

LISTING PARTICULARS



Citycon Oyj
(incorporated with limited liability in Finland)

EUR 350,000,000 Subordinated Fixed to Reset Rate Green Capital Securities
Issue Price: 98.495 per cent.

Citycon Oyj, a public limited company incorporated in Finland (the **Issuer**) is offering EUR 350,000,000 Subordinated Fixed to Reset Rate Green Capital Securities (the **Capital Securities**).

The Capital Securities shall bear interest on their principal amount from (and including) 4 June 2021 (the **Issue Date**) to (but excluding) 10 September 2026 (the **First Reset Date**) at a rate of 3.625 per cent. per annum, and thereafter at the relevant Reset Interest Rate (as defined in the terms and conditions of the Capital Securities (the **Conditions**) under Condition 4(d) (*Reset Interest Rates*)). Interest on the Capital Securities will (subject to the option of the Issuer to defer payments, as provided below) be payable annually in arrear on 10 September in each year from (and including) 10 September 2021. The first payment of interest will be made on 10 September 2021 in respect of the period from (and including) the Issue Date to (but excluding) 10 September 2021 (short first coupon).

Payments of interest on the Capital Securities may, at the option of the Issuer, be deferred, in whole or in part, as set out in Condition 5(a) (*Deferral of Interest Payments*). Any amounts so deferred, together with further interest accrued thereon shall constitute Arrears of Interest (as defined in the Conditions). Arrears of Interest may be paid (in whole or in part) at any time at the option of the Issuer (upon notice to the holders of the Capital Securities and in accordance with the Conditions), and must be paid in the circumstances provided in Condition 5(b)(ii) (*Settlement of Arrears of Interest—Mandatory Settlement*).

If the Issuer does not elect to redeem the Capital Securities in accordance with Condition 6(f) (*Redemption for Change of Control Event*) following the occurrence of a Change of Control Event (as defined in the Conditions), the then prevailing Interest Rate (as defined in the Conditions) and each subsequent Interest Rate otherwise determined in accordance with the provisions of Condition 4 (*Interest*), in respect of the Capital Securities shall be increased by an additional 5 percentage points per annum with effect from (and including) the day immediately following the Change of Control Step-up Date (as defined in the Conditions), as set out in Condition 4(i) (*Step-Up after Change of Control Event*).

The Capital Securities are undated obligations of the Issuer and have no fixed redemption date. The Issuer will have the right to redeem all (but not some only) of the Capital Securities on (a) any date from and including 10 June 2026 (the First Optional Redemption Date) up to (and including) the First Reset Date or (b) any Interest Payment Date thereafter at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date. The Issuer will also have the right to redeem all, but not some only, of the Capital Securities then outstanding at any time, other than (i) during the period from and including the First Optional Redemption Date to and including the First Reset Date or (ii) upon any subsequent Interest Payment Date at their Make-whole Redemption Amount. The Issuer may also redeem the Capital Securities upon the occurrence of a Change of Control Event, a Tax Deductibility Event, a Substantial Repurchase Event, a Capital Event or a Withholding Tax Event, or an Accounting Event and may in certain circumstances vary the terms of, or substitute, the Capital Securities, all as set out in the Conditions.

The Capital Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the *Securities Act*) or with any securities regulatory authority of any state or other jurisdiction of the United States. The Capital Securities are being offered and sold outside the United States in accordance with Regulation S under the Securities Act (*Regulation S*), and may not be offered and sold or delivered within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

These Listing Particulars have been approved by the Irish Stock Exchange plc, trading as Euronext Dublin (**Euronext Dublin**) and application has been made to Euronext Dublin for the Capital Securities to be admitted to the official list of Euronext Dublin (the **Official List**) and to trading on its Global Exchange Market (the **Global Exchange Market**), which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**). These Listing Particulars constitute the listing particulars in respect of the Capital Securities to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin and for such purposes, does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**). References in these Listing Particulars to the Capital Securities being “listed” (and all related references) will mean that the Capital Securities have been admitted to the Official List and have been admitted to trading on the Global Exchange Market.

MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Capital Securities has led to the conclusion that: (i) the target market for the Capital Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Capital Securities (a **distributor**) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Capital Securities has led to the conclusion that: (i) the target market for the Capital Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (**UK MiFIR**); and (ii) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Capital Securities (a **UK distributor**) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the **SFA**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the **SF (CMP) Regulations**) that the Capital Securities are “prescribed capital markets products” (as defined in the SF (CMP) Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRIIPs Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Capital Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation / PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Issuer has been rated Baa3 (stable outlook) by Moody’s Investors Service Ltd. (**Moody’s**), BBB- (negative outlook) by S&P Global Ratings Europe Limited, Sweden Branch (**S&P**) and BBB- (stable outlook) by Fitch Ratings Ireland Limited (**Fitch**). The Capital Securities are expected to be assigned a Ba2 rating by Moody’s, a BB rating by S&P and a BB rating by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Moody’s is established in the UK and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the **UK CRA Regulation**). Moody’s is not registered in the EEA and, accordingly, any ratings assigned to the Capital Securities by Moody’s will be endorsed by Moody’s Deutschland GmbH in accordance with Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). Each of Moody’s Deutschland GmbH, S&P and Fitch is established in the EEA and registered under the CRA Regulation. As such, each of Moody’s Deutschland GmbH, S&P and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Neither S&P nor Fitch is registered in the UK. Any ratings assigned to the Capital Securities by S&P or Fitch will be endorsed by S&P Global Ratings UK Limited or Fitch Ratings

Limited, respectively, in accordance with the UK CRA Regulation. Each of S&P Global Ratings UK Limited and Fitch Ratings Limited is established in the UK and is registered under the UK CRA Regulation.

The Capital Securities will initially be represented by a temporary global capital security (the **Temporary Global Capital Security**), without interest coupons, which will be deposited on or about 4 June 2021 (the **Closing Date**) with a common depository for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Capital Security will be exchangeable for interests in a permanent global capital security (the **Permanent Global Capital Security** and, together with the Temporary Global Capital Security, the **Global Capital Securities**), without interest coupons, on or after 14 July 2021 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Capital Security will be exchangeable for definitive Capital Securities only in certain limited circumstances.

An investment in Capital Securities involves certain risks. Prospective investors should have regard to the factors described under the heading “Risk Factors” on page 1.

Structuring Adviser

Citigroup

Joint Global Coordinators and Joint Bookrunners

Citigroup

Nordea

Joint Bookrunners

Danske Bank

Deutsche Bank

Goldman Sachs International

Swedbank

The date of these Listing Particulars is 2 June 2021

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in these Listing Particulars. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

These Listing Particulars are to be read in conjunction with all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*” below) and shall be read and construed on the basis that such documents are incorporated and form part of these Listing Particulars. Other than in relation to the documents which are incorporated herein by reference, the information on the websites to which these Listing Particulars refer does not form part of these Listing Particulars.

The Issuer, having made all reasonable enquiries, confirms that these Listing Particulars contain all material information with respect to the Issuer and the Capital Securities (including all information which, according to the particular nature of the Issuer and of the Capital Securities, is necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the rights attaching to the Capital Securities and the reasons for the issuance and its impact on the Issuer), that the information contained or incorporated in these Listing Particulars is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in these Listing Particulars are honestly held and that there are no other facts known to the Issuer, the omission of which would make these Listing Particulars or any of such information or the expression of any such opinions or intentions misleading.

References to **Citycon** are to Citycon Oyj. References to the **Group** are to Citycon Oyj and its subsidiaries.

These Listing Particulars contain certain market, historical and forward-looking economic and industry data, including information in “*Risk Factors*” and “*Description of the Issuer and the Group*” which have been obtained from publicly available information, independent industry publications and reports prepared by industry consultants. The Issuer has relied on the accuracy of such information without an independent verification thereof, however, the Issuer believes the information to be reliable. Where information in these Listing Particulars has been sourced from a third party, this information has been accurately reproduced and, so far as the Issuer is aware, and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information, data and statistics may be approximations or estimates or use rounded numbers. Information in these Listing Particulars which has been sourced from a third party is identified as such with the name of the third party source. None of the Issuer, the Joint Bookrunners or the Trustee (as defined below) represent that such information is accurate.

The language of these Listing Particulars is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of these Listing Particulars.

Save for the Issuer, no party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Citigroup Global Markets Limited, Danske Bank A/S, Deutsche Bank Aktiengesellschaft, Goldman Sachs International, Nordea Bank Abp and Swedbank AB (publ) as joint bookrunners (the **Joint Bookrunners**) or Deutsche Trustee Company Limited as trustee (the **Trustee**) for the holders of the Capital Securities (the **Holders**) as to the accuracy or completeness of the information contained or incorporated in these Listing Particulars or any other information provided by the Issuer in connection with the offering of the Capital Securities. No Joint Bookrunner or the Trustee accepts any liability in relation to the information contained in these Listing Particulars or any other information provided by the Issuer in connection with the offering of the Capital Securities or their distribution.

No person is or has been authorised by the Issuer, any Joint Bookrunner or the Trustee to give any information or to make any representation not contained in or not consistent with these Listing Particulars or any other information supplied in connection with the offering of the Capital Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Joint Bookrunners or the Trustee.

Neither these Listing Particulars nor any other information supplied in connection with the offering of the Capital Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Joint Bookrunners or the Trustee that any recipient of these Listing Particulars or any other information supplied in connection with the offering of the Capital Securities should purchase any Capital Securities. Each investor contemplating purchasing any Capital Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither these Listing Particulars nor any other information supplied in connection with the offering of the Capital Securities constitutes an offer or invitation by or on behalf of the Issuer, any of the Joint Bookrunners, or the Trustee to any person to subscribe for or to purchase any Capital Securities.

Neither the delivery of these Listing Particulars nor the offering, sale or delivery of the Capital Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Capital Securities is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Bookrunners and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Capital Securities or to advise any investor in the Capital Securities of any information coming to their attention. The Capital Securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Capital Securities may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Capital Securities and on distribution of these Listing Particulars, see “*Subscription and Sale*” below.

None of the Issuer, the Joint Bookrunners or the Trustee, or any of their respective representatives, is making any representation to any offeree or purchaser of the Capital Securities regarding the legality of an investment in the Capital Securities by such offeree or purchaser under the laws applicable to such offeree or purchaser. Prospective investors should not construe anything in these Listing Particulars as legal, tax, business or financial advice. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Capital Securities.

These Listing Particulars do not constitute an offer to sell or the solicitation of an offer to buy the Capital Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of these Listing Particulars and the offer or sale of the Capital Securities may be restricted by law in certain jurisdictions. The Issuer, the Joint Bookrunners and the Trustee do not represent that these Listing Particulars may be lawfully distributed, or that the Capital Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Joint Bookrunners or the Trustee which is intended to permit a public offering of the Capital Securities or the distribution of these Listing Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Capital Securities may be offered or sold, directly or indirectly, and neither these Listing Particulars nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Listing Particulars or any Capital Securities may come must inform themselves about, and observe, any such restrictions on the distribution of these Listing Particulars and the offering and sale of Capital Securities. In particular, there are restrictions on the distribution of these Listing Particulars and the offer or sale of Capital Securities in the United States and the United Kingdom; see “*Subscription and Sale*”.

Pursuant to the recommendation in the voluntary process guidelines for issuing “green” bonds published by the International Capital Market Association (the **Green Bond Principles**) that external assurance is obtained to confirm alignment with the key features of the Green Bond Principles, at the request of the Issuer, Cicero has issued a second opinion dated 5 November 2019 (the **Second Opinion**) in relation to the Issuer’s Green Financing Framework (as defined below). Neither the Green Financing Framework nor the Second Opinion is incorporated into, nor forms part of, these Listing Particulars. None of the Joint Bookrunners, the Trustee or the Agents makes any representation as to the suitability or content of the Green Financing Framework and none of the Issuer, the Joint Bookrunners, the Trustee or the Agents makes any representation as to the suitability of the Second Opinion. The Second Opinion is not a recommendation to buy, sell or hold securities and is only current as of the date it was initially issued. Furthermore, the Second Opinion is for information purposes only and Cicero does not accept any form of liability for its content

and/or any liability for loss arising from the use of the Second Opinion and/or the information provided therein. See “*Risk Factors—Risks Related to Capital Securities Generally—The Use of Proceeds of the Capital Securities May Not Meet Investor Expectations*”.

IN CONNECTION WITH THE ISSUE OF THE CAPITAL SECURITIES, CITIGROUP GLOBAL MARKETS LIMITED AS STABILISATION MANAGER (THE STABILISATION MANAGER) (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER-ALLOT CAPITAL SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE CAPITAL SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE CAPITAL SECURITIES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE CAPITAL SECURITIES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

All references in these Listing Particulars to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. All references in these Listing Particulars to **Swedish krona** or **SEK** refer to the lawful currency of the Kingdom of Sweden. All references in these Listing Particulars to **Norwegian krone** or **NOK** refer to the lawful currency of the Kingdom of Norway. All references in these Listing Particulars to **Danish krone** or **DKK** refer to the lawful currency of the Kingdom of Denmark.

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RISK FACTORS

Before making an investment decision, prospective investors should carefully review the specific risk factors described below, in addition to the other information contained in these Listing Particulars. The Issuer believes that the following factors may affect the Issuer's ability to fulfil its obligations under the Capital Securities. Most of these factors are contingencies which may or may not occur. Citycon's business, financial condition and results of operations could be materially affected by each of these risks presented. Also other risks and uncertainties not described herein could affect the Issuer's ability to fulfil its obligations under the Capital Securities. Additional risks and uncertainties not presently known to the Issuer, or that the Issuer currently believes are immaterial, could impair the ability of the Issuer to fulfil its obligations under the Capital Securities. Certain other matters regarding the operations of the Issuer that should be considered before making an investment in the Capital Securities are set out, in the section "Description of the Issuer and the Group", amongst other places.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE CAPITAL SECURITIES

RISKS RELATING TO CITYCON'S OPERATING ENVIRONMENT

Economic Fluctuations and Economic Development Have an Adverse Effect on the Real Estate Market and therefore on Citycon's Business and Results of Operations.

The real estate market, demand for retail and other premises, rent levels, occupancy rates, and tenants' ability to pay the rent are significantly affected by economic fluctuations and developments, making them potential risks for Citycon. The general economic trends and consumer confidence and behaviour in the Nordic countries and Estonia along with the economic impact on the fair values, occupancy rates and rent levels of the shopping centres could affect Citycon's business operations.

The business environment in Finland, Sweden, Estonia and Denmark was relatively unstable in 2020 due to the economic impact of the coronavirus (COVID-19) (the **Coronavirus**) outbreak which was declared a global pandemic by the World Health Organisation in March 2020, however, the decline in gross domestic product in the Nordics was significantly less than in the euro area, with negative 2.8 per cent. in Finland, negative 0.8 per cent. in Norway, negative 2.8 per cent. in Sweden, negative 2.7 per cent. in Denmark and negative 2.9 per cent. in Estonia as compared to negative 6.6 per cent. in the euro area.¹ In 2020, unemployment in the Nordics stood at 7.9 per cent. in Finland, 4.7 per cent. in Norway, 8.8 per cent. in Sweden, 6.1 per cent. in Denmark and 7.5 per cent. in Estonia as compared to 8.3 per cent. in the euro area. Inflation in the region was 0.4 per cent. in Finland, 1.4 per cent. in Norway, 0.6 per cent. in Sweden, 0.3 per cent. in Denmark and negative 0.5 per cent. in Estonia as compared to negative 0.3 per cent. in the euro area.²

Changes in national and local economies have an effect on the real estate market, and in particular on rent levels and occupancy rates. More specifically, actual inflation has a direct effect on rent levels. Certain of Citycon's leases are based on agreements whereby the rental rate is determined by (i) the base rent tied to a yearly rent revision which is based on an index, such as a cost-of-living index, or a percentage minimum increase, and (ii) the maintenance rent, which is separately charged to the lessee and is used to cover operating expenses incurred by the property owner relating to property maintenance. Thus, the development of rental income levels is for the most part strongly dependent on inflation rate developments.

A portion of Citycon's lease agreements also contain a turnover-linked component in addition to base rent, while a small portion of Citycon's other lease agreements are fully based on a tenant's turnover. At the end of 2020, leases which have a turnover-based component or which are fully based on a tenant's turnover accounted for 66 per cent. of

¹ Source: <https://ec.europa.eu/eurostat/databrowser/view/tec00115/default/table?lang=en>

² Source: SEB Nordic Outlook, European Commission, Eurostat, Statistics Finland/Norway/Sweden/Estonia/Denmark.

Citycon's lease portfolio. Reduction in a tenant's sales would therefore to some extent directly reduce Citycon's rental income. Reduced tenant sales also reduce tenants' willingness and ability to pay rent.

Periods of weak economic growth or recession and unfavourable real estate market conditions could reduce demand for Citycon's retail and other premises, occupancy rates and rent levels and result in decreased turnover-based rental income. Even though retail trade has been reasonably stable in the Nordics in recent years, except for some tenant segments during the Coronavirus pandemic, there are many threats to the European and global economy that may change this development and, therefore, there are no guarantees that Citycon will be able to maintain the present high degree of occupancy and the rental rates of the properties owned by it. The economic occupancy rate of Citycon's portfolio was approximately 93.6 per cent. at the end of 2020 (95.5 per cent. at the end of 2019), when Citycon's economic occupancy rate in Finland and Estonia was approximately 95.4 per cent., in Norway approximately 92.7 per cent., and in Sweden and Denmark approximately 92.4 per cent. The economic occupancy rate of Citycon's property portfolio was approximately 93.2 per cent. on 31 March 2021. Further, Citycon has some (re)development projects in progress and once these projects are completed, the leasable area within Citycon's shopping centres will increase. Planned leasing of the respective new retail premises is of primary importance to Citycon's financial development and growth. Adverse changes in rent levels, failures in renting new business premises or the loss of key tenants and subsequent decreases in occupancy rates could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Increasing Online Retail May Have an Adverse Effect on Shopping Centre Sales and Decrease Demand for Commercial Retail Premises.

The retail industry continues to transform as online retail grows and consumers increasingly shop online. In the Nordics, it is estimated that online sales accounted for around 12 per cent. of total retail sales in 2020 and may grow further. Although offline sales are expected to continue to account for a large majority of all retail sales, the growth of online and competitive retail schemes may affect customer behaviour and impact demand for commercial retail premises by new and existing tenants.

In particular, the concerns surrounding the public health impact of the Coronavirus pandemic may continue to adversely impact customers' perception of shopping centres and an increasing number of customers may prefer online shopping to frequenting shopping centres even after Coronavirus-related restrictions have been lifted. In addition, the increasing competition from online retail may also impact the investment needs of tenants and property owners who could start to invest more in stores and shopping centres, which could lead to higher pressure on margins. Shopping centres will need to adapt their services and tenant offerings to meet changing consumer behaviour and demand to continue to attract customers. Citycon aims to adapt its operations to the effects of increasing online retail by focusing on urban grocery- and necessity-anchored shopping centres in growing cities that increasingly offer cafés, restaurants and commercial and municipal services, as well as by utilising social media in daily operations. A significant increase in online retail internet shopping could, however, decrease shopping centre sales and the demand for commercial retail premises, which could have a material adverse effect on Citycon's business, results of operations, and financial condition. The growth or perceived future growth of online retail may also impact investors' willingness to invest in retail assets including shopping centres and in companies owning shopping centres. This may impact Citycon's access to equity and debt financing.

Increased Competition in the Real Estate Market May Have an Adverse Effect on Citycon's Business and Its Growth Opportunities.

The Nordic and Estonian real estate markets are characterised by increasing competition from international real estate investors. Citycon expects new real estate investors to continue to enter these markets in the future.

In addition, changes in the liquidity of Nordic real estate markets could have an impact on Citycon's ability to execute its divestment plans. In particular, poor liquidity in Nordic real estate markets may cause Citycon's divestment plans to be delayed.

Highly liquid real estate markets usually decrease yield requirements and increase real estate prices, whereas slow and illiquid markets usually increase yield requirements which leads to lower real estate prices. In recent years, there has

been relatively strong demand for prime properties while the demand for secondary properties has been weaker.³ In addition, the slow rate of planning approvals may have a limiting effect on the building of new retail properties or extensions of already existing retail properties. This development, combined with the entry of new international investors on the local markets, may make it more challenging for Citycon to acquire new properties and could weaken Citycon's market share and growth possibilities.

Citycon aims to further improve its business and profits by redeveloping and expanding its current properties, by acquiring new shopping centres for further development and by carrying on active shopping centre management. There are, however, no guarantees that Citycon will be able to maintain its market share and continue to benefit from its current position. Increased competition in the Nordic and Estonian real estate markets could weaken Citycon's position, market share and growth possibilities, which could in turn have a material adverse effect on Citycon's business, results of operations, and financial condition.

The Fair Value of Citycon's Investment Properties May Fluctuate.

The fair value of investment properties, and market price levels are influenced by several factors, such as fluctuations in general and local economic conditions, interest rates, availability and cost of financing, inflation expectations, GDP growth, private consumption, market rent trends, vacancy rates, property investors' yield requirements, property operating expenses, the relative attractiveness of other asset classes and competition.

In addition, city planning and building projects, as well as changes in competitive dynamics, may influence the value of properties. Citycon uses the fair value model in the valuation of its investment properties, whereupon fair value changes (i.e. fair value gains and losses) of investment properties are recognised in the statement of comprehensive income (IAS 40). Additional information on the changes in the fair value of Citycon's investment properties can be found in "*Citycon's Property Portfolio in Brief and Investments, Divestments and Development Projects*".

Citycon recognised net fair value gains on its investment properties in each year from 2012 to 2016, but from 2017 to 2020 recognised fair value losses, including a loss of EUR 146.9 million in 2020, EUR 121.9 million in 2019 and EUR 72.5 million in 2018. At the end of the first quarter of 2021, Citycon recognised a positive valuation change of EUR 8.5 million. Changes in the fair value of the investment properties impact Citycon's statement of comprehensive income and statement of financial position of Citycon, but they do not have a direct effect on the cash flow statement. Significant fair value losses of the investment properties could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Concentrated Property Portfolio and Dependency upon Retail Sales Expose Citycon to Local and Industry-Related Risks.

In accordance with Citycon's strategy, Citycon's property portfolio is concentrated and consists almost entirely of mixed-use centres for urban living including retail, services and to an increasing degree also office space, municipal services, health care and housing, the majority of which are currently located in Finland, Sweden and Norway. However, retail remains the dominant segment and Citycon's largest tenant groups are grocery, fashion and specialty store chains, but also cafés and restaurants, banks and financial institutions and municipalities and other public administration tenants. The fair value of Citycon's investment properties totalled EUR 4,238.4 million on 31 March 2021 including right-of-use assets recognised as part of investment properties based on IFRS 16 requirements, with Finnish and Estonian properties accounting for 45.7 per cent., Norwegian properties accounting for 36.1 per cent. and Swedish and Danish properties accounting for 18.2 per cent. of the total fair value. As Citycon's current property portfolio is currently concentrated on retail properties in the major cities in Finland, Sweden and Norway, Citycon's business depends heavily on the growth of retail trade in Finland, Sweden and Norway. For economic risks related to Citycon's business, please see "*Economic Fluctuations and Economic Development Have an Adverse Effect on the Real Estate Market and therefore to Citycon's Business and Results of Operations*".

³ Source: <https://www.jllsweden.se/content/dam/jll-com/documents/pdf/research/emea/sweden/en/jll-nordic-outlook-spring-2021-updated.pdf>; JLL Nordic City Report Spring 2019.

Citycon's high level of concentration in retail property and its dependency on the Finnish, Swedish, Danish, Estonian and Norwegian retail trade may have a material adverse effect on Citycon's business, results of operations, and financial condition.

The Construction of Shopping Centres and New Retail Premises May Increase Competition for Tenants and, Therefore, Negatively Affect Citycon's Business.

The construction of new shopping centres and other retail premises, especially in Finland and Estonia but also in other countries where Citycon operates, is likely to result in increased competition for tenants. This may put pressure on rent levels and increase marketing costs incurred by real estate owners and managers, make it more challenging to attract and retain tenants at commercially satisfactory rental rates and increase the vacancy rate. As a result, the need for tenant-specific alteration work and incentives to accommodate tenants' needs may increase. Any significant increase in marketing costs and tenant incentives and related investments, or the impact from difficulties in attracting and retaining suitable tenants, could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Property Valuation Statements Are Inherently Subjective Assessments of External Property Appraisers.

Real estate valuations are subjective assessments by external property appraisers that are influenced by a number of variables, assumptions, and methodologies that may result in the valuation being inaccurate. In particular, uncertainties impacting valuation statements include, amongst other factors, the lack of liquidity of real estate assets, the availability of debt funding, the nature of each property, its location, the expected future rental income from that particular property and the valuation methodology used to assess that property's value. This is especially true when there are few or no comparison sales. In addition, property appraisals are based on assumptions that may prove erroneous. Property appraisers make certain assumptions on the future development of the real estate market, such as market yields and market rents. Since the first quarter of 2017, Citycon has measured internally the fair value of properties in the first and third quarter of each fiscal year, while an external property appraiser prepares valuation reports for all properties in the second and fourth quarter of each fiscal year. When measuring internally the fair value of properties in the first and third quarter of each fiscal year, Citycon prepares the valuation on the basis of management estimates and judgement on yields and market rent indications instead of using the valuations provided by the external appraiser. Starting from the first quarter of 2021, properties under development have been evaluated by the external property appraisers only during the second and the fourth quarter of each fiscal year. During the first and the third quarter of each fiscal year, properties under development are evaluated internally by Citycon. Since 30 June 2017, property valuations and advisory regarding the property market, yields and market rents has been conducted by the global property specialist CBRE, with JLL starting to conduct the valuation for Citycon's Finnish properties for the financial statements with respect to the quarter ended 31 December 2019. Since the first quarter of 2020, JLL has also conducted the valuation for Citycon's Swedish properties. Any erroneous assumptions used as a basis for appraisals or deficient appraisals may result in such appraisals materially deviating from the market price of a property site and may thus have a material adverse effect on Citycon's business, results of operations, and financial condition.

Tenant Sales and Demand for Citycon's Retail Premises May Be Adversely Affected by Decreasing Private Consumption.

Private consumption has a material effect on the sales of Citycon's tenants and, hence, on the demand for Citycon's retail premises. Growth in retail sales is mainly dependent on economic development, increases in household purchasing power and growth in consumer spending. In 2020, retail sales grew in all the countries in which Citycon currently operates. In 2020, the growth rate of retail sales was 3.8 per cent. in Finland, 8.0 per cent. in Norway, 3.1 per cent. in Sweden, 4.0 per cent. in Estonia and 3.5 per cent. in Denmark.⁴

Weakness in the European economy may further decrease consumer confidence and reduce consumption. Should growth in private consumption slowdown in Citycon's geographic markets, this could lead to decreased demand for

⁴ Sources: SEB Nordic Outlook, European Commission, Eurostat, Statistics Finland/Norway/Sweden/Estonia/Denmark.

retail premises. Lower tenant demand may negatively affect the rental and occupancy levels in Citycon's portfolio, which could in turn have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon's Planned Growth May Be Affected by Competition Regulation and Authority Decisions in Relation to Executing Its (Re)development Projects.

In Finland, Citycon is a market leader in the shopping centre business measured by leasable retail area and is currently the only major property investment company specialising in shopping centres. Through the acquisition of Sektor Gruppen, Citycon entered the Norwegian market in 2015 and is the second largest shopping centre operator in Norway. In Sweden, Citycon is one of the leading players in the shopping centre market. Citycon owns two of the largest shopping centres in Tallinn, Estonia making it a market leader in that city. If Citycon were to acquire properties and increase its market share, it could become subject to increased scrutiny and challenges with regards to its compliance with competition regulations. It is possible that competition authorities could rule that certain future acquisitions are anti-competitive, which may limit Citycon's ability to further grow through acquisitions.

Citycon has new (re)development projects under consideration. All projects under consideration may change or be cancelled, for example due to circumstances relating to city planning and zoning. Public authorities, such as municipality authorities, are empowered to develop plans for the use of land. Development projects require close contacts with those authorities. Citycon's business depends on cooperation with authorities empowered with regulatory responsibility relating to Citycon's business. Adverse proceedings with authorities could have a material adverse effect on the possibility to start development projects, or on the progress of the development projects and therefore on Citycon's business, results of operations, and financial condition.

Possible Legislative Changes May Cause Unpredictable Adjustment Costs or Increased Tax Burden, and Possible Changes in the International Financial Reporting Standards May Affect Accounting Principles of Citycon's Financial Statements.

Citycon's operations are regulated by the legislation of each country in which Citycon operates. In addition, Citycon's operations may be affected by regional or supranational regulations, such as European Union legislation. Citycon's management believes that Citycon complies in all material respects with legislative requirements and other regulations as at the date of these Listing Particulars. Legislation and other regulations may, however, change, and Citycon cannot guarantee that in such cases it would be able to comply, without significant measures and expenses, with the requirements of changed legislation or other regulations. For example, changes in law and regulations, or in their interpretation and application, concerning property, land use, development and zoning may have a material impact on Citycon's ability to acquire and (re)develop properties. Changes in law and regulations concerning health, safety, stability requirements, tenants and rents, environmental protection, privacy, labour and taxation may have a material adverse effect on Citycon's operations. Additionally, environmentally oriented regulation and the industry best practices continue to increase in rigor and scope. Such changes may adversely affect Citycon's ability to use certain real estate assets as initially intended and could also cause Citycon to incur increased capital expenditure or running costs to ensure compliance with new or amended applicable laws or regulations, which may not be entirely offset by rental income.

Tax law and regulations and their interpretation and application related to tax deductibility of interest expenses and taxation of capital gains, as well as the laws and regulations related to stamp duties on transactions may be subject to change in the countries in which Citycon operates. Citycon monitors and analyses the impact of such changes as part of its normal operations. Citycon's taxable income is subject to uncertainty, and the final amount of taxes may deviate from the originally recorded amount. If the final amount of Citycon's taxes deviates from the originally recorded amounts, such differences may affect Citycon's taxable profit for the relevant period, tax receivables or liabilities as well as deferred tax assets or liabilities. Changes in capital gains taxation and in stamp duties may also impact the property markets and impede Citycon's ability to complete non-core disposals. As Citycon prepares its consolidated financial statements in accordance with IFRS, changes in international accounting standards may affect Citycon's accounting policies and, therefore, such changes may have a material adverse effect on Citycon's results of operations for the financial period.

Adapting Citycon's operations to any of the changes described above may result in additional costs or increased tax burden for Citycon that are difficult to anticipate, which in turn may have a material adverse effect on Citycon's business, results of operations, and financial condition.

The United Kingdom's Exit from the European Union May Adversely Impact Citycon's Business, Results of Operations and Financial Condition.

On 31 January 2020, the UK withdrew from the European Union and a transitional period applied until 31 December 2020 during which time European Union law continued to apply to the UK. On 24 December 2020 the UK and the European Union agreed to a trade agreement (the **Trade and Cooperation Agreement**), there are still a number of areas of uncertainty in connection with the future of the UK and its relationship with the European Union and the application and interpretation of the Trade and Cooperation Agreement, and Brexit-related matters may take several years to be clarified and resolved. Given that the UK may still face barriers to trade and commerce with the European Union and may still lose its present rights to the global trade deals negotiated by the European Union on behalf of its members, which may in turn diminish overall economic activity between the UK and the European Union and the UK and its global trade partners, it is currently impossible to determine the impact that Brexit, the Trade and Cooperation Agreement and the nature and extent of responses by the UK in the formulation of fiscal and monetary policies and any related matters may have on general economic conditions in the UK. It is also not possible to determine the impact that these matters will have on Citycon's business.

Due to the size and importance of the UK economy, and the uncertainty and unpredictability concerning the UK's relationship with the European Union, there may continue to be instability in the market, significant currency fluctuations, and/or otherwise adverse effects on trading agreements for the foreseeable future. Brexit may in the future cause certain adverse effects on European economic conditions and may have adverse effects on levels of economic activity in the countries in which Citycon operates. Any of the foregoing factors may have a material adverse effect on Citycon's business, results of operations, and financial condition.

RISKS RELATING TO CITYCON AND ITS BUSINESS

Citycon's (Re)development Projects May Fail.

Citycon aims to further improve its operations and profits by (re)developing and refurbishing its existing properties. Citycon's property development projects are subject to the risks usually attributable to construction projects, which include: (i) delays in construction work or other unforeseeable delays due to unforeseeable challenges, (ii) cost overruns, (iii) lack of demand for the new or (re)developed leased premises and (iv) planning and zoning risk. Should any of Citycon's significant (re)development projects prove to be unsuccessful, this may have a material adverse effect on Citycon's business, results of operations, and financial condition.

The Coronavirus Implications, or an Outbreak of Other Future Pandemics or Epidemics, in the Nordics Could Have an Adverse Impact on Citycon's Business and Operating Results.

