



Q1–Q4/2022

Financial statements release

January–December

Operational performance Q1–Q4/2022

+6.6%

Like-for-like NRI growth
in Q1–Q4/2022
(vs. Q1–Q4/2021)

+8.2%

Standing NRI growth in Q1–Q4/2022
(vs. Q1–Q4/2021)

+17.8%

Standing EPRA EPS
(vs. Q1–Q4/2021)

+9.7%

Like-for-like footfall increase
(vs. Q1–Q4/2021)

95.4%

Retail occupancy

+5.2%

Like-for-like tenant sales
(vs. Q1–Q4/2021)

+1.1EUR &
23.7EUR

Increase & avg. rent / sq.m.
(vs. Q1–Q4/2021)

93%

Indexation with majority
impact occurring in 2023

87.7MEUR

IFRS operating profit Q1–Q4/2022

Lippulaiva world's
FIRST SMART BUILDING GOLD
certificate for retail property

CEO, F.Scott Ball:

I am very pleased to report a strong finish to 2022 as our strategy of creating necessity-based, grocery and municipal anchored urban hubs continued to produce excellent results for both the fourth quarter and the full-year that met and exceeded our guidance.

Operationally, like-for-like net rental income increased 11.9% in Q4 and 6.6% in 2022 compared to the previous year. We were pleased to see continued strong demand for our centres from both new and existing tenants, as evidenced by our excellent leasing activity with over 174,000 sq.m. of signed leases in 2022 with positive leasing spreads of 2.0%, resulting in retail occupancy up 120 bps to 95.4%. At the same time, average rent per square meter increased by 1.1 EUR to 23.7 EUR/s.qm. during the year.

We continue to see very strong growth in both footfall and tenant sales. In 2022, like-for-like tenant sales increased by 5.2% and footfall 9.7% compared to the previous year. Notably, tenant sales are already 6.2% above 2019 levels, again highlighting the quality and attractiveness of Citycon's grocery- and municipal-anchored centres and their resilience during the pandemic

On the transaction front, for the full year, we sold four non-core assets for EUR 266 million at approximately book value, which provides further evidence of the attractiveness and desirability of necessity-based, inflation protected Nordic retail assets to institutional investors. We continued to demonstrate the inherent value and liquidity of Citycon's portfolio. In December, we sold two additional non-core assets in Norway for EUR 120.8 million. This transaction represents the first tranche of the asset sale target that we announced in November, to sell EUR 500 million of non-core assets over the next 24 months. With these recent divestments, our remaining disposition target now stands at approximately EUR 380 million. Further, these sales also bolster the validity of our underlying portfolio asset values, particularly given that these transactions were for non-core properties.

Despite challenging macroeconomic headwinds, the market valuation for our income producing assets remained relatively static. Independent appraisers marked a slight decline of EUR 0.8 million for the consolidated portfolio, excluding Torvbyen (a small non-core asset in Norway) which was marked down EUR 15.9 million in Q4 as a result of a closure for structural damage. When including maintenance capex and IFRS 16 adjustments the decline excluding Torvbyen was only approximately EUR 40 million or 1.0%. It is clear that while there were few comps for appraisers to use in determining values, the fact that the company sold 4 assets over the year at values approximating book value underscored the fact that this portfolio remains attractive to asset level investors.

Phase 1 of Lippulaiva (our newest asset), which opened in March 2022, generated strong operational results in its first nine months with retail occupancy at 96%. Notably, grocery stores account for approximately 45% of the tenant mix with necessity goods representing over 70% of Lippulaiva's 44,000 sq.m. of gross leasable area. Lippulaiva is a true testament to Citycon's strategy of recycling and redeploying capital into high quality, irreplaceable assets in growing urban areas. The centre is built on a brand-new metro station, which opened in early December 2022. It was the world's first retail centre to be awarded smart building's gold certificate, due to it being carbon neutral and a shining example of our commitment to sustainability. In addition to the retail offerings, the first residential tower at Lippulaiva opened in late December 2022 and the remaining three towers in the first quarter of 2023. This will create additional demand for the property and diversified revenue streams for the company. We are very pleased with how Lippulaiva has been received by the local community and are confident that it will continue to develop into the social and commercial hub of the area. It is also important to note that, following the completion of Lippulaiva centre and the residential towers, we now have minimal capital commitments in 2023 and anticipate our annual capital expenditures to be materially lower in 2023 than prior years.

In addition to demonstrating strong private market demand for retail assets, we continued our disciplined capital allocation by using sales proceeds to repurchase our bonds and take advantage of the large discounts and dislocation in the secondary markets. Through these actions we reduced our future interest expense, while also improving our overall balance sheet and debt profile. During 2022, Citycon repurchased EUR 112.3 million of notional bonds for approx. EUR 102.5 million of cash at an average yield of 4.9%. Subsequent to year-end, we launched a public tender to repurchase a combination of our hybrid bonds and our bond maturing in October 2024. In that transaction, we deployed EUR 41.4 million of cash to repurchase EUR 57.4 million of notional bonds, resulting in a cash savings of EUR 16.0 million to par and annual cash interest savings of EUR 2.1 million.

We are committed to maintaining our investment-grade balance sheet, and have a strong and flexible financial position with no significant near-term maturities until the end of 2024, and 100% of our assets unencumbered. This position of strength provides various levers we can pull to execute our strategy and continued portfolio transformation to core, necessity-based centres with organic opportunities for growth. As evidenced by our actions in 2022 and in the early part of 2023, further strengthening our balance sheet and credit metrics remains a top priority.

Our unique assets function as last mile logistics centres for the delivery of daily goods and services for our communities



in the largest cities in the Nordics combined with direct connections to public transportation. Our mix of high credit tenants are less reliant on consumer discretionary spending, which provides a level of resilience and stability reflected in our results that bode well as we look forward into 2023. We are well positioned operationally with a proven stable business model that has performed well regardless of macroeconomic pressures. This combination is enhanced by the fact that 93% of our leases are linked to indexation and stand to benefit in 2023. This provides meaningful organic growth for net rental income, which is reflected in the outlooks we are providing today. We also have the benefit of having a low occupancy cost ratio of 9.1%, and increasing tenant sales in an inflationary environment. This positions Citycon to increase rents and service charges without jeopardizing our tenants' ability to continue to run profitable businesses. Further, we will benefit from a full-year of

Lippulaiva being open, in addition to starting to benefit from the residencials which are coming online early this year.

Taken together, these factors give us confidence that 2023 results will continue to build on our strong performance in 2022, even after factoring in the recent Norwegian asset sales late last year. Our guidance reflects the benefit from inflation as indexation pushes our rents higher not only for 2023, but also future years, the growth of which will compound and grow exponentially. As a result, our estimated outlook is for 2023 direct operating profit to be in range EUR 174–192 million, EPRA EPS EUR 0.69–0.81 and adjusted EPRA EPS EUR 0.51–0.63.

F. Scott Ball
Vice Chairman and Chief Executive Officer

Citycon results summary:

Continued operational performance

Q4/2022

- Like-for-like net rental income in Q4 increased 11.9% compared to the previous year
- Like-for-like footfall increased 3.7%
- Like-for-like tenant sales in Q4 increased 0.4%; 5.7% higher than the same period in Q4/2019 (pre-pandemic level)

Q1–Q4/2022

- Like-for-like net rental income increased 6.6%
- Like-for-like footfall increased 9.7%
- Like-for-like tenant sales increased 5.2% compared to previous year and 6.2% compared to Q1–Q4/2019 (pre pandemic level)
- Q1–Q4/2022, total average rent per sq.m. increased by EUR +1.1 to EUR 23.7 per sq.m through the combination of indexation and positive leasing spread of 2.0%
 - (Indexation is calculated at the end of each year so 2023 will benefit from 2022 inflation levels)

Divestments continued

- In Q4/2022 Citycon sold two non-core centres in Norway for approximately EUR 120.8 million.
 - EUR 380 million remaining of stated 24 month disposition target of EUR 500 million of non-core assets.
- In 2022, Citycon sold in total 4 non-core assets in Norway for approx. EUR 266 million.
 - Demonstrated liquidity of necessity-based Nordic retail assets
 - Sold at approximately book value
 - Asset sale proceeds used to repay debt

Strengthening the balance sheet remains a key priority

- In December, Citycon repurchased EUR 4 million of notional bonds in the open market with approx. EUR 3.8 million of cash
- In 2022, Citycon repurchased EUR 112.3 million of notional bonds with approx EUR 102.5 million of cash
 - Average yield of 4.9%
- In January 2023, Citycon tendered in total EUR 57.4 million of notional 2024 bond and hybrid bonds issued in 2019 and 2021 with approx. EUR 41.4 million of cash

