UNIBAIL-RODAMCO-WESTFIELD

UNIBAIL-RODAMCO-WESTFIELD N.V.

HALF YEAR 2023 FINANCIAL REPORT

JUNE 30, 2023

CONTENTS HALF YEAR 2023 FINANCIAL REPORT

I. INTERIM MANAGEMENT BOARD REPORT

1. General information

Management of Unibail-Rodamco-Westfield N.V. ("URW NV" or "the Company") hereby presents its interim management board report and the condensed consolidated interim financial statements of URW NV for the period ending June 30, 2023.

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.

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

Accounting principles

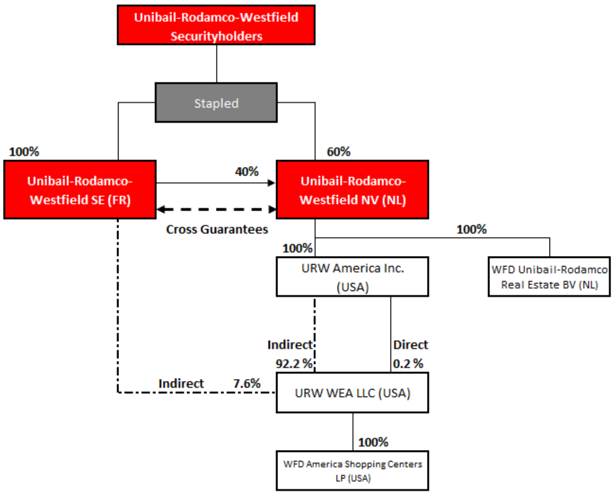
The Group's condensed consolidated interim financial statements for the six months period ended June 30, 2023, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 "Interim Financial Reporting" as adopted by the European Union.

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

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

Scope of consolidation

The organisation chart as at June 30, 2023, is as follows:



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

- The disposal of Westfield North County in February 2023;
- The disposal of Westfield Brandon in May 2023.

Operational reporting

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

2. Operating Performance

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

Footfall[1] and tenant sales[2]

US footfall

In the US, H1-2023 footfall[3] increased compared to H1-2022, up +2.7%, reaching 2019 levels.

US tenant sales

In the US, H1-2023 tenant sales[4] increased by +4.6% compared to H1-2022. Overall, H1-2023 sales came to +16.4% above 2019 levels[5].

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

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

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[1] In the US excluding the centres for which no comparable data of the previous year is available. In addition, footfall has been restated from the disposals which occurred during the semester.
[2] Tenant sales for all US centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishmen and excludes Department Stores in US. In addition, sales have been restated from the disposals which occurred during the semester.
[3] US Flagships only. US Regionals at -1.0%.
[4] US Flagships only. US Regionals at +1.3%.
[5] US Flagships only. US Regionals at +0.1% and US CBD assets (Westfield World Trade Center and San Francisco Centre) at - 24.8%.
[6] Based on latest national indices available (year-on-year evolution) as at May 2023: U.S. Bureau of Labor Statistics.

Footfall and tenant sales summary

The table below summarises the US tenant sales growth during H1-2023:

Region	Footfall (%)	Tenant Sales (%)	
	H1-2023 vs. H1-2022	H1-2023 vs. H1-2022	National Sales Index[7]
US Flagships	+2.7%	+4.6%	+4.3%

Inflation

H1-2023 saw ongoing high inflation, though overall receding, with differences between countries. In the US, leases are not tied to actual CPI figures; the Group benefited from inflation through Sales Based Rents.

Rent collection and deferred rent

As at August 25, 2023, 97% of invoiced H1-2023 rents and service charges[8] in the US were collected.

Overall rent collection by quarter in H1-2023 is shown below[9]:

Region	Rent collection (%)		
	Q1-2023	Q2-2023	H1-2023
US	97%	97%	97%

3. Business Review H1-2023

Leasing activity

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

The overall uplift on relettings and renewals was +22.0% for the US Shopping Centres and +25.9% for Flagships[10]. In H1-2023, the Group focused on long-term lettings and relettings, while relying on short-term deals in a more selective and limited way mainly on renewals. Deals longer than 36 months had an MGR uplift of +38.8%, while for leases between 12 and 36 months, MGR uplifts were almost flat (+0.3%). The strong uplift signed on long-term deals compensated for the downlift on short-term deals signed during the COVID-19 pandemic. This allows the Group to increase the revenues secured through MGR and reduce the portion of SBR attached to the short-term leases previously in place.

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

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

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

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

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[7] Based on latest national indices available (year-on-year evolution) as at May 2023: US: U.S. Bureau of Labor Statistics.
[8] MGR + CAM in the US.
[9] Based on cash collection as at August 25, 2023 and assets at 100%.
[10] Excluding CBD centres.

Retail Media & other income

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

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

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

Net Rental Income and Vacancy

The total net change in NRI for URW NV amounted to -$39.4 Mn and breaks down as follows:
▪-$39.2 Mn related to shopping centres (mostly disposal impact);
▪-$0.2 Mn related to offices and residential.

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

Like-for-like NRI growth for Flagship assets was +$2.5 Mn i.e. +1.4% driven by net leasing revenue[11] of +5.6%, increase in variable income, partly offset by lower SBR, negative impact of doubtful debtors (release in H1-2022 of moratorium provision booked in 2021) and of reconciliation of property tax from previous years. Overall, US like-for-like shopping centre NRI decreased by -$5.5 Mn i.e. -2.1% due to Regionals (-9.0%) and CBD assets (10.4%).

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

Occupancy on a GLA[12] basis was 92.1% as at June 30, 2023.

The OCR on a rolling 12 months basis stood at 10.7% as at June 30, 2023, compared to 10.9%[13] as at June 30, 2022 and 11.8% as at December 31, 2019, reflecting a combination of rental uplifts and strong sales performance.

[11] Net MGR and CAM.
[12] GLA occupancy taking into account all areas, consistent with financial vacancy.
[13] Based on all stores operating for more than 12 months (excluding atypical activities) and not only Specialty stores.

4. Financial Review H1-2023 Results

The Group's consolidated financial statements (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:

		Consolidated Income Statement by segment (€Mn)	H1-2023			H1-2022			2022		
			Recurring activities	Non-recurring activities (1)	Result	Recurring activities	Non-recurring activities (1)	Result	Recurring activities	Non-recurring activities (1)	Result
SHOPPING CENTERS	UNITED STATES	Gross rental income	178.3	-	178.3	183.2	-	183.2	379.3	-	379.3
		Operating expenses and net service charges	(59.4)	-	(59.4)	(49.2)	-	(49.2)	(140.4)	-	(140.4)
		Net rental income	**118.9**	**-**	**118.9**	**134.0**	**-**	**134.0**	**238.9**	**-**	**238.9**
		Contribution of companies accounted for using the equity method	89.1	(325.5)	(236.4)	131.9	(208.4)	(76.5)	257.1	(469.0)	(211.9)
		Gains/losses on sales of properties	-	(21.5)	(21.5)	-	(2.0)	(2.0)	-	0.1	0.1
		Valuation movements on assets	-	(58.3)	(58.3)	-	(256.0)	(256.0)	-	(395.6)	(395.6)
		Result Shopping Centres United States	**208.0**	**(405.2)**	**(197.2)**	**265.9**	**(466.4)**	**(200.5)**	**496.0**	**(864.5)**	**(368.5)**
	OTHER COUNTRIES	Gross rental income	1.0	-	1.0	1.1	-	1.1	2.2	-	2.2
		Operating expenses and net service charges	(0.2)	-	(0.2)	(0.3)	-	(0.3)	(0.3)	-	(0.3)
		Net rental income	**0.8**	**-**	**0.8**	**0.8**	**-**	**0.8**	**1.9**	**-**	**1.9**
		Gains/losses on sales of properties	-	0.1	0.1	-	-	-	-	(3.1)	(3.1)
		Valuation movements on assets	-	(0.3)	(0.3)	-	(0.2)	(0.2)	-	(0.3)	(0.3)
		Result Shopping Centres The Netherlands	**0.8**	**(0.2)**	**0.6**	**0.8**	**(0.2)**	**0.5**	**1.9**	**(3.4)**	**(1.5)**
		TOTAL RESULT SHOPPING CENTRES	**208.7**	**(405.4)**	**(196.6)**	**266.6**	**(466.6)**	**(200.0)**	**497.9**	**(867.9)**	**(370.0)**
OFFICES & OTHERS	UNITED STATES	Gross rental income	1.9	-	1.9	2.9	-	2.9	5.3	-	5.3
		Operating expenses and net service charges	(0.7)	-	(0.7)	(1.5)	-	(1.5)	(2.9)	-	(2.9)
		Net rental income	**1.2**	**-**	**1.2**	**1.4**	**-**	**1.4**	**2.4**	**-**	**2.4**
		Contribution of companies accounted for using the equity method	20.0	(17.0)	3.0	0.5	0.5	0.9	1.1	(12.7)	(11.6)
		Valuation movements on assets	-	(8.6)	(8.6)	-	1.1	1.1	-	(2.2)	(2.2)
		Result Offices other countries	**21.2**	**(25.6)**	**(4.4)**	**1.9**	**1.6**	**3.4**	**3.5**	**(14.8)**	**(11.3)**
		TOTAL RESULT OFFICES & OTHERS	**21.2**	**(25.6)**	**(4.4)**	**1.9**	**1.6**	**3.4**	**3.5**	**(14.8)**	**(11.3)**
		Other property services net income	0.0	-	0.0	0.0	0.0	0.0	0.5	-	0.5
		Corporate expenses	(8.5)	-	(8.5)	(6.2)	-	(6.2)	(20.7)	-	(20.7)
		Acquisition and related costs	-	(0.6)	(0.6)	-	(2.4)	(2.4)	-	(5.9)	(5.9)
NET OPERATING RESULT			**221.5**	**(431.6)**	**(210.1)**	**262.3**	**(467.4)**	**(205.1)**	**481.2**	**(888.6)**	**(407.4)**
		Financing result	(214.3)	21.8	(192.5)	(155.8)	387.3	231.5	(361.9)	523.8	162.0
RESULT BEFORE TAX			**7.2**	**(409.8)**	**(402.6)**	**106.5**	**(80.1)**	**26.4**	**119.3**	**(364.8)**	**(245.4)**
		Income tax expenses	(1.5)	(7.0)	(8.5)	0.2	12.7	12.9	(1.2)	12.9	11.7
NET RESULT FOR THE PERIOD			**5.7**	**(416.8)**	**(411.1)**	**106.7**	**(67.4)**	**39.3**	**118.2**	**(351.8)**	**(233.7)**
		External non-controlling interests	(11.8)	(35.1)	(46.8)	(23.9)	(10.3)	(34.2)	3.7	(85.1)	(81.5)
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES			**17.4**	**(381.8)**	**(364.3)**	**130.6**	**(57.2)**	**73.5**	**114.5**	**(266.8)**	**(152.2)**

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

Financial results

The Group reported negative net operating results of -€210.1 Mn (H1-2022: -€205.1 Mn) for the period ended June 30, 2023. The recurring net operating result decreased to €221.5 Mn (H1-2022: €262.3 Mn) mainly due to the disposal of properties in US in 2022 and H1-2023 (Westfield Santa Anita, The Village at Topanga, Westfield Trumbull, Westfield South Shore, Westfield North County and Westfield Brandon). The negative net operating result of the non-recurring activities for the period ending June 30, 2023, decreased from -€467.4 Mn to -€431.6 Mn.

The net result for the period ended June 30, 2023, is -€411.1 Mn (H1-2022: €39.3 Mn) of which -€364.3 Mn (H1-2022: €73.5 Mn) attributable to the shareholders of URW NV with a net result per share (owners of URW NV shares) for the period of -€1.57 (H1-2022: €0.32).

Non-recurring financing result decreased by -€365.5 Mn to €21.8 Mn (H1-2022: €387.3 Mn). The decrease is predominantly caused by the unwinding of macro SWAP's, this resulted in a decrease of -€304.3 Mn to €17.6 Mn (H1-2022: €321.9 Mn) in the fair value of derivatives. Non-recurring financing result is further affected by a decrease in fair value adjustment of preference shares from €67.5 Mn for H1-2022 to €9.0 Mn for the period ended June 30, 2023.

The recurring net result for the period decreased with -€101.0 Mn from €106.7 Mn as at June 30, 2022, to €5.7 Mn for the period ended June 30, 2023. The decrease in the net recurring result for the period ended June 30, 2023 can mainly be attributed to the decrease in the net rental income of -€15.3 Mn, a decrease in contribution of companies accounted for using the equity method of -€42.8 Mn due the sale of properties in the US in 2022 and H1-2023 and a increase in the financing cost of +€58.5 Mn due to the increase in interest rates in H2-2022 and H1-2023.

Preservation of strong liquidity position

URW NV has cross guarantees with URW SE and the liquidity needs are covered by the available undrawn credit lines at URW Group level. As at June 30, 2023, the URW Group had €11.9 Bn of cash on hand and undrawn credit lines (€12.0 Bn on a proportionate basis) including €3.8 Bn of cash on hand (€4.0 Bn on a proportionate basis).

5. Investments and divestment

Investments

In H1-2023, URW NV invested €28.9 Mn in capital expenditures in investment properties, compared to €41.8 Mn in H1-2022.

The total investments breakdown is as follows:

(€Mn)	H1-2023	H1-2022(1)	FY-2022
Shopping Centres	28.5	40.0	106.5
Offices	0.4	1.8	3.8
Total capital expenditures	**28.9**	**41.8**	**110.3**

(1) The H1-2022 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 H1-2022 figures previously disclosed are €53.0 Mn for Shopping Centres and €2.4 Mn for Offices.

Disposals

Disposal of Westfield North County

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

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

Disposal of Westfield Brandon

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

6. Property portfolio

98% of the value of URW NV's portfolio was appraised by independent appraisers as at June 30, 2023. Unless otherwise indicated, the data presented in the property portfolio are on a proportionate basis as at June 30, 2023, and comparisons are with values as at December 31, 2022.

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

Shopping Centre portfolio by category	June 30, 2023				Dec. 31, 2022			
	Valuation including transfer taxes	Valuation excluding estimated transfer taxes	Net Initial Yield(a)	Potential Yield(b)	Valuation including transfer taxes	Valuation excluding estimated transfer taxes	Net Initial Yield(a)	Potential Yield(b)
	€ Mn	€ Mn			€ Mn	€ Mn		
US Flagships (c)	9,646	9,447	4.6%	5.2%	9,944	9,851	4.2%	4.8%
US Regionals	667	667	8.8%	10.6%	1,004	1,004	8.6%	9.5%
US SC Total	**10,313**	**10,114**	**4.8%**	**5.5%**	**10,947**	**10,854**	**4.6%**	**5.2%**

Figures may not add up due to rounding.

