



# Q1 | 2020

**INTERIM REPORT**  
JANUARY–MARCH

# CITYCON Q1/2020: STABLE OPERATIONAL RESULTS

- Our strategy to focus on urban, grocery-anchored shopping centres gives stability
- Like-for-like net rental income increased
- Impact of COVID-19 was mostly limited to the latter part of March in Q1/2020
- Footfall and tenant sales remained close to prior year level
- Weaker NOK and SEK exchange rates affected the results

## JANUARY–MARCH 2020

- Net rental income was EUR 52.4 million (Q1/2019: 53.6). The acquisition in Norway closed in February 2020 increased net rental income by EUR 1.7 million. This was offset by impact of weaker currencies and divestments made in 2019 that reduced net rental income by EUR 1.6 million and EUR 1.2 million respectively. Net rental income in comparable assets increased.
- EPRA Earnings decreased slightly to EUR 34.8 million (35.8) as result of currency changes, lower share of profit of joint ventures and associated companies. EPRA Earnings per share (basic) was EUR 0.195 (0.201), impact from weaker currencies was EUR 0.008 per share.
- Adjusted EPRA earnings decreased to EUR 30.8 million (35.8) due to hybrid bond coupons
- IFRS-based earnings per share was EUR 0.06 (0.07) as a result of lower net rental income, hybrid bond coupons and expenses and lower share of profit of joint ventures.

## OUTLOOK FOR THE YEAR 2020

On 26 March 2020, Citycon Oyj assessed that its prospects for 2020 have weakened and the company withdrew its guidance for 2020 issued on 6 February 2020. At this point, the company does not specify its direct operating profit, EPRA EPS or adjusted EPRA EPS forecast for this year due to significant uncertainty in the operating environment caused by COVID-19 outbreak.

## KEY FIGURES

		Q1/2020	Q1/2019	%	Comparable change % <sup>1)</sup>	2019
Net rental income	MEUR	52.4	53.6	-2.3%	0.6%	217.4
Direct Operating profit <sup>2)</sup>	MEUR	46.2	47.7	-3.1%	0.1%	193.5
IFRS Earnings per share (basic) <sup>3)</sup>	EUR	0.06	0.07	-22.9%	-19.9%	0.04
Fair value of investment properties	MEUR	4,081.5	4,213.5	-3.1%	-	4,160.2
Loan to Value (LTV) <sup>2)</sup>	%	45.7	48.7	-6.2%	-	42.4
<b>EPRA based key figures<sup>2)</sup></b>						
EPRA Earnings	MEUR	34.8	35.8	-2.8%	1.0%	145.6
Adjusted EPRA Earnings <sup>3)</sup>	MEUR	30.8	35.8	-14.0%	-10.6%	143.9
EPRA Earnings per share (basic)	EUR	0.195	0.201	-2.8%	1.0%	0.818
Adjusted EPRA Earnings per share (basic) <sup>3)</sup>	EUR	0.173	0.201	-14.0%	-10.6%	0.809
EPRA NAV per share <sup>4)</sup>	EUR	11.36	12.98	-12.5%	-	12.28

<sup>1)</sup> Change from previous year (comparable exchange rates). Change-% is calculated from exact figures.

<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 adjusted key figure includes hybrid bond coupons and amortized fees.

**CEO F. SCOTT BALL:**

"The COVID-19 outbreak has rapidly reached the scale of global pandemic and is severely affecting our lives on individual, societal and global level. Citycon, like all other companies, has faced a rapid change in its operating environment.

At the operational level, Q1/2020 was a good quarter for Citycon while the implications of COVID-19 started to show during the latter half of March. At comparable rates both our like-for-like net rental income and our EPRA earnings increased. However, including the negative impact of the exchange rates our net rental income and EPRA earnings somewhat declined. Footfall declined by 3% percent as a result of government restrictions. Occupancy rate slightly decreased but remained still at a high level. Loan to value slightly increased to 45.7% compared to Q4/2019.

During the time of unusual events our strategy to focus on urban, grocery-anchored shopping centres gives us stability. Our tenant mix has a relatively high proportion of groceries, healthcare, pharmacies and social services balancing the challenges of the retail sector. Our conservative financing strategy and strong liquidity give financial strength and support our ability to meet our commitments towards all our stakeholders. As an additional measure, we have suspended all uncommitted capex except for tenant allowances. Having said this, COVID-19 will have an impact on our business in the near-term. As disclosed in March, our operations will be affected by the legitimate and necessary government restrictions in our operating countries and the turmoil in the financial markets. We are working together with our tenants and all other stakeholders to find solutions to overcome the variety of challenges and to mitigate the impact of the crisis.

Simultaneously, we are committed to delivering our long-term strategy, thus the Citycon team is fully engaged with providing the best retail locations in urban community hubs. Our main target is to support the business of our tenants and surrounding communities also after the crisis. Appeal of our community hubs was once again demonstrated in February 2020 by agreeing on a new lease contract with Espoo City library. The library will be located in our new development project, Lippulaiva, that is progressing as planned.

In the Nordics, resolving the challenges are seen as a common project. Governments are proactively engaged with not only securing citizens' health and safety but also preserving the economic viability of businesses through various means of economic support. These means vary by country but include e.g. direct subsidies for companies to cover their fixed costs and government guarantees for company loans. As governments, organisations and individuals strive to slow down the outbreak and to mitigate the consequences, our responsibility at Citycon is to secure the continuance of our operations and availability of the necessity-based services provided at our premises. Safety of our customers, tenants and personnel remain a top priority during the crisis.

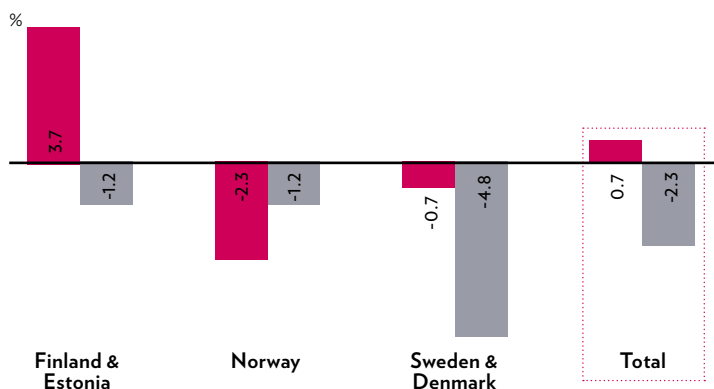
I am extremely proud of the Citycon management team and all employees and how they have managed the business through this crisis. Our infrastructure has allowed our team to work efficiently from remote locations and I am confident that we will come through this crisis stronger and better."

## 1. NET RENTAL INCOME REMAINED CLOSE TO PREVIOUS YEAR

The net rental income decreased to EUR 52.4 million (53.6). The decrease was mainly due to divestments conducted during 2019 and weaker currencies. The acquisitions closed in February 2020 partially offset the decrease.

Like-for-like net rental income increased by 0.7% compared to Q1/2019. Like-for-like gross rental and service charge income increased while like-for-like property operating expenses and other expenses from leasing operations declined.

### LIKE-FOR-LIKE AND TOTAL NET RENTAL INCOME DEVELOPMENT, Q1/2020 VS. Q1/2019



■ Like-for-like NRI Development (at comparable exchange rates)

■ Total NRI Development (at historical exchange rates)

Net rental income from the Finnish & Estonian operations decreased by 1.2% compared to Q1/2019 mainly due to divestments of non-core assets in 2019. Net rental income from the like-for-like portfolio increased by 3.7% due to lower property expenses reflecting warm weather and lower amount of snow than during average winter.

Net rental income from the Norwegian operations decreased by 1.2% compared to Q1/2019 mainly due to substantial weakening in NOK during the first quarter. On the other hand, investments during Q1 positively affected net rental income. With comparable rates like-for-like net rental income decreased by 2.3%. Using actual exchange rates, the decrease was 9.0%

Net rental income from Swedish & Danish operations decreased by 4.8% due to weaker SEK and credit loss provisions. Like-for-like net rental income decreased by 0.7%.