The occurrence of pandemic or epidemic outbreaks such as the Coronavirus could materially and adversely affect Citycon's property valuations, financial condition and results of operations. In particular, the outbreak of the Coronavirus and the measures implemented to prevent its spread has had, and may continue to have, an adverse impact on Citycon's operating environment and performance. Varying degrees of restrictive measures were imposed and governmental guidelines and recommendations were published during periods of 2020 and in early 2021 by each of the countries in which Citycon operates in an effort to reduce the infection rate and contain the outbreak. As a large proportion of Citycon's tenants operate in essential sectors, such as groceries and pharmacies, all of Citycon's shopping centres have been at least partly open throughout the Coronavirus outbreak. The restrictive measures have had the effect of generally reducing economic activity, changing consumer behaviour and encouraging retailers to focus on online sales, which together have negatively affected footfall and tenant sales, specifically in the food and beverage, fashion and leisure and entertainment sectors in most of Citycon's shopping centres. As a result, the occupancy rates, rent collection levels and, in some cases, rent levels of the shopping centres have been negatively affected due to the diminishing ability of the tenants to meet their payment obligations. Citycon granted pandemic-related rent discounts mainly at the beginning of the Coronavirus pandemic to cafes and restaurants and only to a limited degree in the second half of 2020 and in 2021. In 2020 the total amount of rental reliefs granted due to the Coronavirus pandemic

was EUR 4.4 million, which were granted during the second quarter of 2020. The total amount of rental relief is accrued over the remaining contract period under IFRS, and accordingly the impact of such accruals was approximately EUR 1.6 million on the 2020 full year results.

While Citycon's rent collection levels have remained stable (2020: 96 per cent.; first quarter of 2021: 92 per cent.) and most of its tenants are open for business as of the date of these Listing Particulars, the degree to which the Coronavirus pandemic affects Citycon's property valuations, business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted.

If the pandemic continues to persist, social distancing and other measures intended to protect public health could be maintained for a prolonged period, especially if vaccination programmes proceed more slowly than currently expected. As a result, shopping centre footfall could be further negatively affected, which would be expected to materially and adversely affect the business and financial condition of Citycon's tenants and, consequently, their ability to meet their payment obligations to Citycon.

New and more restrictive measures could also be imposed as a result of a new wave of infections including due to mutated strains of the Coronavirus in the countries in which Citycon operates, as a result of which Citycon's tenants may struggle further to meet their payment obligations or have to close their stores due to persistent lack of sales. A material decrease in the rent that Citycon collects from its tenants as a result of prolonged public health measures in response to the Coronavirus pandemic or any future pandemic or epidemic would have a material adverse effect on the value of Citycon's portfolio and its financial condition, business and results of operations.

Citycon Has Exposures to Its Largest Tenants.

Citycon's largest tenants include international and local grocery, fashion and specialty chains, as well as restaurants, tenants from the banking and financing sectors and municipal and government tenants. For the year ended 31 December 2020, approximately 17.4 per cent. of Citycon's rental income was generated through lease agreements entered into with its five largest tenants: Kesko Group, the S Group, Varner Group, ICA Group and COOP. The largest individual tenant is the Kesko Group with its different business units and group companies; which together accounted for approximately 4.8 per cent. of Citycon's rental income for the year ended 31 December 2020, whereas the four other aforementioned tenants together accounted for approximately 12.6 per cent. of Citycon's rental income for the year ended 31 December 2020. The most important segment of the Kesko Group is grocery retail trade.

The potential inability of Citycon to satisfy the needs of its key tenants leading to decreasing demand for retail space from such key tenants could have a material adverse effect on the occupancy rates and rental income of Citycon's properties. Changes in the key tenants' business environment and behaviour, or the loss of rental income from one or more key tenants, could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Increase in Construction Costs Could Have a Negative Effect on Citycon.

As Citycon's existing properties age, the cost of repairs could increase, and in accordance with its strategy, Citycon may make significant investments in (re)developing its ageing properties. Such costs could be higher than Citycon's expectations, and the rent charged to tenants may not cover Citycon's costs, which could result in Citycon making a loss on the property.

In recent years, the construction industry has experienced an increase in the costs of construction and construction materials. Increases in construction costs could make certain projects of Citycon too expensive to complete or make the return on investment in such projects less than expected which could prevent Citycon from implementing all of its planned development projects or reduce the projected profitability of development projects already underway.

If Citycon does not maintain its ageing properties sufficiently, this may result in a decrease in the value of the properties, increased maintenance costs, significant cost to repair and renovate such properties and a reduction in the demand for retail premises, which could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon has commissioned the construction of some of the properties it owns. As the owner and developer of the properties, Citycon may be liable for possible faults found in the properties as well as other direct or indirect damage pertaining to the properties. Citycon's liability for defects and/or damages may materialise, for example, as compensation to tenants in or other users of Citycon's properties for damage caused due to defects or faults in the property. Potential faults related to construction and consequent liabilities may jeopardise the profitability of Citycon's business and lower the fair value of investment properties owned by Citycon, which may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon May Not Be Able to Execute Disposals of Real Estate at Acceptable Prices or at All.

In accordance with its strategy, Citycon has in the past sold properties in part or in full and is continuously considering the divestment of properties that are not considered part of its core portfolio. In recent years, Citycon has divested non-core properties and plans to continue to improve the quality of its portfolio and recycle capital through additional divestments in the coming years.

During the first quarter of 2020, Citycon divested Markedet in Haugesund, Norway for a total price of EUR 11.6 million. On 12 February 2021, Citycon signed an agreement to sell three shopping centres in Sweden for the gross purchase price of EUR 147.0 million. The closing of the transaction occurred on 31 March 2021.

The value and price of the disposed properties are influenced by several factors, such as general economic conditions, interest rates, inflation expectations, investor yield requirements, the availability of debt financing and competitive dynamics. It may also be difficult to sell properties that the markets categorise as non-prime properties and purchasers' desire or ability to pay for the real estate properties and the disposal of secondary assets are also affected by low liquidity. There can be no guarantee that Citycon will be able in the future to execute disposals at acceptable prices or at prices that are higher than the fair market valuation of a particular property. Delayed disposal of properties or disposals of the properties at a loss could have an unfavourable impact on Citycon's balance sheet and slow down the plan for asset quality improvement of Citycon and this may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Terrorist Attacks May Have an Adverse Impact on Citycon's Business and Operating Results and Could Decrease the Value of Citycon's Assets.

Terrorist attacks have resulted in substantial and continuing economic volatility and social unrest globally and regionally. Further developments stemming from these events or other similar events could cause further volatility. An increase in the frequency, severity or geographic reach of terrorist acts could destabilise the countries in which the Group operates and lead to economic downturn which could be harmful to Citycon's business. The direct and indirect consequences of any terrorist attacks are unpredictable, and Citycon is unlikely to foresee events that could have an adverse effect on the results of its business operations. Citycon's shopping centres could be a target of terrorist attacks and Citycon's operations could be adversely impacted if infrastructure integral to Citycon and its tenants' operations is destroyed or damaged.

Although Citycon has insurance coverage for acts of terrorism, the psychological impact of such events may have an adverse impact on consumers and potential visitors in Citycon's shopping centres. Citycon has very little control over the visitors in Citycon's shopping centres and as consumers perceive increased risk of terrorist acts in places of public gathering, such as shopping centres, they may reduce the number of visits made to or the time spent in these places due to the lack of security controls in Citycon's shopping centres. Future terrorist attacks may also result in declining economic activity, which could reduce the demand for and the value of Citycon's properties. Terrorist attacks or incidents, or the threat of attacks, could disrupt the operations of Citycon's tenants, negatively impact sales and tenants' businesses could be adversely affected, including their ability to continue to honour their lease obligations, which may reduce Citycon's cash flow and have a material adverse effect on Citycon's ability to service its debt financing arrangements.

The Ability to Integrate Acquired Targets Successfully Is a Requirement to Meet Citycon's Targets for Growth in Profitability.

Citycon's business has grown in recent years, mostly through acquisitions of new shopping centres and completion of (re)development projects. This growth has required and is further expected to require significant management and personnel resources as well as financial resources. Successful integration of acquired properties into Citycon's existing business is essential for Citycon's ability to grow profitably. Should Citycon be unable to successfully integrate targets acquired in the future, this may have a material adverse effect on Citycon's business, results of operations, and financial condition.

The Issuer's Ability to Meet Its Obligations Depends Primarily upon Receipt of Sufficient Funds from Other Members of the Group.

The Issuer's ability to meet its obligations depends primarily upon receipt of sufficient funds from other members of the Group. The Issuer is dependent upon payments, including by way of loans, from other members of the Group to generate the funds necessary to pay principal and interest on its borrowings. The Issuer and its Subsidiaries may from time to time be subject to restrictions on their ability to make such payments to the Issuer as a result of regulatory, fiscal, and other restrictions. There can be no assurance that such restrictions will not have a material adverse effect on the Issuer's ability to service its borrowings or meet any other costs it may incur, including in respect of the Capital Securities. There can be no assurance that the Issuer will receive sufficient funds from other members of the Group to meet its financial obligations.

Joint Ventures May Introduce Additional Risks to Citycon.

Citycon may execute real estate acquisitions together with other real estate investors or dispose a part of its properties to third parties. For instance, in January 2013, Citycon acquired Kista Galleria, a large prime shopping centre in Stockholm, in partnership with Canada Pension Plan Investment Board (CPPIB), an investment management organisation investing the funds of the Canada Pension Plan. Citycon and CPPIB each own 50 per cent. of the shopping centre. Citycon also owns the Iso Kristiina in Lappeenranta, Finland, in partnership with Ilmarinen, a Finnish pension fund. Citycon and Ilmarinen each own 50 per cent. of the shopping centre.

These kinds of joint ventures bring along certain risks. Citycon's ability to withdraw funds (including dividends) from and to exercise management control over the joint ventures may depend on the consent of the joint venture partners. Any disagreements with its partners, for example, on developing the business or pursuing the joint projects or other typical risks relating to a joint venture structure, such as potential joint and several or secondary liability for transactions and liabilities of the joint venture entity, the difficulty of maintaining uniform standards, controls, procedures and policies and the possible termination and/or commencement of a forced buy or sell procedure by the joint venture partner or of the joint venture partner's stake in the joint venture entity, either as a matter of right or by virtue of alleged non-compliance with the applicable joint venture agreement, may have a material adverse effect on Citycon's business, results of operations and financial condition. In addition to this, lenders may become less willing to lend to Citycon if it has a greater proportion of co-owned properties. Any of the above could have a material adverse effect on Citycon's business, results of operations, and financial condition.

There Is No Guarantee That Citycon's Lease Agreements Will Be Extended in the Future and it is Possible that New Lease Agreements Materialise on Materially Worse Conditions.

Citycon's lease agreements are divided into two categories: fixed-term lease agreements and lease agreements effective until further notice. Citycon mainly seeks to enter into fixed term leases. Apartments, storage facilities and individual parking spaces form the main exceptions to this. As of 31 December 2020, leases in effect until further notice represented approximately 4 per cent. of Citycon's property portfolio.

Lease agreements effective until further notice introduce a risk that a large number of such agreements may be terminated within a short period of time, and this risk may increase in an uncertain economic environment. Conversely, fixed-term agreements are less flexible, which may in some cases delay necessary development projects

in the property during the term of the agreement. The average remaining length of Citycon's lease agreements was 2.9 years as of 31 March 2021.

Citycon generally aims to renew lease agreements with the existing tenants. There are, however, no guarantees that Citycon will be successful in extending the lease agreements at current or with increased rent levels. Accordingly, Citycon cannot guarantee that the like-for-like net rental income growth achieved during the last years can be maintained. The concurrent termination of a large number of lease agreements and the inability of Citycon to renew these agreements on improved or similar terms could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Strong Market-Share Concentration of Grocery Retail Trade in Finland, Norway and Sweden Limits Competition and Rent Levels.

Grocery stores, including four of the five largest tenants of Citycon based on total gross rental income—Kesko Group, the S-Group, ICA Group and COOP—are often anchor tenants in the shopping centres owned by Citycon. Particularly in Finland, but also in Sweden and Norway, the grocery retail trade is strongly concentrated; the S-Group's market share in the entire Finnish grocery retail market was approximately 46.0⁵ per cent. in 2020 and the market share of Kesko was approximately 36.9⁶ per cent. in 2020. In concentrated markets demand for retail space is lower due to reduced competition, thereby leading to a situation where Citycon might not always be able to receive satisfactory rent levels from its retail premises. These factors, in addition to competition that limits or reduces rent levels and subsequently reduces rent potential from grocery stores, could have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon May Fail to Acquire Required Services or to Transfer the Related Service Cost Increases to Tenants.

Citycon utilises external service providers in its operations in connection with maintaining and constructing Citycon's properties as well as in connection with the planning of development projects. Citycon's main external operational service providers are delivering services in the fields of cleaning, technical maintenance, utilities and security. Such external service providers may expose Citycon to various risks, including, but not limited to, failure to perform their contractual obligations, cost deviations in relation to the external services, or liability for their actions or for the actions of property users.

The availability, terms and conditions, price, and quality of these external services, as well as the possibility of transferring any increases in the costs of these services to the tenants, are material to Citycon's business. The expenses related to Citycon's external services are not always fixed and may fluctuate from time to time and there is no guarantee that Citycon will be able to pass increases on to Citycon's tenants which might cause Citycon's cash flow and results of operations to decrease. Furthermore, certain tenants have requested in the past, and may request in the future, rent freeze or relief which reduces Citycon's ability to transfer increased expenses fast enough to tenants and may result in decreased revenues. In addition, Citycon's failure to procure the necessary services on reasonable terms and on a timely basis could impair Citycon's ability to develop and maintain Citycon's properties and may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon Is Exposed to Environmental Liabilities.

As owner and holder (as tenant) of real property, Citycon could be held liable for possible environmental damage caused by the operations carried out on such property if such operations have not been carried out in accordance with applicable regulations which may in turn decrease the value of Citycon's property. In 2020, BREEAM In-Use certified covered 77 per cent. of Citycon's portfolio measured by fair value. Although Citycon believes that its properties are generally not used for operations that could be particularly harmful to the environment, it cannot be ruled out that it

⁵ Source: <https://www.pty.fi/ajankohtaista/tiedotteet/uutinen/article/paivittaeistavarakaupan-myynti-jamarkkinaosuudet-2020/>

⁶ Source: <https://www.pty.fi/ajankohtaista/tiedotteet/uutinen/article/paivittaeistavarakaupan-myynti-jamarkkinaosuudet-2020/>

could be held liable for environmental damage incurred on an owned or held property. For instance, Citycon may acquire properties that have unknown adverse environmental conditions or develop adverse environmental conditions. As a result, Citycon may incur liabilities for the clean-up of such properties even if Citycon did not know of, or was not responsible for, the adverse environmental conditions. In addition to the costs of clean-up, such adverse environmental conditions can affect the value of a property, Citycon's ability to lease and sell the property as well as Citycon's ability to borrow funds using the property as collateral. In addition, although Citycon believes that it has not caused any environmental harm in connection with its management of the properties, it cannot be ruled out that Citycon could be held liable for damages if it causes or has caused environmental harm in connection with management of the properties. The costs associated with such damages or remediation activities could be substantial for Citycon. Such environmental liability could, if it materialises, have a material adverse effect on Citycon's business, results of operations, and financial condition.

Concerns about the Effects of Climate Change May Have an Impact on Citycon's Business.

Citycon is exposed to the potential impacts of future climate change and climate change-related risks. Particularly, Citycon is exposed to potential physical risks from possible future changes in climate and rare catastrophic weather events, such as severe storms and/or floods. If the frequency of extreme weather events increases due to climate change, Citycon's exposure to these events could increase.

The regulatory focus on the potential impacts of climate change is increasing, including the introduction of more stringent requirements related to building regulations and energy efficiency. Such measures could result in increased costs and Citycon may be adversely impacted as a real estate developer with regards to new construction projects or to the adaptation of buildings, as in the future Citycon could be required to meet much stricter building regulation requirements and/or energy efficiency requirements.

Citycon Is Dependent Upon Professional Management and Key Personnel.

The success of Citycon materially depends on the professional skills of Citycon's management and personnel, as well as on the ability of Citycon to retain its current management and to recruit new skilled personnel, when needed. As Citycon's current operating model is based on a lean organisational structure and Citycon relies on a limited number of key personnel there can be no guarantees that Citycon will be able to replace departing key personnel in a timely manner or to develop and retain its management and key personnel in the future. In the event that Citycon experiences pressure on its lean organisational structure, Citycon might incur significant recruitment costs if hiring new management or other key personnel is time critical. The loss of Citycon's key management members or key employees and know-how, potentially to Citycon's competitors, and the inability to attract qualified new personnel may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon's Insurance Coverage May Prove to Be Inadequate.

Citycon has obtained insurance coverage for its properties and buildings, which it believes to be in line with standard industry practices. This insurance covers liabilities based on, for example, possible water damages, fire damages and damages caused by acts of vandalism or terrorism. In addition, liability insurance aimed to cover damages caused to third parties is also included in Citycon's insurance coverage. Furthermore, Citycon has valid business interruption insurance. Insurance coverage is subject to certain limitations and some risks may not be covered by insurance. Even if the insurance would be adequate to cover Citycon's direct losses, Citycon could be adversely affected by loss of earnings caused by or relating to damage to its properties. The occurrence of any of the above harmful effects or insufficient insurance coverage may have a material adverse effect on Citycon's business, results of operations, and financial condition.

Any Damage to Citycon's Reputation May Have an Adverse Effect on Citycon's Ability to Attract and Retain Tenants.

Citycon's business depends upon earning and maintaining the trust and confidence of tenants and visitors to Citycon's shopping centres. Citycon's ability to attract and retain tenants may suffer if Citycon's reputation is damaged and this may impact Citycon's profitability and ability to grow the business. Matters affecting Citycon's reputation may

include, amongst other things, the quality and safety of its business properties, compliance with legislation and official regulations, actions by tenants and actions by individuals at Citycon's properties. Any damage to Citycon's reputation may lead to reduced visitors which will be disruptive to the operations of Citycon's tenants and may result in a material adverse effect on Citycon's cash flow.

Citycon Is Subject to Regulatory and Legal Risks Relating to Securities Issues.

An issuance of shares or other securities by Citycon in or into certain jurisdictions may be subject to specific registration, admission or qualification requirements or other restrictions imposed by local law or regulatory authorities, or may be prohibited altogether. Citycon uses its best efforts to comply with such restrictions, but it cannot be excluded that due to ambiguities related to the application of and practice related to such restrictions, or due to any other reason, Citycon may become subject to regulatory or legal proceedings potentially resulting in fines or penalties or liability for damages. Citycon also has a large number of foreign investors and, in the future, may market its securities to additional foreign investors, which may also increase the risk of potential claims by such investors based on any applicable securities laws or regulations. Even if any such allegations or claims against Citycon were without merit, such claims or regulatory and legal proceedings might nevertheless cause Citycon significant reputational harm and expose Citycon to significant legal costs.

Credit Losses May Increase as a Result of the Tenants' Financial Difficulties.

As a consequence of a weaker economic environment, incidences of tenants experiencing financial difficulties during the terms of their lease could increase. Credit losses have increased slightly in 2020, amounting to EUR 5.1 million at the end of 2020 (the amount of credit losses was EUR 2.4 million in 2019 and EUR 2.2 million in 2018). Despite a majority of Citycon's lease agreements including rental guarantees, Citycon's credit losses may increase in the future. Any significant credit losses could have a material adverse effect on Citycon's business, results of operations, and financial condition. With respect to tenants having difficulties meeting their rent obligations due to the Coronavirus pandemic also refer to "*—The Coronavirus implications, or an outbreak of other future pandemics or epidemics, in the Nordics could have an adverse impact on Citycon's business and operating results*".

Citycon's Actual Performance May Differ Materially from the Long-Term Financial Targets and Prospects Included in these Listing Particulars.

Citycon's long-term financial targets and prospects constitute forward-looking information that is subject to considerable uncertainty. The long-term financial targets and prospects are based upon a number of assumptions relating to, amongst others, the development of Citycon's industry, business, results of operations, and financial condition. Citycon's actual business, results of operations, and financial condition, and the development of the industry and the macroeconomic environment in which Citycon operates, may differ materially from, and be more negative than, those assumed by Citycon when preparing its long-term financial targets and prospects. As a result, Citycon's ability to reach these long-term financial targets and prospects is subject to uncertainties and contingencies, some of which are beyond Citycon's control, and no assurance can be given that Citycon will be able to reach these targets and prospects or that Citycon's financial condition or results of operations will not be materially different from the long-term financial targets and prospects that Citycon has set for itself.

Citycon Could Be Exposed to Disruptions and Other Damages to its Information Technology and Other Networks and Operations, and Breaches in Data Security.

Citycon is dependent upon information technology systems, infrastructure and data to operate. Citycon's ability to achieve planned revenues and control costs depends in part on the reliability of the technologies in place and system networks. Citycon might incur losses that are caused by disruption or malfunction of IT systems, and telecommunications systems, mechanical or equipment failures, human error, natural disasters, security breaches or malicious acts. For instance, cyber security incidents are increasing in frequency and may include installation of malicious software, unauthorised access to data and other electronic security breaches that could lead to disruptions in systems, unauthorised release of confidential or otherwise protected information and the corruption of data. Although Citycon has not experienced major disruptions and cyber security incidents in the past, there can be no assurance that security measures will prevent disruptions or security breaches which could adversely affect Citycon's business. For instance, the increased requirements for working remotely in light of Coronavirus continue to impose

additional pressure on Citycon's IT systems and existing security requirements. In particular, the relatively high number of Citycon's remote workers may introduce identity-assurance issues and increase cyber security risks. Any disruption, malfunction of Citycon's IT systems or security breach could result in legal proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruptions to Citycon's operations and damage to Citycon's reputation, which could have material adverse effects on Citycon's business and results of operations.

FINANCING RISKS RELATING TO CITYCON'S BUSINESS

Citycon May Not Be Able to Secure Financing on Satisfactory Terms or at All in the Future.

Citycon operates in a sector that requires high levels of capital investments. Citycon has in recent years carried out different equity and debt financing arrangements, including directed share issues (2007, 2010, 2011 and 2014), rights issues (2007, 2012, 2013, 2014 and 2015), bond issues (2009 and each year from 2012 to 2021), establishing its Euro medium term note programme in 2017 as well as putting in place several bank credit facility arrangements. In addition, Citycon has commercial paper programmes in Sweden, Finland and Norway. In November 2019, Citycon launched a green financing framework which enables Citycon to integrate sustainability objectives in its financing activities (the Green Financing Framework). The Green Financing Framework allows Citycon to issue green bonds and access "green" financing, and is available on Citycon's website at: https://www.citycon.com/sites/default/files/citycon_green_financing_framework.pdf.

In June 2020, Citycon successfully placed a EUR 200 million bond tap issue due 2024. In November 2020, Citycon issued green bonds of NOK 800 million due 2023 and in March 2021 it issued green bonds of EUR 350 million due 2028. Citycon also renewed and extended its EUR 500 million multicurrency sustainability-linked revolving credit facility in November 2020. On 31 March 2021, Citycon's unused credit limits and cash balance amounted to EUR 564.3 million as a substantial liquidity buffer for capital investments and short-term commercial paper maturities.

Citycon has commitments to lenders to the effect that it undertakes to maintain its net debt to total assets ratio at below 60 per cent., and its interest coverage ratio at a minimum of 1.8:1.0. Further, under the terms of its outstanding bonds, Citycon has committed to maintaining its solvency ratio at or below 0.65:1.0 and its secured solvency ratio at or below 0.25:1.0. These covenants are calculated biannually according to the relevant debt agreement.

Furthermore, macroeconomic conditions might also have a significant effect on Citycon's ability to obtain financing. Deterioration in the economy of the euro area or the Nordics could result in a reduction in the capital that lenders are willing to deploy within the euro area, which may result in increased financing costs or the lack of available financing on economically viable terms.

Citycon's refinancing of maturing debt and upcoming new investments in developing projects or new acquisitions create a need for new funding. If Citycon is unable to obtain financing on commercially favourable terms, or if delays are incurred in obtaining such financing, this could impair Citycon's ability to make investments, or force Citycon to divest assets, which, in turn, could have a material adverse effect on the execution of Citycon's strategy and Citycon's business, results of operations, and financial condition.

Increases in Interest Rates and Credit Margins Increase Citycon's Financing Costs.

Changes in interest rates have a significant effect on the real estate business. Market interest rates fell sharply due to the financial crisis in the autumn of 2008 and have stayed at very low levels in historical terms since then. In 2019 and 2020, interest rates for the Euro and Swedish krona remained at all-time lows. Interest rates are expected to increase over time.

Fluctuations in interest rates affect Citycon's floating-rate loan interest expenses, which increase as market interest rates increase. Citycon carefully monitors the development of interest rates and actively hedges its position against changes in interest rates. According to Citycon's financing policy, its interest rate position must be hedged at a minimum level of 70 per cent. and at a maximum level of 90 per cent. Citycon mainly uses fixed-rate debt and interest rate swaps to manage its interest rate risks. Citycon's ratio of fixed interest debt was 95.6 per cent. on 31 March 2021.

A substantial increase in interest rates may also affect private consumption or the ability of tenants to pay rents or may lead to increased vacancy rates of Citycon's business premises.

Tightening regulation of the banking sector (including Basel III) may contribute to higher costs of financing for banks, which may result in an increase in the price of Citycon's new bank financing and Citycon's average interest rate level. The spread required by debt capital market investors to invest in bonds issued by Citycon varies over time depending on market sentiment and Citycon's credit rating.

A material increase in interest rates or increased credit margins could, especially in the long term, have a material adverse effect on Citycon's business, results of operations, and financial condition.

Citycon Is Exposed to Fluctuations in Exchange Rates.

Citycon is exposed to foreign currency risks due to its operations and debt and equity investments outside of the euro area, mainly from the Swedish krona and Norwegian krone. According to Citycon's policy, all net currency transaction positions resulting in currency gains or losses in the profit and loss statement are managed and hedged with currency derivatives.

In order to prepare its financial statements, Citycon must convert the values of the assets, liabilities, revenues and expenses denominated in Swedish krona, Norwegian krone and Danish krona into euro at exchange rates applicable in the relevant time period. Equity investments into subsidiaries outside the euro area are not hedged, which will create non-cash translation differences and a weaker Swedish krona or Norwegian krone rate reduces the value of these investments as well as the equity of the Group. The translation of the income statements in local currencies into euro, has a currency rate impact on the Group income metrics such as the earnings and the earnings per share.

Accordingly, significant movements in currency rates may have a material adverse effect on Citycon's business, results of operations and financial condition.

In Sweden and Norway, most of Citycon's sales and expenses are denominated in the local currency. To minimise any negative impact caused by exchange rate volatility, Citycon seeks to finance its Swedish business in Swedish krona and the Norwegian business in Norwegian krone so that changes in operating profit due to currency fluctuations are partly offset by changes in financial expenses.

In Denmark, the Danish krone has been closely pegged to the euro from the start and it does not, therefore, expose Citycon to major exchange rate risks. If the situation were to change and the Danish krone were devalued against the euro, it could have a material adverse effect on Citycon's business, results of operations, and financial condition.

An English court judgment may not be enforceable in Finland

Citycon is incorporated with limited liability under the laws of Finland, and a substantial portion of its assets are located in Finland, so any judgment obtained by a Holder in respect of the Capital Securities in the English courts against Citycon may need to be enforced in Finland. Subject as described below, any judgment obtained in respect of the Capital Securities in the English courts against Citycon would not be enforceable in Finland. While a judgment of the English courts is likely to be of persuasive authority as a matter of evidence before the courts of law, administrative tribunals or executive or other public authorities in Finland, the matter would be subject to a re-trial on its merits in the Finnish courts.

The UK has applied to become a party to the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters made at Lugano on 30 October 2007 (the Lugano Convention) and, upon the UK becoming a contracting state under the Lugano Convention, a judgment of the English courts would be enforceable in Finland without the need to re-examine or re-litigate the matter in the Finnish courts. However, it is unclear whether the UK's application to become a contracting state under the Lugano Convention will be accepted or (if so accepted) when its accession to the Lugano Convention will become effective. Unless or until such accession becomes effective (or any other equivalent arrangements are put in place), any judgment obtained in respect of the

Capital Securities would not be enforceable in Finland and the matter would be subject to a re-trial on its merits in the Finnish courts.

The Interests of Citycon’s Significant Shareholders May Be Inconsistent with the Interests of Holders.

There are, as at the date of these Listing Particulars, certain shareholders who hold, directly and indirectly, a significant position in Citycon’s share capital. The interests of Citycon’s significant shareholders could conflict with the interests of Holders of the Capital Securities. On 31 March 2021, Citycon’s largest shareholder, Gazit-Globe Ltd., held 49.2 per cent. of all the shares and votes in Citycon. Gazit-Globe Ltd.’s shareholding enables it to prevent resolutions requiring a majority of at least two-thirds of the votes cast and shares represented at a General Meeting of Shareholders. Such resolutions include a resolution to amend Citycon’s Articles of Association, resolutions to issue shares in deviation from the pre-emptive subscription right of shareholders and resolutions regarding a potential merger, demerger or liquidation of Citycon.

CPP Investment Board European Holdings S.à r.l. (**CPPIBE**) is Citycon’s second largest shareholder holding 7.5 per cent. of all the shares and votes in Citycon on 31 March 2021. Citycon has no knowledge of any effective shareholder agreements. The governance agreement entered into between CPPIBE and Gazit-Globe Ltd. on 12 May 2014, as disclosed by Citycon through stock exchange release on 13 May 2014 and 17 March 2020, was terminated in accordance with its terms and conditions after CPPIBE ceased to hold at least 10 per cent. of Citycon shares, directly or indirectly, for more than 30 consecutive days. CPPIBE’s total holding of Citycon shares decreased below the threshold of 10 per cent. on 17 March 2021. Significant shareholders’ interests may differ from the interests of other shareholders and may affect potential actions or transactions that might benefit the Holders. For further information please see “*Description of the Issuer and the Group*”.

Gazit-Globe Ltd.’s Ownership May Exceed 50 per cent. Triggering Change of Control Clauses and an Obligation to Make a Mandatory Public Offer.

Should the ownership of Gazit-Globe Ltd. exceed 50 per cent. of the votes carried by Citycon’s shares, this would trigger an obligation for Gazit-Globe Ltd. to make a mandatory public tender offer for the remaining shares and securities entitling their holder to shares in Citycon under the Finnish Securities Market Act unless the Financial Supervisory Authority of Finland (*Finanssivalvonta*) (the **FSA**) grants an exemption from such obligation. Further, the ownership of Gazit-Globe Ltd. exceeding 50–55 per cent. of the votes carried by Citycon’s shares would constitute a change of control in Citycon as defined in certain of Citycon’s debt financing agreements. Such a change of control would impose an obligation for Citycon either to prematurely repay the loans in question or negotiate with the creditors in question about extension and terms of the financing, which Citycon may not be able to do on commercially reasonable terms or at all.

Credit Ratings Could Be Downgraded or May Not Reflect All Risks.

Moody’s, S&P and Fitch have assigned investment grade level credit ratings to Citycon. Citycon has been rated Baa3 (stable outlook) by Moody’s, BBB- (negative outlook) by S&P and BBB- (stable outlook) by Fitch. See “*—Risks related to the Market Generally—Credit Ratings Assigned to Citycon or any Capital Securities May Not Reflect All the Risks Associated With an Investment in Those Capital Securities*”.

These ratings may not reflect the potential impact of all risks relating to Citycon’s business. In particular, further negative property valuations or deteriorating operational metrics could result in negative rating actions. Further, should the ownership of Gazit-Globe Ltd. exceed 50 per cent. the rating agencies could consider a downgrade. See “*—Gazit-Globe Ltd.’s Ownership May Exceed 50 per cent. Triggering Change of Control Clauses and an Obligation to Make a Mandatory Public Offer*”.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Should Citycon’s credit rating be downgraded, this could result in increased interest and other expenses on Citycon’s future borrowings or limit Citycon’s ability to refinance Citycon’s existing debt on acceptable terms in the longer term and, therefore, have a material adverse effect on Citycon’s business, results of operations, and financial condition.

Citycon's Financing Agreements Involve Counterparty Risk.

International financial institutions are counterparties to Citycon's long-term bank loans, derivative contracts and insurance contracts, for example, the two EUR 250 million unsecured committed multicurrency revolving credit facility agreements signed on 17 November 2020 and maturing in May 2024. It is possible that Citycon's financing or insurance counterparties may experience financial difficulties or bankruptcy in the future. Should one or more of the financial institutions that are Citycon's counterparties experience financial difficulties or bankruptcy, this could have a material adverse effect on Citycon's business, results of operations, and financial condition.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH CAPITAL SECURITIES

RISKS RELATED TO THE STRUCTURE OF THE CAPITAL SECURITIES

The Capital Securities are Subordinated Obligations; Accordingly, Claims in Respect of the Capital Securities Would Rank Junior to Claims in respect of Unsubordinated Obligations of Citycon in the Event of an Issuer Winding-Up.