Key figures

		Q4/2022	Q4/2021	%	FX Adjusted % ¹	Q1-Q4/2022	Q1-Q4/2021	%	FX Adjusted % ¹
Net rental income	MEUR	51.2	49.3	3.9%	6.1%	203.6	202.3	0.7%	1.2%
<i>Like-for-like net rental income development</i>	%	11.9%	2.9%	-	-	6.6%	-1.5%	-	-
Direct operating profit ²	MEUR	45.1	42.2	7.0%	9.3%	175.2	176.1	-0.5%	0.0%
IFRS Earnings per share (basic) ³	EUR	-0.50	0.23	-	-	-0.15	0.55	-	-
Fair value of investment properties	MEUR	4,040.1	4,189.2	-3.6%	-	4,040.1	4,189.2	-3.6%	-
Loan to Value (LTV) ^{2,4,6}	%	41.4	40.3	2.7%	-	41.4	40.3	2.7%	-
EPRA based key figures²									
EPRA Earnings	MEUR	32.5	27.5	18.5%	21.2%	122.6	124.4	-1.4%	-0.8%
Adjusted EPRA Earnings ³	MEUR	24.8	19.8	25.5%	29.5%	92.1	100.0	-7.9%	-7.2%
EPRA Earnings per share (basic)	EUR	0.194	0.158	22.8%	25.6%	0.730	0.703	3.9%	4.6%
Adjusted EPRA Earnings per share (basic) ³	EUR	0.148	0.114	30.1%	34.3%	0.548	0.565	-3.0%	-2.2%
EPRA NRV per share ^{5,7}	EUR	11.01	12.15	-9.3%	-	11.01	12.15	-9.3%	-

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

² Citycon presents alternative performance measures according to the European Securities and Markets Authority (ESMA) guidelines. More information is presented in Basis of Preparation and Accounting Policies in the notes to the accounts.

³ The key figure includes hybrid bond coupons and amortized fees.

⁴ Highly liquid cash investments has been taken into account in net debt.

⁵ Calculation updated from this and comparison periods. Divided by number of shares at balance sheet date instead of average amount of shares during the reporting period.

⁶ LTV Q4/2021 changed due to correction related to presentation of IFRS 16 assets. Previously reported LTV for Q4/2021 was 40.7%.

⁷ The effect of currency rates to EPRA NRV/share was EUR -0.79.

Standing portfolio key figures¹		Q4/2022	Q4/2021	%	Q1-Q4/2022	Q1-Q4/2021	%
Net rental income	MEUR	49.2	44.7	10.2%	195.1	180.3	8.2%
Direct operating profit ²	MEUR	42.5	37.5	13.2%	166.2	153.4	8.3%
EPRA based key figures²							
EPRA Earnings	MEUR	29.9	22.8	31.0%	113.6	101.7	11.8%
Adjusted EPRA Earnings ³	MEUR	22.2	15.1	46.5%	83.1	77.3	7.5%
EPRA Earnings per share (basic)	EUR	0.178	0.131	35.8%	0.676	0.574	17.8%
Adjusted EPRA Earnings per share (basic) ³	EUR	0.132	0.087	51.9%	0.495	0.437	13.2%

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

² Citycon presents alternative performance measures according to the European Securities and Markets Authority (ESMA) guidelines. More information is presented in Basis of Preparation and Accounting Policies in the notes to the accounts.

³ The key figure includes hybrid bond coupons and amortized fees.

Outlook for 2023

Direct operating profit	MEUR	174–192
EPRA Earnings per share (basic)	EUR	0.69–0.81
Adjusted EPRA Earnings per share (basic)	EUR	0.51–0.63

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 on the prevailing level of inflation, the EUR–SEK and EUR–NOK exchange rates, and current interest rates.

1. Net rental income

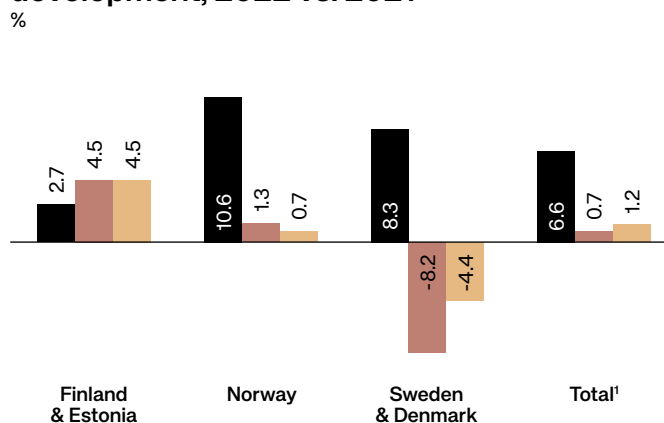
Like-for-like net rental income in Q4 increased 11.9% compared to Q4/2021.

Like-for-like net rental income in Q1–Q4/2022 increased by 6.6%.

Total net rental income for the period was EUR 203.6 million (Q1–Q4/2021: EUR 202.3 million).

Like-for-like net rental income from the Finnish & Estonian operations increased by 2.7% in Q1–Q4/2022. Like-for-like net rental income from Swedish & Danish operations increased by 8.3% in Q1–Q4/2022. Like-for-like net rental income from the Norwegian operations increased by 10.6% in Q1–Q4/2022.

Like-for-like and total net rental income development, 2022 vs. 2021



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

¹ Total NRI impacted by disposals executed in 2021 and 2022.

Net rental income and gross rental income breakdown

MEUR	Net rental income				Total	Gross rental income
	Finland & Estonia	Norway	Sweden & Denmark	Other		
2021	85.2	77.8	39.2	0.0	202.3	222.2
(Re)development projects	7.1	0.6	-1.3	-	6.4	8.3
Divestments	-5.0	-6.0	-2.4	-	-13.4	-14.1
Like-for-like properties ¹	1.7	5.5	2.2	-	9.4	7.5
Other (incl. exchange rate differences)	0.0	1.0	-1.7	-0.3	-1.0	-1.6
2022	89.1	78.9	36.0	-0.3	203.6	222.3

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

2. Occupancy, sales and footfall

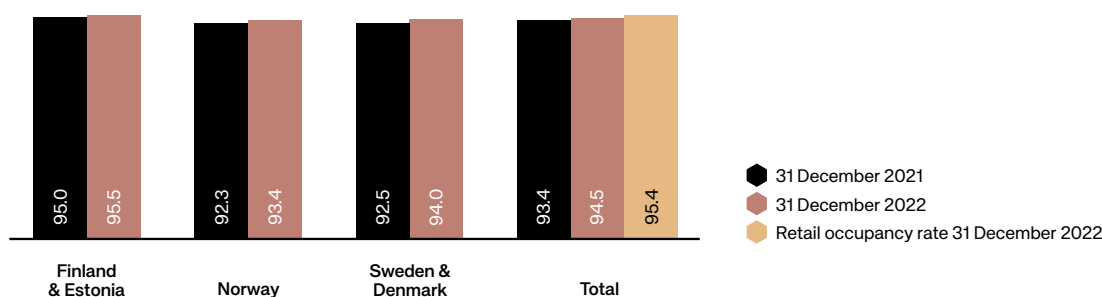
The retail occupancy rate was 95.4% in Q4/2022 and was 120 bps higher versus the same time last year (Q4/2021: 94.2%). Economic occupancy for Q4/2022 was 94.5% (Q4/2021: 93.4%). Furthermore, the average rent per sq.m. increased by 1.1 to 23.7 EUR (Q4/2021: 22.6 EUR) as we leased over 174,000 sq.m. during the year with a positive leasing spread of 2.0%.

Like-for-like tenant sales increased 0.4% in Q4/2022 and 5.2% for Q1–Q4/2022 compared to the same time last year. Notably, like-for-like tenant sales in Q1–Q4/2022 are up 6.2% compared to the same time period in 2019.

Like-for-like footfall increased by 3.7% in Q4/2022 and 9.7% in Q1–Q4/2022 compared to the same period last year.

Occupancy rate¹

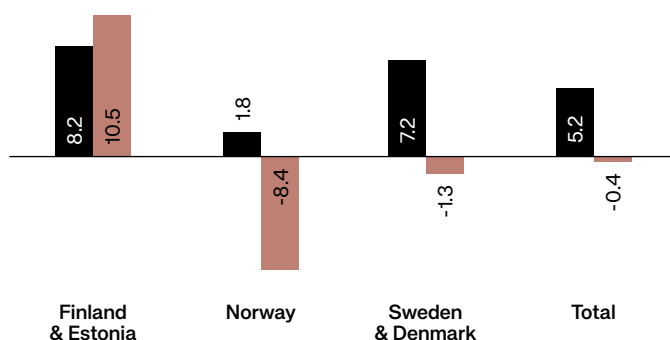
%



¹ Kista Galleria 50% not included.

