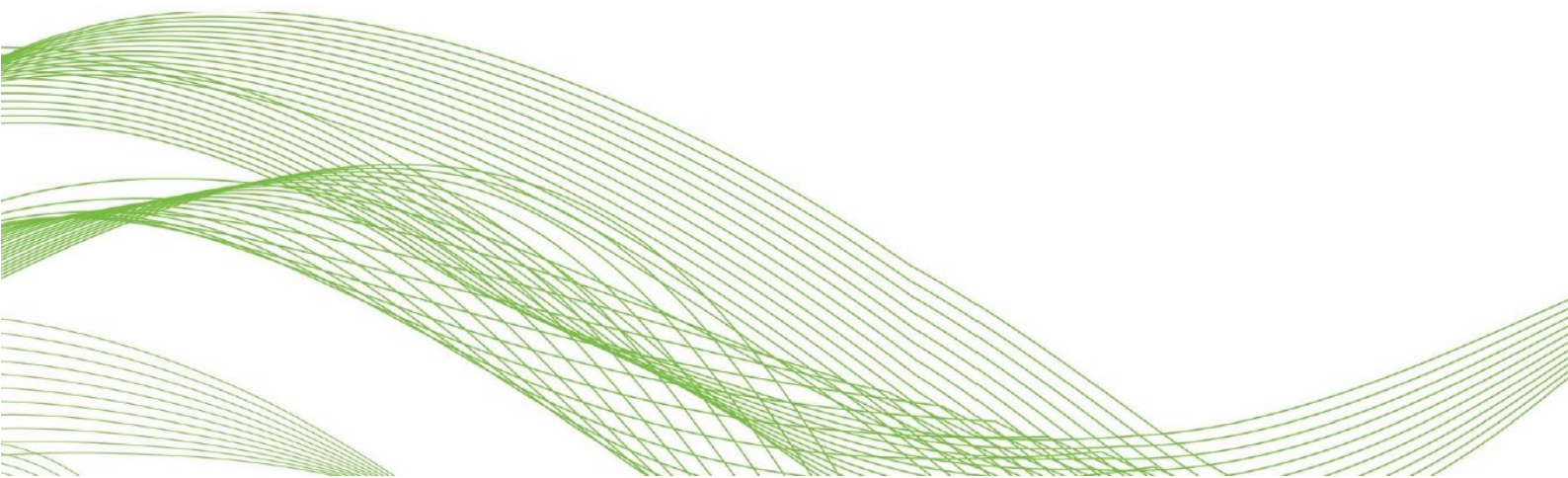




Valuation Statement

CITYCON OYJ

30 JUNE 2022



CONTENTS

- 1. EXECUTIVE SUMMARY3
- 2. INSTRUCTIONS.....4
- 3. MARKET OVERVIEW.....6
- 4. VALUATION METHODOLOGY10
- 5. VALUATION.....11

EXECUTIVE SUMMARY

The investment portfolio being valued includes 19 properties, all 100% owned by Citycon. All assets are shopping centres, but some of the properties include additional value for unbuilt but approved residential/retail area or value related to a built residential or office component.

The portfolio is geographically divided into three countries; Denmark, Estonia and Norway. The key figures of the portfolio are presented in the table below.

30 June 2022	Number of properties	Fair Market Value, EUR million	Wght. Average Net Yield Requirement	Wght. Average Initial Yield	Wght. Average Reversionary Yield	Wght. Average Market Rent, EUR/sq.m./month	Wght. Average Operating Costs EUR/sq.m./month
Total Property Portfolio							
Estonia	2	323.0	6.8 %	7.2 %	6.8 %	20.8	3.6
Norway	15	1,348.0	5.4 %	5.2 %	5.7 %	21.1	5.3
Denmark	2	117.1	5.8 %	5.6 %	6.2 %	19.2	2.9
Total	19	1,788.1	5.7 %	5.6 %	5.9 %	20.9	4.8

The total fair value of the portfolio as at 30 June 2022 was approximately 1,788.1 million Euros.

INSTRUCTIONS

Our instruction from Citycon Oyj was to carry out a fair valuation of the properties held in Citycon's investment portfolio as at 30 June 2022. The purpose of the valuation is financial reporting and performance measurement by Citycon.

Fair Value is defined by the International Accounting Standards Board (IASB) and IFRS 13 as:

"The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants on the measurement date".