The Capital Securities are direct unsecured and subordinated obligations of Citycon. If the Issuer is in default in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, the Holders may instruct the Trustee to institute proceedings for an Issuer Winding-up (as defined in the Conditions), subject to applicable law. The events constituting an Issuer Winding-up include bankruptcy (*konkurssi*), company re-organisation (*yrittysaneeraus*) and liquidation (*selvitystila*). Liquidation (*selvitystila*) is a procedure regulated under the Finnish Companies Act (624/2006, as amended) (*osakeyhtiölaki*) and under the Finnish Companies Act a creditor is entitled to institute such proceedings against the debtor only in certain rare circumstances. Such circumstances are available only if the debtor company (i) does not have a registered and eligible board of directors, (ii) does not have a representative who has a residence in the EEA, (iii) has not filed its financial statements with the Finnish trade register within one year from the end of the relevant fiscal year or (iv) has been declared bankrupt and the bankruptcy has lapsed due to lack of funds.

In the event of an Issuer Winding-up, the Trustee on behalf of the Holders or, in the limited circumstances described in Condition 12(d) (*Rights of Holders*), the Holders, shall, in respect of the Capital Securities and Coupons, have a claim (in lieu of any other amount) for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Arrears of Interest (as defined in the Conditions)) thereon and such claims will rank (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of any Parity Securities (as defined in the Conditions); (ii) in priority to all present or future claims in respect of (A) any ordinary share capital of Citycon and (B) any other obligation of Citycon which ranks or is expressed by its terms to rank junior to the Capital Securities or to any Parity Security; and (iii) junior to any present or future claims in respect of (A) all unsubordinated obligations of Citycon and (B) all Subordinated Indebtedness (as defined in the Conditions).

In the event of an Issuer Winding-up, Holders (or the Trustee on their behalf) will only be eligible to recover any amounts in respect of their Capital Securities if all claims in respect of more senior-ranking obligations of Citycon (whether secured or unsecured) have first been paid in full. If on an Issuer Winding-up, the assets of Citycon are insufficient to repay the claims of all senior-ranking creditors in full, the Holders will lose their entire investment in the Capital Securities. If there are sufficient assets to repay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of the Capital Securities and all other obligations of Citycon ranking *pari passu* with the Capital Securities, Holders will lose some or substantially all of their investment in the Capital Securities. The Holders therefore face a higher recovery risk than holders of unsubordinated obligations and Subordinated Indebtedness (as defined in the Conditions) of Citycon. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to or *pari passu* with the Capital Securities which may be incurred or assumed by Citycon from time to time, whether before or after the issue date of the Capital Securities.

Furthermore, subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by Citycon in respect of, or arising under or in connection with, the

Capital Securities and each Holder shall, by virtue of its holding, be deemed to have waived all such rights of set-off, compensation or retention.

Furthermore, subject to applicable law, no Holder or Couponholder may exercise, claim or plead any statutory right pursuant to the Finnish Companies Act to oppose a Corporate Restructuring Event and each Holder and Couponholder shall, by virtue of its holding of any Capital Security or Coupon, be deemed to have waived all such rights in respect of a Corporate Restructuring Event. Corporate Restructuring Events include reduction of share capital pursuant to Chapter 14 of the Finnish Companies Act, amendment of the Issuer's articles of association pursuant to Chapter 14, Section 7 of the Finnish Companies Act or merger or demerger pursuant to Chapters 16 and 17 of the Finnish Companies Act.

In addition, if the financial condition of Citycon deteriorates such that winding-up of Citycon may be anticipated, the market price of the Capital Securities can be expected to fall, and such fall may be significant. A Holder that sells its Capital Securities in such an event may lose some or substantially all of its initial investment in the Capital Securities (whether or not the winding-up of Citycon subsequently occurs).

The Current IFRS Accounting Classification of Financial Instruments Such as the Capital Securities as Equity Instruments May Change Which May Result in the Occurrence of an Accounting Event.

In June 2018, the International Accounting Standards Board (IASB) published the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the **DP/2018/1 Paper**). While the final timing and outcome are uncertain, if the proposals set out in the DP/2018/1 Paper are implemented in their current form, the current IFRS accounting classification of financial instruments such as the Capital Securities as equity instruments may change and this may result in the occurrence of an Accounting Event. In such an event, the Issuer may have the option to redeem, in whole but not in part, the Capital Securities pursuant Condition 6(d) (*Redemption upon a Tax Deductibility Event, a Capital Event or an Accounting Event*) or substitute or vary the terms of the Capital Securities pursuant to Condition 7 (*Substitution or Variation*). The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such official adoption or implementation, if at all, is uncertain. Accordingly, no assurance can be given as to the future classification of the Capital Securities from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Capital Securities or substitute or vary the terms of the Capital Securities pursuant to the Conditions. The period during which the Issuer may notify the redemption of the Capital Securities as a result of the occurrence of an Accounting Event shall start on and include the Accounting Event Adoption Date, which is the earlier of such date that a change is officially announced in respect of IFRS or officially adopted or put into practice. For a description of the risks related to the early redemption of the Capital Securities, see the Risk Factor entitled "*—Citycon May Redeem the Capital Securities Early; Investors Should Consider Reinvestment Risk*".

Citycon May Pay a Minority Dividend to Its Shareholders.

Pursuant to Chapter 13, Section 7 of the Finnish Companies Act (624/2006, as amended) (*osakeyhtiölaki*), a company must distribute at least 50 per cent. of its net profit as dividends if shareholders representing at least 10 per cent. of the shares of the company demand such distribution in the annual general meeting before the annual general meeting makes a decision on the use of distributable profits for the preceding fiscal year. However, the maximum amount distributed under this provision may not exceed 8 per cent. of the aggregate shareholders' equity of the company. If the Issuer pays such Minority Dividend (as defined in the Conditions) to its shareholders in accordance with such mandatory provisions of the Finnish Companies Act, such distribution shall not constitute a Deferred Interest Payment Event (as defined in the Conditions) and the Issuer will not be obliged to pay deferred interest under the Capital Securities. See "*Description of the Issuer and the Group—Principal Shareholders*".

The Capital Securities are Perpetual Securities.

The Capital Securities are undated securities in respect of which there is no fixed redemption date by which Citycon would be under an obligation to redeem or repurchase the Capital Securities at any time and the Holders have no right to require redemption of the Capital Securities. Therefore, prospective investors should be aware that they may be

required to bear the financial risks of an investment in the Capital Securities for an indefinite period and may not recover their investment in the foreseeable future.

Citycon May Defer Interest Payments.

Citycon may under the Conditions, at any time and in its sole discretion, by giving notice to the Holders not less than seven Business Days before the relevant Interest Payment Date, elect to defer any interest, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date (except for interest payable upon redemption of the Capital Securities).

Any interest not paid on an applicable interest payment date and deferred, together with further interest accrued thereon, shall constitute Arrears of Interest and shall be paid in whole, or in part, at any time, at the option of Citycon (in accordance with the Conditions) or on the occurrence of certain mandatory settlement events described in the Conditions.

Any deferral of interest payments will be likely to have an adverse effect on the market price of the Capital Securities. In addition, as a result of such interest deferral provisions of the Capital Securities, the market price of the Capital Securities may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in Citycon's financial condition.

Citycon May Redeem the Capital Securities Early; Investors Should Consider Reinvestment Risk.

Citycon will have the right to redeem the Capital Securities in whole, but not in part, on any date from (and including) the First Optional Redemption Date up to (and including) the First Reset Date or on any Interest Payment Date thereafter.

Citycon will also have the right to redeem all, but not some only, of the Capital Securities then outstanding at any time, other than (i) during the period from and including the First Optional Redemption Date to and including the First Reset Date or (ii) upon any subsequent Interest Payment Date at their Make-whole Redemption Amount.

Citycon may also, at its option, redeem the Capital Securities in whole, but not in part, upon the occurrence of an Accounting Event, a Capital Event, a Change of Control Event, a Substantial Repurchase Event, a Tax Deductibility Event, or a Withholding Tax Event or as further described in the Conditions.

In the case of an Accounting Event, a Capital Event or a Tax Deductibility Event, such redemption will be at (i) 101 per cent. of the principal amount of the Capital Securities, where such redemption occurs before the First Optional Redemption Date or (ii) 100 per cent. of the principal amount of the Capital Securities, where such redemption occurs on or after the First Optional Redemption Date, together, in each case, with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

In the case of a Withholding Tax Event, a Substantial Repurchase Event or a Change of Control Event, such redemption will be at 100 per cent. of the principal amount of the Capital Securities, together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

During any period when Citycon may elect to redeem the Capital Securities, the market value of the Capital Securities generally will not rise substantially above the price at which they can be redeemed.

Citycon might redeem the Capital Securities when its cost of borrowing is lower than the interest rate on the Capital Securities. There can be no assurance that, at the relevant time, Holders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Capital Securities. Potential investors should consider reinvestment risk in light of other investments available at that time.

Changes in Rating Methodologies May Lead to the Early Redemption of the Capital Securities.

Any Rating Agency (as defined in the Conditions) may change its rating methodology or may apply a different set of criteria after the Issue Date (due to changes in the rating previously assigned to the Issuer or for any other reasons), and as a result the Capital Securities may no longer be eligible (or if the Capital Securities have been partially or fully refinanced since the Issue Date and are no longer eligible for “equity credit” from such rating agency in part or in full as a result, all or any of the Capital Securities that would no longer have been eligible as a result of an amendment, clarification, change in hybrid capital methodology or change in the interpretation had they not been refinanced) for the same or a higher amount of “equity credit” attributable to the Capital Securities at the date of their issue, in which case the Issuer may redeem all of the Capital Securities (but not some only), as provided in Condition 6(d) (*Redemption upon a Tax Deductibility Event, a Capital Event or an Accounting Event*).

Substitution or Variation of the Capital Securities.

There is a risk that, after the issue of the Capital Securities, a Tax Deductibility Event, a Withholding Tax Event, a Capital Event or an Accounting Event may occur which would entitle Citycon, without any requirement for the consent or approval of the Holders, to substitute all, but not some only, of the Capital Securities for, or vary the terms of the Capital Securities so that they become or remain, Qualifying Capital Securities (as defined in the Conditions).

Whilst Qualifying Capital Securities are required to have terms which are not materially less favourable to Holders than the terms of the Capital Securities (as reasonably determined by Citycon in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing), there can be no assurance that the Qualifying Capital Securities will not have a significant adverse impact on the price of, and/or the market for, the Capital Securities, nor that there will not be any adverse tax consequences for any Holders of the Capital Securities arising from such substitution or variation.

No Limitation on Issuing or Guaranteeing Debt Ranking Senior to or Pari Passu with the Capital Securities.

There is no restriction in the Conditions on the amount of debt which Citycon may issue or guarantee. Citycon and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness or guarantees of third parties, including indebtedness that ranks *pari passu* with or senior to the Capital Securities or any Parity Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on an Issuer Winding-up and/or may increase the likelihood of a deferral of interest payments under the Capital Securities.

Holders of the Capital Securities Have Very Limited Rights in Relation to the Enforcement of Payments on the Capital Securities.

If a default is made by the Issuer for a period of three days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, the rights of the Holders in respect of the Capital Securities are limited to directing the Trustee to institute proceedings for an Issuer Winding-up, and the Holders (or the Trustee on their behalf) may prove and/or claim in respect of the Capital Securities in an Issuer Winding-up.

While the claims of the Holders (or the Trustee on their behalf) in an Issuer Winding-up are for the principal amount of their Capital Securities together with any Arrears of Interest and any other accrued and unpaid interest, such claims will be subordinated as provided above under “—*The Capital Securities are Subordinated Obligations; Accordingly, Claims in Respect of the Capital Securities Would Rank Junior to Claims in Respect of Unsubordinated Obligations of Citycon in the Event of an Issuer Winding-up*”. The Holders (or the Trustee on their behalf) shall not be entitled to accelerate payments of interest or principal under the Capital Securities in any circumstances outside an Issuer Winding-up. Furthermore, whilst the Trustee (if so directed by the Holders in accordance with the provisions of the Conditions and the Trust Deed) may institute other proceedings against the Issuer to enforce the terms of the Capital Securities, the Issuer shall not, by virtue of such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Accordingly, the Holders’ rights of enforcement in respect of payments under the Capital Securities are very limited.

Fixed Rate Securities Have a Market Risk.

The Capital Securities will bear interest at a fixed rate, reset by reference to a mid-swap rate plus a margin on the First Reset Date for the Capital Securities and on each fifth anniversary of such first reset date. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market (the **Market Interest Rate**). While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. A change of the Market Interest Rate may cause the price of such security to change. If the Market Interest Rate increases, the price of such security typically falls. If the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases. Potential investors of Capital Securities should be aware that movements of the Market Interest Rate can adversely affect the price of the Capital Securities and can lead to losses for the Holders if they sell such Capital Securities.

Each Reset Interest Rate may be different from the initial interest rate of the Capital Securities and may adversely affect the yield of the Capital Securities.

Reform and Regulation of “Benchmarks”.

So-called benchmarks such as ICE Swap Rate referenced swap rates and the Euro Interbank Offer Rate (**EURIBOR**) which are deemed “benchmarks” (each a **Benchmark** and together, the **Benchmarks**), to which the interest on the Capital Securities during any Reset Period is linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value of and the amount payable under the Capital Securities. International proposals for reform of Benchmarks include the European Council’s Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the **Benchmark Regulation**).

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks. Although it is uncertain whether or to what extent any of the abovementioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of the Capital Securities, investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Capital Securities.

The Conditions provide that, if a Benchmark Event (which, amongst other events, includes the Original Reference Rate ceasing to exist, be administered or be published) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or an Alternative Rate and, in either case, an Adjustment Spread (which could be positive, negative or zero) to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate with the application of an Adjustment Spread to determine the Reset Interest Rate for a Reset Period may result in the Capital Securities performing differently (which may include payment of a lower Reset Interest Rate for such Reset Period) than they would do if the Original Reference Rate were to continue to apply.

Furthermore, if a Successor Rate, Alternative Rate and/or Adjustment Spread, as applicable, is determined by the Independent Adviser, the Conditions provide that the Issuer and the Independent Adviser may agree to vary the Conditions, as necessary, to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread, as applicable, without any requirement for consent or approval of the Holders or the Trustee, in the circumstances and as otherwise set out in the Conditions.

Notwithstanding the occurrence of a Benchmark Event, the Issuer may be unable to appoint an Independent Adviser in accordance with the Conditions, or the Independent Adviser may not be able to determine or select a Successor

Rate or Alternative Rate or, in either case, the applicable Adjustment Spread in accordance with the Conditions before the Reset Interest Determination Date in respect of a Reset Period. In such circumstances, the Conditions provide for certain additional fall-back provisions which may result in the 5 Year EUR Mid-Swap Rate (as defined in the Conditions) being set by reference to offered quotations from banks communicated to the Issuer and the Calculation Agent or the last 5 Year EUR Mid-Swap Rate that was available on the Reset Screen Page being used to determine the Reset Interest Rate for a Reset Period.

If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser fails to determine a Successor Rate or Alternative Rate or, in either case, the applicable Adjustment Spread for the life of the Capital Securities, this could result in the Capital Securities, in effect, becoming fixed rate securities.

Any of the foregoing could have an adverse effect on the value or liquidity of, and return on the Capital Securities.

RISKS RELATED TO CAPITAL SECURITIES GENERALLY

Set out below is a description of material risks relating to the Capital Securities generally:

The Claims of Holders of the Capital Securities Are Structurally Subordinated to Those of Certain Other Creditors of Citycon and to Creditors of Citycon's Subsidiaries.

Generally, lenders and trade and other creditors of Citycon's subsidiaries are entitled to payment of their claims from the assets of such subsidiaries before these assets would be available for distribution to Citycon, as direct or indirect shareholder, which would then allow for Citycon to make payments under the Capital Securities. Any debt that Citycon's subsidiaries may incur in the future will also rank structurally senior to the Capital Securities.

A significant part of Citycon's assets and revenues are generated by Citycon's subsidiaries. The subsidiaries are legally separated from Citycon and the subsidiaries' ability to make payments to Citycon is restricted by, among other things, the availability of funds, corporate restrictions and local law. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Capital Securities are structurally subordinated to the liabilities of the subsidiaries of Citycon.

The Market Price of the Capital Securities May Be Volatile.

The market price of the Capital Securities could be subject to significant fluctuations in response to actual or anticipated variations in Citycon's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which Citycon operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of the Capital Securities, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Capital Securities without regard to Citycon's results of operations, prospects or financial condition. Factors including increased competition or Citycon's operating results, the regulatory environment, general market conditions, natural disasters, terrorist attacks and war may have an adverse effect on the market price of the Capital Securities.

The Conditions of the Capital Securities Contain Provisions Which May Permit Their Modification Without the Consent of All Investors and Confer Significant Discretions on the Trustee, as Applicable, Which May Be Exercised Without the Consent of the Holders and Without Regard to the Individual Interests of Particular Holders.

The Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Holders and without regard to the interests of particular Holders, agree to (i) any modification of, or waiver or authorisation of any breach or proposed breach of,

any of the provisions of the Capital Securities or (ii) determine without the consent of the Holders that any event of default or potential event of default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Capital Securities in place of Citycon, in the circumstances described in the Conditions.

In addition, pursuant to Condition 4(j) (*Benchmark Event*), certain modifications may be made to the interest calculation provisions of the Capital Securities in the circumstances and as otherwise set out in Condition 4(j) (*Benchmark Event*), without the requirement for consent of the Trustee or the Holders.

Investors will have to rely on the procedures of Euroclear and Clearstream, Luxembourg

The Capital Securities will be represented by Global Capital Securities except in certain limited circumstances described in the Global Capital Securities. The Global Capital Securities will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Global Capital Securities, investors will not be entitled to receive Capital Securities in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Capital Securities. While the Capital Securities are represented by the Global Capital Securities, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. The Issuer will discharge its payment obligations under the Capital Securities by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Capital Security must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Capital Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Capital Securities.

Holders of beneficial interests in the Global Capital Securities will not have a direct right to vote in respect of the Capital Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Capital Securities will not have a direct right under the Global Capital Securities to take enforcement action against the Issuer in the event of a default under the Capital Securities, but will have to rely upon their rights under the Trust Deed.

The Use of Proceeds of the Capital Securities May Not Meet Investor Expectations.

It is the Issuer's intention to allocate an amount equal to the net proceeds from the issue of the Capital Securities to the financing or refinancing of Green Assets (as defined in the "Use of Proceeds" section) under the Issuer's Green Financing Framework (as defined in the "Use of Proceeds" section). Prospective investors should have regard to the Green Financing Framework available at <https://www.citycon.com/investors/financing/green-financing> and must determine for themselves the relevance of such information for the purpose of any investment in the Capital Securities together with any other investigation such investor deems necessary.

In particular no assurance is given by the Issuer that the use of such proceeds for any Green Assets will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Assets.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled asset or project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any assets, projects or uses the subject of, or related to, any Green Assets will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any assets, projects or uses the subject of, or related to, any Green Assets.

The Issuer appointed Cicero to provide a second opinion (the **Second Opinion**) on the Issuer's Green Financing Framework provided on 5 November 2019. The Second Opinion aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts of the securities issued under the Green Financing Framework. The Second Opinion is only an opinion and not a statement of fact. No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the Second Opinion which may be made available in connection with the issue of the Capital Securities and in particular with any Green Assets to fulfil any environmental, sustainability, social and/or other criteria. The Second Opinion is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any the Capital Securities. The Second Opinion is only current as at the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of the Second Opinion and/or the information contained therein and/or the provider of the Second Opinion for the purpose of any investment in the Capital Securities. Currently, the provider of the Second Opinion is not subject to any specific regulatory or other regime or oversight. Furthermore, the Holders of Capital Securities will have no recourse against the provider of the Second Opinion. A negative change to, or a withdrawal of, the Second Opinion of the Green Financing Framework may affect the value of the Capital Securities and may have consequences for certain investors with portfolio mandates to invest in Green Assets.

In the event that the Capital Securities are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Assets. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of the Capital Securities or, if obtained, that any such listing or admission to trading will be maintained for so long as any Capital Securities remain outstanding.

While it is the intention of the Issuer to invest an amount equal to the net proceeds from the issue of the Capital Securities into Green Assets, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Green Assets will be capable of being implemented in, or substantially in, the intended manner and/or in accordance with any timing schedule and that accordingly such amount will be totally or partially disbursed for such Green Assets. Nor can there be any assurance that such Green Assets will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an event of default under the Capital Securities.

Any such event or failure to invest an amount equal to the net proceeds from the issue of the Capital Securities into Green Assets as aforesaid and/or withdrawal of the Second Opinion attesting that the Issuer is not complying in whole or in part with any matters for which the Second Opinion is opining or certifying on and/or the Capital Securities no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of the Capital Securities and also potentially the value of any other securities of the Issuer which are intended to finance Green Assets and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

The Value of the Capital Securities Could be Adversely Affected By a Change in English Law or Finnish Law or Administrative Practice.

The Conditions of the Capital Securities and any non-contractual obligations arising out of or in connection with such Capital Securities are based on English law in effect as at the date of these Listing Particulars (other than the Conditions relating to the subordination of the Capital Securities, which are based on and governed by Finnish law).

No assurance can be given as to the impact of any possible judicial decision or change to English law or Finnish law or administrative practice after the date of these Listing Particulars and any such change could materially adversely impact: the market price and value of any Capital Securities affected by it; Citycon's business, financial condition, results of operations and future prospects; and Citycon's ability to fulfil its obligations under the Capital Securities.

Investors Who Hold Less than the Minimum Specified Denomination May Be Unable to Sell Their Capital Securities and May Be Adversely Affected if Definitive Capital Securities are Subsequently Required to be Issued.

In relation to any issue of Capital Securities which have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Capital Securities may be traded in amounts in excess of the minimum specified denomination that are not integral multiples of such minimum specified denomination. In such a case a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum specified denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Capital Securities at or in excess of the minimum specified denomination such that its holding amounts to a specified denomination. Further, a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum specified denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Capital Security in respect of such holding (should definitive Capital Securities be printed) and would need to purchase a principal amount of Capital Securities at or in excess of the minimum specified denomination such that its holding amounts to a specified denomination.

If such Capital Securities in definitive form are issued, Holders should be aware that definitive Capital Securities which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

Holders of the Capital Securities Have No Voting Rights.

The Capital Securities are non-voting with respect to general meetings of Citycon. Consequently, the Holders of the Capital Securities cannot influence, inter alia, any decisions by Citycon to defer payments or to optionally settle outstanding payments or any other decisions by Citycon's shareholders concerning the capital structure of Citycon.

Risks Arising in Connection with Finnish Insolvency Law.

There are two corporate insolvency regimes under Finnish law for companies facing financial difficulties. The first, bankruptcy (*konkurssi*), is a form of insolvency proceedings covering all the liabilities of the debtor, where the assets of the debtor are used in payment of the claims in bankruptcy as set forth in the Bankruptcy Act (120/2004, as amended) (*Konkurssilaki*). The second, corporate restructuring (*yrittysaneeraus*), in which the purpose of restructuring is to rehabilitate a distressed debtor's viable business, make debt arrangements and provide for the debtor's continued operation as stipulated in the Restructuring of Enterprises Act (47/1993, as amended) (*Laki yrityksen saneerauksesta*).

At the onset of bankruptcy proceedings, the debtor loses its authority over the assets and decision-making of the company. All available assets and legal competence related thereto are transferred to the bankruptcy estate. The creditors ultimately exercise decision-making power in the bankruptcy estate. However, in practice, this power is largely transferred to the bankruptcy administrator. The statutory obligations of the bankruptcy administrator are to represent the estate, and handle its routine administration, draw up the estate inventory and debtor description, scrutinise and sell the assets of the estate and determine whether it is possible to reverse transactions and recover assets, receive documents lodging claims, and draft a proposed distribution list. The administrator takes care of the sale of the assets belonging to the estate.

The creditors have the authority to decide on matters pertaining to the bankruptcy estate, such as e.g. the sale of the bankruptcy estate's assets, the continuation of its business and establishing of a creditors' committee. In bankruptcy proceedings each creditor shall have a general right to vote in the proceedings with a voting strength equal to the creditor's claim in the bankruptcy estate. All decisions, except for a few exceptions, in a bankruptcy estate are made by a majority vote of creditors in accordance with their receivables. However, subordinated creditors would not have a right to vote in any creditor meeting if the assets of the bankruptcy estate are insufficient to repay all senior ranking claims in full, which usually is the case.

In respect of a corporate restructuring, creditors will be divided into classes as stipulated in the Restructuring of Enterprises Act. In a restructuring proceeding, subordinated creditors form their own creditor group. Provisions

regarding voting, the voting procedure and its timeline, as well as the majority requirements are stipulated in detail in the Act. It is worth noting that, creditors with the lowest priority are not able to vote if, according to the restructuring programme, creditors with a higher-priority claim do not receive their full payment or their legal position will otherwise worsen. Thus, subordinated creditors are usually not represented in the creditors' committees.

As a result of the limitations on subordinated creditors' rights to vote, Holders in most cases are unable to influence decisions to be taken at any creditors' meeting on matters in a bankruptcy proceeding. This same restriction applies to voting on the restructuring programme.

RISKS RELATED TO THE MARKET GENERALLY

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk specific to the Capital Securities:

An Active Secondary Market in Respect of the Capital Securities May Never Be Established or May Be Illiquid and This Would Adversely Affect the Value at Which an Investor Could Sell His Capital Securities.

Capital Securities may have no established trading market when issued, and one may never develop. If a market for the Capital Securities does develop, it may not be very liquid. In addition, liquidity may be limited if Citycon makes large allocations to a limited number of investors. Therefore, investors may not be able to sell their Capital Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

If An Investor Holds Capital Securities Which Are Not Denominated in the Investor's Home Currency, She Will Be Exposed to Movements in Exchange Rates Adversely Affecting the Value of Her Holding. In Addition, the Imposition of Exchange Controls in Relation to any Capital Securities Could Result in an Investor Not Receiving Payments on those Capital Securities.

Citycon will pay principal and interest on the Capital Securities in euros. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than euros. These include the risk that exchange rates may significantly change (including changes due to devaluation of euros or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euros would decrease (1) the Investor's Currency- equivalent yield on the Capital Securities, (2) the Investor's Currency equivalent value of the principal payable on the Capital Securities and (3) the Investor's Currency equivalent market value of the Capital Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of Citycon to make payments in respect of the Capital Securities. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit Ratings Assigned to Citycon or any Capital Securities May Not Reflect All the Risks Associated With an Investment in Those Capital Securities.

One or more independent credit rating agencies may assign credit ratings to Citycon or the Capital Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Capital Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In addition, Moody's, S&P, Fitch or any other rating agency may change their methodologies or their application for rating securities with features similar to the Capital Securities in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Capital Securities, sometimes called "notching". If the rating agencies were to change their practices or their application for rating such securities in the future and the ratings of the Capital Securities were to be subsequently lowered, this may have a negative impact on the trading price of the Capital Securities.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the **UK CRA Regulation**). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Capital Securities changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Capital Securities may have a different regulatory treatment, which may impact the value of the Capital Securities and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of these Listing Particulars.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with these Listing Particulars shall be incorporated in, and form part of, these Listing Particulars:

- (a) the financial statements release including the auditors' report and audited consolidated and non- consolidated annual financial statements for the financial year ended 31 December 2019 of the Issuer (the **2019 Annual Financial Statements**) and including the information set out at the following pages in particular:

Consolidated Statement of Comprehensive Income	Page 43
Consolidated Statement of Financial Position	Page 44
Consolidated Cash Flow Statement	Page 45
Consolidated Statement of Changes in Shareholders' Equity	Page 46
Notes to the Consolidated Financial Statements	Pages 47 to 87
Non-Consolidated Income Statement	Page 88
Non-Consolidated Balance Sheet	Page 89
Non-Consolidated Cash Flow Statement	Page 90
Notes to the Non-Consolidated Financial Statements	Pages 91 to 94
Auditors' report	Pages 96 to 98

- (b) the financial statements release including the auditors' report and audited consolidated and non- consolidated annual financial statements for the financial year ended 31 December 2020 of the Issuer (the **2020 Annual Financial Statements**) and including the information set out at the following pages in particular:

Consolidated Statement of Comprehensive Income	Page 45
Consolidated Statement of Financial Position	Page 46
Consolidated Cash Flow Statement	Page 47
Consolidated Statement of Changes in Shareholders' Equity	Page 48
Notes to the Consolidated Financial Statements	Pages 49 to 88
Non-Consolidated Income Statement	Page 89
Non-Consolidated Balance Sheet	Page 90
Non-Consolidated Cash Flow Statement	Page 91
Notes to the Non-Consolidated Financial Statements	Pages 92 to 96
Auditors' report	Pages 97 to 99

- (c) the quarterly report including the auditors' review report and the unaudited interim consolidated financial statements of the Issuer for the three months ended 31 March 2021 (the **2021 Group Q1 Financial Statements**) and including the information set out at the following pages in particular:

Condensed Consolidated Statement of Comprehensive Income	Page 22
Condensed Consolidated Statement of Financial Position	Page 23
Condensed Consolidated Cash Flow Statement	Page 24
Condensed Consolidated Statement of Changes in Shareholders' Equity	Page 25
Notes to the Interim Condensed Consolidated Financial Statements	Pages 26
Auditors' review report	Page 33

Any non-incorporated parts of the documents referred to in these Listing Particulars are either not relevant for an investor or are covered elsewhere in these Listing Particulars.

Copies of:

- (a) the 2019 Annual Financial Statements are available on the website of the Issuer at:
<https://www.citycon.com/investors/financial-reports>
- (b) the 2020 Annual Financial Statements are available on the website of the Issuer at:
<https://www.citycon.com/investors/financial-reports>
- (c) the 2021 Group Q1 Financial Statements are available on the website of the Issuer at:
<https://www.citycon.com/investors/financial-reports>

FORWARD-LOOKING STATEMENTS

Some statements in these Listing Particulars may be deemed to be forward-looking statements. Forward-looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in these Listing Particulars, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*", "*Description of the Issuer and the Group*" and other sections of these Listing Particulars. The Issuer has based these forward-looking statements on the current view of their management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of these Listing Particulars, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in these Listing Particulars, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include, but are not limited to, those discussed in the section titled "*Risk Factors*" in these Listing Particulars including the following: economic fluctuations and economic development; the impact of the Coronavirus pandemic, the United Kingdom's exit from the European Union; the imbalance of the euro area; the fair value of Citycon's investment properties; the negative impact of increasing internet commerce; property portfolio concentration and dependency upon retail sales; the increased competition in the real estate market; the construction of new retail premises increasing competition for tenants; the objectivity of property valuation statements; the decreasing private consumption and decreasing demand for retail premises; the impact of competition regulations; changes in tax laws and international financial reporting standards; the ability to successfully accomplish Citycon's (re)development projects; exposure to its largest tenants; operational activities costs; risks related terrorist attacks; the ability to identify profitable acquisitions and successfully execute acquisitions; the successful integration of new business; the ability to secure sufficient funds from other members of the Group; risks related to joint ventures; the ability to execute disposals; extension of lease agreements and the terms of the lease agreements; limits on competition and rents levels as a result of market-share concentration in the grocery retail market; expansion of Citycon's business into new geographical areas; the ability to acquire required services; Citycon's exposure to environmental liabilities; effects of climate change; dependence on the management and key personnel; insurance coverage; reputational damage; regulatory and legal risks; credit losses; the ability to meet long term financial targets; Citycon's ability to refinance certain financing arrangements; the ability to secure financing; the exposure to fluctuations in interest rates and exchange rates; counterparty risks; and modifications, waivers and substitution of the Capital Securities.

Any forward-looking statements contained in these Listing Particulars speak only as at the date of these Listing Particulars. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of these Listing Particulars any updates or revisions to any forward-looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward-looking statement is based.