Tenant sales development, Q1–Q4/2022 vs. Q1–Q4/2021¹

%



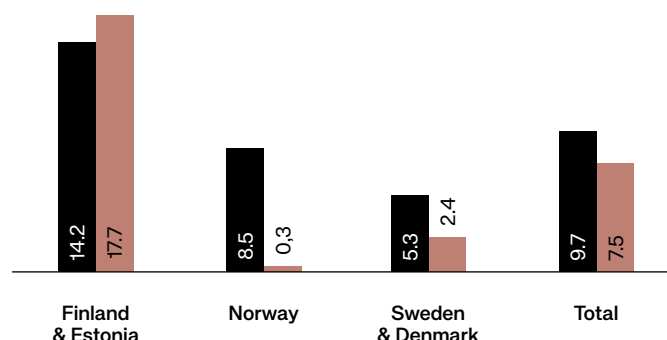
Like-for-like sales

Total sales (including impact of divested assets)

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

Footfall development, Q1–Q4/2022 vs. Q1–Q4/2021¹

%



Like-for-like footfall

Total footfall (including impact of divested assets)

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

Lease portfolio summary¹

		31 December 2022	31 December 2021
Number of leases	pcs	3,191	3,326
Average rent	EUR/sq.m./month	23.7	22.6
Average remaining length of lease portfolio	years	3.4	3.1
Occupancy cost ratio ²	%	9.1%	8.8%
Leasing Spread	%	2.0%	-1.3%

¹ Kista Galleria 50% not included.

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

Leasing activity¹

		Q1–Q4/2022	Q1–Q4/2021
Total area of leases started	sq.m.	262,772	247,526
Total area of leases ended	sq.m.	302,490	319,011

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

3. Financial result Q1–Q4/2022 vs. Q1–Q4/2021

Operating profit (IFRS) was EUR 87.7 million (Q1–Q4/2021: EUR 217.8 million).

Administrative expenses were EUR 28.7 million (Q1–Q4/2021: EUR 26.1 million), mainly due to IFRS treatment of share-based compensation. At the end of the reporting period, Citycon Group employed a total of 251 (31 December 2021: 251) full-time employees (FTEs) of whom 57 worked in Finland & Estonia, 82 in Norway, 47 in Sweden & Denmark, and 66 in Group functions.

Net financial expenses (IFRS) decreased to EUR 48.0 million (Q1–Q4/2021: EUR 55.0 million) due to lower interest expenses following lower debt levels, coupled with indirect one-off gains related to prepayment of debt. The comparison period included indirect one-off costs related to prepayment of debt. In addition, EUR 9.2 million indirect loss (Q1–Q4/2021: EUR 0.8 million loss) related to fair value changes of cross-currency swaps not under hedge accounting was booked.

Share of loss of joint ventures and associated companies totalled EUR -24.6 million (Q1–Q4/2021: EUR -6.3 million) mainly due to weaker development of property fair values in joint venture Kista.

Profit for the period was EUR 5.1 million (Q1–Q4/2021: EUR 121.0 million).

4. Property portfolio value development

From year-end the fair value of investment properties decreased by EUR 149.1 million to EUR 4,040.1 million (31 December 2021: EUR 4,189.2 million). Net investments, including both acquisitions and disposals and development projects increased the fair value by EUR 149.9 million. In addition, changes in right-of-use –assets increased the value of investment properties by an additional EUR 6.4 million. Fair value losses decreased the value of investment properties by EUR 56.5 million, exchange differences by EUR 122.3 million and transfer between categories by EUR 126.5 million.

Property portfolio summary

31 December 2022	No. of properties	Gross leasable area	Fair value, MEUR	Properties held for sale, MEUR	Portfolio, %
Shopping centres, Finland & Estonia ¹	11	437,050	2,038.1	-	50%
Other properties, Finland & Estonia	1	2,240	3.8	-	0%
Finland & Estonia, total	12	439,290	2,041.8	-	51%
Shopping centres, Norway	13	350,100	1,198.1	-	30%
Rented shopping centres, Norway ²	1	14,500	-	-	-
Norway, total	14	364,600	1,198.1	-	30%
Shopping centres, Sweden & Denmark	7	209,500	748.7	-	19%
Other properties, Sweden & Denmark	1	-	6.2	-	0%
Sweden & Denmark, total	8	209,500	754.9	-	19%
Shopping centres, total	32	1,011,150	3,984.8	-	99%
Other properties, total	2	2,240	10.0	-	0%
Investment properties, total	34	1,013,390	3,994.8	-	99%
Right-of-use assets classified as investment properties (IFRS 16)	-	-	45.3	-	1%
Investment properties in the statement of financial position, total	34	1,013,390	4,040.1	-	100%
Kista Galleria (50%)	1	46,350	210.7	-	-
Investment properties and Kista Galleria (50%), total	35	1,059,740	4,250.8	-	-

¹ Includes Lippulaiva residential development project.

² Value of rented properties is recognised within IFRS 16 investment properties based on IFRS rules.

Q1–Q4/2022 fair value change of investment properties amounted to EUR -56.5 million (Q1–Q4/2021: EUR 48.6 million) mainly due to changes in yield requirements. In addition, fair value change includes EUR -15.9 million Torvbyen fair value impact in Q4 as a result of a partial closure of the center for structural damage. The company recorded a total value increase of EUR 53.1 million (Q1–Q4/2021: EUR 106.1 million) and a total value decrease of EUR 102.9 million (Q1–Q4/2021: EUR 45.7 million). In addition, the application of IFRS 16 standard had an impact of EUR -6.8 million (Q1–Q4/2021: EUR -11.8 million) to the fair value change of investment properties during the January–December reporting period.

Fair value changes

EUR million	Q1–Q4/2022	Q1–Q4/2021
Finland & Estonia	-15.4	3.4
Norway ¹	-26.5	26.2
Sweden & Denmark	-7.8	30.8
Investment properties, total	-49.8	60.4
Right-of-use assets classified as investment properties (IFRS 16)	-6.8	-11.8
Investment properties in the statement of financial position, total	-56.5	48.6
Kista Galleria (50%)	-25.5	-1.4
Investment properties and Kista Galleria (50%), total	-82.0	47.2

¹ Includes EUR -15.9 million Torvbyen fair value impact in Q4 as a result of a partial closure for structural damage.

External appraisers, CBRE (in Denmark, Estonia and Norway) and JLL (in Finland and Sweden) measure the fair values for the half-yearly report and annual financial statements. Citycon measures the fair values of the properties internally in the first and third quarter, reflecting market views of external appraisers.

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

5. Capital recycling

In 2022, Citycon continued its active capital recycling and divested in total four non-core assets for approximately EUR 266 million:

- In Q4/2022 Citycon sold two non-core centres in Norway with price of approximately EUR 120.8 million. The proceeds from the transaction were used to repay debt and to further strengthen our investment grade balance sheet. The transaction closed on 20 December 2022.
- In Q1/2022 Citycon sold two non-core centres in Norway with price of approximately EUR 145.4 million, in-line with IFRS book value. Transaction closed on 28 February 2022.

Additionally, Citycon signed on 7 February 2022 an off-market, forward commitment to acquire newly developed residential asset in Stockholm, Sweden for a fixed price of EUR 69.5 million. An initial deposit of 6.6 million was made with the remainder of the purchase price to be funded upon delivery in 2024. The brand-new property will consist of over 200 well-appointed rental and freehold apartments and is located in the growing and dynamic neighbourhood of Barkarbystaden, in close proximity to Citycon's existing necessity-based assets in Kista and Jakobsberg.

The transactions follow Citycon's strategy to focus on larger, grocery/municipal services-anchored, urban hubs with a connection to transportation links, while also providing further densification potential to add residential units, offices and other complimentary uses.

Strengthening the balance sheet remains a key priority and the company will continue to evaluate opportunistic capital recycling actions going forward.

Acquisitions and divestments Q1–Q4/2022

		Location	Gross leasable area, sq.m.	Date	Price, MEUR
Divestments					
Portfolio of 2 centres				28 February 2022	145.4
	Buskerud	Shopping centre	Krokstadelva, Norway		32,100
	Magasinet	Shopping centre	Drammen, Norway		15,000
Portfolio of 2 centres				20 December 2022	120.8
	Down Town	Shopping centre	Porsgrunn, Norway		36,700
	Sjøsiden	Shopping centre	Horten, Norway		11,200
Divestments, total			95,000		266.2

		Location	Gross leasable area, sq.m.	Date	Price, MEUR
Acquisitions					
	Barkarbystaden	Residential asset	Stockholm, Sweden	7 February 2022	69.5 ¹
Acquisitions, total			12,950		69.5

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

6. (Re)development projects progressed

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

	Location	Area before/after, sq.m.	Expected gross-investment, MEUR	Actual gross investment by 31 December 2022, MEUR	Completion
Lippulaiva residential	Helsinki metropolitan area, Finland	-/18,000	90.5	58.7	2022–2024
Herkules, residential (50%)	Skien, Norway	-/7,600	28.0	8.4	2024
Barkarby, residential	Stockholm, Sweden	-/12,950	69.5 ¹	6.6 ¹	2024

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

Completed (re)development projects on Q1–Q4/2022

	Location	Area before/after, sq.m.	Expected investment, MEUR	Actual investment by 31 December 2022, MEUR	Completion
Lippulaiva shopping centre	Helsinki metropolitan area, Finland	19,200/44,300	369.0	368.5	Q1/2022

¹ Expected gross investment is 425.4 MEUR with the proceeds from net rental income of Pikkulaiva, sale of additional building rights and metro & bus terminal offsetting for a expected net investment of 369.0 MEUR. Actual gross investment by 31 December 2022 was 423.9 MEUR.

