

REFOCUS NOT RESET

A BRIGHTER FUTURE FOR
UNIBAIL-RODAMCO-WESTFIELD

15 OCTOBER 2020

www.refocusnotreset.com



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The purpose of this document is to provide information about the Consortium's views on Unibail-Rodamco-Westfield ("**URW**"), its opposition to the €3.5 billion rights issue at the 10 November 2020 shareholders' meeting, the possible alternate strategy that could be implemented to deliver long-term shareholder value and its proposal to strengthen URW's Supervisory Board through the appointment of new members.

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ABOUT THE CONSORTIUM

- **We are a consortium of investors acting in concert who jointly own 4.1% of the stapled shares of Unibail-Rodamco-Westfield SE (“URW”); our members are Aermont Capital (“Aermont”), the management company of Aermont Capital Real Estate Fund IV SCSp, acting through its subsidiary Flagship Retail Investment S.à.r.l. and NJJ Holding (“NJJ”), acting through its subsidiary Rock Investment**
- **Aermont, based in Luxembourg, is one of Europe’s leading real estate investment businesses**
 - A proactive, operator-oriented investor that seeks to capitalise on its operational and real estate expertise to **generate long-term value**, benefitting all stakeholders
 - Aermont exhibits a clear track-record of growing and improving the businesses in which it invests
 - Aermont’s four successive funds have raised ~€6bn of equity commitments from a global group of prominent institutional investors
 - Independently owned by five partners, including Managing Partner **Léon Bressler** who served as Chairman & CEO of Unibail (predecessor to URW) for 14 years ending in 2006
 - Aermont first publicly disclosed a 2% stake in URW on 13 November 2019
- **NJJ is the personal investment firm of Xavier Niel, a recognised technology and telecommunications entrepreneur**
 - **Xavier Niel** is the founder and majority shareholder in French listed telecommunications services provider Iliad (€10bn market cap)
 - NJJ invests in various assets and portfolio companies (including, but not limited to, real estate, technology, media and retail) and controls telecommunications operators in several countries outside of France, including Switzerland, Ireland, and Monaco
 - NJJ is also a recognised venture capital investor through **Kima Ventures**
- **The consortium reserves its right to acquire additional stapled shares of URW**
 - The consortium **does not seek to acquire control of URW**

‘REFOCUS’, NOT ‘RESET’

- **The Westfield acquisition led to massive shareholder value destruction before COVID, leaving URW weakened and vulnerable**
 - Burdened URW’s European pure player dominance with a marginal position in the challenged US retail market, while adding significant debt to the company
- **RESET is a bad plan, and not a strategy**
 - Crux of plan is the highly dilutive €3.5bn rights issue, which is unnecessary, misguided and extremely value destructive for shareholders
- **Despite challenges, URW has a strong liquidity profile**
 - €12.7bn of available liquidity as of 30 June 2020, €3.4bn of which is cash, sufficient to cover all medium-term debt maturities if needed
- **Maintaining an ‘A-’ credit rating is not a strategic goal**
 - URW’s bonds traded above par prior to announcement of RESET plan; recent successful issuances further demonstrate market access
- **Proposed strategy: REFOCUS URW as the leading pan-European pure player**
 - Dispose US portfolio at realistic prices when the market is ready, eliminating high debt
 - URW’s solid liquidity profile affords patience to get it right
 - Creating the conditions enabling URW to trade again at a premium to NAV as the leading European pure player
- **Corporate governance has been poor and URW requires strengthened oversight**
 - We propose to add 3 qualified, experienced, board nominees to strengthen URW’s Supervisory Board and help deliver shareholder value

The consortium will vote AGAINST the €3.5bn rights issue at the 10 November 2020 shareholders’ meeting

The consortium proposes a compelling alternative strategy, which will deliver long-term shareholder value

The consortium proposes to add 3 new board nominees to strengthen URW’s Supervisory Board

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THE ACQUISITION OF WESTFIELD WAS AN UNNECESSARY TRIPLE MISTAKE

1

Wrong Deal



- No convincing rationale to enter the US and UK, two **oversupplied markets** with limited rental tension
- Potential synergies were negligible
- Transaction closed with €12.6bn of additional senior and hybrid debt
- European position was delivering high returns with excellent growth potential

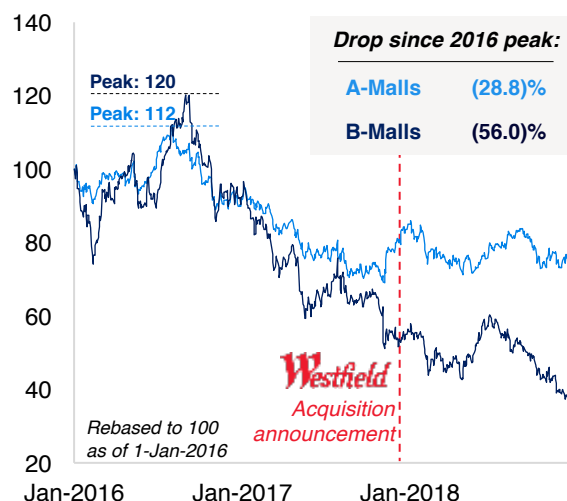
2

Wrong Timing



The **radical transformation of US retail market fundamentals** was already well underway and highly visible at the time

A & B-Mall Indices¹



3

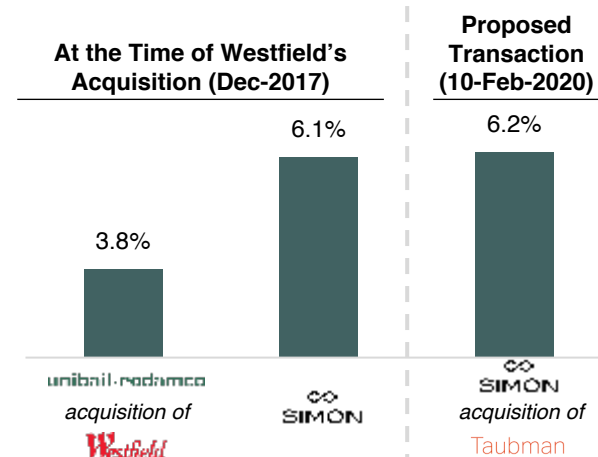
Wrong Price



Despite deteriorating public market values across the sector, the transaction was sealed at a **price disconnected from market levels**:

- 3.8% NOI yield
- 15% goodwill over GMV²

NOI Yields³



URW management claims to have successfully “*delivered on strategic and capital allocation priorities*” (5-Oct-2020 roadshow materials)

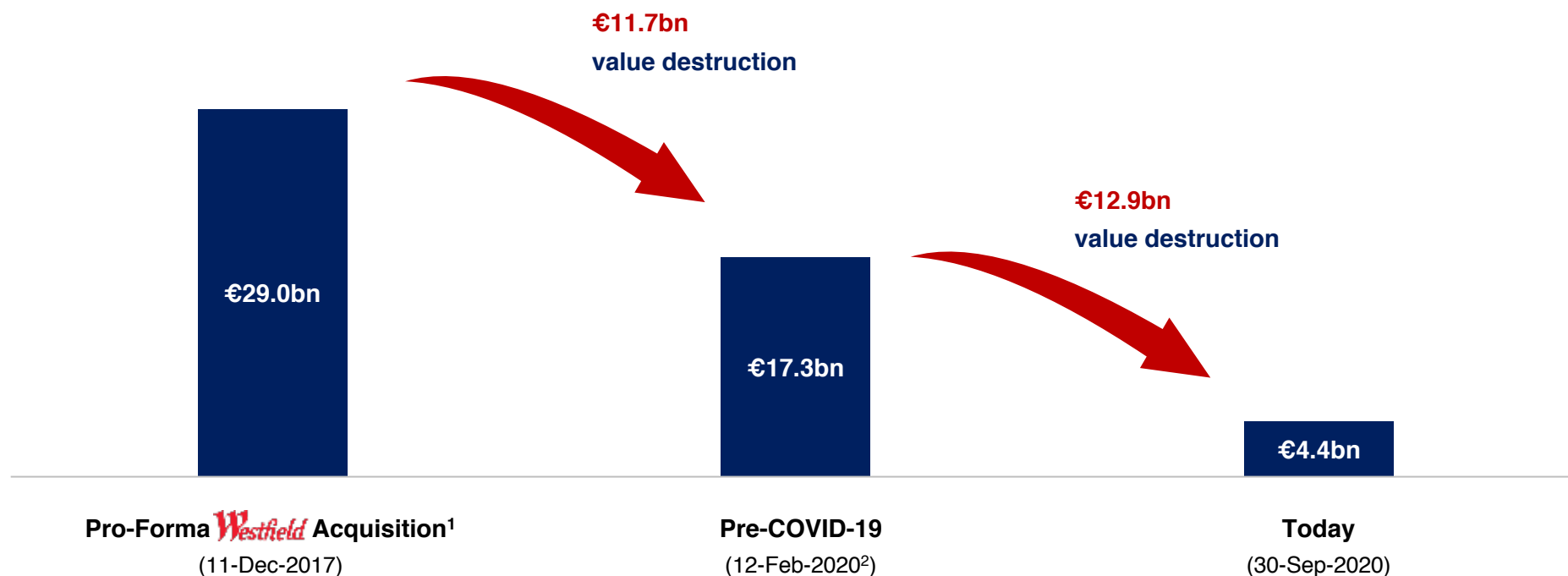
But the truth is that URW entered the COVID-19 pandemic in a **weakened** and **vulnerable** position

Source: Company data, Bloomberg, Green Street advisors reports, broker notes, market data as of market close on 30 September 2020

Note: 1. **A-malls:** Simon Property Group, Taubman Centers, and Macerich. **B-malls:** Washington Prime Group, Pennsylvania REIT, and CBL & Associates | Equal-weighted indices
2. \$24.7bn transaction-implied EV compared to \$21.4bn GMV of Westfield's portfolio
3. LTM net rental income divided by restated EV (excluding development pipeline at cost)

WESTFIELD'S ACQUISITION LED TO MASSIVE SHAREHOLDER VALUE DESTRUCTION

URW's Market Capitalisation Evolution



- URW's market capitalisation has decreased by €24.7bn since the announcement of Westfield's acquisition
 - Close to half of which occurred prior to the COVID-19 crisis (€11.7bn)

