CITYCON

Q1–Q4 | 2020

FINANCIAL STATEMENTS RELEASE

JANUARY–DECEMBER

CITYCON 2020: STRONG PERFORMANCE IN COVID-19 ENVIRONMENT

– Rent collection was 96% for the full year
– Total tenant sales were 2.5% above 2019 level and LFL sales remained close to previous year's level
– Leasing activity increased by 12% from 2019 with 199,000 sqm of leases signed in 2020
– Financial performance remained solid in COVID-19 environment; NRI declined by –3.0% when adjusted for exchange rates and -5.5% at historical exchange rates
– Administrative expense declined by -3.2% compared to 2019
– Valuation decline was –3.5% in 2020
– Citycon successfully issued 200 MEUR tap bond and 800 MOK bond and renewed and extended its current 500 MEUR revolving credit facilities

OCTOBER—DECEMBER 2020

– Net rental income was EUR 49.9 million (Q4/2019: 53.5). Net rental income was affected by COVID-19 pandemic and it's impact on credit losses and one-time discounts granted to tenants, as well as lower specialty leasing and parking income. Discounts are accrued over the remaining rental period, no new discounts were granted during last quarter. The acquisition of SPII in Norway, closed in the beginning of 2020, increased net rental income by EUR 2.0 million. This was partly offset by impact of weaker currencies that reduced net rental income by EUR 0.7 million.
– EPRA Earnings decreased to EUR 32.0 million (35.6) as result of a reduction in net rental income, currency changes and lower share of profit of joint ventures and associated companies. EPRA Earnings per share (basic) was EUR 0.180 (0.200), impact from weaker currencies being EUR 0.0022 per share.
– Adjusted EPRA earnings decreased to EUR 28.0 million (33.9) due to lower net rental income and hybrid bond coupons for the bond issued in late 2019.
– IFRS-based earnings per share was EUR -0.07 (-0.15) mainly as a result of lower fair value losses than in comparison period.

JANUARY—DECEMBER 2020

– Net rental income was EUR 205.4 million (Q1-Q4/2019: 217.4). Acquisitions increased net rental income by EUR 8.7 million, while previous year's divestments and weaker currencies decreased it by EUR 2.4 million and by EUR 5.7 million respectively. Like-for-like net rental income decreased by EUR 10.0 million mainly due to discounts granted to tenants, increased credit losses and volume driven income items, such as parking fees and specialty leasing, that were affected by Covid-19 pandemic. The estimated total impact of COVID-19 was 13.5 million euros.
– EPRA Earnings decreased to EUR 136.6 million (145.6) as result of lower net rental income, currency changes and lower share of profit of joint ventures and associated companies. EPRA Earnings per share (basic) was EUR 0.767 (0.818), impact from weaker currencies being EUR 0.026 per share.
– Adjusted EPRA earnings decreased to EUR 120.3 million (143.9) due to lower net rental income and hybrid bond coupons for the bond issued in late 2019.
– IFRS earnings per share was EUR -0.25 (0.04) as a result of higher fair value losses, lower net rental income and hybrid bond coupons.
– Net cash from operations per share decreased to EUR 0.71 (0.76) resulting from lower earnings.
– The Board of Directors proposes to the Annual General Meeting that the Board be authorised to decide on the profit sharing for the financial year 2020. Based on the proposed authorization the maximum amount of profit sharing, to be paid as dividends and/or equity repayment, would be EUR 0.50 per share.

OUTLOOK

Citycon forecasts the 2021 direct operating profit to be in range EUR 170–188 million, EPRA EPS EUR 0.651–0.751 and adjusted EPRA EPS EUR 0.558–0.658.

Direct operating profit	MEUR	170–188
EPRA Earnings per share (basic)	EUR	0.651–0.751
Adjusted EPRA Earnings per share (basic)	EUR	0.558–0.658

The outlook assumes that there are no major changes in macroeconomic factors and that there will not be a second wave of COVID-19 with restrictions resulting in significant store closures. These estimates are based on the existing property portfolio and announced disposals as well as on the prevailing level of inflation, the EUR–SEK and EUR–NOK exchange rates, and current interest rates.

KEY FIGURES

		Q4/2020	Q4/2019	%	Comparable change % [1]	2020	2019	%	Comparable change % [1]
Net rental income	MEUR	49.9	53.5	-6.7%	-5.3%	205.4	217.4	-5.5%	-3.0%
Direct Operating profit [2]	MEUR	43.1	47.1	-8.5%	-7.0%	180.4	193.5	-6.8%	-4.0%
IFRS Earnings per share (basic) [3]	EUR	-0.07	-0.15	45.5%	47.9%	-0.25	0.04	-	-
Fair value of investment properties	MEUR	4,152.2	4,160.2	-0.2%	-	4,152.2	4,160.2	-0.2%	-
Loan to Value (LTV) [2]	%	46.9	42.4	10.6%	-	46.9	42.4	10.6%	-
EPRA based key figures [2]									
EPRA Earnings	MEUR	32.0	35.6	-10.1%	-9.2%	136.6	145.6	-6.2%	-3.1%
Adjusted EPRA Earnings [3]	MEUR	28.0	33.9	-17.6%	-20.8%	120.3	143.9	-16.4%	-14.6%
EPRA Earnings per share (basic)	EUR	0.180	0.200	-10.1%	-9.2%	0.767	0.818	-6.2%	-3.1%
Adjusted EPRA Earnings per share (basic) [3]	EUR	0.157	0.191	-17.6%	-20.8%	0.676	0.809	-16.4%	-14.6%
EPRA NRV per share	EUR	11.48	12.45	-7.8%	-	11.48	12.45	-7.8%	-

[1] *Change from previous year (comparable exchange rates). Change-% is calculated from exact figures.*
[2] *Citycon presents alternative performance measures according to the European Securities and Markets Authority (ESMA) guidelines. More information is presented in Basis of Preparation and Accounting Policies in the notes to the accounts.*
[3] *The adjusted key figure includes hybrid bond coupons and amortized fees.*

CEO F. SCOTT BALL:

2020 will be remembered historically for the widespread challenges caused by the breakout of COVID-19, Citycon has thus far managed to navigate through this crisis and its performance was one of the best in our sector. The operational and financial results were very strong given the circumstances, and our strategy has proven successful when measured against the ultimate stress test caused by the pandemic and its consequences. The large share of necessity-based tenants as well as operating in the Nordic countries, that have outperformed in responding to the crisis, were the factors underlying our strong performance.

Our strategy was positively reflected in the key operational metrics. The rent collection rate for 2020 was 96%. Tenant sales in our centres slightly exceeded last year which is a direct result from our tenant mix and a large share of necessity categories such as groceries, pharmacies and municipal and healthcare services. We did see consumer behaviour adjust to the government recommendations with footfall declining by 12%. However, the average purchase per visit increased by 16% resulting in a slight gain in tenant sales over 2019, as people visited our centres with a clear intention to make purchases. This highlights the strength of our strategy as well as the attractiveness of our centres to our tenants as a place to run profitable businesses. The strength of our assets also resulted in high leasing activity. We signed 199,000 sq.m. of leases compared to 177,000 sq.m. in 2019. As a result of several important municipal service deals, the share of municipality leases increased to 8% in line with our strategy.

Strong operational performance of our tenants and centres translated into solid financial performance for Citycon. Our like-for-like NRI (adjusted for currencies) declined by -3% and our NRI declined from 217.4 to 205.4 as a result of weakening of NOK and impact of COVID-19. EPRA EPS was 0.77, which was in the upper half of previous guidance. COVID-19 affected our result, with an estimated total impact of 13.5 million euros, primarily through income driven revenue items, such as parking fees and specialty leasing, and minor discounts given in Q2. Retail occupancy for 2020 was 94.3% and LTV 46.9%.

During 2020 we made significant progress in improving our financing position and continued to focus on strengthening the balance sheet. In Q2 we decided to temporarily increase our liquidity due to the uncertainty in the financial market caused by COVID-19. In May 2020, we issued a tap bond of 200 MEUR with an orderbook more than threefold oversubscribed. This demonstrated Citycon's access to capital markets also in challenging financial market conditions. Furthermore, we issued an 800 MNOK bond in fall 2020 and renewed and extended our 500 MEUR RCF with two replacing facilities. Citycon's Board showed its commitment to strengthening the balance sheet by adjusting the dividend in Q2 which now stays at a very attractive 6.3% dividend yield. A strong balance sheet continues to be a top priority and Citycon therefore continues its capital recycling initiatives after a slow-down in the transaction market caused by COVID-19. Citycon recently signed a deal to sell three of our assets in Stockholm area for approximately 147 MEUR. Not only was this an important measure for improving our balance sheet but it also validates our asset values with actual market data.

During the year we continued to make progress in our strategic initiatives. We continued the construction of Lippulaiva throughout the pandemic and launched several other development initiatives such as the area development in Liljeholmen, our existing urban hub located in the heart of Stockholm. This is a comprehensive project which will include residential and office development in close co-operation with the City of Stockholm. These are both showcases of our broader densification strategy and transformation of our portfolio further towards mix-use by ultimately decreasing the share of retail from current 81% to approximately 60% while increasing the share of residential and office space. Going forward, we will continue capitalizing on the densification potential and realizing the identified building rights potential of ca. 200 MEUR. This value is embedded in our existing portfolio and will be realized through zoning processes with essentially no capital investments. We have a strong team in place to execute on this strategy.

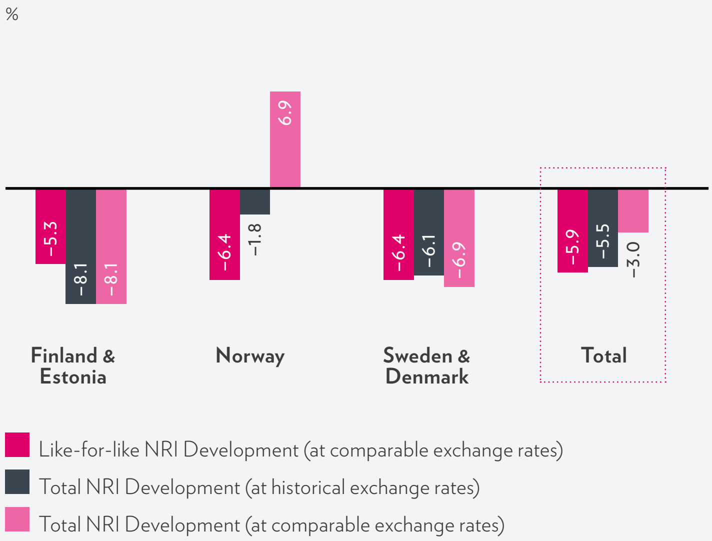
COVID-19 is by no means over and we continue our efforts to adapt and respond to the changing situation. We continue to work closely with the surrounding societies and have opened vaccination services to our centres that serve as local community hubs. The safety of our tenants, visitors and employees continues to be a priority. In 2021 we will continue to further define our operating strategy and progress new development projects from our development pipeline. We will also continue to execute our capital recycling strategy transaction market allowing. Our team has demonstrated their ability to execute under difficult circumstances and I am certain our diversification through densification strategy will pay big rewards for the company.