7. Shareholders' equity

Equity per share was EUR 13.75 (31 December 2021: EUR 14.80). Paid equity return and translation losses decreased equity per share.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 1,618.8 million (31 December 2021: EUR 1,800.1 million).

8. Financing

Key financing figures

		Q4/2022	Q4/2021
Fair value of debt	MEUR	1,781.7	1,860.3
Interest bearing liabilities, carrying value ¹	MEUR	1,807.7	1,878.5
Available liquidity	MEUR	577.7	583.7
Average loan maturity	years	3.2	4.2
Loan to Value (LTV) ²	%	41.4	40.3 ³
Interest cover ratio (financial covenant >1.8)	x	4.0	4.1
Net debt to total assets (financial covenant <0.60)	x	0.39	0.38
Solvency ratio (financial covenant <0.65)	x	0.40	0.39
Secured solvency ratio (financial covenant <0.25)	x	0.00	0.00

¹ Including EUR 42.8 million (Q4/2021: EUR 43.2 million) IFRS 16 lease liabilities

² Hybrid bond treated as equity as according to IFRS. Excluding both right-of-use assets recognized as part of investment properties, as well as lease liabilities pertaining to these right-of-use assets, which are based on IFRS 16 requirements.

³ LTV Q4/2021 changed due to correction related to presentation of IFRS 16 assets. Previously reported LTV for Q4/2021 was 40.7%.

After the reporting period, 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 will repurchase an aggregate amount of EUR 57.4 million of the principal amounts outstanding on the three tendered securities.

In December, the company executed its last bond repurchases in the open market, at a discount to par. A total of EUR 4.0 million was repurchased of the 2024 notes.

In September, the company returned to repurchase bonds in the open market, still at a discount. A total of EUR 2.0 million was repurchased of the 2024 notes and EUR 26.95 million of the 2027 notes. EUR 25.95 million was executed during the end of Q3/2022 and EUR 3.0 million during the beginning of Q4/2022.

In June, the company continued to repurchase bonds at a discount in the open market. A total of EUR 25 million was repurchased of the 2024 notes and EUR 29.4 million of the 2027 notes. EUR 33.8 million was executed during the end of Q2/2022 and EUR 20.6 million during the beginning of Q3/2022.

In March, the company decided to deploy part of the cash from the Norwegian asset sales to repurchase bonds at an attractive price and strengthen its balance sheet. In total, EUR 25 million of the company's 2024 notes were repurchased in the open market, of which EUR 4.7 million was executed during Q1/2022 and the rest at the beginning of Q2/2022.

In February, Citycon announced that it had signed an agreement to sell two non-core shopping centres in Norway, Buskerud centre and Magasinet centre. The gross purchase price for the assets was approximately EUR 145.4 million and the transaction closed at the end of February.

In January, Citycon finalised the share buy-back programme launched in December to repurchase 500,000 of the company's own shares. The buy-back programme started on 20 December 2021 and ended on 10 January 2022. During this period, a total of 500,000 own shares were repurchased. The total amount used for the repurchase was approximately EUR 3.49 million. A total of 10,415 own shares held by the Company was used for payment of rewards under the Company's share-based incentive plan to four key persons. The rest of the repurchased shares, 489,585 shares, were cancelled on 14 January 2022.

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

Interest-bearing debt

The fair value of interest-bearing debt decreased during 2022 by EUR 78.6 million to EUR 1,781.7 million, mainly following repurchases of bonds and weakening of the NOK currency rate. The carrying amount of interest-bearing liabilities in the balance sheet was EUR 1,807.7 million including IFRS 16 liabilities of EUR 42.8 million.

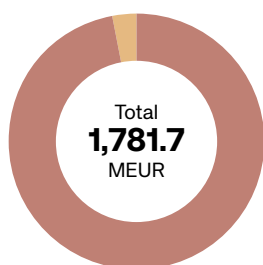
The weighted average loan maturity decreased during the quarter and stands at 3.2 years.

LTV (IFRS) decreased during the quarter to 41.4% due to lower net debt following deleveraging with proceeds from asset sales. LTV increased over the year (Q4/2021: 40.3%) mainly as a result of decreased property values partially due to weakened NOK and SEK currency rates.

Citycon does not have any significant debt maturities until 2024 when the credit facility matures in June and the EUR 480 million unsecured senior notes mature in October.

Breakdown of loans

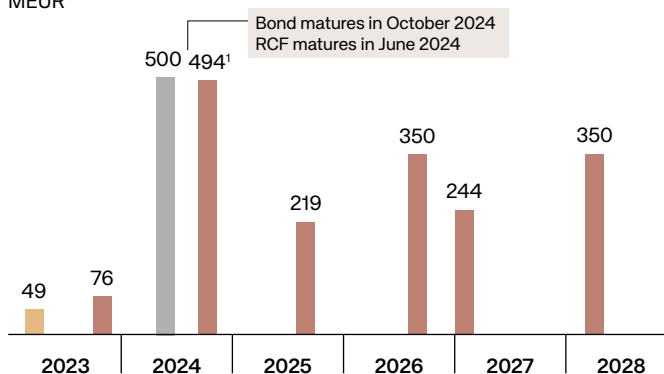
%



- Bank loans **0.0**
- Bonds **97.2**
- Commercial papers **2.8**

Debt maturities

MEUR



- Bank loans **0.0**
- Bonds **1,732.5**
- Commercial papers **49.2**
- Undrawn committed credit facilities **500.0**

¹ EUR 14 million of the 2024 notes were repurchased in January 2023, leaving an outstanding amount of EUR 480 million.

Financial expenses

Financial expenses key figures

		Q1–Q4/2022	Q1–Q4/2021
Financial expenses ¹	MEUR	-64.7	-62.0
Financial income ¹	MEUR	16.7	7.1
Net financial expenses (IFRS)	MEUR	-48.0	-55.0
Direct net financial expenses (EPRA)	MEUR	-47.0	-46.8
Weighted average interest rate ²	%	2.43	2.47
Weighted average interest rate excluding derivatives	%	2.57	2.48
Year-to-date weighted average interest rate ²	%	2.42	2.41

¹ The foreign exchange differences are netted in the financial expenses.

² Including interest rate swaps and cross-currency swaps.

The direct net financial expenses (EPRA) was slightly below last year mainly due to lower interest expenses following debt repurchases.

Net financial expenses (IFRS) decreased considerably to EUR 48.0 million (Q1–Q4/2021: EUR 55.0 million) mainly due to indirect one-off net gains related to prepayment of debt of EUR 8.1 million recorded during the year. In the comparison period, the company recorded indirect losses of EUR 7.3 million related to prepayment of debt. In addition, an amount of EUR 9.2 million indirect losses (Q1–Q4/2021: EUR 0.8 million loss) was booked 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 foreign exchange differences are netted in financial expenses in the table above.

The period-end weighted average interest rate was 2.43%.

Financial risk management

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

Financial risk management

		31 December 2022	31 December 2021
Average interest-rate fixing period	years	3.2	4.2
Fixed interest rate ratio	%	93.0	100.0

9. Business environment

Business environment key figures

	Finland	Norway	Sweden	Denmark	Estonia	Euro area
GDP growth, 2022	2.0%	3.1%	2.8%	3.0%	8.0%	3.4%
Unemployment, 2022	6.7%	3.0%	6.9%	4.8%	5.3%	6.4%
Inflation, 2022	9.2%	6.5%	10.9%	10.3%	17.6%	9.2%
Retail sales growth, 11/2022*	-3.1%	-3.6%	-5.0%	-7.4%	-2.3%	-2.8%

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

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

The Nordic economies recovered well from the Covid-19 pandemic dip but are now being impacted, like the rest of the global economy, by the sharp increase in cost of living and the uncertain economic environment due to inflation and rising interest rates. 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 have continued up to now. This provides these economies a buffer and some degree of resilience during this time in of geopolitical uncertainty, inflation, and rising interest rates. Additionally, the Nordics are expected to be less affected by the war in Ukraine because those countries are, generally, less dependent on Russian natural gas.

While inflation is trending higher in all Nordic markets, this remains a tailwind for Citycon operations due to the grocery and services-oriented tenant mix of Citycon's necessity-based urban hubs, and the fact that 93% of leases tied to indexation.

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

10. Sustainability

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

Citycon's sustainability strategy, targets and measures are described in detail in the upcoming Sustainability Accounts 2022.

Citycon uses BREEAM In-Use to assess and develop the sustainable management of its shopping centres. 66% of Citycon's shopping centres, measured by fair value, had acquired the certification at period-end.