The International Valuation Standard Board (IVSB) considers that the IFRS 13 definition of Fair Value is generally consistent with the concept of Market Value and therefore the reported Fair Value is effectively the same as our opinion of Market Value. We confirm that the valuations are fully compliant with IFRS standards and IVSC's valuation standards. Our opinion of Fair Value (IFRS 13) is based upon the Scope of Work and Valuation Assumptions listed below and has been primarily derived using comparable market transactions on arm's length terms.

The stated values do not include transaction costs, in accordance with normal valuation practice in the subject markets.

SCOPE OF WORK AND ASSUMPTIONS

We have valued the properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

The values reported represent 100% of the market values of the company shares owned by Citycon.

This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents. Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

The values stated in this report represent our objective opinion of Fair Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the properties had been properly marketed and that exchange of contracts took place on this date.

The Properties have been valued by valuers who are qualified for the purpose of the valuation in accordance with the RICS Valuation – Global Standards 2022.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject properties. Other valuers may reach different conclusions as to the value of the subject properties. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject properties as at the valuation date.

We confirm that we have been valuing the subject portfolio since June 2017 and provided advice for Citycon's internal valuations in Q1 and Q3 since September 2017. We are of the opinion that there are no conflicts of interest present.

We have carried out our work based upon information supplied to us by Citycon, which we have assumed to be correct and comprehensive.

We inspected the properties internally between May 2017 – January 2022.

We have not measured the properties but have relied upon the floor areas provided to us by Citycon, which we have assumed to be correct and comprehensive.

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination. In the absence of information to the contrary, we have assumed that the properties are not contaminated or adversely affected by any existing or proposed environmental law.

We have not carried out any building surveys or been provided with a building survey from an external party. In the absence of information to the contrary, we have assumed that the properties are free from rot, infestation, structural or latent defect and that the services are in working order and free of defect. We have otherwise had regard to the age and apparent general condition of the Properties.

We have investigated town planning on the Council's websites. We have assumed that all buildings have been erected in accordance with or prior to planning control and have the benefit of permanent planning consents or existing use rights for their current use.

Details of title/tenure under which the Property is held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto.

Heightened Market Volatility

We would draw your attention to the fact that a combination of global inflationary pressures, higher interest rates, the recent geopolitical events in Ukraine and the ongoing impact of the global COVID-19 pandemic in some markets has heightened the potential for greater volatility in property markets over the short-to-medium term. Past experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. You should note that the conclusions set out in this report are only valid as at the valuation date. Where appropriate, we would recommend that the valuation is closely monitored, as we continue to track how market participants respond to current market volatility.

MARKET OVERVIEW

DENMARK

Economic Overview

The retail recovery is underway, but downside risks remain in the form of future Covid-19 outbreaks, global supply chain disruptions, consumer price inflation and geo-political risks. While retailers are currently attempting to absorb the associated additional costs, this will be less easy to do as the disruptions continue throughout 2022 and will likely feed through to higher prices.

As of May 2022, the consumer confidence indicator was -22,4, which is the lowest level in the last 40 years. With the increase in energy prices, and a lot of Danish households dependent on gas to fuel their car, the general consumer has less money to spend on luxury goods in the foreseeable future.

According to Statistics Denmark, retail sales increased by 8% in March 2022 from the end of January 2022 when corrected for price trends, seasonal fluctuations, and the effect of trading days. Since January retail turnover in supermarkets has increased by 7,6%. In January, retail turnover of shoes and other leather goods saw a significant drop of 47%. As an effect of the society reopening, sales for home office supplies has dropped by 33% the last months.

One sector that has had an upwards trend that now has fallen is the turnover of groceries and other home goods over the internet. Since January, this retail sector has decreased turnover by 10%. Which may also come as a consequence of the population now opting for physical retail.

Another sector which emphasizes the change from a period where the public stayed at home to now having more freedom is the gaming and toy sector. From the end of January to the end of March, the sector has seen a decline of 16%.

Prime net shopping centre rents remained unchanged in Q1 2022 at DKK 5,250 per sq m p.a. Looking forward, the pent-up demand caused by the long lockdown of the retail sector, and a higher level of job security could serve as a positive indicator for the expected increase in the retail sector. However, the current situation in Ukraine will pose a threat to the inflation level and the consumer confidence will affect retail sales in an uncertain amount of time going forward why higher vacancy on the medium/longer term is expected.