1. NET RENTAL INCOME

The net rental income decreased to EUR 205.4 million (217.4). The decrease was mainly due to weaker currencies, short-term discounts given to tenants during COVID-19 and higher credit loss provisions. The total amount of rental reliefs granted due to pandemic was EUR 4.4 million. All these reliefs were granted during the second quarter. Under IFRS, the total amount of rental reliefs is accrued over the remaining contract period. Also, specialty leasing and parking income declined as a result of lower footfall. Divestments conducted during 2019 decreased net rental income while acquisitions closed in the beginning of 2020 partially offset the decrease.

Total net rental income at comparable exchange rates decreased by 3.0%. Like-for-like net rental income decreased by 5.9% compared to Q1-Q4/2019.

LIKE-FOR-LIKE AND TOTAL NET RENTAL INCOME DEVELOPMENT, 2020 VS. 2019



Net rental income from the Finnish & Estonian operations decreased by 8.1% compared to Q1-Q4/2019 mainly due to rental discounts given during pandemic as well as increased credit loss provisions and divestments of non-core assets in 2019. Net rental income from the like-for-like portfolio decreased by 5.3%.

Net rental income from the Norwegian operations decreased by 1.8% compared to Q1-Q4/2019 mainly due to weakening of NOK during the reporting period, lower footfall and higher credit loss provisions. Acquisitions in Q1 positively affected net rental income and partially offset the negative effects. Like-for-like net rental income decreased by 6.4%.

Net rental income from Swedish & Danish operations decreased by 6.1% due to given discounts, lower footfall and higher credit loss provisions. Like-for-like net rental income decreased by 6.4%.

NET RENTAL INCOME AND GROSS RENTAL INCOME BREAKDOWN

	Net rental income					Gross rental income
Me	Finland & Estonia	Norway	Sweden & Denmark	Other	Total	Total
2019	**94.4**	**75.4**	**47.4**	**0.3**	**217.4**	**232.1**
Acquisitions	-	8.7	-	-	8.7	9.6
(Re)development projects	-1.2	-0.6	-0.6	-	-2.4	-1.9
Divestments	-2.4	0.0	-	-	-2.4	-2.7
Like-for-like properties [1]	-4.0	-3.3	-2.8	-	-10.0	-6.6
Other (incl. IFRS 16 and exchange rate differences)	0.0	-6.2	0.5	-0.1	-5.9	-6.1
2020	**86.8**	**74.1**	**44.5**	**0.1**	**205.4**	**224.3**

[1] *Like-for-like properties are properties held by Citycon throughout two full preceding periods. Like-for-like properties exclude properties under (re)development or extension.*

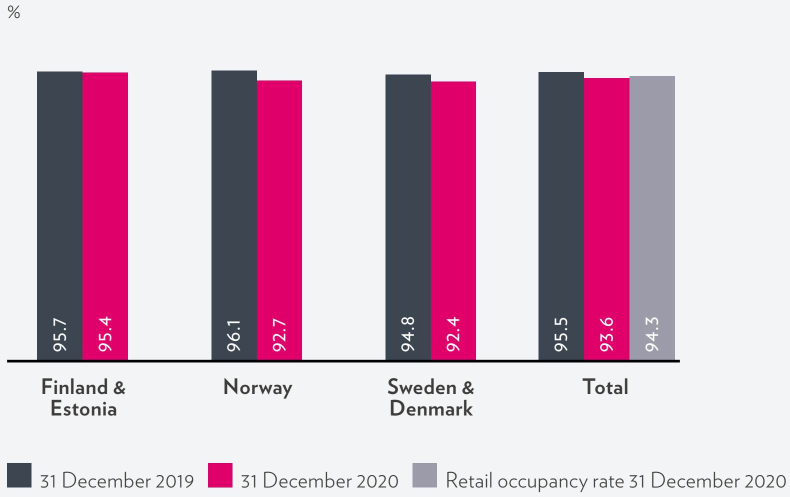
2. OCCUPANCY, SALES AND FOOTFALL

The economic occupancy was 93.6%. Economic occupancy rate slightly improved compared to the previous quarter (Q3/2020: 93.5%). Furthermore, the retail occupancy rate improved to 94.3% from 94.1% in Q3/ 2020. The average rent per sq.m. decreased to 22.1 EUR (23.3) mainly due to weaker currencies. With comparable rates, the average rent per sq.m. was 22.7 EUR. The year-to-date leasing spread of renewals and re-lettings was -3.1%.

During the period, total sales in Citycon's shopping centres increased by 2.5% mainly due to acquisitions and positive development in Norway. Like-for like sales remained close to previous year's level and like-for-like grocery sales increased in all countries compared to previous year.

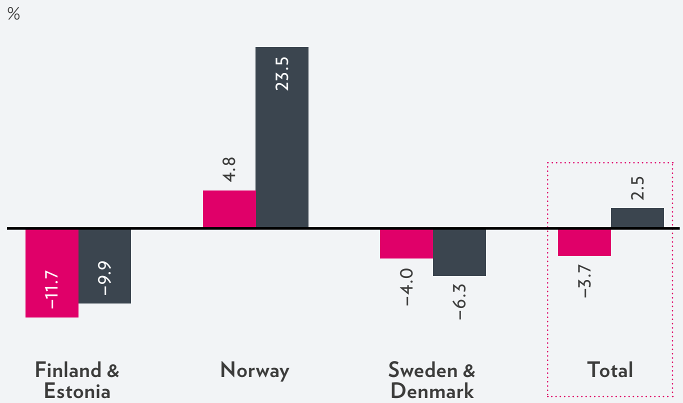
Footfall decreased by 12% compared to the previous year. Both sales and footfall developed favourably in the beginning of the year, but COVID-19 related restrictions started in March 2020 burdened the figures. However, the average consumer spending in our centres grew significantly compared to previous year offsetting the decline in footfall.

ECONOMIC OCCUPANCY RATE [1]



[1] Including Kista Galleria 50%.

TENANT SALES DEVELOPMENT, 2020 VS. 2019 [1]

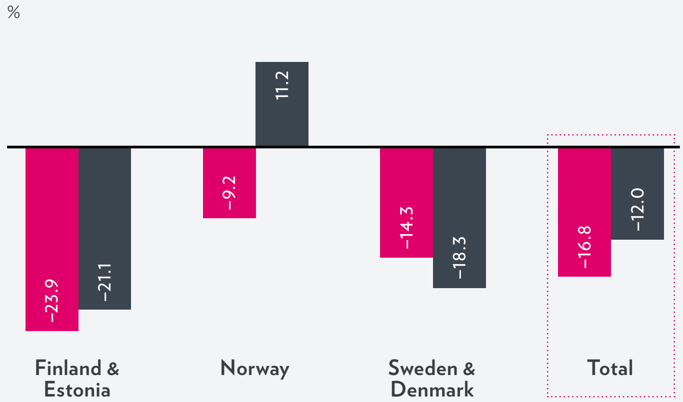


Like-for-like sales

Total sales (including Kista Galleria 50%)

[1] Sales figures include estimates. Sales figures exclude VAT and the change has been calculated using comparable exchange rates.

FOOTFALL DEVELOPMENT, 2020 VS. 2019 [1]



Like-for-like footfall

Total footfall (including Kista Galleria 50%)

[1] Footfall figures include estimates.

LEASE PORTFOLIO SUMMARY [1]

		31 December 2020	31 December 2019
Number of leases	pcs	4,564	4,404
Average rent	EUR/sq.m.	22.1	23.3
Finland & Estonia	EUR/sq.m.	25.1	25.8
Norway	EUR/sq.m.	19.8	21.7
Sweden & Denmark	EUR/sq.m.	21.6	22.1
Average remaining length of lease portfolio	years	2.9	3.2
Occupancy cost ratio [2]	%	8.9%	9.4%
Leasing spread, renewals and re-lettings [3]	%	-3.1%	1.4%

[1] *Including Kista Galleria 50%.*
[2] *The rolling twelve month occupancy cost ratio for like-for-like shopping centres.*
[3] *Figures are not fully comparable with the previous periods, since the calculation method was changed.*

LEASING ACTIVITY [1)]

		2020	2019
Total area of leases started	sq.m.	239,609	145,859
Average rent of leases started	EUR/sq.m.	19.7	26.0
Total area of leases ended	sq.m.	261,711	194,152
Average rent of leases ended	EUR/sq.m.	22.0	25.5

[1)] *Including Kista Galleria 50%. Leases started and ended do not necessarily refer to the same premises.*

3. FINANCIAL RESULT

Administrative expenses decreased 3.2% to EUR 25.9 million (26.8), which was mainly due to lower travel and other personnel related expenses. At the end of the reporting period, Citycon Group employed a total of 246 (234) full-time employees (FTEs), of whom 49 worked in Finland & Estonia, 97 in Norway, 61 in Sweden & Denmark, and 39 in Group functions.

PERSONNEL KEY FIGURES

	2020	2019	2018
Average number of personnel (FTE)	239	240	254
Wages and salaries, EUR million	18.2	17.5	19.4

Operating profit declined to EUR 34.1 million (73.1) following lower net rental income and higher fair value losses of EUR -146.9 million (-121.9).

Net financial expenses (IFRS) decreased to EUR 51.8 million (54.2) as the lower average amount of debt following the issuance of the hybrid bond, slightly lower average cost of debt and weaker average NOK currency rates had a positive impact on net financial expenses. EUR 5.8 million of indirect losses (5.3 loss) related mainly to fair value changes of cross-currency swaps not under hedge accounting and non-cash write-downs of unamortized fees on prepaid loans.

Share of loss of joint ventures and associated companies totalled EUR -28.0 million (-16.6). The decrease was mainly due to the weaker result and fair value losses in Kista Galleria.

Profit for the period decreased to EUR -27.9 million (8.9).

4. PROPERTY PORTFOLIO VALUE DEVELOPMENT

The asset value of investment properties decreased by EUR 8.0 million from year-end to EUR 4,152.2 million (31 December 2019: 4,160.2). Net investments, including both acquisitions and disposals and development projects increased the value by EUR 328.5 million and transfer between categories by EUR 3.9 million. Fair value losses decreased the assets value by EUR 146.9 million and changes in exchange rates decreased value by EUR 43.4 million. Transfer to the assets held for sale decreased the asset value of investment properties by EUR 149.7 million and changes in right-of-use –assets by EUR 0.4 million.

