



# Q3/2023

## Interim report

January–September

# Operational performance Q1–Q3/2023

**+6.9%**

Like-for-like NRI growth  
in Q1–Q3/2023<sup>1</sup>  
(vs. Q1–Q3/2022)

**+5.3%**

Standing NRI growth  
in Q1–Q3/2023<sup>1</sup>  
(vs. Q1–Q3/2022)

**-5.7** MEUR

Fair value change of investment  
properties in Q1–Q3/2023  
(excl. Kista)

**+7.6%**

Adjusted like-for-like NRI growth  
in Q1–Q3/2023<sup>2</sup>  
(vs. Q1–Q3/2022)

**+7.6%**

Adjusted standing NRI growth  
in Q1–Q3/2023<sup>2</sup>  
(vs. Q1–Q3/2022)

**+1.4** EUR<sup>1</sup> &

**23.8** EUR

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

**+4.1%**

Like-for-like tenant sales  
(vs. Q1–Q3/2022)

**95.6%**

Retail occupancy

**115.6** MEUR

IFRS operating profit Q1–Q3/2023

<sup>1</sup> with comparable FX rates

<sup>2</sup> excluding FX impact, Torvbyen and  
Q2/2022 one-off items

# CEO F. Scott Ball:

We continue to see strong performance in our business fundamentals as like-for-like tenant sales were 4.1% above Q1–Q3/2022 and 9.3% above Q1–Q3/2019 pre-pandemic levels. We also are seeing more customers in our centres as like-for-like footfall increased 1.9% compared to the previous year. Retail occupancy is now at 95.6%, up 70 bps versus the same quarter last year. At the same time, average rent per square meter, with comparable FX rates, increased by 1.4 EUR/s.qm. (5.9% to 23.8 EUR per sq.m.) in Q1–Q3/2023. We continue to benefit from a low occupancy cost ratio of 9.4%, which together with increasing tenant sales and improving footfall, positions Citycon for continued compounding rent growth and service charge increases. Sales increases keeping pace with inflation were evident in our continued high collection rates of 98% in Q3/2023, with Q2/2023 collection improving to 98%. These metrics supported our underlying asset values where a net fair value gains are relatively flat year-to-date, reflecting the impact of compounding rent growth due to indexation linked leases (93% of our leases), offsetting pressure on increasing yields due to a higher interest rate environment.

The net effect of these strong KPI's is that like-for-like net rental income grew 7.0% in the third quarter, in comparable FX. As previously noted, in the first three quarters of this year there has been adverse volatility of currencies (which is outside of our control), specifically the NOK and SEK are nearly twenty-year lows. However, these currencies began to strengthen in Q3, which, if that trend continues, should provide tailwinds to our operations. Each quarter we translate these currencies back to the euro for reporting purposes and more details on the impact of currency through Q1–Q3/2023 are included within the report.

There are several factors that continue to drive these results: our terrific assets, our strong local teams, the strength of our markets throughout the Nordics and continued strength of consumers, as evidenced by the high level of foot traffic in our assets, and the corresponding sales reported by our tenants. This is due, in part, to our business model, which focuses on necessity-based retail and essential services, addressing the every-day-needs of our communities. This type of retail promotes daily traffic to our properties, which is enhanced by locations in central urban areas adjacent to public rail/bus transportation hubs. Another driver of the consumer strength phenomenon is the average wage growth (5.5%) that has occurred in our markets due to inflation. As is typical in an inflationary environment, price increases work through the entire chain: wages, cost of goods/services, higher sales, and ultimately, for Citycon, higher rents.

As noted in the last quarter, 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. Following this refinancing, our team has continued their disciplined capital allocation by using the proceeds to execute EUR 236 million bond repurchases for our bonds maturing in the near future, taking advantage of discounts and

dislocation in secondary trading. Furthermore, we are currently in advanced negotiations for approx. EUR 90 million mortgage loan secured by one of our Swedish assets, providing evidence that the secured loan market is functioning well. This loan is expected to close in Q4/2023. Through these actions, we continue to mitigate the earnings impact of higher current market interest rates, while also improving our overall balance sheet. We are also seeing some “green shoots” in the bond market, which should give us further flexibility moving into 2024.

In addition to the new credit facility and term loan, we have disposed of EUR 266 million of non-core assets at approx. book value over the past 24 months, including EUR 120 million in December 2022, which is part of our planned EUR 500 million asset sale target. We are in active discussions with several potential buyers to complete the remaining EUR 380 million of the divestment target, with signed NDAs and advanced discussions on selling EUR 350 million of assets. With the additional flexibility of the new credit facility, we can be patient as Nordic transaction markets stabilize and we continue our asset management initiations to maximize values for further sales transactions. Given the reports of significant amounts of investment capital waiting to be invested, we remain confident that we will meet our previously disclosed divestment target by the end of 2024.

As mentioned, the tenant mix of Citycon's assets, which consists of municipal and grocery tenants, anchored by public transportation with indexation linked leases, sets us apart from our peer group. This long-stated strategy has already demonstrated its strength and resilience throughout a variety of market conditions, which we continue to improve upon. The reopening of Myyrmanni centre in Finland, this week is our most recent example of commitment to this strategy. We have further improved the tenant mix to increase the share of necessity-based tenants by opening a new Lidl grocer and a 7,300 sq.m. Prisma hypermarket resulting in groceries representing over 60% of the total GLA. This is consistent with what we have achieved in many of our properties across the portfolio. These actions not only provide stability to revenue growth, it has the added benefit of improving the average credit profile of our tenant base. These asset management decisions remain aligned with, but separate from, the zoning work we are doing to achieve substantial additional building rights across the portfolio.

Our business is quite simple. We own quality real estate, provide the consumer the goods and services they require, and provide an environment that is convenient to access. When you layer in the dramatic impact of compounding rent growth, you have the recipe for success. The bottom line is that our business fundamentals are strong, and our assets continue to perform very well. There is a scarcity of the type of high-quality retail assets we own, we have a proven business model and all of the important metrics (sales, footfall, rents, occupancy, collections) continue to show sustained growth. For all of these reasons, we remain bullish on the prospects of the business moving forward.

# Citycon results summary:

## Financial & key performance indicators

### Like-for-Like ('LFL') Net Rental Income

*Excludes acquisitions, dispositions, development, and closed assets (Torvbyen)*

- Q1–Q3/2023, increased 6.9% (comparable FX) vs. Q1–Q3/2022
  - Q3/2023, increased 7.0% (comparable FX) vs. Q3/2022

*Q2/2022 was positively impacted by several one-time benefits resulting in difficult year-to-date 2023 comparisons. Excl. these one-time items:*

- **Q1–Q3/2023, increased 7.6% (comparable FX) vs. Q1–Q3/2022**

### Standing Net Rental Income

*Excl. four assets disposed in Norway in 2022*

- Q1–Q3/2023, increased 5.3% (comparable FX) vs. Q1–Q3/2022
  - Q3/2023, increased 4.9% (comparable FX) vs. Q3/2022

*In addition to the Q2/2022 one-time items mentioned above, Q1–Q3/2023 was further impacted by the closing of Torvbyen in Norway. Excl. the adverse impact of these two combined items:*

- **Q1–Q3/2023, increased 7.6% (comparable FX) vs. Q1–Q3/2022**

FX-rate impact to total NRI was EUR -8.8 million in Q1–Q3/2023

### KPI's

- **Q1–Q3/2023 LFL tenant sales +4.1%**
  - **+9.3% vs. Q1–Q3/2019 (pre-pandemic)**
- Q1–Q3/2023 LFL footfall +1.9%
- **Q3/2023 retail occupancy 95.6%**
  - +10 bps vs. Q2/2023
  - +70 bps increase from Q3/2022
- Q3/2023 collections were 98%
  - Q2/2023 improved to 98% from 97%
- **Q1–Q3/2023 average rent per sqm increased EUR 1.4 to EUR 23.8 (comparable FX)**
- Q1–Q3/2023 positive leasing spread of 0.9%
- Q3/2023 9.4% LFL occupancy cost ratio

## Balance sheet

### Liability Management

- Replacement and extension of EUR 650 million credit facility in April 2023, incl. EUR 250 million term loan
- Q1–Q3/2023 total notional bond and hybrid repurchases of EUR 236 million for EUR 212 million cash
- 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
- Advanced negotiations on-going for approx. EUR 90 million secured loan

### Fair Value

- Q1–Q3/2023 net fair value change was essentially flat at EUR -5.7 million.
- Q1–Q3/2023 fair value of investment properties decreased by EUR 49.7 million (-1.2%) mostly due to changes in FX rates.
  - Excl. changes in FX rates, fair value of investment properties increased by EUR 52.1 million (+1.3%).

## Key figures

Citycon Group <sup>1</sup>		Q3/ 2023	Q3/ 2022	%	FX	FX	Q1-Q3/ 2023	Q1-Q3/ 2022	%	FX	FX	Q1-Q4/ 2022
					Adjusted Q3/2022	Adjusted % <sup>2</sup>				Adjusted Q1-Q3/ 2022	Adjusted % <sup>2</sup>	
Net rental income	MEUR	48.4	50.6	-4.4%	47.7	1.4%	145.1	152.4	-4.8%	143.6	1.0%	203.6
Like-for-like net rental income development	%	7.0%	3.4%	-	-	-	6.9%	5.2%	-	-	-	6.6%
Direct operating profit <sup>3</sup>	MEUR	42.7	43.7	-2.2%	41.1	4.0%	123.1	130.1	-5.4%	122.3	0.7%	175.2
IFRS Earnings per share (basic) <sup>4</sup>	EUR	-0.32	0.09	-	0.07	-	0.18	0.35	-48.7%	0.32	-44.0%	-0.15
Fair value of investment properties	MEUR	3,990.3	4,094.3	-2.5%	-	-	3,990.3	4,094.3	-2.5%	-	-	4,040.1
Loan to Value (LTV) <sup>3</sup>	%	43.9	41.7	5.3%	-	-	43.9	41.7	5.3%	-	-	41.4
<b>EPRA based key figures<sup>3</sup></b>												
EPRA Earnings	MEUR	29.1	29.8	-2.6%	27.6	5.3%	80.9	90.1	-10.2%	84.0	-3.7%	122.6
Adjusted EPRA Earnings <sup>5</sup>	MEUR	21.8	22.1	-1.3%	19.9	9.7%	59.1	67.3	-12.1%	61.2	-3.3%	92.1
EPRA Earnings per share (basic)	EUR	0.173	0.177	-2.6%	0.164	5.3%	0.482	0.536	-10.2%	0.500	-3.7%	0.730
Adjusted EPRA Earnings per share (basic) <sup>5</sup>	EUR	0.130	0.132	-1.3%	0.118	9.7%	0.352	0.400	-12.1%	0.364	-3.3%	0.548
EPRA NRV per share <sup>6</sup>	EUR	10.43	11.68	-10.7%	-	-	10.43	11.68	-10.7%	-	-	11.01

<sup>1</sup> The numbers include the sale of four investments properties during the previous year.