## NET RENTAL INCOME AND GROSS RENTAL INCOME BREAKDOWN

MEUR	Net rental income				Gross rental income	
	Finland & Estonia	Norway	Sweden & Denmark	Other	Total	Total
<b>Q1/2019</b>	<b>22.6</b>	<b>19.4</b>	<b>11.6</b>	<b>0.0</b>	<b>53.6</b>	<b>59.4</b>
Acquisitions	-	1.7	-	-	1.7	1.9
(Re)development projects	0.2	-0.3	-0.1	-	-0.2	-0.3
Divestments	-1.2	0.0	-	-	-1.2	-1.4
Like-for-like properties <sup>1)</sup>	0.7	-0.4	-0.1	-	0.3	-0.1
Other (incl. IFRS 16 and exchange rate differences)	0.1	-1.3	-0.4	-0.1	-1.8	-1.7
<b>Q1/2020</b>	<b>22.3</b>	<b>19.2</b>	<b>11.0</b>	<b>-0.1</b>	<b>52.4</b>	<b>57.9</b>

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

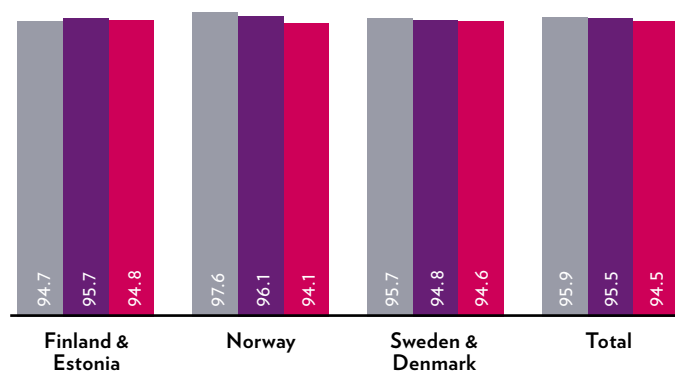
## 2. OCCUPANCY RATE

The economic occupancy rate declined slightly during the period but remained at a good level of 94.5%. The average rent per sq.m. decreased to EUR 22.8 (23.3) mainly due to weaker exchange rates. With comparable rates, the average rent per sq.m. was stable. The year-to-date leasing spread of renewals and re-lettings was -3.6%.

During the period, total sales in Citycon's shopping centres increased by 1.2% while footfall decreased by 3.2% compared to the previous year. Sales and footfall developed positively during the beginning of the year but the total figures were impacted by COVID-19 related restrictions started in March 2020. In addition, acquired properties in Norway impacted the total sales and footfall numbers.

### ECONOMIC OCCUPANCY RATE <sup>1)</sup>

%

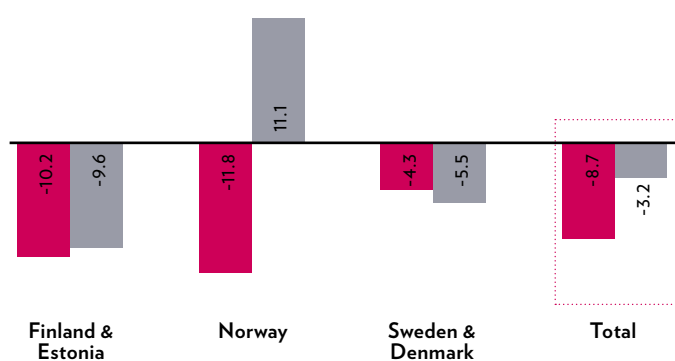


■ 31 March 2019 ■ 31 December 2019 ■ 31 March 2020

<sup>1)</sup> Including Kista Galleria 50%.

## FOOTFALL DEVELOPMENT, Q1/2020 VS. Q1/2019 <sup>1)</sup>

%



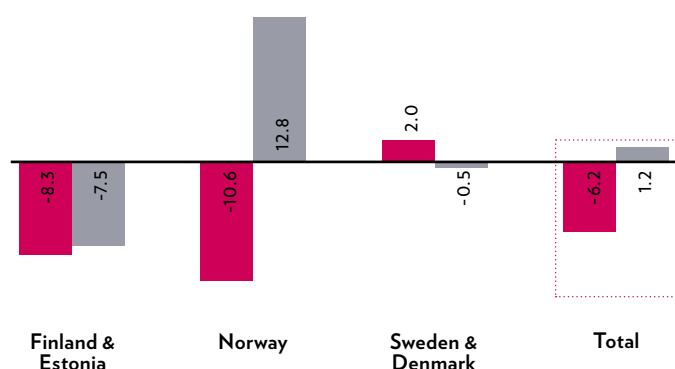
■ Like-for-like footfall

■ Total footfall (including Kista Galleria 50%)

<sup>1)</sup> Footfall figures include estimates.

## TENANT SALES DEVELOPMENT, Q1/2020 VS. Q1/2019 <sup>1)</sup>

%



■ Like-for-like sales

■ Total sales (including Kista Galleria 50%)

<sup>1)</sup> Sales figures include estimates. Sales figures exclude VAT and the change has been calculated using comparable exchange rates.

## LEASE PORTFOLIO SUMMARY <sup>1)</sup>

		31 March 2020	31 March 2019	31 December 2019
Number of leases	pcs	4,503	4,400	4,404
Average rent	EUR/sq.m.	22.8	23.3	23.3
Finland & Estonia	EUR/sq.m.	25.8	25.7	25.8
Norway	EUR/sq.m.	20.6	21.8	21.7
Sweden & Denmark	EUR/sq.m.	21.9	21.9	22.1
Average remaining length of lease portfolio	years	3.1	3.5	3.2
Occupancy cost ratio <sup>2)</sup>	%	9.5	9.2	9.4
Leasing spread, renewals and re-lettings <sup>3)</sup>	%	-3.6	1.0	1.4

<sup>1)</sup> Including Kista Galleria 50%.

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

<sup>3)</sup> Figures are not fully comparable with the previous periods, since the calculation method was changed during Q3 2019.



LEASING ACTIVITY <sup>1)</sup>

		Q1/2020	Q1/2019	2019
Total area of leases started	sq.m.	77,814	41,177	145,859
Average rent of leases started	EUR/sq.m.	18.5	27.2	26.0
Total area of leases ended	sq.m.	94,934	51,344	194,152
Average rent of leases ended	EUR/sq.m.	22.0	27.5	25.5

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

## 3. VALUATION ITEMS IMPACTED OPERATING PROFIT

**Administrative expenses** remained at the same level than in comparison period, EUR 6.5 million (6.5). Citycon Group employed a total of 241 (253) full-time employees (FTEs), of whom 49 worked in Finland & Estonia, 100 in Norway, 55 in Sweden and Denmark, and 37 in Group functions.

**Operating profit** increased to EUR 36.0 million (29.7) mainly due to lower fair value losses of EUR -11.8 million (-17.6). Successful acquisition during Q1/2020 in Norway decreased the fair value losses.

**Net financial expenses (IFRS)** increased to EUR 12.3 million (12.0) despite lower average cost of debt and weaker average NOK and SEK currency rates. This mainly resulted from an increase of EUR 1.3 million in indirect losses related to fair value changes of cross-currency swaps not under hedge accounting.

**Share of loss of joint ventures** totalled EUR -9.1 million (-0.6). The decrease was due to fair value losses in joint ventures.

**Profit for the period** was EUR 14.0 million (12.9).

## 4. PROPERTY PORTFOLIO VALUE DECREASED

The fair value of investment properties decreased by EUR 132.0 million to EUR 4,081.5 million (31 March 2019: 4,213.5). The fair value of investment properties decreased by EUR 78.7 million from year-end (31 December 2019: 4,160.2). Change in exchange rates decreased the fair value by EUR 235.6 million and fair value losses by EUR 11.8 million. Net investments, including both acquisitions and disposals and development projects increased the fair value by EUR 169.6 million.

## PROPERTY PORTFOLIO SUMMARY

31 March 2020	No. of properties	Gross leasable area	Fair value, MEUR	Properties held for sale, MEUR	Portfolio, %
Shopping centres, Finland & Estonia	12	402,150	1,865.9	-	46%
Other properties, Finland & Estonia	1	2,240	3.0	-	0%
<b>Finland &amp; Estonia, total</b>	<b>13</b>	<b>404,390</b>	<b>1,868.9</b>	-	<b>46%</b>
Shopping centres, Norway	17	444,800	1,291.7	-	32%
Rented shopping centres, Norway <sup>1)</sup>	1	14,000	-	-	-
<b>Norway, total</b>	<b>18</b>	<b>458,800</b>	<b>1,291.7</b>	-	<b>32%</b>
Shopping centres, Sweden & Denmark	10	269,100	876.7	-	22%
<b>Sweden &amp; Denmark, total</b>	<b>10</b>	<b>269,100</b>	<b>876.7</b>	-	<b>22%</b>
Shopping centres, total	40	1,130,050	4,034.3	-	100%
Other properties, total	1	2,240	3.0	-	0%
<b>Investment properties, total</b>	<b>41</b>	<b>1,132,290</b>	<b>4,037.3</b>	-	<b>100%</b>
Right-of-use assets classified as investment properties (IFRS 16)	-	-	44.3	-	-
<b>Investment properties in the statement of financial position, total</b>	<b>-</b>	<b>-</b>	<b>4,081.5</b>	-	<b>-</b>
Kista Galleria (50%)	1	47,200	249.5	-	-
<b>Investment properties and Kista Galleria (50%), total</b>	<b>42</b>	<b>1,179,490</b>	<b>4,331.1</b>	-	<b>-</b>

<sup>1)</sup> Value of rented properties is recognised within intangible rights based on IFRS rules.

