding of and decision-making by the General Meeting apply equally.

5.5.5 REQUIREMENTS PERTAINING TO THE DISTRIBUTION OF PROFITS

(ARTICLE 38 OF THE ARTICLES OF ASSOCIATION)

Pursuant to the Articles, the profits shown in URW NV's annual accounts in respect of a financial year shall be appropriated as follows, and in the following order of priority:

- the MB, with the approval of the SB, shall determine which part of the profits shall be added to URW NV's reserves, taking into account the fiscal rules and regulations applicable to URW NV from time to time; and
- the remaining profits shall be at the disposal of the General Meeting.

A distribution of profits shall be made by URW NV after the adoption of the annual accounts that show that such distribution is allowed. The MB, with the approval of the SB, may resolve to make interim distributions, provided and to the extent that it appears from interim accounts to be prepared in accordance with section 2:105(4) DCC that URW NV's equity exceeds the amount of the paid up and called up part of its capital plus the reserves which must be maintained by law.

At the proposal of the MB, with the approval of the SB, the General Meeting is authorized to resolve to make a distribution from URW NV's reserves.

5.5.6 SHARES CARRYING LIMITED ECONOMIC ENTITLEMENT

(ARTICLE 36 OF THE ARTICLES OF ASSOCIATION)

Under the Articles, distributions shall be made in proportion to the aggregate number of shares held. There are no shares which, pursuant to the Articles, carry a limited entitlement to the profits or reserves in URW NV.

5.5.7 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

At the proposal of the MB with the approval of the SB, the General Meeting may resolve to amend the Articles. A proposal to amend the Articles must be included in the agenda of the General Meeting. A copy of the proposal, containing the verbatim text of the proposed amendment, must be deposited with URW NV for the inspection (free of charge) by any shareholder from the date on which notice of the meeting is given until the end of the General Meeting. Furthermore, a copy of the proposal will be made available free of charge to shareholders and other Persons with Meeting Rights from the day it was deposited until the day of the meeting.

A resolution of the General Meeting to amend the Articles requires a majority of at least two-thirds (2/3rd) of the votes cast (subject to the 20% quorum requirement described in section 5.5.4.3). In addition, amendments to provisions in the Articles referencing the Stapled Share principle, require the prior approval of the class meeting formed by holders, and others with meeting rights with respect to, class B shares. A resolution to amend the Articles to effect the termination of such Stapled Share principle shall only become effective after the MB, with the approval of the SB, has confirmed that the General Meeting of shareholders of URW SE has passed a resolution to terminate such Stapled Share principle as included in the articles of association of URW SE.

5.6 BRANCHES

URW NV has no branch offices.

5.7 INVESTMENT BY THE COMPANY OUTSIDE THE GROUP

The Company has not made any significant investment outside the Group during the financial year ending December 31, 2022.



ADDITIONAL INFORMATION

6.1 STATEMENT OF THE PERSONS RESPONSIBLE FOR THE ANNUAL REPORT

In accordance with Article 5.25c(2)(c) of the Dutch financial markets supervision act (*Wet op het Financieel Toezicht*) and the Dutch Corporate Governance Code section 1.4.3 the members of the Management Board of URW NV confirm that to the best of their knowledge that:

- The 2022 financial statements included in this Annual Report are prepared in accordance with IFRS as adopted for use in the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and its consolidated subsidiaries taken as a whole;
- The management report included in this Annual Report gives a fair view of the development and performance of the business, the results and of the financial situation of the Company and its consolidated subsidiaries taken as a whole and describes the main risks and uncertainties to which they are exposed;
- This report provides sufficient insight into any failings in the effectiveness of the risk management and control systems;
- The management and control systems provide reasonable assurance that the financial reporting does not contain material inaccuracies;
- Based on current state of affairs as at the date of this report, it is justified that the financial reporting is prepared on a going concern basis;
- This report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for a period of twelve months after the date of this report.

Schiphol, March 27, 2023
On behalf of the Management Board

Dominic Lowe
Chief Operating Officer US

Gerard Sieben
Chief Financial Officer

6.2 AUDITORS

The Statutory Auditor of the Company is:

Deloitte Accountants B.V.
Gustav Mahlerlaan 29700
1081 LA Amsterdam, the Netherlands
Mr Jef Holland

Commencement date of the first term: June 22, 2022

Previous Statutory Auditor of the Company:

Ernst & Young Accountants LLP (Netherlands)
Euclideslaan 1
3584 BL Utrecht, the Netherlands
Mr Wim Kerst

Commencement date of the first term: June 1, 2018.

Commencement date of the second term: June 11, 2020.

Commencement date of the third term: June 9, 2020.

Commencement date of the fourth term: June 29, 2021.

6.3 INDEPENDENT APPRAISERS

URW NV's portfolio was valued by the below-mentioned independent appraisers.

Jones Lang LaSalle B.V.
Valuation Advisory
P.O. Box 75208
1070 AE Amsterdam
The Netherlands

Cushman & Wakefield, Inc.
1290 Avenue of the Americas
New York, NY 10104
United States

Kroll, LLC
311 South Wacker Drive, Suite 4200
Chicago IL 60045
USA

6.4 DOCUMENTS AVAILABLE TO THE PUBLIC

This Annual Report may be obtained, free of charge, at URW NV at Schiphol Boulevard 315 Tower F, 1118 BJ Schiphol (Haarlemmermeer), the Netherlands, and, where appropriate, on the website of URW NV (<https://www.urw-nv.com/en/investors>).

6.5 GLOSSARY

Articles: refer to the articles of association of URW NV.

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

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

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

CAM: Common Area Maintenance.

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

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

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

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

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

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

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

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

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

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

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

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

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

Interest Cover Ratio (ICR): Recurring EBITDA / Recurring Net Financial Expenses (including capitalized interest); Recurring EBITDA is calculated as total recurring operating results and other income less general expenses, excluding depreciation and amortization.

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

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

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

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

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

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

Non-recurring activities: non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, 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.

Occupancy Cost Ratio (OCR): (rental charges + service charges including marketing costs for tenants, all including VAT) / (tenants' sales, including VAT). As tenant turnover is not known for all tenants for the Netherlands, no reliable OCR can be calculated for this country. Primark sales are estimates.

ORNANE (Obligations Convertibles ou Echangeables en Actions Nouvelles ou Existantes): the net share settled bonds convertible into new and/or existing Stapled Shares.

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

SBR: Sales Based Rent.

Secured debt ratio: Secured debt / Total assets.

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

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

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

Unencumbered leverage ratio: unencumbered assets/ unsecured debt.

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

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

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