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

<sup>3</sup> 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.

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

<sup>5</sup> The key figure includes hybrid bond coupons and amortized fees.

<sup>6</sup> The effect of currency rates to EPRA NRV/share was EUR -0.35.

Standing portfolio key figures <sup>1</sup>		Q3/ 2023	Q3/ 2022	%	FX	FX	Q1-Q3/ 2023	Q1-Q3/ 2022	%	FX	FX	Q1-Q4/ 2022
					Adjusted Q3/2022	Adjusted % <sup>4</sup>				Adjusted Q1-Q3/ 2022	Adjusted % <sup>4</sup>	
Net rental income	MEUR	48.4	48.8	-1.0%	46.1	4.9%	145.1	145.9	-0.5%	137.8	5.3%	195.1
Direct operating profit <sup>2</sup>	MEUR	42.7	41.9	1.9%	39.5	8.1%	123.2	123.8	-0.5%	116.7	5.6%	166.2
<b>EPRA based key figures<sup>2</sup></b>												
EPRA Earnings	MEUR	29.0	28.0	3.6%	26.0	11.6%	81.0	83.8	-3.4%	78.3	3.3%	113.6
Adjusted EPRA Earnings <sup>3</sup>	MEUR	21.8	20.4	7.3%	18.3	19.1%	59.2	60.9	-2.9%	55.5	6.6%	83.1
EPRA Earnings per share (basic)	EUR	0.173	0.167	3.6%	0.155	11.6%	0.482	0.499	-3.4%	0.466	3.3%	0.676
Adjusted EPRA Earnings per share (basic) <sup>3</sup>	EUR	0.130	0.121	7.3%	0.109	19.1%	0.352	0.363	-2.9%	0.330	6.6%	0.495

<sup>1</sup> Standing portfolio key figures include only income and expenses from investment properties that were on group balance sheet on 30 September 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.

<sup>2</sup> 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.

<sup>3</sup> The key figure includes hybrid bond coupons and amortized fees.

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

## Outlook for the year 2023 (specified)

		Current outlook for 2023 with year-end 2022 FX rates	Previous outlook for 2023 with year-end 2022 FX rates	Projected negative FX impact for FY2023
Direct operating profit	MEUR	174-182	174-192	-10
EPRA Earnings per share (basic)	EUR	0.69-0.78	0.69-0.81	-0.08
Adjusted EPRA Earnings per share (basic)	EUR	0.51-0.60	0.51-0.63	-0.08

The outlook assumes that there are no major changes in macroeconomic factors and that there will not be another wave of COVID-19 with restrictions resulting in significant store closures and no major disruptions from the war in Ukraine. These estimates are based on the existing property portfolio as well as year-end 2022 estimates of inflation, EUR-SEK and EUR-NOK exchange rates, and interest rates.

Given exchange rates have recently been subject to extraordinary volatility, estimated FX impact for the full year 2023 is provided as an additional information for further transparency and clarification. Potential negative FX impact for FY2023 is based on the assumption that EUR-SEK and EUR-NOK exchange rates stay at the level of September 2023.

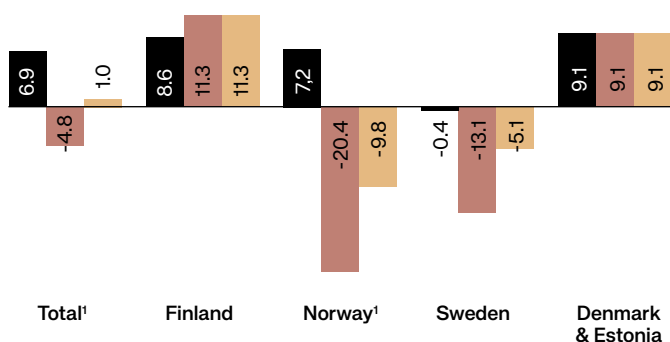
# 1. Net rental income

Like-for-like net rental income in Q3/2023 increased 7.0% compared to Q3/2022. Like-for-like net rental income in Q1–Q3/2023 increased by 6.9% compared to Q1–Q3/2022. Q2/2022 was positively impacted by one-time items in Sweden and Norway. Adjusting for these factors, LFL NRI growth would have been 7.6% in Q1–Q3/2023 with comparable FX rates versus the prior periods. Total net rental income for the period was EUR 145.1 million (Q1–Q3/2022: EUR 152.4 million).

Like-for-like net rental income from the Finnish operations increased by 8.6% in Q1–Q3/2023, while the development in the Swedish operations was slightly negative being -0.4%. In the Norwegian operations, like-for-like net rental income increased by 7.2% and from the Danish & Estonian operations the increase was 9.1%.

## Like-for-like and total net rental income development, Q1–Q3/2023 vs. Q1–Q3/2022

%



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

<sup>1</sup> 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 <sup>2</sup>	Sweden	Denmark & Estonia	Other	Total	Total
<b>Q1–Q3/2022</b>	<b>51.0</b>	<b>58.6</b>	<b>23.0</b>	<b>20.1</b>	<b>-0.3</b>	<b>152.4</b>	<b>167.5</b>
(Re)development projects	2.6	-2.2	-1.1	-	-	-0.7	0.6
Divestments	0.0	-5.9	-	-	-	-5.9	-6.6
Like-for-like properties <sup>1</sup>	3.2	2.8	-0.1	1.8	-	7.8	9.2
Other (incl. exchange rate differences)	0.0	-6.7	-1.8	0.0	0.0	-8.5	-9.6
<b>Q1–Q3/2023</b>	<b>56.8</b>	<b>46.6</b>	<b>20.0</b>	<b>21.9</b>	<b>-0.2</b>	<b>145.1</b>	<b>161.1</b>

<sup>1</sup> Like-for-like properties are properties held by Citycon throughout two full preceding periods and exclude properties under (re)development or extension.

<sup>2</sup> NRI impacted by four assets sold in 2022

## 2. Occupancy rate, sales and footfall

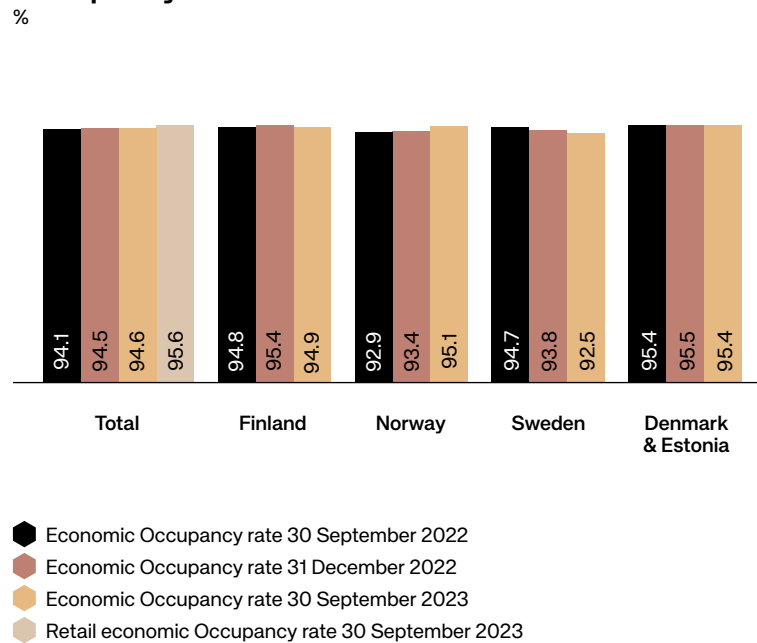
The retail occupancy rate increased to 95.6% in Q3/2023, which was a 70 bps improvement versus the same time last year (Q3/2022: 94.9%). Economic occupancy for Q3/2023 was 94.6%, a 50 bps improvement versus last year (Q3/2022: 94.1%).

Furthermore, the average rent per sq.m. increased by 0.1 EUR to 23.8 EUR (Q4/2022: 23.7). With comparable FX rates, average rent per sq.m. increased by 1.4 EUR. In Q1–Q3/2023, we leased over 92,000 sq.m at a leasing spread of 0.9%.

In Q3/2023, like-for-like tenant sales increased 4.1% and in Q1–Q3/2023 4.1%. Notably, like-for-like tenant sales in Q1–Q3/2023 are up 9.3% compared to pre-pandemic Q1–Q3/2019.

Like-for-like footfall increased 1.9% in Q1–Q3/2023 compared to the same period last year.