Retail Market Overview

The shopping centres are experiencing challenges regarding e-commerce and in addition, as a result of weaker investment demand and confidence, market players have been withdrawing their sales from the market due to difficulties in achieving expected pricing. Additionally, the disruption caused by regional periodic lockdowns and prolonged social distancing measures in most of 2020, has further accentuated the already existing pressure on brick-and-mortar retail caused by the rapid growth of e-commerce.

Total retail investments were reported at DKK 2.56bn in Q1 2022, an increase equal to 282% compared to Q1 2021. In One of the largest transactions this year included both local centres and supermarkets.

The general shopping centre yield has been revised slightly upwards in September 2021 at 5.10% for prime shopping centres and at 7.10% for good secondary shopping centres. The trend for both yields is softening, as vacancy is increasing.

ESTONIA

Economic Overview

The economy is experiencing some turbulence, and challenging and unpredictable times are to be expected. The future of the economy of Estonia and the rest of the World is linked to Russian aggression in Ukraine and which direction it will take in a longer perspective. According to Statistics Estonia, the economic growth remained lower than expected. The Estonian economy increased 4.3% in the 1st quarter 2022 compared to the same period previous year, and 0.1% compared to the 4th quarter 2021. According to the latest Estonian Bank forecast, the economy's volume is expected to grow strongly this year by over 9%. Nevertheless, by deducting the price increase, the economic growth is likely around zero or slightly negative.

The Estonian labour market continues to recover from the downturn caused by the coronavirus crisis, although the market is facing a new situation. Employment continued to grow in Q4 2021 but slowed slightly compared to Q3 2021. According to Statistics Estonia, unemployment decreased by around 9,200 persons, to 39,600 people in Q1 2022 compared to Q1 2021. However, compared to the last quarter of 2021, the labour market observed a rise in unemployment by 3,300 people. The unemployment rate was 5.5% in the first quarter 2022.

Inflation growth in Estonia has reached double digits compared to the previous year. According to Statistics Estonia, inflation was mainly affected by a 217% increase in gas prices, a 146% increase in electricity prices, and an increase in fuel prices by half. Although the price increase has not fully reached groceries and retail, it is expected shortly. It is difficult to forecast how the prices will change in the following years, but uncertainties affect consumer basket prices substantially. According to the Bank of Estonia, the rapid salary increase will continue; it will remain slower than the rapid price rise. With higher prices and lower-income, consumer purchasing power is also declining. The rapid rise in consumer prices is expected to slow in the following years when the raw material prices increase stops.

Retail Market Overview

According to Statistics Estonia, in the 1st quarter of 2022, the retail trade volume reached 2.3 billion euros. Compared to the 1st quarter of 2021, the sales increased by 24% at constant prices. In April 2022, the retail trade volume was 846 million euros. Sales volume index increased by ca 12% compared to the previous year and decreased by ca. 6% compared to March 2022. The most significant contributor to the retail trade growth was enterprises selling industrial goods 26%. Split by the segment, significant year-on-year turnover was observed in the stores selling textiles, clothing, footwear, and leather goods, while the sales increased by four times. The sales volume also increased in second-hand goods in stores, retail sales via stalls and markets by 33%, home equipment stores by 23%, retail sale of computers, peripheral units, software telecommunication equipment, etc. by 15%, and retail sale of medical and orthopaedic goods, cosmetic 13%. The sales via mail order house or internet decreased by 12% compared to the previous year. The sale revenue of enterprises engaged in the retail sale of motor fuels increased by 13% in April. Over a long period, food and beverage sales decreased by about 3% compared to the previous year's period.

The increase in trade volumes in the first half of the year has been vigorous. Consumer confidence has declined, but confidence has remained strong for larger purchases in the next twelve months. However, the purchasing power is deceptive. The price increase in energy carriers has only minimally reached retail and groceries. Increased side costs, which are still climbing, may lead the turn to e-commerce even more. We already recognize that some tenants are unable to pay the rent, do not renew leases, or cancel fixed-term contracts, specifically in retail sales of clothes and footwear, in which sales volumes are decreasing.

In Tallinn, shopping center rents have stayed stable throughout the year. The prime rents are at the level of 45 EUR/sqm per month.

The prime shopping center yield in Estonia is estimated at ca. 7.0%, 7.25% in Latvia and 7.0% in Lithuania.

