

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Unibail-Rodamco-Westfield SE

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2020

Deloitte & Associés
6, place de la Pyramide
92908 Paris-La Défense Cedex
S.A.S. au capital de 2 188 160 €
572 028 041 R.C.S Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG Audit
Tour First - TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du
Centre

Unibail-Rodamco-Westfield SE

Statutory auditors' report on the consolidated financial statements For the year ended December 31, 2020

To the Annual General Meeting of Unibail-Rodamco-Westfield SE,

Opinion

In compliance with the engagement entrusted to us by the annual general meeting, we have audited the accompanying consolidated financial statements of Unibail-Rodamco-Westfield SE for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

■ Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

■ Valuation of the investment property portfolio, including investment properties under construction, either held directly or within joint ventures

| Risk identified | Our response |
|---|--|
| The Group directly owns or owns via joint ventures a portfolio of properties, which includes shopping centres, offices and convention & exhibition sites. The fair value of this portfolio as at 31 December 2020 is €49,618Mn in the segment reporting information on a proportionate basis of which €40,662 Mn is directly held by consolidated companies and indirectly €8,956 Mn for the Group share by joint ventures. This Group also holds a portfolio of Investment Properties Under Construction (IPUC) held at cost amounting to €1,382 Mn. The total value of investment properties represents 73% of the Group's consolidated assets. | <ul style="list-style-type: none">▶ We obtained an understanding of management's controls over the process implemented to determine the valuation of investment properties.▶ We assessed the competence and independence of the external appraisers mandated by the group.▶ We also evaluated the suitability of their valuation scope and methodology for the financial report. |

In accordance with the notes 1.1, 4.5 and 5.5 of the consolidated financial statements, the net balance of the valuation movement amounts to - € 4,837 Mn in IFRS net income for the 2020 financial year (including - € 4,722 Mn relating to investment properties) and to - € 6,552 Mn in the consolidated result on a proportionate basis presented in the segment reporting (including - € 6,438 Mn relating to investment properties held by consolidated companies and indirectly by joint ventures).

In accordance with note 5.1 of the consolidated financial statements, the investment property portfolio is valued by qualified independent appraisers as at June 30 and December 31. The valuation of investment properties involves the use of different valuation methods using unobservable parameters in accordance with the requirements of IFRS 13 and IAS 40. Consequently, the valuation is highly dependent on estimates and assumptions and requires significant judgment from the management and external appraisers mandated by the group.

The valuations take into account the property-specific information including current tenancy agreements and rental income, condition and location of the property, vacancy, future income prospects and rent relief in the current context of the Covid-19 pandemic. They also require judgmental assumptions such as yield and estimated rental value, which are influenced by prevailing market yields and comparable market transactions.

For IPUC, other factors such as projected costs to complete for developments, ability to let and the expected delivery date are also considered for the calculation of the recoverable value of IPUC valued at cost.

The valuation of the investment property portfolio, including investment properties under construction, either held directly or within joint ventures is thus considered as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the level of judgment associated while determining the fair value.

- ▶ The audit team, including our real estate valuation specialists, attended meetings with each of the appraisers at which the valuations and the key assumptions therein were discussed and challenged;
- ▶ We assessed how the appraisers have reflected the impact of Covid-19 in the valuations notably local restrictions by governments, rent relief, vacancies, trading restrictions and risk of tenant failure.
- ▶ We analysed, involving our valuation specialists, assumptions such as yield and estimated rental value and valuation movement of properties across the portfolio on a year-on-year basis, by reference to our understanding of their local market, external market data, published benchmarks and asset specific considerations, used in our audit approach;
- ▶ We checked with lease agreements and asset budgets, established by the management, the consistency of the underlying lease data and capital expenditure used by the external appraisers in their valuation of the investment properties on a sample basis;
- ▶ For the most significant IPUC, we obtained external valuations prepared by qualified independent appraisers. We conducted meetings with development directors and project managers and perform procedures described above on Investment Properties at fair value with a focus on forecast cost to complete. We analysed the risks and reviewed the impairment recorded, if any.;
- ▶ Additionally, we considered the appropriateness of the disclosures in the consolidated financial statements in respect of investment properties.