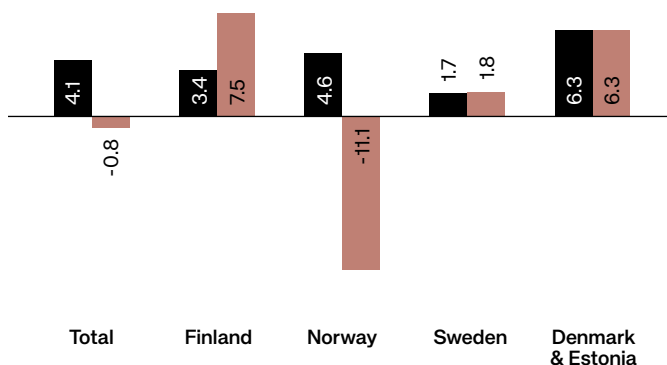
### Occupancy rate<sup>1</sup>



<sup>1</sup> Kista Galleria 50% not included.

### Tenant sales development, Q1–Q3/2023 vs. Q1–Q3/2022<sup>1</sup>

Change, %

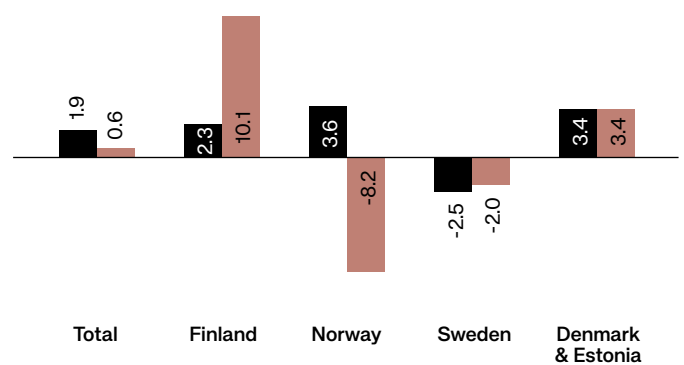


■ Like-for-like sales  
 ■ Total sales (including impact of divested assets)

<sup>1</sup> 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–Q3/2023 vs. Q1–Q3/2022<sup>1</sup>

Change, %



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

<sup>1</sup> Footfall figures include estimates. Kista Galleria 50% not included.

## Lease portfolio summary<sup>1</sup>

		30 September 2023	30 September 2022	31 December 2022
Number of leases	pcs	3,328	3,245	3,191
Average rent	EUR/sq.m./month	23.8	23.6	23.7
Average remaining length of lease portfolio	years	3.6	3.4	3.4
Occupancy cost ratio <sup>2</sup>	%	9.4%	9.1%	9.2%
Leasing Spread	%	0.9%	1.7%	2.0%

<sup>1</sup> Kista Galleria 50% not included.

<sup>2</sup> The rolling twelve month occupancy cost ratio for like-for-like shopping centres.

## Leasing activity<sup>1</sup>

		Q1–Q3/2023	Q1–Q3/2022	Q1–Q4/2022
Total area of leases started	sq.m.	180,802	219,344	262,772
Total area of leases ended	sq.m.	180,346	221,134	302,490

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

## 3. Financial result

**Operating profit (IFRS)** was EUR 115.6 million (Q1–Q3/2022: EUR 139.9 million).

**Administrative expenses** were EUR 22.2 million (Q1–Q3/2022: EUR 21.3 million). At the end of the reporting period, Citycon Group employed a total of 237 full-time employees (FTEs) (30 September 2022: 245 FTE), of whom 42 worked in Finland, 73 in Norway, 44 in Sweden, 14 Denmark & Estonia and 64 in Group functions.

**Net financial expenses (IFRS)** increased to EUR 34.6 million (Q1–Q3/2022: EUR 29.7 million) mainly due to reduced capitalized interest on development projects and increased interest cost, partially offset by lower NOK hedging cost. In addition, indirect one-off net gains related to prepayment of debt of EUR 2.9 million (Q1–Q3/2022: EUR 7.3 million) were recorded during the year. Furthermore, an amount of EUR 1.6 million indirect losses (Q1–Q3/2022: EUR 2.9 million loss) were booked related to fair value changes of cross-currency swaps and interest rate options not subject to hedge accounting.

**Share of loss of joint ventures and associated companies** totalled EUR -29.9 million (Q1–Q3/2022: EUR -10.1 million) mainly due to weaker development of property fair value in joint venture Kista.

**Profit for the period** was EUR 35.2 million (Q1–Q3/2022: EUR 81.3 million).

## 4. Property portfolio value development

The fair value of investment properties decreased in Q1–Q3/2023 by EUR 49.7 million from year-end to EUR 3,990.3 million (31 December 2022: EUR 4,040.1 million) mainly due to weaker NOK and SEK FX rates. Net investments, including both acquisitions and disposals and development projects increased the value by EUR 56.5 million and changes in right-of-use -assets by EUR 1.2 million. These increases were offset by changes in FX rates, which decreased the value by EUR 101.8 million and fair value losses, which decreased the value by EUR 5.7 million.

The fair value change of investment properties in Q1–Q3/2023 amounted to EUR -5.7 million (Q1–Q3/2022: EUR 23.1 million) mostly due to higher yield requirements. Higher yield requirements have been partially offset by improved cash flow. The application of IFRS 16 standard had an impact of EUR -4.9 million (Q1–Q3/2022: EUR -5.1 million) to the fair value change of investment properties during the January–September reporting period.

Starting from Q2/2023, external appraisers, CBRE (in Norway, Denmark and Estonia) and JLL (in Finland and Sweden) measure the fair values for annual financial statements as opposed to bi-annually. Citycon measures the fair values of the properties internally in the second quarter, in addition to the first and third quarters under the previous valuation policy. All internal valuation periods continue to remain subject to yield and market commentary from Citycon's current external appraisers in its respective markets.



## Fair value changes

MEUR	Q3/2023	Q3/2022	Q1-Q3/ 2023	Q1-Q3/ 2022	Q1-Q4/ 2022
Finland	-42.7	-13.2	-22.4	-1.1	-15.3
Norway	-5.7	5.5	14.5	13.8	-26.5
Sweden	-21.3	4.9	-8.0	12.4	-5.0
Denmark & Estonia	-3.6	5.5	15.2	3.2	-3.0
<b>Investment properties, total</b>	<b>-73.4</b>	<b>2.6</b>	<b>-0.7</b>	<b>28.2</b>	<b>-49.8</b>
Right-of-use assets classified as investment properties (IFRS 16)	-1.6	-1.7	-4.9	-5.1	-6.8
<b>Investment properties in the statement of financial position, total</b>	<b>-75.0</b>	<b>0.9</b>	<b>-5.7</b>	<b>23.1</b>	<b>-56.5</b>
Kista Galleria (50%)	-8.0	-5.4	-31.4	-12.4	-25.5
<b>Investment properties and Kista Galleria (50%), total</b>	<b>-83.1</b>	<b>-4.5</b>	<b>-37.1</b>	<b>10.7</b>	<b>-82.0</b>

## Property portfolio summary

30 September 2023	No. of properties	Gross leasable area	Fair value, MEUR	Properties held for sale, MEUR	Portfolio, %
Shopping centres, Finland	9	334,650	1,716.4		43%
Other properties, Finland	1	2,240	3.8		0%
<b>Finland, total</b>	<b>10</b>	<b>336,890</b>	<b>1,720.2</b>	<b>-</b>	<b>43%</b>
Shopping centres, Norway	13	347,900	1,145.6		29%
Rented shopping centres, Norway <sup>1</sup>	1	14,500	-		-
<b>Norway, total</b>	<b>14</b>	<b>362,400</b>	<b>1,145.6</b>	<b>-</b>	<b>29%</b>
Shopping centres, Sweden	5	173,500	608.4		15%
Other properties, Sweden	1	-	6.3		0%
<b>Sweden, total</b>	<b>6</b>	<b>173,500</b>	<b>614.7</b>	<b>-</b>	<b>15%</b>
Shopping centres, Denmark & Estonia	4	139,300	468.3		12%
Other properties, Denmark & Estonia	-	-	-		-
<b>Denmark &amp; Estonia, total</b>	<b>4</b>	<b>139,300</b>	<b>468.3</b>	<b>-</b>	<b>12%</b>
Shopping centres, total	32	1,009,850	3,938.8		99%
Other properties, total	2	2,240	10.1		0%
<b>Investment properties, total</b>	<b>34</b>	<b>1,012,090</b>	<b>3,948.8</b>	<b>-</b>	<b>99%</b>
Right-of-use assets classified as investment properties (IFRS 16)	-	-	41.5	-	1%
<b>Investment properties in the statement of financial position, total</b>	<b>34</b>	<b>1,012,090</b>	<b>3,990.3</b>	<b>-</b>	<b>100%</b>
Kista Galleria (50%)	1	46,250	172.9		-
<b>Investment properties and Kista Galleria (50%), total</b>	<b>35</b>	<b>1,058,340</b>	<b>4,163.2</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Value of rented properties is recognised within IFRS 16 investment properties based on IFRS rules.

## 5. Recycling of capital

No transaction activity occurred in Q1–Q3/2023.

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.

## 6. (Re)development projects progressed

### (Re)development projects in progress on 30 September 2023

	Location	Area before/after, sq.m.	Expected gross–investment, MEUR	Actual gross investment by 30 September 2023, MEUR	Completion
Herkules, residentials (50%)	Skien, Norway	-/7,600	28.0	9.7	2024
Barkarby, residentials	Stockholm, Sweden	-/12,950	69.5 <sup>1</sup>	6.6 <sup>1</sup>	2024

<sup>1</sup> 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–Q3/2023

	Location	Area before/after, sq.m.	Actual investment by 30 September 2023, MEUR	Completion
Lippulaiva residentials	Helsinki metropolitan area, Finland	-/12,800	61.3	Q1/2023

Further information on Citycon's completed, ongoing and planned (re)developments can be found in the company's Financial Review 2022.

## 7. Shareholders' equity

**Equity per share** was EUR 12.86 (EUR 13.75 on 31 December 2022). Equity return, translation losses and hybrid bond repayments decreased equity per share. The decrease was partly offset by the positive result for the period.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 1,511.7 million (31 December 2022: EUR 1,618.8 million).