PROPERTY PORTFOLIO SUMMARY [1]

31 December 2020	No. of properties	Gross leasable area	Fair value, MEUR	Properties held for sale, MEUR	Portfolio, %
Shopping centres, Finland & Estonia	12	462,920	1,907.4	-	44%
Other properties, Finland & Estonia	1	2,240	3.0	-	0%
Finland & Estonia, total	**13**	**465,160**	**1,910.5**	**-**	**44%**
Shopping centres, Norway	17	444,200	1,426.8	-	33%
Rented shopping centres, Norway [2]	1	14,500	-	-	-
Norway, total	**18**	**458,700**	**1,426.8**	**-**	**33%**
Shopping centres, Sweden & Denmark	10	269,600	769.9	149.7	21%
Sweden & Denmark, total	**10**	**269,600**	**769.9**	**149.7**	**21%**
Shopping centres, total	40	1,191,220	4,104.2	149.7	99%
Other properties, total	1	2,240	3.0	-	0%
Investment properties, total	**41**	**1,193,460**	**4,107.2**	**149.7**	**99%**
Right-of-use assets classified as investment properties (IFRS 16)	-	-	45.0	-	1%
Investment properties in the statement of financial position, total	**41**	**1,193,460**	**4,152.2**	**149.7**	**100%**
Kista Galleria (50%)	1	46,050	255.6	-	-
Investment properties and Kista Galleria (50%), total	**42**	**1,239,510**	**4,407.8**	**149.7**	**-**

[1] *Includes Lippulaiva development project.*
[2] *Value of rented properties is recognised within intangible rights based on IFRS rules.*

The fair value change of investment properties amounted to EUR -146.9 million (-121.9). The company recorded a total value increase of EUR 39.8 million (2.4) and a total value decrease of EUR 181.1 million (-118.4). In addition, the application of IFRS 16 standard had an impact of EUR -5.7 million (-6.0) to the fair value change of investment properties during the January-December reporting period.

FAIR VALUE CHANGES

MEUR	Q4/2020	Q4/2019	2020	2019
Finland & Estonia	-29.3	-23.4	-86.8	-55.5
Norway	7.7	-9.9	-1.3	-29.2
Sweden & Denmark	-13.4	-22.5	-53.1	-31.4
Investment properties, total	**-35.0**	**-55.8**	**-141.2**	**-116.0**
Right-of-use assets classified as investment properties (IFRS 16)	-1.4	-1.5	-5.7	-6.0
Investment properties in the statement of financial position, total	**-36.5**	**-57.2**	**-146.9**	**-121.9**
Kista Galleria (50%)	-14.6	-8.9	-32.3	-17.7
Investment properties and Kista Galleria (50%), total	**-51.1**	**-66.2**	**-179.2**	**-139.6**

The fair value of Citycon's investment properties has been measured by CBRE (Norway, Denmark, Estonia) and JLL (Finland, Sweden) for the the Financial statement 2020. The fair value of Citycon's properties was measured by CBRE (Sweden, Norway, Denmark, Estonia) and JLL (Finland) for the financial statement for 2019.

JLL's and CBRE's Valuation statements are available on Citycon's website below Investors.

5. RECYCLING OF CAPITAL CONTINUED

In the beginning of 2020, Citycon acquired the remaining interest in Sektor Portefølje II AS, a portfolio of three shopping centres in Norway. The transaction consisted of three assets, Stovner Senter, Torvbyen and Markedet. Citycon has managed the shopping centres since 2015 and owned 20% of the portfolio prior to the transaction. The transaction cost amounted approximately to EUR 145 million and included 100% of the existing debt of Sektor Portefølje II AS (EUR 135 million) assumed in connection with the transaction.

During Q1, Citycon divested Markedet with the price of approximately EUR 12 million.

Since the strategy update in 2011, Citycon has divested 71 non-core properties and five residential portfolios for a total value of approximately EUR 877 million. Strengthening the balance sheet remains a key priority and the company will continue its capital recycling actions going forward.

ACQUISITIONS AND DIVESTMENTS 2020

		Location	Date	Gross leasable area, sq.m.	Price, MEUR [3]
Acquisitions					
Sektor Portefølje II AS (80%) [1]			5 February 2020		145.0
Stovner Senter	Shopping centre	Oslo, Norway		44,800	
Torvbyen	Shopping centre	Fredrikstad, Norway		14,100	
Markedet	Shopping centre	Haugesund, Norway		10,700	
Heikintori (24%) [2]	Shopping centre	Espoo, Finland	31 March 2020	6,200	2.6
Land plots next to Kristiine shopping centre		Tallin, Estonia	20 November 2020	-	1.6
Acquisitions, total				**75,800**	**149.2**
Divestments					
Markedet	Shopping centre	Haugesund, Norway	2 March 2020	10,700	12.0
Divestments, total				**10,700**	**12.0**

[1] *Citycon has managed the shopping centres since 2015 and also owned 20% of the portfolio. After the transaction, Citycon has 100% ownership of the portfolio.*
[2] *Citycon bought out certain minority shareholders. After the transactions Citycon owns approx. 93% of the shopping centre.*
[3] *Calculated at closing date exchange rates*

6. (RE)DEVELOPMENT PROJECTS PROGRESSED

At the end of the reporting period, Citycon had one major (re)development project underway: the Lippulaiva project in the Helsinki Metropolitan area. In addition Citycon has one smaller development project ongoing in Oasen Kjøpesenter in Norway, in which over 6,000 square meters of office space will be converted into premises for a new health center, F&B and daily shopping.

Further information on Citycon's completed, ongoing and planned (re)developments can be found in the company's Financial Review 2020.

(RE)DEVELOPMENT PROJECTS IN PROGRESS ON 31 DECEMBER 2020

	Location	Area before/after, sq.m.	Expected gross investment, MEUR	Actual gross investment by 31 December 2020, MEUR	Completion
Lippulaiva	Helsinki metropolitan area, Finland	19,200/44,300	TBC [1]	246.6	2022
Oasen Kjøpesenter (phase I)	Bergen, Norway	-	11.6	5.4	2021

[1] *Expected investment to be confirmed after execution decision of Lippulaiva´s residential buildings is done.*

7. SHAREHOLDERS' EQUITY

Equity per share was EUR 12.17 (31 December 2019: 13.06). Result for the period, dividends and equity return and translation losses decreased the equity per share.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 1,818.6 million (1,978.4).

8. FINANCING

KEY FINANCING FIGURES

		31 December 2020	31 December 2019
Fair value of debt	MEUR	2,098.0	1,830.7
Interest bearing liabilities, carrying value [1]	MEUR	2,121.2	1,874.4
Available liquidity	MEUR	447.0	562.1
Average loan maturity	years	3.8	4.6
Loan to Value (LTV) [2] [3]	%	46.9	42.4
Interest cover ratio (financial covenant > 1.8)	x	4.1	4.2
Net debt to total assets (financial covenant < 0.60) [4]	x	0.45	-
Solvency ratio (financial covenant < 0.65)	x	0.46	0.42
Secured solvency ratio (financial covenant < 0.25)	x	0.02	0.02

[1] *Including EUR 48.8 million (55.2) IFRS 16 lease liabilities.*
[2] *Excluding both right-of-use assets recognized as part of investment properties, as well as lease liabilities pertaining to these right-of-use assets, which are based on IFRS 16 requirements.*
[3] *Hybrid bond treated as equity as according to IFRS.*
[4] *Net debt to total assets is a new covenant and replaces equity ratio covenant in the Revolving Credit Facility*

In November Citycon successfully placed a NOK 800 million green bond. The issuer of the bond is Citycon Treasury B.V. and the guarantor is Citycon Oyj. The 3-year senior unsecured bond matures on 24 November 2023 and pays a floating coupon of 3-month NIBOR + 2.8% margin. The bond is issued under the issuer's EMTN programme and is listed on the Oslo Stock Exchange. The net proceeds from the offering were used to finance and re-finance Eligible Green Assets and Projects in accordance with the Green Finance Framework including refinancing of existing NOK debt. The bond offering was over two times oversubscribed.

In November Citycon signed a total of EUR 500 million new committed syndicated multicurrency sustainability-linked revolving credit facilities ('RCF'), to replace and extend its existing EUR 500 million facility maturing in December 2021. The new facilities consist of an EUR 250 million unsecured facility and an EUR 250 million secured facility. The credit facilities can be used for general corporate purposes. The maturity of both new facilities is 3.5 years. The margin of the facilities is determined based on Citycon's credit rating. Additionally, the margin is linked to achieving Citycon's 2030 key sustainability targets. Refinancing of Citycon's revolving credit facility was an important milestone completing our near-term refinancing and securing a sufficient liquidity buffer for several years ahead. The transaction also demonstrates Citycon's access to debt financing and the strength of our core bank relationships.

Two secured bank term loans of each NOK 1000 million were prepaid in November with proceeds from the NOK 800 million bond and NOK 1,000 million drawn under the new secured RCF, and excess cash. One of the loans was relating to the acquired Sektor Portefølje II AS and was maturing in December 2021 and the other loan would have matured in June 2022.

As a result of the Covid-19 outbreak, debt capital markets have been less liquid, and in March-April the commercial paper markets in the Nordics were practically closed. Therefore, Citycon temporarily drew EUR 200 million from the committed syndicated revolving credit facility (RCF) to finance maturing commercial papers and to secure sufficient liquidity for its operations.

In June, Citycon successfully placed a EUR 200 million bond tap issue. The issuer is Citycon Treasury B.V. and the guarantor is Citycon Oyj. The notes are issued under the same terms and conditions as the existing bond maturing October 2024. It carries a fixed annual interest rate of 2.50 per cent, which in the tap issue corresponds to a yield of 4.50 per cent. The bond was rated in line with Citycon's corporate credit ratings. The net proceeds from the offering were mainly used to refinance existing debt. The orderbook was more than three times oversubscribed with a broad base of investors, which demonstrates Citycon's access to the debt capital markets even in a challenging market environment.

In May, Fitch assigned a credit rating of BBB- with a stable outlook for Citycon. Citycon has investment grade credit ratings also from S&P and Moody's. Strengthening the balance sheet and maintaining investment grade credit ratings remains a key priority for the company.

In May, Citycon's Board of Directors decided to decrease the dividend level and investigate opportunities to offer an option to convert dividend payments into shares. With these decisions Citycon wants to signal its commitment to gradual deleveraging to strengthen the credit risk profile of the company and protect Citycon's investment grade credit ratings. The resolution was to adjust the remaining quarterly instalments of the equity repayment in 2020 and following the adjustment, the total amount of distribution 2020 will be EUR 0.5375 per share. It was also decided that the Board's dividend proposal to the AGM 2021, would be set to maximum total EUR 0.50 per share for the year 2021. This is approximately 23% less than the original authorization of EUR 0.65 per share for 2020.

Citycon's EMTN ("Euro Medium Term Note") Programme was updated March 26th, 2020. It has a EUR 1.5 billion limit and it enables raising bond financing in any currency on the European and Nordic capital markets. The Programme is established by Citycon Treasury B.V. and the notes issued under the Programme are guaranteed by Citycon Oyj.

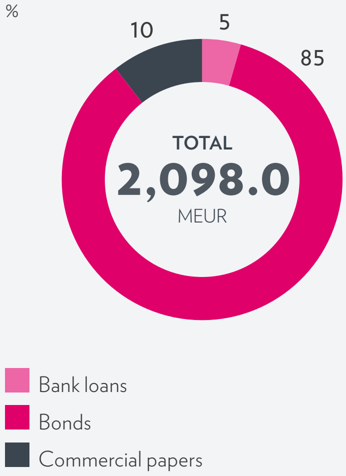
In February, Citycon bought the remaining interest in Sektor Portefølje II AS, a portfolio of three shopping centres in Norway: Stovner Senter, Torvbyen and Markedet. Citycon has managed and owned 20% of the centres prior to the transaction. Citycon assumed the existing secured bank debt of approximately EUR 135 million. In March Citycon sold Markedet for EUR 12 million, and the proceeds were used to repay the secured bank loan of Sektor Portefølje II AS.