The fair value change of investment properties amounted to EUR -11.8 million (-17.6). The company recorded a total value increase of EUR 47.0 million (10.0) including a gain of EUR 35.7 million from acquired properties in Norway, which was offset by a total value decrease of EUR 57.4 million (26.1). In addition, the application of IFRS 16 standard had an impact of EUR -1.4 million to the fair value change of investment properties during the reporting period.

Due to the current events there is a higher uncertainty related to the valuations. Current fair values are affected by negative temporary uncertainty of the cashflows and impact of Covid-19.

## FAIR VALUE CHANGES

MEUR	Q1/2020	Q1/2019	2019
Finland & Estonia	-12.7	-9.4	-56.1
Norway	10.2	-9.1	-33.4
Sweden & Denmark	-9.3	0.9	-32.4
<b>Investment properties, total</b>	<b>-11.8</b>	<b>-17.6</b>	<b>-121.9</b>
Kista Galleria (50%)	-11.2	-1.0	-17.7
<b>Investment properties and Kista Galleria (50%), total</b>	<b>-23.1</b>	<b>-18.7</b>	<b>-139.6</b>

Citycon measures the fair values of the properties internally in the first and third quarter. External appraiser, CBRE, measured the fair values of the acquired shopping centres in Norway. External appraisers, CBRE (in Sweden, Norway, Denmark and Estonia) and JLL (in Finland), measured the fair values for Financial statement 2019.

JLL's and CBRE's Advisory reports are available on Citycon's website below Investors.

## 5. ACQUISITIONS AND DIVESTMENTS

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

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

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

### ACQUISITIONS AND DIVESTMENTS Q1/2020

	Location	Date	Gross leasable area, sq.m.	Price, MEUR <sup>3)</sup>
<b>Acquisitions</b>				
Sektor Portefølje II AS (80%) <sup>1)</sup>		5 February 2020		145.0
Stovner Senter	Shopping centre	Oslo, Norway	44,800	
Torvbyen	Shopping centre	Fredrikstad, Norway	14,100	
Markedet	Shopping centre	Haugesund, Norway	10,700	
Heikintori (24%) <sup>2)</sup>	Shopping centre	Espoo, Finland	6,200	2.6
<b>Acquisitions, total</b>			<b>75,800</b>	<b>147.6</b>
<b>Divestments</b>				
Markedet	Shopping centre	Haugesund, Norway	10,700	12.0
<b>Divestments, total</b>			<b>10,700</b>	<b>12.0</b>

<sup>1)</sup> Citycon has managed the shopping centres since 2015 and also owned 20% of the portfolio. After the transaction, Citycon has 100% ownership of the portfolio.

<sup>2)</sup> Citycon bought out certain minority shareholders. After the transactions Citycon owns approx. 93% of the shopping centre.

<sup>3)</sup> Calculated at closing date exchange rates.



## 6. (RE)DEVELOPMENT PROJECTS PROGRESSED

At the end of the reporting period, Citycon had one major (re)development project underway: the Lippulaiva project in the Helsinki Metropolitan area.

Further information on Citycon's completed, ongoing and planned (re)developments can be found in the company's Financial Review 2019.

### (RE)DEVELOPMENT PROJECTS IN PROGRESS ON 31 MARCH 2020

	Location	Area before/ after, sq.m.	Expected gross investment, MEUR	Actual gross investment by 31 March 2020, MEUR	Completion
Lippulaiva	Helsinki metropolitan area, Finland	19,200/44,300	TBC <sup>1)</sup>	147.0	2022

<sup>1)</sup> Expected investment to be confirmed after execution decision of Lippulaiva's residential buildings is done.

## 7. SHAREHOLDERS' EQUITY

**Equity per share** was EUR 12.17 (31 December 2019: 13.06). Profit for the period had a positive impact on the equity per share. This was, however, offset by a change in translation reserve caused by weakening of currencies.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 1,818.8 million (31 December 2019: 1,978.4).

## 8. FINANCING

### KEY FINANCING FIGURES

		31 March 2020	31 March 2019	31 December 2019
Fair value of debt	MEUR	2,034.4	2,169.9	1,830.7
Interest bearing liabilities, carrying value <sup>1)</sup>	MEUR	2,071.3	2,216.0	1,874.4
Available liquidity	MEUR	516.8	561.0	562.1
Average loan maturity	years	4.0	4.8	4.6
Loan to Value (LTV) <sup>2) 3)</sup>	%	45.7	48.7	42.4
Equity ratio (financial covenant > 32.5) <sup>3)</sup>	%	47.2	44.4	50.9
Interest cover ratio (financial covenant > 1.8)	x	4.3	3.8	4.2
Solvency ratio (financial covenant < 0.65)	x	0.44	0.47	0.42
Secured solvency ratio (financial covenant < 0.25)	x	0.04	0.02	0.02

<sup>1)</sup> Including EUR 479 million (55.2) lease liabilities due to adoption of IFRS 16.

<sup>2)</sup> 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. Thus, IFRS 16 has no impact on LTV calculations as compared to earlier periods.

<sup>3)</sup> Hybrid bond treated as equity as according to IFRS.

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

As a result of the COVID-19 outbreak, debt capital markets have been less liquid since early March and also the commercial paper markets in Finland, Sweden and Norway have been practically closed. Therefore, Citycon has drawn EUR 150 million of the committed syndicated revolving credit facility to finance maturing commercial papers and secure sufficient liquidity for the operations. At the end of the reporting period cash stood at EUR 124.1 million.

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

The dividends and equity return paid in March were financed by operative cash flow.

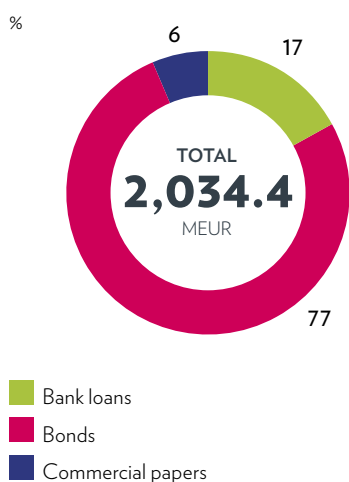
## INTEREST-BEARING DEBT

Despite the weaker NOK and SEK currency rates, the fair value of interest-bearing debt increased during the quarter by EUR 203.7 million to EUR 2,034.4 million. This was mainly due to the term loan of EUR 109.1 million assumed in the acquisition of Sektor Portefølje II AS and the drawdown of EUR 150 million of the revolving credit facility. The carrying amount of interest-bearing liabilities in the balance sheet was EUR 2,071.3 million (1,874.4).

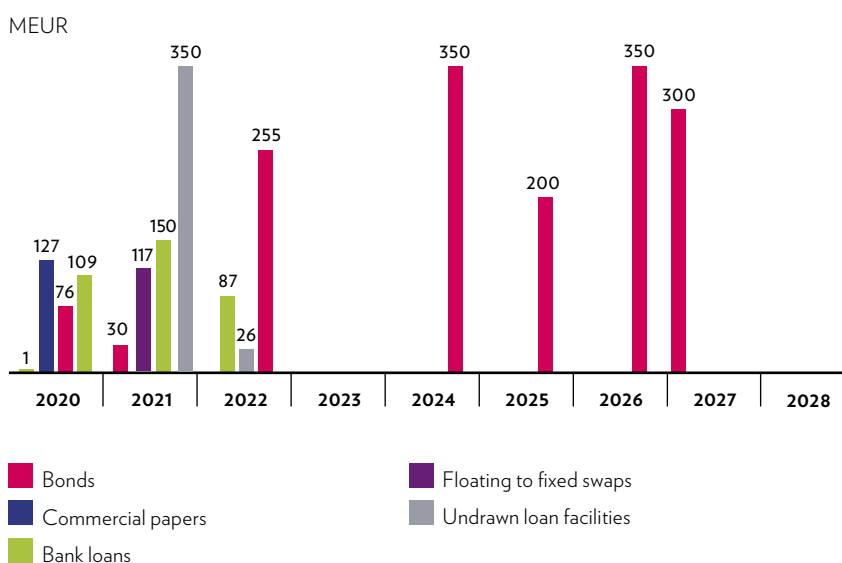
The weighted average loan maturity was 4.0 years.

The LTV (IFRS) increased during the quarter to 45.7% (42.4%) as a result of both higher net debt and lower property values.