## 8. Financing

### Key financing figures

		30 September 2023	30 September 2022	31 December 2022
Nominal debt outstanding <sup>3</sup>	MEUR	1,806.4	1,836.9	1,781.7
Interest bearing liabilities, carrying value <sup>1</sup>	MEUR	1,831.7	1,862.4	1,807.7
Available liquidity	MEUR	442.3	537.0	577.7
Average loan maturity	years	2.6	3.3	3.2
Loan to Value (LTV) <sup>2</sup>	%	43.9	41.7	41.4
Interest cover ratio (financial covenant > 1.8)	x	3.7	4.2	4.0
Net debt to total assets (financial covenant < 0.60)	x	0.42	0.39	0.39
Solvency ratio (financial covenant < 0.65)	x	0.43	0.41	0.40
Secured solvency ratio (financial covenant < 0.25)	x	0.06	0.00	0.00

<sup>1</sup> Including EUR 38,6 million (Q3/2022: EUR 44,1 million) IFRS 16 lease liabilities

<sup>2</sup> 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.

<sup>3</sup> 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.

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 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.

In June, 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 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 April, the company signed 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 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 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 January, Citycon executed a tender offer of the 2024 notes and the two capital securities issued in 2019 and 2021. In January 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.

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 and September were mainly financed by operative cash flow.

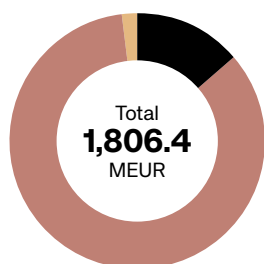
## Interest-bearing debt

The outstanding amount of interest-bearing debt increased during the quarter by EUR 29.7 million to EUR 1,806.4 million, partially due to an increase in commercial paper coupled with strengthening of the NOK currency rate. The carrying amount of interest-bearing liabilities in the balance sheet was EUR 1,831.7 million including IFRS 16 liabilities of EUR 38.6 million.

The weighted average loan maturity decreased during the quarter and stands at 2.6 years. LTV (IFRS) increased during the quarter to 43.9% as a result of decreased property values and higher net debt.

### Breakdown of loans

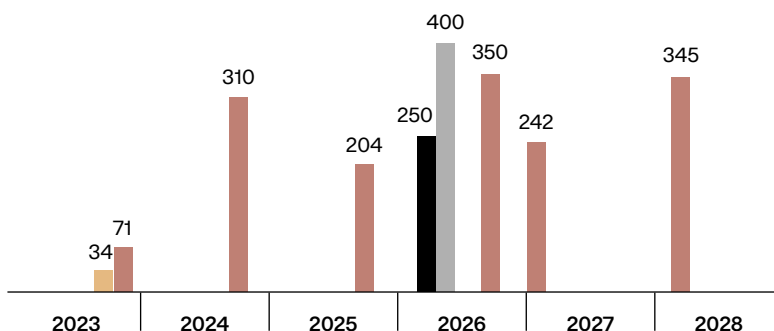
%



- Bank loans 250.0
- Bonds 1,522.4
- Commercial paper 34.0

### Debt maturities

MEUR



- Bank loans 250.0
- Bonds 1,522.4
- Commercial paper 34.0
- Undrawn committed credit facilities 400.0

## Financial expenses

### Key figures

		Q3/2023	Q3/2022	Q1–Q3/2023	Q1–Q3/2022	2022
Financial expenses <sup>1</sup>	MEUR	-15.3	-17.1	-45.6	-44.1	-64.7
Financial income <sup>1</sup>	MEUR	2.1	5.8	11.0	14.4	16.7
<b>Net financial expenses (IFRS)</b>	<b>MEUR</b>	<b>-13.2</b>	<b>-11.3</b>	<b>-34.6</b>	<b>-29.7</b>	<b>-48.0</b>
Direct net financial expenses (EPRA)	MEUR	-12.7	-11.9	-36.4	-34.1	-47.0
Weighted average interest rate <sup>2</sup>	%	-	-	2.46	2.38	2.43
Weighted average interest rate excluding derivatives	%	-	-	3.13	2.48	2.57
Year-to-date weighted average interest rate <sup>2</sup>	%	-	-	2.59	2.45	2.42

<sup>1</sup> The foreign exchange differences are netted in the financial expenses

<sup>2</sup> Including interest rate swaps and cross-currency swaps

The direct net financial expenses (EPRA) Q1–Q3/2023 were EUR 2.3 million higher than last year, mainly due to decreased capitalized interest on development projects following the finalization of Lippulaiva in March 2022 and increased interest cost, partially offset by lower NOK hedging cost.

Net financial expenses (IFRS) increased to EUR 34.6 million (Q1–Q3/2022: EUR 29.7 million) due to above mentioned reasons. In addition, indirect one-off net gains related to prepayment of debt of EUR 2.9 million were recorded during the year whereas the corresponding period Q1–Q3/2022 carried a EUR 7.3 million profit from debt prepayments. Furthermore, an amount of EUR 1.6 million indirect loss (Q1–Q3/2022: EUR 2.9 million loss) was booked related to fair value changes of cross-currency swaps and interest rate options not under hedge accounting.

Financial income mainly consisted of interest income on a loan to Kista Galleria and interest income on interest and currency swaps.

The period-end weighted average interest rate was 2.46%.

### Financial risk management

Citycon uses interest rate swaps and options 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

		30 September 2023	30 September 2022	31 December 2022
Average interest-rate fixing period	years	2.3	3.3	3.2
Fixed interest rate ratio	%	88.6	94.6	93.0

## 9. Business environment

### Business environment key figures

	Finland	Norway	Sweden	Denmark	Estonia	Euro area
GDP growth forecast 2023	-0.1%	2.3%	-0.7%	1.7%	-2.3%	0.7%
Inflation, forecast 2023	4.5%	5.8%	6.9%	4.1%	10.0%	5.6%
Unemployment, 2023	7.3%	3.6%	7.5%	5.0%	6.7%	6.6%
Retail sales growth, 7/2023 <sup>1</sup>	-1.9%	-1.4%	-3.6%	-4.4%	-8.6%	-1.0%

<sup>1</sup> % change compared with the same month of the previous year

Sources: IMF Economic Outlook (October) & 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. 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 and the COVID-19 virus continue to pose risks to economic health in Europe as well.

Citycon's reporting currency is the euro, and at the same time, its most important functional currencies are the euro, the Norwegian crown, and the Swedish crown. As a result, currency fluctuations can affect Citycon's reported figures. Additionally, foreign currency-denominated assets and liabilities can lead to foreign exchange gains or losses.

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 35–36 in the Financial Statements 2022, in Note 3.5 A) as well as on Citycon's website in the Corporate Governance section.

## 11. General meeting

Citycon's Virtual Annual General Meeting 2023 (AGM) was held on 21 March 2023. The Annual General Meeting was held without a meeting venue using remote connection in real time, in accordance with Section 11 of the Articles of Association of the Company and Chapter 5, Section 16 Subsection 3 of the Finnish Limited Liability Companies Act. A total of 291 shareholders were presented in the meeting either having voted in advance or via remote connection in person, or by statutory representative or by proxy, representing 51.0% of shares and votes in the company.

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 resolved the number of members of the Board of Directors to be eight. Chaim Katzman, Yehuda (Judah) L. Angster, F. Scott Ball, Zvi Gordon, Alexandre (Sandy) Koifman, David Lukes, Per-Anders Ovin and Ljudmila Popova were re-elected to the Board of Directors.

Ernst & Young Oy, a firm of authorised public accountants, was re-elected as the auditor of the company for 2023.

The AGM decisions and the minutes of the AGM are available on the company's website at [citycon.com/agm2023](https://citycon.com/agm2023).

### Extraordinary General Meeting 2023

Citycon's Virtual Extraordinary General Meeting (EMG) was held on 1 June 2023. The General Meeting approved all the proposals made by the Board of Directors to the General Meeting. The number of members of the Board of Directors was resolved to be nine. Mr. Adi Jemini was elected as new member of the Board of Directors for a term that will continue until the close of the next Annual General Meeting. Other current members of the Board of Directors continue in their position until the close of the next Annual General Meeting.

Further information available on the company's website at [citycon.com/egm2023](https://citycon.com/egm2023).

## 12. 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 September 2023, the total number of shares outstanding in the company was 168 008 940. The shares have no nominal value.

At the end of September 2023, Citycon had a total of 27,963 registered shareholders (30 September 2022: 28,862 shareholders), of which 10 were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 116.8 million shares (30 September 2022: 116.0 million), or 69.5% (30 September 2022: 69.1%) of shares and voting rights in the company. The most significant registered shareholders at period-end can be found on company's website [citycon.com/major-shareholders](https://citycon.com/major-shareholders).

### Shares and share capital

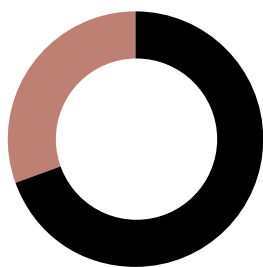
		Q1–Q3/2023	Q1–Q3/2022	2022
Share capital at period-start	MEUR	259.6	259.6	259.6
Share capital at period-end	MEUR	259.6	259.6	259.6
Number of shares at period-start		168,008,940	168 498 525	168 498 525
Number of shares at period-end		168,008,940	168,008,940	168,008,940

### Share price and trading

		Q1–Q3/2023	Q1–Q3/2022	%	2022
Low	EUR	5.15	6.21	-17.1%	5.96
High	EUR	7.03	7.57	-7.1%	7.57
Average	EUR	6.18	6.97	-11.4%	6.81
Latest	EUR	5.31	6.40	-17.1%	6.26
Market capitalisation at period-end	MEUR	891.3	1,075.3	-17.1%	1,050.9
Number of shares traded	million	43.3	65.8	-34.2%	84.4
Value of shares traded	MEUR	269.7	457.7	-41.1%	575.0

### Shareholders 30 September 2023

% of shares and voting rights



█ Nominee-registered shareholders **69.5%** (116.8 million shares)

█ Directly registered shareholdings **30.5%** (51.2 million shares)

### Dividend and equity repayment

#### Dividends and equity repayments paid in Q1–Q3/2023<sup>1</sup>

	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
<b>Total</b>			<b>0.375</b>

## Remaining Board authorisation for equity repayment<sup>2</sup>

	Preliminary record date	Preliminary payment date	EUR / share
Equity repayment Q4	20 December 2023	29 December 2023	0.125
<b>Total</b>			<b>0.125</b>

<sup>1</sup> Board decision based on the authorisation issued by the AGM 2023.