Disclosure according to the Taxonomy Regulation Delegated Act:

Citycon's sustainability and finance teams have classified the company's activities by mapping Citycon group's consolidated IFRS income statement accounts based on whether they are covered by a NACE code included in the Taxonomy. Based on this classification 97% of Citycon's total turnover, 99% of capital expenditure and 69% of operational expenditure is derived from Taxonomy-eligible activities.

Citycon is not obliged to report information according to the taxonomy regulation, and for that reason Citycon does not report on the taxonomy alignment of the company's operations for the year 2022.

11. 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.

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.

12. General meeting

Annual General Meeting 2022

Citycon's Annual General Meeting 2022 (AGM) was held in Espoo, Finland on 22 March 2022. 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 2021 and decided to adopt the Remuneration Report for the governing bodies.

The General Meeting decided that no dividend is distributed by a resolution of the AGM and authorised the Board of Directors to decide in its discretion on the distribution of assets from the invested unrestricted equity fund. Based on the authorisation, the maximum amount of equity repayment to be distributed from the invested unrestricted equity fund shall not exceed EUR 0.50 per share. The authorisation is valid until the opening of the next AGM.

The AGM decisions and the minutes of the AGM are available on the company's website at citycon.com/agm2022.

Extraordinary General Meeting 2022

Citycon's Extraordinary General Meeting (EMG) held on 8 December 2022 decided to amend Citycon's Articles of Association to enable holding a general meeting completely without a meeting venue. Further information available on the company's website at citycon.com/EGM2022.

13. Corporate Governance Statement 2022

Citycon has published Citycon Group's Corporate Governance Statement 2022 as a separate report, distinct from the Report by the Board of Directors. The statement is prepared in accordance with the recommendations of the Finnish Corporate Governance Code 2020 and is available on the company's website at citycon.com/corporate-governance.

14. Shares, share capital and shareholders

The company has a single series of shares, with each share entitling to one vote at a General Meeting of shareholders. At the end of reporting period, the total number of shares outstanding in the company was 168,008,940. The shares have no nominal value.

At the end of September 2022, Citycon had a total of 28,817 registered shareholders (Q4/2021: 28,577 shareholders), of which 8 were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 116.3 million (Q4/2021: 116.2 million) shares, or 69.2% of shares and voting rights in the company (Q4/2021: 69.0%). The most significant registered shareholders can be found on company's website citycon.com/major-shareholders.

Shares and share capital

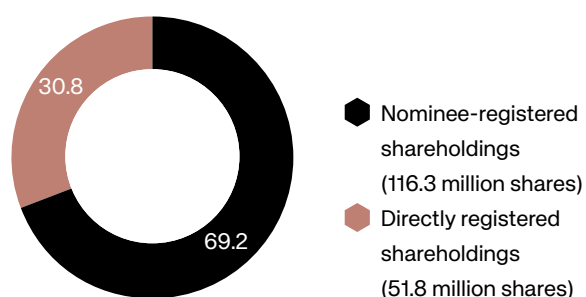
		Q1-Q4/2022	Q1-Q4/2021
Share capital at period-start	MEUR	259.6	259.6
Share capital at period-end	MEUR	259.6	259.6
Number of shares at period-start		168,498,525	177,998,525
Number of shares at period-end		168,008,940	168,498,525

Share price and trading

		Q1-Q4/2022	Q1-Q4/2021	%
Low	EUR	5.96	6.67	-10.7%
High	EUR	7.57	8.18	-7.5%
Average	EUR	6.81	7.37	-7.6%
Latest	EUR	6.26	7.00	-10.6%
Market capitalisation at period-end	MEUR	1,050.9	1,179.5	-10.9%
Number of shares traded	million	84.4	94.3	-10.5%
Value of shares traded	MEUR	575.0	686.0	-16.2%

Shareholders 31 December 2022

% of shares and voting rights



Dividend and equity repayment

Citycon's equity repayments paid in 2022:

Dividends and equity repayments paid in Q1–Q4/2022¹

	Record date	Payment date	EUR / share
Equity repayment Q1	24 March 2022	31 March 2022	0.125
Equity repayment Q2	23 June 2022	30 June 2022	0.125
Equity repayment Q3	23 September 2022	30 September 2022	0.125
Equity repayment Q4	15 December 2022	30 December 2022	0.125
Total			0.50

¹ Board decision based on the authorisation issued by the AGM 2022.

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 22 March 2022:

- 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 2023.
- 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 2023.

During January – December 2022, 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 2018–2020

On 3 January 2022, the company repurchased total of 10,415 of its own shares and conveyed them on 4 January 2022 to four key persons of the company.

Performance Share Plan 2020–2022

On 23 March 2022, the company repurchased total of 10,000 of its own shares and conveyed them on 25 March 2022 to one key person of the company.

Matching Share Plan 2018–2020

On 23 March 2022, the company repurchased total of 11,241 of its own shares and conveyed them on 25 March 2022 to three key persons of the company.

CFO Restricted Share Plan 2021–2024

On 11 August 2022, the company repurchased total of 7,500 of its own shares and conveyed them on 15 August 2022 to one key person of the company.

Additionally, the Board of Directors used two times its authorisation to repurchase its own shares to distribute surplus funds received from the divestment of necessity-based retail centre Columbus to the shareholders of Citycon:

Share buy-back program

On 17 December 2021, the Board of Directors of Citycon decided to launch a buyback program. According to the Board decision, the maximum number of shares to be repurchased was 500,000 and the maximum amount to be used for the repurchases was EUR 3.75 million. The share repurchases started on 22 December 2021 and ended on 10 January 2022.

During the share buy-back program, a total of 500,000 own shares were repurchased for an average price of approximately EUR 6.97 per share. The total amount used for the repurchase was approximately EUR 3.49 million. During Q1/2022 a total of 203,537 shares were repurchased under the share buy-back program. 10,415 repurchased shares were conveyed to four key employees in accordance with the Company's share-based incentive plans and the rest of the repurchased shares, i.e., 489,585 Citycon shares, were cancelled on 14 January 2022.

Own shares

During the reporting period, the company held a total of 528,741 of the company's own shares of which 489,585 shares were cancelled and 39,156 shares 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

Citycon received a flagging notifications (6 July and 12 July 2022) according to which G City's (former Gazit-Globe Ltd.) direct holding of shares in Citycon has decreased below fifty (50) percent. The change in ownership is due to the completion of a share transfer under a share purchase agreement, as notified in a previous flagging notification published on 28 December 2021, entered into by G City Ltd (former Gazit-Globe Ltd.) and its wholly-owned subsidiary Gazit Europe Netherlands BV. The completion of the share transfers under the share purchase agreement will not affect the aggregate total direct and indirect holdings of G City Ltd.

Incentive plans

Long-term Share-based Incentive Plans

Citycon has currently six 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)
- Matching Share Plan 2022–2024 (Corporate Management Committee excl. the CEO) and
- Restricted Share Plan 2020–2022 (Key employees, excl. Corporate Management Committee)

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

15. Events after the reporting period

In January 2023, Citycon executed a tender offers of outstanding notes due 2024 of Citycon Treasury B.V. and capital securities issued by it in November 2019 and June 2021. On 16 January, Citycon announced that it will accept for purchase EUR 57,393,000 in aggregate principal amount of securities validly tendered pursuant to the offers. The total purchase consideration for securities validly tendered and accepted for purchase pursuant to the Offers was EUR 41,429,025.08.

16. Financial calendar and AGM 2023

Citycon Oyj's schedule of the financial reporting in 2023 is the following:

Year 2022 full-year Financial Report, Financial Statements and the Report by the Board of Directors	Thursday 16 February 2023 after market close
Year 2023 three-month Interim Report	Thursday 4 May 2023 after market close
Year 2023 six-month Half-Yearly Report	Tuesday 18 July 2023 after market close
Year 2023 nine-month Interim Report	Wednesday 1 November 2023 after market close

Citycon Oyj's Annual General Meeting (AGM) 2023 will be held on Tuesday, 21 March 2023 starting at 12:00 noon.

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

Helsinki, 16 February 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 4.3 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 Moody's (Baa3) and Standard & Poor's (BBB-). Citycon's shares are listed on Nasdaq Helsinki Ltd.

www.citycon.com

EPRA performance measures

Citycon applies to the best practices policy recommendations of EPRA (European Public Real Estate Association) for financial reporting. More information about EPRA's performance measures is available in Citycon's Financial Statements 2022 in section "EPRA performance measures".

EPRA performance measures

		Q4/2022	Q4/2021	%	Q1-Q4/2022	Q1-Q4/2021	%
EPRA Earnings	MEUR	32.5	27.5	18.5%	122.6	124.4	-1.4%
Adjusted EPRA Earnings ¹	MEUR	24.8	19.8	25.5%	92.1	100.0	-7.9%
EPRA Earnings per share (basic)	EUR	0.194	0.158	22.8%	0.730	0.703	3.9%
Adjusted EPRA Earnings per share (basic) ¹	EUR	0.148	0.114	30.1%	0.548	0.565	-3.0%
EPRA NRV per share ²	EUR	11.01	12.15	-9.3%	11.01	12.15	-9.3%

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

² Calculation updated from this and comparison periods. Divided by number of shares at balance sheet date instead of average amount of shares during the reporting period.