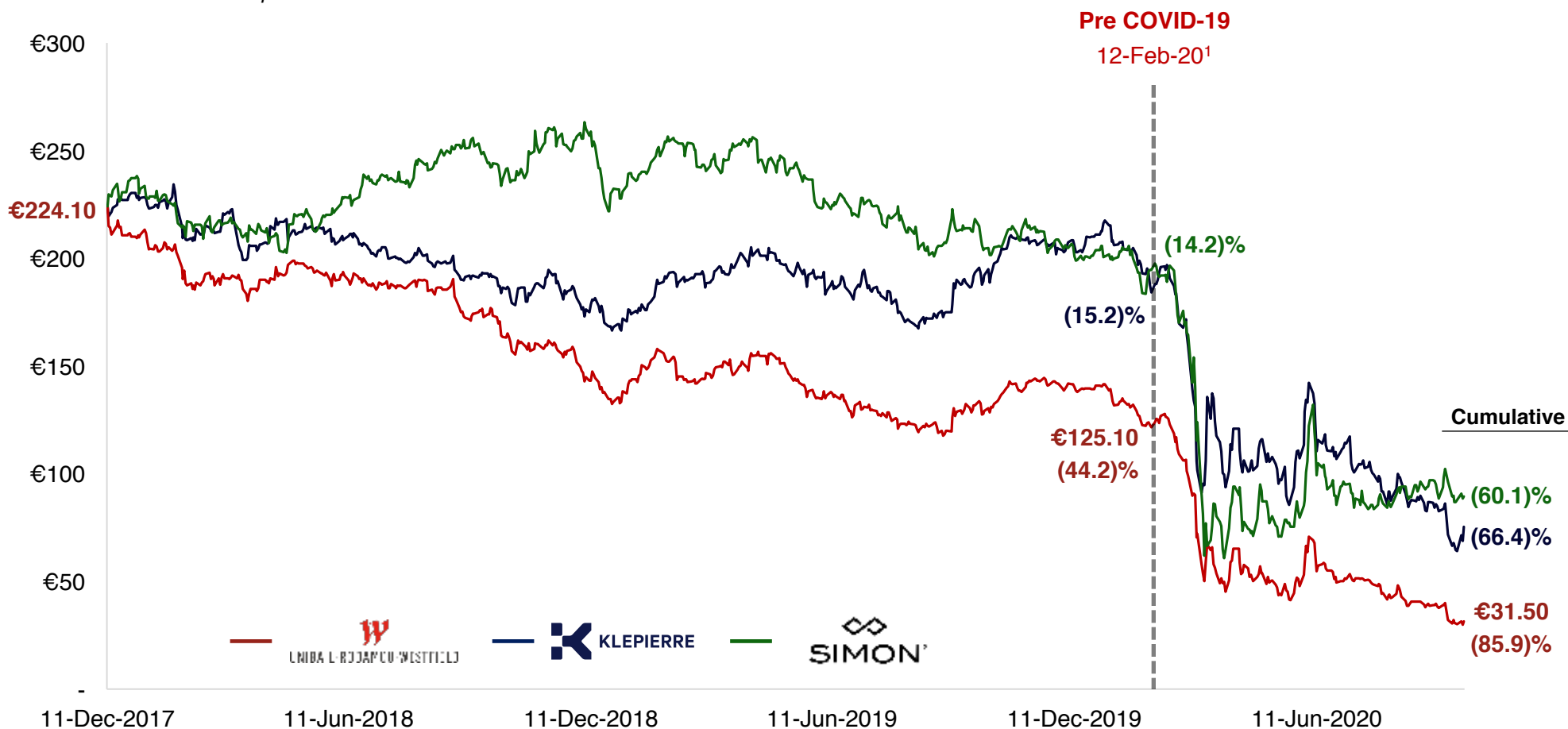
Source: Company data, Bloomberg, market data as of market close on 30 September 2020

Note: 1. €29.0bn calculated as Unibail-Rodamco market capitalisation (€22.4bn) plus Westfield market capitalisation (€11.4bn) less cash portion of the deal (€4.8bn)
2. Date of FY19 results publication

SINCE THE ACQUISITION, URW HAS VASTLY UNDERPERFORMED ITS PEERS

URW's Share Price Since Westfield Acquisition

Rebased to URW share price as of 11 December 2017



Source: Company data, Bloomberg, market data as of market close on 30 September 2020

Note: 1. Date of FY19 results publication

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URW NOW TRADES AT AN 84% DISCOUNT: WORST TIME TO ISSUE CAPITAL

URW YTD Share Price Performance and Discount to EPRA NRV¹

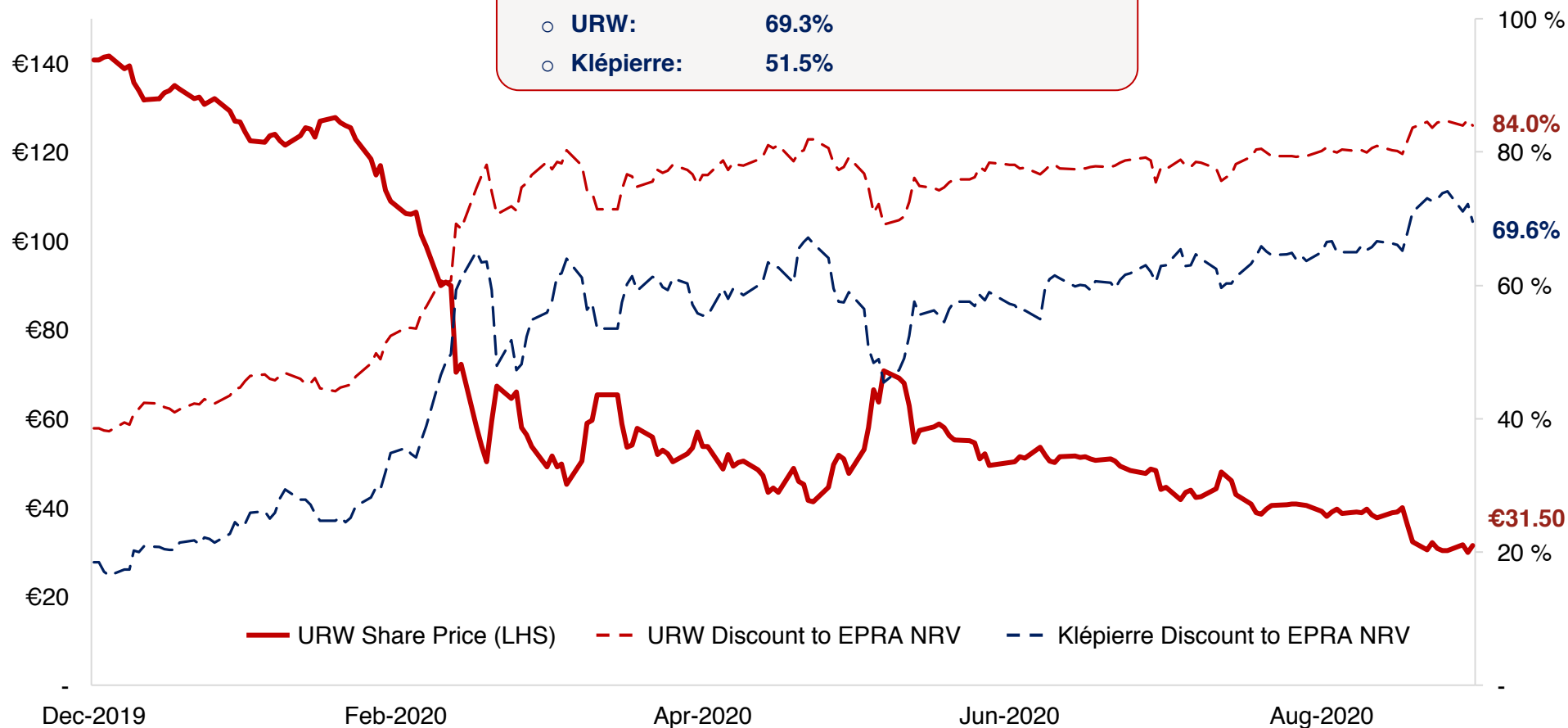
URW Share Price

- 2020 YTD average discount to EPRA NRV per share:

○ **URW:** **69.3%**

○ **Klépierre:** **51.5%**

Discount to EPRA NRV¹



Source: Company data, Bloomberg, market data as of market close on 30 September 2020

Note: 1. In October 2019 EPRA introduced new asset value metrics. Here we look at share price discount relative to each company's reported EPRA Net Reinstatement Value

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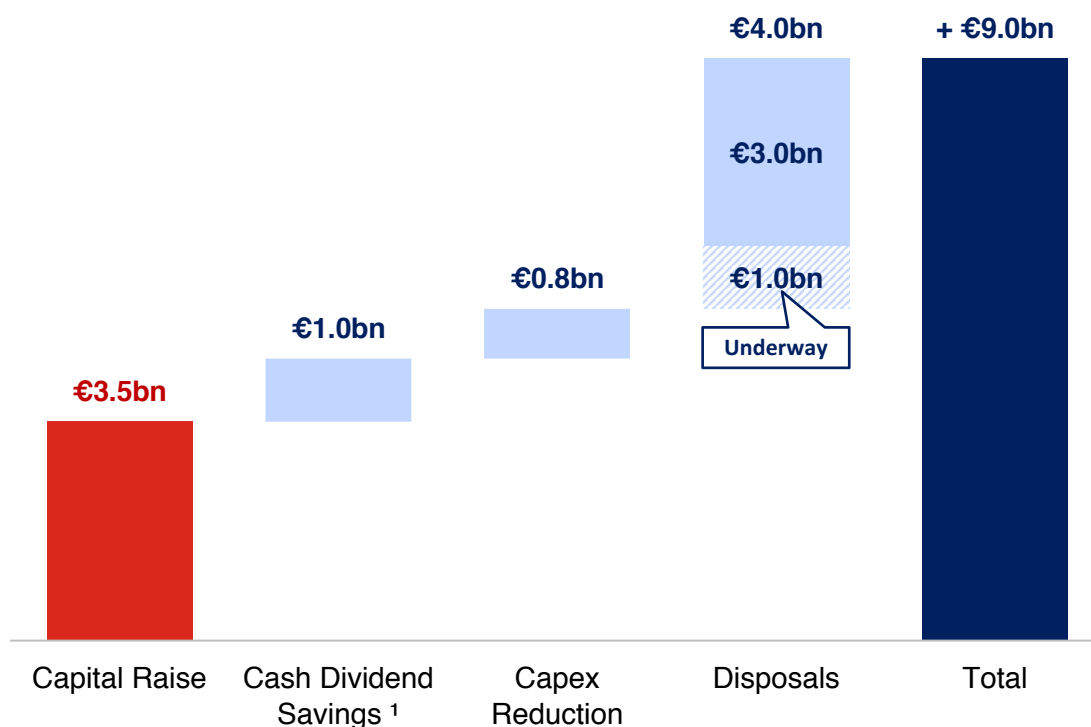
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THE RESET PLAN APPEARS STRONG ON SHAREHOLDER VALUE DESTRUCTION, BUT LIGHT ON STRATEGY