INTEREST-BEARING DEBT

Despite weaker NOK currency rate, the fair value of interest-bearing debt increased during the year by EUR 267.3 million to EUR 2 098.0 million, mainly due to the acquisition of Sektor Portefølje II AS and capital investments. The carrying amount of interest-bearing liabilities in the balance sheet was EUR 2,121.2 million including IFRS liabilities. At year-end cash stood at EUR 25.9 million.

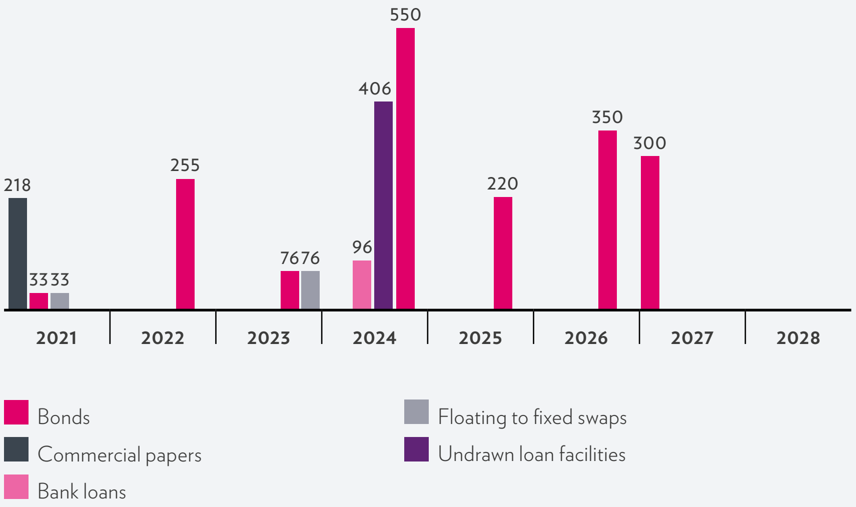
BREAKDOWN OF LOANS

%



DEBT MATURITIES

MEUR



The weighted average loan maturity was 3.8 years.

The LTV (IFRS) increased during the year to 46.9% as a result of higher net debt and despite higher property values.

FINANCIAL EXPENSES

FINANCIAL EXPENSES KEY FIGURES

		2020	2019
Financial expenses [1]	MEUR	-57.5	-62.4
Financial income [1]	MEUR	5.8	8.2
Net financial expenses (IFRS)	**MEUR**	**-51.8**	**-54.2**
Direct net financial expenses (EPRA)	MEUR	-46.0	-48.9
Weighted average interest rate [2]	%	2.39	2.29
Weighted average interest rate excluding derivatives	%	2.37	2.34
Year-to-date weighted average interest rate [2]	%	2.34	2.41

[1] *The foreign exchange differences are netted in the financial expenses*
[2] *Including interest rate swaps and cross-currency swaps*

Direct net financial expenses (EPRA) decreased compared to last year as the lower average amount of debt, slightly lower average cost of debt and weaker average NOK currency rates had a positive impact on net financial expenses. Due to Covid-19 the company has held higher cash buffers to ensure liquidity, which has increased average debt levels and financial expenses.

Net financial expenses (IFRS) decreased to EUR 51.8 million (54.2). The EUR 5.8 million of indirect losses (5.3 loss) related mainly to fair value changes of cross-currency swaps not under hedge accounting and non-cash write-downs of unamortized fees on prepaid loans.

The financial income mainly consisted of interest income on a loan to Kista Galleria.

The period-end average cost of debt was 2.4%.

FINANCIAL RISK MANAGEMENT

Citycon uses interest rate swaps to hedge the floating interest rate risk exposure. According to the company's treasury policy, the currency net transaction risk exposure with profit and loss impact is fully hedged through currency forwards and cross-currency swaps that convert EUR debt into SEK and NOK.

FINANCIAL RISK MANAGEMENT

		31.12.2020	31.12.2019
Average interest-rate fixing period	years	3.7	4.6
Interest rate hedging ratio	%	83.5	88.8

9. BUSINESS ENVIRONMENT

BUSINESS ENVIRONMENT KEY FIGURES

	Finland	Norway	Sweden	Denmark	Estonia	Euro area
GDP growth forecast, 2020	-4.3%	-2.8%	-3.4%	-3.9%	-4.6%	-7.8%
Unemployment, 2020	7.9%	4.7%	8.8%	6.1%	7.5%	8.3%
Inflation, 2020	0.4%	1.4%	0.6%	0.3%	-0.5%	-0.3%
Retail sales growth, 2020	3.8%	8.0%	3.1%	3.5%	4.0%	-2.9%

Sources: SEB Nordic Outlook, European Commission, Eurostat, Statistics Finland/Norway/Sweden/Estonia/Denmark

The world economy has been at a state of great uncertainty due to the COVID-19 outbreak that the World Health Organisation (WHO) classified as a pandemic on March 11th, 2020. The measures taken to prevent the spread of the disease cause the global economy to slow down and therefore COVID-19 has substantially affected our business environment from March2020 on-wards. Despite the virus is still present and spreading, in Q3 and Q4 advanced economies have recovered faster than expected and GDP in the Nordics fell less than anticipated in 2020.

Finland has, at least in relative terms, been spared from the crisis both in economic terms as well as from a public health perspective. The number of COVID-19 deaths per million inhabitants has been among the lowest in Europe. At the same time, retail sales remained relatively stable during a tumultuous spring. Finnish government has decided on national and regional recommendations to prevent the spread of the coronavirus. The regional restrictions and recommendations in place depend on the phase of the epidemic in the region in question. One of the recommendations is to wear a face mask in public spaces and in public transportation.

In Sweden, the COVID-19 outbreak has affected the retail and restaurant business with declining turnover and footfall. There has not been a quarantine in place, but it is officially encouraged to work remotely and to restrict social contacts. The government has announced a package where property owners could share the cost of rental rebates with the government and Citycon has applied for this subsidy under the government program.

In Norway, the various COVID-19 control measures and travel restrictions have led to changed consumption pattern; households are spending less on services in favour of certain retail goods. Generally, the biggest shopping centres have the most negative impact from the situation, while more local, convenience-type shopping centres are less affected. As in Sweden, the Norwegian government announced a package that would, under certain conditions, cover a major share of the fixed unavoidable costs, such as rent, to avoid unnecessary bankruptcies. Recommendations to wear a face mask and work from home are in place. Local outbreaks might necessitate stricter measures in some municipalities.

In Estonia, shopping centres re-opened as of May 11th with social distance limitations. The state of emergency is over but some rules and restrictions for nightclubs will still apply. During 2020 household consumption held up relatively well despite the COVID-19 crisis.

In Denmark, Denmark's reopening was faster and more comprehensive than expected, and the relatively mild virus outbreak had little lasting effect on consumer behaviour. The lockdown in March was fast and aggressive, but the normalisation process was also faster than expected. The virus is still present; some restrictions remain in place and the government has announced that the last phase of the reopening will be scaled back after local outbreaks.

(Sources: SEB Nordic Outlook, European Commission, CBRE, JLL, Statistics Finland/Norway/Sweden/Estonia/Denmark, Eurostat)

10. CHANGES IN CORPORATE MANAGEMENT

Kirsi Simola-Laaksonen was appointed to Citycon's Corporate Management Committee as of 1 April 2020.

11. SUSTAINABILITY

Citycon's strategy is to be a forerunner in sustainable shopping centre management. Citycon's sustainability strategy was updated in 2017 and Citycon has set ambitious targets that extend to 2030.

Citycon uses BREEAM In-Use to assess and develop the sustainable management of its shopping centres. 77% of Citycon's shopping centres, measured by fair value, had acquired the certification at period-end. Citycon now boasts the largest shopping centre portfolio with BREEAM In-Use certification in the Nordic countries.

Citycon's sustainability strategy, targets and measures are described in detail in the upcoming Sustainability Accounts 2020.

12. RISKS AND UNCERTAINTIES

The outbreak of the COVID-19 pandemic also in the Nordics and in Estonia has had a negative effects on our business. Both changed consumer behaviour and authority restrictions in our operating countries haves substantially changed our business environment. This might affect our ability to collect rents on time or in full.

Other significant near-term risks and uncertainties in Citycon's business operations are associated with the general development of the economy and consumer confidence in the Nordic countries and Estonia as well as how this affects the fair values, occupancy rates and rental levels of the shopping centres and thereby Citycon's financial result. Increased competition locally or from e-commerce might affect demand for retail premises, which could lead to lower rental levels or increased vacancy, especially outside of capital city regions. Costs of development projects could increase due to rising construction costs or projects could be delayed due to unforeseeable challenges.

The main risks that can materially affect Citycon's business and financial results, along with the main risk management actions, are presented in detail on pages 37-38 in the Financial Statements 2020, in Note 3.5 A) as well as on Citycon's website in the Corporate Governance section.

13. GENERAL MEETING

ANNUAL GENERAL MEETING 2020

Citycon's Annual General Meeting (AGM) 2020 was held in Espoo on 17 March 2020. A total of 255 shareholders attended the AGM either personally or through a proxy representative, representing 81.2% of shares and votes in the company.

The AGM adopted the company's Financial Statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2019. The General Meeting decided that no dividend is distributed by a resolution of the AGM and authorised the Board of Directors to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund. Based on the authorisation, the maximum amount of dividend to be distributed shall not exceed EUR 0.05 per share and the maximum amount of equity repayment to be distributed from the invested unrestricted equity fund shall not exceed EUR 0.60 per share. The authorisation is valid until the opening of the next AGM.

The AGM decisions and the minutes of the AGM are available on the company's website at **citycon.com/agm2020**.

EXTRAORDINARY GENERAL MEETING 2020

The Extraordinary General Meeting (EGM) of Citycon took place in Helsinki on 11 June 2020. The EGM decided to elect Yehuda (Judah) Angster and Zvi Gordon as new Board members of the company. The EGM decisions and the minutes of the EGM are available on the company's website at **citycon.com/egm2020**.

14. CORPORATE GOVERNANCE STATEMENT

Citycon has published Citycon Group's Corporate Governance Statement 2020 as a separate report, distinct from the Report by the Board of Directors. The statement is prepared in accordance with the recommendations of the Finnish Corporate Governance Code 2020 and is available on the company's **citycon.com/corporate-governance**.