The following tables present how EPRA performance measures are calculated.

1) EPRA earnings

MEUR	Q4/2022	Q4/2021	%	Q1-Q4/2022	Q1-Q4/2021	%
Earnings in IFRS Consolidated Statement of Comprehensive Income	-76.2	47.3	-	5.1	121.0	-95.8%
+/- Net fair value losses/gains on investment property	79.7	-42.7	-	56.5	-48.6	-
-/+ Net gains/losses on sale of investment property	5.0	1.7	-	4.3	6.5	-34.5%
+ Indirect other operating expenses	12.7	0.0	-	26.7	0.4	-
+/- Early close-out costs/gains of debt and financial instruments	-0.9	4.3	-	-8.1	7.3	-
-/+ Fair value gains/losses of financial instruments	6.3	0.9	-	9.2	0.8	-
+/- Indirect losses/gains of joint ventures and associated companies	14.1	-1.0	-	21.0	2.3	-
-/+ Change in deferred taxes arising from the items above	-8.1	16.9	-	8.0	34.6	-76.8%
+ Non-controlling interest arising from the items above	0.0	-	-	0.0	-	-
EPRA Earnings	32.5	27.5	18.5%	122.6	124.4	-1.4%
-/+ Hybrid bond coupons and amortized fees	-7.7	-7.7	-0.4%	-30.5	-24.3	-25.5%
Adjusted EPRA Earnings	24.8	19.8	25.5%	92.1	100.0	-7.9%
Weighted average number of ordinary shares, million	168.0	174.2	-3.5%	168.0	177.0	-5.1%
EPRA Earnings per share (basic), EUR	0.194	0.158	22.8%	0.730	0.703	3.9%
Adjusted EPRA Earnings per share (basic), EUR	0.148	0.114	30.1%	0.548	0.565	-3.0%

The table below presents an alternative calculation of EPRA Earnings from the statement of comprehensive income from top to bottom. The numbers include the sale of six investments properties during the last two years.

MEUR	Q4/2022	Q4/2021	%	Q1-Q4/2022	Q1-Q4/2021	%
Net rental income	51.2	49.3	3.9%	203.6	202.3	0.7%
Direct administrative expenses	-7.4	-7.2	-2.3%	-28.7	-26.1	-9.7%
Direct other operating income and expenses	1.3	0.0	-	0.2	0.0	-
Direct operating profit	45.1	42.2	7.0%	175.2	176.1	-0.5%
Direct net financial income and expenses	-12.9	-11.3	-14.3%	-47.0	-46.8	-0.4%
Direct share of profit/loss of joint ventures and associated companies	-0.4	-0.9	55.3%	-3.6	-4.0	9.1%
Direct current taxes	0.7	-0.7	-	-2.1	-3.3	35.5%
Direct deferred taxes	0.0	-1.7	-	0.2	2.4	-93.1%
Direct non-controlling interest	0.0	0.0	-	0.0	0.0	-
EPRA Earnings	32.5	27.5	18.5%	122.6	124.4	-1.4%
-/+ Hybrid bond coupons and amortized fees	-7.7	-7.7	-0.4%	-30.5	-24.3	-25.5%
Adjusted EPRA Earnings	24.8	19.8	25.5%	92.1	100.0	-7.9%
EPRA Earnings per share (basic), EUR	0.194	0.158	22.8%	0.730	0.703	3.9%
Adjusted EPRA Earnings per share (basic), EUR	0.148	0.114	30.1%	0.548	0.565	-3.0%

2) EPRA NRV, NTA and NDV per share

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

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

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

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

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

The tables below present calculation of the three new EPRA net asset value measures NRV, NTA and NDV.

	31 December 2022			31 December 2021		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to parent company shareholders	1,618.8	1,618.8	1,618.8	1,800.1	1,800.1	1,800.1
Deferred taxes from the difference of fair value and fiscal value of investment properties ³	264.9	132.5	-	295.0	147.5	-
Fair value of financial instruments	-1.9	-1.9	-	-0.2	-0.2	-
Goodwill as a result of deferred taxes	-65.7	-	-	-84.8	-	-
Goodwill as per the consolidated balance sheet	-	-115.4	-115.4	-	-145.4	-145.4
Intangible assets as per the consolidated balance sheet	-	-11.0	-	-	-7.6	-
The difference between the secondary market price and carrying value of bonds ¹	-	-	246.5	-	-	-73.3
Real estate transfer taxes ²	34.2	-	-	32.7	-	-
TOTAL	1,850.3	1,622.8	1,749.9	2,042.9	1,794.5	1,581.5
Number of ordinary shares at balance sheet date, million ⁴	168.0	168.0	168.0	168.2	168.2	168.2
Net Asset Value per share	11.01	9.66	10.42	12.15	10.67	9.40

¹ When calculating the EPRA NDV in accordance with EPRA's recommendations, the shareholders' equity is adjusted using EPRA's guidelines so that bonds are valued based on secondary market prices. The difference between the secondary market price and the carrying value of the bonds was EUR 246.5 million (secondary market price lower) as of 31 December 2022. In the comparison period 31 December 2021, the difference was EUR -73.3 million (secondary market price higher). 31 December 2021 adjustment corrected retrospectively.

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

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

⁴ Calculation updated from this and comparison periods. Divided by number of shares at balance sheet date instead of average amount of shares during the reporting period.

Condensed consolidated financial statements

1 January – 31 December 2022

Condensed consolidated statement of comprehensive income, IFRS

MEUR	Note	Q4/2022	Q4/2021	%	Q1–Q4/2022	Q1–Q4/2021	%
Gross rental income	3	54.8	55.1	-0.5%	222.3	222.2	0.1%
Service charge income	3.4	24.0	18.5	29.9%	79.2	70.2	12.8%
Property operating expenses		-26.5	-24.2	-9.4%	-94.7	-88.6	-6.9%
Other expenses from leasing operations		-1.2	-0.1	-	-3.1	-1.4	-
Net rental income	3	51.2	49.3	3.9%	203.6	202.3	0.7%
Administrative expenses		-7.4	-7.2	-2.3%	-28.7	-26.1	-9.7%
Other operating income and expenses		-11.4	0.0	-	-26.5	-0.4	-
Net fair value gains/losses on investment property	3	-79.7	42.7	-	-56.5	48.6	-
Net gains/losses on sale of investment properties and subsidiaries		-5.0	-1.7	-	-4.3	-6.5	34.5%
Operating profit	3	-52.2	83.2	-	87.7	217.8	-59.7%
Net financial income and expenses		-18.3	-16.5	-11.1%	-48.0	-55.0	12.6%
Share of profit/loss of joint ventures and associated companies		-14.5	0.0	-	-24.6	-6.3	-
Result before taxes		-85.1	66.7	-	15.1	156.5	-90.4%
Current taxes		0.7	-0.7	-	-2.1	-3.3	35.5%
Deferred taxes		8.1	-18.7	-	-7.9	-32.2	-75.6%
Result for the period		-76.2	47.3	-	5.1	121.0	-95.8%
Profit/loss attributable to							
Parent company shareholders		-75.9	47.3	-	5.3	121.0	-95.6%
Non-controlling interest		-0.3	0.0	-	-0.3	0.0	-
Earnings per share attributable to parent company shareholders							
Earnings per share (basic), EUR ¹	5	-0.50	0.23	-	-0.15	0.55	-
Earnings per share (diluted), EUR ¹	5	-0.49	0.23	-	-0.15	0.54	-
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss							
Net gains/losses on cash flow hedges		-0.4	0.2	-	0.5	1.2	-56.4%
Exchange gains/losses on translating foreign operations		-4.0	11.8	-	-73.5	36.0	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-4.5	11.9	-	-73.0	37.3	-
Other comprehensive income for the period, after taxes		-4.5	11.9	-	-73.0	37.3	-
Total comprehensive profit/loss for the period		-80.7	59.3	-	-67.9	158.3	-
Total comprehensive profit/loss attributable to							
Parent company shareholders		-80.4	59.3	-	-67.6	158.2	-
Non-controlling interest		-0.3	0.0	-	-0.3	0.0	-