CONDITIONS OF THE CAPITAL SECURITIES

The following, except for paragraphs in italics, is the text of the terms and conditions of the Capital Securities which, subject to modification, will be endorsed on each Capital Security in definitive form (if issued):

The EUR 350,000,000 Subordinated Fixed to Reset Rate 5.25 year Non-Call Undated Capital Securities (the **Capital Securities**, which expression shall, unless the context otherwise requires, include any Further Capital Securities issued pursuant to Condition 18 (*Further Issues*)) of Citycon Oyj (the **Issuer**) are constituted by a trust deed dated 4 June 2021 (the **Trust Deed**) between the Issuer and Deutsche Trustee Company Limited (the **Trustee**, which expression shall include its successor(s) as trustee for the holders of the Capital Securities (the **Holder**s) and the holders of the interest coupons (the **Couponholders** and the **Coupons**, respectively, which expression shall, unless the context otherwise requires, include the talons (**Talons**) for further Coupons and the holders of the Talons)).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 4 June 2021 (the **Agency Agreement**) made between the Issuer, Deutsche Bank AG, London Branch as initial principal paying agent and calculation agent (the **Principal Paying Agent**, which expression shall include any successor thereto, and together with any further paying agents as may be appointed under the Agency Agreement from time to time, the **Paying Agents**, and each a **Paying Agent** and the **Calculation Agent**, which expression shall include any successor thereto) and the Trustee are available for inspection during normal business hours by the Holders and the Couponholders at the registered office for the time being of the Trustee, being at the date of issue of the Capital Securities at 1 Great Winchester Street, London EC2N 2DB and at the specified office of each of the Paying Agents. The Holders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

The Capital Securities are serially numbered and in bearer form in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000, each with Coupons and a Talon attached at the time of issue. No definitive Capital Securities will be issued with a denomination above EUR 199,000. Capital Securities of one denomination may not be exchanged for Capital Securities of any other denomination.

(b) Title

Title to the Capital Securities, Coupons and Talons will pass by delivery. The Issuer, the Trustee and any Paying Agent will (except as ordered by a court of competent jurisdiction or as otherwise required by law) deem and treat the bearer of any Capital Security, Coupon or Talon as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2. STATUS

The Capital Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities and the Couponholders in respect of the Coupons, in each case against the Issuer, are subordinated as described in Condition 3(a) (*Rights on a Winding-Up*).

3. SUBORDINATION AND RIGHTS ON A WINDING-UP

(a) Rights on a Winding-Up

In the event of the voluntary or involuntary liquidation (*selvitystila*) or bankruptcy (*konkurssi*) or a company re-organisation (*yriytyssaneeraus*) of the Issuer (each an **Issuer Winding-up**), the Trustee on behalf of the Holders or, in the limited circumstances described in Condition 12(d) (*Rights of Holders*), the Holders, shall, in respect of the Capital Securities and Coupons, have a claim (in lieu of any other amount) for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Arrears of Interest) thereon and such claims will rank:

- (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of any Parity Securities;
- (ii) in priority to all present or future claims in respect of (A) any ordinary share capital of the Issuer and (B) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or to any Parity Security; and
- (iii) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.

The Issuer does not intend (without thereby assuming a legal or contractual obligation or restriction) to issue any preference shares that would rank junior to the Capital Securities or to any Parity Securities but senior to the ordinary shares.

Nothing in this Condition 3(a) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or Agents or the rights and remedies of the Trustee or the Agents in respect thereof.

(b) Set-Off

Subject to applicable law, no Holder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Capital Securities, the Coupons or the Trust Deed and each Holder and Couponholder shall, by virtue of its holding of any Capital Security or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.

(c) Corporate Restructuring

Subject to applicable law, no Holder or Couponholder may exercise, claim or plead any statutory right pursuant to the Finnish Limited Liabilities Companies Act (624/2006, as amended from time to time) (*osakeyhtiölaki*) (the **Companies Act**) to oppose a Corporate Restructuring Event and each Holder and Couponholder shall, by virtue of its holding of any Capital Security or Coupon, be deemed to have waived all such rights in respect of a Corporate Restructuring Event.

4. INTEREST

(a) Interest Payment Dates

The Capital Securities bear interest on their principal amount at the applicable Interest Rate from (and including) 4 June 2021 (the **Issue Date**) up to (but excluding) the date of redemption thereof in accordance with the provisions of this Condition 4.

Subject to Condition 5 (*Optional Interest Deferral*), interest shall be payable on the Capital Securities annually in arrear on 10 September in each year (each an **Interest Payment Date**) from (and including) 10 September 2021 (the **First Interest Payment Date**).

(b) **Interest Accrual**

The Capital Securities (and any unpaid amounts thereon) will cease to bear interest from (and including) the date of redemption thereof pursuant to the relevant paragraph of Condition 6 (*Redemption*) or the date of substitution thereof pursuant to Condition 7 (*Substitution or Variation*), as the case may be, unless, upon due presentation, payment of all unpaid amounts in respect of the Capital Securities is not made, in which event interest shall continue to accrue in respect of the principal amount of, and any other unpaid amounts on, the Capital Securities, both before and after judgment, and shall be payable as provided in these Conditions up to (but excluding) the Relevant Date.

When interest is required to be calculated in respect of a period of less than a full year, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next (or, as the case may be, the first) scheduled Interest Payment Date (the **day-count fraction**). Where it is necessary to compute an amount of interest in respect of any Capital Security for a period of more than an Interest Period, such interest shall be the aggregate of the interest computed in respect of a full year plus the interest computed in respect of the period exceeding the full year calculated in the manner as aforesaid.

Interest in respect of any Capital Security shall be calculated per EUR 1,000 in principal amount thereof (the **Calculation Amount**). The amount of interest calculated per Calculation Amount for any period shall be equal to the product of the relevant Interest Rate, the Calculation Amount and the day-count fraction for the relevant period and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable in respect of a Capital Security shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the denomination of such Capital Security without any further rounding.

(c) **Initial Interest Rate**

The Interest Rate in respect of each Interest Period commencing prior to the First Reset Date is 3.625 per cent. per annum (the **Initial Interest Rate**).

The first payment of interest, to be made on the First Interest Payment Date, will be in respect of the short first period from (and including) the Issue Date to (but excluding) the First Interest Payment Date and will amount to EUR 9.73 per Calculation Amount. The Interest Payment in respect of each Interest Period commencing on or after the First Interest Payment Date and before the First Reset Date will amount to EUR 36.25 per Calculation Amount (and any such Interest Payment may be deferred in accordance with Condition 5 (*Optional Interest Deferral*)).

(d) **Reset Interest Rates**

The Interest Rate in respect of each Interest Period falling in a Reset Period shall be the aggregate of the applicable Margin and the applicable 5 Year EUR Mid-Swap Rate for such Reset Period, all as determined by the Calculation Agent (each a **Reset Interest Rate**).

(e) **Determination of Reset Interest Rates and Calculation of Interest Amounts**

The Calculation Agent shall, at or as soon as practicable after 11.00 a.m. (Central European time) on each Reset Interest Determination Date, determine the Reset Interest Rate in respect of the Reset Period commencing immediately following such Reset Interest Determination Date and shall calculate the amount

of interest which will (subject to deferral in accordance with Condition 5 (*Optional Interest Deferral*)) be payable per Calculation Amount in respect of each such Interest Period (the **Interest Amount**).

(f) **Publication of Reset Interest Rates and Interest Amounts**

Unless the Capital Securities are to be redeemed, the Issuer shall cause notice of each Reset Interest Rate and each related Interest Amount to be given to the Trustee, the Paying Agents, any stock exchange on which the Capital Securities are for the time being listed or admitted to trading and, in accordance with Condition 19 (*Notices*), the Holders, in each case as soon as practicable after its determination but in any event not later than the first Business Day of the relevant Reset Period.

(g) **Calculation Agent**

The Issuer may, with the prior written approval of the Trustee, from time to time replace the Calculation Agent with another reputable independent financial institution of good standing. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or fails to determine a Reset Interest Rate or calculate the related Interest Amount or effect the required publication thereof (in each case as required pursuant to these Conditions), the Issuer shall forthwith appoint another independent financial institution approved in writing by the Trustee to act as such in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed as aforesaid. If the Issuer fails to appoint a successor Calculation Agent approved in writing by the Trustee in a timely manner, then the Calculation Agent shall be entitled to appoint as its successor a reputable independent financial institution of good standing which the Issuer and the Trustee shall approve.

(h) **Determinations of Calculation Agent Binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 (*Interest*) by the Calculation Agent shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Calculation Agent, the Trustee, the Paying Agents and all Holders and Couponholders and (in the absence of wilful default and fraud) no liability to the Holders, the Couponholders or the Issuer shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

(i) **Step-Up after Change of Control Event**

Notwithstanding any other provision of this Condition 4 (*Interest*), if the Issuer does not elect to redeem the Capital Securities in accordance with Condition 6(f) (*Redemption for Change of Control Event*) following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Condition 4 (*Interest*), in respect of the Capital Securities shall be increased by an additional 5 percentage points per annum with effect from (and including) the day immediately following the Change of Control Step-up Date.

(j) **Benchmark Event**

(i) Notwithstanding the provisions above in this Condition 4 (*Interest*), if, (on or after 10 March 2026), the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event has occurred in relation to the Original Reference Rate (whether such occurrence is before, on or after 10 March 2026) when any Reset Interest Rate (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions shall apply:

(A) The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (acting in good faith and in a commercially reasonable manner), no later than three Business Days prior to the relevant Reset Interest Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(j)(i)(B) below) and, in either case, an Adjustment Spread if any (in

accordance with Condition 4(j)(i)(C) below) and any Benchmark Amendments (in accordance with Condition 4(j)(i)(D) below).

An Independent Adviser appointed pursuant to this Condition shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Calculation Agent, any Paying Agent, the Trustee or the Holders, or the Couponholders for any determination made by it in connection with the operation of this Condition 4(j).

- (B) If:
- (1) the Independent Adviser determines that there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4(j)(i)(C) below) shall subsequently be used in place of the Original Reference Rate as a component part of determining the relevant Reset Interest Rate(s) for all future payments of interest on the Capital Securities (subject to the subsequent further operation of this Condition 4(j)); or
 - (2) the Independent Adviser determines that there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4(j)(i)(C) below) shall subsequently be used in place of the Original Reference Rate as a component part of determining the relevant Reset Interest Rate(s) for all future payments of interest on the Capital Securities (subject to the subsequent further operation of this Condition 4(j)); or
 - (3) either (I) the Issuer is unable to appoint an Independent Adviser or (II) a Successor Rate or an Alternative Rate is not determined pursuant to the operation of this Condition 4(j) or, in either case, an applicable Adjustment Spread is not determined pursuant to Condition 4(j)(i)(C) below, three Business Days prior to the Reset Interest Determination Date relating to any applicable Reset Period, the fallback provisions set out in the definitions of 5 Year EUR Mid-Swap Rate and Reset Reference Bank Rate in Condition 23 (*Definitions*) will continue to apply. For the avoidance of doubt, this Condition 4(j)(i)(B) shall apply to the determination of the Reset Interest Rate on the relevant Reset Interest Determination Date only, and the Reset Interest Rate applicable to any subsequent Reset Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(j).
- (C) If a Successor Rate or Alternative Rate is determined in accordance with Condition 4(j)(i)(B) above, the Independent Adviser acting in good faith and in a commercially reasonable manner shall determine an Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)) which shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Reset Interest Rate by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent further operation and adjustment as provided in this Condition 4(j).
- (D) If any Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 4(j) and the Issuer and the Independent Adviser determine: (I) that amendments to these Conditions, the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread (such amendments, the **Benchmark Amendments**) and (II) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(j)(i)(E) below, without any requirement for the consent or approval of the

Holders or the Trustee, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4(j)(i)(D), the Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Capital Securities are for the time being listed or admitted to trading.

- (E) The Issuer shall promptly notify the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 19 (*Notices*), the Holders of any Successor Rate, Alternative Rate, the applicable Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(j). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee and the Paying Agents, a certificate signed by two Authorised Signatories of the Issuer:

- (1) confirming (x) that a Benchmark Event has occurred; (y) the Successor Rate or, as the case may be, the Alternative Rate; and (z) the applicable Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(j);
- (2) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread; and
- (3) certifying that the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above.

The Trustee and the Paying Agents shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and (in either case) the Adjustment Spread, the Benchmark Amendments (if any) and any such other relevant changes pursuant to this Condition 4(j) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and (in either case) the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Paying Agents, the Calculation Agent, the Holders and the Couponholders.

At the request of the Issuer, but subject to receipt by the Trustee and the Paying Agents of a certificate signed by two Authorised Signatories of the Issuer pursuant to this Condition 4(j)(i)(E), the Trustee, the Principal Paying Agent, the Paying Agents and the Calculation Agent shall, (at the Issuer's expense and direction), without any requirement for the consent or approval of the Holders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments required to the Trust Deed (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed), the Agency Agreement and these Conditions and the Trustee, the Principal Paying Agent, the Paying Agents and the Calculation Agent shall not be liable to any party for any consequences thereof, provided that none of the Trustee, the Principal Paying Agent, the Paying Agents and the Calculation Agent shall be obliged so to concur if in its sole opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to it in the Conditions, the Agency Agreement or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

- (F) Without prejudice to the obligations of the Issuer under this Condition 4(j)(i), the Original Reference Rate and the fallback provisions provided for in the definitions of 5 Year EUR Mid-Swap Rate and Reset Reference Bank Rate in Condition 23 (*Definitions*) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), the applicable Adjustment Spread and Benchmark Amendments, in accordance with this Condition 4(j).
- (G) If, in the case of any Benchmark Event, any Successor Rate, Alternative Rate and/or Adjustment Spread is notified to the Calculation Agent and the Paying Agents pursuant to Condition 4(j)(i)(E), and the Calculation Agent or the Paying Agents, as applicable, is in any way uncertain as to the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Reset Interest Rate, it shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent or the Paying Agents, as applicable, in writing (which direction may be by way of a written determination of an Independent Adviser) as to which course of action to adopt in the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the determination of such Reset Interest Rate. If the Calculation Agent or Paying Agents, as applicable, is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent or Paying Agents, as applicable shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so. For the avoidance of doubt, for the period that the Calculation Agent or the Paying Agents, as applicable remains uncertain of the application of the Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Reset Interest Rate, the Original Reference Rate and the fallback provisions provided for in the definitions of 5 Year EUR Mid-Swap Rate and Reset Reference Bank Rate in Condition 23 (*Definitions*) will continue to apply.

(ii) As used in this Condition 4(j):

Adjustment Spread means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which is to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) in the case of an Alternative Rate, or (where (A) above does not apply) in the case of a Successor Rate, is in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) (if the Independent Adviser determines that neither (A) nor (B) above applies) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 4(j) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of **determining** rates of interest (or the relevant component part thereof) for resetting 5 year periods in euro or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser

acting in good faith and in a commercially reasonable manner determines is most comparable to the Original Reference Rate;

Benchmark Amendments has the meaning specified in Condition 4(j)(i)(D);

Benchmark Event means:

- (A) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;
- (B) the later of (I) the making of a public statement by the administrator or an insolvency official with jurisdiction over the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (II) the date falling six months prior to the specified date referred to in (B)(I) above;
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (D) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (II) the date falling six months prior to the specified date referred to in (D)(I) above;
- (E) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (II) the date falling six months prior to the specified date referred to in (E)(I) above;
- (F) it has, or will prior to the next Reset Interest Determination Date, become unlawful for the Issuer, the Calculation Agent, any Paying Agent or any other party to calculate any payments due to be made to any Holder using the Original Reference Rate; and/or
- (G) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Original Reference Rate is or will, on or before a specified date, be no longer representative or may no longer be used and (II) the date falling six months prior to the specified date referred to in (E)(I) above;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser experienced in the international capital markets, in each case **appointed** by the Issuer under Condition 4(j)(i) at its own expense and with prior notification to the Trustee;

Original Reference Rate means the rate described in the first paragraph of the definition of 5 Year EUR Mid-Swap Rate in Condition 23 (*Definitions*) (provided that if, following one or more Benchmark Events, such 5 Year EUR Mid-Swap Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or **Alternative** Rate, the term “Original Reference Rate” shall after such replacement mean the Successor Rate or Alternative Rate then used for making interest determination);

Relevant Nominating Body means, in respect of the Original Reference Rate:

- (A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (I) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (III) a group of the aforementioned central banks or other supervisory authorities, or (IV) the Financial Stability Board or any part thereof; and

Successor Rate means a successor to or replacement of the Original Reference Rate which is provided by law or regulation applicable to indebtedness denominated in the currency to which the Original Reference Rate relates and/or formally recommended by any Relevant Nominating Body.

5. OPTIONAL INTEREST DEFERRAL

(a) Deferral of Interest Payments

The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Capital Securities are to be redeemed) by giving notice (a **Deferral Notice**) of such election to the Holders in accordance with Condition 19 (*Notices*), the Trustee (in a certificate signed by two Authorised Signatories) and to the Principal Paying Agent not less than seven Business Days prior to the relevant Interest Payment Date.

Any Interest Payment so deferred pursuant to this Condition 5(a) (*Deferral of Interest Payments*) shall, from (and including) the Interest Payment Date on which such Interest Payment would (but for its deferral) have been payable to (but excluding) the date on which it is paid in full, itself bear interest (such further interest being an **Additional Interest Amount**) at the Interest Rate prevailing from time to time (which interest shall compound on each subsequent Interest Payment Date on which such interest remains unpaid) and, for so long as the same remains unpaid, such deferred interest shall constitute **Deferred Interest** (such Deferred Interest, together with the Additional Interest Amount, being **Arrears of Interest**). Unless the context otherwise requires all references herein to interest shall be deemed to include Arrears of Interest.

The deferral of an Interest Payment in accordance with this Condition 5(a) (*Deferral of Interest Payments*) shall not constitute a default by the Issuer under the Capital Securities or the Trust Deed or for any other purpose.

(b) Settlement of Arrears of Interest

(i) Optional Settlement

Arrears of Interest may be paid (in whole or in part) at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Condition 19 (*Notices*), the Trustee and the Principal Paying Agent not less than seven Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Arrears of Interest (or part thereof).

If amounts in respect of Deferred Interest and Additional Interest Amounts are paid in part:

- (A) all unpaid amounts of Deferred Interest shall be payable before any of the Additional Interest Amounts;
 - (B) Deferred Interest accrued for any period shall not be payable until full payment has been made of all Deferred Interest that has accrued during any earlier period and the order of payment of the Additional Interest Amounts shall follow that of the Deferred Interest to which it relates; and
 - (C) the amount of Deferred Interest or Additional Interest Amounts payable in respect of any of the Capital Securities in respect of any period shall be pro rata to the total amount of all unpaid Deferred Interest or, as the case may be, Additional Interest Amounts accrued on the Capital Securities in respect of that period to the date of payment.
- (ii) **Mandatory Settlement**

The Issuer shall pay any Arrears of Interest, in whole but not in part, on the first to occur of the following dates:

- (A) the 10th Business Day following the date on which a Deferred Interest Payment Event occurs;
- (B) any Interest Payment Date in respect of which the Issuer does not elect to defer the interest accrued in respect of the relevant Interest Period; and
- (C) the date on which the Capital Securities are redeemed or repaid in accordance with Condition 6 (Redemption) or Condition 12 (Default and Enforcement).

Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Holders in accordance with Condition 19 (Notices), the Trustee (in a certificate signed by two Authorised Signatories) and to the Principal Paying Agent within three Business Days of such event.

If none of the events referred to in this Condition 5(b) takes place prior to the calendar day which is the fifth anniversary of the Interest Payment Date on which any of the then outstanding Arrears of Interest payments was initially deferred, it is the intention, though not an obligation, of the Issuer to pay all outstanding Arrears of Interest payments in full on the next following Interest Payment Date.

6. **REDEMPTION**

(a) **No Fixed Redemption Date**

The Capital Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 (*Subordination and Rights on a Winding-Up*)) only have the right to repay them in accordance with the following provisions of this Condition 6 (*Redemption*).

(b) **Issuer's Call Option**

The Issuer may, by giving not less than 15 nor more than 30 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption) redeem all (but not some only) of the Capital Securities on (a) any date from (and including) 10 June 2026 (the **First Optional Redemption Date**) up to (and including) the First Reset Date or (b) on any Interest Payment Date thereafter at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the specified redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

(c) **Make-whole Redemption by the Issuer**

The Issuer may, having given not less than 15 nor more than 30 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption (such date, the **Make-whole Redemption Date**)), redeem all, but not some only, of the Capital Securities then outstanding at any time, other than (i) during the period from and including the First Optional Redemption Date to and including the First Reset Date or (ii) upon any subsequent Interest Payment Date at the Make-whole Redemption Amount. No later than the Business Day immediately following the Calculation Date, the Make-whole Calculation Agent shall notify the Issuer, the Trustee, the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Holders of the Make-whole Redemption Amount.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

For the purposes of this Condition, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

Calculation Date means the third Business Day prior to the Make-whole Redemption Date.

Make-whole Calculation Agent means an investment bank, or financial institution, of international standing or an independent financial adviser with appropriate expertise to be appointed by the Issuer.

Make-whole Margin means 0.50 per cent. per annum;

Make-whole Redemption Amount means, in respect of each Capital Security, an amount in Euro, determined by the Make-whole Calculation Agent, equal to the sum of:

- (a) the greater of (x) 100 per cent. of the principal amount outstanding of such Capital Security to be redeemed and (y) the sum of the present values as at the Make-whole Redemption Date of (A) the principal amount outstanding of such Capital Security, discounted from the last day of the Remaining Term to such Make-whole Redemption Date; and (B) the remaining scheduled payments of interest on such Capital Security (exclusive of any Arrears of Interest and any interest accruing on such Capital Security from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date to, but excluding, the Make-whole Redemption Date) for the Remaining Term discounted to such Make-whole Redemption Date, in all cases on the basis of the day-count fraction at a rate equal to the Make-whole Redemption Rate; and
- (b) any interest accrued but not paid, and any unpaid Arrears of Interest, on such Capital Security to, but excluding, the Make-whole Redemption Date.

Make-whole Redemption Rate means the sum, as calculated by the Make-whole Calculation Agent, of the Reference Bond Rate and the Make-whole Margin.

Reference Bond means OBL 0% due 10 April 2026 (with ISIN DE0001141836), or if such security is no longer outstanding, a Similar Security chosen by the Make-whole Calculation Agent and notified to the Issuer.

Reference Bond Rate means the mid-market annual yield to maturity of the Reference Bond as displayed on the Reference Screen Page at 11.00 a.m. (CET) on the Calculation Date (or, if the Reference Screen Page is not available at such time, the average of the four quotations given by Reference Dealers of the mid-market annual yield to maturity of the Reference Bond on the Calculation Date at or around 11.00 a.m. (CET)). The Reference Bond Rate (and the reference of the Similar Security, if applicable) will be published by the Issuer in accordance with Condition 19 (*Notices*).

Reference Dealers means four banks selected from time to time by the Make-whole Calculation Agent, at its sole discretion, which are primary government securities dealers, and their respective successors, or market makers in pricing corporate bond issues.

Reference Screen Page means Bloomberg screen page "HP" for the Reference Bond (using the settings "Mid YTM" and "Daily") (or any successor or replacement page, section or other part of the information service), or such other page, section or other part as may replace it on the information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the mid-market yield to maturity for the Reference Bond.

Remaining Term means the period from (and including) the Make-whole Redemption Date to (but excluding) (a) if the Make-whole Redemption Date occurs before the First Optional Redemption Date, the First Optional Redemption Date or (b) if the Make-whole Redemption Date occurs after the First Reset Date, the next succeeding Interest Payment Date;

Similar Security means a German *Bundesobligationen* having an actual or interpolated maturity comparable with the Remaining Term that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in euros with a comparable maturity to the Remaining Term.

(d) **Redemption upon a Tax Deductibility Event, a Capital Event or an Accounting Event**

If a Tax Deductibility Event, a Capital Event or an Accounting Event has occurred and is continuing, the Issuer may, by giving not less than 15 nor more than 30 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*), redeem all, but not some only, of the Capital Securities at any time at an amount equal to:

- (a) 101 per cent. of their principal amount, where such redemption occurs before the First Optional Redemption Date; or
- (b) 100 per cent. of their principal amount, where such redemption occurs on or after the First Optional Redemption Date,

together, in each case, with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the specified redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

(e) **Redemption upon a Withholding Tax Event or a Substantial Repurchase Event**

If a Withholding Tax Event has occurred and is continuing, or if a Substantial Repurchase Event has occurred, the Issuer may, by giving not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*), redeem all, but not some only, of the Capital Securities at any time at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the specified redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

(f) **Redemption for Change of Control Event**

If a Change of Control Event occurs on or after the Issue Date the Issuer may, at the earliest on the last day of the Exercise Period, and upon giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Capital Securities at an amount equal to 100 per cent. of their principal amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the specified redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

Immediately upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice (a **Change of Control Notice**) to the Trustee and the Holders in accordance with Condition 19 (*Notices*) specifying the nature of the Change of Control Event.

7. **SUBSTITUTION OR VARIATION**

If at any time an Accounting Event, a Capital Event, a Tax Deductibility Event or a Withholding Tax Event has occurred on or after the Issue Date and is continuing, then the Issuer may, subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*) (without any requirement for the consent or approval of the Holders or Couponholders) and subject to its having satisfied the Trustee immediately prior to the giving of any notice referred to herein that the provisions of this Condition 7 have been complied with, having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), to the Holders (which notice shall be irrevocable), at any time either:

- (a) substitute all, but not some only, of the Capital Securities for Qualifying Capital Securities; or
- (b) vary the terms of the Capital Securities with the effect that they remain or become, as the case may be, Qualifying Capital Securities,

and the Trustee shall (subject to the following provisions of this Condition 7 and subject to the receipt by it of the certificate by two Authorised Signatories of the Issuer referred to in Condition 8 below) agree to such substitution or variation.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Capital Securities in accordance with this Condition 7.

The Trustee shall (at the expense of the Issuer) use reasonable endeavours to assist the Issuer in the substitution of the Capital Securities for, or the variation of the terms of the Capital Securities so that they remain or, as the case may be, become, Qualifying Capital Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Capital Securities, or the participation in or assistance with such substitution or variation, would expose the Trustee to any liability or impose, in the Trustee's opinion, more onerous obligations upon it or reduce its protections. If the Trustee does not participate or assist as provided above, the Issuer may redeem the Capital Securities as provided in Condition 6 (*Redemption*).

In connection with any substitution or variation in accordance with this Condition 7, the Issuer shall comply with the rules of any stock exchange on which the Capital Securities are for the time being listed or admitted to trading.

8. **PRECONDITIONS TO SPECIAL EVENT REDEMPTION, CHANGE OF CONTROL EVENT REDEMPTION, SUBSTITUTION OR VARIATION**

Prior to the publication of any notice of redemption pursuant to Condition 6 (*Redemption*) (other than redemption pursuant to Condition 6(b) (*Issuer's Call Option*)) or any notice of substitution or variation pursuant to Condition 7 (*Substitution or Variation*), the Issuer shall deliver to the Trustee:

- (a) a certificate signed by two Authorised Signatories of the Issuer stating:
 - (i) that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary (as the case may be) the Capital Securities is satisfied;
 - (ii) in the case of a Withholding Tax Event, that the Issuer is unable to avoid paying additional amounts pursuant to and in accordance with Condition 11 (*Taxation*) by taking measures reasonably available to it; and
 - (iii) in the case of a substitution or variation pursuant to Condition 7 (*Substitution or Variation*), that:
 - (A) the Issuer has determined that the terms of the Qualifying Capital Securities are not materially less favourable to Holders than the terms of the Capital Securities and that determination was reasonably reached by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing;
 - (B) the criteria specified in paragraphs (a) to (i) of the definition of Qualifying Capital Securities will be satisfied by the Qualifying Capital Securities upon issue; and
 - (C) the relevant substitution or variation (as the case may be) will not result in the occurrence of a Special Event;
- (b) in the case of a Tax Deductibility Event or a Withholding Tax Event, an opinion of counsel to the Issuer in Finland (of recognised standing and experienced in such matters) addressed to the Trustee to the effect that a Tax Deductibility Event or a Withholding Tax Event (as applicable) has occurred and is continuing; and
- (c) in the case of an Accounting Event only, a copy of a letter or report from a recognised international accounting firm confirming that an Accounting Event has occurred.

The Trustee may rely absolutely upon and shall be entitled to accept such certificate and any such opinion, letter or report without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the criteria set out in such paragraphs, in which event it shall be conclusive and binding on the Holders and the Couponholders.

Any redemption of the Capital Securities in accordance with Condition 6 (*Redemption*) shall be conditional on all Arrears of Interest being paid in full in accordance with the provisions of Condition 5(b)(ii) (*Mandatory Settlement*) on or prior to the date of such redemption.

The Trustee is under no obligation to ascertain whether any Special Event, Change of Control Event or any event which could lead to the occurrence of, or could constitute, any such Special Event or Change of Control Event has occurred and, until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no such Special Event or Change of Control Event or such other event has occurred.

9. PURCHASES AND CANCELLATION

(a) Purchase

Each of the Issuer and any of its Subsidiaries may at any time purchase or procure others to purchase beneficially for its account any or all Capital Securities in the open market or otherwise and at any price. In each case, purchases of Capital Securities will be made together with all unmatured Coupons and Talons appertaining thereto.

All Capital Securities purchased by the Issuer or any of its Subsidiaries may, at the option of the Issuer or such Subsidiary, be held, reissued, resold or surrendered for cancellation (together with all unmatured Coupons and all unexchanged Talons attached to them) to a Paying Agent.

(b) **Cancellation**

All Capital Securities which are redeemed pursuant to Condition 6 (*Redemption*) or substituted pursuant to Condition 7 (*Substitution or Variation*) and all Capital Securities purchased and surrendered for cancellation pursuant to Condition 9(a) (*Purchase*) (in each case, together with all unmatured Coupons and unexchanged Talons relating thereto) will be cancelled and may not be reissued or resold. For so long as the Capital Securities are admitted to trading on the Global Exchange Market (**GEM**) of the Irish Stock Exchange plc, trading as Euronext Dublin (**Euronext Dublin**) and the rules of such exchange so require, the Issuer shall promptly inform Euronext Dublin of the cancellation of any Capital Securities under this Condition 9(b) (*Cancellation of Capital Securities*).

10. **PAYMENTS**

(a) **Method of Payment**

- (i) Payments of principal, premium and interest will be made against presentation and surrender of Capital Securities or the appropriate Coupons (as the case may be) at the specified office of any of the Paying Agents except that payments of interest in respect of any period not ending on an Interest Payment Date will only be made against presentation and either surrender or endorsement (as appropriate) of the relevant Capital Securities. Such payments will be made by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with a bank in a city in which banks have access to the TARGET System.
- (ii) Upon the due date for redemption of any Capital Security, unmatured Coupons relating to such Capital Security (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Capital Security is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (iii) On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Capital Securities, the Talon forming part of such Coupon sheet may be surrendered at the specified office of any of the Paying Agents in exchange for a further Coupon sheet (to include another Talon for a further Coupon sheet, if appropriate) (but excluding any Coupons that may have become void pursuant to Condition 13 (*Prescription*)).

(b) **Payments on business days**

If the due date for payment of any amount in respect of any Capital Security or Coupon is not a business day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding business day and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, **business day** means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation, London and Helsinki and, in the case of payment by transfer to a Euro account as referred to above, is a day on which the TARGET System is operating.

(c) **Payments subject to Fiscal Laws**

All payments in respect of the Capital Securities are subject in all cases to any (i) applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471

through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto (**FATCA Withholding**).

(d) **Interpretation of Principal, Premium and Interest**

References in these Conditions to principal, premium, Interest Payments, Arrears of Interest and/or any other amount in respect of interest shall be deemed to include any additional amounts which may become payable pursuant to Condition 11 (*Taxation*).

11. **TAXATION**

All payments of principal, premium and interest (including Arrears of Interest) in respect of the Capital Securities and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges (**Taxes**) of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Finland or any political subdivision thereof or any authority therein or thereof having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal, premium and interest (including Arrears of Interest) on the Capital Securities and Coupons, unless the withholding or deduction of such Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Holders and the Couponholders after such withholding or deduction of such amounts as would have been receivable by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Capital Security or Coupon:

- (a) presented for payment in the Republic of Finland; or
- (b) held by or on behalf of, a Holder who is liable for the Taxes in respect of such Capital Security or Coupon by reason of having some connection with the Republic of Finland other than the mere holding of such Capital Security or Coupon; or
- (c) presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder or Couponholder would have been entitled to additional amounts on presenting the same for payment on the last day of such period of 30 days.

12. **DEFAULT AND ENFORCEMENT**

(a) **Proceedings**

Without prejudice to the Issuer's right to defer the payment of interest under Condition 5(a) (*Deferral of Interest Payments*), if a default is made by the Issuer for a period of three days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, then the Issuer shall, without notice from the Trustee, be deemed to be in default under the Trust Deed, the Capital Securities and the Coupons and the Trustee at its discretion may, and if so requested in writing by the Holders of at least one-fifth in principal amount of the Capital Securities then outstanding or if so directed by an Extraordinary Resolution shall (subject to Condition 12(c) (*Entitlement of the Trustee*)), institute proceedings for an Issuer Winding-up, subject to applicable law.

In the event of an Issuer Winding-up, (whether instituted by the Trustee as aforesaid or otherwise), the Trustee may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Capital Securities then outstanding or if so directed by an Extraordinary Resolution shall (subject to Condition 12(c) (*Entitlement of the Trustee*)), prove and/or claim in such Issuer Winding-up in respect of the Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under Condition 3(a) (*Rights on a Winding-Up*).