The RESET Deleveraging Plan



- **Cash dividend savings:** were to be expected given high indebtedness
 - The introduction of a **scrip dividend** was an obvious immediate next step
- **Capex reduction:** not a game-changer, was already well underway
 - Logical step given URW's track record of successive reductions to the debt-financed development capex pipeline²
- **Disposals:** nothing new, already underway, except a tight 2021 execution, as prior H1 2020 guidance already targeted €4bn
- **Capital raise:** **only pillar** of the RESET plan, unnecessarily and **highly dilutive** with **no strategy to support it**

- **RESET is little more than a highly dilutive rights issue, but certainly not a strategy**

Source: Company data

Note:

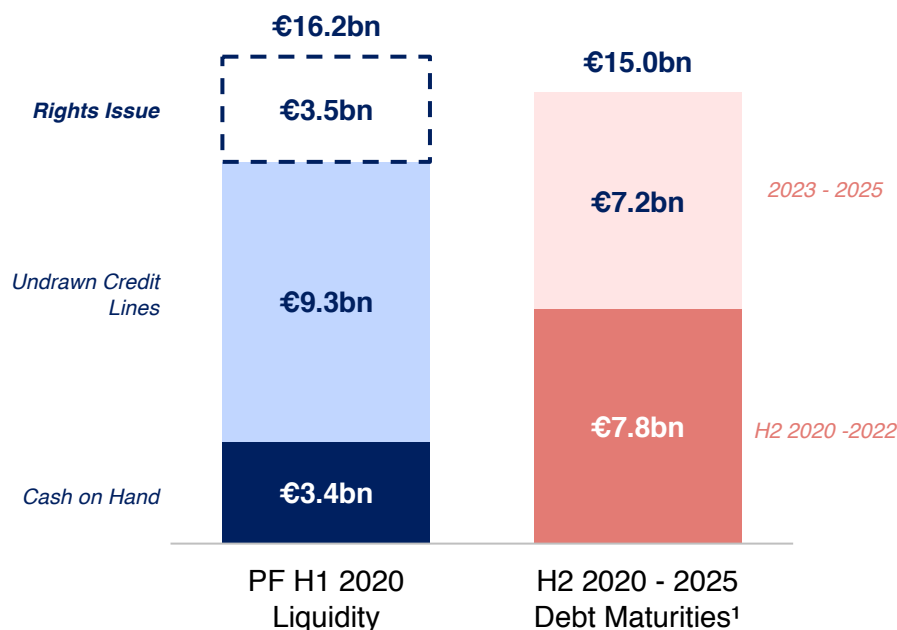
1. In respect of dividend paid in 2021 and 2022 for fiscal years 2020 and 2021 respectively (2x €0.5bn cash saving p.a.). URW is expected to communicate its dividend policy upon the publication of its Q3 results on 1 November 2020, ahead of the shareholders meeting to vote on the capital raise
2. Pro forma Westfield's acquisition, URW's pipeline was the largest in the world at €12.3bn, and has continuously decreased since. 40% of the €12.3bn pipeline was tied to Westfield's US and UK portfolio. The transaction put significant strain on cashflows and mostly emanated from the oversupplied US market

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URW DOES NOT NEED A HIGHLY DILUTIVE €3.5bn RIGHTS ISSUE

URW Pro Forma 30-Jun-2020 Liquidity Position¹



URW Commands Ample Liquidity Without the Rights Issue

- **Current liquidity** of €12.7bn (i.e. excluding the €3.5bn rights issue) **covers all short- and long-term maturities** for the foreseeable future
 - For comparison, in March 2020, URW stated: “*The Group now has €10.2bn in cash on hand and undrawn credit lines, which provides it with the liquidity needed to cover all expected funding needs even under an extreme “stress test” scenario*”²
- Excluding the €3.5bn rights issue, shortfall by end 2025 would reach €2.3bn
- **2025 shortfall would be covered by:**
 - **4.5 years of cash flows**, already supported by the announced €1bn cash dividend cut (recurring FFO of +€1.5bn in 2019)
 - **€0.6bn surplus from disposals** (€4bn by end 2021) over development capex funding (€3.4bn in 2020 - 2024)
 - **Further disposals**

- **URW can thrive without a proposed disastrous €3.5bn rights issue**

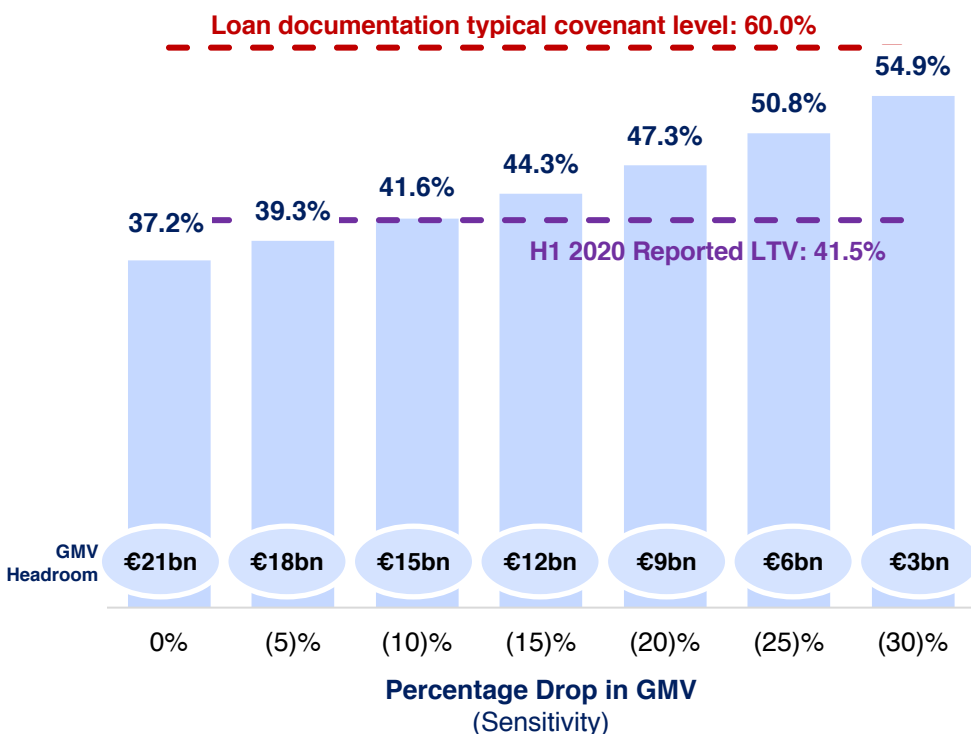
Source: Company data

- Note:
1. URW's debt profile as at 30 June 2020. On a proportionate basis. Excluded from chart: €1,250m Hybrid non-call 2023 and €750m Hybrid non-call 2026 treated as equity under IFRS and undrawn facilities
 2. URW press release, published 19 March 2020: *Unibail-Rodamco-Westfield confirms strong liquidity position*

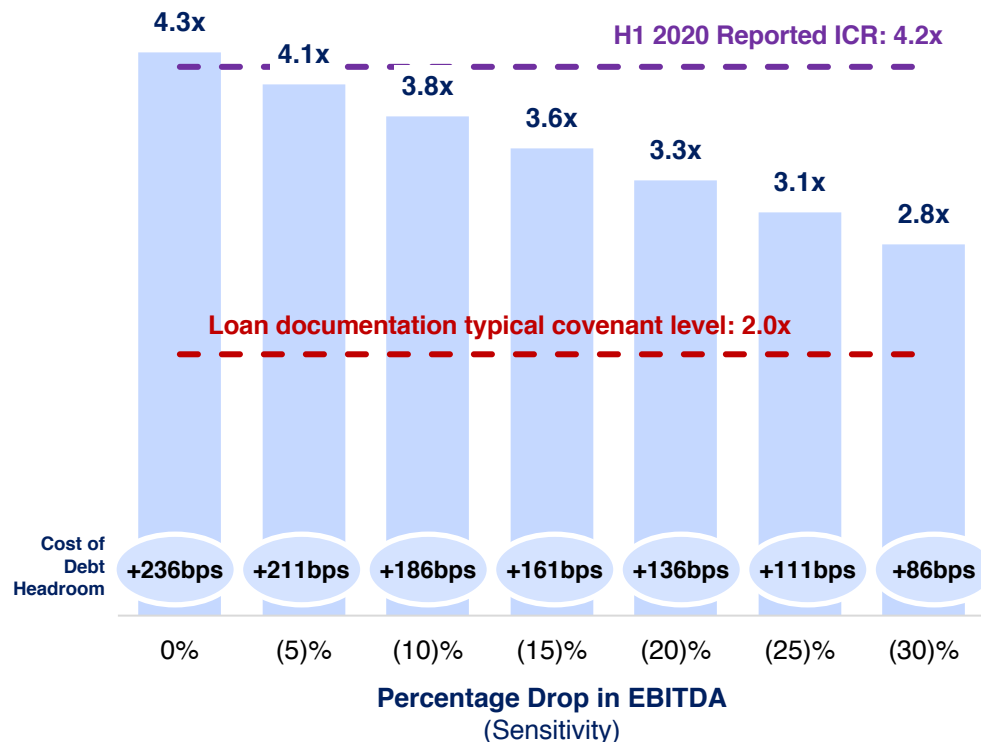
SIGNIFICANT HEADROOM vs COVENANT LEVELS

Sensitivity on RESET Pro Forma Credit Ratios | Post €4bn Disposals only

Pro Forma H1 2020 Loan-To-Value ("LTV")



Pro Forma H1 2020 Interest Coverage Ratio ("ICR")