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

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

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

Additional Valuation parameters - IFRS 13

URW NV complies with the IFRS 13 fair value measurement and the position paper[14] on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe.

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

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

Shopping centres

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

Shopping Centres – June 30, 2023		Net Initial Yield	Rent in € per sqm (a)	Discount Rate (b)	Exit Capitalisation Rate (c)	CAGR of NRI (d)
US	Max	11.3%	1,394	13.3%	11.3%	23.3%
	Min	3.4%	353	6.8%	4.8%	1.3%
	Weighted average	4.8%	747	7.4%	5.4%	6.1%

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

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

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

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

NIY, DR and ECR weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled by URW 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 Compound Annual Growth Rate ("CAGR") of NRI are as follows:

Shopping Centres – June 30, 2023	CAGR of NRI determined by the appraiser in the DCF	CAGR of NRI – Starting from Dec. 31, 2022	
	Valuations as at June 30, 2023	Valuations as at June 30, 2023	Valuations as at Dec. 31, 2022
US Flagships	6.5%	4.6%	5.0%
US Regionals	2.6%	2.0%	2.3%

7. Dividends

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 and other REIT regimes it benefits from.

8. Business Model

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

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

URW NV's strategy is to vertically integrate the entire chain of value creation in real estate. The combination of its four activities of redevelopment, renovation, investment and 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 the Group to continue its investment programs even during economic downturns.

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

9. Environmental, Social and Corporate Governance ("ESG")

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

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

2. **Better Communities:**
   - URW for Jobs 2023 campaign was launched across the URW Group;
   - URW Group launched the first edition of its annual Westfield Good Festival, aimed at supporting consumers in making informed choices with an emphasis for the first year on the circular economy;
   - The URW Group is actively sourcing new brands with a high sustainability commitment.

3. **Better Together:**
   - In May 2023, URW Group hosted its annual Community Days with all regions organising initiatives. During a single week URW employees volunteered by participating in activities focused on promoting social inclusion and preserving biodiversity around URW Group's shopping centres;
   - On International Women's Day, shopping centres across the US, as well as all regional headquarters, participated in the 'Thank You for Being You' campaign to celebrate the women making a difference in communities. In addition, the URW Group CEO signed the CEO statement of support for the United Nations Women's Empowerment Principles, pledging to continue prioritising and promoting the equal treatment of all genders;
   - Further to its very active sustainability training curriculum in 2022, URW Group launched its Climate School in March 2023, opening access to 6 core topics for all URW Group's employees. Sustainability is now fully embedded across all core URW Group Academy programs, including onboarding paths, the URW Group Fundamentals newcomers experience, leadership development and URW Group global learning week. The latter included 2 sessions in June focussed on Diversity & Inclusion topics and one on Sustainability.

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

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

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

10. Related Party Transactions

The related party transactions remain unchanged compared to December 31, 2022, and refer to transactions with companies accounted for using the equity method, loans from URW SE, redeemable preference shares in URW WEA LLC held by URW SE and derivatives contracts with URW SE.

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

11. Subsequent events

On July 21, 2023 URW NV announced it has completed the sale of both of the parcels which make up the Westfield Mission Valley shopping centres in San Diego, California.

The transaction amounts to a total consideration of $290 million (at 100%, URW share 42%), including the sale of Westfield Mission Valley “East” to Lowe Enterprises and Real Capital Solutions, and Westfield Mission Valley “West” to Sunbelt Investment Holdings Inc.

On August 18, 2023 URW Group announced that Westfield Century City in Los Angeles, California has successfully raised $925 Mn of new financing as part of URW’s ongoing financial planning. The new financing is a two-year floating rate CMBS with the option for three one-year extensions with a spread of 280.7bps over SOFR.

On September 4, 2023 URW NV announced that it has sold Westfield Valencia Town Center, a Regional mall in Santa Clarita, California to Centennial Real Estate (“Centennial”) at a total value of $199 million (at 100%, URW share 50%), above the $195 million debt amount (at 100%, URW share 50%) on the asset. In completing the transaction, URW has contributed to its deleveraging target while partnering with Centennial and its lenders to establish an alternative to the transfer of ownership back to its lenders.

Approved by the Management Board

Schiphol, September 18, 2023

II. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT JUNE 30, 2023

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

On September 18, 2023, the Supervisory Board approved the condensed consolidated interim financial statements of Unibail-Rodamco-Westfield N.V. for the half-year ended June 30, 2023, and authorised the publication thereof.

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

Condensed consolidated interim statement of comprehensive income

(€Mn)	Notes	H1-2023 Unaudited	H1-2022 Unaudited[3]	2022 Audited
Gross rental income	3.1	181.2	187.2	386.8
Service charge income		*20.0*	*26.2*	*47.4*
Service charge expenses		*(26.8)*	*(31.2)*	*(65.0)*
Property operating expenses		*(53.5)*	*(46.1)*	*(126.0)*
Operating expenses and net service charges		(60.3)	(51.0)	(143.6)
Net rental income		**120.9**	**136.2**	**243.2**
Net property services and other activities income		**-**	**-**	**0.5**
Share of result of companies accounted for using the equity method		**(233.4)**	**(75.6)**	**(223.5)**
Corporate expenses		(5.4)	(3.7)	(15.8)
Depreciation of tangible assets		(3.2)	(2.5)	(4.8)
Administrative expenses		**(8.5)**	**(6.2)**	**(20.7)**
Acquisition and related costs		**(0.6)**	**(2.4)**	**(5.9)**
Result on disposal of investment properties and loss of control	1.1	**(21.3)**	**(2.0)**	**(2.9)**
Valuation gains on assets		161.0	36.2	41.8
Valuation losses on assets		(228.2)	(291.3)	(439.9)
Valuation movements on assets		**(67.2)**	**(255.1)**	**(398.1)**
Net operating result		**(210.1)**	**(205.1)**	**(407.4)**
Financial income		*21.0*	*29.3*	52.3
Financial expenses		*(235.4)*	*(185.1)*	*(414.2)*
Net financing costs	5.1.1	**(214.3)**	**(155.8)**	**(361.9)**
Fair value adjustments of derivatives, debt and currency effect	5.1.2	21.8	387.3	523.8
Result before tax		**(402.6)**	**26.4**	**(245.4)**
Income tax (expenses)		(8.5)	12.9	11.7
Net result for the period		**(411.1)**	**39.3**	**(233.7)**
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO:				
Owners of Unibail-Rodamco-Westfield N.V. shares		(364.3)	73.5	(152.2)
External non-controlling interests		(46.8)	(34.2)	(81.5)
NET RESULT FOR THE PERIOD		**(411.1)**	**39.3**	**(233.7)**

Average numbers of shares (undiluted)	8.1.2	232,213,016	231,965,297	231,965,297
Net result of the period (Owners of Unibail-Rodamco-Westfield N.V.)		(364.3)	73.5	(152.2)
Net result for the period per share (Owners of Unibail-Rodamco-Westfield N.V.) (€)		**(1.57)**	**0.32**	**(0.66)**

Average numbers of shares (diluted)	8.1.2	233,158,149	232,710,036	232,698,629
Net result of the period (Owners of Unibail-Rodamco-Westfield N.V.)		(364.3)	73.5	(152.2)
Diluted net result per share (Owners of Unibail-Rodamco-Westfield N.V.) (€) [1]		**(1.57)**	**0.32**	**(0.66)**

(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 2022 the EPS are antidilutive.