■ **Recoverable Amount of intangible assets with an indefinite useful life and goodwill related to the Westfield acquisition**

| Risk identified | Our response |
|---|---|
| <p>As at December 31, 2020, intangible assets and goodwill in relation to the June 2018 acquisition of Westfield amount, respectively, to €715 Mn and €874 Mn equivalent to 2.8% of group consolidated assets.</p> | <p>The audit team, including our valuation specialists, analysed the methodology used for the impairment tests of the intangible assets with an indefinite useful life and the goodwill, and management's key assumptions. Our audit procedures led us in particular to :</p> <ul style="list-style-type: none"> ▶ Analyse the procedures implemented by management to determine the recoverable amount for group of CGUs and intangible assets with an indefinite useful life; ▶ Obtain an understanding of the methodology applied by the management to perform the impairment tests. ▶ Appreciate the identification of the Group of CGUs by management as regard to accounting standards; ▶ Attend meetings with our valuation specialists and management's external appraisers and challenge the key parameters used to assess the valuation of intangible assets with an indefinite useful life and to perform the impairment test of goodwill. ▶ Corroborate the underlying figures used in the Business Plan approved by the Management Board and the Supervisory Board, which are used as a basis for the cash-flow projections including assumptions related to the Covid-19 pandemic. ▶ Assess the consistency of key assumptions used for the determination of recoverable values, and especially the discount rates, CAGR of Net Rental Income and Long-Term Growth Rate ("LTGR"), by comparing them to market information. ▶ Examine the mathematical accuracy of the templates used for the calculation of the recoverable amounts; |
| <p>Intangible assets with an indefinite useful life relate to the property business of flagship centres in the United States and the Westfield trademark.</p> | |
| <p>Intangible assets with an indefinite useful life and goodwill are subject to either annual impairment tests or when an impairment indicator is identified.</p> | |
| <p>As mentioned in note 5.4 of the notes to the consolidated financial statements, goodwill has been allocated to geographical segments, which qualify as a Group of Cash Generating Units ("CGUs"). Each group of CGUs is the lowest level at which goodwill is monitored for internal management purposes.</p> | |
| <p>During 2020, the intangible asset and goodwill have been impaired by €32 Mn and €1,596 Mn, respectively</p> | |
| <p>An impairment loss is recognized whenever the recoverable value of the group of CGUs is less than its carrying amount.</p> | |
| <p>The recoverable value is the maximum of fair value less disposal costs and its value in use. Value in use is based on the Discounted Cash Flow derived from the Business Plan approved by the Management Board and the Supervisory Board. The main assumptions related to the value in use of each group of Cash Generating Units are cash flow projections, Compound Annual Growth Rate ("CAGR") of Net Rental Income, discount rates based on the weighted average cost of capital and long term growth rates.</p> | |
| <p>Intangible assets with an indefinite useful life are evaluated by independent appraisers using the discounted cash flow (DCF) methodology. An impairment is booked when the appraisal value is lower than the net book value.</p> | |

| | |
|---|--|
| <p>The recoverable amount of intangible assets with an indefinite useful life and goodwill related to the Westfield acquisition is therefore a key audit matter due to the level of judgment required by the management, combined with the significance of the balance to the financial statements.</p> | <p>► Consider the appropriateness of the disclosures in the consolidated financial statements.</p> |
|---|--|

■ **Evaluation and accounting for rent relief and provision for expected credit-losses on receivables in the context of the Covid-19 pandemic**

| Risk identified | Our response |
|--|---|
| <p>As a result of the Covid-19 pandemic, URW operations are impacted by lockdown and local restrictions increasing tenant default risk. Consequently, the group adopted a global policy to support tenants such as deferral of rents or rent reliefs with or without counterparts (e.g. extension of a lease term or higher sales-based rent).</p> | <p>► We obtained an understanding of the Group's process and controls in place to identify and record rent reliefs and provision for doubtful debtors.</p> |
| <p>As at December 31, 2020, the expense in the statement of comprehensive income related to rent reliefs amounted €246 Mn and a provision for expected credit losses on receivables have been charged for an amount of €203 Mn (under proportionate).</p> | <p>► We analysed the accounting policies implemented by the Group to account for rent reliefs and the consistency of the policies across different geographical segments.</p> |
| <p>The notes 1.1.1. "COVID-19 pandemic" and 4.4.1. "Gross Rental Income" to the consolidated financial statements describe the choice in accounting policies applied by the group to account for rent relief.</p> | <p>► We assessed the assumptions adopted by the management for estimating expected credit losses and rent reliefs to be signed.</p> |
| <p>The note 7.6.3. "Credit risk" to the consolidated Financial Statements describes how credit risk was considered by the management to determine the provision for expected credit losses on rent receivables.</p> | <p>► On a sample basis, we tested rent reliefs and counterparts received from tenants to supporting evidence such as credit notes or amendments to lease contracts to verify the accuracy of the amount recorded in the accounts and the appropriateness of the accounting treatment.</p> |
| <p>Accruals for rent reliefs to be signed require estimates from the management notably to estimate whether a counterpart will be received or not and the amount of the rent relief.</p> | <p>► We assessed the appropriateness and the compliance with IFRS 9 of the methodology implemented by the management to determine the probability of default based on information available for each shopping centre and where applicable by tenant.</p> |
| | <p>► We assessed the adequacy of the disclosures in the financial statements with respect to the estimation of the rent reliefs at year-end and the provision for expected credit losses on rent receivables.</p> |

