



Q1–Q4/2023

Financial statements release

January–December

Performance Q1–Q4/2023

+7.8%

Standing NRI growth
in Q4/2023¹
(vs. Q4/2022)

+6.5%

Like-for-like NRI growth
in Q1–Q4/2023¹
(vs. Q1–Q4/2022)

+6.0%

Standing NRI growth
in Q1–Q4/2023¹
(vs. Q1–Q4/2022)

+2.9%

Standing EPRA EPS¹
(vs. Q1–Q4/2022)

96.0%

Retail occupancy

+3.4%

Like-for-like tenant sales
(vs. Q1–Q4/2022)

+1.6EUR¹ &
24.0EUR

Increase & avg. rent / sq.m.
(vs. Q1–Q4/2022)

99%

Rent collection Q1–Q4/2023

191 MEUR

Notional bonds repurchased

650 MEUR

Credit facility renewed

87 MEUR

Hybrid debt retired

S&P reaffirmed Citycon's
investment grade rating
(BBB-/Stable)

¹ with comparable FX rates

CEO, F. Scott Ball:

In 2023, Citycon continued to demonstrate the strength of its strategy and portfolio as all operational metrics (sales, footfall, rents, occupancy, collections) continue to show sustained growth. Importantly, like-for-like net rental income grew 6.5% and standing net rental income with comparable FX rate increased 6.0% in 2023 compared to the previous year. The strong operational performance reflects the stability of our necessity-based centres focused on serving as a centre for the community as well as a last mile logistics hub for delivery of grocery, municipal, and other services. Our properties also possess excellent access to public transportation and locations in the strongest and fast-growing cities in the Nordics.

For the year, like-for-like tenant sales increased by 3.4% and footfall 1.8% compared to the previous year. Notably, tenant sales are already 9.2% above 2019 levels. At the same time, we experienced strong demand for our centres from both new and existing tenants, as evidenced by our leasing activity with over 132,000 sq.m. of signed leases in 2023, resulting in retail occupancy of 96.0%. Average rent per square meter with comparable FX increased by 1.6 EUR to 24.0 EUR/sqm. during the year again highlighting the quality and attractiveness of Citycon's grocery- and municipal-anchored centres and their resilience in a variable market conditions. The rent collection rate remained strong at 99% for 2023 which reflects the high quality and creditworthiness of Citycon's tenants.

Despite the strong operational result, currencies continued to impact our reported figures. During the year, there has been adverse volatility of the NOK and SEK, which are at twenty-year lows. FX rates had EUR 10.2 million negative impact on our direct operating result in 2023. However, these currencies began to strengthen in the latter part of the year, which, if this trend continues, would provide a tailwind to our operations.

Likewise yield expansion significantly impacted the book value of our assets creating a paper loss for 2023. However, this was at least partially offset by actual cash proceeds due to the tremendous rent growth occurring in our assets. Now that spreads have begun to tighten, we anticipate that yields should follow, which provides an additional tailwind for us in 2024. Speaking of asset values, we are in final stages to take over the remaining interest in Kista Galleria in Stockholm, Sweden by assuming the seller's share of existing debt and a minimal cash payment (EUR 2.5 million). After the transaction, Citycon will have 100% ownership of the centre and that will have approx. EUR 70 million positive effect on our total asset value in Q1 as the transaction is expected to be executed during the first quarter of the year.

Looking to our balance sheet, Citycon continued its credit actions to strengthen its investment grade balance sheet. As previously noted, we refinanced and expanded our credit

facility in April from EUR 500 million to EUR 650 million, consisting of a EUR 400 million revolver and EUR 250 million term loan. In total, Citycon repurchased EUR 191 million of notional bonds in 2023 through a tender offer from the open market by using approx. EUR 184 million of cash, taking advantage of discounts and dislocation in secondary trading. Furthermore, in Q4 we signed an approx. SEK 1 020 million 7-year mortgage loan secured by one of our Swedish assets, providing evidence that the secured loan market is functioning well. Additionally, the loan provided liquidity to improve our maturity schedule and our balance sheet as the proceeds from the term loan were used to refinance the company's near-term maturities.

In November and December, we successfully completed two hybrid/equity exchanges where in total EUR 25 million notionals of hybrid bonds were repurchased by issuing new shares. We repurchased the hybrid bonds at a discount compared to the nominal value in exchange for equity at the market value. This transaction highlights our commitment to maintain our investment grade credit rating. In total, we retired EUR 87 million of hybrid debt in 2023. We are pleased that all these credit actions, which continue to mitigate the earnings impact of higher current market interest rates, while also improving our overall balance sheet, were recognized by S&P, who reaffirmed Citycon's investment grade rating with stable outlook. As evidenced by our actions in 2023, further strengthening our balance sheet and credit metrics is for us a top priority.

Looking ahead to 2024, we are well positioned with a proven stable business model that has performed well regardless of macroeconomic pressures. This is enhanced by the fact that 93% of our leases are linked to indexation which will further compound in 2024. Notably, our mix of high credit tenants are less reliant on consumer discretionary spending, which provides significant stability, which is reflected in our results.

While we have been able to grow rents due to indexation, the fact that sales have continued to grow means our occupancy cost ratio remains very low (9.5%). This positions Citycon to have compounding rent growth with additional indexation without jeopardizing our tenants' ability to continue to run profitable businesses. It is also important to note that, following the completion of the residential towers in Lippulaiva in Q1/2023, we have minimal committed capital expenditures in 2024.

Given the stabilization of interest rates and the sizable amount of capital looking for investment opportunities, we anticipate a significant increase in activity in the transaction market in 2024. Based on this expectation we are increasing our previously disclosed divestment target by the end of 2024 with a target of EUR 950 million over the next 24



months. Citycon owns some of the best, most urban, large fortress assets in the Nordics. The 12 largest assets (out of 33) make up approx. 80% of the value of our total assets. We will focus our efforts on these largest properties that offer a much stronger growth trajectory and divest the remaining properties.

Further, the following actions will be taken in 2024:

1. Focus on core assets in core markets resulting in the sale of EUR 950 million of assets over the next 24 months.
2. Expense management to offset increase in finance cost, including:
 - Consolidating all corporate functions to suburban Helsinki.
 - Reduce G&A overhead to annual run rate less than 10% of NRI by year-end 2024.
 - Reduction of operating expenses to offset sharp increase in energy price.
 - Significant reduction of capex from EUR 96 million in 2023 to approx. EUR 30 million in 2024.
 - The completion of current major projects including:

- In Myyrmanni, the opening of 7,300 sq.m. Prisma which results in the centre being practically fully leased with approx. 60% of tenant mix dedicated to grocery.
- In Rocca al Mare, we are underway with the addition of the Selver grocery store as well as an 1,800 sq.m. gym. These will open by August 2024.
- In Iso Omena, we will open the first Nike Rise concept store in Finland.
- In Albertslund centrum in Copenhagen, we will open a Lidl grocery store in summer 2024.

Taken together, these factors give us confidence that 2024 results will continue to build on our solid performance in 2023. Our guidance reflects the benefit from inflation as indexation pushes our rents higher. As a result, our estimated outlook is for 2024 direct operating profit to be in range EUR 185–203 million, EPRA EPS EUR 0.62–0.74 and adjusted EPRA EPS EUR 0.46–0.58.

F. Scott Ball
Vice Chairman and Chief Executive Officer

Citycon results summary:

Operational performance

Q4/2023

- Like-for-like net rental income in Q4 increased 5.3% compared to the previous year.
 - Standing net rental income (excl. four assets disposed in Norway in 2022) in Q4 with comparable FX increased 7.8%.
- Like-for-like footfall increased 1.4%.
- Like-for-like tenant sales in Q4 increased 1.9%; 9.0% higher than the same period in Q4/2019 (pre-pandemic level).

Q1–Q4/2023

- Like-for-like net rental income increased 6.5%.
 - Standing net rental income (excl. four assets disposed in Norway in 2022) in 2023 with comparable FX increased 6.0%.
- Like-for-like footfall increased 1.8%.
- Like-for-like tenant sales increased 3.4% compared to previous year and 9.2% compared to Q1–Q4/2019 (pre pandemic level).
- Q1–Q4/2023, total average rent per sq.m. increased by EUR 1.6 to EUR 24.0 per sq.m (comparable FX) through the combination of indexation and positive leasing spread of 1.4%.

Strengthening the balance sheet

- In total, Citycon repurchased EUR 191 million of notional bonds in 2023 through tender offer and from the open market by using approx. EUR 184 million of cash.
 - Additionally, Citycon retired EUR 87 million of hybrid debt.
 - Repurchases further stabilizes Citycon's well-laddered maturity profile and reduces refinancing risk.
- Citycon replaced and extended of EUR 650 million credit facility in April 2023, incl. EUR 250 million term loan.
- Citycon signed a SEK 1 020 million (approx. EUR 89.5 million) fixed rate green term loan in November.
- Citycon updated its EUR 400 million Commercial Paper programme into green format, and issued its first Green Commercial Paper.
 - the first ever Green Commercial Paper issued in the Finnish market.
- Citycon remains committed to its investment grade credit rating.