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

Condensed consolidated statement of financial position, IFRS

MEUR	Note	31 December 2022	31 December 2021
Assets			
Non-current assets			
Investment properties	6	4,040.1	4,189.2
Goodwill		115.4	145.4
Investments in joint ventures and associated companies		103.5	129.3
Intangible and tangible assets, and other non-current assets		30.8	11.7
Derivative financial instruments	10, 11	18.6	15.2
Deferred tax assets		16.4	16.4
Total non-current assets		4,324.9	4,507.2
Investment properties held for sale	8	0.0	150.9
Current assets			
Derivative financial instruments	10, 11	2.8	1.0
Trade receivables and other current assets		63.9	89.3
Cash, cash equivalents and current financial investments	9	69.2	54.7
Total current assets		135.9	145.0
Total assets	3	4,460.7	4,803.0
Shareholders' Equity and Liabilities			
Equity attributable to parent company shareholders			
Share capital		259.6	259.6
Share premium fund		131.1	131.1
Fair value reserve		1.9	1.4
Invested unrestricted equity fund	12	660.2	744.2
Retained earnings	12	565.9	663.8
Total equity attributable to parent company shareholders		1,618.8	1,800.1
Hybrid bond		691.5	689.1
Non-controlling interest		0.0	0.3
Total shareholders' equity		2,310.3	2,489.5
Long-term liabilities			
Loans		1,676.1	1,871.9
Derivative financial instruments and other non-interest bearing liabilities	10, 11	0.4	11.8
Deferred tax liabilities		266.3	296.7
Total long-term liabilities		1,942.8	2,180.5
Short-term liabilities			
Loans		131.6	6.5
Derivative financial instruments	10, 11	0.4	5.1
Trade and other payables		75.6	121.3
Total short-term liabilities		207.6	133.0
Total liabilities	3	2,150.5	2,313.5
Total liabilities and shareholders' equity		4,460.7	4,803.0

Condensed consolidated cash flow statement, IFRS

MEUR	Note	Q1–Q4/2022	Q1–Q4/2021
Cash flow from operating activities			
Profit before taxes		15.1	156.5
Adjustments to profit before taxes		166.5	22.7
Cash flow before change in working capital		181.5	179.3
Change in working capital		-22.7	7.7
Cash generated from operations		158.8	186.9
Paid interest and other financial charges			
		-53.9	-58.6
Interest income and other financial income received			
		0.2	0.5
Current taxes paid			
		-5.4	-2.1
Net cash from operating activities		99.7	126.7
Cash flow from investing activities			
Acquisition of investment properties and subsidiaries, less cash acquired	6,7,8	-6.5	0.6
Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets	6,7,8	-173.9	-216.8
Sale of investment properties and subsidiaries	6,7,8	270.8	226.0
Purchase of current financial investments		-64.8	-285.0
Repayment of current financial investments		84.2	264.9
Net cash used in investing activities		109.8	-10.2
Cash flow from financing activities			
Proceeds from short-term loans		356.5	862.3
Repayments of short-term loans		-318.7	-1,082.5
Proceeds from long-term loans		-	346.1
Repayments of long-term loans		-102.5	-386.9
Proceeds from hybrid bond		-	342.5
Hybrid bond interest and expenses		-28.4	-20.3
Repurchase and costs of treasury shares		-1.6	-68.6
Dividends and return from the invested unrestricted equity fund	12	-84.0	-87.8
Realized exchange rate gains/losses		6.8	-12.7
Net cash from financing activities		-172.0	-107.8
Net change in cash and cash equivalents		37.5	8.6
Cash and cash equivalents at period-start	9	34.7	25.9
Effects of exchange rate changes		-3.1	0.3
Cash and cash equivalents at period-end	9	69.2	34.7

Condensed consolidated statement of changes in shareholders' equity, IFRS

MEUR	Share capital	Share premium fund	Fair value reserve	Invested unrestricted equity fund	Translation reserve	Retained earnings	Equity attributable to parent company shareholders	Hybrid bond	Non-controlling interest	Shareholders' equity, total
Balance at 1 January 2021	259.6	131.1	0.2	823.2	-150.9	755.4	1,818.6	347.2	0.2	2,166.0
Total comprehensive profit/loss for the period			1.2		36.0	121.0	158.2		0.0	158.3
Proceeds from hybrid bond							0.0	341.2		341.2
Hybrid bond interest and expenses						-20.5	-20.5	0.6		-19.9
Repurchase and costs of Treasury shares						-68.6	-68.6			-68.6
Dividends paid and equity return (Note 12)				-78.9		-8.9	-87.8			-87.8
Share-based payments						0.4	0.4			0.4
Other changes						-0.2	-0.2			-0.2
Balance at 31 December 2021	259.6	131.1	1.4	744.2	-114.8	778.6	1,800.1	689.1	0.3	2,489.5
Balance at 1 January 2022	259.6	131.1	1.4	744.2	-114.8	778.6	1,800.1	689.1	0.3	2,489.5
Total comprehensive profit/loss for the period			0.5		-73.5	5.3	-67.6		-0.3	-67.9
Hybrid bond interest and expenses						-30.6	-30.6	2.4		-28.2
Repurchase and costs of Treasury shares						-1.6	-1.6			-1.6
Dividends paid and equity return (Note 12)				-84.0			-84.0			-84.0
Share-based payments						2.4	2.4			2.4
Other changes						0.1	0.1			0.1
Balance at 31 December 2022	259.6	131.1	1.9	660.2	-188.3	745.3	1618.8	691.5	0.0	2,310.3

Notes to the condensed consolidated financial statements

1. Basic company data

Citycon is a leading owner, manager and developer of mixed-use centres for urban living including retail, office space and housing. Citycon operates in the business units Finland & Estonia, Norway and Sweden & Denmark. Citycon is a Finnish public limited liability company established under the Finnish law and domiciled in Helsinki. The Board of Directors has approved the financial statements on 16th of February 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 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.

No new COVID-19 rent discounts were granted during Q4/2022. During Q4/2021 EUR 0.0 million of new COVID-19 rent discounts were granted.

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 Q1–Q4/2022 by EUR -21.1 million (Q1–Q4/2021: EUR -6.3 million).

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

MEUR	Q4/2022	Q4/2021	%	Q1-Q4/2022	Q1-Q4/2021	%
Gross rental income						
Finland & Estonia	24.7	22.3	10.8%	96.5	90.7	6.4%
Norway	20.0	21.9	-8.8%	83.0	85.8	-3.2%
Sweden & Denmark	10.2	10.9	-6.8%	42.8	45.7	-6.3%
Total Segments	54.8	55.1	-0.5%	222.3	222.2	0.1%
Kista Galleria (50%)	2.3	2.4	-3.9%	9.4	9.8	-3.7%
Service charge income						
Finland & Estonia	8.8	7.6	16.5%	34.3	30.1	13.9%
Norway	10.9	8.1	34.2%	31.3	27.0	15.8%
Sweden & Denmark	4.3	2.7	56.7%	13.6	13.0	4.6%
Total Segments	24.0	18.5	29.9%	79.2	70.2	12.8%
Kista Galleria (50%)	1.2	0.9	30.9%	3.8	3.6	6.7%
Net rental income						
Finland & Estonia	22.3	20.0	11.3%	89.1	85.2	4.5%
Norway	20.3	19.8	2.5%	78.9	77.8	1.3%
Sweden & Denmark	8.6	9.6	-10.3%	36.0	39.2	-8.2%
Other	0.0	-0.2	-93.7%	-0.3	0.0	-
Total Segments	51.2	49.3	3.9%	203.6	202.3	0.7%
Kista Galleria (50%)	1.9	1.5	32.5%	6.8	6.4	7.2%
Direct operating profit						
Finland & Estonia	21.9	19.5	12.5%	86.7	82.5	5.1%
Norway	20.2	18.4	10.0%	76.0	73.6	3.2%
Sweden & Denmark	7.9	8.1	-1.7%	31.8	33.8	-5.9%
Other	-5.0	-3.8	-30.6%	-19.3	-13.8	-39.4%
Total Segments	45.1	42.2	7.0%	175.2	176.1	-0.5%
Kista Galleria (50%)	1.9	1.4	38.0%	6.6	6.1	9.3%
Net fair value gains/losses on investment property						
Finland & Estonia	-18.7	8.7	-	-16.5	2.7	-
Norway	-41.3	14.8	-	-30.9	16.0	-
Sweden & Denmark	-19.6	19.2	-	-9.2	29.9	-
Total Segments	-79.7	42.7	-	-56.5	48.6	-
Kista Galleria (50%)	-13.0	1.4	-	-25.5	-1.4	-
Operating profit/loss						
Finland & Estonia	3.0	26.6	-88.8%	73.5	83.0	-11.4%
Norway	-38.1	33.2	-	10.6	89.5	-88.1%
Sweden & Denmark	-12.1	27.2	-	22.8	59.1	-61.4%
Other	-5.0	-3.8	-30.6%	-19.3	-13.8	-39.4%
Total Segments	-52.2	83.2	-	87.7	217.8	-59.7%
Kista Galleria (50%)	-11.1	2.8	-	-18.8	4.7	-

MEUR	31 December 2022	31 December 2021	%
Assets			
Finland & Estonia	2,069.9	2,009.8	3.0%
Norway	1,320.3	1,699.9	-22.3%
Sweden & Denmark	779.0	821.1	-5.1%
Other	291.5	272.2	7.1%
Total Segments	4,460.7	4,803.0	-7.1%
Kista Galleria (50%)	223.9	263.3	-15.0%
Liabilities			
Finland & Estonia	12.6	39.8	-68.3%
Norway	20.8	36.4	-42.9%
Sweden & Denmark	15.4	131.6	-88.3%
Other	2,101.7	2,105.7	-0.2%
Total Segments	2,150.5	2,313.5	-7.0%
Kista Galleria (50%)	240.8	256.8	-6.3%

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	Q4/2022	Q4/2021	%	Q1-Q4/ 2022	Q1-Q4/ 2021	%
Service charges ¹	17.8	13.3	33.4%	59.9	53.6	11.6%
Utility charges ¹	3.7	2.5	45.8%	11.0	8.4	30.6%
Other service income ¹	2.6	2.7	-3.9%	8.3	8.1	2.5%
Management fees ²	0.1	0.2	-40.1%	0.6	0.9	-34.3%
Revenue from contracts with customers	24.1	18.7	28.9%	79.8	71.1	12.2%

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

² Is included in the line item 'Other operating income and expenses' in the Consolidated statement of comprehensive income.