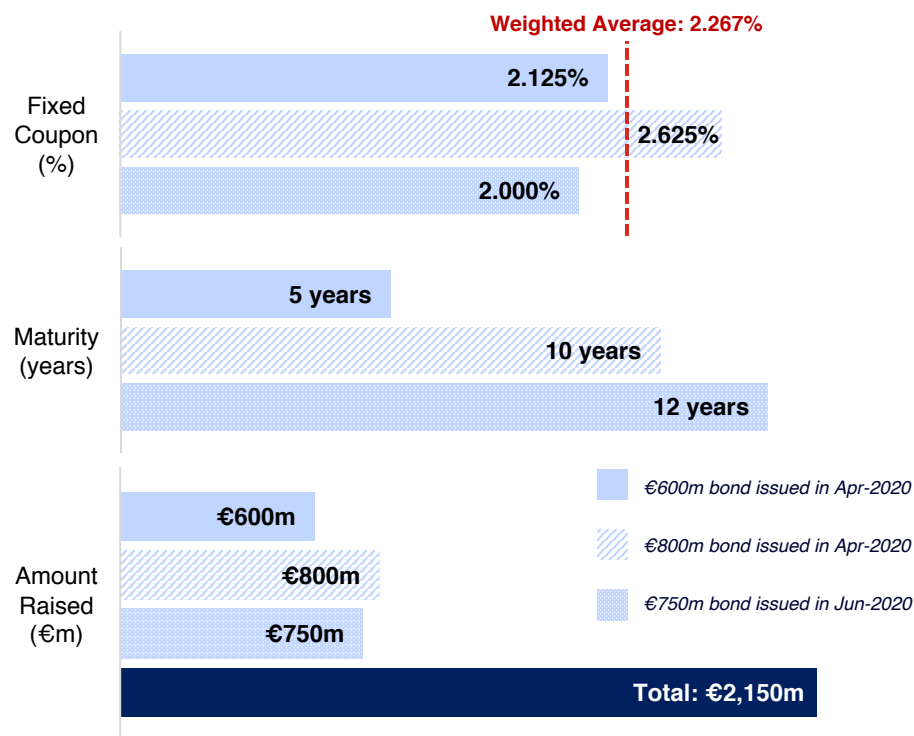
- URW could absorb more than a 30% drop in GMV without breaching typical covenant levels

Source: Sensitivity analysis derived from company data (IFRS reporting)

Note: Modelling assumptions: H1 2020 Recurring EBITDA implied from reported H1 2020 Net Debt / EBITDA and reported Net Financial Debt; RESET disposals EBITDA estimated at 6% net initial yield ; H1 2020 Net Financial Expenses implied from reported ICR and implied H1 2020 Recurring EBITDA; cost of debt of 1.7% (as of H1 2020 results)

DEBT CAPITAL MARKETS HAVE ALWAYS BEEN OPEN TO URW

URW Successfully Tapped Bond Markets Twice in Q2 2020



URW's Q2 2020 Bond Raises Illustrate Lenders' Confidence

- On two occasions during the second quarter, URW successfully raised public debt financing at **very attractive terms** (low coupons and long maturities) **despite the impact of COVID-19 on its operations**
 - URW's funding costs have increased as a consequence of COVID-19
- URW successfully placed €1,400m of bonds on 2 April 2020, **during one of the toughest moments of the COVID-19-induced market rout**
 - €600m / 5-year maturity / 2.125% fixed coupon
 - Currently **trading comfortably above par**: bid price of 106.4
 - €800m / 10-year maturity / 2.625% fixed coupon
 - Currently **trading comfortably above par**: bid price of 111.7
- URW further extended its maturity profile by raising a €750m bond on 22 June, achieving a coupon 62.5bps lower over a longer maturity than its 2 April €800m 10-year issue
 - €750m / 12-year maturity / 2.000% fixed coupon
 - Currently **trading comfortably above par**: bid price of 104.7

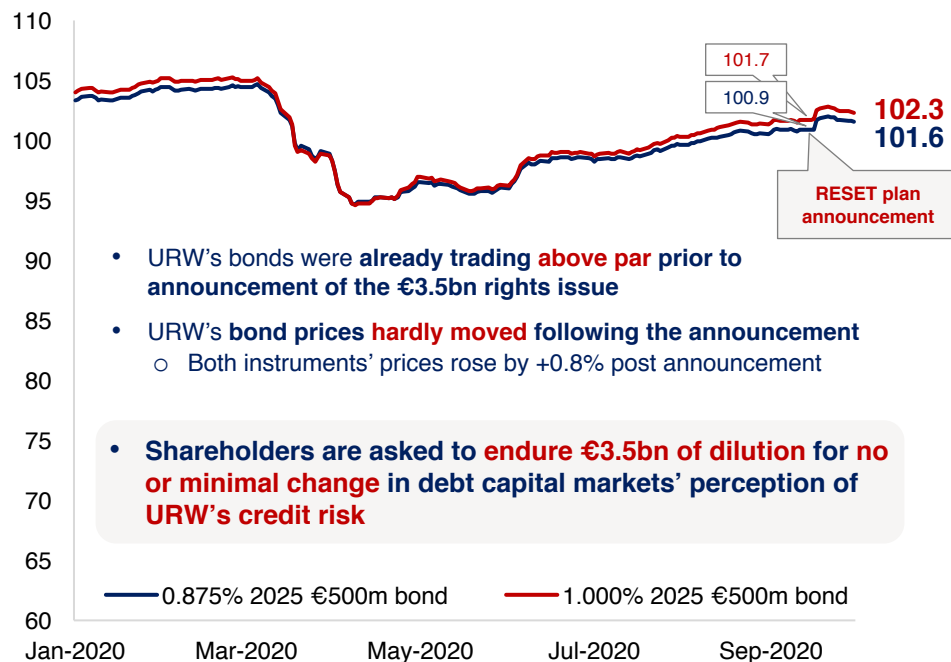
Given URW's **proven ability to refinance** its upcoming maturities – even during the worst of COVID-19 – we **question** the company's position that an **extremely dilutive** €3.5bn rights issue is **necessary** for URW to **maintain access to debt capital markets**

Source: Company data, Bloomberg, S&P Capital IQ, market data as of market close on 30 September 2020

ANNOUNCEMENT OF A €3.5bn RIGHTS ISSUE RESULTED IN A MERE 14-19bps DECREASE IN URW's IMPLIED REFINANCING COSTS

URW's Bonds Never Showed Any Signs of Distress

URW Selected Publicly Traded Bonds – Bid Price Evolution YTD



Selected Bonds Market Reaction on RESET Announcement

Instrument	Issue Date	Maturity	Bid YTM		Change
			16-Sep	17-Sep	
0.875% Feb-25 € 500m	Nov-16	4.4y	0.66%	0.48%	(19)bps
1.000% Mar-25 € 500m	Apr-15	4.4y	0.61%	0.43%	(18)bps
2.125% Apr-25 € 600m	Apr-20	4.5y	0.80%	0.62%	(18)bps
2.625% Apr-30 € 800m	Apr-20	9.5y	1.40%	1.23%	(18)bps
1.375% Apr-30 € 655m	Apr-15	9.5y	1.30%	1.16%	(14)bps
2.000% Jun-32 € 750m	Jun-20	11.7y	1.59%	1.45%	(15)bps
2.125% Oct-25 € 255m	Oct-15	5.0y	1.69%	1.69%	0bps
2.000% May-29 € 600m	May-20	8.6y	1.04%	1.03%	(1)bps
0.625% Jul-30 € 600m	Jul-19	9.7y	0.93%	0.91%	(2)bps

URW

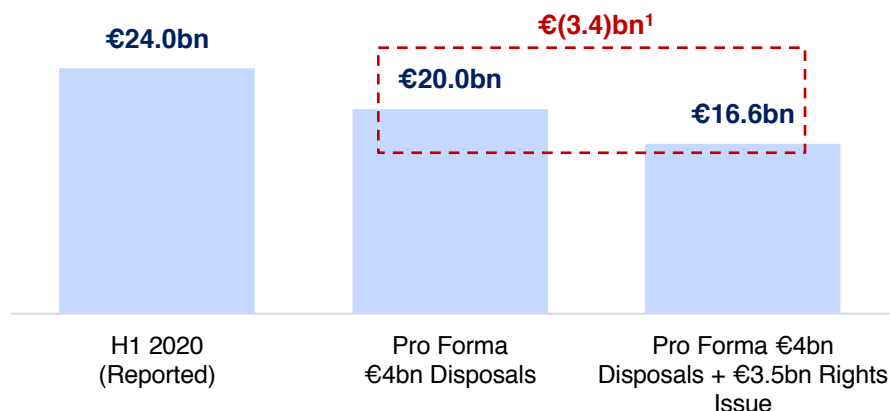
Kleppierre

- URW's bonds showed **no signs of distress** in the weeks leading to the announcement of a €3.5bn rights issue
- URW's shareholders are being asked to approve a €3.5bn rights issue for only a ~14-19bps reduction in URW's implied cost of refinancing

Source: Company data, Bloomberg, S&P Capital IQ, market data as of market close on 30 September 2020

A CREDIT RATING IS A MEANS, NOT AN END

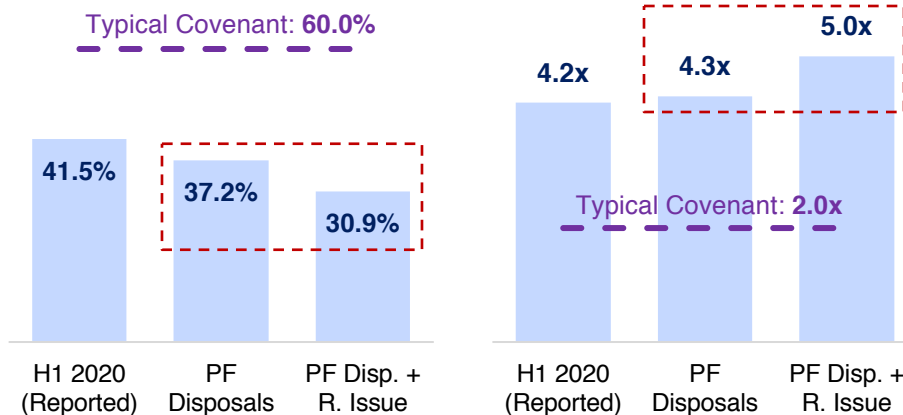
Pro Forma Net Financial Debt¹



- The massive proposed rights issue is **insufficient to guarantee URW will remain 'A' rated**
 - Following the announcement of the RESET plan, **Moody's downgraded URW to 'Baa1'** (equivalent of 'BBB+' at S&P), **Stable outlook**
 - **S&P, despite its 'A-' rating, assigns a Negative outlook to URW**
- A vast number of REITs operate very comfortably in the 'BBB' category
 - In fact, **80%** of Western European REITs covered by S&P² are rated in the 'BBB' category
 - In the current lower-for-longer rate environment, URW's cost of financing would not structurally change if it were to be downgraded to a 'BBB' category credit rating

Pro Forma LTV¹

Pro Forma ICR¹



- URW's only long term target appears to be its credit rating
 - Management whose only strategic goal is maintaining a credit rating **will not create long term shareholder value**