Key figures

Citycon Group ¹		Q4/2023	Q4/2022	%	FX		Q1-Q4/ 2023	Q1-Q4/ 2022	%	FX	
					Adjusted Q4/ 2022	Adjusted % ²				Adjusted Q1-Q4/ 2022	Adjusted % ²
Net rental income	MEUR	50.6	51.2	-1.3%	48.7	3.9%	195.7	203.6	-3.9%	192.3	1.7%
Like-for-like net rental income development	%	5.3%	11.9%	-	-	-	6.5%	6.6%	-	-	-
Direct operating profit ³	MEUR	41.7	45.1	-7.6%	42.7	-2.4%	164.8	175.2	-5.9%	165.0	-0.1%
IFRS Earnings per share (basic) ⁴	EUR	-0.88	-0.50	-75.8%	-0.46	-89.6%	-0.70	-0.15	-	-0.14	-
Fair value of investment properties	MEUR	3,858.2	4,040.1	-4.5%	-	-	3,858.2	4,040.1	-4.5%	-	-
Loan to Value (LTV) ³	%	46.3	41.4	11.8%	-	-	46.3	41.4	11.8%	-	-

EPRA based key figures ³											
EPRA Earnings	MEUR	28.7	32.5	-11.9%	30.5	-6.0%	109.6	122.6	-10.7%	114.5	-4.3%
Adjusted EPRA Earnings ⁵	MEUR	21.5	24.8	-13.4%	22.8	-5.6%	80.6	92.1	-12.5%	83.9	-3.9%
EPRA Earnings per share (basic)	EUR	0.169	0.194	-12.5%	0.181	-6.6%	0.651	0.730	-10.8%	0.681	-4.4%
Adjusted EPRA Earnings per share (basic) ⁵	EUR	0.127	0.148	-14.0%	0.136	-6.2%	0.479	0.548	-12.6%	0.499	-4.1%
EPRA NRV per share ⁶	EUR	9.30	11.01	-15.5%	-	-	9.30	11.01	-15.5%	-	-

¹ The numbers include the sale of four investments properties during the previous year.

² Change from previous year (comparable exchange rates). Change-% is calculated from exact figures.

³ 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.

⁴ The key figure includes hybrid bond coupons, amortized fees and gains and expenses on hybrid bond repayments.

⁵ The key figure includes hybrid bond coupons and amortized fees.

⁶ The effect of currency rates to EPRA NRV/share was EUR -0.47.

Standing portfolio key figures ¹		Q4/2023	Q4/2022	%	FX		Q1-Q4/ 2023	Q1-Q4/ 2022	%	FX	
					Adjusted Q4/ 2022	Adjusted % ⁴				Adjusted Q1-Q4/ 2022	Adjusted % ⁴
Net rental income	MEUR	50.6	49.2	2.7%	46.9	7.8%	195.7	195.1	0.3%	184.7	6.0%
Direct operating profit ²	MEUR	41.7	42.5	-1.8%	40.4	3.4%	164.9	166.2	-0.8%	157.0	5.0%
EPRA based key figures ²											
EPRA Earnings	MEUR	28.7	29.9	-4.1%	28.0	2.3%	109.6	113.6	-3.5%	106.3	3.1%
Adjusted EPRA Earnings ³	MEUR	21.5	22.2	-3.1%	20.3	5.8%	80.7	83.1	-2.9%	75.8	6.4%
EPRA Earnings per share (basic)	EUR	0.169	0.178	-4.7%	0.167	1.6%	0.651	0.676	-3.7%	0.633	2.9%
Adjusted EPRA Earnings per share (basic) ³	EUR	0.127	0.132	-3.7%	0.121	5.1%	0.479	0.495	-3.1%	0.451	6.3%

¹ Standing portfolio key figures include only income and expenses from investment properties that were on group balance sheet on 31 December 2023. The portfolio is the same in the reporting period and in the comparison period, hence the numbers are comparable. Lippulaiva (opened on the 31st of March 2022) is included in the standing portfolio.

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 key figure includes hybrid bond coupons and amortized fees.

⁴ Change from previous year (comparable exchange rates). Change-% is calculated from exact figures.

Outlook for 2024

Direct operating profit	MEUR	185–203
EPRA Earnings per share (basic)	EUR	0.62–0.74
Adjusted EPRA Earnings per share (basic)	EUR	0.46–0.58

The outlook assumes that there are no major changes in macroeconomic factors and no major disruptions from the war in Ukraine. These estimates are based on the existing property portfolio, including Kista 100%, as well as on the prevailing level of inflation, the EUR–SEK and EUR–NOK exchange rates, and current interest rates.

1. Net rental income

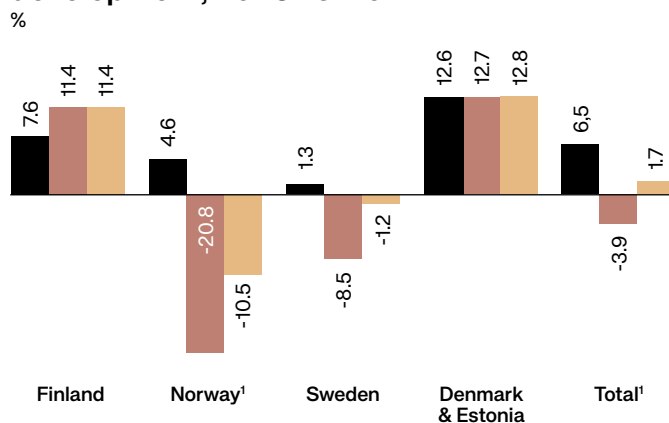
Like-for-like net rental income in Q4 increased 5.3% compared to Q4/2022.

Like-for-like net rental income in Q1–Q4/2023 increased by 6.5%.

Total net rental income for the period was EUR 195.7 million (Q1–Q4/2022: EUR 203.6 million, including disposed assets).

Like-for-like net rental income from the Finnish operations increased by 7.6% in Q1–Q4/2023. Like-for-like net rental income from Norwegian operations increased by 4.6% in Q1–Q4/2023. Like-for-like net rental income from the Swedish operations increased by 1.3% in Q1–Q4/2023. Like-for-like net rental income from the Danish & Estonian operations increased by 12.6% in Q1–Q4/2023.

Like-for-like and total net rental income development, 2023 vs. 2022



- Like-for-like NRI Development (at comparable exchange rates)
- Total NRI Development (at actual exchange rates)
- Total NRI Development (at comparable FX rates)

¹ Total NRI impacted by disposals executed in 2022.

Net rental income and gross rental income breakdown

MEUR	Net rental income					Gross rental income	
	Finland	Norway ²	Sweden	Denmark & Estonia	Other	Total	Total
Q1–Q4/2022	68.6	78.9	30.4	26.0	-0.3	203.6	222.3
(Re)development projects	4.0	-2.3	-0.9	-	-	0.8	1.2
Divestments	0.0	-7.7	-	-	-	-7.7	-8.2
Like-for-like properties ¹	3.9	2.5	0.3	3.3	-	9.9	12.1
Other (incl. exchange rate differences)	0.0	-8.9	-2.0	0.0	-0.1	-11.0	-12.1
Q1–Q4/2023	76.4	62.5	27.8	29.3	-0.4	195.7	215.3

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 NRI impacted by four assets sold in 2022.

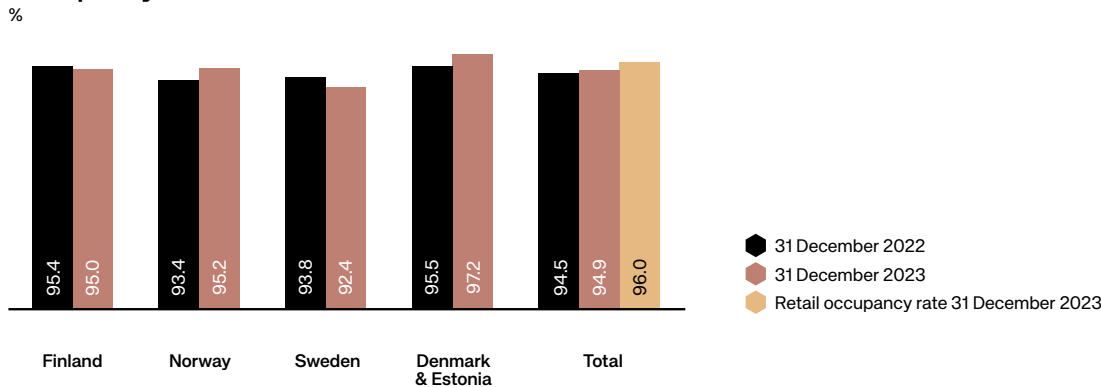
2. Occupancy, sales and footfall

The retail occupancy rate was 96.0% in Q4/2023 and was 60 bps higher versus the same time last year (Q4/2022: 95.4%). Economic occupancy for Q4/2023 was 94.9% (Q4/2022: 94.5%). Furthermore, the average rent per sq.m. increased by 0.3 to 24.0 EUR (Q4/2022: 23.7 EUR). With comparable FX rates, average rent per sq.m increased by 1.6 EUR. In Q1–Q4/2023 Citycon leased over 132,000 sq.m. with a positive leasing spread of 1.4%.

Like-for-like tenant sales increased 1.9% in Q4/2023 and 3.4% for Q1–Q4/2023 compared to the same time last year. Notably, like-for-like tenant sales in Q1–Q4/2023 are up 9.2% compared to the same time period in 2019.

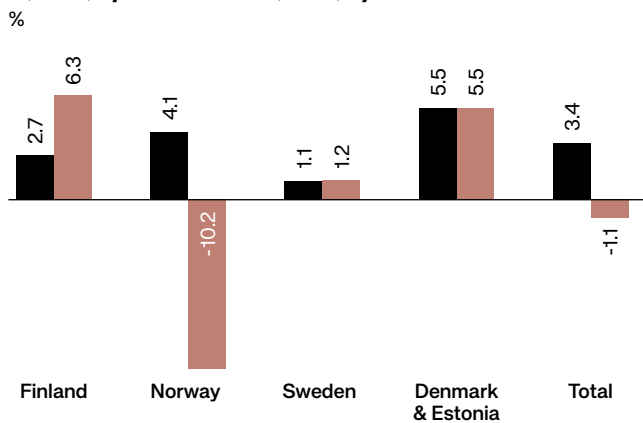
Like-for-like footfall increased by 1.4% in Q4/2023 and 1.8% in Q1–Q4/2023 compared to the same period last year.