Provision for expected credit losses on rent receivables requires estimation using historical and forecast information available at the balance sheet date. Due to the evolving context of the Covid-19 crisis and of government's action restricting the trading of the Group's tenants, this estimation is more complex. As a result, there is a higher than usual uncertainty around forecast information related to footfall, tenant's ability to pay rents and expected rent relief.

As the evaluation and accounting treatment of rent reliefs and the calculation of expected credit losses on receivables involve the adoption of accounting policies and estimates from the management with significant uncertainty due to the COVID-19 pandemic, it is considered as a key audit matter.

■ Accounting for financial debt and related derivative financial instruments

| Risk identified | Our response |
|--|---|
| <p>As at December 31, 2020, the financial debt of Unibail-Rodamco-Westfield stood at €28,527 Mn. The debt mainly includes bond issues and EMTN (Euro Medium Term Notes) for a principal amount of €22,809 Mn. In addition, financial debt held by the joint ventures amounted to €1,939 Mn. The financial debt represents 50% of the Group's consolidated assets.</p> <p>As mentioned in notes 7.4 and 7.5 to the consolidated financial statements, the Group uses derivatives financial instruments, mainly interest rate swaps and caps and cross-currency swaps, to hedge its exposure to movements in interest and currency exchange rates related to its financial indebtedness. These derivatives for which no hedge accounting has been applied are carried at fair value through profit and loss, for amounts on the balance sheet of €827 Mn (asset) and €1,502 Mn (liability).</p> <p>During the year, the Group incurred €432 Mn in net financial costs and the mark-to-market adjustments on derivatives amounted to -€438 Mn.</p> <p>The Group's gearing, liquidity needs, financial covenants (please refer to note 7.3.6. to the consolidated financial statements) are calculated on the basis of this portfolio of financial debt.</p> | <ul style="list-style-type: none"> ► We assessed the procedures for the valuation and the accounting of the financial debt and related derivatives. ► We obtained and analysed loan contracts on a sample basis to understand the terms and conditions and considered that those characteristics were correctly reflected in the consolidated financial statements. We also performed analytical procedures on the related financial expenses. ► On a sample basis, we obtained the confirmation with third parties of the nominal amount of debts. ► We analysed the calculation of the financial ratios and the related disclosures (note 7.3.6 to the consolidated financial statements) and the appropriateness of the presentation of the financial debt in the statement of the financial position. |

The accounting for financial debt and related derivatives financial instruments is considered as a key audit matter due to the significance of the balance to the financial statements as a whole and their impact on the calculation of financial covenants.

- On a sample basis, we obtained the confirmation from the counterparties of the occurrence and terms of the derivatives. For a sample of financial instruments, we analysed their valuations and we involved our internal valuation specialists to independently calculate the fair value of the financial instruments and compare the outcome to the values prepared by the management.
- Additionally, we considered the appropriateness of the information disclosed in the consolidated financial statements in respect of IFRS 7 "Financial Instruments: Disclosures" requirements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the management report of the management board.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

■ Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the chairman of the management board, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

■ Appointment of the Statutory Auditors

We were appointed as statutory auditors of Unibail-Rodamco-Westfield SE by the Annual General meeting held on April 27, 2011 for Deloitte & Associés and on May 13, 1975 for Ernst & Young Audit.

As at December 31, 2020, Deloitte & Associés was in 16th consecutive year of mandate given the acquisitions or mergers with firms that have previously taken place, and Ernst & Young Audit in its 46th consecutive year of mandate.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were prepared by the management board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

■ Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.
- ▶ Obtains 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 internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- ▶ Assesses 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. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

■ Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 24, 2021

The Statutory Auditors
French original signed by

Deloitte & Associés

Ernst & Young Audit

Emmanuel Gadret

Emmanuel Proudhon

Jean-Yves Jégourel

Antoine Flora