<sup>2</sup> The AGM 2023 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 distributed from the invested unrestricted equity fund shall not exceed EUR 0.50 per share. Unless the Board of Directors decides otherwise for a justified reason, the authorisation will be used to distribute equity repayment four times during the period of validity of the authorisation. In this case, the Board of Directors will make separate resolutions on each distribution of the equity repayment so that the preliminary record and payment dates will be as stated above. Citycon shall make separate announcements of such Board resolutions.

## 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–September 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.

## 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).

Further information on Citycon's share-based incentive plans is available on the company's website at [citycon.com/remuneration](https://www.citycon.com/remuneration).

## 13. Events after the reporting period

No material events after the reporting period.

For more investor information, please visit the company's website at [www.citycon.com](https://www.citycon.com).

Helsinki, 1 November 2023

Citycon Oyj

Board of Directors

### For further information, please contact:

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Citycon is a leading owner, manager and developer of mixed-use 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 4.2 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](https://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 2022 in section "EPRA performance measures". These tables include actual FX rates. The numbers include the sale of four investments properties during the previous year.

## EPRA performance measures

		Q3/2023	Q3/2022	%	Q1-Q3/ 2023	Q1-Q3/ 2022	%	Q1-Q4/ 2022
EPRA Earnings	MEUR	29.1	29.8	-2.6%	80.9	90.1	-10.2%	122.6
Adjusted EPRA Earnings <sup>1</sup>	MEUR	21.8	22.1	-1.3%	59.1	67.3	-12.1%	92.1
EPRA Earnings per share (basic)	EUR	0.173	0.177	-2.6%	0.482	0.536	-10.2%	0.730
Adjusted EPRA Earnings per share (basic) <sup>1</sup>	EUR	0.130	0.132	-1.3%	0.352	0.400	-12.1%	0.548
EPRA NRV per share	EUR	10.43	11.68	-10.7%	10.43	11.68	-10.7%	11.01

<sup>1</sup> 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	Q3/2023	Q3/2022	%	Q1-Q3/ 2023	Q1-Q3/ 2022	%	Q1-Q4/ 2022
<b>Earnings in IFRS Consolidated Statement of Comprehensive Income</b>	<b>-46.2</b>	<b>22.7</b>	<b>-</b>	<b>35.2</b>	<b>81.3</b>	<b>-56.7%</b>	<b>5.1</b>
+/- Net fair value losses/gains on investment property	75.0	-0.9	-	5.7	-23.1	-	56.5
-/+ Net gains/losses on sale of investment property	0.0	0.1	-90.8%	1.8	-0.8	-	4.3
+ Indirect other operating expenses	0.0	0.0	-	0.0	14.1	-99.9%	26.7
+/- Early close-out costs/gains of debt and financial instruments	0.2	-6.7	-	-2.9	-7.3	59.6%	-8.1
-/+ Fair value gains/losses of financial instruments	0.3	6.1	-95.4%	1.2	2.9	-59.7%	9.2
+/- Indirect losses/gains of joint ventures and associated companies	7.2	3.8	86.2%	25.9	6.8	-	21.0
-/+ Change in deferred taxes arising from the items above	-7.4	4.7	-	14.1	16.1	-12.9%	8.0
+ Non-controlling interest arising from the items above	-	-	-	-	0.0	-	0.0
<b>EPRA Earnings</b>	<b>29.1</b>	<b>29.8</b>	<b>-2.6%</b>	<b>80.9</b>	<b>90.1</b>	<b>-10.2%</b>	<b>122.6</b>
-/+ Hybrid bond coupons and amortized fees	-7.2	-7.7	6.3%	-21.8	-22.8	4.6%	-30.5
<b>Adjusted EPRA Earnings</b>	<b>21.8</b>	<b>22.1</b>	<b>-1.3%</b>	<b>59.1</b>	<b>67.3</b>	<b>-12.1%</b>	<b>92.1</b>
Weighted average number of ordinary shares, million	168.0	168.0	0.0%	168.0	168.0	0.0%	168.0
<b>EPRA Earnings per share (basic), EUR</b>	<b>0.173</b>	<b>0.177</b>	<b>-2.6%</b>	<b>0.482</b>	<b>0.536</b>	<b>-10.2%</b>	<b>0.730</b>
<b>Adjusted EPRA Earnings per share (basic), EUR</b>	<b>0.130</b>	<b>0.132</b>	<b>-1.3%</b>	<b>0.352</b>	<b>0.400</b>	<b>-12.1%</b>	<b>0.548</b>

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

MEUR	Q3/2023	Q3/2022	%	Q1-Q3/ 2023	Q1-Q3/ 2022	%	Q1-Q4/ 2022
Net rental income	48.4	50.6	-4.4%	145.1	152.4	-4.8%	203.6
Direct administrative expenses	-5.6	-6.6	15.4%	-22.2	-21.3	-4.1%	-28.7
Direct other operating income and expenses	-0.1	-0.3	80.0%	0.2	-1.0	-	0.2
<b>Direct operating profit</b>	<b>42.7</b>	<b>43.7</b>	<b>-2.2%</b>	<b>123.1</b>	<b>130.1</b>	<b>-5.4%</b>	<b>175.2</b>
Direct net financial income and expenses	-12.7	-11.9	-6.9%	-36.4	-34.1	-6.7%	-47.0
Direct share of profit/loss of joint ventures and associated companies	-0.8	-1.1	28.6%	-4.0	-3.2	-23.8%	-3.6
Direct current taxes	-0.1	-0.8	86.6%	-2.0	-2.8	28.1%	-2.1
Direct deferred taxes	0.0	0.0	38.7%	0.2	0.2	1.9%	0.2
Direct non-controlling interest	-	0.0	-	-	0.0	-	0.0
<b>EPRA Earnings</b>	<b>29.1</b>	<b>29.8</b>	<b>-2.6%</b>	<b>80.9</b>	<b>90.1</b>	<b>-10.2%</b>	<b>122.6</b>
-/+ Hybrid bond coupons and amortized fees	-7.2	-7.7	6.3%	-21.8	-22.8	4.6%	-30.5
<b>Adjusted EPRA Earnings</b>	<b>21.8</b>	<b>22.1</b>	<b>-1.3%</b>	<b>59.1</b>	<b>67.3</b>	<b>-12.1%</b>	<b>92.1</b>
<b>EPRA Earnings per share (basic), EUR</b>	<b>0.173</b>	<b>0.177</b>	<b>-2.6%</b>	<b>0.482</b>	<b>0.536</b>	<b>-10.2%</b>	<b>0.730</b>
<b>Adjusted EPRA Earnings per share (basic), EUR</b>	<b>0.130</b>	<b>0.132</b>	<b>-1.3%</b>	<b>0.352</b>	<b>0.400</b>	<b>-12.1%</b>	<b>0.548</b>

## 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.

	30 September 2023			31 December 2022			30 September 2022		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to parent company shareholders	1,511.7	1,511.7	1,511.7	1,618.8	1,618.8	1,618.8	1,720.5	1,720.5	1,720.5
Deferred taxes from the difference of fair value and fiscal value of investment properties <sup>3</sup>	269.3	134.7	-	264.9	132.5	-	282.6	141.3	-
Fair value of financial instruments	-1.8	-1.8	-	-1.9	-1.9	-	-2.4	-2.4	-
Goodwill as a result of deferred taxes	-61.4	-	-	-65.7	-	-	-73.4	-	-
Goodwill as per the consolidated balance sheet	-	-111.3	-111.3	-	-115.4	-115.4	-	-126.8	-126.8
Intangible assets as per the consolidated balance sheet	-	-9.7	-	-	-11.0	-	-	-10.0	-
The difference between the secondary market price and carrying value of bonds <sup>1</sup>	-	-	180.2	-	-	246.5	-	-	221.1
Real estate transfer taxes <sup>2</sup>	34.4	-	-	34.2	-	-	34.4	-	-
<b>Total</b>	<b>1,752.1</b>	<b>1,523.5</b>	<b>1,580.6</b>	<b>1,850.3</b>	<b>1,622.8</b>	<b>1,749.9</b>	<b>1,961.7</b>	<b>1,722.6</b>	<b>1,814.8</b>
Number of ordinary shares at balance sheet date, million	168.0	168.0	168.0	168.0	168.0	168.0	168.0	168.0	168.0
<b>Net Asset Value per share</b>	<b>10.43</b>	<b>9.07</b>	<b>9.41</b>	<b>11.01</b>	<b>9.66</b>	<b>10.42</b>	<b>11.68</b>	<b>10.25</b>	<b>10.80</b>

<sup>1</sup> 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 180.2 million (secondary market price lower) as of 30 September 2023. In the comparison period 30 September 2022, the difference was EUR 221.1 million (secondary market price lower).

<sup>2</sup> 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.