Occupancy rate¹



¹ Kista Galleria 50% not included.

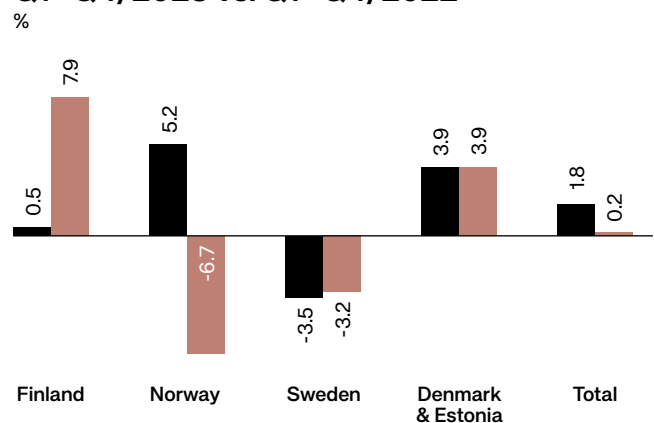
Tenant sales development, Q1–Q4/2023 vs. Q1–Q4/2022¹



Like-for-like sales
 Total sales (including impact of divested assets)

¹ Sales figures include estimates. Sales figures exclude VAT and the change has been calculated using comparable exchange rates. Kista Galleria 50% not included.

Footfall development, Q1–Q4/2023 vs. Q1–Q4/2022¹



Like-for-like footfall
 Total footfall (including impact of divested assets)

¹ Footfall figures include estimates. Kista Galleria 50% not included.

Lease portfolio summary¹

		31 December 2023	31 December 2022
Number of leases	pcs	3,371	3,191
Average rent	EUR/sq.m./month	24.0	23.7
Average remaining length of lease portfolio	years	3.6	3.4
Occupancy cost ratio ²	%	9.5%	9.2%
Leasing Spread	%	1.4%	2.0%

¹ Kista Galleria 50% not included.

² The rolling twelve month occupancy cost ratio for like-for-like shopping centres.

Leasing activity¹

		Q1–Q4/2023	Q1–Q4/2022
Total area of leases started	sq.m.	236,923	262,772
Total area of leases ended	sq.m.	237,608	302,490

¹ Leases started and ended do not necessarily refer to the same premises. Kista Galleria 50% not included.

3. Financial result Q1–Q4/2023 vs. Q1–Q4/2022

Operating profit (IFRS) was EUR -38.0 million (Q1–Q4/2022: EUR 87.7 million).

Administrative expenses were EUR 31.1 million (Q1–Q4/2022: EUR 28.7 million). At the end of the reporting period, Citycon Group employed a total of 234 (31 December 2022: 251) full-time employees (FTEs) of whom 43 worked in Finland, 75 in Norway, 39 in Sweden, 14 in Estonia & Denmark and 64 in Group functions.

Net financial expenses (IFRS) decreased slightly to EUR 47.7 million (Q1–Q4/2022: EUR 48.0 million) mainly following increased interest income on cash at bank and income from hedging derivatives. Indirect one-off gains of EUR 2.9 million from bond repurchases executed at a discount was offset by EUR 2.8 million indirect loss (Q1–Q4/2022: EUR 9.2 million loss) from hedging derivatives not under hedge accounting and other indirect items.

Share of loss of joint ventures and associated companies totalled EUR -36.7 million (Q1–Q4/2022: EUR -24.6 million) mainly due to weaker development of property fair values in joint venture Kista.

Profit for the period was EUR -115.0 million (Q1–Q4/2022: EUR 5.1 million).

4. Property portfolio value development

From year-end, the fair value of investment properties decreased by EUR 181.9 million to EUR 3 858.2 million (31 December 2022: EUR 4,040.1 million). Net investments, including both acquisitions and disposals and development projects increased the fair value by EUR 92.8 million. In addition, changes in right-of-use –assets increased the value of investment properties by an additional EUR 1.8 million. Fair value losses decreased the value of investment properties by EUR 200.3 million and exchange differences by EUR 76.2 million.

Property portfolio summary

31 December 2023	No. of properties	Gross leasable area	Fair value, MEUR	Properties held for sale, MEUR	Portfolio, %
Shopping centres, Finland	9	336,850	1,683.9	-	44%
Other properties, Finland	1	2,240	4.4	-	0%
Finland, total	10	339,090	1,688.3	-	44%
Shopping centres, Norway	13	342,600	1,077.1	-	28%
Rented shopping centres, Norway ¹	1	14,500	-	-	-
Norway, total	14	357,100	1,077.1	-	28%
Shopping centres, Sweden	5	173,400	610.8	-	16%
Other properties, Sweden	1	-	6.7	-	0%
Sweden, total	6	173,400	617.5	-	16%
Shopping centres, Denmark & Estonia	4	141,900	434.8	-	11%
Other properties, Denmark & Estonia	-	-	-	-	-
Denmark & Estonia, total	4	141,900	434.8	-	11%
Shopping centres, total	32	1,009,250	3,806.6	-	99%
Other properties, total	2	2,240	11.1	-	0%
Investment properties, total	34	1,011,490	3,817.7	-	99%
Right-of-use assets classified as investment properties (IFRS 16)	-	-	40.5	-	1%
Investment properties in the statement of financial position, total	34	1,011,490	3,858.2	-	100%
Kista Galleria (50%)	1	46,250	173.2	-	-
Investment properties and Kista Galleria (50%), total	35	1,057,740	4,031.4	-	-

¹ Value of rented properties is recognised within IFRS 16 investment properties based on IFRS rules.

Q1–Q4/2023 fair value change of investment properties amounted to EUR -200.3 million (Q1–Q4/2022: EUR -56.5 million) mainly due to increase in yield requirements in all segments. In addition, fair value change includes EUR -21.0 million (EUR -15.9 million) Torvbyen fair value impact as a result of a closure of the center for structural damage. The application of IFRS 16 standard had an impact of EUR -6.6 million (Q1–Q4/2022: EUR -6.8 million) to the fair value change of investment properties during the January–December reporting period.

Fair value changes

EUR million	Q1–Q4/2023	Q1–Q4/2022
Finland	-68.4	-15.3
Norway ¹	-64.5	-26.5
Sweden	-35.3	-5.0
Denmark & Estonia	-25.5	-3.0
Investment properties, total	-193.7	-49.8
Right-of-use assets classified as investment properties (IFRS 16)	-6.6	-6.8
Investment properties in the statement of financial position, total	-200.3	-56.5
Kista Galleria (50%)	-40.8	-25.5
Investment properties and Kista Galleria (50%), total	-241.1	-82.0

¹ Includes EUR -21.0 million (EUR -15.9 million) Torvbyen fair value impact as a result of a closure for structural damage.

External appraisers, CBRE (in Denmark, Estonia and Norway) and JLL (in Finland and Sweden) measure the fair values for annual financial statements. Citycon measures the fair values of the properties internally in the Q1–Q3. All internal valuation periods are subject to yield and market commentary from Citycon's current external appraisers in its respective markets.

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

5. Capital recycling

No transaction activity occurred in Q1–Q4/2023.

Strengthening the balance sheet remains a key priority for the company. In November 2022, Citycon announced its goal to sell EUR 500 million of non-core assets in the next 24 months. Following the transaction executed in December 2022 the remaining target is EUR 380 million. Citycon is committed to execute the previously disclosed divestment target by the end of 2024 and have increased its target to EUR 950 million over the next 24 months.

6. (Re)development projects progressed

Further information on Citycon's completed, ongoing and planned (re)developments can be found in the company's Financial Review 2023.

(Re)development projects in progress on 31 December 2023

	Location	Area before/after, sq.m.	Expected gross-investment, MEUR	Actual gross investment by 31 December 2023, MEUR	Completion
Herkules, residential (50%)	Skien, Norway	-/7,600	28.0	10.5	2024
Barkarby, residential	Stockholm, Sweden	-/12,950	69.5 ¹	6.6 ¹	2024

¹ The transaction has been structured as a forward commitment, whereby Citycon made a deposit of EUR 6.6 million in April 2022 and will fund the remaining purchase price, pro-rata, at the completion of two construction phases in Q1/2024 and Q2/2024. The closing of the transaction will be after the completion of each phase with no additional obligations from Citycon before construction of each phase is complete.

Completed (re)development projects on Q1–Q4/2023

	Location	Area before/after, sq.m.	Actual gross investment by 31 December 2023, MEUR	Completion
Lippulaiva residential	Helsinki metropolitan area, Finland	-/12,800	61.3	Q1/2023

7. Shareholders' equity

Equity per share was EUR 11.56 (31 December 2022: EUR 13.75). Loss for the period, hybrid bond repayments, paid equity return and translation losses decreased equity per share.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 1,380.1 million (31 December 2022: EUR 1,618.8 million).

8. Financing

Key financing figures

		Q4/2023	Q4/2022
Nominal debt outstanding	MEUR	1,840.4	1,781.7
Interest bearing liabilities, carrying value ¹	MEUR	1,864.4	1,807.7
Available liquidity	MEUR	434.3	577.7
Average loan maturity	years	2.7	3.2
Loan to Value (LTV) ²	%	46.3	41.4
Interest cover ratio (financial covenant > 1.8)	x	3.7	4.0
Net debt to total assets (financial covenant < 0.60)	x	0.44	0.39
Solvency ratio (financial covenant < 0.65)	x	0.45	0.40
Secured solvency ratio (financial covenant < 0.25)	x	0.08	0.00

¹ Including EUR 38.8 million (Q4/2022: EUR 42,8 million) IFRS 16 lease liabilities

² Hybrid bond treated as equity as according to IFRS. 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.