(b) **Enforcement**

The Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Capital Securities or the Coupons but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

(c) **Entitlement of the Trustee**

The Trustee shall not be bound to take any of the actions referred to in Condition 12(a) (*Proceedings*) or Condition 12(b) (*Enforcement*) above to enforce the terms of the Trust Deed, the Capital Securities or the Coupons or any other action, step or proceeding under or pursuant to the Trust Deed or the Capital Securities or the Coupons unless (i) it shall have been so directed or requested by an Extraordinary Resolution of the Holders or in writing by the holders of at least one-fifth in principal amount of the Capital Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

(d) **Rights of Holders**

No Holder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for an Issuer Winding-up and/or prove and/or claim in an Issuer Winding-up unless the Trustee, having become so bound to proceed or prove and/or claim in such Issuer Winding-up, fails or is unable to do so within 60 days and such failure or inability shall be continuing. In that case, each Holder and Couponholder shall have only such rights against the Issuer in respect of such Holder's or Couponholder's Capital Securities or Coupons (as the case may be) as those which the Trustee is entitled to exercise on behalf of such Holder or Couponholder, as set out in this Condition 12 (*Default and Enforcement*).

(e) **Extent of Holders' Remedy**

No remedy against the Issuer, other than as referred to in this Condition 12 (*Default and Enforcement*), shall be available to the Trustee or the Holders, or Couponholders, whether for the recovery of amounts owing in respect of the Capital Securities, the Coupons or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities, the Coupons or the Trust Deed.

13. **PRESCRIPTION**

Claims against the Issuer in respect of the Capital Securities and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment or made, as the case may be, within a period of 10 years in the case of Capital Securities (in respect of claims relating to principal and premium) and five years in the case of Coupons (in respect of claims relating to interest, including Arrears of Interest) from the Relevant Date relating thereto. There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim in respect of which would be void pursuant to this Condition 13 (*Prescription*) or Condition 10(a)(iii).

14. **REPLACEMENT OF CAPITAL SECURITIES, COUPONS AND TALONS**

If any Capital Security, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Principal Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Holders in accordance with Condition 19 (*Notices*), on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Capital Security, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Capital Securities, Coupons or further Coupons) and otherwise as the Issuer may reasonably require.

Mutilated or defaced Capital Securities, Coupons or Talons must be surrendered before replacements will be issued.

15. AGENTS

The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents, provided that:

- (a) the Issuer shall at all times maintain a paying agent; and
- (b) so long as the Capital Securities are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent having a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents shall promptly be given to the Holders in accordance with Condition 19 (*Notices*).

If the Calculation Agent or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall appoint, on terms acceptable to the Trustee, an independent financial institution acceptable to the Trustee to act as such in its place.

16. MEETINGS OF HOLDERS; MODIFICATION AND WAIVER

(a) Meetings of Holders

The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of Holders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of the Capital Securities, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee (subject to being indemnified and/or secured and/or pre-funded to its satisfaction) upon the request in writing of Holders holding not less than ten per cent. of the aggregate principal amount of the outstanding Capital Securities. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing more than 50 per cent. of the aggregate principal amount of the outstanding Capital Securities or, at any adjourned meeting, one or more persons being or representing Holders whatever the principal amount of the Capital Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Capital Securities or Coupons (including, *inter alia*, the provisions regarding subordination referred to in Condition 3 (*Subordination and Rights on a Winding Up*), the terms concerning currency and due dates for payment of principal, premium or interest (including Arrears of Interest) in respect of the Capital Securities and reducing or cancelling the principal amount of any Capital Securities, any premium or any Interest Rate) or certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the nominal amount of the Capital Securities for the time being outstanding. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Holders and Couponholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast, (ii) a resolution in

writing signed by or on behalf of the Holders representing not less than three-fourths in nominal amount of the Capital Securities for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing systems by or on behalf of the Holders representing not less than three-fourths in nominal amount of the Capital Securities for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Holders.

The agreement or approval of the Holders shall not be required in the case of any variation of these Conditions required to be made in the circumstances described in Condition 7 (*Substitution or Variation*) in connection with the substitution or variation of the terms of the Capital Securities so that they remain or become Qualifying Capital Securities.

(b) **Modification and Waiver**

The Trustee may, without the consent of the Holders, agree to (i) any modification of any of the provisions of these Conditions or any provision of the Trust Deed or the Agency Agreement which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification to (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach by the Issuer of, any of these Conditions or of the provisions of the Trust Deed or the Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders (which will not include, for the avoidance of doubt, any provision entitling the Holders to institute proceedings for an Issuer Winding-up in circumstances which are more extensive than those set out in Condition 12 (*Default and Enforcement*)). In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and on the basis set out in Condition 4(j)(i)(E) without the consent or approval of the Holders or Couponholders subject to the provisions therewith. Any such modification, authorisation or waiver shall be binding on the Holders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Holders in accordance with Condition 19 (*Notices*), as soon as practicable.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, but without limitation, any modification, waiver, authorisation, determination or substitution pursuant to Condition 17 (*Issuer Substitution*)), the Trustee shall have regard to the interests of the Holders as a class and, in particular, but without limitation, shall not have regard to the consequences of such exercise of its trusts, powers, authorities or discretions for individual Holders and Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Holder or Couponholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders or Couponholders, except to the extent already provided in Condition 11 (*Taxation*) and/or any undertaking given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

17. ISSUER SUBSTITUTION

The Trustee may, without the consent of the Holders or the Couponholders, agree with the Issuer to the substitution on a subordinated basis equivalent to that referred to in Conditions 2 (*Status*) and 3 (*Subordination and Rights on a Winding-Up*) in place of the Issuer (or of any previous substitute under this Condition 17 (*Issuer Substitution*)) as the principal debtor under the Capital Securities, the Coupons and the Trust Deed of any company being a Subsidiary of the Issuer subject to:

- (a) the Capital Securities being unconditionally and irrevocably guaranteed by the Issuer on the same subordinated basis as the Capital Securities under Condition 3 (*Subordination and Rights on a Winding-Up*);
- (b) the Trustee being satisfied that the substitution is not materially prejudicial to the interests of the Holders; and

- (c) certain other conditions set out in the Trust Deed being complied with.

Any substitution effected in accordance with this Condition 17 (*Issuer Substitution*) shall be binding on the Holders and the Couponholders.

The Issuer will give notice of any substitution pursuant to this Condition 17 (*Issuer Substitution*) to the Holders in accordance with Condition 19 (*Notices*) as soon as reasonably practicable (and in any event within 10 days) following such substitution.

18. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Holders or the Couponholders, create and issue further Capital Securities having the same terms and conditions as the Capital Securities in all respects (or in all respects except for the first payment of interest) so that the same shall be consolidated and form a single series with the Capital Securities (**Further Capital Securities**).

19. NOTICES

All notices regarding the Capital Securities shall be validly given if published (i) in a leading newspaper having general circulation in London (which is expected to be the *Financial Times* or, if this is not possible, in one other English language daily newspaper approved by the Trustee with general circulation in Europe) and (ii) if and for so long as the Capital Securities are admitted to trading on Euronext Dublin and the rules of Euronext Dublin so require, publication will also be made in a leading daily newspaper having general circulation in the Republic of Ireland (which is expected to be the *Irish Times*). Any such notice will be deemed to have been given on the date of the first publication in the required newspaper or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

20. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances including provisions relieving it from instituting proceedings or taking any other steps or actions to enforce repayment unless indemnified and/or secured and/or prefunded to its satisfaction.

21. GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Trust Deed, the Capital Securities, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with any of them, are governed by, and shall be construed in accordance with, English law, other than the provisions of Condition 3(a) and (c) (*Subordination and Rights on a Winding-Up*), Clause 8 of the Trust Deed and any non-contractual obligations arising out of or in connection with them which are governed by, and shall be construed in accordance with, the laws of Finland.

(b) Jurisdiction

- (i) Subject to subclause (iii) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Capital Securities, the Coupons or the Talons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Capital Securities and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Trustee and any Holders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (ii) For the purposes of this Condition 21(b), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

- (iii) To the extent allowed by law, the Trustee, the Holders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

(c) **Appointment of Process Agent**

The Issuer has in the Trust Deed appointed Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX at its registered office for the time being, as its agent for service of process in England and has agreed that, in the event of the same being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceeding. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

22. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Capital Securities under the Contracts (Rights of Third Parties) Act 1999.

23. **DEFINITIONS**

In these Conditions:

5 Year EUR Mid-Swap Rate means, with respect to a Reset Period:

- (a) the mid swap rate for euro swap transactions with a maturity of five years (**5 Year EUR Mid-Swap**), as published on Reuters screen ICESWAP2/EURSFIXA under FIXED VS. 6M EURIBOR (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in Euro) (in each case, the **Reset Screen Page**), as at approximately 11.00 a.m. (Central European time) on the Reset Interest Determination Date applicable to such Reset Period; or
- (b) if, on the Reset Interest Determination Date applicable to such Reset Period, the 5 Year EUR Mid-Swap Rate does not appear on the Reset Screen Page, the 5 Year EUR Mid-Swap Rate will be the Reset Reference Bank Rate on such Reset Interest Determination Date. If (a) at least three quotations are provided, the 5 Year EUR Mid-Swap Rate will be calculated by the Calculation Agent on the basis of the arithmetic mean (or, if only three quotations are provided, the median) of the quotations provided, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); (b) only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided; (c) only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided; and (d) no quotations are provided, the Reset Reference Bank Rate for the relevant period will be: (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the Reset Reference Bank Rate in respect of the immediately preceding Reset Period, or (ii) in the case of the Reset Period commencing on the First Reset Date, -0.252 per cent. which represents the 5 Year EUR Mid-Swap Rate at pricing;

the **5 year Swap Rate Quotations** means, in relation to any Reset Period, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 Day Count Basis) of a fixed-for-floating euro interest rate swap which (i) has a term of 5 years commencing on the relevant Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on the basis of the actual number of days elapsed and a year of 360 days);

2031 Step-up Date means 10 September 2031;

2046 Step-up Date means 10 September 2046;

an **Accounting Event** shall be deemed to occur if the Issuer has received, and notified the Holders in accordance with Condition 19 (*Notices*) that it has so received, a letter or report of a recognised accountancy firm of international standing, stating that, as a result of a change in the accounting rules or methodology (or in each case the application thereof) after the Issue Date (the earlier of such date that the aforementioned change is officially announced in respect of IFRS or officially adopted or put into practice, the **Accounting Event Adoption Date**), the Capital Securities may not or may no longer be recorded as "equity" in full in any of the consolidated financial information of the Issuer pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of preparing the annual, semi-annual or quarterly consolidated financial information of the Issuer. The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. The period during which the Issuer may notify the redemption of the Capital Securities as a result of the occurrence of an Accounting Event shall start on, and include the Accounting Event Adoption Date. For the avoidance of doubt such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect;

Agency Agreement has the meaning given in the preamble of the Conditions;

Agents means the Paying Agents, the Calculation Agent or any successor thereto appointed in accordance with the Agency Agreement;

Arrears of Interest has the meaning given in Condition 5(a) (*Deferral of Interest Payments*);

Authorised Signatory means any person who (a) is a Director or the Secretary of the Issuer or (b) has been notified by the Issuer in writing to the Trustee as being duly authorised to sign documents and to do other acts and things on behalf of the Issuer for the purposes of the Trust Deed or these Conditions;

Business Day means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London and on which the TARGET System is open;

Calculation Agent means Deutsche Bank AG, London Branch, or any successor appointed in accordance with the Agency Agreement;

Calculation Amount has the meaning given to it in Condition 4(b) (*Interest Accrual*);

a **Capital Event** shall be deemed to occur if the Issuer has, directly or via publication by such Rating Agency, received confirmation, and notified the Holders in accordance with Condition 19 that it has so received confirmation from any Rating Agency that, due to any amendment to, clarification of, or change in hybrid capital methodology or a change in the interpretation thereof, in each case occurring or becoming effective after the Issue Date, all or any of the Capital Securities will no longer be eligible (or if the Capital Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit from such Rating Agency in part or in full as a result, all or any of the Capital Securities would no longer have been eligible as a result of such amendment, clarification, change in criteria or change in the interpretation had they not been re-financed), for the same or a higher amount of "equity credit" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) attributed to the Capital Securities at the Issue Date (or, if "equity credit" is not assigned to the Capital Securities by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time);;

Capital Securities has the meaning given in the preamble to the Conditions;

a **Change of Control Event** will be deemed to occur if:

- (a) any person or any persons acting in concert, other than the Existing Holders or a holding company whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer and/or any direct or indirect holding company of the Issuer, shall acquire a controlling interest in (A) shares in the stated capital of the Issuer carrying more than 45 per cent. of the voting rights represented by the shares of the Issuer (being voting rights which are capable of being exercised at a general meeting of the Issuer) where as a result of such acquisition, such person will have an interest that is greater than that of the Existing Holders at the time of such acquisition or (B) shares in the stated capital of the Issuer carrying more than 50 per cent. of the voting rights represented by the shares of the Issuer (being votes which are capable of being cast at a general meeting of the Issuer) (each such event being, a **Change of Control**); and
- (b) on the date (the **Relevant Announcement Date**) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (as defined below) (if any):
- (i) the Issuer's senior unsecured obligations, or any senior unsecured obligations guaranteed by the Issuer, carry an investment grade credit rating (BBB-, or its equivalent, or better) (an **Investment Grade Rating**) from one or more Change of Control Rating Agencies and, within the Change of Control Period, any such Change of Control Rating Agency downgrades its rating of the Issuer's senior unsecured obligations, or any senior unsecured obligations guaranteed by the Issuer, to a non-investment grade credit rating (BB+, or its equivalent, or worse) or withdraws its rating of the Issuer's senior unsecured obligations, or any senior unsecured obligations guaranteed by the Issuer, and such rating is not within the Change of Control Period restored to an Investment Grade Rating by one or more such Change of Control Rating Agencies or replaced by an Investment Grade Rating of another Change of Control Rating Agency; or
- (ii) the Issuer's senior unsecured obligations, or any senior unsecured obligations guaranteed by the Issuer, do not carry an Investment Grade Rating from at least one Change of Control Rating Agency and the Issuer is not able to acquire and maintain thereafter an Investment Grade Rating during the Change of Control Period from at least one Change of Control Rating Agency; and
- (c) in making any decision to downgrade or withdraw a credit rating pursuant to paragraph (a) above or to decline to confer an Investment Grade Rating, the relevant Change of Control Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

Change of Control Period means the period commencing on the Relevant Announcement Date and ending 180 days after the Change of Control (or such longer period for which the Issuer's senior unsecured obligations, or any senior unsecured obligations guaranteed by the Issuer, are under consideration (such consideration having been announced publicly within the period ending 180 days after the Change of Control) for rating review or, as the case may be, rating by a Change of Control Rating Agency, such period not to exceed 180 days after the public announcement of such consideration);

Change of Control Rating Agency means Moody's, S&P or any of their respective successors or any other internationally recognised rating agency (a **Substitute Rating Agency**) substituted for any of them by the Issuer from time to time;

Change of Control Step-up Date shall be the date immediately following the expiry of the Exercise Period;

Code has the meaning given to it in Condition 10(c) (*Payments subject to Fiscal Laws*);

Companies Act means the Finnish Limited Liabilities Companies Act (624/2006, as amended from time to time) (*osakeyhtiölaki*);

Conditions means these terms and conditions of the Capital Securities, as amended from time to time;

continuing is an event or failure that has not been waived or remedied;

Corporate Restructuring Event means any reduction of share capital pursuant to Chapter 14 of the Companies Act, amendment of the Issuer's articles of association pursuant to Chapter 14, Section 7 of the Companies Act or merger or demerger pursuant to Chapters 16 and 17 of the Companies Act.

Coupon has the meaning given in the preamble to the Conditions;

Couponholders has the meaning given in the preamble to the Conditions;

day-count fraction has the meaning given in Condition 4(b) (*Interest Accrual*);

Deferral Notice has the meaning given in Condition 5(a) (*Deferral of Interest Payments*);

Deferred Interest has the meaning given in Condition 5(a) (*Deferral of Interest Payments*);

A **Deferred Interest Payment Event** means any one or more of the following events:

- (a) declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities;
- (b) declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Securities or the Capital Securities;
- (c) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any shares of the Issuer or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities; and/or
- (d) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of the Capital Securities or to any Parity Securities,

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law including, without limitation, a Minority Dividend;
- (ii) in the case of (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition that is executed in connection with, or for the purpose of (1) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer or (2) any share buyback programme then in force and duly approved by the shareholders' general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction; and
- (iii) in the case of (d) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition executed in whole or in part in the form of a public tender offer or public exchange offer at a consideration per Capital Security or per Parity Security below its par value.

A Deferred Interest Payment Event shall not occur pursuant to paragraph (b) above in respect of any optional pro rata payment of deferred or arrears of interest on any Parity Securities which is made simultaneously with an optional pro rata payment of any Arrears of Interest provided that such pro rata payment of deferred or arrears of interest on a Parity Security is not proportionately more than the pro rata settlement of any such Arrears of Interest;

EUR and/or **euro** means the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended;

EURIBOR means the month Euro Interbank Offered Rate;

Euronext Dublin has the meaning given to it in Condition 9(b) (*Cancellation*);

Exercise Period means the period from the date on which the Change of Control Event occurred to the day which is the earlier of (a) 60 days after such date and (b) the last day on which holders of senior indebtedness of the Issuer, which have a right to put (a **Put Option**) such senior indebtedness for redemption exercisable upon the occurrence of a Change of Control Event (howsoever described), and to the extent they have exercised such Put Option within any applicable put option redemption period (howsoever described), have received the redemption proceeds;

Existing Holders means, individually or jointly, any and all of (i) Gazit-Globe Ltd., and (ii) any person or persons from time to time controlling, controlled by or under common control with Gazit-Globe Ltd., including (a) any person or persons that acquires a controlling interest in any of the persons referred to in (i) and (ii) above or (b) any person that succeeds to any of the persons referred to in (i) and (ii) above by way of a merger, liquidation, dissolution, reorganisation or otherwise. For the purposes of this definition, **control** is deemed to be the ownership of or ability to direct 30 per cent. or more of the equity share capital of a person;

Extraordinary Resolution has the meaning given in the Trust Deed;

FATCA Withholding has the meaning given in Condition 10(c) (*Payments subject to Fiscal Laws*);

First Interest Payment Date has the meaning given to it in Condition 4(a) (*Interest Payment Dates*);

First Reset Date means 10 September 2026;

Fitch means Fitch Ratings Ltd.

Further Capital Securities has the meaning given to it in Condition 18 (*Further Issues*);

GEM has the meaning given to it in Condition 9(b) (*Cancellation*);

Holders has the meaning given in the preamble to these Conditions;

IFRS means International Financial Reporting Standards issued by the International Accounting Standards Board (**IASB**) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time); **Initial Interest Rate** has the meaning given in Condition 4(c) (*Initial Interest Rate*);

Interest Amount has the meaning given in Condition 4(e) (*Determination of Reset Interest Rates and Calculation of Interest Amounts*);

Interest Payment means, in respect of the payment of interest on an Interest Payment Date, the amount of interest payable on the presentation and surrender of the Coupon for the relevant Interest Period in accordance with Condition 4 (*Interest*);

Interest Payment Date has the meaning given in Condition 4(a) (*Interest Payment Dates*);

Interest Period means the period from (and including) the Issue Date to (but excluding) the First Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date;

Interest Rate means the Initial Interest Rate or the relevant Reset Interest Rate, as the case may be;

Issue Date has the meaning given in Condition 4(a) (*Interest Payment Dates*);

Issuer has the meaning given in the preamble to these Conditions;

Issuer Winding-up has the meaning given in Condition 3(a) (*Rights on a Winding-Up*);

Margin means:

- (a) in respect of the period from (and including) the First Reset Date to (but excluding) the 2031 Step-up Date, 4.179 per cent.;
- (b) in respect of each Reset Period from (and including) the 2031 Step-up Date to (but excluding) the 2046 Step-up Date, 4.429 per cent.; and
- (c) in respect of each Reset Period from (and including) the 2046 Step-up Date, 5.179 per cent.;

Minority Dividend means a distribution of dividends on the ordinary shares of the Issuer, (i) not exceeding the limits provided by Chapter 13 Section 7 of the Companies Act, (ii) paid pursuant to a resolution which the Issuer was required to take upon a demand made by shareholders representing the minority thresholds provided by Chapter 13 Section 7 of the Companies Act before the annual general meeting makes a decision on the use of distributable profits for the preceding fiscal year and (iii) made in the circumstances where no distribution of dividends has been proposed by the board of directors to the annual general meeting of the Issuer for that fiscal year;

Moody's means Moody's Investors Services Ltd;

Parity Securities or **Parity Security** means any obligations of:

- (a) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Capital Securities and which shall include the EUR 350,000,000 Subordinated Fixed to Reset Rate 5.25 Year Non-Call Undated Capital Securities issued on 22 November 2019 (ISIN: XS2079413527) for so long as any of the same remains outstanding; and
- (b) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank *pari passu* with the Capital Securities;

Paying Agent has the meaning given in the preamble to these Conditions;

Principal Paying Agent has the meaning given in the preamble to these Conditions;

Qualifying Capital Securities means securities that contain terms not materially less favourable to Holders than the terms of the Capital Securities (as reasonably determined by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing) and provided that a certification to such effect (in accordance with Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*)) shall have been delivered to the Trustee prior to the substitution or variation of the Capital Securities, provided that:

- (a) they shall be issued by the Issuer or by any wholly-owned direct or indirect finance Subsidiary of the Issuer with a guarantee from the Issuer; and
- (b) they (and/or, as appropriate, the guarantee as aforesaid) shall rank *pari passu* on an Issuer Winding-up with the ranking of the Capital Securities; and
- (c) they shall contain terms which provide for the same interest rate from time to time applying to the Capital Securities and preserve the same Interest Payment Dates; and
- (d) they shall preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Capital Securities, including (without limitation) as to timing of, and amounts payable upon, such redemption; and
- (e) they shall preserve any existing rights under the Capital Securities to any accrued interest, any Arrears of Interest and any other amounts payable under the Capital Securities which, in each case, has accrued to Holders and not been paid; and
- (f) they shall not contain terms providing for the mandatory deferral or cancellation of interest and shall not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (g) they shall, immediately after such exchange or variation, be assigned at least the same credit rating(s) by the same Rating Agencies as may have been assigned to the Capital Securities immediately prior to such exchange or variation (if any); and
- (h) they shall otherwise contain substantially identical terms (as reasonably determined by the Issuer) to the Capital Securities, save where any modifications to such terms are required to be made to avoid the occurrence or effect of, an Accounting Event, a Capital Event, a Tax Deductibility Event or, as the case may be, a Withholding Tax Event or, in the case of a Capital Event occurring following any relevant refinancing of the Capital Securities, to avoid any part of the aggregate principal amount of the Capital Securities which benefitted from equity credit by the relevant Rating Agency prior to the occurrence of the Capital Event being assigned a level of equity credit (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) that is lower than the equity credit assigned on the Issue Date (or if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time); and
- (i) they shall be (A) listed on Euronext Dublin and admitted to trading on the GEM or (B) admitted to trading on any other regulated market or multilateral trading facility for the purposes of Directive 2014/65/EU (as amended) as selected by the Issuer on, or as soon as reasonably practicable after issue and approved by the Trustee;

Rating Agency means Moody's, S&P, Fitch or any other internationally recognised rating agency or any of their respective successors, in each case requested to grant a corporate credit rating to the Issuer;

Relevant Date means:

- (a) in respect of any payment other than a sum to be paid by the Issuer in an Issuer Winding-up, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been duly received by the Principal Paying Agent or the Trustee on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders by or on behalf of the Issuer or the Trustee in accordance with Condition 19 (*Notices*); and

- (b) in respect of any sum to be paid by or on behalf of the Issuer in an Issuer Winding-up, the date which is one day prior to the date on which an order is made or a resolution is passed for such Issuer Winding-up;

Relevant Potential Change of Control Announcement means any public announcement or statement by the Issuer or Citycon Treasury B.V. (as the case may be), any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

Reset Date means the First Reset Date and each fifth anniversary thereof;

Reset Interest Determination Date means, with respect to a Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences;

Reset Interest Rate has the meaning given in Condition 4(d) (*Reset Interest Rates*);

Reset Period means each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date thereafter;

Reset Reference Bank Rate means the percentage rate calculated by the Calculation Agent in accordance with these Conditions on the basis of the 5 year Swap Rate Quotations provided by the Reset Reference Banks to the Issuer and the Calculation Agent at approximately 11:00 a.m. (Central European time) on the relevant Reset Interest Determination Date;

Reset Reference Banks means five major banks in the European Interbank market selected by the Issuer (or an independent investment bank, commercial bank or stockbroker appointed by the Issuer);

S&P means S&P Global Ratings Europe Limited;

Special Event means any of an Accounting Event, a Capital Event, a Substantial Repurchase Event, a Tax Deductibility Event, a Withholding Tax Event, or any combination of the foregoing;

Subordinated Indebtedness means any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, or pursuant to applicable Finnish law is subordinated in the event of an Issuer Winding-up to the claims of all unsubordinated creditors of the Issuer but senior to the Capital Securities or to the obligations of the Issuer in respect of any Parity Securities;

Subsidiary means any company (i) in which the Issuer holds a majority of the voting rights or (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer;

a **Substantial Repurchase Event** shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of Capital Securities equal to or greater than 75 per cent. of the aggregate principal amount of the Capital Securities initially issued (which shall include, for these purposes, any Further Capital Securities);

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

Talons has the meaning given in the preamble to these Conditions;

Tax Deductibility Event means that, as a result of a Tax Law Change, the Issuer is no longer entitled to claim a deduction in respect of payments relating to the Capital Securities in computing its taxation liabilities for Finnish tax purposes (a **Tax Deduction**) or the amount of any Tax Deduction is materially reduced and,

in either case, in circumstances where unsubordinated debt obligations of the Issuer continue to be fully or partly tax deductible for such purposes;

Tax Law Change means (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of Finland, or any political subdivision or any authority thereof or therein having the power to tax, affecting taxation, (b) any governmental action (c) or any amendment to, clarification of, or change in the application, official position or the official published interpretation of such law, treaty (or regulations thereunder) or governmental action or any official published interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in Finland, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the Issue Date;

Taxes has the meaning given in Condition 11 (*Taxation*);

Trust Deed has the meaning given in the preamble to these Conditions;

Trustee has the meaning given in the preamble to these Conditions; and

a **Withholding Tax Event** shall be deemed to occur if, as a result of any Tax Law Change, in making any payments on the Capital Securities, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Capital Securities pursuant to Condition 11 (*Taxation*) and the Issuer cannot avoid the foregoing by taking measures reasonably available to it.

The following text in italics does not form part of the Conditions:

(i) *Intention to retain an investment grade credit profile*

In the event that the Issuer's financial profile materially deteriorates such that it risks its credit rating being downgraded to sub investment grade by any solicited rating agency, the Issuer intends (without thereby assuming a legal obligation) to take one or more measures to support the credit profile and retain its investment grade credit rating. These measures may include asset sales, further equity issuance, discontinuation of certain businesses, suspension of ordinary dividends, suspension of any share buy-backs and/or changes to the Issuer's other financial policies.

(ii) *Replacement capital intention*

The Issuer intends (without thereby assuming any legal or contractual obligation) that it will only redeem or repurchase the Capital Securities (or any part thereof) to the extent that the aggregate principal amount of the Capital Securities (or any part thereof) to be redeemed or repurchased which was assigned "equity credit" (or such similar nomenclature used by S&P from time to time) by S&P at the time of their issuance does not exceed such part of the net proceeds received by the Issuer or any Subsidiary of the Issuer from the sale or issuance by the Issuer or any Subsidiary of the Issuer to third party purchasers of securities which are assigned by S&P at the time of sale or issuance of such securities an aggregate "equity credit" that is equal to or greater than the "equity credit" assigned by S&P to the Capital Securities (or any part thereof) to be redeemed or repurchased (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Capital Securities).

The foregoing shall not apply if:

- (a) the rating (or such similar nomenclature then used by S&P) assigned by S&P to the Issuer is at least equal to the rating assigned by S&P to the Issuer on the date of the last additional issuance of hybrid capital by the Issuer or any Subsidiary of the Issuer (excluding net refinancings without new issue) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or*
- (b) the Capital Securities are not assigned any category of equity credit (or such similar nomenclature then used by S&P) by S&P at the time of such redemption or repurchase; or*
- (c) the Capital Securities are redeemed pursuant to a Tax Deductibility Event, an Accounting Event, a Withholding Tax Event, a Change of Control Event, a Substantial Repurchase Event or a Capital Event; or*
- (d) less than (x) 10 per cent. of the aggregate principal amount of hybrid capital securities outstanding is redeemed or repurchased in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of hybrid capital securities outstanding is redeemed or repurchased in any period of 10 consecutive years; or*
- (e) in the case of any redemption or repurchase, up to the maximum amount of Capital Securities redeemed or repurchased that would allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such redemption or repurchase to be equal to or greater than the maximum aggregate principal amount of hybrid capital to which S&P would assign any category of "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase); or*
- (f) if such redemption or repurchase occurs on or after the 2046 Step-up Date.*

SUMMARY OF PROVISIONS RELATING TO THE CAPITAL SECURITIES IN GLOBAL FORM

Global Capital Securities and Definitive Capital Securities

The Capital Securities will initially be represented by a temporary global capital security (the **Temporary Global Capital Security**) which will be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream, Luxembourg.

The Temporary Global Capital Security will be exchangeable in whole or in part for interests in a permanent global capital security (the **Permanent Global Capital Security** and, together with the Temporary Global Capital Security, the **Global Capital Securities**) not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Capital Security unless exchange for interests in the Permanent Global Capital Security is improperly withheld or refused. In addition, interest payments in respect of the Temporary Global Capital Security cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Capital Security will become exchangeable in whole, but not in part, for Capital Securities in definitive form (the **Definitive Capital Securities**) in the denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000, at the request of the bearer of the Permanent Global Capital Security against presentation and surrender of the Permanent Global Capital Security to the Principal Paying Agent if either of the following events (each, an **Exchange Event**) occurs: (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 12(a) (*Proceedings*) occurs.

Whenever the Permanent Global Capital Security is to be exchanged for Definitive Capital Securities, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Capital Securities, duly authenticated and with Coupons (and, if applicable a Talon) attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Capital Security to the bearer of the Permanent Global Capital Security against the surrender of the Permanent Global Capital Security to or to the order of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

Modifications to the Terms of the Capital Securities Whilst in Global Form

In addition, the Temporary Global Capital Security and the Permanent Global Capital Security will contain provisions which modify the Conditions as they apply to the Capital Securities for so long as they are represented by the Temporary Global Capital Security and/or the Permanent Global Capital Security. The following is a summary of certain of those provisions:

Payments

All payments in respect of the Temporary Global Capital Security and the Permanent Global Capital Security will be made to, or to the order of, the bearer of the same against presentation and (in the case of payment of principal in full with all Deferred Interest and any other interest accrued thereon) surrender of the Temporary Global Capital Security or (as the case may be) the Permanent Global Capital Security to any Paying Agent, and each payment so made will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the relevant amount so paid on the Capital Securities.

On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Capital Security or the Permanent Global Capital Security, the Issuer shall procure that the payment is noted in a schedule thereto.

Calculation of interest

For so long as all of the Capital Securities are represented by the Temporary Global Capital Security and/or the Permanent Global Capital Security (as the case may be), interest shall be calculated in respect of the entire principal

amount of Capital Securities represented by the Temporary Global Capital Security and/or the Permanent Global Capital Security (as the case may be) and not per Calculation Amount as provided in Condition 4(b) (*Interest Accrual*).

Transfers

Transfers of book-entry interests in the Capital Securities will be effected through the records of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants in accordance with their respective rules and procedures.

Redemption and cancellation

Any redemption or purchase and cancellation of any Capital Securities will be effected by a corresponding reduction in the nominal amount of the Temporary Global Capital Security or Permanent Global Capital Security representing such Capital Securities.

Notices

For so long as all of the Capital Securities are represented by the Temporary Global Capital Security and/or the Permanent Global Capital Security (as the case may be) and the same are deposited with a common depository for Euroclear and Clearstream, Luxembourg, notices to Holders may be given, in lieu of publication as provided in Condition 19 (*Notices*), by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for onwards transmission to the Holders and, in any case, such notice shall be deemed to have been given to the Holders on the date of delivery of the notice to Euroclear and Clearstream, Luxembourg.

For so long as such Capital Securities are admitted to listing and/or trading on any market or stock exchange, notice shall also be given in such manner as may be required or permitted by the rules of such market or stock exchange.

Clearing systems

References herein to Euroclear and Clearstream, Luxembourg shall include any successor or other clearing system approved by the Trustee in which the Capital Securities may be cleared and/or traded from time to time.

