



UNIBAIL-RODAMCO-WESTFIELD

Paris, June 20, 2023

**Press release**

## **URW announces an Exchange Offer on its Perp-NC 2023 hybrid**

- Comprehensive solution for fixed income investors as an alternative to remaining invested in the Perp-NC 2023 hybrid notes
- Coupon of 7.25% and a Cash Amount
- Preserves equity content with rating agencies and supports URW's ratings

UNIBAIL-RODAMCO-WESTFIELD SE ("URW" or "the Group") announces an any-and-all par-for-par Exchange Offer on the €1,250,000,000 Hybrid Perp-NC 2023 notes with a First Reset Date on 25 October 2023 (ISIN: FR0013330529) (the "Existing Notes") into a new Euro denominated Deeply Subordinated Perpetual Fixed Rate Resettable Perp-NC 5.25 hybrid notes with a coupon of 7.25% (the "New Notes") and a Cash Amount.

### **The Group's strategy**

A key pillar of URW's strategy is its deleveraging plan, to be achieved through the radical reduction of the Group's financial exposure to the US and the execution of its European disposal plan. In this regard, the Group has made significant progress to date with €4.7 Bn of disposals completed since December 2020, including €3.3 Bn in Europe and \$1.6 Bn in the US.

This progress has been recognized by rating agencies, which have kept the Group's ratings (BBB+/Baa2) and stable outlook unchanged in their FY2022 reviews.

Maintaining a solid capital structure, including the hybrid, is key to achieving URW's strategic objectives in the best conditions within today's challenging financing environment.

The Group's strong operating performance and ample liquidity<sup>1</sup> enables it to continue to act on its deleveraging plan in a timely and orderly manner. The strength of URW's portfolio is demonstrated by the post-Covid recovery in both sales and footfall, and sustained demand from retailers for highly-productive

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<sup>1</sup> As per the Q1-2023 results announcement, €13.7 Bn of liquidity on a proportionate basis including €4.2 Bn of cash and €9.4 Bn of undrawn credit lines.

space as part of their omnichannel strategy. The assets also offer a hedge against inflation through indexation and variable rents.

On completion of the deleveraging plan, URW will have a Europe-focused portfolio of high-quality, sustainable, and high-performing assets located in the continent's wealthiest cities and most dynamic catchment areas.

### **The Existing Bonds and Exchange Offer**

Hybrid instruments are an important component of URW's capital structure. The instruments support the Group's ratings and the delivery of its stated strategy and deleveraging plan.

After careful evaluation of the current restrictive hybrid primary market conditions, the Group has decided not to exercise its option to call the Existing Notes.

Understanding the impact of this decision on fixed income investors and considering the interest of all its stakeholders, the Group has decided to offer an alternative to remaining invested in the Existing Notes. Accordingly, the Group is today announcing an any-and-all par-for-par Exchange Offer in respect of the Existing Notes into a combination of (i) new hybrid notes with a coupon of 7.25%, and (ii) a Cash Amount (where applicable). The Cash Amount will result in a reduction of the Group's overall hybrid portfolio, and will not exceed €200 Mn i.e. 10% of the outstanding aggregate hybrid portfolio.

The Exchange Offer is subject to achieving a minimum new issue size of €500 Mn to ensure the liquidity of the New Notes for investors.

In accordance with the terms and conditions, the coupon of the Existing Notes not exchanged will reset on 25 October 2023 to the aggregate of the then prevailing 5-year Mid-Swap Rate and the Relevant Margin, which is 1.675% per annum.

The Group expects its rating to be unchanged as a result of the completion of this transaction and the New Notes to be rated BBB- by S&P and Ba1 by Moody's, two notches below URW's issuer and senior unsecured ratings of BBB+/Baa2, in line with the existing hybrid instruments. Any portion of the Existing Notes that are not exchanged are expected to continue to benefit from Moody's 50% equity credit whilst receiving a qualitative benefit from S&P.

All other hybrid instruments (including the Perp-NC 2026 and the New Notes) are expected to continue to benefit from a 50% equity credit treatment with both rating agencies. Any decision regarding the call of these bonds will be taken closer to their respective first call dates.

The Group intends to maintain its hybrid coupon payment policy.

All the Group's hybrid notes will continue to achieve 100% equity accounting under IFRS.

The Exchange Offer will not be open to U.S. persons or to any person in the United States or any other jurisdiction where it is unlawful to make such an offer or distribute any documentation related to such an offer.

### **Exchange Offer Details**

The details of the Exchange Offer, including the New Notes and Cash Amount are further described in the Exchange Offer Memorandum, which is available on request from BNP Paribas as Exchange and Information Agent (contact details below).

### **BNP Paribas**

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This announcement has been authorised by the Chief Executive Officer.

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### **About Unibail-Rodamco-Westfield**

Unibail-Rodamco-Westfield is an owner, developer and operator of sustainable, high-quality real estate assets in the most dynamic cities in Europe and the United States.

The Group operates 78 shopping centres in 12 countries, including 45 which carry the iconic Westfield brand. These centres attract over 900 million visits annually and provide a unique platform for retailers and brands to connect with consumers. URW also has a portfolio of high-quality offices, 10 convention and exhibition venues in Paris, and a €3 Bn development pipeline of mainly mixed-use assets. Currently, its €52 Bn portfolio is 87% in retail, 6% in offices, 5% in convention and exhibition venues, and 2% in services (as at December 31, 2022).

URW is a committed partner to major cities on urban regeneration projects, through both mixed-use development and the retrofitting of buildings to industry-leading sustainability standards. These commitments are enhanced by the Group's Better Places 2030 agenda, which strives to make a positive environmental, social and economic impact on the cities and communities where URW operates.

URW's stapled shares are listed on Euronext Paris (Ticker: URW), with a secondary listing in Australia through Chess Depository Interests. The Group benefits from a BBB+ rating from Standard & Poor's and from a Baa2 rating from Moody's.

For more information, please visit [www.urw.com](http://www.urw.com)