### BREAKDOWN OF LOANS



### DEBT MATURITIES



## FINANCIAL EXPENSES

### FINANCIAL EXPENSES KEY FIGURES

		Q1/2020	Q1/2019	2019
Financial expenses <sup>1)</sup>	MEUR	-13.7	-13.9	-62.4
Financial income <sup>1)</sup>	MEUR	1.4	2.0	8.2
<b>Net financial expenses (IFRS)</b>	<b>MEUR</b>	<b>-12.3</b>	<b>-12.0</b>	<b>-54.2</b>
Direct net financial expenses (EPRA)	MEUR	-11.0	-12.6	-48.9
Weighted average interest rate <sup>2)</sup>	%	2.19	2.38	2.29
Weighted average interest rate excluding derivatives	%	2.22	2.40	2.34
Year-to-date weighted average interest rate <sup>2)</sup>	%	2.33	2.39	2.41

<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) declined quarter-on-quarter mainly due to lower average cost of debt and weaker average NOK and SEK exchange rates.

Net financial expenses (IFRS) however increased to EUR 12.3 million (12.0) mainly due to indirect losses of EUR 1.3 million (-0.6) related to fair value changes of cross-currency swaps not under hedge accounting.

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

The period-end average cost of debt declined to 2.19% (Dec 2019: 2.29%).

## 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 March 2020	31 March 2019	31 December 2019
Average interest-rate fixing period	years	3.8	4.7	4.6
Interest rate hedging ratio	%	75.8	91.7	88.8

## 9. BUSINESS ENVIRONMENT

### BUSINESS ENVIRONMENT KEY FIGURES

	Finland	Norway	Sweden	Denmark	Estonia	Euro area
Unemployment, 2/2020	6,5%	3,8%	7,6%	4,9%	4,7%	7,3%
Inflation, 2/2020	0,8%	0,7%	1,0%	0,8%	1,5%	1,2%
Retail sales growth, 1-2/2020	2,8%	2,0%	2,8%	1,1%	5,0%	0,9%

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

The world economy is at a state of great uncertainty due to the COVID-19 outbreak that the World Health Organisation (WHO) classified as a pandemic on March 11th 2020. The measures taken to prevent the spread of the disease cause the global economy to slow down and therefore COVID-19 has substantially changed our business environment. Currently, the impact is primarily reflected in accommodation, restaurant, service and non-essential retail tenancies.

**In Finland**, the shopping centres were open throughout the country at the end of Q1. However, the retail sector has been forced to take actions in order to prevent the pandemic from spreading. The shopping centres have widely agreed to more flexible opening hours and especially specialty stores have used the opportunity and reduced their opening hours. The government measure to close down the restaurants, with an exception of takeaway food, was put into action at the end of March, and the measure will continue at least until the end of May.

**In Sweden**, the COVID-19 outbreak has affected the retail and restaurant business with declining turnover and footfall. There is currently no quarantine in place, but it is officially encouraged to work remotely and to restrict social contacts. Shopping centres remain open, but property owners have adjusted the opening hours or allowed stores to individually decide them. The government has suggested a package where property owners could share the cost of rental rebates with the government.

**In Norway**, all shopping centres are open but hair dressing, skincare, massage, body care and tattooing are ordered to be closed. Generally, the biggest shopping centres have the most negative impact from the restrictions, while more local, convenience-type shopping centres are less affected. As in Sweden, the Norwegian government has decided on a package that would, under certain conditions, cover a major share of the fixed unavoidable costs, such as rent, to avoid unnecessary bankruptcies. The implementation of the subsidies is currently in planning process.

**In Estonia**, due to government restrictions following the COVID-19 pandemic, the most tenants have been ordered to close down their shops and timetable for reopening is currently unknown. At the moment only grocery shops, pet shops, telecommunications companies and pharmacies are allowed to work inside the malls.

**In Denmark**, all shopping centres in Denmark are ordered to close down due to current COVID-19 outbreak (except supermarkets and pharmacies located within a shopping centre). It is uncertain when shopping centres are allowed to reopen, and what is the impact of the shutdown.

(Sources: SEB Nordic Outlook, European Commission, CBRE, JLL, Statistics Finland/Norway/Sweden/Estonia/Denmark, Eurostat; referred on 17 April 2020)

## 10. CHANGES IN CORPORATE MANAGEMENT

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

## 11. RISKS AND UNCERTAINTIES

The outbreak of the COVID-19 pandemic in the Nordics and in Estonia will have a negative impact on our business. Both changes in consumer behaviour and government restrictions in our operating countries have substantially changed our business environment and the prospects for 2020 look weaker than originally envisaged. This is impacting our ability to collect rents on time or in full, but the full effect is still impossible to predict.

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 these affect the fair values, occupancy rates and rental levels of the shopping centres and thereby Citycon's financial result. Increased competition locally or from e-commerce might affect demand for retail premises, which could lead to lower rental levels or increased vacancy, especially outside capital city regions. Costs of development projects could increase due to rising construction costs or projects could be delayed due to unforeseeable challenges.

The main risks that can materially affect Citycon's business and financial results, along with the main risk management actions, are presented in detail on pages 35-36 in the Financial Statements 2019, in Note 3.5 A) as well as on Citycon's website in the Corporate Governance section.

## 12. GENERAL MEETING

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

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

The AGM resolved the number of members of the Board of Directors to be eight. Chaim Katzman, Arnold de Haan, Alexandre (Sandy) Koifman, David Lukes, Andrea Orlandi, Per-Anders Ovin, Ofer Stark and Ariella Zochovitzky 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 2020.

The AGM decisions and the minutes of the AGM are available on the company's website at [citycon.com/agm2020](https://citycon.com/agm2020).

## 13. 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 March 2020, the total number of shares outstanding in the company was 177,998,525. The shares have no nominal value.

At the end of March 2020, Citycon had a total of 20,038 (18,014) registered shareholders, of which 12 were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 141.6 million (141.6) shares, or 79.5% (79.6%) of shares and voting rights in the company. The most significant registered shareholders at year-end can be found on company's website [citycon.com/major-shareholders](https://citycon.com/major-shareholders).

## SHARES AND SHARE CAPITAL

		Q1/2020	Q1/2019	2019
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		177,998,525	889,992,628	889,992,628
Number of shares at period-end		177,998,525	177,998,525	177,998,525

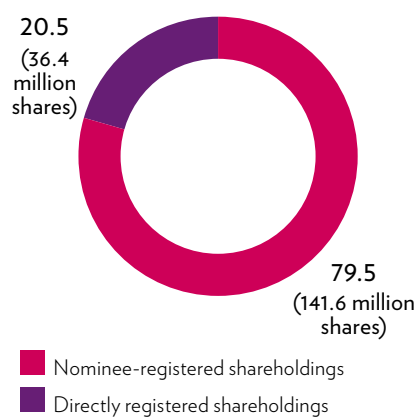
SHARE PRICE AND TRADING <sup>1)</sup>

		Q1/2020	Q1/2019	%	2019
Low	EUR	5.37	8.10	-33.8%	8.10
High	EUR	9.88	9.45	4.5%	10.08
Average	EUR	8.68	8.75	-0.8%	9.18
Latest	EUR	5.63	9.12	-38.3%	9.37
Market capitalisation at period-end	MEUR	1,001.2	1,624.1	-38.3%	1,667.0
Number of shares traded	million	19.6	11.6	68.5%	28.3
Value of shares traded	MEUR	152.1	101.9	49.2%	258.0

<sup>1)</sup> Comparative figures adjusted to reflect the reverse split on March 18, 2019.

## SHAREHOLDERS 31 MARCH 2020

% of shares and voting rights



## DIVIDEND AND EQUITY REPAYMENT

### DIVIDENDS AND EQUITY REPAYMENTS PAID ON 31 MARCH 2020 <sup>1)</sup>

	Record date	Payment date	EUR / share
Dividend for 2019	19 March 2020	31 March 2020	0.05
Equity repayment Q1	19 March 2020	31 March 2020	0.1125
<b>Total</b>			<b>0.1625</b>

### REMAINING BOARD AUTHORISATION FOR EQUITY REPAYMENT <sup>2)</sup>

	Preliminary record date	Preliminary payment date	EUR / share
Equity repayment Q2	22 June 2020	30 June 2020	0.1625
Equity repayment Q3	23 September 2020	30 September 2020	0.1625
Equity repayment Q4	18 December 2020	30 December 2020	0.1625
<b>Total</b>			<b>0.4875</b>

<sup>1)</sup> Board decision based on the authorisation issued by the AGM 2020

<sup>2)</sup> The AGM 2020 authorised the Board of Directors to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund. Based on the authorisation the maximum amount of dividend to be distributed shall not exceed EUR 0.05 per share and the maximum amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.60 per share. Unless the Board of Directors decides otherwise for a justified reason, the authorisation will be used to distribute dividend and/or 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 dividend and/or 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 17 March 2020:

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

During January – March 2020, 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:

#### Matching Share Plan 2018–2020

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

#### Restricted Share Plan 2015

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

#### Performance Share Plan 2015

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



## OWN SHARES

During the reporting period, the company held a total of 17,641 of the company's own shares. These 17,641 shares were conveyed to implement payments of rewards earned under the company's share plans before the end of the reporting period and as described in the section Board authorisations. At the end of the period, the company or its subsidiaries held no shares in the company.