The most noticeable transactions were conducted in the second half of 2021. The Estonian market observed three significant shopping center acquisitions. The first is the Stockmann portfolio purchase, consisting of Tallinn and Riga's malls. The buyer was Viru Keemia Group, an Estonian private investor. The second big deal was the sale of Mustamäe Keskus. The purchase was made by Brcks SPV5, owned by a Latvian businessman. The price for both transactions is confidential. The third notable acquisition was the winning auction bid of the bankrupt T1 Mall of Tallinn. After two failed auctions, with starting price of EUR 85 million, Lintgen Adjacent Investments S.à r.l, the biggest creditor of the T1 Mall, made a EUR 55 million acquisition. In the first quarter of 2022, Capital Mill purchased Fausto Capital's retail portfolio, including shopping centers and supermarkets.

Although after lifting the COVID-19 implied restrictions people are still getting used to normality, we are witnessing that people's needs have altered, and to be successful, the landlords of enterprises ought to be adaptable. The role and nature of shopping centers are changing. The pandemic did not move a massive number of consumers to e-commerce channels, but at the same time it raised a question of whether people should make purchases in-store or in e-commerce channels – these questions show that we are in the middle of significant changes. The shopping centers see themselves as having a bigger role in the evolution of communities and shopping centers are changing more dynamic than ever. For example, the renewal plans of T1 Shopping Center envisage the reduction of retail spaces and consolidation of retail on two floors. The third floor will focus on leisure activities, sports, and health and beauty treatments, and the fourth floor will remain for entertainment.

During the last decade, shopping centers have shifted from just retailer destinations to multifunctional experience hubs with increased lunch and dining options, wellness and entertainment offerings, as well as an access to public services, which all together help generate a footfall for the retail tenants. The aim is to create centers that evolve along the generation shift and are able to provide amenities, experiences, and entertainment to enhance the shopping experience. For example, in the second half of 2022, the MyFitness sports club is opening its doors in Kristiine Center, increasing its range in service providing.

NORWAY

Economic Overview

The key policy rate (KPR) was hiked for the first time since the start of the pandemic, in September last year. Additional hikes followed in December and March, before the central bank initiated a double hike in June, bringing the KPR to the current level of 1.25 percent. The Norwegian central bank (Norges Bank) has responded to the increased inflation by forecasting 7 additional hikes before next summer. The current projections imply that the KPR will reach 3.0 percent in June 2023.

We entered the year with a 2021 GDP growth of 4.1 percent and were forecasting the growth to continue at the same pace in 2022. Throughout the first quarter, this has been continuously revised downwards, and we are currently forecasting GDP growth around 1.8 percent for the year. Growth rates are likely to be especially strong in the sectors that were impacted the most by restrictions, particularly different service sectors. This is evident by our forecast of 3.1 growth in Mainland-GDP.

The NOK is forecasted by Nordea Markets to slightly appreciate against EUR and moderately appreciate against GBP and USD, over the next 3-12 months. The expected NOK appreciation could contribute to more favourable trading conditions for importers, i.e., a majority of retailers.

In February, essentially all the corona-related restrictions across Norway were fully reversed, with all shops and F&B outlets reopening. As of May 2022, the only sector with negative YoY sales growth in Norwegian shopping centres, is grocery stores. Overall shopping centre sales are up 14.7 percent YoY from January to May, according to Kvarud Analyse.

Average basket size was NOK 378 for May 2022, while the 2022 average basket size so far is NOK 381, NOK 26 less than last year. Although visiting numbers was up 22 percent from 2021, they are 7.2 percent down from the same period in 2019.

Retail Market Overview

As essentially all pandemic-related restrictions were lifted for the first time in early fall of 2021, retail and service sectors entered a strong recovery phase. Effects were put on hold after restrictions once again were tightened towards the end of the year, but the retail sector continued the recovery from early 2022. Retail transactions amounted to 23 percent of the total transactions volume in Q1 2022. At NOK 9.3 billion, retail transactions have more than doubled compared to Q1 2021.

The prime shopping centre yield in Q2 2022 is estimated to be 4.8 percent, down 10 bps YoY. Prime high street yield is 3.90 percent, down 10 bps YoY. Due to the increasingly fierce competition from ecommerce and with interest rates on the rise, we do not expect prime yield to revert to pre-COVID levels. We do however believe the increased cost of financing and risk premium from soaring interest rates and economic uncertainty should see yields edge upwards in the short to medium term, especially for secondary assets.