Net comprehensive income *(€Mn)*	**Notes**	**H1-2023 Unaudited**	**H1-2022 Unaudited[3]**	**2022 Audited**
NET RESULT FOR THE PERIOD		**(411.1)**	**39.3**	**(233.7)**
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries[2]		(22.5)	167.4	133.6
Other comprehensive income that may be subsequently recycled to profit and loss		**(22.5)**	**167.4**	**133.6**
OTHER COMPREHENSIVE INCOME		**(22.5)**	**167.4**	**133.6**
TOTAL COMPREHENSIVE INCOME		**(433.6)**	**206.7**	**(100.0)**
Total Comprehensive Income for the period attributable to:				
Owners of Unibail-Rodamco-Westfield N.V. shares		(391.6)	256.8	(10.0)
External non-controlling interests		(42.0)	(50.0)	(90.0)
TOTAL COMPREHENSIVE INCOME		**(433.6)**	**206.7**	**(100.0)**

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

(3) Figures for H1-2022 have been restated, see note 2.4 Correction of error in non-controlling interest.

Condensed consolidated interim statement of financial position

(€Mn)	Notes	June 30, 2023 Unaudited	December 31, 2022 Audited
NON-CURRENT ASSETS		**9,218.3**	**10,290.0**
Investment properties	4.1	**4,359.9**	**4,902.5**
Investment properties at fair value		*4,357.1*	*4,893.5*
Investment properties at cost		*2.9*	*9.0*
Shares and investments in companies accounted for using the equity method		4,409.4	4,901.7
Tangible assets		12.4	13.2
Intangible assets	4.2	269.8	211.2
Financial assets		113.5	118.2
Deferred tax assets		-	0.6
Derivatives at fair value	5.3	53.2	142.6
CURRENT ASSETS		**464.2**	**277.2**
Properties or shares held for sale[1]	10	197.6	-
Inventories		42.5	34.3
Trade receivables from activity		92.4	86.3
Tax receivables		4.2	3.7
Other receivables		85.8	76.9
Cash and cash equivalents		41.7	76.0
TOTAL ASSETS		**9,682.5**	**10,567.2**
SHAREHOLDERS' EQUITY (OWNERS OF UNIBAIL-RODAMCO-WESTFIELD N.V. SHARES)		**625.9**	**1,017.2**
Share capital	8.1	116.1	116.0
Additional paid-in capital		2,243.2	2,243.3
Consolidated reserves		(3,100.3)	(2,948.3)
Foreign currency translation reserves		229.8	257.0
Consolidated result		(364.3)	(152.2)
Capital securities		1,501.4	1,501.4
Equity attributable to the owners of Unibail-Rodamco-Westfield N.V.		**625.9**	**1,017.2**
Non-controlling interests		**(292.8)**	**(250.5)**
TOTAL SHAREHOLDERS' EQUITY		**332.9**	**766.5**
NON-CURRENT LIABILITIES		**7,415.9**	**8,557.6**
Long-term commitment to non-controlling interests		443.0	460.4
Long-term bonds and borrowings	5.2.2	6,664.3	7,773.3
Long-term lease liabilities	5.2.2	4.5	36.7
Derivatives at fair value	5.3	51.1	45.4
Deferred tax liabilities		119.5	111.5
Non-current provisions		34.4	35.0
Guarantee deposits		5.5	5.2
Amounts due on investments		6.0	6.3
Other non-current liabilities		87.6	83.8
CURRENT LIABILITIES		**1,933.7**	**1,243.1**
Liabilities directly associated with properties or shares classified as held for sale	10	171.6	-
Current commitment to non-controlling interests		101.1	91.5
Amounts due to suppliers and other creditors		**129.5**	**154.3**
Amounts due to suppliers		*71.4*	*86.4*
Amounts due on investments		*42.3*	*38.0*
Sundry creditors		*15.8*	*29.9*
Other current liabilities		195.2	236.7
Current borrowings and amounts due to credit institutions	5.2.2	1,332.4	752.3
Current lease liabilities	5.2.2	2.5	6.9
Current provisions		1.4	1.4
TOTAL LIABILITIES AND EQUITY		**9,682.5**	**10,567.2**

(1) On July 21, 2023, URW NV announced it has completed the sale of both parcels which make up the Westfield Mission Valley shopping centres in San Diego, California.

Condensed consolidated interim statement of cash flows

(€Mn)	Notes	H1-2023 Unaudited	H1-2022 Unaudited	2022 Audited
Operating activities				
Net result		**(411.1)**	**39.3**	**(233.7)**
Depreciation & provisions[1]		(8.4)	(8.3)	(5.7)
Changes in value of property assets		67.2	255.1	398.1
Changes in fair value of derivatives, debt and currency effect	5.1.2	(21.8)	(387.3)	(523.8)
Result on disposal of investment properties and loss of control [2]		21.3	2.0	2.9
Share of the result of companies accounted for using the equity method		233.4	75.6	223.5
Net financing costs	5.1.1	214.3	155.8	361.9
Income tax expenses (income)		8.5	(12.9)	(11.7)
Dividend received from companies accounted for using the equity method or non consolidated[3]		122.0	172.5	554.0
Income tax paid (received)		(0.9)	0.2	(1.3)
Change in working capital requirement		(60.2)	(17.8)	20.0
Total cash flow from operating activities		**164.3**	**274.2**	**784.2**
Investment activities				
Property activities		**185.5**	**(60.7)**	**(80.7)**
Amounts paid for works and acquisition of property assets	4.5	(7.2)	(18.9)	(61.4)
Repayment of property financing		1.0	-	0.2
Increase of property financing[4]		(9.2)	(41.7)	(60.2)
Disposal of investment properties and loss of control		200.9	(0.1)	40.7
Financial activities		**(0.8)**	**-**	**(0.2)**
Acquisition of financial assets		(1.3)	-	(0.2)
Repayment of financial assets		0.5	-	-
Total cash flow from investment activities		**184.7**	**(60.7)**	**(80.9)**
Financing activities				
Increase in capital		0.1	-	0.1
New borrowings and financial liabilities		300.2	265.1	327.8
Repayment of borrowings and financial liabilities		(587.4)	(337.9)	(684.5)
Cash flows from derivatives		12.0	25.1	55.0
Interest paid		(219.3)	(156.9)	(378.8)
Other financing activities		112.5	-	-
Total cash flow from financing activities		**(381.9)**	**(204.6)**	**(680.4)**
Change in cash and cash equivalents during the period		**(32.9)**	**8.9**	**22.9**
Net cash and cash equivalents at the beginning of the year		**76.0**	**50.5**	**50.5**
Effect of exchange rate fluctuations on cash held		**(1.4)**	**6.7**	**2.6**
Net Cash and cash equivalents at period-end		**41.7**	**66.1**	**76.0**

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

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

(3) In H1-2023, includes €29.0 Mn (2022: €343.2 Mn) of distributions made by US companies accounted for using the equity method, following the disposal of their assets.