In January, Citycon executed a tender offer of the 2024 notes and the two capital securities issued in 2019 and 2021. The company announced that it accepted an aggregate amount of EUR 57.4 million of the principal amounts outstanding on the three tendered securities for repurchase, for a total purchase consideration of EUR 41.4 million.

In March, the company returned to repurchase bonds at an attractive price in the open market. In total, EUR 22.5 million of the company's 2024 notes were repurchased in the open market.

In April, the company signed a total of EUR 650 million new committed syndicated multicurrency credit facility, to replace and extend its existing EUR 500 million facilities maturing in May 2024. The new facility consists of a EUR 400 million revolving credit facility and a EUR 250 million term loan, and is fully secured by Iso Omena and four Norwegian assets.

In May, the company deployed part of the funds from the new term loan in a public tender offer to repay EUR 138.3 million of the 2024 notes. Another EUR 80.0 million was used to repay short term commercial paper over the quarter.

In June, the company continued repurchasing bonds in the open markets for a total notional of EUR 15.7 million. Repurchases targeted all of the company's outstanding Eurobonds, of which EUR 9.0 million of the total notional was related to the 2024 notes.

Furthermore Citycon terminated its credit rating agreement with the rating agency Moody's Investors Service. The credit rating of Citycon continues to be assessed by Standard & Poor's, which in April affirmed Citycon's investment grade credit rating (BBB-/stable outlook) highlighting Citycon's strong operating performance and stable credit metrics.

In September, the company repurchased senior bonds in the open markets for a total notional of EUR 0.4 million and hybrid bonds for a total notional of EUR 0.7 million.

The company also renegotiated and prolonged its SEK 3.3 billion position of EURSEK cross-currency swaps and utilised the positive fair value in the existing hedging derivatives to reduce the interest rate level paid in the renewed hedges. The maturity of the cross-currency swaps was prolonged from 2026 to 2028 and the renewed hedges will earn an interest income of EUR 8.1 million annually compared to an annual interest income of EUR 0.6 million before renewals.

In November, Citycon signed a SEK 1 020 million (approx. EUR 89.5 million) fixed rate green term loan with Deutsche Pfandbriefbank (pbb) and Landesbank Hessen-Thüringen Girozentrale (Helaba). The maturity of the term loan is 7 years and it is fully secured by Liljeholmstorget Galleria in Stockholm, Sweden. The funds were mainly used to repay the NOK 800 million bond which matured in late November.

Furthermore, the company updated its EUR 2.5 billion Euro Medium Term Note (EMTN) bond programme, thereby being effective for another year. The programme enables Citycon to raise bond financing in any currency on the European and Nordic capital markets.

In addition, the company completed a directed share issue in exchange for repurchasing certain of its hybrid bonds for EUR 14.7 million. A total of 2,774,398 shares were subscribed for in the share issue and the subscription price was EUR 5.30 per share. The Company repurchased the 2024 Hybrid Bonds for a repurchase price equalling approximately 84 percent. The main purpose of the transaction was to strengthen the Company's balance sheet and improve its capital structure.

In December, the company completed another directed share issue in exchange for repurchasing certain of its hybrid bonds for EUR 6.4 million. A total of 1,210,866 shares were subscribed for in the share issue and the subscription price was EUR 5.30 per share. The Company repurchased the 2024 Hybrid Bonds for a repurchase price equalling approximately 84 percent. The main purpose of the transaction was to strengthen the Company's balance sheet and improve its capital structure.

On December 19, S&P Global Ratings reaffirmed Citycon's investment grade rating (BBB-) and kept its Stable outlook unchanged citing Citycon's sound operating performance to continue over the next 24 months due to positive indexation and robust occupancy rates. S&P noted they expect to see Citycon's credit metrics remaining within their rating thresholds and that Citycon's liquidity and funding position remains solid, with expected asset disposals to improve weighted average debt maturity over the coming months.

The Annual General Meeting authorized the Board of Directors to decide quarterly in its discretion on the distribution of equity repayment with an annual maximum total amount of EUR 0.50 per share. The equity repayment paid in March, June, September and December were mainly financed by operative cash flow.

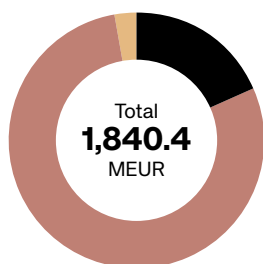
Interest-bearing debt

The outstanding amount of interest-bearing debt increased in 2023 by EUR 58.7 million to EUR 1,840.4 million, as part of the new financing was used to repurchase hybrid debt, offset by weakening of the NOK currency rate. The carrying amount of interest-bearing liabilities in the balance sheet was EUR 1,864.4 million including IFRS 16 liabilities of EUR 38.8 million.

The weighted average loan maturity decreased during the quarter and stands at 2.7 years. LTV (IFRS) increased during the quarter to 46.3% as a result of decreased property values and slightly higher net debt.

Breakdown of loans

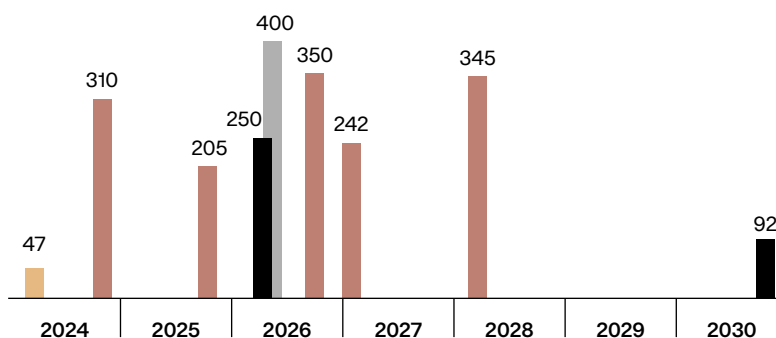
%



- Bank loans **18.6**
- Bonds **78.9**
- Commercial papers **2.6**

Debt maturities

MEUR



- Bank loans **341.9**
- Bonds **1,451.5**
- Commercial papers **47.0**
- Undrawn committed credit facilities **400.0**

Financial expenses

Financial expenses key figures

		Q4/2023	Q4/2022	Q1–Q4/2023	Q1–Q4/2022
Financial expenses ¹	MEUR	-15.6	-20.6	-61.2	-64.7
Financial income ¹	MEUR	2.5	2.3	13.5	16.7
Net financial expenses (IFRS)	MEUR	-13.1	-18.3	-47.7	-48.0
Direct net financial expenses (EPRA)	MEUR	-11.4	-12.9	-47.7	-47.0
Weighted average interest rate ²	%	-	-	2.61	2.43
Weighted average interest rate excluding derivatives	%	-	-	3.13	2.57
Year-to-date weighted average interest rate ²	%	-	-	2.57	2.42

¹ The foreign exchange differences are netted in the financial expenses

² Including interest rate swaps and cross-currency swaps

The direct net financial expenses (EPRA) Q1–Q4/2023 were EUR 0.8 million higher than last year. Increased interest cost on debt was largely offset by interest income on hedging derivatives.

Net financial expenses (IFRS) decreased slightly to EUR 47.7 million (Q1–Q4/2022: EUR 48.0 million) mainly following increased interest income on cash at bank and income from hedging derivatives. Indirect one-off gains of EUR 2.9 million from bond repurchases executed at a discount was offset by EUR 2.8 million indirect loss (Q1–Q4/2022: EUR 9.2 million loss) from hedging derivatives not under hedge accounting and other indirect items.

The financial income mainly consisted of interest income on a loan to Kista Galleria and indirect one-off gains on bond repurchases at a discount. The foreign exchange differences are netted in financial expenses in the table above.

The period-end weighted average interest rate was 2.61%.

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 December 2023	31 December 2022
Average interest-rate fixing period	years	2.6	3.2
Fixed interest rate ratio	%	73.8	93.0

9. Business environment

Business environment key figures

	Finland	Norway	Sweden	Denmark	Estonia	Euro area
GDP growth, 2023	-0.5%	0.5%	-0.4%	1.0%	-3.4%	0.5%
Unemployment, 2023	7.2%	3.6%	7.6%	4.8%	6.7%	6.5%
Inflation, 2023	4.3%	5.8%	8.5%	3.3%	9.1%	5.4%
Retail sales growth, 11/2023 ¹	-0.2%	0.4%	1.6%	1.3%	-0.3%	-0.3%

¹% change compared with the same month of the previous year

Sources: IMF, World Economic Outlook (October 2023), SEB Nordic Outlook, European Commission, Eurostat

The Nordic economies, like the rest of the global economy, are impacted by the increase in cost of living and the uncertain economic environment due to inflation, rising interest rates, and geopolitical uncertainty. The common denominator for the Nordic countries is their strong financial position, thanks to high personal savings, strong public finances and robust job creation, which continue to persist. This provides these economies a buffer and some degree of resilience during this time of inflation, and rising interest rates.

While inflation is trending higher in all Nordic markets, this continues to benefit Citycon's operations due to the grocery and services-oriented tenant mix of Citycon's necessity-based urban hubs, which are less reliant on consumer discretionary spending. In addition, 93% of the Company's leases are tied to indexation.

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

10. Changes in corporate management

On 1 December 2023, Chief Financial Officer Bret McLeod announced his intention to resign from his position effective January 31, 2024. At the same time, the Board of Directors of Citycon unanimously appointed Sakari Järvelä, VP, Corporate Finance and Investor Relations, to the position of CFO and a member of Citycon's Corporate Management Committee as of February 1, 2024.

After the reporting period, Kirsi Simola-Laaksonen, Citycon's Chief Information Officer and member of the Corporate Management Committee informed that she has decided to leave the company as of February 29, 2024.

11. Sustainability

Citycon's strategy is to be a forerunner in sustainable shopping centre management. Citycon's sustainability strategy was updated in 2023 and Citycon has set ambitious targets that extend to 2030.