<sup>3</sup> 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 interim financial statements

## 1 January – 30 September 2023

### Condensed consolidated statement of comprehensive income, IFRS

MEUR	Note	Q3/2023	Q3/2022	%	Q1-Q3/ 2023	Q1-Q3/ 2022	%	Q1-Q4/ 2022
Gross rental income	3	53.3	55.3	-3.6%	161.1	167.5	-3.8%	222.3
Service charge income	3, 4	17.9	20.3	-12.0%	54.3	55.1	-1.6%	79.2
Property operating expenses		-21.9	-24.2	9.3%	-68.3	-68.3	0.0%	-94.7
Other expenses from leasing operations		-0.9	-0.9	-5.6%	-2.0	-1.9	-1.5%	-3.1
<b>Net rental income</b>	<b>3</b>	<b>48.4</b>	<b>50.6</b>	<b>-4.4%</b>	<b>145.1</b>	<b>152.4</b>	<b>-4.8%</b>	<b>203.6</b>
Administrative expenses		-5.6	-6.6	15.4%	-22.2	-21.3	-4.1%	-28.7
Other operating income and expenses		-0.1	-0.3	77.6%	0.2	-15.1	-	-26.5
Net fair value gains/losses on investment property	3	-75.0	0.9	-	-5.7	23.1	-	-56.5
Net gains/losses on sale of investment properties and subsidiaries		0.0	-0.1	90.8%	-1.8	0.8	-	-4.3
<b>Operating profit</b>	<b>3</b>	<b>-32.4</b>	<b>44.5</b>	<b>-</b>	<b>115.6</b>	<b>139.9</b>	<b>-17.4%</b>	<b>87.7</b>
Net financial income and expenses		-13.2	-11.3	-16.5%	-34.6	-29.7	-16.4%	-48.0
Share of profit/loss of joint ventures and associated companies		-7.9	-4.9	-61.2%	-29.9	-10.1	-	-24.6
<b>Result before taxes</b>		<b>-53.5</b>	<b>28.2</b>	<b>-</b>	<b>51.1</b>	<b>100.1</b>	<b>-49.0%</b>	<b>15.1</b>
Current taxes		-0.1	-0.8	86.6%	-2.0	-2.8	28.1%	-2.1
Deferred taxes		7.3	-4.7	-	-13.9	-16.0	13.1%	-7.9
<b>Result for the period</b>		<b>-46.2</b>	<b>22.7</b>	<b>-</b>	<b>35.2</b>	<b>81.3</b>	<b>-56.7%</b>	<b>5.1</b>
<b>Profit/loss attributable to</b>								
Parent company shareholders		-46.2	22.7	-	35.2	81.3	-56.7%	5.3
Non-controlling interest		0.0	0.0	-	0.0	0.0	-	-0.3
<b>Earnings per share attributable to parent company shareholders</b>								
Earnings per share (basic), EUR <sup>1</sup>	5	-0.32	0.09	-	0.18	0.35	-48.7%	-0.15
Earnings per share (diluted), EUR <sup>1</sup>	5	-0.32	0.09	-	0.18	0.34	-48.6%	-0.15
<b>Other comprehensive income</b>								
<b>Items that may be reclassified subsequently to profit or loss</b>								
Net gains/losses on cash flow hedges		-0.7	0.1	-	-0.1	1.0	-	0.5
Exchange gains/losses on translating foreign operations		36.8	-25.1	-	-66.0	-69.5	5.0%	-73.5
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>36.1</b>	<b>-25.0</b>	<b>-</b>	<b>-66.2</b>	<b>-68.5</b>	<b>3.4%</b>	<b>-73.0</b>
<b>Other comprehensive income for the period, after taxes</b>		<b>36.1</b>	<b>-25.0</b>	<b>-</b>	<b>-66.2</b>	<b>-68.5</b>	<b>3.4%</b>	<b>-73.0</b>
<b>Total comprehensive profit/loss for the period</b>		<b>-10.1</b>	<b>-2.2</b>	<b>-</b>	<b>-31.0</b>	<b>12.8</b>	<b>-</b>	<b>-67.9</b>
<b>Total comprehensive profit/loss attributable to</b>								
Parent company shareholders		-10.1	-2.3	-	-31.0	12.8	-	-67.6
Non-controlling interest		0.0	0.0	-	0.0	0.0	-	-0.3

<sup>1</sup> 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	30 September 2023	30 September 2022	31 December 2022
<b>Assets</b>				
Non-current assets				
Investment properties	6	3,990.3	4,094.3	4,040.1
Goodwill		111.3	126.8	115.4
Investments in joint ventures and associated companies		76.1	119.5	103.5
Intangible and tangible assets, and other non-current assets		28.1	12.8	30.8
Derivative financial instruments	10, 11	40.4	22.0	18.6
Deferred tax assets		16.5	16.5	16.4
<b>Total non-current assets</b>		<b>4,262.8</b>	<b>4,392.0</b>	<b>4,324.9</b>
<b>Investment properties held for sale</b>	<b>8</b>	<b>0.0</b>	<b>125.3</b>	<b>0.0</b>
Current assets				
Derivative financial instruments	10, 11	0.5	8.2	2.8
Trade receivables and other current assets		60.7	98.6	63.9
Cash, cash equivalents and current financial investments	9	27.3	27.8	69.2
<b>Total current assets</b>		<b>88.5</b>	<b>134.5</b>	<b>135.9</b>
<b>Total assets</b>	<b>3</b>	<b>4,351.3</b>	<b>4,651.8</b>	<b>4,460.7</b>
<b>Shareholders' Equity and Liabilities</b>				
Equity attributable to parent company shareholders				
Share capital		259.6	259.6	259.6
Share premium fund		131.1	131.1	131.1
Fair value reserve		1.8	2.4	1.9
Invested unrestricted equity fund	12	597.2	681.2	660.2
Retained earnings	12	521.9	646.2	565.9
<b>Total equity attributable to parent company shareholders</b>		<b>1,511.7</b>	<b>1,720.5</b>	<b>1,618.8</b>
Hybrid bond		648.6	690.9	691.5
Non-controlling interest		0.0	0.3	0.0
<b>Total shareholders' equity</b>		<b>2,160.3</b>	<b>2,411.7</b>	<b>2,310.3</b>
Long-term liabilities				
Loans		1,722.0	1,756.7	1,676.1
Derivative financial instruments and other non-interest bearing liabilities	10, 11	10.0	1.3	0.4
Deferred tax liabilities		270.4	284.1	266.3
<b>Total long-term liabilities</b>		<b>2,002.4</b>	<b>2,042.0</b>	<b>1,942.8</b>
Short-term liabilities				
Loans		109.7	105.7	131.6
Derivative financial instruments	10, 11	2.0	0.2	0.4
Trade and other payables		76.9	92.1	75.6
<b>Total short-term liabilities</b>		<b>188.6</b>	<b>198.1</b>	<b>207.6</b>
<b>Total liabilities</b>	<b>3</b>	<b>2,191.0</b>	<b>2,240.1</b>	<b>2,150.5</b>
<b>Total liabilities and shareholders' equity</b>		<b>4,351.3</b>	<b>4,651.8</b>	<b>4,460.7</b>

## Condensed consolidated cash flow statement, IFRS

MEUR	Note	Q1–Q3/2023	Q1–Q3/2022	Q1–Q4/2022
Cash flow from operating activities				
<b>Profit before taxes</b>		<b>51.1</b>	<b>100.1</b>	<b>15.1</b>
Adjustments to profit before taxes		74.4	34.3	166.5
<b>Cash flow before change in working capital</b>		<b>125.5</b>	<b>134.4</b>	<b>181.5</b>
Change in working capital		0.5	-23.9	-22.7
<b>Cash generated from operations</b>		<b>126.0</b>	<b>110.5</b>	<b>158.8</b>
Paid interest and other financial charges		-36.7	-38.8	-53.9
Interest income and other financial income received		1.2	0.1	0.2
Current taxes paid		0.3	-0.9	-5.4
<b>Net cash from operating activities</b>		<b>90.7</b>	<b>70.9</b>	<b>99.7</b>
Cash flow from investing activities				
Acquisition of investment properties and subsidiaries, less cash acquired	6, 7, 8	-	-6.4	-6.5
Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets	6, 7, 8	-63.0	-129.2	-173.9
Sale of investment properties and subsidiaries	6, 7, 8	-0.3	137.6	270.8
Purchase of current financial investments		-	-64.9	-64.8
Repayment of current financial investments		-	84.2	84.2
<b>Net cash used in investing activities</b>		<b>-63.3</b>	<b>21.3</b>	<b>109.8</b>
Cash flow from financing activities				
Proceeds from short-term loans		263.4	239.9	356.5
Repayments of short-term loans		-282.9	-147.5	-318.7
Proceeds from long-term loans		247.1	-	-
Repayments of long-term loans		-183.8	-96.2	-102.5
Hybrid bond repayments		-27.9	-	-
Hybrid bond interest and expenses		-27.9	-28.4	-28.4
Repurchase and costs of treasury shares		-	-1.6	-1.6
Dividends and return from the invested unrestricted equity fund	12	-63.0	-63.0	-84.0
Realized exchange rate gains/losses		8.0	0.6	6.8
<b>Net cash from financing activities</b>		<b>-67.1</b>	<b>-96.2</b>	<b>-172.0</b>
<b>Net change in cash and cash equivalents</b>		<b>-39.7</b>	<b>-4.0</b>	<b>37.5</b>
Cash and cash equivalents at period-start	9	69.2	34.7	34.7
Effects of exchange rate changes		-2.1	-3.0	-3.1
<b>Cash and cash equivalents at period-end</b>	<b>9</b>	<b>27.3</b>	<b>27.8</b>	<b>69.2</b>