(4) Capital contributions from/to Joint Venters

Condensed consolidated interim statement of changes in equity

For the six months ended June 30, 2023

(€Mn)	Share capital	Additional paid-in capital	Consolida-ted reserves	Consolid ated net result	Foreign currency translation reserve(1)	Capital securities	Equity attributable to the owners of URW NV shares	Non-controlling interests	Total Shareholders' equity
EQUITY AS AT DECEMBER 31, 2022	**116.0**	**2,243.3**	**(2,948.3)**	**(152.2)**	**257.0**	**1,501.4**	**1,017.2**	**(250.5)**	**766.5**
Net result for the period	-	-	-	(364.3)	-	-	**(364.3)**	(46.8)	**(411.1)**
Other comprehensive income	-	-	-	-	(27.3)	-	**(27.3)**	4.8	**(22.5)**
Net comprehensive income	**-**	**-**	**-**	**(364.3)**	**(27.3)**	**-**	**(391.6)**	**(42.0)**	**(433.6)**
Earnings appropriation	-	-	(152.2)	152.2	-	-	**-**	-	**-**
Increase in capital	0.1	(0.1)	-	-	-	-	**-**	-	**-**
Hybrid securities	-	-	-	-	-	-	**-**	-	**-**
Perpetual loan	-	-	-	-	-	-	**-**	-	**-**
Change in scope of concolidation and other movements	-	-	0.2	-	-	-	**0.2**	(0.2)	**-**
EQUITY AS AT JUNE 30, 2023	**116.1**	**2,243.2**	**(3,100.3)**	**(364.3)**	**229.8**	**1,501.4**	**625.9**	**(292.8)**	**332.9**

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

For the six months ended June 30, 2022

(€Mn)	Share capital	Additional paid-in capital	Consolida-ted reserves	Consolid ated net result	Foreign currency translation reserve(1)	Capital securities	Equity attributable to the owners of URW NV shares	Non-controlling interests	Total Shareholders' equity
EQUITY AS AT DECEMBER 31, 2021(2)	**115.9**	**2,243.3**	**(2,159.9)**	**(788.2)**	**114.8**	**1,251.4**	**777.2**	**(160.5)**	**616.7**
Net result for the period	-	-	-	73.5	-	-	**73.5**	(34.2)	**39.3**
Other comprehensive income	-	-	-	-	183.3	-	**183.3**	(15.8)	**167.5**
Net comprehensive income	**-**	**-**	**-**	**73.5**	**183.3**	**-**	**256.8**	**(50.0)**	**206.8**
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)**
Transactions with non-controlling interest	-	-	0.4	-	-	-	**0.4**	(0.4)	**-**
Perpetual loan	-	-	-	-	-	(0.1)	**(0.1)**	-	**(0.1)**
EQUITY AS AT JUNE 30, 2022(2)	**116.0**	**2,243.3**	**(2,948.3)**	**73.5**	**298.1**	**1,251.3**	**1,034.2**	**(210.9)**	**823.3**

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

(2) Figures for H1-2022 have been restated, see note 2.4 Correction of error in non-controlling interest.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT EVENTS OF THE FIRST HALF OF 2023

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

1.1. Disposals in the first half year of 2023

Disposal of Westfield North County

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

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

Disposal of Westfield Brandon

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

1.2. Foreclosure of US assets

The Group intends to proceed with the disposal or foreclosure of 2 of its US assets, respectively Westfield Valencia[15] Town Center and San Francisco Centre. The assets and liabilities of the corresponding companies are presented as held for sale as at June 30, 2023.

1.3. Euronext listing

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

Pursuant to the timing validated by Euronext:

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

15 See note 10 "Subsequent events"

1.4. Exchange offer on the Perp-NC 2023 hybrid

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

The Exchange Offer was completed on June 26, 2023[16] corresponding to:

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

URW NV will act as guarantor for these Euro denominated Prep-NC28 hybrid notes.

1.5. Unwinding of Macro Swaps in H1-2023

In H1-2023 URW NV unwounded the Macro Swaps in place, the net effect on the condensed consolidated interim statement of comprehensive income was €4.9 Mn. Reference to 5.1.2.

NOTE 2. BASIS OF PREPARATION

2.1. Basis of accounting

The condensed consolidated interim financial statements for the six months ended June 30, 2023, have been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed by the European Union. As these are condensed consolidated interim financial statements, they do not include all of the information required by the IFRS and must be read in relation with the Group's annual consolidated financial statements for the year ended December 31, 2022.

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

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

2.2. IFRS basis adopted

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

2.3. Significant accounting judgements, estimates and assumptions

For significant accounting judgments, estimates and assumptions applicable in our H1-2023 report, we reference to note 3.2 in URW NV's financial result published for the year ended December 31, 2022.

2.4 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. Reference to URW NV's financial result published for the year ended December 31, 2022. The misstatement for H1-2022 has been corrected in this H1-2023 interim report. Reference is made to 9 Non-controlling interest in which the effects of the correction have been disclosed.

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

2.5 Going Concern

No significant changes took place in our going concern conclusion in URW NV’s H1-2023 report compared to the year ended December 31, 2022, reference to note 4.1.5 in URW NV’s financial result published for the year ended December 31, 2022.

NOTE 3. NET RECURRING RESULT AND SEGMENT REPORTING

3.1. Consolidated interim statement of comprehensive income by segment

		Consolidated Income Statement by segment (€Mn)	H1-2023	H1-2022	2022
SHOPPING CENTERS	UNITED STATES	Gross rental income	178.3	183.2	379.3
		Operating expenses and net service charges	(59.4)	(49.2)	(140.4)
		Net rental income	**118.9**	**134.0**	**238.9**
		Contribution of companies accounted for using the equity method	(236.4)	(76.5)	(211.9)
		Gains/losses on sales of properties	(21.5)	(2.0)	0.1
		Valuation movements on assets	(58.3)	(256.0)	(395.6)
		Result Shopping Centres United States	**(197.2)**	**(200.5)**	**(368.5)**
	OTHER COUNTRIES	Gross rental income	1.0	1.1	2.2
		Operating expenses and net service charges	(0.2)	(0.3)	(0.3)
		Net rental income	**0.8**	**0.8**	**1.9**
		Gains/losses on sales of properties	0.1	-	(3.1)
		Valuation movements on assets	(0.3)	(0.2)	(0.3)
		Result Shopping Centres The Netherlands	**0.6**	**0.5**	**(1.5)**
		TOTAL RESULT SHOPPING CENTRES	**(196.6)**	**(200.0)**	**(370.0)**
OFFICES & OTHERS	UNITED STATES	Gross rental income	1.9	2.9	5.3
		Operating expenses and net service charges	(0.7)	(1.5)	(2.9)
		Net rental income	**1.2**	**1.4**	**2.4**
		Contribution of companies accounted for using the equity method	3.0	0.9	(11.6)
		Valuation movements on assets	(8.6)	1.1	(2.2)
		Result Offices other countries	**(4.4)**	**3.4**	**(11.3)**
		TOTAL RESULT OFFICES & OTHERS	**(4.4)**	**3.4**	**(11.3)**
		Other property services net income	0.0	0.0	0.5
		Corporate expenses	(8.5)	(6.2)	(20.7)
		Acquisition and related costs	(0.6)	(2.4)	(5.9)
NET OPERATING RESULT			**(210.1)**	**(205.1)**	**(407.4)**
		Financing result	(192.5)	231.5	162.0
RESULT BEFORE TAX			**(402.6)**	**26.4**	**(245.4)**
		Income tax expenses	(8.5)	12.9	11.7
NET RESULT FOR THE PERIOD			**(411.1)**	**39.3**	**(233.7)**
		External non-controlling interests	(46.8)	(34.2)	(81.5)
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES			**(364.3)**	**73.5**	**(152.2)**