Citycon's sustainability strategy, targets and measures are described in detail in the upcoming Sustainability Accounts 2023.

Citycon uses BREEAM In-Use to assess and develop the sustainable management of its shopping centres. 81% of Citycon's shopping centres, measured by fair value, had acquired the certification at period-end.

Disclosure according to the Taxonomy Regulation Delegated Act:

Citycon's sustainability and finance teams have classified the company's activities by mapping Citycon group's consolidated IFRS income statement accounts based on whether they are covered by a NACE code included in the Taxonomy. Based on this classification 97% of Citycon's total turnover, 95% of capital expenditure and 71% of operational expenditure is derived from Taxonomy-eligible activities.

Citycon is not obliged to report information according to the taxonomy regulation, and for that reason Citycon does not report on the taxonomy alignment of the company's operations for the year 2023.

12. Risks and uncertainties

The most 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, and how this affects fair values, occupancy rates and rental levels of the shopping centres and, thereby, Citycon's financial results. 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 capital city regions. Costs of development projects could increase due to rising construction costs or projects could be delayed due to unforeseeable challenges. Rising interest rates could also put pressure on investment yields, which could potentially impact fair values. The war in Ukraine continue to pose risks to economic health in Europe as well.

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 68–70 in the Financial Statements 2023, in Note 3.5 A) as well as on Citycon's website in the Corporate Governance section.

13. General meeting

Annual General Meeting 2023

Citycon's Annual General Meeting 2023 (AGM) was held virtually, without a meeting venue using remote connection in real time on 21 March 2023. The General Meeting approved all the proposals made by the Board of Directors to the General Meeting. 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 2022 and decided to adopt the Remuneration Report for the governing bodies.

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 assets from the invested unrestricted equity fund. Based on the authorisation, the maximum amount of equity repayment to be distributed from the invested unrestricted equity fund shall not exceed EUR 0.50 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/agm2023.

Extraordinary General Meeting 2023

Citycon's Extraordinary General Meeting (EMG) held on 1 June 2023 decided to increase the number of members of the board to nine (9) until the close of the next Annual General Meeting. Further, Mr Adi Jemini was elected as new member of the Board of Directors. Further information available on the company's website at citycon.com/EGM2023.

14. Corporate Governance Statement 2023

Citycon has published Citycon Group's Corporate Governance Statement 2023 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 website at 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 reporting period, the total number of shares outstanding in the company was 171,994,204. The shares have no nominal value.

At the end of December 2023, Citycon had a total of 27,738 registered shareholders (Q4/2022: 28,817 shareholders), of which 9 were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 120.8 million (Q4/2022: 116.3 million) shares, or 70.2% of shares and voting rights in the company (Q4/2022: 69.2%). The most significant registered shareholders can be found on company's website citycon.com/major-shareholders.

Shares and share capital

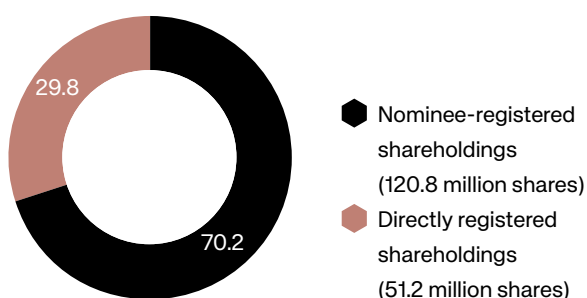
		Q1-Q4/2023	Q1-Q4/2022
Share capital at period-start	MEUR	259.6	259.6
Share capital at period-end	MEUR	259.6	259.6
Number of shares at period-start		168,008,940	168,498,525
Number of shares at period-end		171,994,204	168,008,940

Share price and trading

		Q1-Q4/2023	Q1-Q4/2022	%
Low	EUR	4.89	5.96	-17.9%
High	EUR	7.01	7.57	-7.4%
Average	EUR	5.93	6.81	-12.9%
Latest	EUR	5.20	6.26	-16.9%
Market capitalisation at period-end	MEUR	894.4	1,050.9	-14.9%
Number of shares traded	million	61.6	84.4	-27.0%
Value of shares traded	MEUR	365.2	575.0	-36.5%

Shareholders 31 December 2023

% of shares and voting rights



Dividend and equity repayment

Citycon's equity repayments paid in 2023:

Dividends and equity repayments paid in Q1–Q4/2023¹

	Record date	Payment date	EUR / share
Equity repayment Q1	24 March 2023	31 March 2023	0.125
Equity repayment Q2	16 June 2023	26 June 2023	0.125
Equity repayment Q3	22 September 2023	29 September 2023	0.125
Equity repayment Q4	20 December 2023	29 December 2023	0.125
Total			0.50

¹ Board decision based on the authorisation issued by the AGM 2023.

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 21 March 2023:

- The Board of Directors may decide on an issuance of a maximum of 16 million shares or special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act, which corresponded to approximately 9.52% 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 2024.
- 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 30 million shares, which corresponded to approximately 17.86% 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 2024.

During January – December 2023, the Board of Directors used three 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:

Restricted Share Plan 2020–2022

On 6 March 2023, the company repurchased a total of 7,000 of its own shares and conveyed them on 9 March 2023 to four key persons of the company.

Performance Share Plan 2020–2022

On 6 March 2023, the company repurchased a total of 10,000 of its own shares and conveyed them on 9 March 2023 to two key persons of the company.

CFO Restricted Share Plan 2021–2024

On 7 August 2023, the company repurchased a total of 7,500 of its own shares and conveyed them on 10 August 2023 to the CFO of the company.

Own shares

During the reporting period, the company held a total of 24,500 of the company's own shares, which were conveyed to implement payments of rewards earned under the company's share plans 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

In Q1/2023, Citycon received in total five flagging notifications (between 24 February and 10 March 2023) due to a share purchase agreement entered into by Gazit Europe Netherlands B.V. and its parent G City Ltd. on 22 February 2023, according to which Gazit Europe Netherlands B.V. purchased a total of 19,000,000 shares in Citycon from G City Ltd. The share purchase agreement was published by flagging notification on 24 February 2023 and separate flagging notifications for the partial executions were published on 3 March, 7 March, 9 March and 10 March 2023. The completion of the share purchase agreement did not affect the aggregate total direct and indirect holdings of G City Ltd. in Citycon.

In Q2–Q3/2023, the company did not receive any notifications of changes in shareholding.

On 27 December 2023 Citycon received a flagging notification according to which G City Ltd.'s direct holding of shares in Citycon has decreased below thirty (30) percent. Due to the dilutive effect of the directed share issue announced by Citycon Oyj on 20 December 2023 and completed on 22 December 2023, the direct shareholding of G City Ltd. in Citycon Oyj decreased to approximately 29.81% following the registration of the new shares on 22 December 2023.

Incentive plans

Long-term Share-based Incentive Plans

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

- CEO Restricted Share Plan 2021–2025
- CEO Option Plan 2022–2025
- CFO Restricted Share Plan 2021–2024
- Performance Share Plan 2020–2022 (Corporate Management Committee excl. the CEO)
- Performance Share Plan 2023–2025 (Corporate Management Committee excl. the CEO)
- Matching Share Plan 2022–2024 (Corporate Management Committee excl. the CEO)
- Restricted Share Plan 2020–2022 (Key employees, excl. Corporate Management Committee) and
- Restricted Share Plan 2023–2025 (Key employees, excl. Corporate Management Committee)

In February 2023, the Board of Directors approved two new long-term share-based incentive plans: Performance Share Plan 2023–2025 and Restricted Share Plan 2023–2025. Performance Share Plan is directed to the members of the Corporate Management Committee, excluding the CEO. Restricted Share Plan is directed to selected key employees, excluding the CEO and other members of the Corporate Management Committee. New long-term share-based incentive plans will replace Performance Share Plan 2020–2022 and Restricted Share Plan 2020–2022, of which last shares were allocated in 2022 (reward payments will take place in 2023–2025).

More information on the share-based incentive plans is available on the company's website at citycon.com/remuneration.

16. Events after the reporting period

Citycon has received in February an approval from Swedish authorities on Kista transaction and is now in final stages to take over the remaining interest in Kista Galleria in Stockholm, Sweden. Kista Galleria has approximately SEK 2,400 million of debt and following the transaction Citycon assumes seller's share of existing debt (approximately SEK 1,200 million) and make a cash payment (EUR approx. 2.5 million). The new loan will be secured by additional two assets located in Sweden.

After the transaction, Citycon will have 100% ownership of the centre. The transaction is expected to be executed in Q1/2024.

17. Financial calendar and AGM 2024

Citycon Oyj's schedule of the financial reporting in 2024 is the following:

Year 2023 full-year Financial Report, Financial Statements and the Report by the Board of Directors	Thursday 15 February 2024 after market close
Year 2024 three-month Interim Report	Wednesday 15 May 2024 after market close
Year 2024 six-month Half-Yearly Report	Wednesday 17 July 2024 after market close
Year 2024 nine-month Interim Report	Wednesday 6 November 2024 after market close

Citycon Oyj's Annual General Meeting (AGM) 2024 will be held on Tuesday, 19 March 2024 starting at 12:00 noon.

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

Helsinki, 15 February 2024
Citycon Oyj
Board of Directors

For further information, please contact:

Sakari Järvelä
Chief Financial Officer
Tel. +358 50 387 8180
sakari.jarvela@citycon.com

Citycon is a leading owner, manager and developer of mixed-use real estate featuring modern, necessity-based retail with residential, office and municipal service spaces that enhance the communities in which they operate. Citycon is committed to sustainable property management in the Nordic region with assets that total approximately EUR 4.0 billion. Our centres are located in urban hubs in the heart of vibrant communities with direct connections to public transport and anchored by grocery, healthcare and other services that cater to the everyday needs of customers.