We have registered six shopping centre transactions in Q2 2022. The 12,400 sqm Strømsø Senter in Drammen was sold by OroEiendom to Ragde Eiendom for an undisclosed fee estimated around NOK 400 million. The 8,800 sqm Litorvet in Skien was sold by Samfosa to Øygarden Eiendom for an undisclosed fee estimated around NOK 200 million. The 8,500 sqm Raglamyrsenteret in Haugesund was sold by Tvedt Eiendom to God Driv AS for an undisclosed fee estimated around NOK 130 million. The 40,000 sqm Gulskogen in Drammen, the 13,650 sqm Arkaden in Stavanger and 25 % of the 20,800 sqm Maxi Hamar was sold as a portfolio by Steen & Strøm to Aurora Eiendom for a total of NOK 2.6 billion.

VALUATION METHODOLOGY

We have assessed the fair values primarily by using the income approach by undertaking 10-year discounted cashflow analyses. The cashflow model used was provided to us by Citycon and has been developed by an external service provider. This model was used for Citycon's valuations for the first time in Q2 2017.

The calculation uses the current contract rents until lease expiry and the market rents assessed by CBRE after lease expiry. The lease expiry dates adopted are the earliest possible lease break dates for fixed term leases, and for leases that are valid until further notice, a certain number of lease renewals have been assumed and adopted. The rents under the current leases and assessed market rents for the vacant tenancies and after lease expiries form the potential gross income.

The model utilises a long-term vacancy rate for each tenancy after the adopted lease expiry date, and rent voids have also been applied after the initial lease expiries. Any rent discounts under the current leases and leases starting after the valuation date are also adjusted for in the calculation.

Other income, such as car parking, casual mall leasing, advertising etc. is then added to the rent cashflow to arrive at the forecast gross income. Operating expenses have then been deducted from the forecast gross income to arrive at a net income. This is the income used to calculate the initial yields at the valuation date.

Furthermore, deductions have been made for anticipated capital expenditure, tenant improvement costs to occur after lease expiry and other project investments. We have not been provided with long term capital expenditure forecasts by Citycon, only the immediate investments, and the capital expenditure allowances made are based on our general knowledge of costs for these types of properties and are estimates only.

The values of the properties are based on the sum of the discounted 10-year cashflow and present value of the terminal value. Any possible additional value, such as the value of unutilised approved building area which is considered to be usable, has been added as well.

The discount rates used are based on acceptable yields escalated by the average projected inflation during the 10-year cashflow period. The yields are derived from sales evidence and utilising our general market knowledge.

VALUATION

The investment portfolio being valued includes 19 properties, all 100% owned by Citycon. All assets are shopping centres, but some of the properties include additional value for unbuilt but approved residential/retail area or value related to a built residential or office component.

The portfolio is geographically divided into three countries: Denmark (2 properties), Estonia (2 properties) and Norway (15 properties). The key figures of the portfolio are presented in the table below. There are some very large shopping centres in the portfolio and the 5 largest assets account for circa 47% of the total value. The largest assets by value are Rocca al Mare and Kristiine Keskus in Estonia, and Oasen, Herkules and Trekanten Senter in Norway.

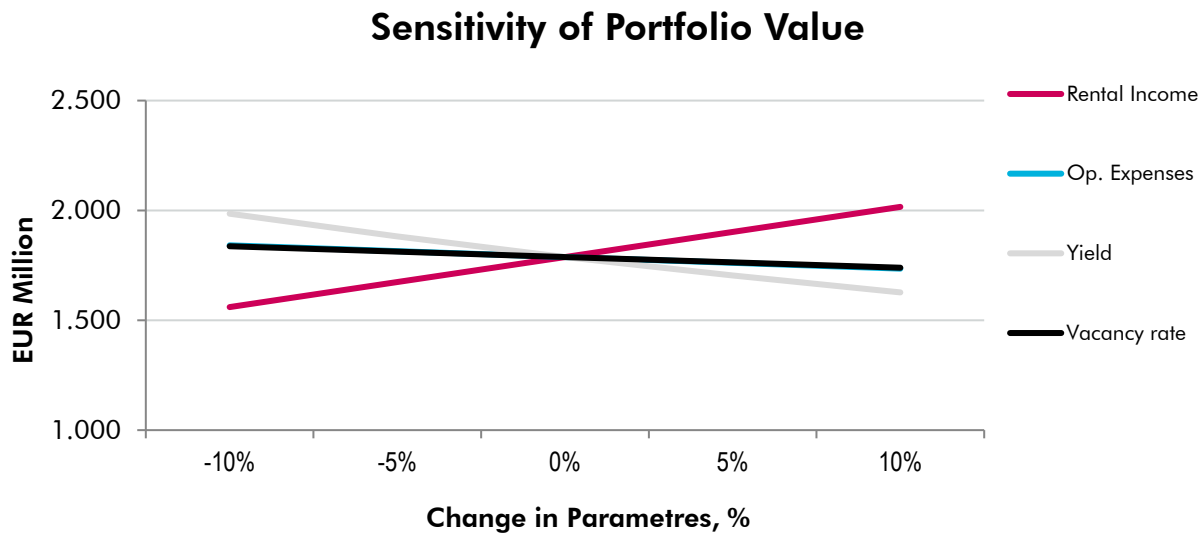
Six of the property values include additional value for approved building area which has not yet been utilized.