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

NOTE 4. INVESTMENT PROPERTIES, TANGIBLE AND INTANGIBLE ASSETS

4.1. Investment properties

4.1.1. Investment properties at fair value: IFRS basis

(€Mn)	June 30, 2023	December 31, 2022
Shopping Centres	**4,433.5**	**4,841.1**
United States	4,418.0	4,824.7
- Flagships centres	4,418.0	4,613.8
- Regionals centres	-	210.9
The Netherlands	15.5	16.4
Offices	**42.7**	**52.3**
United States	42.7	52.3
Total	**4,476.2**	**4,893.5**
Properties held for sale(1)	(119.1)	-
Total investment properties at fair value	**4,357.1**	**4,893.5**

(1) Includes the reclassification as Properties held for sale of San Francisco center (see note 1.2 Foreclosure of US assets).

(€Mn)	Shopping Centres	Offices	**Total**	Properties held for sale(1)	**Total investment properties**
December 31, 2022	**4,841.1**	**52.3**	**4,893.5**	**-**	**4,893.5**
Disposal/exits from scope of consolidation	(209.3)	-	**(209.3)**	-	**(209.3)**
Reclassification and transfer of category	(5.3)	-	**(5.3)**	(119.1)	**(124.4)**
Capitalised expenses	11.7	(0.1)	**11.5**	-	**11.5**
Valuation movements	(117.7)	(8.6)	**(126.3)**	**-**	**(126.3)**
Currency translation	(87.1)	(0.9)	**(88.0)**	-	**(88.0)**
June 30, 2023	**4,433.5**	**42.7**	**4,476.2**	**(119.1)**	**4,357.1**

(1) Includes the reclassification as Properties held for sale of San Francisco center (see note 1.2 Foreclosure of US assets).

Valuation assumptions and sensitivity

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

As at June 30, 2023, 98% 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 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 €9,749.1 Mn, this consist of the total €4,357.1 Mn presented investment property in the consolidated position excluding investment property under construction carried at cost and €5,392.0 Mn of the proportioned share of the investment property presented in the joint venture and associates. The Dutch assets are not significant and therefore the below table shows only the US assets.

Shopping centres

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

Shopping Centres – June 30, 2023		Net initial yield	Rent in € per sqm(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
US	Max	11.3%	1,394	13.3%	11.3%	23.3%
	Min	3.4%	353	6.8%	4.8%	1.3%
	Weighted average	4.8%	747	7.4%	5.4%	6.1%

Shopping Centres – December 31, 2022		Net initial yield	Rent in € per sqm(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
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%

Net Initial Yield, Discount Rate and Exit Capitalization Rate weighted by Gross Market Value. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled and the 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).

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

Shopping Centres – June 30, 2023		Net initial yield	Rent in € per sqm(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
US Flagships	Max	6.1%	1,394	7.5%	6.0%	23.3%
	Min	3.4%	451	6.8%	4.8%	2.0%
	Weighted average	4.6%	835	7.1%	5.2%	6.5%
US Regionals	Max	11.3%	618	13.3%	11.3%	3.6%
	Min	7.6%	353	9.8%	8.0%	1.3%
	Weighted average	8.8%	431	10.6%	8.9%	2.6%

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 capitalise the exit rent to determine the exit value of an asset.

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

Shopping Centres – December 31, 2022		Net initial yield	Rent in € per sqm(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
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%

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 capitalise the exit rent to determine the exit value of an asset.

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

Based on an asset value excluding estimated transfer taxes and transaction costs, the Shopping Centre division's Net Initial Yield is 4.8% as at June 30, 2023 (December 31, 2022: 4.6%).

A change of +25 basis points in Net Initial Yield, the main output of the appraisal models, would result in a downward adjustment of -€490 Mn (or -4.9%) (December 31, 2022: -€545 Mn (or -5.1%)) of the Shopping Centre portfolio value (excluding assets under development and the trademark).

A change of +25 bps in discount rate would have a negative impact of -€188 Mn (or -1.9%) (December 31, 2022: -€209 Mn (or -2.0%)) on the Shopping Centre portfolio value (excluding assets under development and the trademark).

A change of +10 bps in exit capitalization rate would have a negative impact of -€119 Mn or -1.2% (December 31, 2022: -€139 Mn (or -1.3%)) on the Shopping Centre portfolio value (excluding assets under development and the trademark).

A decrease of -5% in appraisers' estimated rental value assumptions for the leases to be signed during the model period would have a negative impact of -€265 Mn or -2.7% (December 31, 2022: -€299 Mn (or -2.8%)) on the Shopping Centre portfolio value (excluding assets under development and the trademark).

4.2. Intangible assets

(€Mn)	Software	Trademark	Total intangible assets
Cost			
December 31, 2022	**117.2**	**337.1**	**454.2**
Acquisition	4.1	-	**4.1**
Disposal	(0.8)	-	**(0.8)**
Currency translation	(2.2)	(6.2)	**(8.4)**
June 30, 2023	**118.3**	**330.8**	**449.2**
Accumulated amortisation and impairment			
December 31, 2022	**(111.7)**	**(131.3)**	**(243.0)**
Amortisation	(2.2)	-	(2.2)
Disposal	0.8	-	0.8
Reclassification	1.8	-	1.8
Reversal of impairment	-	59.1	59.1
Currency translation	2.1	2.1	4.1
June 30, 2023	**(109.3)**	**(70.0)**	**(179.4)**
Net book value			
June 30, 2023	**9.0**	**260.8**	**269.8**

Intangible assets as at June 30, 2023, 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 a reversal of impairment of €59.1 Mn was recognised as at June 30, 2023.

URW NV used the cash-generating unit's value-in-use to determine the recoverable amount of €260.8 Mn.

The Relief from Royalty method is used to value the trademark. The assumptions are based on macro-economic trends, industry standard ratios, historical and business plan figures.

The reversal of impairment is mainly caused by an increase of the incremental growth rate expected on the US assets estimated by the external appraisers to 2.47% (December 31, 2022: 1.8%), the increase on the incremental growth rate is due to the exit of Westfield San Francisco from the scope of URW NV. The reversal of impairment is partially set off by an increase in the discount rate to 9.75% (December 31, 2022: 9.25%). A valuation at 2.5% of the incremental growth rate would have given a €7.8 Mn higher recoverable amount for the trademark.

The main assumptions used to test the Trademark for impairment are the discount rate which is 9.75% (December 31, 2022: 9.25%) and long term growth rate which is 2.0% (December 31, 2022: 1.78%) based on US parameters.

A change of +25 basis points on the discount rate of the trademark as determined at June 30, 2023, would lead to an additional impairment of -€18.9 Mn on the intangible assets.

A change of -10 basis points in the incremental growth rate of the trademark as determined at June 30, 2023 would lead to additional impairment of -€15.2 Mn on the intangible assets.