Citycon has investment-grade credit ratings from Standard & Poor's (BBB-). Citycon's shares are listed on Nasdaq Helsinki Ltd.

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 2023 in section "EPRA performance measures". These tables include actual FX rates. The numbers include the sale of four investments properties during 2022.

EPRA performance measures

		Q4/2023	Q4/2022	%	Q1-Q4/2023	Q1-Q4/2022	%
EPRA Earnings	MEUR	28.7	32.5	-11.9%	109.6	122.6	-10.7%
Adjusted EPRA Earnings ¹	MEUR	21.5	24.8	-13.4%	80.6	92.1	-12.5%
EPRA Earnings per share (basic)	EUR	0.169	0.194	-12.5%	0.651	0.730	-10.8%
Adjusted EPRA Earnings per share (basic) ¹	EUR	0.127	0.148	-14.0%	0.479	0.548	-12.6%
EPRA NRV per share	EUR	9.30	11.01	-15.5%	9.30	11.01	-15.5%

¹ The adjusted key figure includes hybrid bond coupons and amortized fees.

The following tables present how EPRA performance measures are calculated.

1) EPRA earnings

MEUR	Q4/2023	Q4/2022	%	Q1-Q4/2023	Q1-Q4/2022	%
Earnings in IFRS Consolidated Statement of Comprehensive Income	-150.1	-76.2	-96.9%	-115.0	5.1	-
+/- Net fair value losses/gains on investment property	194.6	79.7	-	200.3	56.5	-
-/+ Net gains/losses on sale of investment property	0.5	5.0	-89.7%	2.3	4.3	-45.9%
+ Indirect other operating expenses	0.3	12.7	-98.0%	0.3	26.7	-99.0%
+/- Early close-out costs/gains of debt and financial instruments	0.0	-0.9	-	-2.9	-8.1	64.3%
-/+ Fair value gains/losses of financial instruments	1.6	6.3	-73.8%	2.8	9.2	-69.4%
+/- Indirect losses/gains of joint ventures and associated companies	6.0	14.1	-57.4%	32.0	21.0	52.4%
-/+ Change in deferred taxes arising from the items above	-24.2	-8.1	-	-10.2	8.0	-
+ Non-controlling interest arising from the items above	-	0.0	-	-	0.0	-
EPRA Earnings	28.7	32.5	-11.9%	109.6	122.6	-10.7%
-/+ Hybrid bond coupons and amortized fees	-7.2	-7.7	7.1%	-28.9	-30.5	5.3%
Adjusted EPRA Earnings	21.5	24.8	-13.4%	80.6	92.1	-12.5%
Weighted average number of ordinary shares, million	169.1	168.0	0.7%	168.3	168.0	0.2%
EPRA Earnings per share (basic), EUR	0.169	0.194	-12.5%	0.651	0.730	-10.8%
Adjusted EPRA Earnings per share (basic), EUR	0.127	0.148	-14.0%	0.479	0.548	-12.6%

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

MEUR	Q4/2023	Q4/2022	%	Q1-Q4/2023	Q1-Q4/2022	%
Net rental income	50.6	51.2	-1.3%	195.7	203.6	-3.9%
Direct administrative expenses	-8.9	-7.4	-21.2%	-31.1	-28.7	-8.5%
Direct other operating income and expenses	0.0	1.3	-96.4%	0.3	0.2	7.0%
Direct operating profit	41.7	45.1	-7.6%	164.8	175.2	-5.9%
Direct net financial income and expenses	-11.4	-12.9	11.9%	-47.7	-47.0	-1.6%
Direct share of profit/loss of joint ventures and associated companies	-0.7	-0.4	-83.1%	-4.7	-3.6	-30.4%
Direct current taxes	-0.9	0.7	-	-2.9	-2.1	-38.1%
Direct deferred taxes	0.0	0.0	-	0.1	0.2	-14.8%
Direct non-controlling interest	-	0.0	-	-	0.0	-
EPRA Earnings	28.7	32.5	-11.9%	109.6	122.6	-10.7%
-/+ Hybrid bond coupons and amortized fees	-7.2	-7.7	7.1%	-28.9	-30.5	5.3%
Adjusted EPRA Earnings	21.5	24.8	-13.4%	80.6	92.1	-12.5%
EPRA Earnings per share (basic), EUR	0.169	0.194	-12.5%	0.651	0.730	-10.8%
Adjusted EPRA Earnings per share (basic), EUR	0.127	0.148	-14.0%	0.479	0.548	-12.6%

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 replaced previously reported measures EPRA NAV and NNNAV starting from financial statement 2020.

Citycon considers EPRA NRV to be the most relevant measure for its business.

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.

	31 December 2023			31 December 2022		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to parent company shareholders	1,380.1	1,380.1	1,380.1	1,618.8	1,618.8	1,618.8
Deferred taxes from the difference of fair value and fiscal value of investment properties ³	246.3	123.1	-	264.9	132.5	-
Fair value of financial instruments	1.4	1.4	-	-1.9	-1.9	-
Goodwill as a result of deferred taxes	-61.5	-	-	-65.7	-	-
Goodwill as per the consolidated balance sheet	-	-111.4	-111.4	-	-115.4	-115.4
Intangible assets as per the consolidated balance sheet	-	-10.7	-	-	-11.0	-
The difference between the secondary market price and carrying value of bonds ¹	-	-	153.0	-	-	246.5
Real estate transfer taxes ²	33.8	-	-	34.2	-	-
TOTAL	1,600.1	1,382.7	1,421.8	1,850.3	1,622.8	1,749.9
Number of ordinary shares at balance sheet date, million	172.0	172.0	172.0	168.0	168.0	168.0
Net Asset Value per share	9.30	8.04	8.27	11.01	9.66	10.42

¹ When calculating the EPRA NDV 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. The difference between the secondary market price and the carrying value of the bonds was EUR 153.0 million (secondary market price lower) as of 31 December 2023. In the comparison period 31 December 2022, the difference was EUR 246.5 million (secondary market price lower).

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 2023

Condensed consolidated statement of comprehensive income, IFRS

MEUR	Note	Q4/2023	Q4/2022	%	Q1–Q4/2023	Q1–Q4/2022	%
Gross rental income	3	54.2	54.8	-1.1%	215.3	222.3	-3.1%
Service charge income	3.4	20.4	24.0	-14.9%	74.7	79.2	-5.6%
Property operating expenses		-24.5	-26.5	7.4%	-92.8	-94.7	2.1%
Other expenses from leasing operations		0.4	-1.2	-	-1.6	-3.1	49.2%
Net rental income	3	50.6	51.2	-1.3%	195.7	203.6	-3.9%
Administrative expenses		-8.9	-7.4	-21.2%	-31.1	-28.7	-8.5%
Other operating income and expenses		-0.2	-11.4	98.2%	0.0	-26.5	-
Net fair value gains/losses on investment property	3	-194.6	-79.7	-	-200.3	-56.5	-
Net gains/losses on sale of investment properties and subsidiaries		-0.5	-5.0	89.7%	-2.3	-4.3	45.9%
Operating profit	3	-153.6	-52.2	-	-38.0	87.7	-
Net financial income and expenses		-13.1	-18.3	28.7%	-47.7	-48.0	0.8%
Share of profit/loss of joint ventures and associated companies		-6.7	-14.5	53.5%	-36.7	-24.6	-49.2%
Result before taxes		-173.4	-85.1	-	-122.3	15.1	-
Current taxes		-0.9	0.7	-	-2.9	-2.1	-38.1%
Deferred taxes		24.2	8.1	-	10.3	-7.9	-
Result for the period		-150.1	-76.2	-96.9%	-115.0	5.1	-
Profit/loss attributable to							
Parent company shareholders		-150.1	-75.9	-97.7%	-115.0	5.3	-
Non-controlling interest		0.0	-0.3	-	0.0	-0.3	-
Earnings per share attributable to parent company shareholders							
Earnings per share (basic), EUR ¹	5	-0.88	-0.50	-75.8%	-0.70	-0.15	-
Earnings per share (diluted), EUR ¹	5	-0.88	-0.50	-75.8%	-0.70	-0.15	-
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss							
Net gains/losses on cash flow hedges		-3.3	-0.4	-	-3.4	0.5	-
Exchange gains/losses on translating foreign operations		14.4	-4.0	-	-51.7	-73.5	29.8%
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		11.1	-4.5	-	-55.0	-73.0	24.6%
Other comprehensive income for the period, after taxes		11.1	-4.5	-	-55.0	-73.0	24.6%
Total comprehensive profit/loss for the period		-139.0	-80.7	-72.2%	-170.0	-67.9	-
Total comprehensive profit/loss attributable to							
Parent company shareholders		-139.0	-80.4	-72.9%	-170.0	-67.6	-
Non-controlling interest		0.0	-0.3	-	0.0	-0.3	-

¹ The key figure includes hybrid bond coupons, amortized fees and gains and expenses on hybrid bond repayments.