- Size of rights issue does not move the needle compared to URW's net financial debt
 - Whilst the €3.5bn rights issue gross proceeds represent ~80% of the current market cap, the €3.4bn net proceeds¹ only accounts for ~14% of URW's 30-Jun-2020 net financial debt (IFRS)

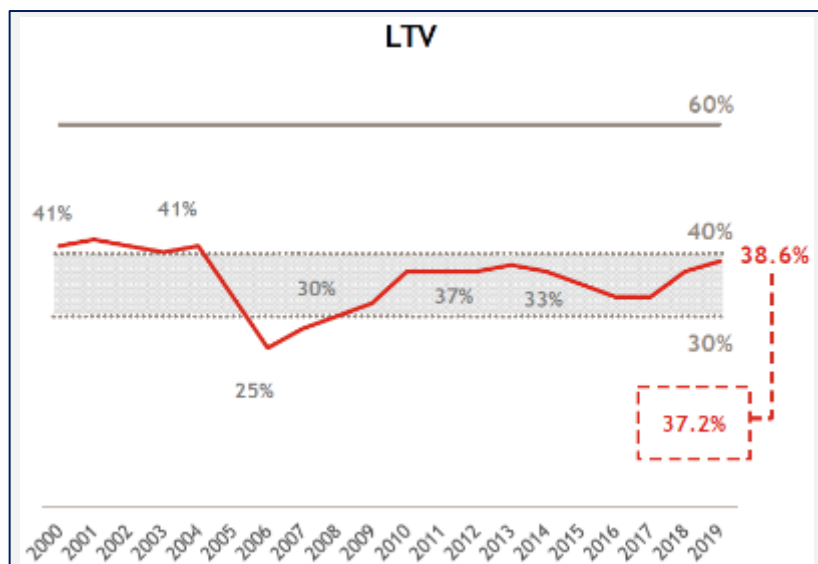
Source: Company data (IFRS reporting)

Note: 1. Modelling assumptions: illustrative rights issuance cost of 3.0%; H1 2020 Recurring EBITDA implied from reported H1 2020 Net Debt / EBITDA and reported Net Financial Debt; RESET disposals EBITDA estimated at 6% cap rate; H1 2020 Net Financial Expenses implied from reported ICR and implied H1 2020 Recurring EBITDA; cost of debt of 1.7% (as of H1 2020 results)
 2. List based on Western European REITs with market cap >€500m (sourced from Bloomberg): 49 REITs, of which 15 rated by S&P

URW HAS PREVIOUSLY BEEN THROUGH PERIODS OF SIMILAR LTV AND MUCH TIGHTER ICR

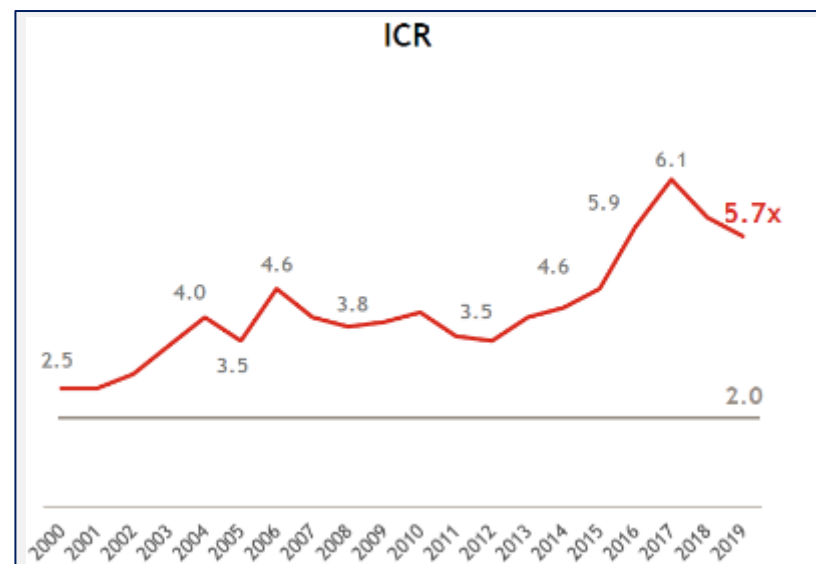
URW LTV Evolution Since 2000

Excerpt from URW's FY 2019 Results Presentation (12-Feb-2020)



URW ICR Evolution Since 2000

Excerpt from URW's FY 2019 Results Presentation (12-Feb-2020)



- Throughout its history, **URW** has previously comfortably operated with both an ICR lower than it last reported (4.2x as at June 30th), and with an LTV remaining above 40% for some time (41.5% as at June 30th)
- In all those instances, the **business recovered**, and eventually thrived, without the need for a highly dilutive rights issue

PROPOSED RIGHTS ISSUE: WORST POSSIBLE TIMING

Dilution at Illustrative Terms

Reference share price: €31.50 (30-Sep-20)

Discount to TERP	0%	25%	30%	38%	47%
TERP (€)	31.50	23.07	20.67	16.09	9.38
Implied Subscription Price (€)	31.50	17.31	14.47	10.00	5.00
Amount Raised (€ m)	3,500	3,500	3,500	3,500	3,500
New Shares Issued (m)	111	202	242	350	700
(+) Existing # of Shares (m)	138	138	138	138	138
Pro-Forma Total Number of Shares (m)	250	341	380	488	838

Existing Shares as a % of PF Total # of Shares	55.5%	40.6%	36.4%	28.3%	16.5%
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Worst Possible Timing for a Rights Issue

€3.5bn Proceeds as a % of URW's Market Capitalisation



- Given the recent underperformance of URW's share price, a €3.5bn rights issue would be **substantially dilutive** to existing shareholders

Source: Company data, Bloomberg, S&P Capital IQ, market data as of market close on 30 September 2020

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INTRODUCTION TO OUR PROPOSAL: REFOCUS

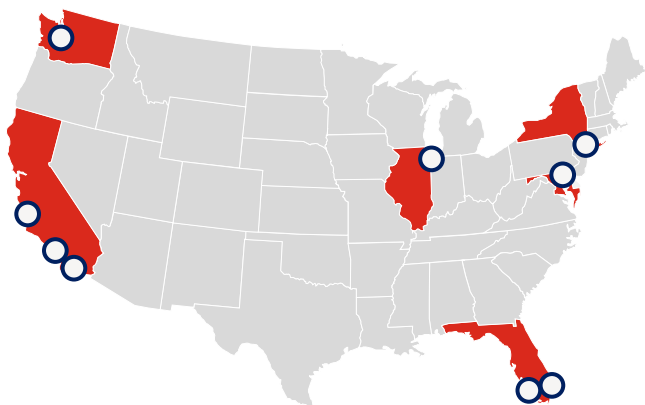
- URW is the **dominant player in Europe**, but a marginal one in the US market (the most competitive in the world)
- **A sale of the US portfolio** will re-establish URW as Europe's leading prime shopping centre pure-player
 - Record liquidity buffers afford ample time to sell the US business when market liquidity returns, within the next 2 to 3 years
 - The US disposal is the only strategic measure that can solve URW's indebtedness challenges
- In the meantime, URW shall **significantly reduce its office portfolio** (standing assets and developments) and pursue a **sale of its Convention & Exhibition business** (once market conditions allow for it)
 - URW's recently announced agreement to sell the SHiFT office building for €620m, at a premium to its 30-Jun-2020 book value, illustrates the resilience of the office segment and its attractiveness for financial investors
- **REFOCUS:**
 - Define a **clear strategic focus**, centred around **dominance in Europe**
 - **Restore confidence** with a **strengthened Supervisory Board** that can effectively oversee management to optimise disposals and further capex reductions
 - Re-energize and **re-invest into URW's first-class teams**
 - **Introduce new initiatives** once a solid, re-established, pure player position is achieved
 - **Transition towards the future of retail**
 - Create the conditions to **trade again at a premium to NAV**, as was the case before the acquisition of Westfield

REFOCUS for a winning strategy, creating value for the benefit of shareholders and all stakeholders

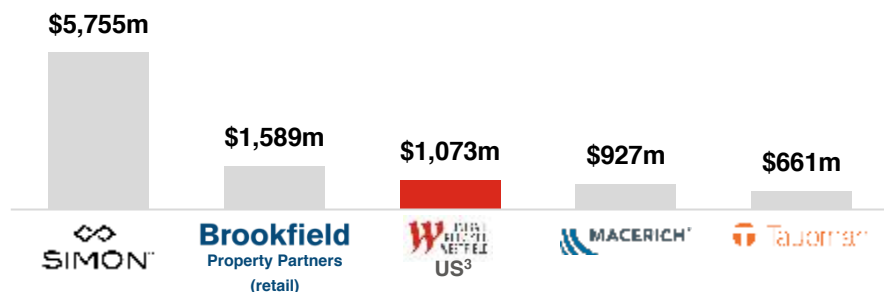
URW's EUROPEAN DOMINANCE STANDS IN SHARP CONTRAST TO ITS MARGINAL POSITION IN THE UNITED STATES

United States

- 29 U.S. Shopping Centres

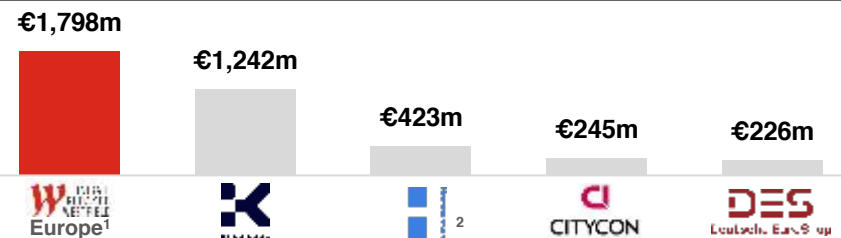


FY 2019 Revenues (shopping centres)

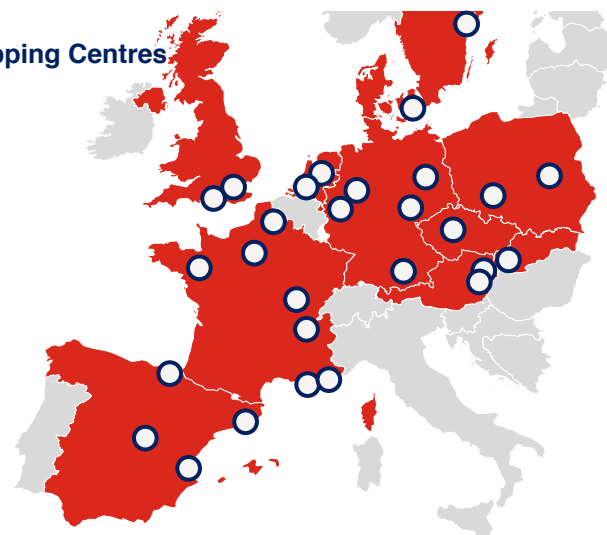


Continental Europe & United Kingdom

FY 2019 Revenues (shopping centres)