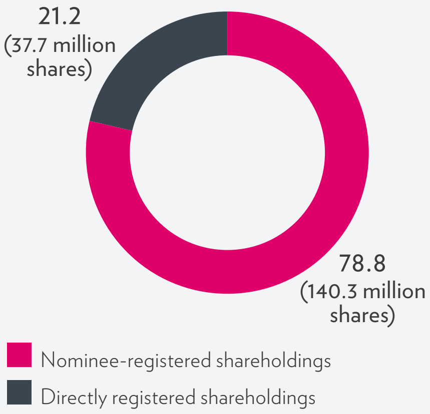
15. SHARES, SHARE CAPITAL AND SHAREHOLDERS

The company has a single series of shares, with each share entitling to one vote at a General Meeting of shareholders. At the end of December 2020, the total number of shares outstanding in the company was 177,998,525. The shares have no nominal value. During 2020, there were no changes in the company's share capital.

At the end of December 2020, Citycon had a total of 22,499 (17,396) registered shareholders, of which 11 were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 140.3 million (141.5) shares, or 78.8% (79.5%) of shares and voting rights in the company. The most significant registered shareholders at year-end can be found on company's website **citycon.com/major-shareholders**.

SHAREHOLDERS 31 DECEMBER 2020

% of shares and voting rights



SHARES AND SHARE CAPITAL

		2020	2019
Share capital at period-start	MEUR	259.6	259.6
Share capital at period-end	MEUR	259.6	259.6
Number of shares at period-start		177,998,525	889,992,628
Number of shares at period-end		177,998,525	177,998,525

SHARE PRICE AND TRADING

		2020	2019	2018	2017	2016
Number of shares traded [1]	*1,000	68,046	28,320	49,253	35,457	29,537
Stock turnover	%	38.2	15.9	27.7	19.9	16.6
Share price, high [1]	EUR	9.99	10.08	11.24	12.51	11.95
Share price, low [1]	EUR	5.22	8.10	7.98	10.42	9.9
Share price, average [1]	EUR	7.19	9.18	9.30	11.15	10.9
Share price, closing [1]	EUR	7.93	9.37	8.08	10.79	11.7
Market capitalisation, period-end	MEUR	1,411.53	1,666.96	1,437.34	1,920.60	2,080.80
Number of shares, period-end	*1,000	177,999	177,999	889,993	889,993	889,993

[1] *Comparative figures adjusted to reflect the reverse split on March 18, 2019.*

DIVIDEND AND EQUITY REPAYMENT

On 28 May 2020, the Board of Directors resolved to adjust the remaining quarterly instalments of the equity repayment in 2020 to further increase long-term financial stability and to strengthen the credit risk profile of the company. Following the adjustment, the Board of Directors will use a maximum total amount of EUR 0.5375 per share from its total dividend and equity repayment authorization of EUR 0.65 per share from the Annual General Meeting 2020. The Board of Directors will make separate resolutions on each distribution of the equity repayment. Citycon shall make separate announcements of such Board resolutions.

The Board of Directors also decided that the Board's proposal regarding the company's dividend and/or equity repayment, which will be made later to the AGM 2021, would be set to maximum total EUR 0.50 per share for the year 2021. This is approximately 23% less than the original authorization of EUR 0.65 per share for 2020. With this decision the Board of Directors wants to signal its commitment to gradual deleveraging and protecting Citycon's investment grade credit ratings.

Citycon's dividend for the financial year 2019 and equity repayments paid in 2020:

DIVIDENDS AND EQUITY REPAYMENTS PAID ON 31 DECEMBER 2020 [1)]

	Record date	Payment date	EUR / share
Dividend for 2019	19 March 2020	31 March 2020	0.05
Equity repayment Q1	19 March 2020	31 March 2020	0.1125
Equity repayment Q2	22 June 2020	30 June 2020	0.1250
Equity repayment Q3	23 September 2020	30 September 2020	0.1250
Equity repayment Q4	18 December 2020	30 December 2020	0.1250
Total			**0.5375**

[1)] *Board decision based on the authorisation issued by the AGM 2020*

BOARD AUTHORISATIONS

In addition to the above explained asset distribution authorisation of the Board of Directors, the Board of Directors of the company had two valid authorisations at the period-end granted by the AGM held on 17 March 2020:

- The Board of Directors may decide on an issuance of a maximum of 17 million shares or special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act, which corresponded to approximately 9.55% of all the shares in the company at the period-end. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2021.
- The Board of Directors may decide on the repurchase and/or on the acceptance as pledge of the company's own shares in one or several tranches. The amount of own shares to be repurchased and/or accepted as pledge shall not exceed 10 million shares, which corresponded to approximately 5.62% of all the shares in the company at the period-end. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2021.

During January – December 2020, the Board of Directors used four times its authorisation to repurchase its own shares and issue them by conveying repurchased shares. The repurchases and conveyances were made for payment of rewards earned under the company's share plans in accordance with the terms and conditions of the plans:

Matching Share Plan 2018–2020

- On 12–13 February 2020, the company repurchased total of 5,304 of its own shares and conveyed them on 17 February 2020 to one key person of the company.

Restricted Share Plan 2018–2020

- On 7 May, the company repurchased 171 of its own shares and conveyed them on 11 May 2020 to one key person of the company.

Restricted Share Plan 2015

- On 12–13 February 2020, the company repurchased total of 7,500 of its own shares and conveyed then on 17 February 2020 to one key person of the company.
- On 5 March 2020, the company repurchased total of 1,500 of its own shares and conveyed them on 9 March 2020 to one key person of the company.
- On 7 May, the company repurchased 1,829 shares its own shares and conveyed them on 11 May 2020 to one key person of the company.

Performance Share Plan 2015

- On 12–13 February 2020, the company repurchased total of 3,337 of its own shares and conveyed them on 21 February 2020 to 16 key persons of the company.

OWN SHARES

During the reporting period, the company held a total of 19,641 of the company's own shares. These 19,641 shares were conveyed to implement payments of rewards earned under the company's share plans before the end of the reporting period and as described in the section Board authorisations. At the end of the period, the company or its subsidiaries held no shares in the company.

FLAGGING NOTICES

The company did not receive any notifications of changes in shareholding during the fourth quarter.

SHARE-RELATED EVENTS

Shareholder agreements

Gazit-Globe Ltd. and Canada Pension Plan Investment Board European Holdings S.à r.l (CPPIBEH) have signed an agreement regarding certain governance matters relating to Citycon on 12 May 2014.

Further information on the agreement between Gazit-Globe Ltd. and CPPIBEH is available on the company's website at **citycon.com/shareholder-agreements**.

The company has no knowledge of any other shareholder agreements.

INCENTIVE PLANS

Long-term Share-based Incentive Plans

Citycon has six long-term share-based incentive plans for the Group key employees:

- CEO Restricted Share Plan 2018—2021
- Performance Share Plan 2020—2022 (Corporate Management Committee excl. the CEO)
- Matching Share Plan 2018—2020 (Corporate Management Committee)
- Restricted Share Plan 2020—2022 (Key employees, excl. Corporate Management Committee)
- Restricted Share Plan 2018—2020 and
- Restricted Share Plan 2015.

In March 2020 the Board of Directors approved a new Performance Share Plan 2020—2022. The share plan is directed to the members of the Corporate Management Committee, excluding the CEO.

The terms and conditions of share-based incentive plans are available on the company's website at **citycon.com/remuneration**.

16. EVENTS AFTER THE REPORTING PERIOD

On 12 February was disclosed that Citycon has agreed to divest a portfolio of three shopping centres in Sweden.

OUTLOOK

Citycon forecasts the 2021 direct operating profit to be in range EUR 170–188 million, EPRA EPS EUR 0.651–0.751 and adjusted EPRA EPS EUR 0.558–0.658.

Direct operating profit	MEUR	170–188
EPRA Earnings per share (basic)	EUR	0.651–0.751
Adjusted EPRA Earnings per share (basic)	EUR	0.558–0.658

The outlook assumes that there are no major changes in macroeconomic factors and that there will not be a second wave of COVID-19 with restrictions resulting in significant store closures. These estimates are based on the existing property portfolio and announced disposals as well as on the prevailing level of inflation, the EUR-SEK and EUR-NOK exchange rates, and current interest rates.

17. FINANCIAL CALENDAR AND AGM 2021

Citycon Oyj's schedule of the financial reporting in 2021 is the following:

Year 2020 full-year Financial Report, Financial Statements and the Report by the Board of Directors	Thursday 18 February 2021 at about 9:00 a.m.
Year 2021 three-month Interim Report	Thursday 6 May 2021 at about 9:00 a.m.
Year 2021 six-month Half-Yearly Report	Thursday 5 August 2021 at about 9:00 a.m.
Year 2021 nine-month Interim Report	Thursday 28 October 2021 at about 9:00 a.m.

Citycon Oyj's Annual General Meeting (AGM) 2021 will be held on Monday, 22 March 2021 starting at 12:00 p.m.

For more investor information, please visit the company's website at **www.citycon.com**.

Helsinki, 17 February 2021

Citycon Oyj

Board of Directors

For further information, please contact:
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Citycon is a leading owner, manager and developer of mixed-use centres for urban living including retail, office space and housing. We are committed to sustainable property management in the Nordic region with assets that total approximately EUR 4.4 billion. Our centres are located in urban hubs with a direct connection to public transport. Placed in the heart of communities, our centres are anchored by groceries, healthcare and services to cater for the everyday needs of customers.

Citycon has investment-grade credit ratings from Moody's (Baa3), Fitch (BBB-) and Standard & Poor's (BBB-). Citycon Oyj's share is listed in Nasdaq Helsinki.

For more information about Citycon Oyj, please visit www.citycon.com.

EPRA PERFORMANCE MEASURES

Citycon applies to the best practices policy recommendations of EPRA (European Public Real Estate Association) for financial reporting. More information about EPRA's performance measures is available in Citycon's Financial Statements 2020 in section "EPRA performance measures".

EPRA PERFORMANCE MEASURES

		Q4/2020	Q4/2019	%	2020	2019	%
EPRA Earnings	MEUR	32.0	35.6	-10.1%	136.6	145.6	-6.2%
Adjusted EPRA Earnings [1]	MEUR	28.0	33.9	-17.6%	120.3	143.9	-16.4%
EPRA Earnings per share (basic)	EUR	0.180	0.200	-10.1%	0.767	0.818	-6.2%
Adjusted EPRA Earnings per share (basic) [1]	EUR	0.157	0.191	-17.7%	0.676	0.809	-16.4%
EPRA NRV per share	EUR	11.48	12.45	-7.8%	11.48	12.45	-7.8%

[1] *The key figure includes hybrid bond coupons and amortized fees.*

The following tables present how EPRA Performance Measures are calculated.