## FLAGGING NOTICES

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

## SHARE-RELATED EVENTS

### Shareholder agreements

Gazit-Globe Ltd. and Canada Pension Plan Investment Board European Holdings S.à r.l (CPPIBEH) have signed an agreement regarding certain governance matters relating to Citycon on 12 May 2014. Further information on the agreement between Gazit-Globe Ltd. and CPPIBEH is available on the company's website at [citycon.com/shareholder-agreements](http://citycon.com/shareholder-agreements).

The company has no knowledge of any other shareholder agreements.

## INCENTIVE PLANS

### Long-term Share-based Incentive Plans

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

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

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

The full terms and conditions of the share-based incentive plans are available on the company's website at [citycon.com/remuneration](http://citycon.com/remuneration).

## 14. EVENTS AFTER THE REPORTING PERIOD

No material events after the reporting period.

## OUTLOOK 2020

On 26 March 2020, Citycon Oyj assessed that its prospects for 2020 have weakened and withdrew its guidance for 2020 issued on 6 February 2020. At this point, the company does not specify its direct operating profit, EPRA EPS or adjusted EPRA EPS forecast for this year in more detail due to the uncertain market situation.

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

Helsinki, 22 April 2020  
Citycon Oyj  
Board of Directors

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Citycon is a leading owner, manager and developer of urban, grocery-anchored shopping centres in the Nordic region, managing assets that total almost EUR 4.5 billion. Citycon is No. 1 shopping centre owner in Finland and among the market leaders in Norway, Sweden and Estonia. Citycon has also established a foothold in Denmark.

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

[www.citycon.com](http://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 2019 in section "EPRA performance measures".

## EPRA PERFORMANCE MEASURES

		Q1/2020	Q1/2019	%	2019
EPRA Earnings	MEUR	34.8	35.8	-2.8%	145.6
Adjusted EPRA Earnings <sup>1)</sup>	MEUR	30.8	35.8	-14.0%	143.9
EPRA Earnings per share (basic)	EUR	0.195	0.201	-2.8%	0.818
Adjusted EPRA Earnings per share (basic) <sup>1)</sup>	EUR	0.173	0.201	-14.0%	0.809
EPRA NAV per share	EUR	11.36	12.98	-12.5%	12.28
EPRA NNNNAV per share	EUR	10.58	11.76	-10.0%	10.97

<sup>1)</sup> The key figure includes hybrid bond coupons (both paid and accrued not yet recognized) and amortized fees.

The following tables present how EPRA Performance Measures are calculated.

### 1) EPRA EARNINGS

MEUR	Q1/2020	Q1/2019	%	2019
<b>Earnings in IFRS Consolidated Statement of Comprehensive Income</b>	<b>14.0</b>	<b>12.9</b>	<b>8.2%</b>	<b>8.9</b>
+/- Net fair value losses/gains on investment property	11.8	17.6	-33.0%	121.9
-/+ Net gains/losses on sale of investment property	-1.6	0.3	-	-1.5
+ Indirect other operating expenses	-	-	-	-
+/- Early close-out costs of debt and financial instruments	-	-	-	7.9
-/+ Fair value gains/losses of financial instruments	1.3	-0.6	-	-2.6
+/- Indirect losses/gains of joint ventures and associated companies	9.3	1.2	-	19.5
-/+ Change in deferred taxes arising from the items above	0.0	4.4	-99.8%	-8.5
+ Non-controlling interest arising from the items above	0.0	-	-	0.0
<b>EPRA Earnings</b>	<b>34.8</b>	<b>35.8</b>	<b>-2.8%</b>	<b>145.6</b>
-/+ Hybrid bond coupons (despite the payment date) and amortized fees	-4.0	-	-	-1.7
<b>Adjusted EPRA Earnings</b>	<b>30.8</b>	<b>35.8</b>	<b>-14.0%</b>	<b>143.9</b>
Weighted average number of ordinary shares, million <sup>1)</sup>	178.0	178.0	0.0%	178.0
<b>EPRA Earnings per share (basic), EUR</b>	<b>0.195</b>	<b>0.201</b>	<b>-2.8%</b>	<b>0.818</b>
<b>Adjusted EPRA Earnings per share (basic), EUR</b>	<b>0.173</b>	<b>0.201</b>	<b>-14.0%</b>	<b>0.809</b>

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

MEUR	Q1/2020	Q1/2019	%	2019
Net rental income	52.4	53.6	-2.3%	217.4
Direct administrative expenses	-6.5	-6.5	-0.5%	-26.8
Direct other operating income and expenses	0.2	0.5	-51.9%	2.8
<b>Direct operating profit</b>	<b>46.2</b>	<b>47.7</b>	<b>-3.1%</b>	<b>193.5</b>
Direct net financial income and expenses	-11.0	-12.6	-12.7%	-48.9
Direct share of profit/loss of joint ventures and associated companies	0.1	0.6	-75.3%	2.8
Direct current taxes	-0.8	-0.1	-	-2.0
Direct deferred taxes	0.3	0.2	23.9%	0.1
Direct non-controlling interest	0.0	0.0	-	0.0
<b>EPRA Earnings</b>	<b>34.8</b>	<b>35.8</b>	<b>-2.8%</b>	<b>145.6</b>
-/+ Hybrid bond coupons (despite the payment date) and amortized fees	-4.0	-	-	-1.7
<b>Adjusted EPRA Earnings</b>	<b>30.8</b>	<b>35.8</b>	<b>-14.0%</b>	<b>143.9</b>
<b>EPRA Earnings per share (basic), EUR</b>	<b>0.195</b>	<b>0.201</b>	<b>-2.8%</b>	<b>0.818</b>
<b>Adjusted EPRA Earnings per share (basic), EUR</b>	<b>0.173</b>	<b>0.201</b>	<b>-14.0%</b>	<b>0.809</b>

## 2) EPRA NAV PER SHARE AND EPRA NNNAV PER SHARE

	31 March 2020			31 March 2019			31 December 2019		
	MEUR	Number of shares on the balance sheet date (1,000)	per share, EUR	MEUR	Number of shares on the balance sheet date (1,000)	per share, EUR	MEUR	Number of shares on the balance sheet date (1,000)	per share, EUR
Equity attributable to parent company shareholders	1,818.8	177,999	10.22	2,088.5	177,999	11.73	1,978.4	177,999	11.11
Deferred taxes from the difference of fair value and fiscal value of investment properties	275.9	177,999	1.55	310.5	177,999	1.74	294.5	177,999	1.65
Goodwill as a result of deferred taxes	-73.6	177,999	-0.41	-87.6	177,999	-0.49	-85.8	177,999	-0.48
Fair value of financial instruments	0.5	177,999	0.00	-1.4	177,999	-0.01	-1.4	177,999	-0.01
<b>Net asset value (EPRA NAV)</b>	<b>2,021.6</b>	<b>177,999</b>	<b>11.36</b>	<b>2,310.0</b>	<b>177,999</b>	<b>12.98</b>	<b>2,185.7</b>	<b>177,999</b>	<b>12.28</b>
Deferred taxes from the difference of fair value and fiscal value of investment properties	-275.9	177,999	-1.55	-310.5	177,999	-1.74	-294.5	177,999	-1.65
Goodwill as a result of deferred taxes	73.6	177,999	0.41	87.6	177,999	0.49	85.8	177,999	0.48
The difference between the secondary market price and carrying value of bonds <sup>1)</sup>	63.7	177,999	0.36	4.2	177,999	0.02	-26.4	177,999	-0.15
Fair value of financial instruments	-0.5	177,999	0.00	1.4	177,999	0.01	1.4	177,999	0.01
<b>EPRA NNNAV</b>	<b>1,882.5</b>	<b>177,999</b>	<b>10.58</b>	<b>2,092.6</b>	<b>177,999</b>	<b>11.76</b>	<b>1,952.1</b>	<b>177,999</b>	<b>10.97</b>

<sup>1)</sup> When calculating the EPRA NNNAV in accordance with EPRA's recommendations, the shareholders' equity is adjusted using EPRA's guidelines so that bonds are valued based on secondary market prices. In accordance with Citycon's accounting policies, the carrying amount and fair value of bonds are different from this secondary market price. The difference between the secondary market price and the carrying value of the bonds was EUR 63.7 million (4.2) as of 31 March 2020.

# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1 January–31 March 2020

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

MEUR	Note	Q1/2020	Q1/2019	%	2019
Gross rental income	3	57.9	59.4	-2.6%	232.1
Service charge income	3	18.1	19.3	-5.9%	77.1
Property operating expenses		-22.6	-24.7	-8.4%	-89.3
Other expenses from leasing operations		-1.0	-0.4	-	-2.5
<b>Net rental income</b>	<b>3</b>	<b>52.4</b>	<b>53.6</b>	<b>-2.3%</b>	<b>217.4</b>
Administrative expenses		-6.5	-6.5	-0.5%	-26.8
Other operating income and expenses	4	0.2	0.5	-51.9%	2.8
Net fair value losses on investment property	3	-11.8	-17.6	-33.0%	-121.9
Net gains/losses on sale of investment property		1.6	-0.3	-	1.5
<b>Operating profit</b>	<b>3</b>	<b>36.0</b>	<b>29.7</b>	<b>21.2%</b>	<b>73.1</b>
Net financial income and expenses		-12.3	-12.0	2.6%	-54.2
Share of loss/profit of joint ventures and associated companies		-9.1	-0.6	-	-16.6
<b>Profit before taxes</b>		<b>14.6</b>	<b>17.2</b>	<b>-15.2%</b>	<b>2.2</b>
Current taxes		-0.8	-0.1	-	-2.0
Deferred taxes		0.3	-4.2	-	8.6
<b>Profit for the period</b>		<b>14.0</b>	<b>12.9</b>	<b>8.2%</b>	<b>8.9</b>
<b>Profit/loss attributable to</b>					
Parent company shareholders		14.0	12.9	8.2%	8.9
Non-controlling interest		0.0	0.0	-	-
<b>Earnings per share attributable to parent company shareholders</b>					
Earnings per share (basic), EUR <sup>1)</sup>	5	0.06	0.07	-22.9%	0.04
Earnings per share (diluted), EUR <sup>1)</sup>	5	0.06	0.07	-22.9%	0.04
<b>Other comprehensive income</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Net losses/gains on cash flow hedges		-1.9	0.3	-	0.3
Income taxes relating to cash flow hedges		-	-0.1	-	-
Share of other comprehensive income of joint ventures and associated companies		-	0.0	-	-
Exchange gains/losses on translating foreign operations		-138.9	14.6	-	-4.4
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>-140.8</b>	<b>14.9</b>	<b>-</b>	<b>-4.1</b>
<b>Other comprehensive income for the period, after taxes</b>		<b>-140.8</b>	<b>14.9</b>	<b>-</b>	<b>-4.1</b>
<b>Total comprehensive profit/loss for the period</b>		<b>-126.8</b>	<b>27.9</b>	<b>-</b>	<b>4.8</b>
<b>Total comprehensive profit/loss attributable to</b>					
Parent company shareholders		-126.8	27.9	-	4.8
Non-controlling interest		0.0	0.0	-	0.0

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

MEUR	Note	31 March 2020	31 March 2019	31 December 2019
<b>ASSETS</b>				
Non-current assets				
Investment properties	6	4,081.5	4,213.5	4,160.2
Goodwill		133.0	148.5	146.5
Investments in joint ventures and associated companies		116.6	165.6	147.6
Intangible and tangible assets, and other non-current assets		51.8	43.0	44.3
Deferred tax assets		15.3	9.6	9.4
<b>Total non-current assets</b>		<b>4,398.2</b>	<b>4,580.3</b>	<b>4,508.1</b>
<b>Investment properties held for sale</b>	<b>8</b>	<b>-</b>	<b>77.6</b>	<b>-</b>
Current assets				
Derivative financial instruments	10, 11	9.3	0.3	0.0
Trade and other current assets		63.3	55.1	60.0
Cash and cash equivalents	9	124.1	10.7	14.2
<b>Total current assets</b>		<b>196.8</b>	<b>66.1</b>	<b>74.2</b>
<b>Total assets</b>	<b>3</b>	<b>4,595.0</b>	<b>4,724.0</b>	<b>4,582.3</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		-0.5	1.4	1.4
Invested unrestricted equity fund	12	889.9	996.7	909.9
Retained earnings	12	538.7	699.7	676.4
<b>Total equity attributable to parent company shareholders</b>		<b>1,818.8</b>	<b>2,088.5</b>	<b>1,978.4</b>
Hybrid bond		346.7	-	346.6
Non-controlling interest		0.1	0.1	0.1
<b>Total shareholders' equity</b>		<b>2,165.7</b>	<b>2,088.6</b>	<b>2,325.2</b>
Long-term liabilities				
Loans		1,723.2	2,029.6	1,662.5
Derivative financial instruments and other non-interest bearing liabilities	10, 11	1.8	5.6	4.0
Deferred tax liabilities		277.4	312.5	296.4
<b>Total long-term liabilities</b>		<b>2,002.4</b>	<b>2,347.6</b>	<b>1,962.9</b>
Short-term liabilities				
Loans		348.0	186.4	211.8
Derivative financial instruments	10, 11	2.0	2.3	4.5
Trade and other payables		76.9	99.1	77.8
<b>Total short-term liabilities</b>		<b>426.9</b>	<b>287.8</b>	<b>294.1</b>
<b>Total liabilities</b>	<b>3</b>	<b>2,429.3</b>	<b>2,635.4</b>	<b>2,257.1</b>
<b>Total liabilities and shareholders' equity</b>		<b>4,595.0</b>	<b>4,724.0</b>	<b>4,582.3</b>



## CONDENSED CONSOLIDATED CASH FLOW STATEMENT, IFRS

MEUR	Note	Q1/2020	Q1/2019	2019
Cash flow from operating activities				
<b>Profit before taxes</b>		<b>14.6</b>	<b>17.2</b>	<b>2.2</b>
Adjustments to profit before taxes		32.8	32.0	195.2
Cash flow before change in working capital		47.4	49.2	197.4
Change in working capital		-12.3	-2.6	-2.1
<b>Cash generated from operations</b>		<b>35.1</b>	<b>46.6</b>	<b>195.3</b>
Paid interest and other financial charges		-9.7	-5.5	-60.3
Interest income and other financial income received		1.1	0.1	1.4
Current taxes paid		0.8	-1.0	-1.1
<b>Net cash from operating activities</b>		<b>27.3</b>	<b>40.1</b>	<b>135.4</b>
Cash flow from investing activities				
Acquisition of subsidiaries, less cash acquired	6,7,8	-5.6	-	-0.3
Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets	6,7,8	-35.4	-10.4	-99.7
Sale of investment properties	6,7,8	10.9	-0.3	65.8
<b>Net cash used in investing activities</b>		<b>-30.0</b>	<b>-10.7</b>	<b>-34.3</b>
Cash flow from financing activities				
Proceeds from short-term loans		307.5	365.0	1,204.8
Repayments of short-term loans		-307.3	-366.2	-1,266.9
Proceeds from long-term loans and receivables		150.0	0.0	0.0
Repayments of long-term loans		-11.6	0.0	-277.2
Proceeds from hybrid bond		-	-	350.0
Hybrid bond interest and expenses		-4.3	-	-2.5
Acquisition of non-controlling interests		-2.5	-	-
Dividends and return from the invested unrestricted equity fund	12	-28.9	-28.9	-114.9
Realized exchange rate gains/losses		12.0	0.1	8.6
<b>Net cash used in financing activities</b>		<b>114.9</b>	<b>-30.0</b>	<b>-98.1</b>
<b>Net change in cash and cash equivalents</b>		<b>112.1</b>	<b>-0.6</b>	<b>3.0</b>
Cash and cash equivalents at period-start	9	14.2	11.4	11.4
Effects of exchange rate changes		-2.2	-0.1	-0.3
<b>Cash and cash equivalents at period-end</b>	<b>9</b>	<b>124.1</b>	<b>10.7</b>	<b>14.2</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 2019</b>	<b>259.6</b>	<b>131.1</b>	<b>1.1</b>	<b>1,016.7</b>	<b>-115.9</b>	<b>796.3</b>	<b>2,088.9</b>		<b>0.1</b>	<b>2,089.0</b>
Total comprehensive profit/loss for the period			0.3		14.6	12.9	27.9		0.0	27.9
Dividends paid and equity return (Note 12)				-20.0		-8.9	-28.9			-28.9
Share-based payments						0.6	0.6			0.6
<b>Balance at 31 March 2019</b>	<b>259.6</b>	<b>131.1</b>	<b>1.4</b>	<b>996.7</b>	<b>-101.3</b>	<b>801.0</b>	<b>2,088.5</b>		<b>0.1</b>	<b>2,088.6</b>
<b>Balance at 1 January 2020</b>	<b>259.6</b>	<b>131.1</b>	<b>1.4</b>	<b>909.9</b>	<b>-120.3</b>	<b>796.7</b>	<b>1,978.4</b>	<b>346.6</b>	<b>0.1</b>	<b>2,325.2</b>
Total comprehensive profit/loss for the period			-1.9		-138.9	14.0	-126.8		0.0	-126.8
Hybrid bond interest and expenses						-4.1	-4.1	0.1		-4.0
Dividends paid and equity return (Note 12)				-20.0		-8.9	-28.9			-28.9
Share-based payments						0.3	0.3			0.3
Other changes						-0.1	-0.1			-0.1
<b>Balance at 31 March 2020</b>	<b>259.6</b>	<b>131.1</b>	<b>-0.5</b>	<b>889.9</b>	<b>-259.2</b>	<b>797.9</b>	<b>1,818.8</b>	<b>346.7</b>	<b>0.1</b>	<b>2,165.7</b>

# NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. BASIC COMPANY DATA

Citycon is a real estate company specialised in retail premises. Citycon operates in the business units Finland & Estonia, Norway and Sweden & Denmark. Citycon is a Finnish public limited liability company established under the Finnish law and domiciled in Helsinki. The Board of Directors has approved the interim financial statements on 22nd of April 2020.