- 61 Shopping Centres



- URW is a **marginal player in the US**: Simon Property Group is more than five times larger than URW's US business
- URW is the **clear European leader**: larger than the next two listed European players combined

Source: Company data, Unibail-Rodamco acquisition of Westfield presentation

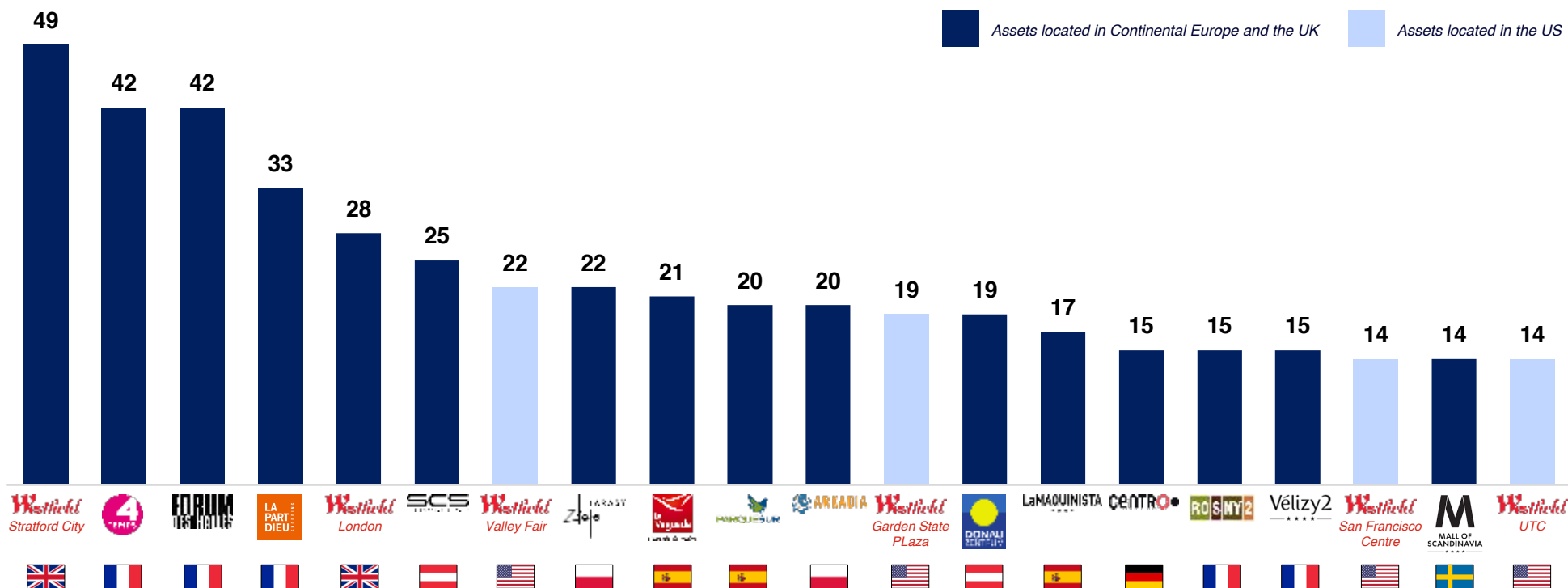
- Note:
- 'URW Europe' includes Continental Europe as well as the UK
 - 'Hammerson': £361m Gross Rental Income converted at £1 = €1.17051
 - 'URW US': €958m Gross Rental Income converted at €1 = \$1.12024

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URW's GLOBAL LEADERSHIP POSITION COMES FROM ITS EUROPEAN DOMINANCE, NOT ITS LIMITED US FOOTPRINT

URW – Top 20 Assets by Footfall (m)



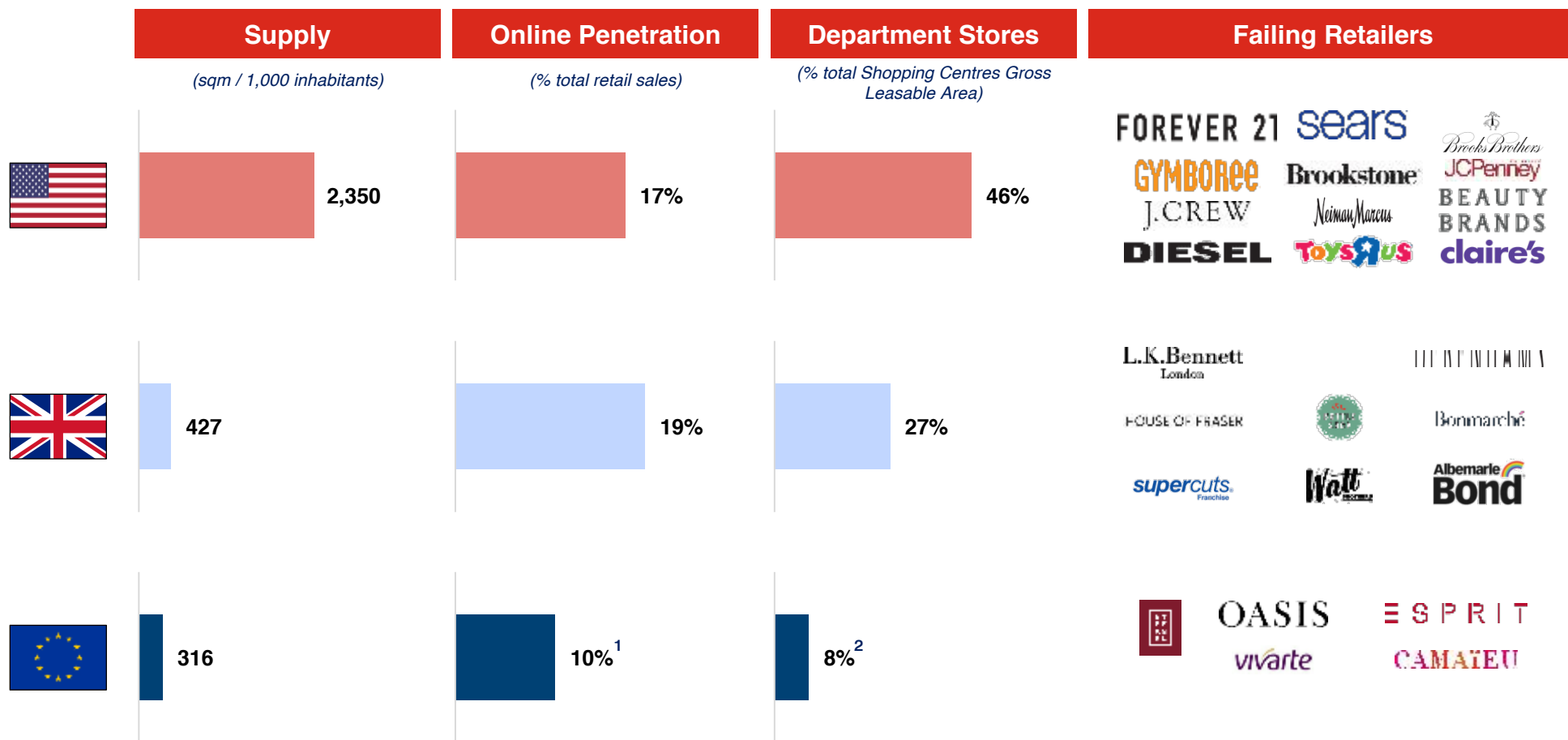
- 16 of the top 20 assets of URW are located in Europe
- The European refocus makes URW stronger, not weaker

Source: Company data, Unibail-Rodamco acquisition of Westfield presentation

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RETAIL CHALLENGES: DIFFERENT STORIES FOR DIFFERENT MARKETS



- The United States is **oversupplied in physical retail capacity**, a situation exacerbated by the **strong market share of eCommerce**
- **Continental Europe fares much better**, with different fundamentals (although eCommerce was significantly, and likely durably, strengthened during COVID-induced lockdowns)

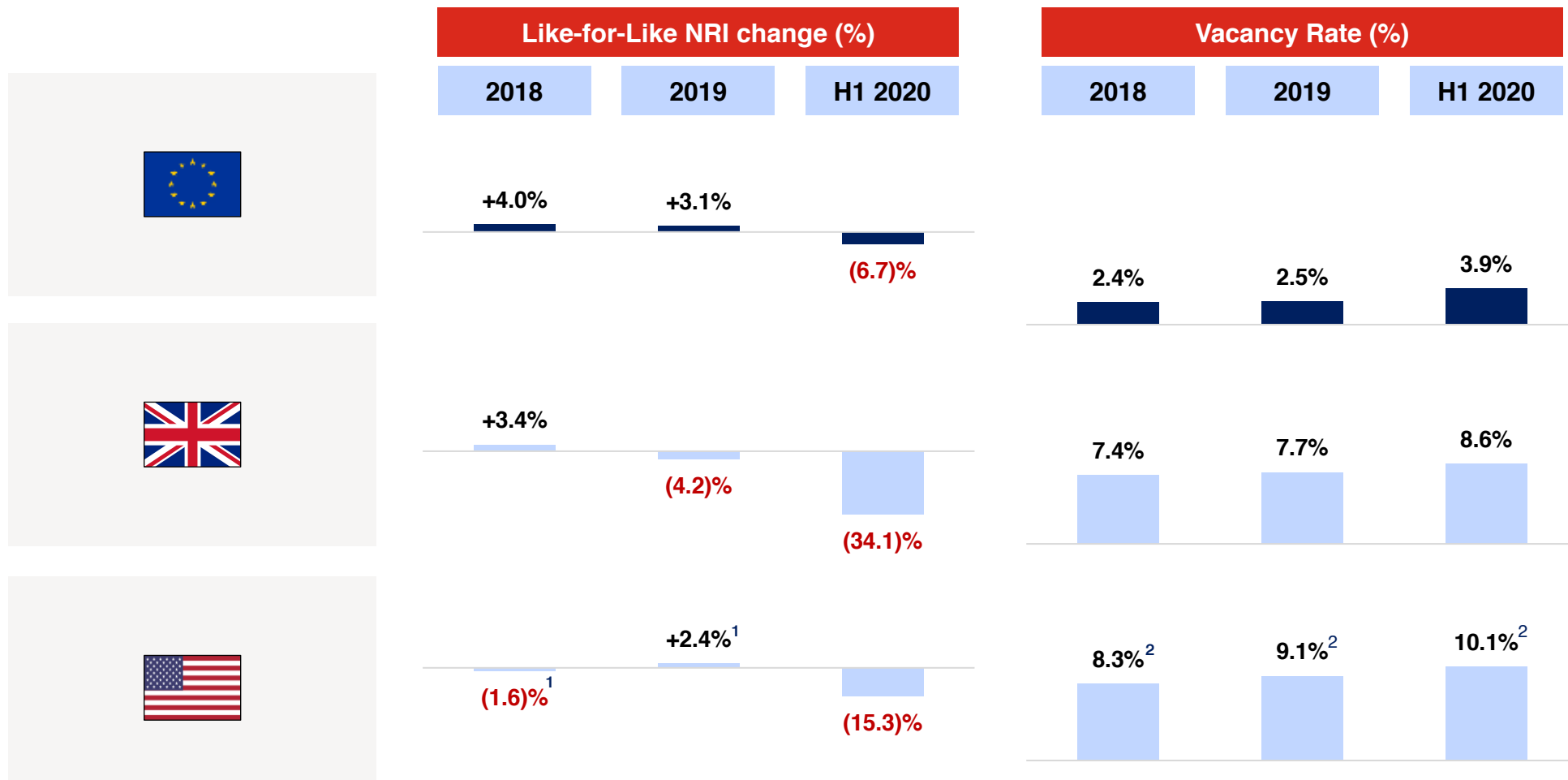
Source: Company data, Euromonitor, ICSC, JLL