1) EPRA EARNINGS

MEUR	Q4/2020	Q4/2019	%	2020	2019	%
Earnings in IFRS Consolidated Statement of Comprehensive Income	**-8.5**	**-25.7**	**67,0%**	**-28.0**	**8.9**	**-**
+/- Net fair value losses/gains on investment property	36.5	57.2	-36.2%	146.9	121.9	20.5%
-/+ Net gains/losses on sale of investment property	1.2	-0.2	-	-0.7	-1.5	-54.5%
+ Indirect other operating expenses	0.0	-	-	0.0	-	-
+/- Early close-out costs of debt and financial instruments	0.8	7.9	-90.3%	0.8	7.9	-90.3%
-/+ Fair value gains/losses of financial instruments	1.4	-1.8	-	5.0	-2.6	-
+/- Indirect losses/gains of joint ventures and associated companies	12.5	11.6	8.2%	27.2	19.5	39.9%
-/+ Change in deferred taxes arising from the items above	-11.9	-13.4	-11.1%	-14.7	-8.5	72.8%
+ Non-controlling interest arising from the items above	-	-	-	-	0.0	-
EPRA Earnings	**32.0**	**35.6**	**-10.1%**	**136.6**	**145.6**	**-6.2%**
-/+ Hybrid bond coupons and amortized fees	-4.1	-1.7	-	-16.2	-1.7	-
Adjusted EPRA Earnings	**28.0**	**33.9**	**-17.7%**	**120.3**	**143.9**	**-16.4%**
Weighted average number of ordinary shares, million	178.0	178.0	0.0%	178.0	178.0	0.0%
EPRA Earnings per share (basic), EUR	**0.180**	**0.200**	**-10.1%**	**0.767**	**0.818**	**-6.2%**
Adjusted EPRA Earnings per share (basic), EUR	**0.157**	**0.191**	**-17.7%**	**0.676**	**0.809**	**-16.4%**

The table below presents an alternative calculation of EPRA Earnings from the statement of comprehensive income from top to bottom.

MEUR	Q4/2020	Q4/2019	%	2020	2019	%
Net rental income	49.9	53.5	-6.7%	205.4	217.4	-5.5%
Direct administrative expenses	-7.0	-6.8	2.1%	-25.9	-26.8	-3.2%
Direct other operating income and expenses	0.2	0.5	-62.4%	0.9	2.8	-68.1%
Direct operating profit	**43.1**	**47.1**	**-8.5%**	**180.4**	**193.5**	**-6.8%**
Direct net financial income and expenses	-11.5	-11.7	-1.6%	-46.0	-48.9	-5.9%
Direct share of profit/loss of joint ventures and associated companies	-0.2	0.9	-	-0.8	2.8	-
Direct current taxes	0.9	-0.8	-	-1.8	-2.0	-9.9%
Direct deferred taxes	-0.2	0.1	-	4.8	0.1	-
Direct non-controlling interest	-0.1	0.0	-	-0.1	0.0	-
EPRA Earnings	**32.0**	**35.6**	**-10.1%**	**136.6**	**145.6**	**-6.2%**
-/+ Hybrid bond coupons and amortized fees	-4.1	-1.7	-	-16.2	-1.7	-
Adjusted EPRA Earnings	**28.0**	**33.9**	**-17.7%**	**120.3**	**143.9**	**-16.4%**
EPRA Earnings per share (basic), EUR	**0.180**	**0.200**	**-10.1%**	**0.767**	**0.818**	**-6.2%**
Adjusted EPRA Earnings per share (basic), EUR	**0.157**	**0.191**	**-17.7%**	**0.676**	**0.809**	**-16.4%**

2) EPRA NRV, NTA AND NDV PER SHARE

In October 2019, the European Public Real Estate Association ('EPRA') published new Best Practice Recommendations ('BPR') for financial disclosures by listed real estate companies. The BPR introduced three new measures of net asset value: EPRA Net Reinstatement Value (NRV), Net Tangible Assets (NTA), and Net Disposal Value (NDV), which replace previously reported measures EPRA NAV and NNNAV starting from financial statement 2020.

Citycon has adopted these guidelines in the year ended 31 December 2020 and considers EPRA NRV to be the most relevant measure for its business and it is also closest to EPRA NAV. EPRA NRV will now be Citycon's primary measure of net asset value, replacing the previously reported EPRA NAV and EPRA NAV per share measures.

The EPRA NRV scenario, aims to represent the value required to rebuild the entity and assumes that no selling of assets takes place.

The EPRA NTA is focused on reflecting a company's tangible assets and assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax liability.

EPRA NDV aims to represent the shareholders' value under an orderly sale of business, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

The tables below present calculation of the three new EPRA net asset value measures NRV, NTA and NDV and also a bridge calculation to the previously reported NAV and NNNAV measures.

31 December 2020	New EPRA Net Asset Value measures			Previously reported EPRA NAV measures	
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
Equity attributable to parent company shareholders	1,818.6	1,818.6	1,818.6	1,818.6	1,818.6
Deferred taxes from the difference of fair value and fiscal value of investment properties [3]	274.2	137.1	-	274.2	-
Fair value of financial instruments	-0.2	-0.2	-	-0.2	-
Goodwill as a result of deferred taxes	-80.9	-	-	-80.9	-
Goodwill as per the consolidated balance sheet	-	-141.1	-141.1	-	-
Intangible assets as per the consolidated balance sheet	-	-17.6	-	-	-
The difference between the secondary market price and carrying value of bonds [1]	-	-	47.4	-	47.4
Real estate transfer taxes [2]	31.8	-	-	-	-
Total	**2,043.6**	**1,796.9**	**1,724.9**	**2,011.8**	**1,866.0**
Weighted average number of ordinary shares, million	178.0	178.0	178.0	178.0	178.0
Net Asset Value per share	**11.48**	**10.09**	**9.69**	**11.30**	**10.48**

31 December 2019	New EPRA Net Asset Value measures			Previously reported EPRA NAV measures	
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNNAV
Equity attributable to parent company shareholders	1,978.4	1,978.4	1,978.4	1,978.4	1,978.4
Deferred taxes from the difference of fair value and fiscal value of investment properties [3]	294.5	147.2	-	294.5	-
Fair value of financial instruments	-1.4	-1.4	-	-1.4	-
Goodwill as a result of deferred taxes	-85.8	-	-	-85.8	-
Goodwill as per the consolidated balance sheet	-	-146.5	-146.5	-	-
Intangible assets as per the consolidated balance sheet	-	-19.3	-	-	-
The difference between the secondary market price and carrying value of bonds [1]	-	-	-26.4	-	-26.4
Real estate transfer taxes [2]	30.6	-	-	-	-
Total	**2,216.2**	**1,958.4**	**1,805.5**	**2,185.7**	**1,952.1**
Weighted average number of ordinary shares, million	178.0	178.0	178.0	178.0	178.0
Net Asset Value per share	**12.45**	**11.00**	**10.14**	**12.28**	**10.97**

[1] *When calculating the EPRA NDV and previously disclosed EPRA NNNAV in accordance with EPRA's recommendations, the shareholders' equity is adjusted using EPRA's guidelines so that bonds are valued based on secondary market prices. In accordance with Citycon's accounting policies, the carrying amount and fair value of bonds are different from this secondary market price. The difference between the secondary market price and the carrying value of the bonds was EUR 47.4 million (-26,4) as of 31 December 2020.*

[2] *The real estate transfer tax adjustment in EPRA NRV calculation is based on the transfer tax cost for the buyer for share deal in Finland. Share deals are not subject to transfer tax in other group operating countries.*

[3] *In the EPRA NTA formula, 50% of the deferred tax liability related to investment property fair value is added back, according to EPRA guidelines.*

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

MEUR	Note	Q4/2020	Q4/2019	%	2 020	2 019	%
Gross rental income	3	55.8	56.9	-2.0%	224.3	232.1	-3.3%
Service charge income	3	20.0	20.5	-2.3%	71.2	77.1	-7.6%
Property operating expenses		-23.9	-22.8	4.5%	-84.9	-89.3	-4.8%
Other expenses from leasing operations		-2.0	-1.1	-	-5.3	-2.5	-
Net rental income	**3**	**49.9**	**53.5**	**-6.7%**	**205.4**	**217.4**	**-5.5%**
Administrative expenses		-7.0	-6.8	2.1%	-25.9	-26.8	-3.2%
Other operating income and expenses	4	0.2	0.5	-62.4%	0.9	2.8	-68.1%
Net fair value losses on investment property	3	-36.5	-57.2	-36.2%	-146.9	-121.9	20.5%
Net losses/gains on sale of investment property		-1.2	0.2	-	0.7	1.5	-54.5%
Operating profit	**3**	**5.5**	**-9.9**	**-**	**34.1**	**73.1**	**-53.3%**
Net financial income and expenses		-13.7	-17.8	-22.8%	-51.8	-54.2	-4.5%
Share of loss/profit of joint ventures and associated companies		-12.7	-10.6	19.4%	-28.0	-16.6	68.5%
Result before taxes		**-21.0**	**-38.3**	**45.3%**	**-45.7**	**2.2**	**-**
Current taxes		0.9	-0.8	-	-1.8	-2.0	-
Deferred taxes		11.7	13.4	-13.1%	19.6	8.6	-
Result for the period		**-8.4**	**-25.7**	**67.4%**	**-27.9**	**8.9**	**-**
Profit/loss attributable to							
Parent company shareholders		-8.5	-25.7	67.0%	-28.0	8.9	-
Non-controlling interest		0.1	0.0	-	0.1	0.0	-
Earnings per share attributable to parent company shareholders							
Earnings per share (basic), EUR [1]	5	-0.07	-0.15	54.5%	-0.25	0.04	-
Earnings per share (diluted), EUR [1]	5	-0.07	-0.15	54.4%	-0.25	0.04	-
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss							
Net gains on cash flow hedges		0.9	-0.7	-	-1.3	0.3	-
Exchange gains/losses on translating foreign operations		66.0	12.4	-	-30.5	-4.4	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**66.8**	**11.7**	**-**	**-31.8**	**-4.1**	**-**
Other comprehensive income for the period, after taxes		**66.8**	**11.7**	**-**	**-31.8**	**-4.1**	**-**
Total comprehensive profit/loss for the period		**58.4**	**-13.9**	**-**	**-59.6**	**4.8**	**-**
Total comprehensive profit/loss attributable to							
Parent company shareholders		58.3	-13.9	-	-59.8	4.8	-
Non-controlling interest		0.1	0.0	-	0.1	0.0	-

[1] *The key figure includes hybrid bond coupons (both paid and accrued not yet recognizes) and amortized fees.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

MEUR	Note	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Investment properties	6	4,152.2	4,160.2
Goodwill		141.1	146.5
Investments in joint ventures and associated companies		108.6	147.6
Intangible and tangible assets, and other non-current assets		36.5	44.3
Deferred tax assets		14.2	9.4
Total non-current assets		**4,452.5**	**4,508.1**
Investment properties held for sale	**8**	**149.7**	**0.0**
Current assets			
Derivative financial instruments	10, 11	0.2	0.0
Trade and other current assets		51.8	60.0
Cash and cash equivalents	9	25.9	14.2
Total current assets		**77.8**	**74.2**
Total assets	**3**	**4,680.0**	**4,582.3**
SHAREHOLDERS´ EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders			
Share capital		259.6	259.6
Share premium fund		131.1	131.1
Fair value reserve		0.2	1.4
Invested unrestricted equity fund	12	823.2	909.9
Retained earnings	12	604.6	676.4
Total equity attributable to parent company shareholders		**1,818.6**	**1,978.4**
Hybrid bond		347.2	346.6
Non-controlling interest		0.2	0.1
Total shareholders' equity		**2,166.0**	**2,325.2**
Long-term liabilities			
Loans		1,863.8	1,662.5
Derivative financial instruments and other non-interest bearing liabilities	10, 11	19.5	4.0
Deferred tax liabilities		275.7	296.4
Total long-term liabilities		**2,159.0**	**1,962.9**
Short-term liabilities			
Loans		257.4	211.8
Derivative financial instruments	10, 11	8.3	4.5
Trade and other payables		89.2	77.8
Total short-term liabilities		**355.0**	**294.1**
Total liabilities	**3**	**2,514.0**	**2,257.1**
Total liabilities and shareholders' equity		**4,680.0**	**4,582.3**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, IFRS