USE OF PROCEEDS

The net proceeds from the issuance of the Capital Securities, after the deduction of underwriting discounts and expenses associated with the offering, are expected to be approximately EUR 342,457,500. The Issuer intends to allocate an amount equal to net proceeds from the issuance of the Capital Securities to the financing or refinancing of new or existing assets, developments or projects (**Green Assets**) that meet the Green Financing Framework requirements.

Pending the allocation of an amount equal to the net proceeds to Green Assets, the Issuer expects to apply a portion of the net proceeds of the issue of the Capital Securities (i) for repayment of outstanding indebtedness and (ii) for general corporate purposes (including investments, acquisitions and development projects).

Citycon's Green Financing Framework reflects good practices for supporting the transition to a sustainable and low carbon economy through the development of Green Assets in one or more of the following areas:

- Green buildings
- Energy efficiency
- Renewable energy
- Waste management

DESCRIPTION OF THE ISSUER AND THE GROUP

Overview

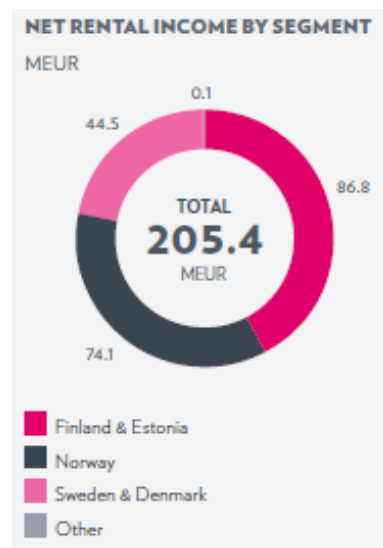
Citycon is a leading owner, manager and developer of mixed-use centres for urban living including retail, office space and housing in the Nordic and Baltic region, with assets under management totalling approximately EUR 4.5 billion at 31 March 2021 (including the fair value of investment properties and Kista Galleria (on a 50 per cent. basis)) and a market capitalisation of approximately EUR 1.3 billion at 31 March 2021 and approximately EUR 1.4 billion at 31 December 2020. Headquartered in Espoo (Helsinki Metropolitan Area), Finland, Citycon is the number one shopping centre owner in Finland and among the market leaders in Norway, Sweden and Estonia.⁷ Citycon has also established a foothold in Denmark. On 31 March 2021 and on 31 December 2020, Citycon owned 37⁸ and 40⁹ shopping centres, respectively, and one other retail property.

Citycon focuses on leading shopping centres in the largest cities in the Nordics. The vast majority of Citycon's properties are urban, grocery-anchored and well connected to public transport. The shopping centres are located close to residential areas and office locations and, therefore, are easily accessible. Citycon actively (re)develops its properties to improve their vitality and competitiveness. Large, well-established shopping centres represent the core of Citycon's property portfolio and the seven largest assets account for approximately 50 per cent. of its portfolio. In addition to wholly owned properties, Citycon may be a co-owner of properties with joint venture partners. This ownership structure is selected from time to time for the largest investments to free up capital for, amongst other things, the (re)development of other properties in Citycon's portfolio.

Citycon's shopping centres are typically grocery-anchored and the major tenants include specialty and grocery chains as well as cafés and restaurants, banks and financial institutions, fashion tenants and municipal and other public administration. Citycon's ten largest tenants (by rental income) and shopping centre rental income by segment as at 31 December 2020 are illustrated in the below figures:

TOP TEN TENANTS ¹⁾	Proportion of rental income based on valid rent roll at 31 December 2020, %
Kesko Group	4.8%
S Group	4.0%
Varner Group	3.9%
ICA Group	2.4%
Coop	2.3%
H&M	1.9%
NorgesGruppen	1.9%
Clas Ohlson	1.7%
Stockmann Group	1.7%
Gresvig	1.5%
Total	26.2%

¹⁾ Including Kista Galleria 50%.



Citycon's business operations are divided into three business units: Finland & Estonia, Norway, and Sweden & Denmark. Each business unit is further divided into clusters. In the cluster organisational model, shopping centres are

⁷ Source: Citycon reports, Pangea Property Partners analysis 2020 and Finnish Shopping Centres 2020.

⁸ Including Kista Galleria, assuming that the ownership is 50 per cent.

⁹ Including Kista Galleria, assuming that the ownership is 50 per cent.

combined to form entities that are led by commercial directors. As of 31 March 2021, the Finnish and Estonian unit was composed of two clusters, the Norwegian unit of three clusters and the Swedish and Danish unit of two clusters. The clusters are supported by centralised leasing, development, marketing and finance teams.

For the financial year ended 31 December 2020, Citycon's IFRS operating profit was EUR 34.1 million. Citycon's rent collection level was at 96 per cent. in 2020 and at 92 per cent. during the first quarter of 2021. As of 31 March 2021, Citycon had 238 full-time employees of whom 86 worked in Norway, 51 in Finland and Estonia, 62 in Sweden and Denmark and 39 in Group functions.

Citycon has been rated BBB- (negative outlook) by S&P, Baa3 (stable outlook) by Moody's and BBB- (stable outlook) by Fitch. The issuance of the Capital Securities will strengthen Citycon's balance sheet and demonstrate its commitment to improving its investment grade credit ratings.

Citycon is a public limited company incorporated on 13 April 1988 under the laws of Finland with registration number 0699505-3, and Citycon's shares have been listed on the Helsinki stock exchange (now Nasdaq Helsinki Ltd., the **Helsinki Stock Exchange**) since November 1988. As of the date of these Listing Particulars, Citycon's registered office is located at Piispanilta 9A, 3rd floor, 02230 Espoo Finland. Its telephone number is +358 207 664 400. Its legal entity identifier (LEI) is 549300P8N0P6KDGJTJ206.

Operational History

Citycon was established in 1988 by the Insurance Company Sampo Pension Ltd, Imatran Voima Oy, Rakennustoimisto A. Puolimatka Oy and Postipankki. During the same year, Citycon was listed on the Helsinki Stock Exchange. Initially, Citycon's business focused on office premises.

In 1998, Citycon's business concept was modified and the focus was shifted to Finnish retail properties. Citycon acquired retail properties throughout Finland from Kesko Corporation, Merita Real Estate Ltd and Nova Life Insurance Company Ltd.

Citycon almost doubled its property portfolio in 1999 through acquisitions, including acquiring majority stakes in 11 shopping centres in Finland and minority stakes in Koskikeskus, Tampere and Jyväskeskus, Jyväskylä. As a result of the acquisitions, the sellers, including Nordea, Kesko and Sampo with their group companies, became significant shareholders of Citycon.

In 2003, Citycon refined its business strategy to include development of properties in addition to owning, leasing and managing retail premises. The ownership base of Citycon changed significantly as the former major owners Kesko, Nordea and Sampo sold their shareholdings and international investors became the largest group of owners in Citycon.

The expansion outside Finland began in 2005 when Citycon acquired its first properties in Sweden and Estonia. Citycon acquired 75 per cent. of the Åkersberga Centrum shopping centre in Sweden in July 2005, and, Citycon also expanded its operations into Estonia, acquiring Tallinn's Rocca al Mare shopping centre.

In 2006, Citycon continued its expansion into new market areas when it purchased the Mandarinas shopping centre in the capital of Lithuania, Vilnius. New properties were also acquired in Finland, Sweden and Estonia during 2007. In 2007, Citycon also completed the acquisition of Iso Omena shopping centre in Espoo.

In 2008, Citycon redefined the focus in its growth strategy and started to put more emphasis on the (re)development of existing shopping centres instead of new acquisitions. Of these (re)development projects, the Trio shopping centre in Lahti was opened to the public in its entirety at the end of 2008, and the extension project of the Rocca al Mare shopping centre in Tallinn as well as the new shopping centre Liljeholmstorget Galleria in Stockholm were completed in 2009.

In 2010, Citycon continued (re)developing its existing shopping centres, the most important projects being the Åkersberga Centrum in the Greater Stockholm Area, Espoontori in Espoo and Forum in Jyväskylä. In addition,

Citycon began construction in Myllypuro, Helsinki, and Martinlaakso, Vantaa, with the purpose of rebuilding the old-fashioned retail centres into modern shopping centres.

During 2011, Citycon acquired two shopping centres, Högdalen Centrum in Stockholm and Kristiine Keskus in Tallinn. Citycon also launched the (re)development of the Koskikeskus shopping centre in Tampere, (re)development and extension project of the Magistral shopping centre in Tallinn and the refurbishment of Åkermyntan Centrum in Stockholm. In July 2011, Citycon introduced its clarified strategy, with a stronger focus on growth in its core business. In addition to the existing operating countries, the other Nordic and Baltic countries, namely Norway, Denmark and Latvia, were included in the strategy. Supermarket and shop properties were defined as non-core properties with the aim to dispose of such assets within the coming years.

During 2012, Citycon acquired the shopping centre Arabia in Helsinki and the shopping centre Albertslund Centrum in the Greater Copenhagen area, which was Citycon's first acquisition in Denmark.

In 2013, Citycon and CPPIB jointly acquired the Kista Galleria shopping centre in Stockholm. Citycon also started the extension and (re)development of its largest shopping centre in Finland, Iso Omena in Espoo. The estimated cost for the project including partial (re)development of the existing shopping centre amounted to approximately EUR 250 million. In 2013, Citycon received investment grade ratings from both S&P and Moody's.

In 2014, Citycon continued updating its property portfolio in line with its strategy. Citycon acquired GIC's 40 per cent. stake in the Iso Omena shopping centre in Espoo, increasing Citycon's stake in the centre to 100 per cent. Citycon also joined forces with NCC to build Mölndal Galleria shopping centre in Gothenburg and continued its disposal strategy by divesting non-core assets, including the Mandarinas shopping centre in Vilnius.

In 2015, Citycon acquired Sektor Gruppen in Norway. Through the acquisition of Sektor Gruppen, Citycon gained exposure throughout the entire Nordic region, while increasing its assets under management by nearly 50 per cent., from EUR 3.4 billion to EUR 4.9 billion. In 2015, the extension and (re)development project of shopping centre IsoKristiina, located in Lappeenranta, Finland, was also completed.

In August 2016, Citycon opened the first part of the shopping centre Iso Omena's extension in Espoo, Helsinki area. In April 2017, the second and final phase of the extension and (re)development of Iso Omena was completed and opened to customers. Iso Omena is currently almost fully leased and it has about 220 different shops and services. Iso Omena has over 100,000 square metres (sq.m.) of gross leasable area, of which retail premises cover 85,000 sq.m.

In 2017, Citycon acquired the first and second part of the shopping centre Straedet in Køge in the greater Copenhagen area for EUR 12.5 million and EUR 60.0 million, respectively. In 2018, Citycon acquired the final part for EUR 9 million. The shopping centre has a gross leasable area of approximately 18,900 sq.m., is comprised of 40 retail units, cafés and restaurants and is anchored by two grocery retailers, fashion stores such as H&M and a cinema. Citycon continued its disposal strategy during 2017 and disposed non-core shopping centres in Finland, Sweden and Norway for a combined EUR 325.0 million.

In September 2018, Citycon opened the EUR 116.0 million Mölndal Galleria in the Greater Gothenburg area, which consists of two floors and 24,000 sq.m. of retail, groceries, food & beverage and services. The Mölndal Galleria is the first brand new shopping centre in the Greater Gothenburg Area in over 12 years, and will serve Mölndal's growing population of approximately 45,000. In the same year, Citycon divested five secondary assets in Finland, Norway and Sweden for EUR 96.0 million, improving the average asset quality of its asset portfolio.

In May 2019, Citycon entered into agreements to sell two land plots in Vuosaari, Helsinki, for a total value of EUR 9.4 million. The first of the two divestments was closed in September 2019 for EUR 5.9 million and the sale of the second plot will be completed following the approval of the zoning. The divestments reflect Citycon's strategy to focus on larger, urban and grocery-anchored shopping centres in the Nordics.

In June 2019, Citycon announced that it had signed an agreement to sell two shopping centres in Finland for EUR 76.8 million to a Nordic real estate investor NREP. The two shopping centres that were divested were shopping centre

Arabia in Helsinki and shopping centre Duo in Tampere. The transaction closed during the second quarter of 2019. The proceeds from the transaction were mainly used to repay debt.

In September 2019, Citycon announced its long-term densification plans at its Capital Markets Day. Citycon's aim is to become more of an urban mixed-use developer and owner in the long-term. Citycon already has some residential exposure and has significant potential in its portfolio to build more residential.

In November 2019, Citycon launched its Green Financing Framework. The Green Financing Framework is expected to further support Citycon's profile as a forerunner in sustainability and enable Citycon to broaden its investor base.

Also in November 2019, Citycon opened the world's largest solar park with snow melting technology on the roof of shopping centre Down Town in Norway. This brings the total number of solar panels to almost 6,800 throughout its portfolio.

In February 2020, Citycon acquired the remaining interest in Sektor Portefølje II AS, a portfolio of three shopping centres in Norway. The three shopping centres involved in the transaction, Stovner Senter, Torvbyen and Markedet, have been managed by Citycon since 2015. Citycon had previously owned 20 per cent. of the portfolio. The transaction cost amounted to EUR 145.9 million, of which Citycon assumed existing debt of EUR 135.9 million and paid a cash purchase price for shares of EUR 10.0 million. The transaction closed on 6 February 2020. At the beginning of March 2020, Citycon sold Markedet for EUR 11.6 million.

In May 2020, Fitch assigned a BBB- credit rating with a stable outlook to Citycon. Since then Citycon has maintained an investment grade credit rating from all three major credit rating agencies.

Citycon bought out 24 per cent. of minority shareholders in Heikintori Oy, which holds a shopping centre in Espoo, Finland, on 31 March 2020. After the transaction Citycon's ownership of Heikintori Oy was 93 per cent. and on 29 April 2021 Citycon acquired the full ownership (100 per cent.) of Heikintori Oy.

On 20 November 2020, Citycon acquired certain land plots next to Kristiine shopping centre in Tallin, Estonia for a total price of EUR 1.6 million.

During the first quarter of 2021, Citycon divested three lower-tier, non-core assets in the Stockholm area with a gross leasable area of sq.m. 57,900 at the total gross purchase price of EUR 147.0 million in line with Citycon's strategy to focus on larger, grocery/municipal services-anchored, urban hubs with a connection to transportation links and which provide further densification potential to add residential units, offices and other complimentary uses. The closing of the transactions occurred on 31 March 2021.

Vision, Mission, Strategy and Values

Citycon's strategy is supported by Citycon's vision, mission and values.

Strategy

Citycon's strategy is to be a pan-Nordic retail real estate player focused on urban, grocery-anchored shopping centres in the best locations in the Nordics. Citycon aims to create value by owning, managing and developing the centres based on the needs of the surrounding community. Citycon's strategy is based on these three pillars:

Right assets

- Focusing on necessity-based, multifunctional shopping centres connected to public transport in growing urban areas. Citycon will look into the densification opportunities in its portfolio to become more of a mixed-use property owner.

Retail experts

- Using and developing Citycon's retail expertise at each stage of the shopping centre value chain in order to create pleasant shopping experiences and sustainable solutions for tenants and visitors.

Strong capital base

- Allocating capital efficiently and maintaining a conservative gearing level in order to finance developments and maximise returns.

Everyday shopping in urban crosspoints

Citycon's community-oriented shopping centres are located in the largest and fastest growing cities in the Nordics and placed in urban environments close to where customers live and work and with a direct connection to public transport, health care and municipal services. Citycon's shopping centres have a necessity-based nature as they are typically anchored by grocery stores and other daily shopping. The centres are typically dominant in their catchment areas and they create natural, attractive urban venues that cater to all of their customers' daily needs. Citycon enriches and creates value for the societies in which it operates, by creating a vivid and vibrant community hub indoor and outdoor. Citycon is also investigating mixed-use densification opportunities in its portfolio to further strengthen its shopping centres and to tie them even closer to the surrounding community.

Expertise in building attractive and multifunctional shopping centres

Citycon's in-depth expertise in all parts of shopping centre value creation – owning, managing and developing – combined with strong local market knowledge and understanding of the customer's needs enables Citycon to build attractive mixed-use shopping centres in the region where retailers can thrive. Citycon's platform of daily shopping centres makes it an ideal partner for local and international retailers wanting to increase their presence in the region.

Growth strategy and joint ventures

An integral part of Citycon's growth strategy has been capital recycling and historically the portfolio has grown through property acquisitions, through which Citycon has grown in Finland and expanded its operations into Sweden, Norway, Estonia and Denmark. As a part of the capital recycling strategy, Citycon actively divests non-core assets to re-direct capital to strategic assets. As a result, Citycon has divested non-core properties in Norway, Finland, Sweden, Estonia and Lithuania in order to be able to better focus on core centres. Non-core properties comprise of smaller shopping centres in non-growing areas outside the largest cities in the region. Citycon intends to continue the divestment of its non-core properties to further improve the average quality and size of the property portfolio and strengthen the balance sheet. Additionally, Citycon continuously monitors the real estate market for prospective acquisitions. In addition to independent acquisitions, Citycon's strategy includes building joint venture partnerships with top-quality Finnish and international players in selected core properties and Citycon is actively looking at such opportunities. As a central part of its strategy, Citycon is actively increasing the proportion of residential and office space to diversify the portfolio composition and to create synergies with the necessity-based retail assets.

Efficient portfolio financing

Citycon focuses on having a strong capital base with an appropriate gearing level, low cost of debt and flexible access to debt financing supported by investment-grade credit ratings. Sufficient and attractively priced financing gives Citycon the capacity and flexibility to deliver on its strategy and to buy, sell or develop when opportunities arise. Long-term joint venture partnerships extend Citycon's capital base, spread the risk and leverage the expertise.

Responsible shopping centre management at the heart of Citycon's operations

Citycon believes that operating sustainably is a key cornerstone in creating long-term value and hence it is committed to sustainable development, social responsibility and contribution to the surrounding community in everything it does.

Values

Citycon's values act as a compass for Citycon's actions:

Passionate

- Dedicated to retail
- Drive results
- Take ownership and responsibility
- Take pride in Citycon's work

Solution-oriented

- Deliver customer convenience
- Hands-on and action-oriented
- Dedicated to long-term value creation
- Forward-looking

Together One

- One Citycon, One Brand
- Work together, pulling in the same direction
- Encourage, challenge and support each other
- A valuable member of the community

Competitive Strengths

Citycon's strategy is built on the following key competitive strengths:

Leading Market Position in Core Markets

Citycon is a leading retail real estate company with meaningful scale in Finland, Norway, Sweden and Estonia. Citycon's strength lies in its ability to efficiently provide the same quality service to customers in multiple locations and countries through centralising certain core functions while at the same time decentralising other functions, as appropriate.

Operational Focus on Urban Locations in Capital and Major Nordic Cities

Approximately 85 per cent. of properties owned by Citycon are located in capital or second largest cities and approximately 70 per cent. located in capital cities. In such areas, the growth of the population and the income level have traditionally supported retail trade and in addition, the liquidity of the real estate market has typically been good in these areas. Citycon's focus on grocery-anchored daily shopping in urban locations drives strong footfall.

Strong and Stable Cash Flow

Citycon's current property portfolio and rental agreement structure provide a solid basis for a stable cash flow and net rental revenue based on high occupancy rate and favourable average remaining length of the lease portfolio, which on 31 March 2021 was 2.9 years. The economic occupancy rate¹⁰ of Citycon's properties has been on a level that Citycon deems to be good in the past five years at around 94–97 per cent., and on 31 March 2021, it was 93.2 per cent.¹¹ At the same time, the retail occupancy rate was 93.8 per cent.

Expertise in all Aspects of Shopping Centre Management

Citycon's strategy is to own, manage and develop shopping centres. This broad expertise provides Citycon with the opportunity to take a holistic approach in shopping centre management. Citycon seeks to generate long-term earnings growth and enhanced portfolio value through operational improvement and (re)development operations. Management's development experience together with a leading position in the Nordic shopping centre market enables early identification of development potential in Citycon's existing and potential new properties. Citycon also actively looks at densification opportunities in the portfolio to incorporate mixed-use elements into its shopping centres.

Experienced Management

Citycon's management has a wide-ranging experience in the real estate market, shopping centre management and financing matters. Members of Citycon's corporate management committee (the **Corporate Management Committee**) have long-term experience in leasing, maintenance and development of retail premises. Management believes that this experience and knowledge enables Citycon to win new customers as well as carry out successful development projects and property acquisition.

Citycon's Business

Citycon takes care of the general administration, commercial management, leasing and marketing of its shopping centres and other retail properties by way of its personnel operating on the premises. Citycon also develops its shopping centres continuously through its property development operation, which is responsible for the adjustment planning of the shopping centres and extension, improvement and repair construction. Where needed, Citycon's property development operation is also responsible for land acquisition, guidance and development of commercial and operational planning, such as zoning negotiations, communication with authorities and management of property development projects. Citycon outsources various functions, mainly cleaning, security services, and in many cases also technical management. These services are provided by large companies that are active in most or all of Citycon's markets and they are retained after tendering. These tender processes typically result in asking at least three comparable offers for the services in question.

Investment Criteria

Citycon's shopping centres have a necessity-based nature as they are typically anchored by grocery stores and other daily shopping stores and services. According to Citycon's investment criteria, the centres have strong positions in their catchment areas and create natural, attractive urban venues that cater to all of the customer's daily needs.

Citycon makes its investment decisions based on the following criteria:

- Capital regions or second-largest cities, urban and unique locations
- Strong population growth and natural footfall

¹⁰ Economic occupancy rate is measured in rental income instead of sq. m.

¹¹ Including Kista Galleria 50 per cent.

- Integrated with public transportation
- Diversified tenant mix with more than retail: health care and municipal services
- Necessity-based and dominant in catchment area
- Value creation potential
- Capital expenditure requirements
- Size >20,000 sq.m.

Citycon as Developer

A core part of Citycon’s strategy is to actively develop its shopping centres either via (re)developments or expansion. The objective is always to increase the commercial attractiveness and competitiveness of the shopping centre and thereby generate stronger rental growth while consolidating market value. As with acquisitions, Citycon is selective in (re)development projects and manages them via strict financial and leasing criteria. Key criteria for Citycon’s (re)development projects are:

- 100-150 bps over required valuation yield
- 60 per cent. pre-leasing target
- Development margin > 20 per cent.

Citycon is an active owner and long-term developer. Citycon assesses the impact of its investments on the well-being of the immediate area, including:

- Jobs
- Local procurement
- Environmental impact of construction

In its developing activities, Citycon adopts a “No green-field developments” principle, concentrating on selected (re)developments and extensions of existing assets with a proven track record dominant in catchment areas, strong demographics in cities with population growth, grocery-anchored/necessity-based, and urban.

Sustainability Strategy

Citycon’s updated sustainability strategy was adopted at the beginning of 2018 with the objective of defining clear and justified sustainability priorities that create value for Citycon as well as Citycon’s stakeholders. Citycon’s priorities combine business relevance and the most important sustainability issues for Citycon’s stakeholders, the environment, and the communities Citycon operates in. Citycon’s sustainability strategy sets long-term main objectives that span to 2030 as well as strategic actions that are updated every three years and will guide Citycon in achieving the main objectives. Citycon combines climate, environmental and social objectives and has selected indicators that enable close monitoring of performance in those areas. Citycon sets objectives both for the short-term and for 2030 and regularly updates the objectives in its sustainability strategy. In doing so, Citycon ensures that the latest developments as tracked in environmental and social impact studies are reflected in its sustainability strategy and avoids being locked into a strategy that has been proved to be outdated. Citycon pursues a participatory approach and invites local stakeholders to contribute to its sustainability policies.

Citycon has committed to carbon neutrality by 2030. It aims to achieve this goal by reducing its energy consumption per sq.m. by 10 per cent from 2019 to 2025, by ensuring that all assets will produce renewable or recoverable energy for their own use, by purchasing 100 per cent. green electricity for own use consumption, purchasing and/or producing carbon neutral heating and by budgeting 2 per cent. of net rental income for energy efficiency investments.

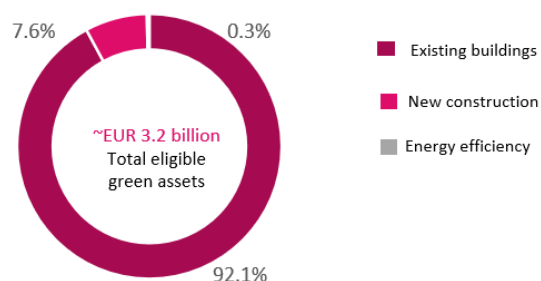
Citycon has been recognised as one of Europe’s Climate Leaders in the list of European companies that have achieved the greatest reduction in greenhouse gas emission intensity, which was published by the Financial Times and the German data provider Statista on 18 May 2021 for the first time. The list ranks the 300 European businesses whose greenhouse gas emissions intensity decreased the most between 2014 and 2019. Ranked among the top achievers across all industries in Europe, the Nordics and Finland, Citycon is one of the few real estate companies in the Nordics ranked on the list.

As part of its sustainability strategy, Citycon ensures that all of its centres are connected to public transportation, encouraging green ways to visit the Citycon centres. As of 31 December 2020, all of Citycon’s centres are accessible by bus and 11 of Citycon’s centres are directly connected to the metro. Citycon also maintains over 4,000 dedicated bicycle parking spaces and over 400 charging points for electrical cars. For example, at the Iso Omena shopping centre in Espoo, Finland, the annual footfall increased by 74 per cent. to 20 million annual visitors, tenant sales increased by 17 per cent. and same store sales increased by 7 per cent. after the metro opening at the Iso Omena shopping centre.

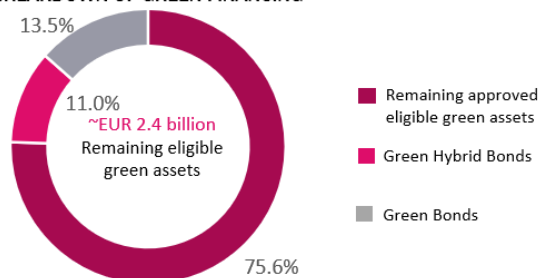
As part of its sustainability strategy, Citycon also ensures that all of its properties remain convenient and safe. In Citycon’s experience tenant satisfaction stays consistently above 90 per cent. in areas of safety, security, hospitality and service-mindedness.

As of 31 March 2021, Citycon has approximately a total of EUR 3.2 billion of eligible green assets of which approximately EUR 2.4 billion remain currently available. In November 2019, Citycon launched the Green Financing Framework which enables Citycon to integrate sustainability objectives in its financing activities. The Green Financing Framework allows Citycon to issue green bonds and access “green” financing. In November 2019, Citycon issued green hybrid securities in the aggregate amount of EUR 350 million. An amount equal to the net proceeds was allocated to the refinancing of new or existing assets, developments or projects that met Citycon’s Green Financing Framework requirements. In November 2020, Citycon issued green bonds in the aggregate amount of NOK 800 million. The net proceeds from the offering were used to finance and re-finance eligible green assets and projects in accordance with Citycon’s established Green Financing Framework. In November 2020, Citycon also renewed and extended its EUR 500 million multicurrency sustainability-linked revolving credit facilities. The margin of the facilities is linked to achieving Citycon’s 2030 key sustainability targets. In March 2021, Citycon issued green bonds in the aggregate amount of EUR 350 million. The net proceeds from the offering were used to finance and re-finance eligible green assets and projects in accordance with Citycon’s established Green Finance Framework. The below figures show Citycon’s eligible green assets by type and the breakdown of the green financings, in each case as of 31 March 2021.

ELIGIBLE GREEN ASSETS BY TYPE



BREAKDOWN OF GREEN FINANCING



In December 2020, Citycon published its second annual green financing allocation of proceeds and impact report which includes information on the allocation of proceeds as verified by an external auditor and impact reporting.

Although the outbreak of the Coronavirus pandemic had a substantial impact on Citycon's business and sustainability actions and shifted Citycon's immediate efforts towards securing the health and safety of visitors and tenants, Citycon has made good progress in implementing its sustainability goals. For example, as of 31 December 2020, Citycon has not only reduced its greenhouse gas intensity from baseline 2014 (kgCO₂ e/sq.m.) by 73 per cent. but it also reduced its energy intensity from baseline 2014 (KWH/sq.m.) by 15 per cent. and its climate change impact from baseline 2014 (TCO₂ e) by 74 per cent. Citycon uses 100 per cent. renewable electricity for own consumption and 77 per cent. of Citycon's portfolio (measured by fair value) is Breeam in-use certified.

Environment

Environmental responsibility and the sustainable development of Citycon's business are of great significance in Citycon's operations. According to Citycon's management, Citycon's operations do not involve any significant environmental issues that may affect Citycon's ability to utilise its tangible fixed assets.

Intellectual Property Rights

Citycon is a real estate company specialising in retail premises. Except for the registration of Citycon names, logos, domain names, trademarks and domains of the group companies, Citycon has not registered and does not own or licence intellectual property rights that would be material to its operations. Intellectual property rights do not materially affect Citycon's business or profitability.

Insurance

Citycon maintains customary insurance coverage to cover claims and liabilities potentially arising from its business. Citycon's properties are all insured with a full value property damage insurance which Citycon's management believes is consistent with market practice, including business interruption insurance and third-party liability insurance to cover damages to third parties. In addition, Citycon has obtained, amongst others, directors' and officers' liability insurance policy, and statutory employee insurance policies. Insurance policies are subject to customary limitations, as a result

of which a policy might not cover all the damages suffered. Please see “*Risk Factors—Risks Relating to Citycon and Its Business—Citycon’s Insurance Coverage May Prove to Be Inadequate*”.

Employees

As of 31 March 2021, Citycon had 238 full time employees of whom 86 worked in Norway, 51 in Finland and Estonia, 62 in Sweden and Denmark and 39 in Group functions.

For information on Citycon’s incentive plans concerning some of the employees, please see “—*Directors, Corporate Governance and Management of the Issuer—Employee Share Plans*” below.

Legal Proceedings

Citycon has not, during the previous twelve months preceding the date of these Listing Particulars, had any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Citycon is aware), which may have, or have had in the recent past significant effects on Citycon’s and/or its subsidiaries’ financial position or profitability. Citycon’s management is not aware of any facts or circumstances that could reasonably be expected to lead to any material claims being made against Citycon or any of its subsidiaries in the foreseeable future.

Legal Structure

Citycon Oyj is the parent company of the Group. As of 31 March 2021, Citycon had a total of 73 subsidiaries and 15 associated or joint venture companies in its operating countries. The Finnish subsidiaries and associated or joint venture companies are mainly mutual real estate companies through which Citycon holds its property portfolio. Most of Citycon’s subsidiaries abroad are legally structured as limited liability companies. A list of Citycon’s subsidiaries and associated or joint venture companies as of 31 December 2020 is set forth in Citycon’s financial statements for 2020, which are incorporated into these Listing Particulars by reference.

A mutual real estate company is an independent legal entity, the rights and obligations of which are independent from the rights and obligations of shareholders. It is responsible for all obligations and costs, such as taxes, insurance and administration expenses, and transfers these obligations and costs to shareholders to be paid by them in the form of consideration. A shareholder administers specified premises in a property owned by the mutual real estate company, and the rental income accrued is the shareholder’s direct income and does not transfer through the mutual real estate company.

Related-Party Transactions

Following the amendments to the Finnish Limited Liability Companies Act implementing the revised EU Shareholders’ Rights Directive (2017/828/EU), related parties of a listed company are determined in accordance with IAS 24. Further compliance requirements were also introduced to the Corporate Governance Code 2020 (the **Finnish Corporate Governance Code**) pursuant to which Citycon should define principles for related party transactions and put in place a register for related parties in accordance with IAS 24. Citycon has therefore determined that the Group’s related parties comprise, *inter alia*, Citycon Oyj and its subsidiaries, associated companies and joint ventures, members of the board of directors of Citycon (**Board Members**), the chief executive officer (**CEO**) and other Corporate Management Committee members as well as Citycon’s largest shareholder Gazit-Globe Ltd. which held 49.2 per cent. of all the shares and votes in Citycon on 31 March 2021.

The related-party transactions concluded by Citycon in 2021 (up to the date of these Listing Particulars) include payments by the group companies to each other for fees such as maintenance and financial charges, interest expenses, loan repayments and other administrative service charges.

There have been no significant changes in Citycon’s practice as regards management remuneration (Board Members, CEO and other Corporate Management Committee members) and benefits in 2021.

Reporting to and Transactions with Gazit-Globe Ltd.

Gazit-Globe Ltd. has announced that it has applied IFRS in its financial reporting since 2007. According to IFRS, a company may exercise a controlling interest in another company even if its shareholding in that company does not exceed 50 per cent. Gazit-Globe Ltd. holds the view that it exercises controlling interest, as defined in IFRS, in Citycon based on the fact that it has been able to exercise controlling interest in Citycon's General Meetings of Shareholders pursuant to its shareholding. In accordance with a disclosure agreement concluded between the companies, Citycon will provide Gazit-Globe Ltd. with a more detailed breakdown of the accounting information it discloses in its interim and full-year reports so that Gazit-Globe Ltd. can consolidate Citycon figures into its own IFRS financial statements. Gazit-Globe Ltd. pays Citycon a quarterly fee of EUR 10,000 for providing such detailed breakdown.