Note: 1. Western Europe
2. URW used as reference for Continental Europe

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URW's EUROPEAN OPERATING OUTPERFORMANCE vs THE UNITED STATES



- Continental Europe's recent operational trends have been much more favourable than either the UK's or US's
- URW should REFOCUS on its uncontested European leadership

Source: Company data

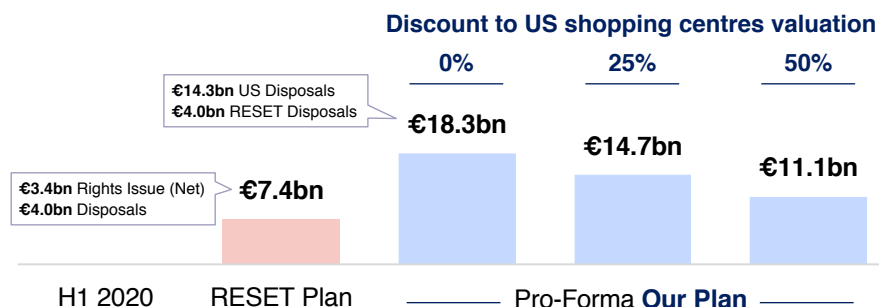
Note: 1. Comparable Net Operating Income
2. Financial vacancy

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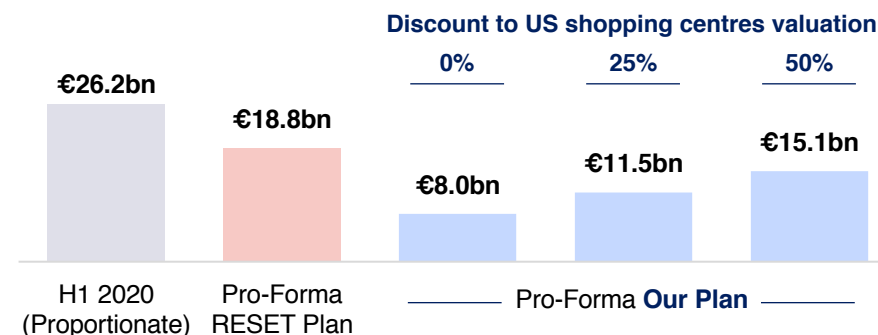
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REFOCUS – IN KEY FIGURES

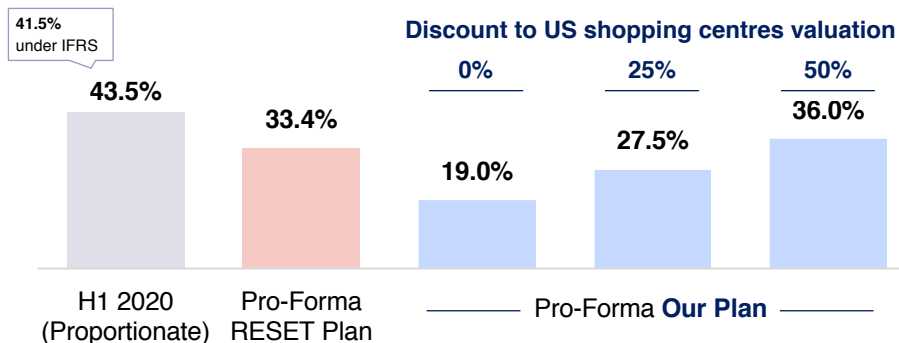
Cash Proceeds (€bn)



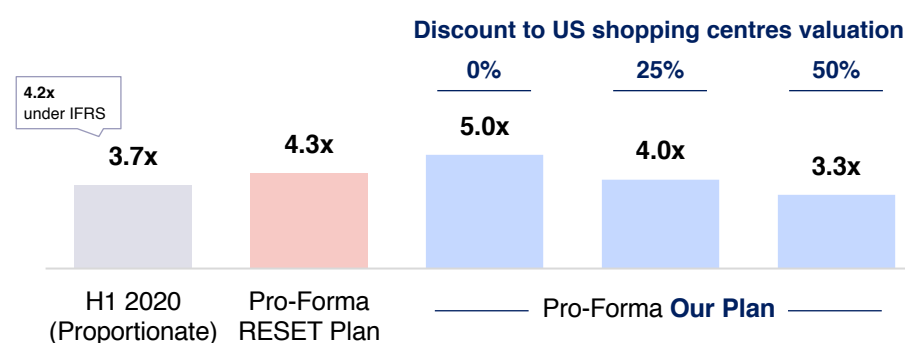
Net Financial Debt | Pro Forma H1 2020



Loan-To-Value (LTV) | Pro Forma H1 2020



Interest Coverage Ratio (ICR) | Pro Forma H1 2020



With REFOCUS, URW would be able to **de-leverage more than under the RESET Plan, significantly improving key credit metrics without destroying shareholder value** – even assuming US assets sold at a significant discount to reported valuation

Source: Company data (Proportionate reporting)

Note: Key assumptions: illustrative rights issuance cost of 3.0%; H1 2020 Recurring EBITDA implied from reported H1 2020 ICR and reported H1 2020 Recurring Net Financial Expenses; RESET disposals' Proportionate valuation and EBITDA assumed to be equal to IFRS valuation and EBITDA (assuming 6% net initial yield); US shopping centres valuation of €14.3bn (as of H1 2020 results, excluding transfer tax) and LTM NRI (assumed equal to EBITDA) of €0.6bn (as of H1 2020 results); cost of debt of 1.7% (as of H1 2020 results)

1. Figures shown in this slide represent Proportionate (rather than IFRS) credit ratios and are therefore not directly comparable to the credit ratios shown in the previous sections

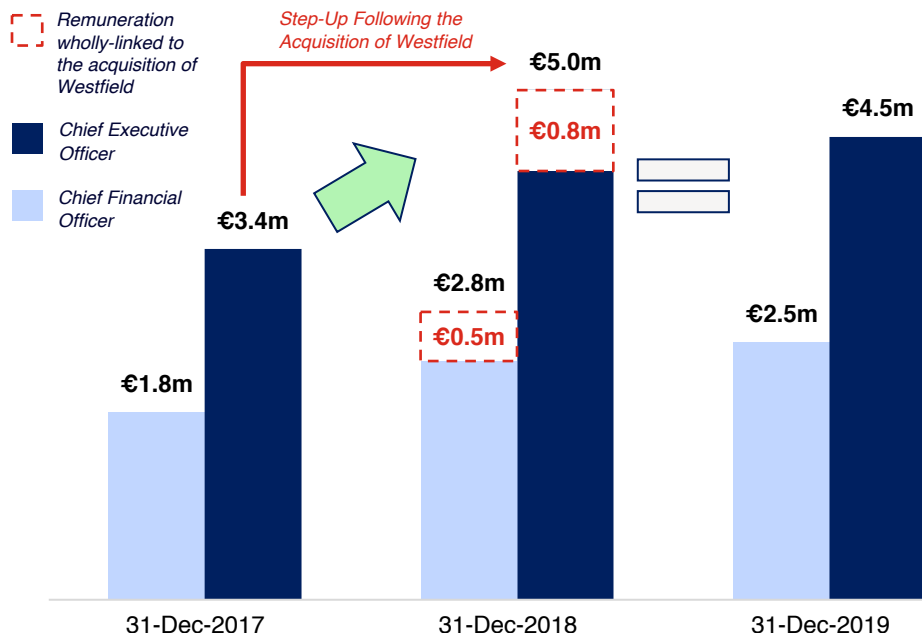
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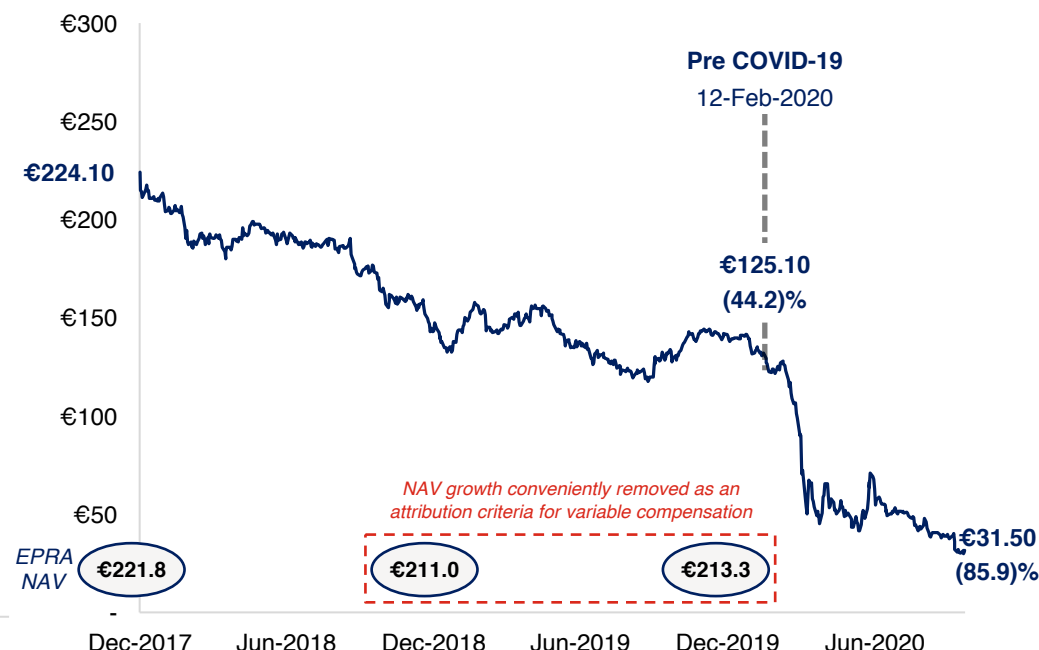
WEAK GOVERNANCE → WRONG INCENTIVES → DISASTROUS MOVE