Me	Note	2020	2019
Cash flow from operating activities			
Profit before taxes		**-45.7**	**2.2**
Adjustments to profit before taxes		230.5	195.2
Cash flow before change in working capital		**184.8**	**197.4**
Change in working capital		-0.3	-2.1
Cash generated from operations		**184.6**	**195.3**
Paid interest and other financial charges		-58.2	-60.3
Interest income and other financial income received		1.4	1.4
Current taxes paid		-2.0	-1.1
Net cash from operating activities		**125.7**	**135.4**
Cash flow from investing activities			
Acquisition of subsidiaries, less cash acquired	6, 7, 8	-7.9	-0.3
Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets	6, 7, 8	-158.3	-99.7
Sale of investment properties	6, 7, 8	10.8	65.8
Net cash used in investing activities		**-155.4**	**-34.3**
Cash flow from financing activities			
Proceeds from short-term loans		831.4	1 204.8
Repayments of short-term loans		-942.8	-1 266.9
Proceeds from long-term loans and receivables		554.2	-
Repayments of long-term loans		-306.3	-277.2
Proceeds from hybrid bond		-	350.0
Hybrid bond interest and expenses		-4.4	-2.5
Dividends and return from the invested unrestricted equity fund	12	-95.7	-114.9
Realized exchange rate gains/losses		3.8	8.6
Net cash from financing activities		**40.3**	**-98.1**
Net change in cash and cash equivalents		**10.7**	**3.0**
Cash and cash equivalents at period-start	9	14.2	11.4
Effects of exchange rate changes		1.0	-0.3
Cash and cash equivalents at period-end	**9**	**25.9**	**14.2**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, IFRS

MEUR	Share capital	Share premium fund	Fair value reserve	Invested unrestricted equity fund	Trans-lation reserve	Retained earnings	Equity attributable to parent company shareholders	Hybrid bond	Non-controlling interest	Share-holders' equity, total
Balance at 1 January 2019	**259.6**	**131.1**	**1.1**	**1,016.7**	**-115.9**	**796.3**	**2,088.9**		**0.1**	**2,089.0**
Total comprehensive profit/ loss for the period			0.3		-4.4	8.9	4.8		0.0	4.8
Proceeds from hybrid bond								346.6		346.6
Hybrid bond interest and expenses								0.0		0.0
Dividends paid and equity return (Note 12)				-106.8		-8.9	-115.7			-115.7
Share-based payments						0.4	0.4			0.4
Balance at 31 December 2019	**259.6**	**131.1**	**1.4**	**909.9**	**-120.3**	**796.7**	**1,978.4**	**346.6**	**0.1**	**2,325.2**
Balance at 1 January 2020	**259.6**	**131.1**	**1.4**	**909.9**	**-120.3**	**796.7**	**1,978.4**	**346.6**	**0.1**	**2,325.2**
Total comprehensive profit/ loss for the period			-1.3	0.0	-30.5	-28.0	-59.8		0.1	-59.6
Hybrid bond interest and expenses						-4.5	-4.5	0.6		-3.9
Dividends paid and equity return (Note 12)				-86.8		-8.9	-95.7			-95.7
Share-based payments						0.0	0.0			0.0
Other changes						0.0	0.0			0.0
Balance at 31 December 2020	**259.6**	**131.1**	**0.2**	**823.2**	**-150.9**	**755.4**	**1,818.6**	**347.2**	**0.2**	**2,166.0**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIC COMPANY DATA

Citycon is a real estate company specialised in retail premises. Citycon operates in the business units Finland & Estonia, Norway and Sweden & Denmark. Citycon is a Finnish public limited liability company established under the Finnish law and domiciled in Helsinki. The Board of Directors has approved the financial statements on 17th of February 2021.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Citycon prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). Additional information on the accounting policies are available in Citycon's annual financial statements 2020. Citycon's interim financial statements for the reporting period have been prepared in accordance with same accounting policies as in annual financial statements 2020 and in accordance with IAS 34 Interim Financial Reporting standard.

Citycon also presents alternative performance measures according to the European Securities and Markets Authority (ESMA) guidelines. These alternative performance measures, such as EPRA performance measures and loan to value, are used to present the underlying business performance and to enhance comparability between financial periods. Alternative performance measures presented in this report should not be considered as a substitute for measures of performance in accordance with the IFRS.

Due to the uncertainty from COVID-19 situation, management uses somewhat more judgment related to the certain items that require estimates. These items are for example revenue based rental income accruals, COVID-19 related rent discounts and credit loss provisions.

Due to the uncertainty caused by pandemic, the company has prepared an impairment test calculation on 31 December 2020 related to goodwill on the group balance sheet. The impairment test didn't indicate any need for impairment.

Accounting policies related to rent concessions given due to COVID-19

Citycon gave rent concessions to its tenants in various forms due to difficulties imposed by COVID-19 during Q2 2020. These rent concessions included rental discounts, payment schedule changes and rent-free periods during 1.4.–30.6.2020. The rent discounts or rent-free periods were given to tenants in Finland & Estonia and Sweden & Denmark segments.

According to IFRS 16, if these discounts are based on original lease agreement, then the discount costs should be recognized to the income statement fully in the period when they become effective. However, if the discounts are not based on the original lease agreement, they will be considered to form a new lease agreement, which means that the discounts are to be recognized on a straight-line basis during the remaining lease term.

Based on contract analysis prepared by the company, the COVID-19 related discounts given during Q2 have not been based on the original lease agreement and should be booked as a new lease agreement. Hence, the COVID-19 related discounts given during Q2 have been straight-lined to the remaining lease term.

Government grant programs to companies negatively affected by COVID-19 were published in some of the Group's operating countries during Q2. Some of these government grants are aimed at Citycon's tenants and some are also aimed at shopping center owners. Citycon follows the IAS 20 standard related to government grants and accrues the government grants that will probably be received to the periods when the costs related to the grant is booked. The management of the company uses judgement in assessing whether Citycon fulfills the requirements for the grants and if the grants will be received.

Citycon has not given new COVID-19 related rent concessions during Q3 - Q4 2020.

3. SEGMENT INFORMATION

Citycon's business consists of the regional business units Finland & Estonia, Norway and Sweden & Denmark.

In Citycon's reporting, Kista Galleria is treated as a joint venture and the shopping centre's result or fair value will not impact on the gross rental income, net rental income or fair value of investment properties of the group. Kista Galleria is consolidated in Citycon's financial statements based on the equity method, meaning that Citycon's share of Kista Galleria's profit for the period is recognised in the line 'Share of result in joint ventures' and associated companies in the statement of comprehensive income and Citycon's share of Kista Galleria's shareholder's equity is recognised in the line 'Investments in joint ventures and associated companies' in the statement of financial position. In addition, the management fee received by Citycon is reported in the line 'other operating income and expenses' and the interest income on the shareholder loan is reported in 'net financial income and expenses'. Kista Galleria contributed to the IFRS based profit for the period by EUR -28.1 million.

In addition to IFRS segment results, the Board of Directors follows Kista Galleria's financial performance separately, and therefore, segment information includes both IFRS segment results and Kista Galleria's result.

MEUR	Q4/2020	Q4/2019	%	2020	2019	%
Gross rental income						
Finland & Estonia	22.1	24.1	-8.3%	91.5	98.3	-6.9%
Norway	20.5	19.8	3.6%	81.3	80.9	0.6%
Sweden & Denmark	13.1	13.0	1.0%	51.5	52.9	-2.7%
Total Segments	**55.8**	**56.9**	**-2.0%**	**224.3**	**232.1**	**-3.3%**
Kista Galleria (50%)	2.6	3.3	-22.2%	10.9	12.5	-12.9%
Service charge income						
Finland & Estonia	7.9	8.0	-2.0%	30.3	33.3	-8.9%
Norway	8.0	8.3	-4.4%	26.0	28.1	-7.5%
Sweden & Denmark	4.2	4.1	1.2%	14.9	15.7	-5.1%
Total Segments	**20.0**	**20.5**	**-2.3%**	**71.2**	**77.1**	**-7.6%**
Kista Galleria (50%)	0.9	1.0	-3.4%	3.5	3.6	-4.7%
Net rental income						
Finland & Estonia	20.2	23.3	-13.3%	86.8	94.4	-8.1%
Norway	17.8	18.4	-3.4%	74.1	75.4	-1.8%
Sweden & Denmark	11.8	11.7	0.8%	44.5	47.4	-6.1%
Other	0.1	0.1	-	0.1	0.3	-
Total Segments	**49.9**	**53.5**	**-6.7%**	**205.4**	**217.4**	**-5.5%**
Kista Galleria (50%)	1.9	2.8	-33.0%	7.6	9.9	-23.0%
Direct operating profit						
Finland & Estonia	19.5	22.6	-13.8%	83.7	92.0	-9.0%
Norway	16.6	17.8	-6.3%	70.2	73.0	-3.8%
Sweden & Denmark	9.9	10.5	-5.9%	39.6	44.1	-10.2%
Other	-2.9	-3.8	23.3%	-13.2	-15.6	-15.5%
Total Segments	**43.1**	**47.1**	**-8.5%**	**180.4**	**193.5**	**-6.8%**
Kista Galleria (50%)	1.8	2.6	-32.1%	7.0	9.1	-23.0%
Net fair value losses/gains on investment property						
Finland & Estonia	-29.5	-23.5	-25.3%	-87.5	-56.1	55.9%
Norway	6.7	-11.0	-	-5.3	-33.4	-84.2%
Sweden & Denmark	-13.7	-22.7	39.8%	-54.2	-32.4	67.2%
Total Segments	**-36.5**	**-57.2**	**36.2%**	**-146.9**	**-121.9**	**20.5%**
Kista Galleria (50%)	-14.6	-8.9	-63.3%	-32.3	-17.7	-82.5%

MEUR	Q4/2020	Q4/2019	%	2020	2019	%
Operating profit/loss						
Finland & Estonia	-10.0	-0.7	-	-3.5	37.4	-
Norway	22.1	6.8	-	65.4	39.6	65.2%
Sweden & Denmark	-3.8	-12.2	69.0%	-14.6	11.7	-
Other	-2.9	-3.8	23.3%	-13.2	-15.5	-15.3%
Total Segments	**5.5**	**-9.9**	**-**	**34.1**	**73.1**	**-53.3%**
Kista Galleria (50%)	-12.8	-6.3	-	-25.2	-8.5	-