NOTE 5. FINANCING AND FINANCIAL INSTRUMENTS

5.1. Financing result

5.1.1. Net financing costs

(€Mn)	H1-2023	H1-2022	2022
Other financial interest[1]	3.9	3.3	7.1
Amount due from derivatives	17.1	25.8	45.2
Subtotal financial income	**21.0**	**29.0**	**52.3**
Interest on bonds and EMTNs	(71.8)	(71.0)	(147.4)
Interest and expenses on borrowings	(120.7)	(53.4)	(152.8)
Interest expense on lease liabilities	(1.3)	(1.6)	(3.2)
Interest on preference shares	(17.9)	(17.0)	(37.1)
Other financial interest	(6.2)	(4.1)	(15.7)[2]
Amount due on derivatives	(17.6)	(38.0)	(58.5)
Financial expenses before capitalisation of financial expenses	**(235.5)**	**(185.1)**	**(414.7)**
Capitalised financial expenses	0.2	0.2	0.5
Subtotal net financial expenses	**(235.4)**	**(184.9)**	**(414.2)**
Total net financial costs	**(214.3)**	**(155.8)**	**(361.9)**

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

(2) 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.

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.

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

(€Mn)	H1-2023	H1-2022	2022
Amortisation of debt	(1.2)	(4.6)	(9.2)
Currency result	(1.3)	(4.7)	(2.5)
Fair value of derivatives	17.6[1]	321.9	465.3
Fair value of preference shares	9.0	67.5	64.2
ECL on financial guarantee contracts	-	16.0	13.5
Fair value of preferred interest	(2.3)	(8.8)	(7.5)
Total financial result	**21.8**	**387.3**	**523.8**

(1) Fair value of derivatives included an amount of -€ 4.9 Mn due to the unwinding of Macro Swaps, (see note "1.5 Unwinding of Macro swap in H1-2023").

5.2. Financial assets and liabilities

5.2.1. Main financing transactions in the first half year of 2023

Transaction with financial institutions

For the period ended June 30, 2023, URW NV borrowed €249.9 Mn from financial institutions.

Transaction with URW SE

For the period ended June 30, 2023, URW NV borrowed €48.2 Mn from URW SE and made repayments of €582.8 Mn to URW SE, these transactions are also considered as main financing transactions.

5.2.2. Financial debt breakdown and outstanding duration to maturity

Outstanding duration to maturity (€Mn)	**Current**	**Non-current**		**Total**	**Total**
	Less than 1 year	**1 year to 5 years**	**More than 5 years**	**June 30, 2023**	**December 31, 2022**
Bonds and notes	**21.3**	**1,610.7**	**2,074.4**	**3,706.4**	**3,774.2**
Principal debt (1)	-	1,610.5	2,070.7	3,681.2	3,750.2
Accrued interest	37.8	-	-	37.8	38.5
Issuance costs	(15.3)	-	-	(15.3)	(16.7)
Amortisation of debt	(1.2)	0.2	3.7	2.7	2.2
Bank borrowings	**103.4**	**253.1**	**-**	**356.5**	**105.0**
Principal debt(1)	111.4	253.1	-	364.4	113.4
Accrued interest	2.1	-	-	2.1	0.3
Borrowings issue fees	(7.2)	-	-	(7.2)	(5.4)
Amortisation of debt	(2.8)	-	-	(2.8)	(3.3)
Other financial liabilities	**1,316.2**	**2,181.6**	**544.5**	**4,042.3**	**4,646.4**
Borrowing with URW SE	1,289.1	2,181.6	544.5	4,015.2	4,623.9
Accrued interests on borrowings with URW SE	27.4	-	-	27.4	23.1
Charges and premiums on issues of borrowings with URW SE	(0.3)	-	-	(0.3)	(0.6)
Lease liabilities	**5.4**	**15.4**	**19.1**	**39.9**	**43.6**
Total	**1,446.4**	**4,060.7**	**2,638.0**	**8,145.1**	**8,569.2**
Liabilities directly associated with properties held for sale(2)	(111.5)	(11.6)	(18.4)	(141.5)	-
Total financial debt	**1,334.9**	**4,049.1**	**2,619.6**	**8,003.6**	**8,569.2**

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

(2) Includes the reclassification as Properties held for sale of San Francisco centre (see note 1.2 Foreclosure of US assets).

5.2.3. Net financial debt

Net financial debt is determined as below:

Net financial debt

(€Mn)	**June 30, 2023**	**December 31, 2022**
Amounts accounted for in B/S		
Long-term bonds and borrowings	6,664.3	7,773.3
Current borrowings and amounts due to credit institutions	1,332.4	752.3
Liabilities directly associated with properties held for sale(1)	108.6	-
Total financial liabilities	**8,105.2**	**8,525.6**
Adjustments		
Amortisation of debt	0.1	1.1
Accrued interest / issuance fees	(44.5)	(39.2)
Total financial liabilities (nominal value)	**8,060.8**	**8,487.5**
Cash & cash equivalents	(41.7)	(76.0)
Net financial debt	**8,019.2**	**8,411.5**

(1) Includes the reclassification as Properties held for sale of San Francisco centre (see note 1.2 Foreclosure of US assets).

5.3. Derivatives

(€Mn)	December 31, 2022	Amounts recognised in the Statement of Comprehensive Income: Fair value adjustments of derivatives	Amounts recognised in the Statement of Comprehensive Income: Other comprehensive income	Acquisitions/ Disposals	June 30, 2023
Assets					
Derivatives at fair value Non-Current	**142.6**	**28.2**	**(0.2)**	**(117.4)**	**53.2**
- Fair value	*142.6*	*28.2*	*(0.2)*	*(117.4)*	*53.2*
Liabilities					
Derivatives at fair value Non-Current	**(45.4)**	**(5.7)**	**-**	**-**	**(51.1)**
- Fair value	(45.4)	*(5.7)*	-	-	*(51.1)*
Net	**97.2**	**22.5**	**(0.2)**	**(117.4)**	**2.1**

NOTE 6. 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 consolidated financial statements of URW N.V. for the period ended 31 December 2022 describe the financial risks that URW N.V. is exposed to in the normal course of business, as well as the policies and processes that are in place for managing these risks. Those risks, policies and processes remain valid and should be read in conjunction with these interim financial statements.

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

	Fair value measurement as at June 30, 2023			
(€Mn)	Total	Level 1	Level 2	Level 3
Assets				
Fair value through profit or loss				
Derivatives	53.2	-	53.2	-
Financial assets	109.8	-	-	109.8
Total	163.0	-	53.2	109.8
Liabilities				
Fair value through profit or loss				
Commitment to non-controlling interests	37.1	-	-	37.1
Derivatives	51.1	-	51.1	-
Total	88.2	-	51.1	37.1

(€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**

Interest rate swaps and foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at June 30, 2023, 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, 2022	**114.2**	**46.9**
Fair value movements in P&L	(2.3)	(9.0)
Currency translation	(2.1)	(1.1)
June 30, 2023	**109.8**	**37.1**

The fair value of the commitment to non-controlling interest fair value level 3 has generally been determined through i) a market approach using quoted market prices of similar companies and adjusted by a relevant earnings multiple or ii) an adjusted net asset approach deriving the fair value of the equity instrument by reference to the gross market value of the asset less the fair value of debt. As at June 30, 2023, 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 €0.3 Mn. Similarly, a decrement of 1% would result in a decrease in fair value or additional gain by €0.3 Mn.