## 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
<b>Balance at 1 January 2022</b>	<b>259.6</b>	<b>131.1</b>	<b>1.4</b>	<b>744.2</b>	<b>-114.8</b>	<b>778.6</b>	<b>1,800.1</b>	<b>689.1</b>	<b>0.3</b>	<b>2,489.5</b>
Total comprehensive profit/loss for the period			1.0		-69.5	81.3	12.8		0.0	12.8
Hybrid bond interest and expenses						-30.0	-30.0	1.8		-28.2
Repurchase and costs of Treasury shares						-1.6	-1.6			-1.6
Dividends paid and equity return (Note 12)				-63.0			-63.0			-63.0
Share-based payments						2.1	2.1			2.1
Other changes						0.2	0.2			0.2
<b>Balance at 30 September 2022</b>	<b>259.6</b>	<b>131.1</b>	<b>2.4</b>	<b>681.2</b>	<b>-184.3</b>	<b>830.5</b>	<b>1,720.5</b>	<b>690.9</b>	<b>0.3</b>	<b>2,411.7</b>
<b>Balance at 1 January 2023</b>	<b>259.6</b>	<b>131.1</b>	<b>1.9</b>	<b>660.2</b>	<b>-188.3</b>	<b>754.3</b>	<b>1,618.8</b>	<b>691.5</b>	<b>0.0</b>	<b>2,310.3</b>
Total comprehensive profit/loss for the period			-0.1		-66.0	35.2	-31.0			-31.0
Hybrid bond repayments							0.0	-44.4		-44.4
Gains on hybrid bond repayments						16.5	16.5			16.5
Hybrid bond interest and expenses						-29.2	-29.2	1.5		-27.7
Dividends paid and equity return (Note 12)				-63.0			-63.0			-63.0
Share-based payments						-0.4	-0.4			-0.4
Other changes						0.0	0.0			0.0
<b>Balance at 30 September 2023</b>	<b>259.6</b>	<b>131.1</b>	<b>1.8</b>	<b>597.2</b>	<b>-254.4</b>	<b>776.3</b>	<b>1,511.7</b>	<b>648.6</b>	<b>0.0</b>	<b>2,160.3</b>

# Notes to the condensed consolidated interim 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 interim financial statements on 1st of November 2023.

## 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 2022. Citycon's interim report for the reporting period has been prepared in accordance with IAS 34 Interim Financial Reporting Standard and with the same accounting policies as in the 2022 annual financial statements, except for the measurement of the fair values. Starting from Q2/2023, external appraisers measure the fair values only for annual financial statements. Citycon measures the fair values of the properties internally in the first, second, and third quarters. The figures are unaudited.

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–Q3/2023 by EUR -31.2 million (Q1–Q3/2022: EUR -10.2 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	Q3/2023	Q3/2022	%	Q1-Q3/2023	Q1-Q3/2022	%	Q1-Q4/2022
<b>Gross rental income</b>							
Finland	20.7	18.7	10.2%	60.6	55.2	9.9%	74.2
Norway	16.4	20.2	-19.0%	50.6	63.1	-19.8%	83.0
Sweden	8.3	9.0	-7.9%	25.8	27.3	-5.6%	35.8
Denmark & Estonia	8.0	7.3	8.6%	24.1	21.9	10.0%	29.3
<b>Total Segments</b>	<b>53.3</b>	<b>55.3</b>	<b>-3.6%</b>	<b>161.1</b>	<b>167.5</b>	<b>-3.8%</b>	<b>222.3</b>
Kista Galleria (50%)	2.2	2.3	-5.8%	7.0	7.1	-0.9%	9.4
<b>Service charge income</b>							
Finland	7.1	6.4	10.9%	21.1	17.9	17.6%	24.3
Norway	6.0	7.6	-20.5%	17.2	20.4	-15.4%	31.3
Sweden	2.1	2.9	-26.4%	8.1	8.7	-7.1%	12.7
Denmark & Estonia	2.6	3.4	-24.2%	7.9	8.2	-3.6%	10.9
<b>Total Segments</b>	<b>17.9</b>	<b>20.3</b>	<b>-12.0%</b>	<b>54.3</b>	<b>55.1</b>	<b>-1.6%</b>	<b>79.2</b>
Kista Galleria (50%)	0.6	0.9	-26.9%	2.5	2.7	-5.7%	3.8
<b>Net rental income</b>							
Finland	19.6	17.5	11.9%	56.8	51.0	11.3%	68.6
Norway	15.2	18.3	-17.0%	46.6	58.6	-20.4%	78.9
Sweden	6.8	7.9	-14.3%	20.0	23.0	-13.1%	30.4
Denmark & Estonia	6.9	6.8	1.2%	21.9	20.1	9.1%	26.0
Other	-0.2	0.0	-	-0.2	-0.3	12.4%	-0.3
<b>Total Segments</b>	<b>48.4</b>	<b>50.6</b>	<b>-4.4%</b>	<b>145.1</b>	<b>152.4</b>	<b>-4.8%</b>	<b>203.6</b>
Kista Galleria (50%)	1.5	1.9	-17.9%	4.8	4.9	-3.0%	6.8
<b>Direct operating profit</b>							
Finland	19.0	17.1	11.4%	54.9	49.2	11.5%	66.3
Norway	14.0	17.5	-19.9%	43.6	55.7	-21.8%	76.0
Sweden	5.9	6.9	-13.8%	17.3	19.7	-12.3%	26.4
Denmark & Estonia	6.8	6.8	0.4%	21.7	19.8	9.6%	25.9
Other	-3.1	-4.6	32.3%	-14.2	-14.3	0.5%	-19.3
<b>Total Segments</b>	<b>42.7</b>	<b>43.7</b>	<b>-2.2%</b>	<b>123.1</b>	<b>130.1</b>	<b>-5.4%</b>	<b>175.2</b>
Kista Galleria (50%)	1.5	1.9	-21.2%	4.6	4.7	-3.0%	6.6
<b>Net fair value gains/losses on investment property</b>							
Finland	-43.0	-13.5	-	-23.2	-1.8	-	-16.3
Norway	-6.8	4.4	-	11.2	10.4	7.6%	-30.9
Sweden	-21.7	4.5	-	-9.0	11.3	-	-6.3
Denmark & Estonia	-3.6	5.5	-	15.2	3.2	-	-3.0
<b>Total Segments</b>	<b>-75.0</b>	<b>0.9</b>	<b>-</b>	<b>-5.7</b>	<b>23.1</b>	<b>-</b>	<b>-56.5</b>
Kista Galleria (50%)	-8.0	-5.4	-47.6%	-31.4	-12.4	-	-25.5
<b>Operating profit/loss</b>							
Finland	-23.9	3.6	-	31.4	50.9	-38.2%	53.2
Norway	7.2	21.8	-66.9%	53.3	48.7	9.4%	10.6
Sweden	-15.7	11.4	-	8.3	31.7	-73.8%	20.2
Denmark & Estonia	3.2	12.3	-74.1%	36.8	22.9	60.5%	22.9
Other	-3.1	-4.6	32.3%	-14.2	-14.3	0.5%	-19.3
<b>Total Segments</b>	<b>-32.4</b>	<b>44.5</b>	<b>-</b>	<b>115.6</b>	<b>139.9</b>	<b>-17.4%</b>	<b>87.7</b>
Kista Galleria (50%)	-6.5	-3.5	-84.6%	-26.8	-7.7	-	-18.8

MEUR	30 September 2023	30 September 2022	%	31 December 2022
<b>Assets</b>				
Finland	1,735.6	1,763.7	-1.6%	1,723.2
Norway	1,255.0	1,481.9	-15.3%	1,320.3
Sweden	639.2	684.3	-6.6%	660.1
Denmark & Estonia	483.0	466.1	3.6%	465.6
Other	238.5	255.8	-6.8%	291.5
<b>Total Segments</b>	<b>4,351.3</b>	<b>4,651.8</b>	<b>-6.5%</b>	<b>4,460.7</b>
Kista Galleria (50%)	183.5	242.7	-24.4%	223.9
<b>Liabilities</b>				
Finland	12.2	16.3	-25.1%	7.0
Norway	15.8	28.7	-45.1%	20.8
Sweden	11.6	9.5	22.0%	12.0
Denmark & Estonia	8.1	6.3	29.6%	9.0
Other	2,143.3	2,179.2	-1.6%	2,101.7
<b>Total Segments</b>	<b>2,191.0</b>	<b>2,240.1</b>	<b>-2.2%</b>	<b>2,150.5</b>
Kista Galleria (50%)	218.0	246.7	-11.7%	240.8

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

## 4. Revenue from contracts with customers

MEUR	Q3/2023	Q3/2022	%	Q1-Q3/ 2023	Q1-Q3/ 2022	%	Q1-Q4/ 2022
Service charges <sup>1</sup>	13.9	14.6	-4.2%	42.0	42.1	-0.3%	59.9
Utility charges <sup>1</sup>	2.3	3.4	-32.6%	7.4	7.3	1.1%	11.0
Other service income <sup>1</sup>	1.6	2.3	-30.3%	4.9	5.7	-15.0%	8.3
Management fees <sup>2</sup>	0.1	0.1	-40.7%	0.3	0.5	-43.8%	0.6
<b>Revenue from contracts with customers</b>	<b>17.9</b>	<b>20.4</b>	<b>-12.2%</b>	<b>54.5</b>	<b>55.6</b>	<b>-2.0%</b>	<b>79.8</b>

<sup>1</sup> Is included in the line item 'Service charge income' in the Consolidated statement of comprehensive income.