MEUR	31 December 2020	31 December 2019	%
Assets			
Finland & Estonia	1,922.9	1,878.3	2.4%
Norway	1,624.8	1,563.7	3.9%
Sweden & Denmark	1,063.2	1,086.5	-2.1%
Other	69.1	53.8	28.4%
Total Segments	**4,680.0**	**4,582.3**	**2.1%**
Kista Galleria (50%)	265.4	282.2	-6.0%
Liabilities			
Finland & Estonia	21.3	13.1	62.4%
Norway	60.9	59.3	2.7%
Sweden & Denmark	33.5	29.9	11.9%
Other	2,398.4	2,154.8	11.3%
Total Segments	**2,514.0**	**2,257.1**	**11.4%**
Kista Galleria (50%)	253.0	245.7	3.0%

The change in segment assets was due to the fair value changes in investment properties as well as investments.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

MEUR	Q4/2020	Q4/2019	%	Q1–Q4/2020	Q1–Q4/2019	%
Service charges [1]	14.6	15.0	-2.7%	55.3	59.3	-6.7%
Utility charges [1]	2.2	2.2	2.0%	7.6	7.9	-3.6%
Other service income [1]	3.2	3.3	-3.2%	8.3	9.9	-16.1%
Management fees [2]	0.8	1.3	-42.1%	3.1	5.2	-41.0%
Revenue from contracts with customers	**20.8**	**21.8**	**-4.7%**	**74.3**	**82.3**	**-9.7%**

[1] Is included in the line item 'Service charge income' in the Consolidated statement of comprehensive income
[2] Is included in the line item 'Other operating income and expenses' in the Consolidated statement of comprehensive income

5. EARNINGS PER SHARE

		Q4/2020	Q4/2019	%	2020	2019	%
Earnings per share, basic							
Profit attributable to parent company shareholders	MEUR	-8.5	-25.7	67.0%	-28.0	8.9	-
Hybrid bond interests and expenses	MEUR	-4.1	-1.7	-	-16.2	-1.7	-
Weighted average number of ordinary shares [1]	million	178.0	178.0	0.0%	178.0	178.0	0.0%
Earnings per share (basic) [1]	**EUR**	**-0.07**	**-0.15**	**54.1%**	**-0.25**	**0.04**	**-**

		Q4/2020	Q4/2019	%	2020	2019	%
Earnings per share, diluted							
Profit attributable to parent company shareholders	MEUR	-8.5	-25.7	67.0%	-28.0	8.9	-
Hybrid bond interests and expenses	MEUR	-4.1	-1.7	-	-16.2	-1.7	-
Weighted average number of ordinary shares [1]	million	178.0	178.0	0.0%	178.0	178.0	0.0%
Adjustment from share-based incentive plans	million	0.2	0.5	-55.3%	0.3	0.4	-35.5%
Weighted average number of ordinary shares, diluted [1]	million	178.2	178.5	-0.1%	178.3	178.4	-0.1%
Earnings per share (diluted) [1]	**EUR**	**-0.07**	**-0.15**	**54.0%**	**-0.25**	**0.04**	**-**

1) The key figure includes hybrid bond coupons (both paid and accrued not yet recognizes) and amortized fees.

6. INVESTMENT PROPERTIES

Citycon divides its investment properties into two categories: Investment Properties Under Construction (IPUC) and Operative Investment Properties. On reporting date and the comparable period 31 December 2019, the first mentioned category included Lippulaiva in Finland.

IPUC-category includes the fair value of the whole property even though only part of the property may be under construction.

31 December 2020

Me	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
At period-start	**169.0**	**3,991.2**	**4,160.2**
Acquisitions	-	156.0	156.0
Investments	121.5	56.1	177.6
Disposals	-	-10.0	-10.0
Capitalized interest	4.6	0.3	4.9
Fair value gains on investment property	-	39.8	39.8
Fair value losses on investment property	-23.6	-157.5	-181.1
Valuation gains and losses from Right-of-Use-Assets	-	-5.7	-5.7
Exchange differences	-	-43.4	-43.4
Transfer between operative investment properties and joint ventures and transfer into investment properties held for sale	-	-145.8	-145.8
Right-of-use assets classified as investment properties before valuation (IFRS 16)	-	-0.4	-0.4
At period-end	**271.5**	**3,880.7**	**4,152.2**

31 December 2019

Me	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
At period-start	**149.6**	**3,981.6**	**4,131.3**
Acquisitions	0.0	0.3	0.3
Investments	38.6	58.2	96.8
Disposals	0.0	-2.9	-2.9
Capitalized interest	2.6	0.6	3.3
Fair value gains on investment property	0.0	2.4	2.4
Fair value losses on investment property	-21.9	-96.5	-118.4
Valuation gains and losses from Right-of-Use-Assets	0.0	-6.0	-6.0
Exchange differences	0.0	-4.2	-4.2
Transfer between operative investment properties and joint ventures and transfer into investment properties held for sale	0.0	0.5	0.5
Changes in right-of-use assets classified as investment properties (IFRS 16)	0.0	57.0	57.0
At period-end	**169.0**	**3,991.2**	**4,160.2**

7. CAPITAL EXPENDITURE

MEUR	2020	2019
Acquisitions of properties [1]	156.0	0.3
Acquisitions of and investments in joint ventures	5.1	2.2
Property development [2]	182.5	100.1
Goodwill and other investments	2.0	3.3
Total capital expenditure incl. acquisitions	**345.6**	**106.0**
Capital expenditure by segment		
Finland & Estonia	150.5	66.9
Norway	178.3	22.3
Sweden & Denmark	14.9	14.1
Group administration	1.9	2.6
Total capital expenditure incl. acquisitions	**345.6**	**106.0**
Divestments [3]	**10.0**	**80.6**

[1] *Capital expenditure takes into account deduction in the purchase price calculations and FX rate changes*
[2] *Comprises mainly of investments in Lippulaiva in 2020.*
[3] *Excluding transfers into 'Investment properties held for sale'-category*

8. INVESTMENT PROPERTIES HELD FOR SALE

On 31 December 2020 Investment Properties Held for Sale comprised of three properties in Sweden & Denmark segment. On 31 December 2019 Citycon had no property held for sale properties. Transfer from investment properties includes also fair value changes of properties in Investment Properties Held for Sale.

MEUR	31 December 2020	31 December 2019
At period-start	-	78.1
Disposals	-	-77.6
Transfer from investment properties	149.7	-0.5
At period-end	**149.7**	**-**

9. CASH AND CASH EQUIVALENTS

MEUR	31 December 2020	31 December 2019
Cash in hand and at bank	16.7	7.1
Restricted cash	9.2	7.1
Total	**25.9**	**14.2**

Cash and cash equivalents in the cash flow statement comprise the items presented above. Restricted cash mainly relates to gift cards, tax and rental deposits.

10. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Classification of financial instruments and their carrying amounts and fair values

	31 December 2020		31 December 2019	
MEUR	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
I Financial assets at fair value through profit and loss				
Derivative financial instruments	14,8	14,8	18,7	18,7
II Derivative contracts under hedge accounting				
Derivative financial instruments	0,2	0,2	1,4	1,4
Financial liabilities				
I Financial liabilities amortised at cost				
Loans				
Loans from financial institutions	313.6	313.6	231.3	231.5
Bonds	1,758.8	1,784.4	1,587.8	1,599.2
Lease liabilities (IFRS 16)	48.8	48.8	55.2	55.2
II Financial liabilities at fair value through profit and loss				
Derivative financial instruments	26.8	26.8	7.5	7.5
III Derivative contracts under hedge accounting				
Derivative financial instruments	0.0	0.0	-	-

11. DERIVATIVE FINANCIAL INSTRUMENTS

	31 December 2020		31 December 2019	
Me	**Nominal amount**	**Fair value**	**Nominal amount**	**Fair value**
Interest rate swaps				
Maturity:				
less than 1 year	33.4	0.0	-	-
1–5 years	76.4	0.2	136.9	1.4
over 5 years	-	-	-	-
Subtotal	**109.8**	**0.2**	**136.9**	**1.4**
Cross-currency swaps				
Maturity:				
less than 1 year	-	-	-	-
1–5 years	-	-	-	-
over 5 years	314.8	-3.9	316.8	15.7
Subtotal	**314.8**	**-3.9**	**316.8**	**15.7**
Foreign exchange forward agreements				
Maturity:				
less than 1 year	317.8	-8.1	239.4	-4.5
Total	**742.4**	**-11.8**	**693.0**	**12.6**

Derivative financial instruments are used in hedging the interest rate and foreign currency risk.

Hedge accounting is applied for interest swaps which have a nominal amount of EUR 109.8 million (136.9). The change in fair values of these derivatives is recognised under other comprehensive income.

Citycon also has cross-currency swaps to convert EUR debt into SEK debt and currency forwards. Changes in fair values of these are reported in the profit and loss statement as hedge accounting is not applied.

Furthermore, changes in fair values of interest rate caps hedging Kista Galleria's loans are recognised under 'Share of profit of joint ventures and associated companies'.

12. DIVIDEND AND EQUITY REPAYMENT

The Board of Directors proposes that based on the balance sheet to be adopted for the financial period ended on 31 December 2020, no dividend is distributed by a resolution of the Annual General Meeting. Nonetheless, the Board of Directors proposes that the Board of Directors be authorized to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund in the manner set forth below.

Based on this authorization, the maximum total amount of dividend to be distributed shall not exceed EUR 0.05 per share and the maximum total amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.45 per share. Based on the current total number of issued shares in the company, the authorization would equal to a maximum of EUR 8,899,926.25 in dividend and a maximum of EUR 80,099,336.25 in equity repayment.

The authorization is valid until the opening of the next Annual General Meeting.

13. CONTINGENT LIABILITIES

MEUR	31 December 2020	31 December 2019
Mortgages on land and buildings	250.0	131.8
Bank guarantees and parent company guarantees	93.6	49.6
Capital commitments	183.9	208.0

At period-end, Citycon had capital commitments of EUR 183.9 million (208.0) relating mainly to on-going (re)development projects.

Citycon owns 50% of Kista Galleria joint venture. Shares in the joint venture have been pledged as security for the loans of the joint venture.

14. RELATED PARTY TRANSACTIONS

Citycon Group's related parties comprise the parent company Citycon Oyj and its subsidiaries, associated companies, joint ventures, Board members, the CEO and other Corporate Management Committee members and the company's largest shareholder Gazit-Globe Ltd., whose shareholding in Citycon Oyj accounted for 48.9% on 31 December 2020 (48.6%).

Over the reporting period, Citycon paid no expenses to Gazit-Globe Ltd and its subsidiaries, but invoiced EUR 0.0 million expenses forward to Gazit-Globe Ltd and its subsidiaries (0.0).

Citycon had engaged Starkitect Studio Inc., a company acting through Ofer Stark as consultant, to provide consultancy services in a reference period, during which Citycon paid consulting fees EUR 0.1 million. The agreement ended at 7 August 2019.