5. Earnings per share

Earnings per share, basic		Q4/2022	Q4/2021	%	Q1-Q4/ 2022	Q1-Q4/ 2021	%
Profit attributable to parent company shareholders	MEUR	-75.9	47.3	-	5.3	121.0	-95.6%
Hybrid bond interests and expenses	MEUR	-7.7	-7.7	-0.4%	-30.5	-24.3	-25.5%
Weighted average number of ordinary shares ¹	million	168.0	174.2	-3.5%	168.0	177.0	-5.1%
Earnings per share (basic)¹	EUR	-0.50	0.23	-	-0.15	0.55	-
Earnings per share, diluted		Q4/2022	Q4/2021	%	Q1-Q4/ 2022	Q1-Q4/ 2021	%
Profit attributable to parent company shareholders	MEUR	-75.9	47.3	-	5.3	121.0	-95.6%
Hybrid bond interests and expenses	MEUR	-7.7	-7.7	-0.4%	-30.5	-24.3	-25.5%
Weighted average number of ordinary shares ¹	million	168.0	174.2	-3.5%	168.0	177.0	-5.1%
Adjustment for share-based incentive plans	million	2.3	0.8	-	2.5	0.4	-
Weighted average number of ordinary shares, diluted ¹	million	170.4	175.0	-2.6%	170.5	177.4	-3.9%
Earnings per share (diluted)¹	EUR	-0.49	0.23	-	-0.15	0.54	-

¹ The key figure includes hybrid bond coupons (both paid and accrued not yet recognized) 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, the first mentioned category included Lippulaiva in Finland and Barkarby residentials in Sweden, and on comparable period 31 December 2021 Lippulaiva.

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

31 December 2022

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

31 December 2021

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
Balance at 1 January 2021	271.5	3,880.7	4,152.2
Acquisitions	-	-0.6	-0.6
Investments	141.0	43.1	184.1
Disposals	-9.1	0.0	-9.1
Capitalized interest	6.5	0.4	6.9
Fair value gains on investment property	-	106.1	106.1
Fair value losses on investment property	-27.7	-18.0	-45.7
Valuation gains and losses from Right-of-Use-Assets	-	-11.8	-11.8
Exchange differences	-	55.1	55.1
Transfer between operative investment properties and joint ventures and transfer into investment properties held for sale	-	-260.5	-260.5
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	12.6	12.6
Balance at 31 December 2021	382.3	3,807.0	4,189.2

The fair value of Citycon's investment properties has been measured by CBRE (Norway, Denmark, Estonia) and JLL (Finland, Sweden) for the the Financial statements 2022 and 2021.

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

Yield requirement and market rents

	Weighted average yield requirement, %		Weighted average market rents, EUR/sq.m./mo	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Finland & Estonia	5.4	5.3	28.6	27.8
Norway	5.7	5.4	21.3	21.8
Sweden & Denmark	5.6	5.5	26.2	26.6
Investment properties, average	5.5	5.4	26.0	25.4
Investment properties and Kista Galleria (50%), average	5.5	5.4	26.1	25.7

7. Capital expenditure

MEUR	Q1–Q4/2022	Q1–Q4/2021
Acquisitions of properties ¹	6.3	-0.6
Acquisitions of and investments in joint ventures	0.4	29.2
Property development ²	165.7	191.0
Goodwill and other investments	4.6	4.5
Total capital expenditure incl. acquisitions	177.0	224.1
Capital expenditure by segment		
Finland & Estonia	119.7	163.6
Norway	32.1	21.7
Sweden & Denmark	21.4	35.2
Group administration	3.9	3.6
Total capital expenditure incl. acquisitions	177.0	224.1
Divestments^{3,4}	292.0	265.3

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

² Comprised mainly of investments in Lippulaiva.

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

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

8. Investment properties held for sale

On 31 December 2022 Citycon had no property held for sale properties. Transfer from investment properties, comprising of two properties in Norway segment, increased investment properties held for sale by EUR 126.5 million. These properties were sold during Q4/2022. On 31 December 2021 Investment properties held for sale comprised of two properties in Norway segment, which were sold during Q1/2022.

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

MEUR	31 December 2022	31 December 2021
At period-start	150.9	149.7
Disposals	-269.9	-256.3
Exchange differences	-7.5	-3.2
Investments	0.0	0.0
Transfer from investment properties	126.5	260.5
At period-end	0.0	150.9

9. Cash and cash equivalents

MEUR	31 December 2022	31 December 2021
Cash in hand and at bank	62.7	26.8
Restricted cash	6.5	7.9
Total cash	69.2	34.7
Current financial investments	-	19.9
Total cash and cash investments	69.2	54.7

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. Current financial investments consists of cash invested into highly liquid money market funds.

10. Fair values of financial assets and liabilities

Classification of financial instruments and their carrying amounts and fair values.

MEUR	31 December 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
I Financial assets at fair value through profit and loss				
Money Market Funds	-	-	19.9	20.0
Derivative financial instruments	19.5	19.5	14.8	14.8
II Derivative contracts under hedge accounting				
Derivative financial instruments	1.9	1.9	1.4	1.4
Financial liabilities				
I Financial liabilities amortised at cost				
Commercial paper	49.2	49.5	-	-
Bonds	1,715.7	1,732.5	1,835.3	1,860.3
Lease liabilities (IFRS 16)	42.8	42.8	43.2	43.2
II Financial liabilities at fair value through profit and loss				
Derivative financial instruments	0.6	0.6	16.7	16.7

11. Derivative financial instruments

MEUR	31 December 2022		31 December 2021	
	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps				
Maturity:				
less than 1 year	76.1	1.9	-	-
1–5 years	-	-	80.1	1.4
over 5 years	-	-	-	-
Subtotal	76.1	1.9	80.1	1.4
Cross-currency swaps				
Maturity:				
less than 1 year	-	-	-	-
1–5 years	314.8	18.5	314.8	2.3
over 5 years	-	-	-	-
Subtotal	314.8	18.5	314.8	2.3
Foreign exchange forward agreements				
Maturity:				
less than 1 year	83.2	0.5	322.1	-4.1
Total	474.0	20.9	717.0	-0.4

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 76.1 million (Q1–Q4/2021: EUR 80.1 million). The change in fair values of these derivatives is recognised under other comprehensive income.

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

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

12. Dividend and equity repayment

The Board of Directors proposes that based on the balance sheet to be adopted for the financial period ended on 31 December 2022, no dividend is distributed by a resolution of the Annual General Meeting. Nonetheless, the Board of Directors proposes that the Board of Directors be authorized to decide in its discretion on the distribution assets from the invested unrestricted equity fund in the manner set forth below.

Based on this authorization, the maximum total amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.50 per share. Based on the current total number of issued shares in the company, the authorization would equal to a maximum of EUR 84,004,470 in equity repayment.

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

Preliminary payment date

31 March 2023

30 June 2023

29 September 2023

29 December 2023

Preliminary record date

24 March 2023

23 June 2023

22 September 2023

20 December 2023

13. Contingent liabilities

MEUR	31 December 2022	31 December 2021
Mortgages on land and buildings	250.0	250.0
Bank guarantees and parent company guarantees	64.4	92.8
Capital commitments	76.9	81.7

The mortgage relates to the secured Revolving Credit Facility, which is currently fully undrawn. At period-end, Citycon had capital commitments of EUR 76.9 million (Q1–Q4/2021: EUR 81.7 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 (former Gazit-Globe Ltd). In total, G City and wholly-owned subsidiary Gazit Europe Netherlands BV own 52.12% (51.96%) of the total shares and votes in the company.

Over the reporting period, Citycon paid expenses EUR 0.0 million to G City Ltd and its subsidiaries. No expenses were paid during Q1–Q4/2021. Citycon invoiced EUR 0.0 million expenses forward to G City Ltd and its subsidiaries (Q1–Q4/2021: EUR 0.0 million).