<sup>2</sup> 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		Q3/2023	Q3/2022	%	Q1-Q3/ 2023	Q1-Q3/ 2022	%	Q1-Q4/ 2022
Profit attributable to parent company shareholders	MEUR	-46.2	22.7	-	35.2	81.3	-56.7%	5.3
Hybrid bond interests and expenses	MEUR	-7.2	-7.7	6.3%	-21.8	-22.8	4.6%	-30.5
Gains and expenses on hybrid bond repayments	MEUR	0.2	-	-	16.5	-	-	-
Weighted average number of ordinary shares <sup>1</sup>	million	168.0	168.0	0.0%	168.0	168.0	0.0%	168.0
<b>Earnings per share (basic)<sup>1</sup></b>	<b>EUR</b>	<b>-0.32</b>	<b>0.09</b>	<b>-</b>	<b>0.18</b>	<b>0.35</b>	<b>-48.7%</b>	<b>-0.15</b>

Earnings per share, diluted		Q3/2023	Q3/2022	%	Q1-Q3/ 2023	Q1-Q3/ 2022	%	Q1-Q4/ 2022
Profit attributable to parent company shareholders	MEUR	-46.2	22.7	-	35.2	81.3	-56.7%	5.3
Hybrid bond interests and expenses	MEUR	-7.2	-7.7	6.3%	-21.8	-22.8	4.6%	-30.5
Gains and expenses on hybrid bond repayments	MEUR	0.2	-	-	16.5	-	-	-
Weighted average number of ordinary shares <sup>1</sup>	million	168.0	168.0	0.0%	168.0	168.0	0.0%	168.0
Adjustment for share-based incentive plans	million	1.7	2.4	-28.1%	1.9	2.5	-23.7%	2.5
Weighted average number of ordinary shares, diluted <sup>1</sup>	million	169.7	170.4	-0.4%	169.9	170.6	-0.4%	170.5
<b>Earnings per share (diluted)<sup>1</sup></b>	<b>EUR</b>	<b>-0.32</b>	<b>0.09</b>	<b>-</b>	<b>0.18</b>	<b>0.34</b>	<b>-48.6%</b>	<b>-0.15</b>

<sup>1</sup> 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 30 September 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.

### 30 September 2023

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
<b>Balance at 1 January 2023</b>	<b>435.4</b>	<b>3,604.7</b>	<b>4,040.1</b>
Investments	0.3	55.8	56.1
Capitalized interest	-	0.4	0.4
Fair value gains on investment property	-	64.5	64.5
Fair value losses on investment property	-	-65.3	-65.3
Valuation gains and losses from Right-of-Use-Assets	-	-4.9	-4.9
Exchange differences	-0.2	-101.5	-101.8
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)	-	1.2	1.2
<b>Balance at 30 September 2023</b>	<b>6.3</b>	<b>3,984.0</b>	<b>3,990.3</b>

### 30 September 2022

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
<b>Balance at 1 January 2022</b>	<b>382.3</b>	<b>3,807.0</b>	<b>4,189.2</b>
Acquisitions	6.3	-	6.3
Investments	67.2	42.2	109.4
Capitalized interest	4.0	0.0	4.0
Fair value gains on investment property	-	61.8	61.8
Fair value losses on investment property	-14.7	-18.9	-33.6
Valuation gains and losses from Right-of-Use-Assets	-	-5.1	-5.1
Exchange differences	-	-118.3	-118.3
Transfer between operative investment properties, joint ventures and transfer into investment properties held for sale	-	-125.3	-125.3
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	5.9	5.9
<b>Balance at 30 September 2022</b>	<b>445.1</b>	<b>3,649.2</b>	<b>4,094.3</b>

### 31 December 2022

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
<b>Balance at 1 January 2022</b>	<b>382.3</b>	<b>3,807.0</b>	<b>4,189.2</b>
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
<b>Balance at 31 December 2022</b>	<b>435.4</b>	<b>3,604.7</b>	<b>4,040.1</b>

The fair value of Citycon's investment properties for the Q3/2023 reporting has been measured internally. The fair value of Citycon's investment properties has been measured by CBRE (Norway, Denmark, Estonia) and JLL (Finland, Sweden) for the the Financial statement 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:

	Weighted average yield requirement, %			Weighted average market rents, EUR/sq.m./mo		
	30 September 2023	30 September 2022	31 December 2022	30 September 2023	30 September 2022	31 December 2022
Finland	5.2	4.9	5.1	28.6	26.3	26.7
Norway	5.7	5.4	5.7	20.7	19.9	20.5
Sweden	5.6	5.3	5.5	23.2	22.0	23.1
Denmark & Estonia	6.8	6.5	6.8	23.3	20.2	21.6
<b>Investment properties, average</b>	<b>5.6</b>	<b>5.3</b>	<b>5.5</b>	<b>24.1</b>	<b>22.3</b>	<b>23.1</b>
Investment properties and Kista Galleria (50%), average	5.6	5.3	5.5	24.2	22.5	23.4

## 7. Capital expenditure

MEUR	Q1–Q3/2023	Q1–Q3/2022	Q1–Q4/2022
Acquisitions of properties <sup>1</sup>	-	6.3	6.3
Acquisitions of and investments in joint ventures	-	0.3	0.4
Property development <sup>2</sup>	56.5	113.4	165.7
Goodwill and other investments	1.2	3.1	4.6
<b>Total capital expenditure incl. acquisitions</b>	<b>57.7</b>	<b>123.1</b>	<b>177.0</b>
<b>Capital expenditure by segment</b>			
Finland	32.4	84.2	111.6
Norway	11.9	19.0	32.1
Sweden	8.5	13.5	19.8
Denmark & Estonia	3.9	3.6	9.7
Group administration	1.0	2.9	3.9
<b>Total capital expenditure incl. acquisitions</b>	<b>57.7</b>	<b>123.1</b>	<b>177.0</b>
<b>Divestments<sup>3,4</sup></b>	<b>-</b>	<b>142.4</b>	<b>292.0</b>

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

<sup>2</sup> Comprised mainly of investments in Lippulaiva in 2022.

<sup>3</sup> Excluding transfers into 'Investment properties held for sale' -category.

<sup>4</sup> 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 30 September 2023 Citycon had no property held for sale properties.

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

MEUR	30 September 2023	30 September 2022	31 December 2022
<b>At period-start</b>	<b>0.0</b>	<b>150.9</b>	<b>150.9</b>
Disposals	-	-142.4	-269.9
Exchange differences	-	-8.5	-7.5
Investments	-	0.0	0.0
Transfer from investment properties	-	125.3	126.5
<b>At period-end</b>	<b>0.0</b>	<b>125.3</b>	<b>0.0</b>

## 9. Cash and cash equivalents

MEUR	30 September 2023	30 September 2022	31 December 2022
Cash in hand and at bank	22.3	22.0	62.7
Restricted cash	5.0	5.8	6.5
<b>Total cash</b>	<b>27.3</b>	<b>27.8</b>	<b>69.2</b>

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	30 September 2023		30 September 2022		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
I Financial assets at fair value through profit and loss						
Derivative financial instruments	39.1	39.1	27.8	27.8	19.5	19.5
II Derivative contracts under hedge accounting						
Derivative financial instruments	1.8	1.8	2.4	2.4	1.9	1.9
Financial liabilities						
I Financial liabilities amortised at cost						
Loans	247.1	250.0	-	-	-	-
Commercial paper	33.8	34.0	99.3	99.5	49.2	49.5
Bonds <sup>1</sup>	1,512.2	1,332.0	1,719.0	1,498.0	1,715.7	1,469.2
Lease liabilities (IFRS 16)	38.6	38.6	44.1	44.1	42.8	42.8
II Financial liabilities at fair value through profit and loss						
Derivative financial instruments	11.8	11.8	1.2	1.2	0.6	0.6

<sup>1</sup> 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	30 September 2023		30 September 2022		31 December 2022	
	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps						
Maturity:						
less than 1 year	71.1	0.4	-	-	76.1	1.9
1–5 years	125.0	1.4	75.6	2.4	-	-
over 5 years	-	-	-	-	-	-
<b>Subtotal</b>	<b>196.1</b>	<b>1.8</b>	<b>75.6</b>	<b>2.4</b>	<b>76.1</b>	<b>1.9</b>
Cross-currency swaps						
Maturity:						
less than 1 year	-	-	-	-	-	-
1–5 years	278.3	28.9	314.8	18.7	314.8	18.5
over 5 years	-	-	-	-	-	-
<b>Subtotal</b>	<b>278.3</b>	<b>28.9</b>	<b>314.8</b>	<b>18.7</b>	<b>314.8</b>	<b>18.5</b>
Foreign exchange forward agreements						
Maturity:						
less than 1 year	105.5	-2.0	179.4	8.0	83.2	0.5
Interest rate options						
less than 1 year	-	-	-	-	-	-
1–5 years	125.0	0.3	-	-	-	-
over 5 years	-	-	-	-	-	-
<b>Subtotal</b>	<b>125.0</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>704.9</b>	<b>29.1</b>	<b>567.4</b>	<b>29.0</b>	<b>474.0</b>	<b>20.9</b>

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 196.1 million (Q3/2022: EUR 75.6 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

Citycon's AGM 2023 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.

On the basis of the authorisation mentioned above and explained in interim report sections 12 and 13 the Board of Directors decided in March, June and September to distribute equity repayment of EUR 0.375 per share, or EUR 63.0 million.

Following the equity repayment paid on 31 March 2023, 26 June 2023 and 29 September 2023, the remaining authorisation for equity repayment is EUR 0.125 per share. Preliminary payment date for remaining equity repayments to be distributed on basis of the authorization is 29 December 2023. The Board of Directors will make separate resolutions on each distribution of the equity repayment and the company shall make separate announcements of such Board resolutions.

Total amount of equity repayment EUR 84.0 million were distributed during the financial year 2022, of which EUR 63.0 million equity repayment were distributed in Q1–Q3/2022.

## 13. Contingent liabilities

MEUR	30 September 2023	30 September 2022	31 December 2022
Mortgages on land and buildings	650.0	250.0	250.0
Bank guarantees and parent company guarantees	63.6	80.7	64.4
Capital commitments	71.6	87.9	76.9

The mortgage relates to the 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 71.6 million (Q3/2022: EUR 87.9 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 52.12% (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–Q3/2022: EUR 0.0 million).

# Report on Review of Citycon Oyj's Interim Financial Information for the period 1.1.–30.9.2023 (Translation)

## To the Board of Directors of Citycon Oyj

### Introduction

We have reviewed the condensed interim financial information for Citycon Oyj, comprising the consolidated condensed balance sheet as of 30.9.2023, consolidated condensed statement of comprehensive income, condensed statement of changes in shareholders' equity, condensed cash flow statement and explanatory notes for the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of Citycon Oyj has not been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

Helsinki, November 1st, 2023

Ernst & Young Oy  
Authorized Public Accountant Firm

Antti Suominen  
Authorized Public Accountant