NOTE 7. EMPLOYEE BENEFITS

7.1. Share-based payments and share option plan

Stock option plans

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

The stock-options are subject to:

- Two external market performance condition for up to 45% of the shares granted:
  - The first condition, based on a relative criteria, for up to 35% of the options granted: the TSR of the URW's share must be higher than that of the Reference Index over a period of three years, from March 13, 2023, to March 13, 2026. The reference prices used in the measurement of the TSR correspond to the average of the closing prices of the last 90 days preceding the start and end dates of the measurement period;

- The second condition, based on an absolute criteria, for up to 10% of the options granted: the TSR of URW's share must be higher than 20% over a period of three years, from March 13, 2023, to March 13, 2026. The reference prices used in the measurement of the TSR correspond to the average of the closing prices of the last 90 days preceding the start and end dates of the measurement period.

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

The Stock Options allocated in May 2023 were valued using a Monte Carlo model:

- at €5.20 for those with TSR subject to the relative criteria share in €;
- at €5.05 for those with TSR subject to the absolute criteria share in €;
- and at €5.99 for those subject to non-market conditions (i.e. AREPS and CSR/D&I).

This valuation is based on an initial exercise price of €58.98, the share price at the date of allocation of €55.20, a vesting period of three years, an estimated duration of 3.7 years, a market volatility of 31.13%, a dividend assumption, a risk-free interest rate of 2.99% and a volatility of the reference composite index of 18.47% with a correlation reference composite index/URW of 76.46%.

135,549 SO (H1-2022: 195,398) have been allocated to employees of URW NV and its affiliates in March 2023. The expense recorded in the consolidated interim statement of comprehensive income (corporate expenses) in relation to stock options is €526k (H1-2022: €206k).

Performance share plan

Performance shares ("PS") are vesting on the 3rd anniversary of the grant.

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

The awards allocated in March 2023 were valued using a Monte Carlo model:

- at €23.31 for those with TSR subject to the relative criteria share in €;
- at €21.49 for those with TSR subject to the absolute criteria share in €;
- and at €41.73 for those subject to off-market conditions (i.e. AREPS and CSR/D&I).

This valuation is based on the share price at the date of allocation of €55.20, a vesting period of three years, a market volatility of 33.41%, a volatility of the reference composite index of 19.59% with a correlation reference composite index/URW of 77.64%, a dividend assumption, and a risk-free interest rate of 3.06%.

82,196 PS (H1-2022: 143,298) have been allocated to employees of URW NV in March 2023. The expense recorded in the consolidated interim statement of comprehensive income (corporate expenses) in relation to performance shares is €2.0 Mn (H1-2022: €3.1 Mn).

Retention share plan

As of March 13, 2023 the Group implemented a Retention share plan for employees only to the exclusion of top executives. Retention shares are not subject to any performance conditions but to a presence condition.

Retention shares are accounted for in accordance with IFRS 2. The Retention shares allocated in March 2023 were valued at €41.73.

12,222 RS have been allocated to employees of URW NV in March 2023. The expense recorded in the consolidated interim statement of comprehensive income (corporate expenses) in relation to retention shares is €460k.

NOTE 8. SHARE CAPITAL

8.1. Share capital

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

8.1.1. Change in share capital

		Total number of issued and paid shares
As at December 31, 2022		**232,015,403**
	Shares granted	145,009
	Capital increase reserved for URW Company Savings Plan	128,408
As at June 30, 2023		**232,288,820**

The authorised share capital as at June 30, 2023, 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 €116.1 Mn, formed by 139,040,505 ordinary A shares and 93,248,315 ordinary B shares as at June 30, 2023. 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 the stock options plans and performance shares of URW SE will have a dilutive impact on the shares of URW NV (with a share issuance at that time).

8.1.2. Average number of shares diluted and undiluted

	H1-2023	H1-2022	2022
Average number of shares (undiluted)	**232,213,016**	**231,965,297**	**231,965,297**
Dilutive impact			
Attributed performance shares (unvested) (1)	814,847	744,739	733,332
Retention shares	130,286	-	-
Average number of shares (diluted)	**233,158,149**	**232,710,036**	**232,698,629**

(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.

NOTE 9. NON-CONTROLLING INTERESTS

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. Reference is made to URW NV's full year report December 31, 2022.

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, were 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)	**H1-2022**	**Increase/ (Decrease)**	**H1-2022 Restated**
Shareholders' equity (Owners of Unibail-Rodamco-Westfield N.V. shares)	801.9	232.3	1,034.2
Non-controlling interest	21.4	(232.3)	(210.9)
Net result for the period attributable to Owners of Unibail-Rodamco-Westfield N.V. shares	43.6	29.9	73.5
Net result for the period attributable to: Non-controlling interests	(4.3)	(29.9)	(34.2)

NOTE 10. SUBSEQUENT EVENTS

On July 21, 2023 URW NV announced it has completed the sale of both of the parcels which make up the Westfield Mission Valley shopping centres in San Diego, California.

The transaction amounts to a total consideration of $290 million (at 100%, URW share 42%), including the sale of Westfield Mission Valley "East" to Lowe Enterprises and Real Capital Solutions, and Westfield Mission Valley "West" to Sunbelt Investment Holdings Inc.

On August 18, 2023 URW Group announced that Westfield Century City in Los Angeles, California has successfully raised $925 Mn of new financing as part of URW's ongoing financial planning. The new financing is a two-year floating rate CMBS with the option for three one-year extensions with a spread of 280.7bps over SOFR.

On September 4, 2023 URW NV announced that it has sold Westfield Valencia Town Center, a Regional mall in Santa Clarita, California to Centennial Real Estate ("Centennial") at a total value of $199 million (at 100%, URW share 50%), above the $195 million debt amount (at 100%, URW share 50%) on the asset. In completing the transaction, URW has contributed to its deleveraging target while partnering with Centennial and its lenders to establish an alternative to the transfer of ownership back to its lenders.

III MANAGEMENT’S DECLARATION

In accordance with Article 5.25d of the Dutch financial markets supervision act (Wet op het Financieel Toezicht), the members of the Management Board of Unibail-Rodamco-Westfield N.V. declare that to the best of their knowledge, the consolidated interim financial statements for the half year ended June 30, 2023, prepared in accordance with IFRS as adopted for use in the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the year. The management report presents a fair view of the development and performance of the business and the impact on the results and on the financial situation of the Company for the first half year of 2023, including the principal transactions between related parties as well as a description of the main risks and the principal uncertainties to which it is exposed for the next six months.

Signed on behalf of the Management Board by

Schiphol, September 18, 2023

Dominic Lowe Gerard Sieben

IV INDEPENDENT AUDITORS' REVIEW REPORT

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

Our conclusion

We have reviewed the accompanying condensed consolidated interim financial statements for the period from 1 January 2023 to 30 June 2023 of Unibail-Rodamco-Westfield N.V. based in Amsterdam.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements for the period from 1 January 2023 to 30 June 2023 of Unibail-Rodamco-Westfield N.V. is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

The condensed consolidated interim financial statements comprise:

- The consolidated interim statement of financial position as at 30 June 2023
- The condensed consolidated interim statement of comprehensive income for the period from 1 January 2023 to 30 June 2023: changes in equity and cash flows
- The notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our conclusion

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

We are independent of Unibail-Rodamco-Westfield N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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

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

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

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

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

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

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

Our review included among others:

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

Amsterdam, 18 September 2023

Deloitte Accountants B.V.

signed by J. Holland