

UNIBAIL-RODAMCO SE

A European Company with Management Board and Supervisory Board

Share capital: €691,443,005

Registered office: 7, place du Chancelier Adenauer, 75016 Paris

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ADDITIONAL REPORT OF THE MANAGEMENT BOARD ON THE USE OF THE AUTHORITY DELEGATED BY THE TWENTIETH RESOLUTION OF THE COMBINED GENERAL MEETING OF SHAREHOLDERS ON MAY 17, 2018

(Article R. 225-116 of the French Commercial Code)

To the shareholders,

On February 13, 2019, upon the Remuneration Committee recommendation, the Supervisory Board authorized the Management Board to use the delegation granted by the twentieth resolution of the Combined General Meeting held on May 17, 2018.

Under this resolution, the shareholders authorized the Management Board to increase the share capital, on one or more occasions, in a maximum nominal amount not exceeding €2 million, by the issue of ordinary shares and/or securities giving access to the share capital of the Company, and reserved for participants of the Company savings plan, while cancelling preferential subscription rights.

At its meeting on March 27, 2019, the Management Board decided to use this delegation and open a first tranche of capital increase reserved for the participants in URW's Company savings plan, namely Unibail-Rodamco SE, UES Unibail and UES Viparis (hereinafter, the "Management Board Decision"). The Management Board set the overall maximum nominal amount of the capital increase capable of being completed at about 0.07% of the fully diluted capital, namely a maximum of 100,000 shares. It is specified that the maximum nominal amount of this capital increase will be charged to the overall upper limit set by the sixteenth resolution of the Combined General Meeting of May 17, 2018 (delegation of authority to increase the share capital by the issuance of ordinary shares and/or securities maintaining pre-emptive subscription rights).

The capital increase completed by the issue of new shares will be subscribed for the benefit of all the participants of URW's Company savings plan in France through the intermediate mutual fund URW Relais 2019, which is to be merged into the "Fonds URW" Unibail-Rodamco-Westfield mutual fund approved by the French Financial Markets Authority.

The subscription period was set from April 3, 2019 to April 17, 2019 inclusive.

The subscription price of one Stapled Shares was fixed at €117.49 (comprising €110.39 for Unibail-Rodamco SE part and €7.10 for WFD Unibail-Rodamco N.V. part), corresponding to the average opening price of Stapled Shares over the 20 trading days preceding the Management Board Decision, at March 27, 2019 including a 20% discount (or €146.86 before 20% discount).

This subscription price allocation between Unibail-Rodamco SE part and WFD Unibail-Rodamco N.V. part was determined by applying the apportionment ratio published by the Group. For Unibail-Rodamco SE share portion in the Stapled Share, the most recent apportionment ratio published is: 93.959 %.

The new Stapled Shares issued will be entitled to dividends distributed in connection as of the 2019 financial year. As a consequence, they will not be entitled to the payment of the final dividend due to

2018 financial year to occur on July 5, 2019. They will be listed and admitted to trading on Euronext Paris and Amsterdam at issuance and will be subject to all applicable bylaw provisions.

The dilution calculations, set out below, have been carried out on the basis of the statutory financial statements as at December 31, 2018. The amount of the Company's equity capital on December 31, 2018 was €16,722,236,298.

For your information, an additional report of the statutory auditors will also be submitted to you, which provide that the statutory auditors have verified the compliance of the decision taken by the Management Board with the delegation of authority that was granted to the Management Board at the last Combined General Meeting.

I The impact of the capital increase on the situation of a shareholder owning 1% of the capital

<u>The impact of the capital increase on the situation of a shareholder owning 1% of the capital</u>				
	The shareholder's stake (non-diluted basis)	The shareholder's stake (diluted basis)	Total no. of shares (non-diluted basis)*	Total no. of shares (diluted basis)**
Before the issue of the new shares derived from the capital increase reserved for employees	1.00%	1.00%	138,288,601	138,445,448
After the issue of the new shares derived from the capital increase reserved for employees (i.e. a maximum of 100 000 shares)	0.999%	0.998%	138,388,601	138,545,448

*Number of shares on December 31, 2018

** Number of shares on December 31, 2018 based on the Net Asset Valuation calculation

II Impact of the capital increase on the situation of shareholders and owners of securities giving access to the share capital (Equity capital per share)

As of December 31, 2018	Net equity	Number of shares	Net equity per share (€)
Before the issue of the new shares resulting from the capital increase reserved for employees	16,722,236,298	138,288,601	120.92
Capital increased reserved for employees	11,039,243	100,000	110.39
After the issue of the new shares resulting from the capital increase reserved for employees	16,733,275,541	138,388,601	120.92
Capital increased related to securities giving access to the share capital (Stock-Options, Performance Shares, ORA)*	5,057,935	110,491	45.78
After dilution effects	16,738,333,476	138,499,092	122.86

* These calculations do not include the net share-settled bonds convertible into new and/or exchangeable for existing shares issued in September 2014 and April 2015 that are not in the money nor exercisable as at December 31, 2018, and the stock-options that are not in the money nor exercisable as at March 27, 2019.

III The theoretical impact of the capital increase on the stock market value of the shares

A. <u>The theoretical impact of the total share capital increase on the stock market value of Stapled Shares based on their value on the preceding twenty trading days</u>		
	Non-diluted basis	Diluted basis*
Theoretical price before the issue of the shares resulting from the capital increase reserved for employees	€146.86	€146.73
Theoretical price after the issue of the shares resulting from the capital increase reserved for employees	€146.84	€146.71

* These calculations do not include the net share-settled bonds convertible into new and/or exchangeable for existing shares issued in September 2014 and April 2015 that are not in the money nor exercisable as at December 31, 2018, and the stock-options that are not in the money nor exercisable as at March 27, 2019.

B. <u>The theoretical impact of the share capital increase of Unibail-Rodamco SE on the stock market value of Unibail-Rodamco SE shares based on their value on the preceding twenty trading days pursuant to the apportionment ratio</u>		
	Non-diluted basis	Diluted basis*
Theoretical price before the issue of the shares resulting from the capital increase reserved for employees	€137.99	€137.87
Theoretical price after the issue of the shares resulting from the capital increase reserved for employees	€137.97	€137.85

* These calculations do not include the net share-settled bonds convertible into new and/or exchangeable for existing shares issued in September 2014 and April 2015 that are not in the money nor exercisable as at December 31, 2018, and the stock-options that are not in the money nor exercisable as at March 27, 2019.

The Management Board