No other transactions have been concluded between Citycon and Gazit-Globe Ltd. in 2021 as at the date of these Listing Particulars.

Principal Shareholders

The issued share capital of Citycon consists of 177,998,525 ordinary shares. The number of shares in Citycon changed in 2019 due to a reverse share split. The number of shares in Citycon was reduced from 889,992,628 to 177,998,525 by merging each five shares into one share. The new number of shares was registered with the Trade Register on 16 March 2019 and trading with the merged shares commenced on 18 March 2019.

The following table sets forth certain beneficial ownership information regarding the holders of 5 per cent. or more of Citycon's share capital and the number and percentage owned by such shareholders as of 31 March 2021. In the year ended 31 December 2017, Citycon received a flagging notice pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act. On 28 April 2017 Alecta pensionsförsäkring, ömsesidigt notified that its ownership in Citycon had increased above the 5 per cent. threshold. According to the notification the Swedish Alecta pensionsförsäkring, ömsesidigt's holdings in Citycon represented 5.10 per cent. of the total number of shares and voting rights in Citycon. On 17 March 2021, Citycon received a flagging notice pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, in which CPPIBE notified that their total holding of Citycon shares has decreased below the 10 per cent. threshold. According to the notification, as a result of this disposal, CPPIBE's holdings in Citycon represent 7.5 per cent. of the total number of shares and voting rights in Citycon. As of 31 March 2021, 74.75 per cent. of the Citycon shares are held in nominee-registered accounts. Citycon has received no flagging notice from the beneficial owners listed in the below table since 31 March 2021. The below table shows Citycon's three largest shareholders as of 31 March 2021.

<u>Name of beneficial owner</u>	<u>Number of shares</u>	<u>Total percentage of shares beneficially owned (per cent.)</u>
Gazit Globe Ltd.	87,559,016	49.2
CPP Investment Board European Holdings S.à r.l.	13,349,889	7.5
Ilmarinen Mutual Pension Insurance Company	12,694,139	7.1
Total	113,603,044	63.8

Citycon has no knowledge of any effective shareholder agreements. The governance agreement entered into between CPPIBE and Gazit-Globe Ltd. on 12 May 2014, as disclosed by Citycon through stock exchange releases on 13 May 2014 and 17 March 2020, was terminated in accordance with its terms and conditions after CPPIBE ceased to hold at least 10 per cent. of Citycon shares, directly or indirectly, for more than 30 consecutive days.

Dividend Pay-outs

The following table sets forth the dividend and equity pay return paid to Citycon's shareholders and the distribution per share for the years 2016 to 2020.

Year	Dividend and equity return paid to shareholders (EUR)¹	Distribution per share
2020.....	95,674,207.2	0.54
2019.....	115,699,041.2	0.65
2018.....	115,699,041.6	0.65
2017.....	115,699,041.6	0.65
2016.....	133,498,894.2	0.75

1 Distribution per share was adjusted in the comparison periods to reflect the number of shares after the reversed share split (5:1) executed in March 2019

DIRECTORS, CORPORATE GOVERNANCE AND MANAGEMENT OF THE ISSUER

Board Members

The table below sets forth details of the current Board Members (collectively, the **Board of Directors**). The annual general meeting (**AGM**) held on 22 March 2021 resolved the number of Board Members to be ten. On 26 April 2021, Mr. Andrea Orlandi, who had been a member of the Board of Directors of Citycon since 2014, resigned from the Board of Directors. As of the date of these Listing Particulars the Board Members are:

<u>Name</u>	<u>Year of Birth</u>	<u>Position</u>
Chaim Katzman.....	1949	Chairman
Ariella Zochovitzky.....	1957	Deputy Chairman
Yehuda (Judah) Angster.....	1982	Director
Arnold L. de Haan.....	1954	Director
Zvi Gordon.....	1985	Director
Alexandre (Sandy) Koifman.....	1953	Director
David Lukes.....	1970	Director
Per-Anders Ovin.....	1956	Director
Ofer Stark.....	1972	Director

The business address of each of the Board Members is the registered address of Citycon, in Espoo, Finland.

Chaim Katzman

Mr. Katzman performs the role of chairman of the Board of Directors, a position he has held since 2010. Mr. Katzman founded Norstar Holdings Inc. (formerly Gazit Inc.) of which he is the controlling shareholder and chairman of the board of directors. In addition, he is founder, CEO and executive chairman of the board of directors of Gazit-Globe Ltd. Mr. Katzman is also chairman of the board of directors of First Capital Realty Inc. since 2000, chairman of the board of directors of Atrium European Real Estate Ltd. since 2008, and vice chairman of the board of directors of Regency Centers Corporation since 2017.

Ariella Zochovitzky

Ms. Zochovitzky has been a Board Member since 2009 and the Deputy Chairman of the Board of Directors since 2020. In addition to her role with Citycon, she has been general manager and partner of C.I.G. Consultant Investments Group Ltd. since 2001 and general manager and partner of C.I.G. Zochovitzky Ltd. since 2012. Ms. Zochovitzky holds and has held non-executive positions with a number of companies, including Oil Refineries Ltd. in 2013, Dorad Energy Ltd. between 2011 and 2012, Bithach Haklai Central Cooperative Society Ltd. between 2010 and 2016, Acad Equipment and Properties (1979) Ltd. and Acad Building and Investments Ltd. between 2009 and 2011, U. Dori Group Ltd. between 2008 and 2012, New Makefet Pension Funds Management Inc. (Generali Group) between 2006 and 2015, BATM Advanced Communications Limited between 2004 and 2010 and Elco Holdings Ltd. between 2003 and 2009.

Yehuda (Judah) Angster

Mr. Angster has been a Board Member since 2020. Mr. Angster founded Dwight City Group LLC in 2018 and remains its Principal and CEO. He currently also serves as an adjunct professor of real estate law at NYU Schack Institute of Real Estate. Between 2015 and 2018 he was the CEO of CastleRock Equity Group, between 2012 and 2015 he was international counsel/vice president of development at PCS Wireless LLC, between 2009 and 2012 he was internal counsel/compliance and regulations attorney at Empire American Holdings and between 2009 and 2012 he was vice president of international banking division/global financial projects at Empire Bank-Empire Corporate. He has been a non-executive director with Lightstone Group LLC since 2015.

Arnold L. de Haan

Mr. de Haan has been a member of the Board of Directors since 2014. Mr. de Haan is founder and managing director of Boishaen B.V. since 2008. Prior to joining the Issuer, Mr. de Haan has held positions with Hofirma BV, MeyerBergman European Retail Partners, Multi Corporation, Commerz Grundbesitz Group, Commerz Grundbesitz Investmentgesellschaft mbH, European Metropolitan Property Services, Vaste Waarden Nederland, Mountleigh International Plc. and Interned Holding N.V. Mr. de Haan also holds a non-executive directorship with HRO.

Zvi Gordon

Mr. Gordon has been a Board Member since 2020. In addition to his role at Citycon, Mr. Gordon has been Vice President of Investments of Gazit-Globe Limited since 2017 and the Chief Investment Officer of Norstar Holdings Inc. since 2016. Between 2015 and 2017 he was vice president of mergers & acquisitions and chief of staff at Gazit Group USA, between 2014 and 2015 he was private equity investment associate in the acquisitions & asset management of The Davis Companies, between 2010 and 2012 he was a manager and between 2006 and 2007 a client partner at The Healthsearch Group. Mr. Gordon has been a non-executive director on the board of directors of HIREF International LLC (HDFC) (Advisory Board) since 2017, Gazit Gaia Limited since 2017, Gazit Midas Limited since 2017, Gazit Europe (Netherlands) B.V. since 2017, Gazit Europe (Asia) B.V. since 2018 and Gazit TripLLLe Canada General Partner Inc. since 2019.

Alexandre Koifman

Mr. Koifman has been a member of the Board of Directors since 2019. Mr. Koifman is the founder and principal of Koifman Capital Advisors SARL and has been the managing director of Efficient Frontiers Investing SA since 2018. Mr. Koifman has previously held the role of managing director at Bedrock SA and of partner at Universal Management Services Limited.

David Lukes

Mr. Lukes has been a member of the Board of Directors since March 2017 and acts as the chief executive officer and president of SITE Centers (formerly DDR Corporation). Prior to joining the Issuer, he held the position of chief executive officer and president of Equity One, Inc. between 2014 and 2017, chief executive officer and president of Seritage Realty Trust from 2012 to 2014, chief executive officer and president of Mall Properties, Inc. from 2010 to 2012, and president and chief operating officer of Kimco Realty Corporation from 2002 to 2010.

Per-Anders Ovin

Mr. Ovin has been a member of the Board of Directors since 2013. In addition to his role with the Issuer, he is chairman of the board, partner and owner of Mengus Stockholm AB since 2005 and owner of Marrakech Design / Ovin Consulting AB since 2003. He has also held several non-executive positions at other firms, including Kungsleden AB, Prosperity Quest II Limited, EDX London Ltd, and Catella Kapitalförvaltning AB.

Ofer Stark

Mr. Stark has been a member of the Board of Directors since 20 March 2018. In addition to his role as director of the Issuer, Mr. Stark has been the founder and principal of Starkitect Studio since 2008, and co-founder and principal of PrimeMed Realty LLC. since 2017. Prior to his current role, Mr. Stark has served at STA Architectural Group and Ford Farewell Mills & Gatsch Architects.

Management of the Group

Citycon has a corporate management committee (the **Corporate Management Committee**) comprising at least three members. The Board of Directors is responsible for appointing members of the Corporate Management Committee upon the proposal of the Issuer's chief executive officer (the **CEO**). The CEO convenes the Corporate Management

Committee whenever he or she deems necessary and chairs its meetings. The Corporate Management Committee typically convenes every three weeks.

Members of the Corporate Management Committee at the date of these Listing Particulars are:

<u>Name</u>	<u>Year of Birth</u>	<u>Position</u>
F. Scott Ball.....	1961	CEO and Chairman of the Corporate Management Committee
Eero Sihvonen	1957	Chief Financial Officer, Executive Vice President
Henrica Ginström	1983	Chief Operating Officer
Erik Lennhammar.....	1974	Chief Development Officer
Kirsi Simola-Laaksonen	1975	Chief Information Officer

The business address of each member of the Corporate Management Committee, except as otherwise disclosed below, is Suomenlahdentie 1, FI-02230 Espoo, Finland.

F. Scott Ball

Mr. Ball has been CEO of the Issuer and the chairman of the Corporate Management Committee since January 2019. Previously, he served as president and chief operating officer at Starwood Retail Partners prior to which he held several leadership positions, including at Oxford Properties in Canada, and at The Mills Corporation and at The Rouse Company in the U.S. He holds a bachelor’s degree in Business Administration from LaSalle University in Louisiana and is a long-time active member of the International Council of Shopping Centers (ICSC) and Urban Land Institute (ULI).

Eero Sihvonen

Mr. Sihvonen is the Issuer’s chief financial officer and executive vice president and has been a member of the Corporate Management Committee since 2005. Prior to joining the Issuer, he was a vice president, group treasury, of Dynea Group between 1999 and 2005 and held various positions in Neste Group from 1981, including chief financial officer of the chemicals division between 1997 and 1999. In addition to his role with the Issuer, he has been a member of the board of directors of RAKLI, The Finnish Association of Building Owners and Construction Clients, between 2011 and 2013 and has been a deputy member for RAKLI since 2013 and a member of the advisory council to Nordea Bank’s large corporate customers unit.

Henrica Ginström

Ms. Ginström is chief operating officer at the Issuer and has been a member of the Corporate Management Committee since January 2019. She has been with Citycon since 2011, holding various positions including commercial director in Norway and vice president of investor relations and communications. She holds a master’s degree in Technology from Aalto University School of Science and Technology in Helsinki and a second master’s degree in Economics from the Hanken School of Economics, also in Helsinki.

Erik Lennhammar

Mr. Lennhammar is chief development officer at the Issuer. He has been a member of the Corporate Management Committee since August 2019. Prior to joining the Issuer, he served as senior portfolio manager of Nuveen Real Estate, and has held several property development leadership at Steen&Ström and NCC. Mr. Lennhammar holds a bachelor’s degree in Engineering from KTH Royal Institute of Technology, Stockholm Sweden.

Kirsi Simola-Laaksonen

Ms. Simola-Laaksonen is chief information officer at Citycon. She has been a member of the Corporate Management Committee since April 2020. Prior to joining the Corporate Management Committee, she served in various leadership

position at Citycon, including as vice president of business process improvement from 2015 to 2020. Prior to joining Citycon, she served as audit and international accounting manager at Deloitte & Touche between 2007 and 2008 and as audit manager at PricewaterhouseCoopers between 1999 and 2007. Ms. Simola-Laaksonen holds a Bachelor's degree in Business Administration from Helsinki School of Economics.

Corporate Governance

The Issuer's corporate governance principles are based on the laws of Finland, the Issuer's Articles of Association, the Corporate Governance Code 2020 (the **Finnish Corporate Governance Code**) and the rules and regulations issued by the Helsinki Stock Exchange and the Finnish Financial Supervisory Authority. Corporate governance for the Issuer's subsidiaries is also governed by the laws of the country in which the subsidiary is domiciled, and by each subsidiary's Articles of Association.

The Issuer complies with the Finnish Corporate Governance Code without exception. The Finnish Corporate Governance Code is available on the Securities Market Association's website at <http://www.cgfinland.fi>. The Finnish Corporate Governance Code is accompanied by the Issuer's Corporate Governance Guidelines.

The Issuer issues a corporate governance statement for each financial year concurrently with the publication of the Issuer's financial statements and the report by the Board of Directors in compliance with the Finnish Corporate Governance Code. The corporate governance statement for the financial year 2020 was issued on 19 February 2021.

Shareholder Meetings

In accordance with the Issuer's Articles of Association, the AGM shall be held annually within six months following the end of the financial period on a date determined by the Board of Directors. An extraordinary general meeting shall be held for addressing a specific issue if shareholders holding at least 10 per cent. of the shares in the Issuer so demand in writing and whenever deemed necessary for decision-making.

Board of Directors

The Issuer's administration and the proper management of its business is arranged by the Board of Directors, which comprises a minimum of five (5) and a maximum of ten (10) members, as decided by a general meeting of shareholders. The Board members' term of office ends at the closing of the first AGM following their election.

The Board of Directors elects from among its members a chairman and one or several deputy chairmen. A Board meeting has a quorum if more than half of the Board members are present.

The Board of Directors may set up committees from among its members. Since 21 March 2013 the Board committees have been: Audit and Governance Committee, Nomination and Remuneration Committee and Strategy and Investment Committee.

Management Remuneration and Benefits

Board of Directors

The AGM confirms the remuneration of the Board Members each year in advance, in line with the framework of Citycon's latest remuneration policy and based on a proposal by the Board of Directors' Nomination and Remuneration Committee. The level of remuneration may vary according to the amount of work required from a Board Member, taking into account their position and their role on committees of the Board of Directors. The remuneration is paid in cash. A Board Member has the option to refuse any annual fees and/or meeting fees. To safeguard the Board Members' independence in the performance of their duties, they do not participate in performance-based compensation or similar remuneration or incentive schemes with Citycon's executive management. In the event that Board Members are in an employment or service relationship with Citycon, any agreements governing the relationship will be entered into in the ordinary course of business and concluded on standard market terms. The relevant Board Member shall not participate in the preparation of these agreements or

have any decision-making role related to these agreements. The key terms of such relationships are disclosed in Citycon's annual remuneration reports.

The AGM of 2021 decided that the Chairman of the Board of Directors shall be paid an annual fee of EUR 160,000, Deputy Chairman EUR 70,000 and ordinary Board Members EUR 50,000. The Chairmen of the Board of Directors' committees shall be paid an additional annual fee of EUR 5,000. In addition, the AGM decided that Chairmen of the meetings of the Board's committees shall be paid a meeting fee of EUR 800 and other Board and committee members EUR 600 per meeting with the exception of the Chairman of the Board, who shall be paid no meeting fees. It was further decided that Board Members be compensated accrued travel and lodging expenses as well as other potential costs related to Board and committee work.

The Board Members were paid a total of EUR 630,880 in 2020 and EUR 653,000 in 2019. These sums consist of annual and meeting fees for work on the Board of Directors and in its committees.

Corporate Management Committee

The Board of Directors confirms the CEO's salary and other benefits and, on the proposal of the CEO, also decides on the salaries and benefits of senior executives. In addition, the Board of Directors decides on Citycon's short-term and long-term remuneration schemes and the amount of remuneration payable under these schemes. Remuneration of the CEO and other members of the Corporate Management Committee consists of a fixed monthly salary and fringe benefits as well as short-term incentives typically in the form of an annual performance bonus. At the full discretion of the Board of Directors, the CEO may be awarded an annual performance bonus up to a maximum EUR 540,000 based on the achievement of annual CEO bonus targets. As for other executives, the maximum amount payable based on the annual performance bonus scheme is between 50 and 60 per cent. of the gross annual salary of the member of the Corporate Management Committee.

The total remuneration, including benefits and cash bonuses paid to the CEO and the other members of the Corporate Management Committee in 2020 amounted to EUR 3.1 million, as compared to EUR 3.1 million in 2019.

The CEO's service contract remains in force until 14 November 2021, unless earlier terminated. The termination notice period is six months, both for Citycon and the CEO. Severance pay is twelve monthly base salaries if Citycon terminates the contract and in the event of certain corporate events twenty-four monthly base salaries and benefits, including bonus. No severance payment shall be due in the event of material breach of the terms of the CEO agreement, breach of fiduciary duties or breach of any material rules or regulations applicable to the CEO.

The statutory and additional pension expenses of the Corporate Management Committee amounted to approximately EUR 0.5 million in 2020 and approximately EUR 0.4 million in 2019.

Management Share Plans

CEO Restricted Share Plan 2018-2021

The CEO participates in a CEO restricted share plan 2018-2021 (the **CEO Restricted Share Plan 2018-2021**), which includes three vesting periods ending on 15 November 2019, 2020 and 2021. The rewards to be paid on the basis of the plan correspond to the value of a total of 120,000 Citycon shares including taxes and tax-related costs. The rewards from the plan will be paid in three equal instalments. Upon reward payment, the Board of Directors shall have the right to resolve that Citycon pays the reward fully or partly in cash, on the basis of the trade volume weighted average quotation of the share on the Helsinki Stock Exchange of the calendar month preceding the reward payment date. In this case, the Board of Directors shall have the right to obligate the CEO to acquire shares with the amount of paid net reward. All shares allocated under the CEO Restricted Share Plan 2018-2021 are eligible for dividend equivalent at the beginning of vesting periods. The value of the dividend equivalent per reward share shall be equal to the distributed dividends or other distributed assets per share. No reward shall be paid if the CEO terminates his director contract before the reward payment. The value of the total of 80,000 Citycon shares was paid in cash in two equal instalments to the CEO under the CEO Restricted Share Plan 2018-2021 in November 2019 and 2020, respectively, and in both years the CEO was obligated to acquire Citycon shares in the full amount of the net reward.

Performance Share Plan 2020-2022

After authorisation by the AGM, on 17 March 2020, the Board of Directors approved a share-based incentive plan directed to the members of the Corporate Management Committee, a performance share plan 2020-2022 (the **Performance Share Plan 2020-2022**). The plan includes three (3) three-year performance periods, spanning from March 2020, 2021 and 2022 until the end of February 2023, 2024 and 2025, respectively. The Board of Directors shall, for each performance period, confirm the individual performance criteria for each plan participant. The rewards payable under the Performance Share Plan 2020-2022 are based on achieving the performance criteria as well as a valid employment service contract at the time of reward payment. The rewards may be paid partly in Citycon shares and partly in cash. The rewards to be paid on the basis of this plan in 2023–2025 correspond to an approximate maximum total value of 150,000 Citycon shares also including a possible cash proportion to be used for taxes and tax-related costs.

Matching Share Plan 2018–2020

With authorisation by the AGM, in February 2018, the Board of Directors approved a share-based incentive plan for the Group's key employees, a matching share plan 2018–2020 (the **Matching Share Plan 2018–2020**). The Matching Share Plan 2018–2020 is directed at members of the Corporate Management Committee.

The rewards paid on the basis of the matching period 2018-2019 corresponded to the total value of 21,006 Citycon shares and the rewards paid on the basis of the matching period 2019-2020 corresponded to the value of an approximate maximum total of 5,493 Citycon shares. In addition, a cash proportion was included to cover taxes and tax-related costs arising from the reward to the participants in accordance with the terms and conditions of the Matching Share Plan 2018-2020. The rewards to be paid out based on the final matching period 2020–2021 correspond to the value of an approximate maximum total of 11,241 Citycon shares in addition to a cash amount to cover taxes and tax-related costs arising from the payment of the rewards to the participants.

Employee Share Plans

Restricted Share Plan 2020–2022

With authorisation by the AGM, in December 2019, the Board of Directors established a new restricted share plan directed to selected key employees, excluding the CEO and other members of the Corporate Management Committee (the **Restricted Share Plan 2020–2022**). The rewards from the new Restricted Share Plan 2020–2022 may be allocated in 2020–2022. The reward payment will be based on a valid employment or service contract of a key employee, and it may be paid partly in Citycon shares and partly in cash after the end of a vesting period. A vesting period may last 24 to 36 months from the date of the reward allocation. The rewards to be paid on the basis of the Restricted Share Plan 2020-2022 may be paid from 2022-2025 and the total reward corresponds to an approximate maximum total value of 60,000 Citycon shares, including a cash proportion to be used for taxes and tax-related costs.

Restricted Share Plan 2018–2020

With authorisation by the AGM, in February 2018, the Board of Directors approved a restricted share plan 2018–2020 (the **Restricted Share Plan 2018–2020**). The Restricted Share Plan 2018–2020 is directed to selected key employees. The rewards from the Restricted Share Plan 2018–2020 in 2018–2020 were allocated in 2018-2020. The reward payments are based on a valid employment or service contract of a key employee, and it may be paid partly in Citycon shares and partly in cash after the end of a vesting period. A vesting period may last 24 to 36 months from the date of the reward allocation. The total rewards payable on the basis of the Restricted Share Plan 2018-2020 correspond to an approximate maximum total value of 40,000 of Citycon shares also including a cash proportion to be used for taxes and tax-related costs.

Conflicts of Interest

According to the Board of Directors' independence assessment conducted on 22 March 2021, all Directors are independent of Citycon. Furthermore, the Board of Directors considered that Judah Angster, Arnold de Haan, David

Lukes, Per-Anders Ovin, Ariella Zochovitzky and Alexandre Koifman are independent of significant shareholders. Since Chaim Katzman, Zvi Gordon and Ofer Stark are or recently were in the service of Citycon's main shareholder, Gazit-Globe Ltd. or its affiliated companies, they are not considered independent of significant shareholders.

Except as discussed immediately above, there is no actual or potential conflict of interests between the duties of any of the Board Members or any of the members of the Corporate Management Committee and their respective private interests and/or other duties.

CITYCON'S PROPERTY PORTFOLIO IN BRIEF AND INVESTMENTS, DIVESTMENTS AND DEVELOPMENT PROJECTS

Overview

On 31 March 2021, Citycon owned a total of 36 shopping centres: 12 in Finland and Estonia, 17 in Norway and 7 in Sweden and Denmark. In addition to shopping centres, Citycon owns one other retail property in Finland, owns one shopping centre property through a joint venture, Kista Galleria in Sweden, and rented one shopping centre in Norway. The total leasable area of the aforementioned properties amounted to 1,182,360 sq. m. on 31 March 2021.

Fair Value of Investment Properties

The fair value of Citycon's investment property portfolio as of 31 March 2021 was EUR 4,238.4 million including right-of-use assets recognised as part of investment properties based on IFRS 16 requirements. The Finnish and Estonian properties accounted for EUR 1,935.9 million (45.7 per cent.), the Norwegian properties accounted for EUR 1,529.1 million (36.1 per cent.) and the Swedish and Danish properties EUR 773.4 million (18.2 per cent.).

In accordance with IFRS and International Accounting Standards (**IAS**), investment properties are measured at fair value for every IFRS-based balance sheet. In recent years, an evaluation of investment properties has been conducted quarterly by an external appraiser. From 2017 onwards external fair value valuations have been conducted semi-annually while Citycon measures internally the fair value of properties in the first and third quarters. When measuring internally the fair value of properties in the first and third quarter of each fiscal year Citycon prepares the valuation on the basis of management estimates and judgement on yields and market rent indications instead of using the valuations provided by the external appraiser. The external property appraiser conducts the fair value evaluation of all properties under development and the initial fair value evaluation of new acquisitions. Starting from the first quarter of 2021 properties under development are evaluated by the external property appraisers only during the second and the fourth quarter of each fiscal year. During the first and the third quarter of each fiscal year, properties under development are evaluated internally by Citycon. Both the external and internal valuations are compliant with IFRS accounting standards and International Valuation Standards Council valuation standards and guidance. The valuation is primarily carried out as a cash flow analysis of the net operating income for a period of ten years according to which the basic cash flow is determined by valid lease agreements and property operating expenses valid at the time of valuation. From 2011 to 2017, Citycon's property valuation was conducted by the global property specialist JLL (former Jones Lang LaSalle) and from 30 June 2017 onwards the external property valuations have been conducted by the global property specialist CBRE, with JLL conducting the valuation for Citycon's Finnish properties from the quarter ended 31 December 2019 onwards. Since the first quarter of 2020, JLL has also conducted the valuation for Citycon's Swedish properties. On 31 December 2020, the average yield requirement by CBRE for Citycon's property portfolio in Norway, Denmark and Estonia amounted to 5.8 per cent. and the average yield requirement by JLL for Citycon's property portfolio in Finland and Sweden amounted to 5.4 per cent. compared to the average yield requirement by CBRE and JLL for Citycon's whole property portfolio of 5.4 per cent. on 31 December 2019. On 31 December 2020, the average yield requirement for properties in Finland and Estonia, Norway, Sweden and Denmark was 5.5 per cent., 5.6 per cent. and 5.7 per cent., respectively. On 31 December 2020, the average yield requirement for Citycon's investment properties was 5.6 per cent. The table below describes the fair value of Citycon's investment properties as at 31 March 2021, 31 December 2020, 30 September 2020, 30 June 2020, 31 March 2020 and 31 December 2019 and according to (i) valuation statements issued by the external appraisals and (ii) Citycon's consolidated statement of financial position.

Value Date	Date of Valuation Statement/Advisor y	Fair Value According to Valuation Statement (EUR million)	Fair Value in Consolidated Statement of Financial Position (EUR million)
31 December 2019 ¹	-	4,092	4,160.2

Value Date	Date of Valuation Statement/Advisor y	Fair Value According to Valuation Statement (EUR million)	Fair Value in Consolidated Statement of Financial Position (EUR million)
CBRE: 31 December 2019.....	28 January 2019	2,564	
JLL: 31 December 2019.....	25 January 2019	1,528	
31 March 2020 ²	22 April 2020	-	4,081.5
30 June 2020 ³	-	4,106	4,170.4
CBRE: 30 June 2020.....	27 July 2020	1,765	
JLL: 30 June 2020.....	20 July 2020	2,341	
30 September 2020 ²	3 November 2020	-	4,155.1
31 December 2020 ³	-	4,231	4,152.2
CBRE: 31 December 2020.....	4 February 2021	1,847	
JLL: 31 December 2020.....	4 February 2021	2,384	
31 March 2021 ⁴	6 May 2021	-	4,238.4

- 1 The fair value measurement for the financial statements for 2019 were conducted by external appraisers, CBRE (in Sweden, Norway, Denmark and Estonia) and JLL (in Finland).
- 2 The fair value of investment properties has been measured internally for the interim reporting.
- 3 The fair value measurement for the financial statements for 2020 were conducted by external appraisers, CBRE (in Norway, Denmark and Estonia) and JLL (in Finland and Sweden).
- 4 The fair value of investment properties has been measured internally for the interim reporting. As of 2021, Citycon's internal valuation process for the first and the third quarter of the fiscal year are supported by JLL and CBRE market commentary reports and opinions of yield movements.

The fair value of Citycon's investment properties in the consolidated statement of financial position equals the property portfolio's total value according to the externally or internally conducted valuation plus the value of new properties acquired during the reporting quarter, investments in development projects under planning and transfer into investment properties held for sale. Citycon's consolidated statement of financial position can include a separate line item 'Investment properties held-for-sale', which includes such investment properties where a sale is deemed highly probable or a disposal agreement has been signed but the transactions have not been completed on the reporting date.

At 31 December 2020, the fair value of Citycon's property portfolio totalled EUR 4,152.2 million, a decrease of EUR 8.0 million from the value at the end of 2019 (31 December 2019: EUR 4,160.2 million). Net investments, including both acquisitions and disposals and development projects, increased the value by EUR 328.5 million and transfer between categories by EUR 3.9 million. Fair value losses decreased the assets value by EUR 146.9 million and changes in exchange rates decreased value by EUR 43.4 million. Transfer to the assets held for sale decreased the asset value of investment properties by EUR 149.7 million and changes in right-of-use-assets by EUR 0.4 million. The fair value change of investment properties amounted to EUR -146.9 million (31 December 2019: -121.9 million). Citycon recorded a total value increase of EUR 39.8 million (31 December 2019: 2.4 million) and a total value decrease of EUR 181.1 million (31 December 2019: 118.4 million). In addition, the application of IFRS 16 standard had an impact of EUR -5.7 million (31 December 2019: -6.0 million) to the fair value change of investment properties during the January-December reporting period.

At 31 March 2021, the fair value of Citycon's property portfolio totalled EUR 4,238.4 million, an increase by EUR 86.2 million from year-end (31 December 2020: 4,152.2 million). Net investments, including both acquisitions and disposals and development projects, increased the value by EUR 24.1 million. Fair value gains increased the assets value by EUR 8.5 million and changes in currency exchange rates increased value by EUR 54.8 million. Transfer between categories decreased the asset value of investment properties by EUR 0.5 million and changes in right-of-use-assets by EUR 0.6 million.

The table below sets out the lease portfolio summary for the financial years indicated.

Lease Portfolio Summary	2018	2019	2020
Number of leases started during the period	1,183	1,000	1,354
Total area of leases started, sq. m.	186,576	145,859	239,609
Occupancy rate at end of the period (economic), per cent.	96.4	95.5	93.6
Average remaining length of lease portfolio at the end of the period, years	3.4	3.2	2.9

Property Portfolio – Finland and Estonia

As of 31 March 2021, Citycon's property portfolio in Finland and Estonia consisted of 12 shopping centres and one other property with a total gross leasable area owned by Citycon of 466,360 sq. m.

Shopping Centres

As of 31 March 2021, Citycon owned 12 shopping centres in Finland and Estonia which had a gross leasable area of approximately 464,120 sq. m.

The following table summarises shopping centres owned by Citycon in Finland and Estonia as of 31 December 2020.

Citycon's Shopping Centres Finland	Location	Gross Leasable Area Total, sq. m.	Retail Gross Leasable Area Total, sq. m.	Sales, EUR million (2020)¹	Footfall, million (2020)¹	Holding of Shares, per cent. (2020)²
Helsinki metropolitan area						
Columbus	Helsinki	22,200	20,400	75.9	5.7	100
Heikintori	Espoo	8,200	6,200	-	-	92.7
Isomyyri	Vantaa	11,700	8,300	13.1	0	³
Iso Omena	Espoo	101,200	84,400	290.8	14.7	100
Pikkulaiva.....	Espoo	8,400	8,100	65.8	2.5	100
Myyrmanni.....	Vantaa	40,400	31,100	124.1	7.2	100
Other areas in Finland						
IsoKarhu.....	Pori	14,600	12,700	9.0	1.1	100
IsoKristiina.....	Lappeenranta	16,950	12,800	33.2	1.7	50
Koskikeskus	Tampere	33,400	28,800	80.9	4.0	100
Trio.....	Lahti	46,900	27,100	30.0	3.4	⁴
Estonia						
Kristine Keskus	Tallin	45,100	44,600	88.3	5.2	100
Rocca el Mare.....	Tallin	57,700	56,700	100.1	4.0	100
Total.....		405,850	341,200	911.2	49.6	

1 The figures include estimates. Including Kista Galleria 50 per cent.

2 Parking facilities generally excluded.

3 Myyrmäen Kauppakeskus 78.6 per cent., Lieskujan Autopaikat Oy 35.7 per cent.

4 Lahden Trio 89.5 per cent., Lahden Hansa 100 per cent., Hansaparkki 36 per cent.

Other Properties

In addition to shopping centres, on 31 March 2021 Citycon owned one other property in the Finnish and Estonian unit with a gross leasable area of 2,240 sq. m.