## 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 2019.

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

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

## 3. SEGMENT INFORMATION

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

In Citycon's reporting, Kista Galleria is treated as a joint venture and the shopping centre's result or fair value will not impact on the gross rental income, net rental income or fair value of investment properties of the group. Kista Galleria is consolidated in Citycon's financial statements based on the equity method, meaning that Citycon's share of Kista Galleria's profit for the period is recognised in the line 'Share of result in joint ventures' and associated companies in the statement of comprehensive income and Citycon's share of Kista Galleria's shareholder's equity is recognised in the line 'Investments in joint ventures and associated companies' in the statement of financial position. In addition, the management fee received by Citycon is reported in the line 'other operating income and expenses' and the interest income on the shareholder loan is reported in 'net financial income and expenses'. Kista Galleria contributed to the IFRS based profit for the period by EUR -9.2 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	Q1/2020	Q1/2019	%	2019
<b>Gross rental income</b>				
Finland & Estonia	24.1	25.2	-4.5%	98.3
Norway	20.5	20.8	-1.3%	80.9
Sweden & Denmark	13.2	13.4	-1.2%	52.9
<b>Total Segments</b>	<b>57.9</b>	<b>59.4</b>	<b>-2.6%</b>	<b>232.1</b>
Kista Galleria (50%)	2.9	3.2	-7.3%	12.5
<b>Service charge income</b>				
Finland & Estonia	7.8	8.7	-10.2%	33.3
Norway	6.6	6.6	0.9%	28.1
Sweden & Denmark	3.7	4.0	-7.8%	15.7
<b>Total Segments</b>	<b>18.1</b>	<b>19.3</b>	<b>-5.9%</b>	<b>77.1</b>
Kista Galleria (50%)	0.9	0.9	-0.6%	3.6
<b>Net rental income</b>				
Finland & Estonia	22.3	22.6	-1.3%	94.4
Norway	19.2	19.4	-1.2%	75.4
Sweden & Denmark	11.0	11.6	-4.8%	47.4
Other	-0.1	0.0	-	0.3
<b>Total Segments</b>	<b>52.4</b>	<b>53.6</b>	<b>-2.3%</b>	<b>217.4</b>
Kista Galleria (50%)	2.2	2.4	-10.5%	9.9
<b>Direct operating profit</b>				
Finland & Estonia	21.3	22.2	-4.0%	92.0
Norway	18.0	18.6	-3.0%	73.0
Sweden & Denmark	10.2	11.3	-9.2%	44.1
Other	-3.4	-4.4	22.9%	-15.6
<b>Total Segments</b>	<b>46.2</b>	<b>47.7</b>	<b>-3.1%</b>	<b>193.5</b>
Kista Galleria (50%)	2.0	2.2	-9.9%	9.1
<b>Net fair value losses/gains on investment property</b>				
Finland & Estonia	-12.7	-9.4	-34.8%	-56.1
Norway	10.2	-9.1	-	-33.4
Sweden & Denmark	-9.3	0.9	-	-32.4
<b>Total Segments</b>	<b>-11.8</b>	<b>-17.6</b>	<b>33.0%</b>	<b>-121.9</b>
Kista Galleria (50%)	-11.2	-1.0	-	-17.7
<b>Operating profit/loss</b>				
Finland & Estonia	8.8	12.6	-29.6%	37.4
Norway	29.7	9.5	-	39.6
Sweden & Denmark	0.9	12.1	-92.6%	11.7
Other	-3.4	-4.4	22.9%	-15.5
<b>Total Segments</b>	<b>36.0</b>	<b>29.7</b>	<b>21.2%</b>	<b>73.1</b>
Kista Galleria (50%)	-9.2	1.2	-	-8.5

MEUR	31 March 2020	31 March 2019	%	2019
<b>Assets</b>				
Finland & Estonia	1,898.7	1,929.2	-1.6%	1,878.3
Norway	1,481.5	1,611.1	-8.0%	1,563.7
Sweden & Denmark	1,021.0	1,137.0	-10.2%	1,086.5
Other	193.8	46.7	-	53.8
<b>Total Segments</b>	<b>4,595.0</b>	<b>4,724.0</b>	<b>-2.7%</b>	<b>4,582.3</b>
Kista Galleria (50%)	254.1	296.3	-14.2%	282.2
<b>Liabilities</b>				
Finland & Estonia	30.7	19.4	58.0%	13.1
Norway	55.3	70.0	-21.0%	59.3
Sweden & Denmark	24.3	32.1	-24.4%	29.9
Other	2,319.0	2,513.9	-7.8 %	2,154.8
<b>Total Segments</b>	<b>2,429.3</b>	<b>2,635.4</b>	<b>-7.8 %</b>	<b>2,257.1</b>
Kista Galleria (50%)	228.5	243.4	-6.1%	245.7

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

#### 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

MEUR	Q1/2020	Q1/2019	%	2019
Service charges <sup>1)</sup>	14.4	15.3	-5.9%	59.3
Utility charges <sup>1)</sup>	1.8	2.0	-7.0%	7.9
Other service income <sup>1)</sup>	1.9	2.0	-5.0%	9.9
Management fees <sup>2)</sup>	0.8	1.3	-39.6%	5.2
<b>Revenue from contracts with customers</b>	<b>18.9</b>	<b>20.6</b>	<b>-8.1%</b>	<b>82.3</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

		Q1/2020	Q1/2019	%	2019
<b>Earnings per share, basic</b>					
Profit attributable to parent company shareholders	MEUR	14.0	12.9	8.2%	8.9
Hybrid bond interests and expenses	MEUR	-4.0	-	-	-1.7
Weighted average number of ordinary shares <sup>1)</sup>	million	178.0	178.0	0.0%	178.0
<b>Earnings per share (basic) <sup>1)</sup></b>	<b>EUR</b>	<b>0.06</b>	<b>0.07</b>	<b>-22.9%</b>	<b>0.04</b>
<b>Earnings per share, diluted</b>					
Profit attributable to parent company shareholders	MEUR	14.0	12.9	8.2%	8.9
Hybrid bond interests and expenses	MEUR	-4.0	-	-	-1.7
Weighted average number of ordinary shares <sup>1)</sup>	million	178.0	178.0	0.0%	178.0
Adjustment for share-based incentive plans	million	0.4	0.8	-46.4%	0.4
Weighted average number of ordinary shares, diluted <sup>1)</sup>	million	178.4	178.8	-0.2%	178.4
<b>Earnings per share (diluted) <sup>1)</sup></b>	<b>EUR</b>	<b>0.06</b>	<b>0.07</b>	<b>-22.7%</b>	<b>0.04</b>

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

## 6. INVESTMENT PROPERTIES

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

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

### 31 MARCH 2020

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
<b>At period-start</b>	<b>169.0</b>	<b>3,991.2</b>	<b>4,160.2</b>
Acquisitions	-	141.1	141.1
Investments	27.3	10.0	37.3
Disposals	-	-8.8	-8.8
Capitalized interest	0.9	0.1	1.0
Fair value gains on investment property <sup>1)</sup>	0.8	46.2	47.0
Fair value losses on investment property	-	-57.4	-57.4
Valuation gains and losses from Right-of-Use-Assets	-	-1.4	-1.4
Exchange differences	-	-235.6	-235.6
Transfer between operative investment properties and joint ventures	-	3.6	3.6
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	-5.4	-5.4
<b>At period-end</b>	<b>198.0</b>	<b>3,883.5</b>	<b>4,081.5</b>

<sup>1)</sup> The fair value gain includes a gain of EUR 35.7 million from acquired properties in Norway.