The total fair value of the portfolio as at 30 June 2022 was approximately 1,788.1 million Euros.

30 June 2022	Number of properties	Fair Market Value, EUR million	Wght. Average Net Yield Requirement	Wght. Average Initial Yield	Wght. Average Reversionary Yield	Wght. Average Market Rent, EUR/sq.m./month	Wght. Average Operating Costs EUR/sq.m./month
Total Property Portfolio							
Estonia	2	323.0	6.8 %	7.2 %	6.8 %	20.8	3.6
Norway	15	1,348.0	5.4 %	5.2 %	5.7 %	21.1	5.3
Denmark	2	117.1	5.8 %	5.6 %	6.2 %	19.2	2.9
Total	19	1,788.1	5.7 %	5.6 %	5.9 %	20.9	4.8
Estonia							
Tallinn	2	323.0	6.8 %	7.2 %	6.8 %	20.8	3.6
Total	2	323.0	6.8 %	7.2 %	6.8 %	20.8	3.6
Norway							
Greater Oslo Area	5	542.1	4.8 %	4.9 %	5.0 %	22.6	6.3
Other Areas in Norway	10	805.9	5.8 %	5.5 %	6.2 %	20.1	4.6
Total	15	1,348.0	5.4 %	5.2 %	5.7 %	21.1	5.3
Denmark							
Greater Copenhagen Area	2	117.1	5.8 %	5.6 %	6.2 %	19.2	2.9
Total	2	117.1	5.8 %	5.6 %	6.2 %	19.2	2.9

SENSITIVITY ANALYSIS

A sensitivity analysis has been undertaken for the portfolio based on a portfolio summary, by changing the main parameters of the valuation calculation and examining its impact on the portfolio value. The valuation calculation parameters in the analysis are the yield, rental income and operating expenses, which have been adjusted one at a time, and the impact on value compared to the current situation. The analysis is a simplified model of the actual valuation calculations and the results are indicative only. The results of the sensitivity analysis are illustrated in the following figure.



The value is the most sensitive to changes in rents, with the value changing by approx. 13% with the income level reducing or increasing by 13%. The next largest impact is made by changes in the yield, where a 10% reduction in the capitalisation rate results in an 11% increase in value and a 10% increase in the capitalisation rate results in a 9% reduction in value. A 10% change in operating expenses only has a 3% impact on value, both up and down.

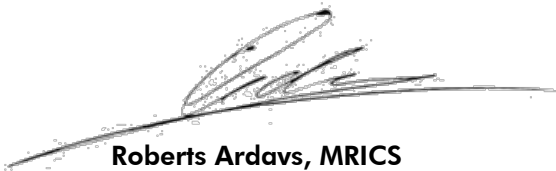
VALUATION ASSESSMENT

We are of the opinion that the aggregate of the Fair Values of Citycon Oyj's investment property portfolio, free of liabilities and debt, as at 30 June 2022 is approximately:

1,788,100,000 Euros

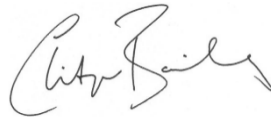
(ONE BILLION SEVEN HUNDRED EIGHTY-EIGHT MILLION ONE HUNDRED THOUSAND Euros)

In Copenhagen, Riga and Oslo 5th July 2022



Roberts Ardavs, MRICS

For and on behalf of
CBRE Baltics



**Christopher Bailey, MRICS, Hypzert (MLV)
CIS, REV
Executive Director**

For and on behalf of
CBRE A/S (Denmark)



**Erik Myklebust, MRICS
Senior Director**

For and on behalf of
CBRE AS (Norway)