Lease Portfolio – Finland & Estonia

The reported net rental income for the financial year 2020 amounted to EUR 86.8 million and decreased by a total of EUR 7.6 million, or 8.1 per cent., from the previous year. The decrease was mainly due to rental discounts given during the Coronavirus pandemic as well as increased credit loss provisions and divestments of non-core assets in 2019.

During the three months ended 31 March 2021, the net rental income from Finnish and Estonian operations decreased by 7.1 per cent. in comparison to the corresponding period in 2020 and totalled EUR 20.7 million, due to rental discounts given during the Coronavirus pandemic and lower turnover based rents and parking fees. Net rental income from the like-for-like portfolio decreased by 8.8 per cent. Net rental income in Finland accounted for 42.3 per cent. and for 41.1 per cent. of Citycon's total net rental income in 2020 and for the three months ended 31 March 2021, respectively.

The table below sets out the occupancy rates in Finland and Estonia for the financial years indicated.

Occupancy Rates	2018	2019	2020
Occupancy rate at end of the period (economic), per cent.....	95.3	95.7	95.4

Financial Performance	Finland and Estonia				
	2018	2019	2020	Q1-2020	Q1-2021
Gross rental income, EUR million ¹	102.8	98.3	91.5	24.1	23.2
Net rental income, EUR million	96.9	94.4	86.8	22.3	20.7
Net fair value gains/losses on investment property, EUR million	-58.8	-56.1	-87.5	-12.7	3.0
Operating profit/loss, EUR million	31.4	37.4	-3.5	8.8	22.3
Capital expenditure, EUR million	54.9	66.9	150.5	34.7	29.0
Fair value of investment properties, EUR million ²	1,837.7	1,849.3	1,913.0	1,871.3	1,935.9
Yield requirement, per cent	5.5	5.3	5.5	5.3	5.5

1 Citycon changed the format of its income statement to reclassify maintenance rents from the gross rental income to service charges, which is now reflected in the 2018, 2019 and 2020 figures.

2 Fair value includes right-of-use assets recognised as part of investment properties based on IFRS 16 requirements, starting 1 January 2019.

Property Portfolio – Norway

As of 31 March 2021, Citycon's property portfolio in Norway consisted of 17 shopping centres and one rented shopping centre with a total gross leasable area of 458,200 sq. m.

Shopping Centres

As of 31 March 2021, Citycon's property portfolio in Norway consisted of 18 fully-owned shopping centres which had a total gross leasable area of 458,200 sq. m. In addition, Citycon rents one shopping centre and a gross leasable area of 14,500 sq. m.

The following table summarises Citycon's shopping centres in Norway as of 31 December 2020.

Citycon's Shopping Centres Norway	Location	Gross Leasable Area Total, sq. m.	Retail Gross Leasable Area Total, sq. m.	Sales, EUR million (2020) ¹	Footfall, million (2020) ¹	Holding of Shares, per cent. (2020)
Oslo area						
Buskerud Storsenter.....	Krokstadelva	32,100	28,800	92.2	2.1	100
Kolbotn Torg	Kolbotn	18,600	16,500	56.8	2.2	100
Liertoppen Kjøpesenter	Lierskogen	26,900	24,800	83.4	2.1	
Linderud Senter	Oslo	21,600	16,800	53.0	2.2	100
Magasinet Drammen....	Drammen	14,500	9,300	21.2	1.8	100
Stovner Senter.....	Oslo	42,900	32,100	76.6	3.0	100
Trekanten	Asker	24,000	16,900	75.9	3.1	100
Other areas in Norway						
Down Town	Porsgrunn	36,800	31,500	71.0	2.1	100
Herkules.....	Skien	50,300	44,400	100.9	3.3	100
Kilden Kjøpesenter	Stavanger	23,300	20,100	61.0	1.8	100
Kongssenteret	Kongsvinger	18,000	15,800	36.0	1.2	100
Kremmertorget.....	Elverum	20,500	17,600	29.2	1.2	100
Oasen Kjøpesenter	Fyllingsdalen	50,400	25,400	88.8	3.5	100
Sjøsiden	Horten	11,300	9,900	27.7	1.0	100
Solsiden ²	Trondheim	14,500	13,700	59.4	2.9	Rented
Stopp Tune.....	Sarpsborg	13,300	12,500	30.0	1.2	100
Storbyen.....	Sarpsborg	25,600	23,900	52.4	2.3	100
Torvbyen.....	Fredrikstad	14,100	11,900	77.8	4.2	100
Total		458,700	371,900	1093.2	41.3	

1 The figures include estimates.

2 Rented property.

Lease Portfolio – Norway

In 2020, Citycon's Norwegian operations contributed gross rental income of EUR 81.3 million and net rental income of EUR 74.1 million to Citycon's results. The acquisition of three shopping centres in Norway, Stovner Senter in Oslo and Torvbyen in Fredrikstad, in the beginning of 2020 increased net rental income while the previous year's divestments and weaker NOK and SEK decreased net rental income. In addition, the like-for-like net rental decrease remained relatively modest, 5.9 per cent., and was mainly due to discounts granted to tenants in the second quarter of 2020 and volume driven income items that were affected by the Coronavirus pandemic. Total net rental income adjusted for exchange rates was 3.0 per cent. compared to the previous year.

During the three months ended 31 March 2021, the net rental income from Norwegian operations increased by 0.4 per cent., as compared to the corresponding period in 2020, and totalled EUR 19.2 million mainly due to the acquisitions of Stovner and Torvbyen shopping centres during the first quarter of 2020. Like-for-like net rental income decreased by 8.2 per cent. due to higher vacancy, higher property operating expenses and lower parking fees.

The table below sets out the occupancy rates in Norway for the financial years indicated.

Occupancy Rates	2018	2019	2020
Occupancy rate at end of the period (economic), per cent	98.0	96.1	92.7

Financial Performance	2018	2019	2020	Q1-2020	Q1-2021
Gross rental income, EUR million ¹	84.7	80.9	81.3	20.5	21.1
Net rental income, EUR million	74.3	75.4	74.1	19.2	19.2
Net fair value gains/losses on investment property, EUR million	-22.2	-33.4	-5.3	10.2	-2.3
Operating profit/loss, EUR million	39.8	39.6	65.4	29.7	15.9
Capital expenditure, EUR million	21.1	22.3	178.3	143.5	2.5
Fair value of investment properties, EUR million ²	1,328.6	1,371.4	1,459.9	1,324.4	1,529.1
Yield requirement, per cent.	5.4	5.5	5.6	5.5	5.6

1 Citycon changed the format of its income statement to reclassify maintenance rents from the gross rental income to service charges, which is now reflected in the 2018, 2019 and 2020 figures.

2 Fair value includes right-of-use assets recognised as part of investment properties based on IFRS 16 requirements, starting 1 January 2019.

Property Portfolio – Sweden and Denmark

As of 31 March 2021, Citycon's investment properties in Sweden and Denmark consisted of 7 shopping centres with a gross leasable area of 211,700 sq. m. In addition, Citycon owns 50 per cent. of Kista Galleria shopping centre. Including Citycon's 50 per cent. of Kista Galleria, the total leasable area of the 8 shopping centres was 257,800 sq. m.

Shopping Centres

The following table summarises Citycon's shopping centres in Sweden and Denmark as of 31 March 2021.

Citycon's Shopping Centres Sweden and Denmark	Location	Gross Leasable Area Total, sq. m.	Retail Gross Leasable Area Total, sq. m.	Sales, EUR million (2020)¹	Footfall, million (2020)¹	Holding of Shares (2020), per cent.
Greater Stockholm area						
Jakobsbergs Centrum	Järfälla	42,500	26,100	49.7	4.0	100
Kista Galleria ²	Stockholm	46,050	28,900	61.6	6.3	50
Liljeholmstorget Galleria	Stockholm	41,200	27,300	139.6	7.9	100
Åkersberga Centrum	Åkersberga	27,900	22,900	68.7	5.7	100
Other areas in Sweden						
Stenungstorg	Stenungsund	35,500	22,000	54.0	2.6	100
Mölndals Galleria	Mölndal	26,300	24,200	69.7	4.2	100
Denmark						
Albertslund		18,800	14,200			
Centrum	Copenhagen			37.6	4.3	100
Straedet Køge	Køge	19,500	18,000	22.9	-	100
Total		257,750	183,600	503.8	35.0	

1 The figures include estimates.

2 Kista Galleria figures regarding leasable area, sales and footfall are presented as 50 per cent. Citycon owns a 50 per cent. share of Kista Galleria.

Lease Portfolio – Sweden and Denmark

Citycon has strengthened its position in the Swedish shopping centre market following the completion of Liljeholmstorget shopping centre in 2009, the extension of Åkersberga Centrum shopping centre in 2010, the acquisition of Högdalen Centrum in 2011, the acquisition of Kista Galleria in 2013 and the recent (re)development of Mölndal Galleria in Gothenburg in 2018. In July 2012, Citycon acquired Albertslund Centrum in Albertslund, greater Copenhagen area in Denmark and Straedet in Koge in 2018.

In 2020, the net rental income from Swedish and Danish operations decreased by EUR 2.9 million, or 6.1 per cent., to EUR 44.5 million (EUR 47.4 million in 2019) due to given discounts, lower footfall and higher credit loss provisions.

During the three months ended 31 March 2021, the net rental income from Swedish and Danish operations decreased by 5.2 per cent. due to given discounts, lower footfall and vacancy and higher operating expenses. Like-for-like net rental income decreased by 6.6 per cent.

The table below sets out the occupancy rates in Sweden and Denmark for the financial years indicated.

Occupancy Rates	2018	2019	2020		
Occupancy rate at end of the period (economic), per cent.	96.0	94.8	92.4		
Financial Performance	2018	2019	2020	Q1-2020	Q1-2021
Gross rental income, EUR million ¹	49.5	52.9	51.5	13.2	13.0
Net rental income, EUR million	43.5	47.4	44.5	11.0	10.5
Net fair value gains/losses on investment property, EUR million	8.5	-32.4	-54.2	-9.3	7.9
Operating profit/loss, EUR million	49.3	11.7	-14.6	0.9	12.5
Capital expenditure, EUR million	91.7	14.1	14.9	1.3	29.4
Fair value of investment properties, EUR million ²	964.9	939.5	779.3	885.9	773.4
Yield requirement, per cent	5.2	5.4	5.7	5.4	5.6

1 Citycon changed the format of its income statement to reclassify maintenance rents from the gross rental income to service charges, which is now reflected in the 2018, 2019 and 2020 figures.

2 Fair value includes right-of-use assets recognised as part of investment properties based on IFRS 16 requirements, starting 1 January 2019.

Property Investments, Divestments and Development Projects

An integral part of Citycon's growth strategy has been property acquisitions, through which Citycon has grown in Finland and expanded its operations into Norway, Sweden, Denmark and Estonia. Alongside its property portfolio's growth, Citycon has concentrated on the development of its existing shopping centres. Citycon continuously monitors the real estate market for prospective acquisitions. In accordance with its strategy, Citycon has divested non-core properties in Finland, Norway, Sweden, Estonia and Lithuania in order to be able to better focus on core shopping centres. Non-core properties comprise of smaller shopping centres in non-growing areas outside the largest cities in the region. Citycon intends to continue the divestment of its non-core properties to further improve the average quality and size of the property portfolio and strengthen the balance sheet, and to focus on larger, grocery/municipal services-anchored, urban hubs with a connection to transportation links and which provide further densification potential to add residential units, offices and other complimentary uses.

In addition to independent acquisitions, Citycon's strategy includes building joint venture partnerships with top-quality Finnish and international players in selected core properties. At the end of 2017, Citycon had three main joint venture partners with CPPIB as a 50 per cent. owner in Kista Galleria shopping centre in Sweden and NCC Property Development acting as Citycon's development partner in the Mölndal Galleria project. NCC Property Development's share in Iso Omena was purchased by Citycon in August 2016. In addition, Ilmarinen is a 50 per cent. owner of IsoKristiina shopping centre in Finland. In Norway, Citycon is a 20 per cent. owner of three shopping centres along

with Partners Group. In addition, in Norway, Citycon is involved in three residential projects together with developers of residential units through the joint venture partnerships Klosterfoss Utvikling AS, Sandstranda Bolig AS and Dr Juells Park AS. Citycon may also divest to an external investor part of any of its properties that are not considered part of the core business.

In December 2014, the Mandarinas shopping centre in Lithuania was sold for approximately EUR 12.5 million, representing a close to 10 per cent. premium to valuation. In line with Citycon's divestment strategy, in 2014 a portfolio of six Finnish supermarkets and retail units was divested for EUR 6.7 million along with four other single supermarket and retail properties and one non-core shopping centre.

In October 2014, Citycon acquired GIC's 40 per cent. minority stake in the Iso Omena shopping centre in Espoo, Finland and thus gained 100 per cent. ownership of the property. Citycon completed the extension of Iso Omena and partial (re)development of the existing centre in April 2017. The extension integrates the new Matinkylä metro station and bus terminal.

On 14 July 2015 Citycon acquired Sektor Gruppen, the second largest shopping centre owner and manager in Norway, and accomplished full Nordic coverage. Through the acquisition of Sektor Gruppen Citycon improved the quality of its property portfolio by adding 20 fully owned centres and achieving presence in all of the Scandinavian countries.

In January 2015, Citycon signed an agreement with TK Development regarding the future purchase of the Straedet project in Køge in the greater Copenhagen area. TK Development developed an urban, grocery-anchored open-air shopping centre in the heart of Køge, next to the train station. Citycon acquired the property in phases at completion based on a fixed 6.25 per cent. net initial yield. The total purchase price was approximately EUR 81 million. TK Development started the construction during the first quarter of 2015 and the project opened in phases with final completion in the second quarter of 2018.

In June 2015, Citycon entered into contracts to divest two small non-core properties located in Finland and Sweden at a total sales price of approximately EUR 14 million. In July 2015, Citycon signed an agreement to sell the non-core shopping centre Strömpilen in Umeå, Sweden, at a sales price of approximately EUR 39 million and an agreement to sell a portfolio of 13 non-core grocery store properties in Finland which have a total value of approximately EUR 76 million. In July 2015, Citycon also divested the non-core shopping centre Galleria in Oulu, Finland, and the Citytalo property next to Galleria, at a total sales price of EUR 13 million.

In 2016, Citycon made several divestments of its Estonian and Finnish portfolio. On 29 February 2016, Citycon divested the shopping centre Magistral in Tallinn, Estonia at a price of EUR 24 million. On 29 April 2016, Citycon further divested five supermarkets and retail properties in Finland, which included Sinikalliontie, Kontulan Asemakeskus, Lentolan Perusyhtiö, Lillinkulma and Länsi-Keskus, at a total sale price of EUR 74 million. These retail properties had a gross leasable area of 46,800 sq. m. In August 2016, Citycon purchased NCC Property Development's share in the shopping centre Iso Omena extension for approximately EUR 80 million. Citycon is now the sole owner of the Iso Omena shopping centre.

In 2017, Citycon acquired an office building adjacent to Citycon's Oasen shopping centre in Bergen for EUR 78.0 million and invested approximately EUR 85 million in (re)development projects such as Iso Omena and Mölndal Galleria. Citycon also signed a contract to divest shopping centre Lietorvet in Skien, Norway, for approximately EUR 13 million and the divestment was completed on 7 July 2017. During the last quarter of 2017, Citycon acquired the second and the largest part of shopping centre Straedet in Køge in the greater Copenhagen area for approximately EUR 60.0 million. The final part of the centre is expected to be acquired during the second quarter of 2018 for approximately EUR 3 million. In 2017, Citycon continued to implement its divestment strategy and divested 13 non-core properties and residential building rights for a total value of EUR 325.0 million. For instance, in November 2017 Citycon successfully closed the divestment transaction of a property portfolio including five shopping centres in Finland. During the first quarter of 2018, Citycon continued to implement its divestment strategy and divested shopping centre Åkermyntan along with residential building rights for a total value of approximately EUR 30 million.

In 2018, Citycon opened its EUR 116.0 million Mölndal Galleria in Greater Gothenburg area, which consists of two floors and 24,000 sq.m. of retail, groceries, food & beverage and services. The Mölndal Galleria is the first brand new shopping centre in the Greater Gothenburg Area in over 12 years, and it will serve Mölndal's growing population

of approximately 45,000. During the same year, Citycon acquired the third part of shopping centre Straedet for EUR 9.0 million. Also in 2018, Citycon divested five secondary assets in Finland, Norway and Sweden for EUR 96.0 million, improving the average asset quality of its asset portfolio.

In May 2019, Citycon entered into agreements to sell two land plots in Vuosaari, Helsinki for a total value of EUR 9.4 million. The first of the two divestments closed in September 2019 for EUR 5.9 million and the sale of the second plot will be completed following the approval of the zoning. The divestments reflect Citycon's strategy to focus on larger, urban and grocery-anchored shopping centres in the Nordics.

In June 2019, Citycon signed an agreement to sell two shopping centres in Finland for EUR 76.8 million to a Nordic real estate investor NREP to divest shopping centre Arabia in Helsinki and shopping centre Duo in Tampere. The transaction closed during the second quarter of 2019. The proceeds from the transaction were mainly used to repay debt.

In February 2020, Citycon acquired the remaining interest in Sektor Portefølje II AS, a portfolio of three shopping centres in Norway. The three shopping centres involved in the transaction, Stovner Senter, Torvbyen and Markedet, have been managed by Citycon since 2015. Citycon had previously owned 20 per cent. of the portfolio. The transaction cost amounted to EUR 145.9 million, of which Citycon assumed existing debt of EUR 135.9 million and paid a cash purchase price for shares of EUR 10.0 million. The transaction closed on 6 February 2020.

On 2 March 2020, Citycon divested Markedet with the price of EUR 11.6 million.

Citycon bought out 24 per cent. of minority shareholders in Heikintori Oy on 31 March 2020. After the transaction Citycon's ownership of Heikintori Oy, which holds a shopping centre in Espoo, Finland, is 93 per cent.

On 20 November 2020, Citycon acquired certain land plots next to Kristiine shopping centre in Tallin, Estonia for a total price of EUR 1.6 million.

On 12 February 2021, Citycon signed an agreement to sell three shopping centres in Sweden for the gross purchase price of EUR 147.0 million. The divestment follows Citycon's strategy to focus on larger, grocery/municipal services-anchored, urban hubs with a connection to transportation links and which provide further densification potential to add residential units, offices and other complimentary uses. The closing of the transaction occurred on 31 March 2021.

On 29 April 2021, Citycon acquired the full ownership (100 per cent.) of Heikintori Oy in Espoo Finland.

The table below presents Citycon's acquisitions and divestments as of 31 March 2021.

Divestments	Asset type	Location	Date	Gross leasable area, sq. m.	Price, MEUR
Portfolio of 3 centres		Helsinki, Finland	31 March 2021	-	147.0 ¹
Tumba	Shopping centre	Botkyrka, Sweden		23,200	
Högdalen	Shopping centre	Bandhagen, Sweden		20,000	
Fruängen	Shopping centre	Hägerstern, Sweden		14,700	
Divestments, Total				57,900	147.0

¹ Gross purchase price.

In recent years, Citycon has divested non-core properties and plans to continue to improve the quality of its portfolio and recycle capital through additional divestments in the coming years. Strengthening the balance sheet remains a key priority and Citycon will continue its capital recycling actions going forward. Citycon plans to continue to improve

the quality of its portfolio and will be a net seller going-forward. In addition to non-core divestments, Citycon is also considering entering into JV agreements at some of its shopping centres.

(Re)development Projects in Progress

Citycon divides its investment properties into two categories: Investment Properties under Construction and Operative Investment Properties. As of 31 March 2021, the first mentioned category includes the shopping centre Lippulaiva in Finland. The previous shopping centre Lippulaiva was demolished during the last quarter of 2017 and Citycon expects to open a new shopping centre in spring 2022, which will be fully integrated with the new metro station. In addition, Citycon has one smaller development project ongoing in Oasen Kjøpesenter in Norway, in which over 6,000 sq. m. of office space will be converted into premises for a new health centre, F&B and daily shopping.

The table below presents Citycon's development projects approved by the Board of Directors that were in progress as of 31 March 2021. Citycon intends to finance the investments in progress through cash flow from the business and a combination of debt and equity financing.

<u>Property</u>	<u>Location</u>	<u>Area before/after, sq. m</u>	<u>Estimated total project investment (EUR million)</u>	<u>Actual gross capital investments by 31 March 2021 (EUR million)</u>	<u>Estimated final year of completion</u>
Lippulaiva	Helsinki metropolitan, Finland	19,200/44,300	TBC ¹	262.6	2022
Oasen Kjøpesenter (phase I)	Bergen, Norway	-	11.6	8.0	2021

¹ Expected investment to be confirmed after the execution decision of Lippulaiva's residential buildings is completed.

(Re)development Projects under Consideration

In addition to the above presented development projects already decided by Citycon's Board of Directors, there are (re)development projects under consideration whose planning process has not yet arrived at the decision stage or that do not require the decision of the Board, for example because of the size of the project. All projects under consideration may change, for example due to circumstances relating to city planning and zoning.

Due to the market uncertainty, the initiation of planned projects will be carefully evaluated against strict pre-leasing criteria.

The most significant (re)development and extension projects under consideration by Citycon are of Liljeholmstorget Galleria in Stockholm, Sweden, Stenungstorg in Stenungsund, Sweden, Oasen in Bergen, Norway, Isomyyri in Vantaa, Finland and Trekanten in Oslo, Norway where Citycon is connecting the property to the metro station in order to create seamless connections with public transportation and additional space for new retail, groceries and services. The Trekanten plan also includes building rights for residential and offices.

TAXATION

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Capital Securities.

Finnish Tax Considerations

General

The following is a general description of certain Finnish tax consequences relating to receipt of principal, interest and capital gains in respect of the Capital Securities. This summary is based on the laws and regulations in full force and effect in Finland as at the date of these Listing Particulars, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. The comments below relate only to the position of persons who are the absolute beneficial owners of the Capital Securities and Coupons. Holders or prospective holders of Capital Securities are therefore advised to consult their own qualified tax advisors so as to determine, in the light of their individual situation, the tax consequences of the acquisition, holding, redemption, sale or other disposition of the Capital Securities and Coupons.

Non-Resident Holders of Capital Securities and Coupons

Payments made by or on behalf of the Issuer to persons not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland may be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

Resident Holders of Capital Securities and Coupons

Payments made by or on behalf of the Issuer to persons resident in Finland for tax purposes are subject to tax in Finland. Repayments of principal on the Capital Securities as well as the redemption or other sale of the Capital Securities are treated as disposals (partial or full, depending on the case) of the Capital Securities, potentially resulting in taxation on the capital gains/losses, as explained below.

(a) *Corporates*

For Finnish resident corporate entities, and entities not resident in Finland for tax purposes but who engage in trade or business through a permanent establishment or a fixed place of business in Finland, interest income and yields from disposals relating to the Capital Securities are generally taxed at a corporate income tax rate of 20 per cent. (the current rate in 2021). The remaining acquisition cost in taxation of the Capital Securities is regarded as tax-deductible expenditure upon disposal of the Capital Securities. Losses resulting from the disposal of the Capital Securities can be set off against income from the same income source during the year of the disposal and ten subsequent tax years.

Payments made to corporates resident in Finland for tax purposes are made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

(b) *Individuals and Estates*

For a private person (and an estate of a deceased person) who is resident in Finland for tax purposes and is taxed in accordance with the Income Tax Act (1535/1992, as amended), interest income and capital gains relating to the Capital Securities (including payments made by the Issuer) are generally taxed at the current (2021) capital income tax rate of 30 per cent. up to EUR 30,000 and 34 per cent. for any amounts exceeding

EUR 30,000. Capital gains are tax-exempt if all taxable sales during a tax year in aggregate do not exceed EUR 1,000. Correspondingly, capital losses are not deductible if the related acquisition costs in a tax year in aggregate do not exceed EUR 1,000. Capital gains or losses are calculated by deducting the aggregate of the acquisition cost and the expenses related to acquiring the gain or loss from the sale price. Alternatively, instead of applying the actual acquisition cost, individuals and estates can apply a “presumed acquisition cost,” in which case no additional actual expenses can be deducted. The presumed acquisition cost is 20 per cent. (and if the Capital Securities have been owned for a period of at least ten years, 40 per cent.) of the sale price. Capital losses resulting from the disposal of such Capital Securities, which do not belong to the business activities of individuals or estates, can generally be set off against capital income from non-business activities (primarily from other taxable capital gains and secondarily from other taxable capital income) derived during the tax year of the disposal and five subsequent years.

Note that the separate tax rules applicable to Finnish resident private individuals taxed in accordance with the Business Income Tax Act (360/1968, as amended) are not dealt with in this description.

Payments of interest or interest compensation (secondary market compensation, in Finnish “*jälkimarkkinahyvitys*”) made to individuals or estates are generally subject to advance withholding of income tax according to the Prepayment Act (*Ennakkoperintälaki 1118/1996*, as amended). The withholding liability should primarily lie with any paying agent or other intermediary (such as a financial institution) effecting the payment to the holder of Capital Securities or Coupons, if the paying agent or intermediary is resident in Finland for tax purposes or the payment is made through a Finnish permanent establishment of a non-resident paying agent or intermediary.

The Act on Withholding on Interest Income (*Laki korkotulon lähdeverosta 1341/1990*, as amended) is not applicable to payments made under the Capital Securities or the Coupons.

Gift and Inheritance Tax

Unless an applicable international tax treaty states otherwise, gift or inheritance taxes will arise in Finland with respect to a transfer of the Capital Securities by way of gift by, or on the death of, a holder of such Capital Securities, in case the donor/deceased person or the donee/beneficiary was a resident of Finland at the time of the gift/death. Subject to certain restrictions, the Finnish Inheritance And Gift Tax Act (*Perintö- ja lahjaverolaki 378/1940*, as amended) allows crediting the gift or inheritance tax, paid for the same property in some other country in case the donee/beneficiary is a resident in Finland. For the purposes of Finnish gift and inheritance taxes, a person who has his/her permanent home and dwelling in Finland, is deemed resident in Finland.

Transfer Taxation

A transfer of the Capital Securities or Coupons is not subject to Finnish transfer taxation.

Value Added Tax (VAT)

No Finnish VAT will be payable by the holders of the Capital Securities on (i) any payment in consideration for the issue of the Capital Securities or (ii) the payment of interest or principal by the Issuer under the Capital Securities.

Foreign Account Tax Compliance Act

Pursuant to Section 1471 through 1474 of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined in FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Finland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of such IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA

provisions and IGAs to instruments such as Capital Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Capital Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as Capital Securities, such withholding would not apply before the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Capital Securities.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited, Danske Bank A/S, Deutsche Bank Aktiengesellschaft, Goldman Sachs International, Nordea Bank Abp and Swedbank AB (publ) (together, the **Joint Bookrunners**) have, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 2 June 2021, jointly and severally agreed to subscribe or procure subscribers for the Capital Securities at the issue price of 98.495 per cent. of the principal amount of Capital Securities. The Issuer has agreed to pay the Joint Bookrunners a combined management and underwriting commission, will reimburse the Joint Bookrunners in respect of certain of their expenses, and has also agreed to indemnify the Joint Bookrunners against certain liabilities, incurred in connection with the issue of the Capital Securities. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Capital Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act.

The Capital Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Joint Bookrunner has represented and agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Capital Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Capital Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Capital Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Capital Securities within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities to any retail investor in the European Economic Area. For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom—Prohibition of Sales to UK Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities to any retail investor in the United Kingdom (the

UK). For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

United Kingdom—Other regulatory restrictions

Each Joint Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Capital Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Capital Securities in, from or otherwise involving the United Kingdom.

The Republic of Finland

Each Joint Bookrunner has agreed that it will not publicly offer the Capital Securities or bring the Capital Securities into general circulation in the Republic of Finland other than in compliance with all applicable provisions of the laws of the Republic of Finland and especially in compliance with the Finnish Securities Market Act (*Arvopaperimarkkinalaki* (746/2012, as amended)) and any regulation made thereunder, as supplemented and amended from time to time

Singapore

Each Joint Bookrunner has acknowledged that these Listing Particulars have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented, warranted and agreed that it has not offered or sold any Capital Securities or caused the Capital Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Capital Securities or cause the Capital Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, these Listing Particulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Capital Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Capital Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Capital Securities pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or

as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Belgium

Each Joint Bookrunner has represented and agreed that the offering of Capital Securities may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Capital Securities, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Capital Securities, directly or indirectly, to any Belgian Consumer.

The Kingdom of Sweden

These Listing Particulars do not constitute a "prospectus" for the purpose of the Prospectus Regulation and have not been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*). Each Joint Bookrunner agrees that it will not market or offer the Capital Securities in Sweden in circumstances that are deemed to be an offer to the public in Sweden which would require that a prospectus is approved by the Swedish Financial Supervisory Authority.

Japan

The Capital Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Joint Bookrunner has represented and agreed, that it will not offer or sell any Capital Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

No action has been taken by the Issuer or any of the Joint Bookrunners that would, or is intended to, permit a public offer of the Capital Securities in any country or jurisdiction, where any such action for that purpose is required. Accordingly, each Joint Bookrunner has undertaken that it will not, directly or indirectly, offer or sell any Capital Securities or distribute or publish any Listing Particulars, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Capital Securities by it will be made on the same terms.

GENERAL INFORMATION

Authorisation

The issue of the Capital Securities was authorised by a resolution of the Board of the Issuer passed on 5 May 2021.

Listing of Capital Securities

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the Capital Securities to be admitted to the official list of Euronext Dublin (the **Official List**) and to trading on its Global Exchange Market (the **Global Exchange Market**), which is the exchange regulated market of Euronext Dublin. However, no assurance can be given that such application will be accepted. It is expected that admission of the Capital Securities to the Official List and to trading on the Global Exchange Market will be granted on or about 4 June 2021, subject only to the issue of the Capital Securities. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**) and/or that are to be offered to the public in any member state of the European Economic Area (the **EEA**).

The total expenses related to the admission to trading of the Capital Securities are expected to be approximately EUR 5,000.

Applicable Finnish Law

In Finland, Citycon Oyj is subject to various Finnish laws and regulations, including but not limited to the Finnish Limited Liability Companies Act (624/2006, as amended), the Finnish Accounting Act (1336/1997, as amended), the Finnish Securities Markets Act (746/2012, as amended) and the Finnish Penal Code (39/1889, as amended), as well as various rules and regulations of Finnish authorities and non-governmental bodies (including but not limited to the Finnish Financial Supervisory Authority, the Finnish Competition and Consumer Authority, Nasdaq Helsinki Ltd stock exchange and the Finnish Securities Market Association). Citycon Oyj is also subject to regional and supranational regulations, most notably EU legislation. This list of laws and regulations does not aim to be comprehensive and lists only some general legislation applicable to Citycon Oyj.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Capital Securities and is not itself seeking admission of the Capital Securities to the Official List or to trading on the Global Exchange Market, which is the exchange regulated market of Euronext Dublin

Documents Available

For as long as the Capital Securities are listed on the Official List and admitted to trading on the Global Exchange Market, copies of the following documents will be available for inspection from <https://www.citycon.com/investors/financing/bond-issues>:

- (a) the constitutional documents the Issuer (with an English translation thereof);
- (b) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2020 and 31 December 2019, in each case, together with the auditors' reports in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (c) the most recently published financial statements of the Issuer, together with any audit or review reports prepared in connection therewith. The Issuer currently prepares unaudited consolidated interim accounts on a quarterly basis; and
- (d) the Trust Deed and the Agency Agreement.

These Listing Particulars will be published on the website of Euronext Dublin at <https://live.euronext.com/> and will be available at <https://www.citycon.com/investors/financing/bond-issues>.

Clearing Systems

The Capital Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS2347397437 and the Common Code is 234739743.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Change

There has been (i) no significant change in the financial or trading position of the Issuer since 31 March 2021 and (ii) there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2020.

Litigation

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of these Listing Particulars which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

The auditors of the Issuer are Ernst & Young Oy, members of the Finnish Institute of Authorised Public Accountants, who have audited the Issuer's financial statements as at and for each of the years ended 31 December 2020 and 31 December 2019, in accordance with good auditing practice in Finland, and have issued unqualified audit reports in respect of those financial statements.

Joint Bookrunners Transacting with the Issuer

In the ordinary course of their business activities the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Capital Securities. Any such short positions could adversely affect future trading prices of Capital Securities. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Yield

For the period from (and including) the Issue Date to (but excluding) the First Reset Date, the yield on the Capital Securities is 3.950 per cent. per annum.

The yield is calculated at the Issue Date on the basis of the Issue Price of the Capital Securities. It is not an indication of future yield.

Interests of Natural and Legal Persons Involved in the Issue of the Capital Securities

Save for the commissions described under “*Subscription and Sale*”, so far as the Issuer is aware, no person involved in the issue of the Capital Securities has an interest material to the offer.

Language of these Listing Particulars

The language of these Listing Particulars is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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