### 31 MARCH 2019

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
<b>At period-start</b>	<b>149.6</b>	<b>3,981.6</b>	<b>4,131.3</b>
Investments	3.3	9.8	13.1
Capitalized interest	0.6	0.1	0.7
Fair value gains on investment property	-	10.0	10.0
Fair value losses on investment property	-3.6	-22.5	-26.1
Exchange differences	-	28.2	28.2
Transfer between IPUC, operative investment properties and transfer into investment properties held for sale	-	0.5	0.5
Right-of-use assets classified as investment properties (IFRS 16)	-	55.9	55.9
<b>At period-end</b>	<b>149.9</b>	<b>4,063.6</b>	<b>4,213.5</b>



## 31 DECEMBER 2019

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

The fair value of investment properties has been measured internally for the interim reporting on 31 March 2020 and 31 March 2019. The fair value of Citycon's investment properties has been measured by CBRE (Sweden, Norway, Denmark, Estonia) and JLL (Finland) for the financial statement 2019.

Current fair values are affected by negative temporary uncertainty of the cashflows and impact of Covid-19.

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 March 2020	31 March 2019	31 December 2019	31 March 2020	31 March 2019	31 December 2019
Finland & Estonia	5.3	5.5	5.3	30.4	30.0	30.2
Norway	5.5	5.4	5.5	19.1	22.9	22.6
Sweden & Denmark	5.4	5.2	5.4	24.2	25.4	25.5
<b>Investment properties, average</b>	<b>5.4</b>	<b>5.4</b>	<b>5.4</b>	<b>25.2</b>	<b>26.6</b>	<b>26.5</b>
Investment properties and Kista Galleria (50%), average	5.4	5.3	5.3	25.5	27.0	26.9

## 7. CAPITAL EXPENDITURE

MEUR	Q1/2020	Q1/2019	2019
Acquisitions of properties <sup>1)</sup>	141.1	-	0.3
Acquisitions of and investments in joint ventures	-	2.6	2.2
Property development	38.3	13.9	100.1
Goodwill and other investments	0.4	0.5	3.3
<b>Total capital expenditure incl. acquisitions</b>	<b>179.7</b>	<b>17.0</b>	<b>106.0</b>

## Capital expenditure by segment

Finland & Estonia	34.7	7.2	66.9
Norway	143.5	4.6	22.3
Sweden & Denmark	1.3	4.8	14.1
Group administration	0.4	0.4	2.6
<b>Total capital expenditure incl. acquisitions</b>	<b>179.7</b>	<b>17.0</b>	<b>106.0</b>
<b>Divestments <sup>2)</sup></b>	<b>8.8</b>	<b>-</b>	<b>80.6</b>

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

<sup>2)</sup> Excluding transfers into 'Investment properties held for sale' -category

## 8. INVESTMENT PROPERTIES HELD FOR SALE

On 31 March 2020 Citycon had no property held for sale properties. On 31 March 2019 the Investment Properties Held for Sale comprised of two properties in Finland. Transactions were finalized during Q2 2019. Transfer from investment properties includes also fair value changes of properties in Investment Properties Held for Sale.

MEUR	31 March 2020	31 March 2019	2019
<b>At period-start</b>	-	<b>78.1</b>	<b>78.1</b>
Disposals	-	-	-77.6
Transfer from investment properties	-	-0.5	-0.5
<b>At period-end</b>	-	<b>77.6</b>	-

## 9. CASH AND CASH EQUIVALENTS

MEUR	31 March 2020	31 March 2019	31 December 2019
Cash in hand and at bank	117.3	5.1	7.1
Restricted cash	6.8	5.6	7.1
<b>Total</b>	<b>124.1</b>	<b>10.7</b>	<b>14.2</b>

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

## 10. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Classification of financial instruments and their carrying amounts and fair values

MEUR	31 March 2020		31 March 2019		31 December 2019	
	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	39.8	39.8	17.8	17.8	18.7	18.7
II Derivative contracts under hedge accounting						
Derivative financial instruments	-	-	1.7	1.7	1.4	1.4
Financial liabilities						
I Financial liabilities amortised at cost						
Loans						
Loans from financial institutions	473.4	473.7	283.3	283.7	231.3	231.5
Bonds	1,549.9	1,560.7	1,872.6	1,886.2	1,587.8	1,599.2
Lease liabilities (IFRS 16)	47.9	47.9	60.1	60.1	55.2	55.2
II Financial liabilities at fair value through profit and loss						
Derivative financial instruments	2.3	2.3	6.7	6.7	7.5	7.5
III Derivative contracts under hedge accounting						
Derivative financial instruments	0.5	0.5	-	-	-	-

## 11. DERIVATIVE FINANCIAL INSTRUMENTS

MEUR	31 March 2020		31 March 2019		31 December 2019	
	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps						
Maturity:						
less than 1 year	30.4	-0.1	-	-	-	-
1-5 years	86.9	-0.4	232.9	1.7	136.9	1.4
over 5 years	-	-	-	-	-	-
<b>Subtotal</b>	<b>117.3</b>	<b>-0.5</b>	<b>232.9</b>	<b>1.7</b>	<b>136.9</b>	<b>1.4</b>
Cross-currency swaps						
Maturity:						
less than 1 year	-	-	-	-	-	-
1-5 years	-	-	-	-	-	-
over 5 years	314.8	30.1	316.8	13.0	316.8	15.7
<b>Subtotal</b>	<b>314.8</b>	<b>30.1</b>	<b>316.8</b>	<b>13.0</b>	<b>316.8</b>	<b>15.7</b>
Foreign exchange forward agreements						
Maturity:						
less than 1 year	222.8	7.4	141.9	-2.0	239.4	-4.5
<b>Total</b>	<b>654.9</b>	<b>37.1</b>	<b>691.6</b>	<b>12.7</b>	<b>693.0</b>	<b>12.6</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 117.3 million (232.9). The change in fair values of these derivatives is recognised under other comprehensive income.

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

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

## 12. DIVIDEND AND EQUITY REPAYMENT

Citycon's AGM 2020 decided that no dividend is distributed by a resolution of the AGM and authorised the Board of Directors to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund. Based on the authorisation the maximum amount of dividend to be distributed for the financial year 2019 shall not exceed EUR 0.05 per share and the maximum amount of equity repayment to be distributed from the invested unrestricted equity fund shall not exceed EUR 0.60 per share. The authorisation is valid until the opening of the next AGM.

On the basis of the authorisation mentioned above and explained in interim report sections 12 and 13 the Board of Directors decided in March 2020 to distribute dividend of EUR 0.05 per share, or EUR 8.9 million and equity repayment of EUR 0.1125 per share, or EUR 20.0 million. Following the dividend and equity repayment paid on 31 March 2020, the Board's authorization for dividend distribution is used in its entirety and the remaining authorisation for equity repayment is EUR 0.4875 per share. Preliminary payment dates for equity repayments to be distributed on basis of the authorization are 30 June 2020, 30 September 2020 and 30 December 2020. 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 dividend EUR 8.9 million and equity repayment EUR 106.8 million were distributed during the financial year 2019, of which EUR 8.9 million dividend and EUR 20.0 million equity repayment were distributed during the first quarter of 2019.

### 13. CONTINGENT LIABILITIES

MEUR	31 March 2020	31 March 2019	31 December 2019
Mortgages on land and buildings	234.6	134.6	131.8
Bank guarantees and parent company guarantees	47.4	33.5	49.6
Capital commitments	172.3	37.5	208.0

At period-end, Citycon had capital commitments of EUR 172.3 million (37.5) relating mainly to on-going (re)development projects.

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

### 14. RELATED PARTY TRANSACTIONS

Citycon Group's related parties comprise the parent company Citycon Oyj and its subsidiaries, associated companies, joint ventures, Board members, the CEO and other Corporate Management Committee members and the company's largest shareholder Gazit-Globe Ltd., whose shareholding in Citycon Oyj accounted for 48.8% on 31 March 2020 (48.6%).

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

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

# REPORT ON REVIEW OF CITYCON OYJ'S INTERIM FINANCIAL INFORMATION FOR THE PERIOD JANUARY 1 – MARCH 31, 2020 (TRANSLATION)

## TO THE BOARD OF DIRECTORS OF CITYCON OYJ

### Introduction

We have reviewed the accompanying consolidated condensed statement of financial position of Citycon Oyj as of March 31st, 2020 and the related condensed statement of comprehensive income, condensed statement of changes in shareholders' equity, condensed cash flow statement and explanatory notes for the three-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting and in accordance with other laws and regulations governing the preparation of the interim financial information in Finland. 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 accompanying interim financial information has not been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and in accordance with other laws and regulations governing the preparation of the interim financial information in Finland.

Helsinki, April 22<sup>nd</sup>, 2020

Ernst & Young Oy  
Accountant Firm

Mikko Ryttilahti  
Authorized Public Accountant