Evolution of Management Board Members' Remuneration¹ vs URW's Share Price

CEO and CFO Remuneration 2017-2019¹



URW's Share Price Since Westfield Acquisition: Down 85.9%



- The acquisition of Westfield had two effects:

- Massive shareholder value destruction: wiped €24.7bn off URW's market cap since announcement of the Westfield transaction
- Substantial increase in management board compensation: the CEO's remuneration increased by 45% following the acquisition. The CFO's remuneration increased by 54%
 - The CEO and CFO participate to most Remuneration Committee meetings, **impacting its independence**
 - The **Supervisory Board's significant disregard to shareholder dilution** is also evidenced by the 2020 equity grants to management²

Source: Company data, Bloomberg, S&P Capital IQ, market data as of market close on 30 September 2020

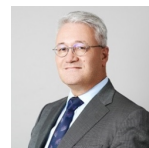
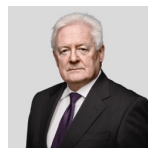
Note: 1. Management board members' total remuneration submitted to shareholders at the respective year's General Meeting (as disclosed in URW's registration documents) consists of: Annual Fixed Income ('FI'), Short-Term incentive ('STI'), Regular Annual LTI Grant, Additional LTI Grant (applicable with respect to FY 2018 only), Supplementary Contribution Scheme ('SCS'), and Benefits in Kind

2. "As a result of these considerations, the Company has increased the number of shares granted to its CEO and its CFO by 239%, leading to an increase of the grant date value of the awards for both men of 39.3%. With regard to the stock options, both executives were granted 41% more stock options in 2020 than in 2019." (Glass Lewis report)

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URW's SUPERVISORY BOARD MEMBERS DO NOT FEEL THE FINANCIAL PAIN WHICH THEY HAVE UNANIMOUSLY RECOMMENDED TO SHAREHOLDERS



Supervisory Board Member	Jacqueline Tammenoms Bakker	Philippe Collombel	Colin Dyer	Jill Granoff	Dagmar Kollmann	John McFarlane	Roderick Munsters	Sophie Stabile	Jacques Stern
Role			Supervisory Board Chairman				Remuneration Committee Chairman		Audit Committee Chairman
#URW shares held (last reported)	551	700	650	343	725	922	1,000	286	2,600
2019 remuneration	€ 103,500	€ 99,500	€ 298,500	€ 116,000	€ 108,500	€ 113,500	€ 103,500	€ 97,000	€ 120,000
Stake in URW as a % of 2019 remuneration ¹	17%	22%	7%	9%	21%	26%	30%	9%	68%
Cash outflow to subscribe to pro-rata stake of R.I.	€ 13,927	€ 17,693	€ 16,429	€ 8,670	€ 18,325	€ 23,304	€ 25,276	€ 7,229	€ 65,717
Cash outflow as a % of 2019 remuneration	13%	18%	6%	7%	17%	21%	24%	7%	55%

"The SB unanimously supports the RESET plan and the proposed capital increase" (5-Oct-2020, URW roadshow presentation)

"The SB Members have unanimously committed to subscribe to the issue" (5-Oct-2020, URW roadshow presentation)

As per the above table, Supervisory Board members have "negative skin in the game" and therefore, their financial interest is not aligned to URW's shareholders

Source: Company data, market data as of market close on 30 September 2020

Note: 1. Using reference URW share price of €31.50 on 30 September 2020 market close

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URW's SUPERVISORY BOARD REQUIRES FRESH PERSPECTIVES

Director	Role	Committee Memberships			Appointed	Involved in the Westfield Acquisition?
		Audit	Remuneration	Governance & Nomination		
Colin Dyer	Chair	-	Member	Chair	April 2017	✓
Jacques Stern	Member	Chair	-	-	April 2016	✓
Philippe Collombel	Member	Member	-	-	April 2017	✓
Jill Granoff	Member	-	Member	Member	May 2018	✗
Dagmar Kollmann ¹	Member	-	Member	Member	April 2014	✓
John McFarlane ²	Member	Member	-	-	June 2018	✗
Roderick Munsters	Member	-	Chair	Member	April 2017	✓
Sophie Stabile ¹	Member	Member	-	-	April 2015	✓
Jacqueline Tammenoms Bakker ³	Member	-	Member	Member	April 2015	✓

- The Management Board members (CEO and CFO) are part of the nomination process impacting the independent nomination process
- Only two new Supervisory Board member (i.e. Ms Jill Granoff and Mr John McFarlane²) have been appointed since the announcement of Westfield's acquisition in December 2017. At the time of joining, Ms Granoff did not possess any real estate/asset management experience
- URW's own board performance evaluation results suggests that the Supervisory Board would benefit from "adding SB Members with active leadership or operational experience in real estate or retail"⁴

Source: Company data, 2020 ISS Report

- Note:
1. Serves on 4 public board seats, including URW
 2. John McFarlane joined URW as an independent Supervisory Board member upon closing of the Westfield transaction. Was previously a member of Westfield's board of directors
 3. Serves on 5 public board seats, including URW
 4. 2019 URW Registration Document, p.162

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WE PROPOSE TO ADD 3 QUALIFIED NOMINEES TO STRENGTHEN URW'S SUPERVISORY BOARD AND DELIVER MEANINGFUL SHAREHOLDER VALUE



Mr Léon Bressler
Representative of Aermont Capital

- Mr **Léon Bressler**, a French citizen, is a **proven investor**, currently **Managing Partner of Aermont Capital**, one of Europe's leading **real estate investment businesses**
- Prior to Aermont's inception in 2007, Léon served as **Chairman / CEO of Unibail**, predecessor to what is now URW, **for 14 years**
- Léon began his career at Chase Manhattan Bank, working in Paris, New York, Stuttgart, Frankfurt, and London
 - In 1978, he joined the Midland Bank Group to participate in the establishment of Midland Bank in France
 - He was Chairman of the Executive Board of Midland Bank SA from 1984 to 1989
 - In 1989, Léon joined the Lanvin Group where he was Chairman and Chief Executive of Jeanne Lanvin and Lanvin Parfums
 - In 1991, Léon joined Worms & Cie where he remained a Managing Partner until 1996
- **Advisor emeritus** to **GIC**, Singapore's sovereign wealth fund



Mrs Susana Gallardo
Independent Candidate

- Mrs **Susana Gallardo**, a Spanish citizen, is a member of the third generation of the **Gallardo Family**, majority owners of **pharmaceutical company Almirall**, founded in 1943 (€2bn market cap)
- The **Gallardo family office (Landon Corporative Group)** invests funds over the long term in the areas of real estate, public and private equity
- The Gallardo family take great pride in their **philanthropic activities**, primarily carried out through the **Áurea Foundation**
 - Involved in projects in the areas of: Family, Healthcare, Elderly People, Childhood, as well as Humanitarian Emergency Response
- **Susana's board experiences:**
 - Precedent directorships in listed European companies: Abertis, CaixaBank, Criteria Caixa
 - From November 2020, Mrs Gallardo will chair the board of the Gallardo family office



Mr Xavier Niel
Representative of NJJ Holding

- Mr **Xavier Niel**, a French citizen, is a recognised **entrepreneur**, founder, and 71% shareholder in telecommunication services provider **iliad** (€10bn market cap)
 - Through iliad, Xavier has a **proven track record** in **executing strategy** focused on **growth, cash generation** and **realisation of shareholder value**
 - Xavier is **focused on shareholder value creation** through delivering **high return on equity** and **avoiding dilution**
 - Since its 2004 IPO, iliad has delivered **TSR¹ > 900%**, outperforming all relevant benchmarks
- Xavier is a proven **venture capital investor** through **Kima Ventures**, which invests in 100 start-ups p.a. across the world
 - Xavier co-founded **42**, a non-profit organisation which delivers free coding training across the world
 - Xavier founded **Station F**, the world's largest start-up campus, which hosts a thousand start-ups in a former railway station in Paris
- **Selected current board positions:** Chairman of iliad and independent director of **KKR & Co.**

The consortium proposes to add 3 new board nominees to strengthen URW's Supervisory Board and help deliver shareholder value

Source: Company data, Bloomberg, market data as of market close on 30 September 2020

Note: 1. Total shareholder return ("TSR"): taking into account stock splits, cash dividends, spin-offs, and rights offerings. Assuming no withholding tax on reinvested cash dividends

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VOTE AGAINST AN UNNECESSARY & VALUE DESTRUCTIVE €3.5bn RIGHTS ISSUE, AND ASK FOR 'REFOCUS' OVER 'RESET' TO CREATE SHAREHOLDER VALUE

- **URW does not need a €3.5bn rights issue** to weather the COVID-19 pandemic
 - URW's bonds show no signs of stress
 - URW currently enjoys a record €12.7bn of available liquidity
 - Debt capital markets remain freely accessible to URW (URW in June last raised 12-year financing at 2.000%)
- **Going ahead with an unnecessary, highly dilutive, €3.5bn rights issue would be disastrous for shareholders**
- **Accelerating the delivery of €4bn of disposals, saving €1bn through a scrip dividend, and €0.8bn through a further reduction in capex are all positive initiatives**
- **Beyond those cash management measures, URW needs to act strategically by REFOCUSING on its core European market**
 - URW will be the leading pan-European 'pure player' by selling its US portfolio (GMV €14.3bn) in a timely manner
 - URW will trade again at a premium to NAV as the leading pure European player
- **Corporate governance fell short. URW requires stronger management oversight**
 - We propose to add 3 qualified, experienced, board nominees to strengthen URW's Supervisory Board

The consortium will vote **AGAINST** the €3.5bn rights issue at the 10 November 2020 shareholders' meeting

The consortium proposes a compelling alternative strategy, which will deliver long-term shareholder value

The consortium proposes to add 3 new board nominees to strengthen URW's Supervisory Board