Condensed consolidated statement of financial position, IFRS

MEUR	Note	31 December 2023	31 December 2022
Assets			
Non-current assets			
Investment properties	6	3,858.2	4,040.1
Goodwill		111.4	115.4
Investments in joint ventures and associated companies		72.4	103.5
Intangible and tangible assets, and other non-current assets		30.5	30.8
Derivative financial instruments	10, 11	37.2	18.6
Deferred tax assets		16.5	16.4
Total non-current assets		4,126.1	4,324.9
Investment properties held for sale	8	0.0	0.0
Current assets			
Derivative financial instruments	10, 11	0.1	2.8
Trade receivables and other current assets		56.9	63.9
Cash and cash equivalents	9	25.2	69.2
Total current assets		82.3	135.9
Total assets	3	4,208.4	4,460.7
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		-1.4	1.9
Invested unrestricted equity fund	12	596.8	660.2
Retained earnings	12	394.1	565.9
Total equity attributable to parent company shareholders		1,380.1	1,618.8
Hybrid bond		607.3	691.5
Non-controlling interest		0.0	0.0
Total shareholders' equity		1,987.5	2,310.3
Long-term liabilities			
Loans		1,502.8	1,676.1
Derivative financial instruments and other non-interest bearing liabilities	10, 11	22.8	0.4
Deferred tax liabilities		247.8	266.3
Total long-term liabilities		1,773.4	1,942.8
Short-term liabilities			
Loans		361.6	131.6
Derivative financial instruments	10, 11	5.3	0.4
Trade and other payables		80.7	75.6
Total short-term liabilities		447.5	207.6
Total liabilities	3	2,220.9	2,150.5
Total liabilities and shareholders' equity		4,208.4	4,460.7

Condensed consolidated cash flow statement, IFRS

MEUR	Note	Q1–Q4/2023	Q1–Q4/2022
Cash flow from operating activities			
Profit before taxes		-122.3	15.1
Adjustments to profit before taxes		290.3	166.5
Cash flow before change in working capital		168.0	181.5
Change in working capital		5.8	-22.7
Cash generated from operations		173.8	158.8
Paid interest and other financial charges		-51.0	-53.9
Interest income and other financial income received		1.7	0.2
Current taxes paid		2.4	-5.4
Net cash from operating activities		126.8	99.7
Cash flow from investing activities			
Acquisition of investment properties and subsidiaries, less cash acquired	6,7,8	-	-6.5
Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets	6,7,8	-96.7	-173.9
Sale of investment properties and subsidiaries	6,7,8	-0.4	270.9
Purchase of current financial investments		-	-64.8
Repayment of current financial investments		-	84.2
Net cash used in investing activities		-97.1	109.8
Cash flow from financing activities			
Proceeds from short-term loans		357.3	356.5
Repayments of short-term loans		-433.8	-318.7
Proceeds from long-term loans		405.3	-
Repayments of long-term loans		-257.5	-102.5
Hybrid bond repayments		-39.2	-
Hybrid bond interest and expenses		-29.1	-28.4
Repurchase and costs of treasury shares		-	-1.6
Dividends and return from the invested unrestricted equity fund	12	-84.4	-84.0
Realized exchange rate gains/losses		9.4	6.8
Net cash from financing activities		-72.0	-172.0
Net change in cash and cash equivalents		-42.3	37.5
Cash and cash equivalents at period-start	9	69.2	34.7
Effects of exchange rate changes		-1.6	-3.1
Cash and cash equivalents at period-end	9	25.2	69.2

Condensed consolidated statement of changes in shareholders' equity, IFRS

MEUR	Share capital	Share premium fund	Fair value reserve	Invested unrestricted equity fund	Translation reserve	Retained earnings	Equity attributable to parent company shareholders	Hybrid bond	Non-controlling interest	Shareholders' equity, total
Balance at 1 January 2022	259.6	131.1	1.4	744.2	-114.8	778.6	1,800.1	689.1	0.3	2,489.5
Total comprehensive profit/loss for the period			0.5		-73.5	5.3	-67.6		-0.3	-67.9
Hybrid bond interest and expenses						-30.6	-30.6	2.4		-28.2
Repurchase and costs of Treasury shares						-1.6	-1.6			-1.6
Dividends paid and equity return (Note 12)				-84.0			-84.0			-84.0
Share-based payments						2.4	2.4			2.4
Other changes						0.1	0.1			0.1
Balance at 31 December 2022	259.6	131.1	1.9	660.2	-188.3	754.3	1,618.8	691.5	0.0	2,310.3
Balance at 1 January 2023	259.6	131.1	1.9	660.2	-188.3	754.3	1,618.8	691.5	0.0	2,310.3
Total comprehensive profit/loss for the period			-3.4		-51.7	-115.0	-170.0			-170.0
Share issues				20.9			20.9			20.9
Hybrid bond repayments							0.0	-85.9		-85.9
Gains on hybrid bond repayments						25.8	25.8			25.8
Hybrid bond interest and expenses						-30.7	-30.7	1.8		-28.9
Dividends paid and equity return (Note 12)				-84.4			-84.4			-84.4
Share-based payments						-0.3	-0.3			-0.3
Other changes						0.0	0.0			0.0
Balance at 31 December 2023	259.6	131.1	-1.4	596.8	-240.0	634.1	1,380.1	607.3	0.0	1,987.5

Notes to the condensed consolidated financial statements

1. Basic company data

Citycon is a leading owner, manager and developer of mixed-use centres for urban living including retail, office space and housing. Citycon operates in the business units Finland, Norway, Sweden and Denmark & Estonia. 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 the 15th of February 2024.

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 2023.

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.

3. Segment information

Citycon changed its operating segments and segment reporting starting from 1.1.2023. The new segments are Finland, Norway, Sweden and Denmark & Estonia. Previously the segments were Finland & Estonia, Norway and Sweden & Denmark. Comparison period numbers have been updated according to the new segments.

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 Q1–Q4/2023 by EUR -37.8 million (Q1–Q4/2022: EUR -21.1 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	Q4/2023	Q4/2022	%	Q1-Q4/2023	Q1-Q4/2022	%
Gross rental income						
Finland	20.9	19.0	10.1%	81.6	74.2	9.9%
Norway	17.2	20.0	-14.0%	67.7	83.0	-18.4%
Sweden	8.0	8.5	-5.2%	33.8	35.8	-5.5%
Denmark & Estonia	8.1	7.4	9.8%	32.2	29.3	9.9%
Total Segments	54.2	54.8	-1.1%	215.3	222.3	-3.1%
Kista Galleria (50%)	2.3	2.3	-1.0%	9.3	9.4	-0.9%
Service charge income						
Finland	7.5	6.4	16.9%	28.6	24.3	17.5%
Norway	7.9	10.9	-28.0%	25.1	31.3	-19.8%
Sweden	2.2	4.0	-45.6%	10.2	12.7	-19.2%
Denmark & Estonia	2.9	2.7	8.1%	10.8	10.9	-0.7%
Total Segments	20.4	24.0	-14.9%	74.7	79.2	-5.6%
Kista Galleria (50%)	0.8	1.2	-30.7%	3.3	3.8	-13.2%
Net rental income						
Finland	19.6	17.6	11.6%	76.4	68.6	11.4%
Norway	15.9	20.3	-21.9%	62.5	78.9	-20.8%
Sweden	7.8	7.4	5.7%	27.8	30.4	-8.5%
Denmark & Estonia	7.4	5.9	24.9%	29.3	26.0	12.7%
Other	-0.1	0.0	-	-0.4	-0.3	-33.5%
Total Segments	50.6	51.2	-1.3%	195.7	203.6	-3.9%
Kista Galleria (50%)	1.8	1.9	-7.4%	6.6	6.8	-4.2%
Direct operating profit						
Finland	19.1	17.1	12.0%	74.0	66.3	11.6%
Norway	15.2	20.2	-24.9%	58.8	76.0	-22.7%
Sweden	6.2	6.7	-6.9%	23.5	26.4	-11.0%
Denmark & Estonia	7.3	6.1	18.8%	28.9	25.9	11.8%
Other	-6.1	-5.0	-22.4%	-20.3	-19.3	-5.4%
Total Segments	41.7	45.1	-7.6%	164.8	175.2	-5.9%
Kista Galleria (50%)	1.9	1.9	-2.1%	6.5	6.6	-2.8%
Net fair value gains/losses on investment property						
Finland	-46.3	-14.5	-	-69.4	-16.3	-
Norway	-80.0	-41.3	-93.6%	-68.8	-30.9	-
Sweden	-27.6	-17.7	-56.3%	-36.6	-6.3	-
Denmark & Estonia	-40.7	-6.2	-	-25.5	-3.0	-
Total Segments	-194.6	-79.7	-	-200.3	-56.5	-
Kista Galleria (50%)	-9.4	-13.0	27.6%	-40.8	-25.5	-60.3%
Operating profit/loss						
Finland	-27.2	2.3	-	4.3	53.2	-92.0%
Norway	-65.0	-38.1	-70.4%	-11.7	10.6	-
Sweden	-21.7	-11.4	-90.2%	-13.4	20.2	-
Denmark & Estonia	-33.7	-0.1	-	3.1	22.9	-86.3%
Other	-6.1	-5.0	-22.4%	-20.3	-19.3	-5.4%
Total Segments	-153.6	-52.2	-	-38.0	87.7	-
Kista Galleria (50%)	-7.6	-11.1	32.0%	-34.3	-18.8	-82.6%

MEUR	31 December 2023	31 December 2022	%
Assets			
Finland	1,706.9	1,723.2	-0.9%
Norway	1,179.5	1,320.3	-10.7%
Sweden	640.4	660.1	-3.0%
Denmark & Estonia	450.1	465.6	-3.3%
Other	231.4	291.5	-20.6%
Total Segments	4,208.4	4,460.7	-5.7%
Kista Galleria (50%)	187.0	223.9	-16.5%
Liabilities			
Finland	13.7	7.0	96.2%
Norway	16.4	20.8	-20.9%
Sweden	14.8	12.0	23.5%
Denmark & Estonia	9.3	9.0	3.5%
Other	2,166.6	2,101.7	3.1%
Total Segments	2,220.9	2,150.5	3.3%
Kista Galleria (50%)	229.5	240.8	-4.7%

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

4. Revenue from contracts with customers

MEUR	Q4/2023	Q4/2022	%	Q1-Q4/ 2023	Q1-Q4/ 2022	%
Service charges ¹	15.3	17.8	-14.1%	57.3	59.9	-4.4%
Utility charges ¹	2.6	3.7	-30.5%	9.9	11.0	-9.5%
Other service income ¹	2.6	2.6	1.9%	7.5	8.3	-9.7%
Management fees ²	0.1	0.1	5.9%	0.4	0.6	-33.2%
Revenue from contracts with customers	20.6	24.1	-14.8%	75.1	79.8	-5.8%

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

Earnings per share, basic		Q4/2023	Q4/2022	%	Q1-Q4/ 2023	Q1-Q4/ 2022	%
Profit attributable to parent company shareholders	MEUR	-150.1	-75.9	-97.7%	-115.0	5.3	-
Hybrid bond interests and expenses	MEUR	-7.2	-7.7	7.1%	-28.9	-30.5	5.3%
Gains and expenses on hybrid bond repayments	MEUR	9.2	-	-	25.8	-	-
Weighted average number of ordinary shares	million	169.1	168.0	0.7%	168.3	168.0	0.2%
Earnings per share (basic)¹	EUR	-0.88	-0.50	-75.8%	-0.70	-0.15	-

Earnings per share, diluted		Q4/2023	Q4/2022	%	Q1-Q4/ 2023	Q1-Q4/ 2022	%
Profit attributable to parent company shareholders	MEUR	-150.1	-75.9	-97.7%	-115.0	5.3	-
Hybrid bond interests and expenses	MEUR	-7.2	-7.7	7.1%	-28.9	-30.5	5.3%
Gains and expenses on hybrid bond repayments	MEUR	9.2	-	-	25.8	-	-
Weighted average number of ordinary shares	million	169.1	168.0	0.7%	168.3	168.0	0.2%
Adjustment for share-based incentive plans	million	1.6	2.3	-29.8%	1.9	2.5	-25.1%
Weighted average number of ordinary shares, diluted	million	170.8	170.4	0.2%	170.1	170.5	-0.2%
Earnings per share (diluted)¹	EUR	-0.88	-0.50	-75.8%	-0.70	-0.15	-

¹ The key figure includes hybrid bond coupons (both paid and accrued not yet recognized) and amortized fees and gains and expenses on hybrid bond repayments.

6. Investment properties

Citycon divides its investment properties into two categories: Investment Properties Under Construction (IPUC) and Operative Investment Properties. On reporting date, the first mentioned category included Barkarby residentials in Sweden, and on comparable period 31 December 2022 Barkarby residentials and 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 2023

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
Balance at 1 January 2023	435.4	3,604.7	4,040.1
Investments	0.5	91.8	92.3
Capitalized interest	-	0.5	0.5
Fair value gains on investment property	-	22.8	22.8
Fair value losses on investment property	-	-216.5	-216.5
Valuation gains and losses from Right-of-Use-Assets	-	-6.6	-6.6
Exchange differences	0.0	-76.2	-76.2
Transfer between investment properties under construction and operative investment properties	-429.2	429.2	0.0
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	1.8	1.8
Balance at 31 December 2023	6.7	3,851.5	3,858.2

31 December 2022

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
Balance at 1 January 2022	382.3	3,807.0	4,189.2
Acquisitions	6.2	0.0	6.3
Investments	83.8	77.6	161.4
Disposals	-21.7	-0.4	-22.1
Capitalized interest	4.3	0.1	4.3
Fair value gains on investment property	-	53.1	53.1
Fair value losses on investment property	-19.5	-83.4	-102.9
Valuation gains and losses from Right-of-Use-Assets	-	-6.8	-6.8
Exchange differences	-	-122.3	-122.3
Transfer between operative investment properties and joint ventures and transfer into investment properties held for sale	-	-126.5	-126.5
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	6.4	6.4
Balance at 31 December 2022	435.4	3,604.7	4,040.1

The fair value of Citycon's investment properties has been measured by CBRE (Norway, Denmark, Estonia) and JLL (Finland, Sweden) for the Financial statement 2023 and 2022.

The fair value is calculated by a net rental income based cash flow analysis. Market rents, the yield requirement, the occupancy rate and operating expenses form the key variables used in the cash flow analysis. The segments' yield requirements and market rents used in the cash flow analysis were as follows:

Yield requirement and market rents

	Weighted average yield requirement, %		Weighted average market rents, EUR/sq.m./mo	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Finland	5.5	5.1	28.1	26.7
Norway	6.2	5.7	20.6	20.5
Sweden	5.8	5.5	25.1	23.1
Denmark & Estonia	7.2	6.8	22.7	21.6
Investment properties, average	6.0	5.5	24.2	23.1
Investment properties and Kista Galleria (50%), average	5.9	5.5	24.3	23.4

7. Capital expenditure

MEUR	Q1–Q4/2023	Q1–Q4/2022
Acquisitions of properties ¹	-	6.3
Acquisitions of and investments in joint ventures	-	0.4
Property development ²	92.8	165.7
Other investments	3.1	4.6
Total capital expenditure incl. acquisitions	95.9	177.0
Capital expenditure by segment		
Finland	46.6	111.6
Norway	21.2	32.1
Sweden	15.1	19.8
Denmark & Estonia	11.0	9.7
Group administration	2.0	3.9
Total capital expenditure incl. acquisitions	95.9	177.0
Divestments^{3,4}	-	292.0

¹ Capital expenditure takes into account deduction in the purchase price calculations and FX rate changes.

² Comprised mainly of investments in Lippulaiva in 2022.

³ Excluding transfers into 'Investment properties held for sale' -category.

⁴ Divestments in 2022 comprise of sale of four non-core centres in Norway and two companies included in Lippulaiva centre in Finland.

8. Investment properties held for sale

On 31 December 2023 Citycon had no property classified as held for sale properties.

Transfer from investment properties includes also fair value changes of properties in Investment properties held for sale.

MEUR	31 December 2023	31 December 2022
At period-start	0.0	150.9
Disposals	-	-269.9
Exchange differences	-	-7.5
Investments	-	0.0
Transfer from investment properties	-	126.5
At period-end	0.0	0.0

9. Cash and cash equivalents

MEUR	31 December 2023	31 December 2022
Cash in hand and at bank	19.3	62.7
Restricted cash	6.0	6.5
Total cash	25.2	69.2

Cash and cash equivalents in the cash flow statement comprise of Total cash 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.

MEUR	31 December 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
I Financial assets at fair value through profit and loss				
Derivative financial instruments	37.3	37.3	19.5	19.5
II Derivative contracts under hedge accounting				
Derivative financial instruments	-	-	1.9	1.9
Financial liabilities				
I Financial liabilities amortised at cost				
Loans from financial institutions	336.5	341.9	-	-
Commercial paper	46.5	47.0	49.2	49.5
Bonds ¹	1,442.6	1,289.6	1,715.7	1,469.2
Lease liabilities (IFRS 16)	38.8	38.8	42.8	42.8
II Financial liabilities at fair value through profit and loss				
Derivative financial instruments	26.4	26.4	0.6	0.6
III Derivative contracts under hedge accounting				
Derivative financial instruments	1.4	1.4	-	-

¹ Starting 1.1.2023 the company no longer defines the fair value of debt as the nominal outstanding, instead market value of debt is used as definition of fair value of debt. Corresponding periods have been updated retrospectively.

11. Derivative financial instruments

MEUR	31 December 2023		31 December 2022	
	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps				
Maturity:				
less than 1 year	-	-	76.1	1.9
1–5 years	125.0	-1.4	-	-
over 5 years	-	-	-	-
Subtotal	125.0	-1.4	76.1	1.9
Cross-currency swaps				
Maturity:				
less than 1 year	-	-	-	-
1–5 years	278.3	16.0	314.8	18.5
over 5 years	-	-	-	-
Subtotal	278.3	16.0	314.8	18.5
Foreign exchange forward agreements				
Maturity:				
less than 1 year	102.1	-5.2	83.2	0.5
Interest rate options				
less than 1 year	-	-	-	-
1–5 years	125.0	0.1	-	-
over 5 years	-	-	-	-
Subtotal	125.0	0.1	-	-
Total	630.4	9.5	474.0	20.9

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 125.0 million (Q1–Q4/2022: EUR 76.1 million). The change in fair values of these derivatives is recognised under other comprehensive income.

Citycon also has cross-currency swaps and currency forwards to convert EUR debt into SEK and NOK debt, and interest rate caps hedging the floating interest of the term loan. 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 2023, 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 assets from the invested unrestricted equity fund in the manner set forth below.

Based on this authorization, the maximum total amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.30 per share. Based on the current total number of issued shares in the company, the authorization would equal to a maximum of EUR 51,598,261.2 in equity repayment.

Unless the Board of Directors decides otherwise for a justified reason, the authorization will be used to distribute equity repayment four times during the period of validity of the authorization. The authorization is valid until the opening of the next Annual General Meeting.

Preliminary payment date

28 March 2024

28 June 2024

30 September 2024

31 December 2024

Preliminary record date

21 March 2024

20 June 2024

23 September 2024

20 December 2024

13. Contingent liabilities

MEUR	31 December 2023	31 December 2022
Mortgages on land and buildings and pledged shares	741.9	250.0
Bank guarantees and parent company guarantees	63.6	64.4
Capital commitments	72.4	76.9

The mortgages and pledged shares relate to two separate credit facilities; SEK 1 020 million (approx. EUR 91.9 million at the year end exchange rate) and EUR 650 million credit facility, of which the EUR 400 million Revolving Credit Facility tranche is currently fully undrawn, and the Term Loan tranche of EUR 250 million is drawn. At period-end, Citycon had capital commitments of EUR 72.4 million (Q1–Q4/2022: EUR 76.9 million) 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 G City Ltd. In total, G City and wholly-owned subsidiary Gazit Europe Netherlands BV own 50.91% (52.12%) of the total shares and votes in the company.

Over the reporting period and in the comparable period, Citycon paid no expenses to G City Ltd and its subsidiaries. Citycon invoiced EUR 0.0 million expenses forward to G City Ltd and its subsidiaries (Q1–Q4/2022: EUR 0.0 million).